

Sale of Leichhardt Project and Company Update

Highlights:

- As a result of delays, Cape Lambert has executed a new agreement for the sale of the Leichhardt Copper Project in Queensland, Australia.
- Consideration is A\$14.75 million, of which A\$1million has been received by way of a non-refundable deposit. A further A\$1million non-refundable deposit is payable on 25 April 2013.
- Completion of the transaction is expected to occur on or before 31 May 2013.
- In addition to the consideration from the sale, the Company will have A\$5.6million in environmental and cash bonds returned.
- On completion of the transaction, Cape Lambert will have approximately A\$40million in available cash.

Leichhardt Sale

Further to the ASX announcement dated 28 November 2012, Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) provides this update on the sale of its wholly owned subsidiary Cape Lambert Leichhardt Pty Ltd, the holder of the Leichhardt Copper Project (**Leichhardt Project**) (**Transaction**).

The Company had previously announced that it had entered into a conditional agreement for the sale of the Leichhardt Project for a total consideration of A\$15million, payable in three tranches, the final tranche payable 36 months after completion.

As a result of delays in finalising the terms of that transaction, the Company was approached and subsequently entered into, a new binding agreement with a private Malaysian company (**Buyer**) for a total consideration of A\$14.75million and has received a A\$1million non-refundable deposit, with a further AU\$1million non-refundable deposit payable by 25 April 2013. At completion of the Transaction, the Company will receive the final A\$12.75million plus costs incurred in operating the Leichhardt Project from 1 May 2013 until completion. Additionally, following completion of the Transaction, the Company will have A\$5.6million of environmental and cash bonds returned.

Completion of the Transaction is to occur on 31 May 2013, subject to the Buyer receiving a "no objection" letter for the acquisition pursuant to the Foreign Acquisition and Takeover Act 1975 (Cth), final due diligence enquiries and execution of a formal share sale agreement, which is expected in the coming weeks.

Cape Lambert is an Australian domiciled, mineral investment company. Its current investment portfolio is geographically diverse and consists of mineral assets and interests in mining and exploration companies.

The Company continues to focus on investment in early stage resource projects and companies, primarily in iron ore, copper and gold. Its "hands on" approach is geared to add value and position assets for development and/or sale.

The Board and management exhibit a strong track record of delivering shareholder value.

Australian Securities Exchange Code: CFE

Ordinary shares
687,283,792

Unlisted Options
11,710,000 (\$0.29 exp 22 Nov 2013)

Board of Directors

Tony Sage	Executive Chairman
Tim Turner	Non-executive Director
Brian Maher	Non-executive Director
Ross Levin	Non-executive Director

Claire Tolcon
Company Secretary

Key Projects and Interests

Marampa Iron Ore Project
Pinnacle Group Assets
International Goldfields Limited

Cape Lambert Contact

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The Leichhardt Copper Project comprises a copper cathode process plant capable of producing 9,000 tpa of copper cathode and surrounding landholding. The Company acquired the Leichhardt Copper Project in August 2010 from Matrix Metals Limited (Receivers and Managers, and Administrator Appointed) for A\$7.75million. The Leichhardt Copper Project, which has an existing cathode off take agreement with Glencore International AG, has been on care and maintenance since its acquisition by the Company.

On completion of the Transaction, Cape Lambert will have approximately A\$40million in available cash.

Company Update

Sale of Mayoko Iron Ore Project Royalty

As announced to the ASX on 14 March 2013 the Company has appointed global investment bank Deutsche Bank AG to sell its royalty rights in respect to the Mayoko Iron Ore Project, located in the Republic of Congo (**Mayoko Project**).

The chief executive officer of Exarro Resources Limited, the owner of the Mayoko Project, was quoted in various media outlets in early April 2013 as saying his company expects to start mining iron ore in the Republic of Congo this year, with plans to eventually produce up to 10 million tonnes a year.

In light of these comments, and the certainty they have given to the development of the projects, the Company has received several formal approaches from interested parties, all of which are currently being advanced with the support of Deutsche Bank AG.

Rail and Port Agreement with African Minerals for Marampa, and associated environmental approval

In December 2012, African Mineral Limited (**AML**) announced that it would no longer be building a port at Tagrin, but rather expanding its existing Pepel Infrastructure. As a result of this, the binding infrastructure agreement between the Company's wholly owned subsidiaries Marampa Iron Ore (SL) Limited and Marampa Iron Ore Limited and AML and its majority owned subsidiary African Railway & Port Services (SL) Limited (refer ASX Announcement 16 April 2012) (**Infrastructure Agreement**) has been revised and is in the final stages of completion. It is expected that this revised agreement will be completed and executed by the relevant parties by the end of May 2013.

As previously announced, the Company has lodged the Environmental and Social Impact Assessment document in respect to the Marampa Project with the Sierra Leone authorities, to commence the environmental permitting process for the Marampa Project. It is expected that this document will be approved by the relevant authorities by the end of May 2013 and the Environmental Licence issued.

With the revised Infrastructure Agreement close to completion and the Environmental Licence soon to be issued, the Company believes that it is now poised to complete discussions regarding the sale of Marampa.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman