

UPDATE ON TAX ASSESSMENT

Australian resources company Cape Lambert Resources Limited (ASX: **CFE**) (**Cape Lambert** or the **Company**) wishes to update shareholders in respect of payment obligations arising from the Notice of Amended Assessment from the Australian Taxation Office (**ATO**) together with an associated penalty notice (**Amended Assessment**) (refer ASX Announcements dated 18 May 2012 and 31 May 2012).

Further to its announcement on 20 August 2012, the ATO has now confirmed that any recovery action in respect of the disputed Amended Assessment has been deferred until 31 October 2012.

As previously advised to shareholders, the Company continues to liaise with the ATO in respect to the issues underlying the Amended Assessment with a view to achieving a resolution.

The Company's Executive Chairman Mr Tony Sage said "We appreciate the process of engagement with the ATO and discussions are continuing with a hope of a solution."

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

Tony Sage
Executive Chairman

Eloise von Puttkammer
Investor Relations

Phone: +61 8 9380 9555
Email: info@capelam.com.au

Australian Enquiries

Professional Public Relations
David Tasker
Phone: +61 8 9388 0944
Mobile: +61 433 112 936
Email: david.tasker@ppr.com.au

UK Enquiries

Tavistock Communications
Emily Fenton / Jos Simson
Phone: +44 (0)207 920 3150
Mobile: +44 (0)7899 870 450