

UPDATE ON MCC ACTION

Australian resources company Cape Lambert Resources Limited (ASX: **CFE**) (**Cape Lambert** or the **Company**) updates shareholders in respect of its legal proceedings in the Court of Appeal of Western Australia against MCC Australia Sanjin Mining Pty Ltd, MCC Mining (Western Australia) Pty Ltd and the parent company Metallurgical Corporation of China Limited (collectively, **the MCC Parties**) (refer ASX Announcements dated 27 June 2012 and 9 August 2012).

The Court delivered reasons for decision in its appeal today. The orders made dismissed the Company's appeal.

The Court's decision effectively decides that the Company's claim for payment into escrow must be dealt with by the Arbitrator now appointed to deal with the Company's substantive claim.

Accordingly, the decision leaves open to the Company the ability to apply to the Arbitrator to determine the 'escrow dispute' (the Company seeking to enforce the contractual obligation to pay the sum of \$80M into escrow prior to the resolution of the substantive disputes between the parties).

The Company will take immediate steps to make the necessary application to the Arbitrator and seek its determination on an expedited basis.

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
687,533,792

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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