

Cape Lambert welcomes Shandong's US\$1.5 Billion Investment in African Minerals' Sierra Leone Iron Ore Project

Australian resources and investment company, Cape Lambert Resources Limited (ASX: **CFE**) ("**Cape Lambert**" or the "**Company**") welcomes major shareholder African Minerals Limited's (AIM: **AMI**) ("**African Minerals**") announcement of 30 March 2012 that Shandong Iron & Steel Group Co. Ltd ("**SISG**") has completed a US\$1.5 billion investment in African Mineral's Tonkolili project in Sierra Leone.

In November 2011 the Tonkolili project, in which SISG has acquired a 25% interest, became the first Sierra Leone iron ore mine to commence export shipments for more than 30 years.

Phase 1 of the Tonkolili project has included the development and refurbishment of major rail and port and power facilities, which is expected to lead to increasing growth opportunities for Sierra Leone's burgeoning iron ore industry.

Cape Lambert's Executive Chairman, Mr Tony Sage, said "The finalisation of SISG, one of the world's largest steel producers, as a strategic investor in the Tonkolili project is a significant development for Sierra Leone, its iron ore mining industry and Cape Lambert's major shareholder."

"For a long time now I have been stating that I believe that West Africa will be the next Pilbara amongst iron ore producing regions and the success of the Tonkolili project and the benefits its development and associated infrastructure brings to Sierra Leone will provide added impetus to developments such as our Marampa project," Mr Sage said.

The Tonkolili project is located almost directly to the east of Cape Lambert's 100% owned Marampa Iron Ore Project in Sierra Leone ("**Marampa Project**"). The Marampa Project is connected to an existing deep water port, ship loader and stockpile area at Pepel by approximately 80km of rail infrastructure.

Pursuant to a Memorandum of Understanding between African Minerals and the Government of Sierra Leone, African Minerals has the right to access and operate the existing rail and port infrastructure. In accordance with an agreement between Cape Lambert and African Minerals, African Minerals is required to grant access rights to the rail and port infrastructure to Cape Lambert's wholly-owned subsidiary Marampa Iron Ore Limited ("**MIOL**") on commercial terms to be agreed by Cape Lambert and African Minerals.

The Marampa Project has a current 680 million tonne JORC compliant mineral resource (38% Indicated). An Updated Scoping Study was completed in September 2011 which confirmed the Marampa Project had robust financial

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
689,108,792

Unlisted Options
7,800,000 (\$0.45 exp 30 Nov 2012)

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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metrics with an ungreared (100% equity) after tax NPV _{10%} of US\$1 billion, an internal rate of return of 34% and after tax cash flows of US2.86 billion (refer ASX Announcement dated 20 September 2011).

Cape Lambert has commenced preparation for the process of pursuing an Initial Public Offering (“**IPO**”) and listing of Marampa on the AIM board of the London Stock Exchange. Consistent with the Company’s business model, whilst the Company has been progressing the IPO process, it has responded, and continues to respond, to interest received from third parties in respect to a sell down of its interest in the Marampa Project via an asset sale. The Company anticipates making an announcement regarding the IPO in the next 7 to 14 days.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

The contents of this announcement relating to exploration results and mineral resources is based on information compiled by Olaf Frederickson, a Member of the Australasian Institute of Mining and Metallurgy. Mr Frederickson is a consultant to Cape Lambert Resources Limited and has sufficient experience relevant to the styles of mineralisation and the deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Frederickson consents to the inclusion in this announcement of the matters compiled by him in the form and context in which they appear.