ASX Announcement
9 August 2013

METALLURGICAL CORPORATION OF CHINA LIMITED (MCC) ORDERED TO PAY A$80MILLION INTO ESCROW

Australian resources company Cape Lambert Resources Limited (ASX: **CFE**) (**Cape Lambert** or the **Company**) wishes to update shareholders in respect of its arbitration proceedings against MCC Australia Sanjin Mining Pty Ltd and its parent company Metallurgical Corporation of China Limited (collectively, **MCC**).

As previously announced, in September 2010 the Company commenced legal action in the Supreme Court of Western Australia (**Court**) against MCC to recover the final A$80 million payment from the sale of the Cape Lambert magnetite iron ore project in mid-2008 pursuant to an agreement between the parties (**MCC Agreement**). In accordance with the terms of the MCC Agreement, Cape Lambert received payments totaling A$320 million in 2008, with the final payment of A$80 million due in accordance with the terms of the MCC Agreement. Cape Lambert contends MCC are in breach of the MCC Agreement by failing to make the final payment.

In March 2013, the Court made orders referring the dispute to arbitration in Singapore and for the dispute between the Company and MCC China in respect to the payment of A$80million into an escrow account pending determination of the primary dispute (**Escrow Dispute**) be heard and determined by the arbitrator prior to the hearing of the substantive dispute between the Company and MCC Sanjin.

The Company has referred the dispute to arbitration in Singapore and in June 2013 a hearing was held by the Arbitrator to determine the Escrow Dispute.

The Arbitrator has ordered that Metallurgical Corporation of China Limited (which has signed a guarantee in respect of MCC Australia Sanjin Mining Pty Ltd's obligations under the MCC Agreement) pay the disputed amount of A$80 million into an escrow account in the joint names of the Company and MCC within 21 business days of the order pending the determination of the substantive dispute.

Commenting on the matter, Cape Lambert Resources Executive Chairman, Mr. Tony Sage said, "While not an outcome of the substantive legal dispute, we believe the order from the Arbitrator is a significant victory to Cape Lambert and its shareholders."

"We are seeking A$80 million plus interest, so to have MCC ordered to deposit A$80 million into an externally controlled escrow account in Australia, pending the outcome of the legal action, is important and may see a resolution to this matter in a more expedited fashion."

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
679,691,942

Unlisted Options
10,765,000 ($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

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"This deposit will secure recovery of any Final Award in this arbitration avoiding any delay or difficulties enforcing an award in China."

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman