

## **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 legal proceedings in the Supreme Court of Western Australia against MCC Australia Sanjin Mining Pty Ltd and its parent company Metallurgical Corporation of China Limited (collectively, **MCC**) (refer ASX Announcements dated 2 May 2012 and 9 May 2012).

As previously advised to shareholders, the Company commenced legal action in September 2010 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.

Yesterday, the Supreme Court of Western Australia gave reasons for its decision, ordering that Metallurgical Corporation of China Ltd (which has signed a guarantee in respect of MCC Mining (Western Australia) Pty Ltd's obligations under the MCC Agreement) pay the disputed amount of A\$80 million into an escrow account pending the resolution of the dispute between the parties (as contemplated in the MCC Agreement).

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  
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

### **Cape Lambert Contact**

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