

MCC TRANSFERS A\$80MILLION INTO ESCROW ACCOUNT

Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) is pleased to advise that Metallurgical Corporation of China Limited (**MCC**) has now transferred the disputed sum of A\$80 million into an escrow account held with the National Australia Bank (**NAB**), as directed by the arbitrator.

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 totalling 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 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 subsidiary MCC Australia Sanjin Mining Pty Ltd.

The Company 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 ordered that MCC (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 pending the determination of the substantive dispute. This amount was paid into the escrow account on 25 November 2013.

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 fact MCC has now complied with the order from the Arbitrator and deposited 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."

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

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
676,191,942

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

Cape Lambert Contact

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