

CAPE LAMBERT COMMENCES MEDIATION WITH MCC

Further to its quarterly report released on 30 April 2012, Australian resources and investment company, Cape Lambert Resources Limited (ASX: CFE) ("Cape Lambert" or the "Company") is pleased to update shareholders in respect to its current dispute with MCC Australia Sanjin Mining Pty Ltd and its parent company Metallurgical Corporation of China Limited (collectively "MCC").

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 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.

Legal proceedings were instigated in the Supreme Court of Western Australia after discussions between MCC and the Company to resolve the non-payment proved unsuccessful. The Company is waiting on a decision by the Supreme Court regarding the jurisdiction of where the dispute will be determined and the requirement of MCC to pay A\$80 million into a trust account pending the resolution of the action (as contemplated in the MCC Agreement).

In accordance with the terms of the MCC Agreement, the Company will attend mediation proceedings in Singapore on 4 May 2012 in an attempt to resolve the dispute.

The Company remains confident that it will resolve this dispute with MCC.

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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Executive Chairman

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