

CAPE RESOURCES PLC
(the "Company")

(Registered and incorporated in England and Wales with Company number 05084775)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at the offices of W.H. Ireland Limited, 24 Martin Lane, London EC4R 0DR on Thursday 11th November 2010 at 2 p.m. for the following purpose:

Ordinary Business

To consider and if thought fit, to pass the following Resolutions each of which will be proposed as an Ordinary Resolution:

1. To receive and adopt the Company's annual accounts for the financial year ended 30 June 2010 together with the last directors' report and the auditors' report on those accounts.
2. To re-appoint Deloitte LLP as auditors to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company at a remuneration to be determined by the directors.
3. To re-appoint Peter Harry Jay as a director of the Company who has been appointed since the last annual general meeting.
4. To appoint David Hargreaves as a director of the Company.
5. To re-elect Merika Johannes Madungandaba as a director of the Company who retires by rotation.
6. To re-elect Oren Lubow as a director of the Company who retires by rotation.

Special Business

To consider and, if thought fit, pass Resolution 7, which will be proposed as an Ordinary Resolution, and Resolutions 8 and 9 which will be proposed as Special Resolutions:

7. That, in accordance with section 551 of the Companies Act 2006 (the "**2006 Act**") the Directors of the Company be and are generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this resolution):
 - 7.1 up to a maximum nominal amount of £10,000 (in pursuance of the exercise of outstanding warrants granted by the Company prior to the date hereof but for no other purpose);
 - 7.2 up to a maximum nominal amount of £140,000 (in pursuance of the exercise of warrants to be granted by the Company after the date hereof but for no other purpose);
 - 7.3 up to an aggregate nominal amount of £10,000,000 (in addition to the authorities conferred in sub-paragraphs 7.1 and 7.2 above),

provided that these authorities, unless duly renewed, varied or revoked by the Company, will expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted after such expiry and, the Directors may allot Relevant Securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot relevant securities under section 551 of the 2006 Act but without prejudice to

any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

8. That, subject to the passing of Resolution 7, the Directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash, pursuant to the authority conferred by Resolution 7, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

8.1 the allotment of equity securities in connection with an offer by way of a rights issue:

8.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

8.1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any applicable regulatory body or stock exchange;

8.2 the allotment (otherwise than pursuant to sub-paragraph 8.1 above) of equity securities on the exercise of outstanding warrants granted by the Company prior to the date hereof;

8.3 the allotment (otherwise than pursuant to sub-paragraphs 8.1 and 8.2 above) of equity securities on the exercise of warrants to be granted by the Company after the date hereof;

8.4 the allotment (otherwise than pursuant to sub-paragraphs 8.1, 8.2 and 8.3 above) of equity securities up to an aggregate nominal amount of £10,000,000;

provided that the power granted by this resolution will expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date), save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and, the Directors may allot equity securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

9. That, the articles of association of the Company be amended by the deletion of article 29 in its entirety and substituting for it:

"Borrowing powers

9.1 Directors' powers:

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, or any part thereof, and, subject to the provisions of the Statutes, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party."

BY ORDER OF THE BOARD
Peter H Jay
Company Secretary

Registered Office:
100 Fetter Lane
London
EC4A 1BN

19th October 2010

Explanatory Notes:

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
 - 6 p.m. on Tuesday 9th November 2010; or,
 - if this Meeting is adjourned, at 6 p.m. on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to more than one share. To appoint more than one proxy please refer to the notes on the Form of Proxy.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and
 - received by Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 2 p.m. on Tuesday 9th November 2010.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company using the following method:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 2 p.m. on Tuesday 9th November 2010.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Documents on display

9. The following documents will be available for inspection at the registered office of the Company on any weekday (excluding public holidays) during normal office hours from the date of this Notice until the time of the Meeting and for at least 15 minutes prior to the Meeting and during the Meeting:

- Copies of the service contracts of executive directors of the Company.
- Copies of the letters of appointment of the non-executive directors of the Company.

Definition of Relevant Securities

10. Shares in the Company other than shares allotted pursuant to:

- an employee share scheme (as defined by section 1166 of the 2006 Act);
- a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security;
- or
- a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.

Any right to subscribe for or convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the 2006 Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.