

STIRLING MINERALS COMPLETES AUD\$96 MILLION PLACEMENT – DIVESTMENT OF DMC MINING EXPECTED TO BE COMPLETED IN COMING DAYS

Key Points:

- **Divestment of wholly owned subsidiary DMC Mining Limited to Stirling Minerals Limited to be completed on or about 10 January 2011 following the successful AUD\$96M capital raising announced by Stirling Minerals.**
- **Cape Lambert is to receive:**
 - **AUD\$47 million cash;**
 - **120 million Stirling Minerals shares (post-consolidation) equivalent to approximately 25% of Stirling Minerals' undiluted capital; and**
 - **a production royalty of AUD\$1 per tonne of iron ore shipped (whether DSO, beneficiated DSO or magnetite concentrate).**
- **Cape Lambert to hold ~25% of the issued capital of Stirling Minerals with Cape Lambert executives Tony Sage and Joe Ariti to join the board of Stirling Minerals following completion.**

Australian resources and investment company, Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert** or the **Company**) is pleased to announce that Stirling Minerals Limited (**ASX: SMZ**) (**Stirling**) has successfully raised AUD\$96 million, one of the final conditions precedent to the acquisition by Stirling Minerals of 100% of DMC Mining Limited (**DMC Mining**) and its 80% interest in the Mayoko Iron Ore Project (**Mayoko Project**) located in the Republic of Congo (**Transaction**).

Under the terms of the Transaction announced on 5 November 2010, Stirling Minerals agreed to acquire DMC Mining for the following consideration:

- payment of AUD\$47 million cash; and
- the issue of 120 million Stirling Minerals shares (on a post-consolidated basis) which represents an approximate 25% interest in Stirling Minerals following completion of the capital raising and Transaction, (together, the **Consideration**).

In addition to the Consideration, Cape Lambert will also receive a production royalty of AUD\$1 per tonne of iron ore shipped (whether DSO, beneficiated DSO or magnetite concentrate) from the Mayoko Project.

To fund the Transaction, and to satisfy one of the key conditions precedent to the Transaction, Stirling Minerals undertook a capital raising of AUD\$96 million

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
616,718,480

Unlisted Options
8,000,000 (\$0.45 exp 30 Dec 2011)

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
Sappes Gold Project
Mayoko Iron Ore Project
Corvette Resources Limited

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through the issue of 320,000,000 shares at 30 cents per share (on a post consolidated basis) **(Placement)**.

The book build for the Placement was heavily oversubscribed. Approximately 87.5% of the Placement was taken up by Australian, European and North American based institutions, with Och-Ziff, JP Morgan and Blackrock substantial shareholders (post completion of the share consolidation and the Transaction).

All conditions precedent for the Transaction have now been satisfied or waived and completion of the Transaction is due to occur on or about 10 January 2011.

Cape Lambert, Executive Chairman, Mr Tony Sage said "he was pleased the divestment of the Mayoko Project was almost complete and that Cape Lambert retained an exposure to the production potential of the asset through its 25% equity holding in Stirling Minerals."

He further added that "the Board of Cape Lambert intended to keep the \$47 million cash realised from the Mayoko Project divestment inside the business to fund drilling and assessment activities at its 37% owned Pinnacle iron ore assets in West Africa, and its 100% owned Leichhardt Copper Project, located in the Mt Isa Inlier in Queensland".

The divestment of the Mayoko Project is in line with the Company's strategy of acquiring and investing in undervalued and distressed mineral assets and companies (**Assets**), and to add value to those Assets through a hands on approach to management, exploration and evaluation, to enable the Assets to be monetised at a multiple.

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman