

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

CAPE LAMBERT IRON ORE LIMITED

ABN

71 095 047 920

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|---|---|
| 1 +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares)

Options to acquire Shares exercisable at \$0.30 each on or before 31 October 2008 (2008 Options)

Options to acquire Shares exercisable at \$0.35 each on or before 31 October 2009 (2009 Options)

Options to acquire Shares exercisable at \$0.40 each on or before 31 October 2010 (2010 Options) |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued | The maximum number of securities which may be issued is:

(a) 95,100,000 Shares;
(b) 97,550,000 2008 Options;
(c) 50,000,000 2009 Options; and
(d) 40,000,000 2010 Options. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Refer to question 1.

+ See chapter 19 for defined terms.

- 4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- The Shares will rank equally in all respects from the date of allotment with existing Shares.
- The Shares allotted and issued upon exercise of the 2008 Options, 2009 Options and 2010 Options will rank equally with existing Shares. The 2008 Options, 2009 Options and 2010 Options do not entitle holders to dividends.
- 5 Issue price or consideration
- The prospectus dated 21 November 2005 (**Prospectus**) is:
- For the offer of up to 95,100,000 Shares at an issue price of \$0.30 each, together with up to 47,550,000 free attaching 2008 Options on the basis of one (1) 2008 Option for every two (2) Shares allotted and issued, to raise up to \$28,530,000 (**General Offer**).
- AND
- For the offer of up to 49,666,667 Shares at a deemed issue price of \$0.30 each, together with 50,000,000 2008 Options, 50,000,000 2009 Options and 40,000,000 2010 Options as part consideration for the acquisition of all of the shares in Mt Anketell Pty Ltd (**Mt Anketell**) (**Acquisition**) (**Mt Anketell Offer**).
- The Company will issue 95,100,000 Shares pursuant to the Prospectus whether or not the General Offer is fully subscribed (assuming the Acquisition Agreement becomes unconditional). If the General Offer is not fully subscribed, the shareholders of Mt Anketell (**Mt Anketell Shareholders**) will be issued shares as part of the cash and/or share consideration. The Mt Anketell Shareholders will not receive free-attaching 2008 Options if they are issued Shares as part of the cash and/or share consideration. Refer to Section 6.3 of the Prospectus.

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose of the General Offer is to raise up to \$28,530,000, which will be applied towards:</p> <ul style="list-style-type: none"> (a) cash consideration payable to the Mt Anketell Shareholders for the Acquisition; (b) exploration and evaluation of the Company's current projects; (c) the bankable feasibility study on the Cape Lambert Project and funds for working capital; and (d) expenses of the Acquisition and the capital raising. <p>The purpose of the Mt Anketell Offer is to enable the Mt Anketell Shareholders to apply for securities to be issued to them as part consideration for the Acquisition.</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>The anticipated date is 5 December 2005.</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1153 997 1198">Number</th> <th data-bbox="997 1153 1295 1198">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1198 997 1254">234,350,248</td> <td data-bbox="997 1198 1295 1254">Shares</td> </tr> <tr> <td data-bbox="686 1254 997 1449">97,550,000</td> <td data-bbox="997 1254 1295 1449">2008 Options</td> </tr> </tbody> </table>	Number	+Class	234,350,248	Shares	97,550,000	2008 Options
Number	+Class						
234,350,248	Shares						
97,550,000	2008 Options						

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	50,000,000	2009 Options
	40,000,000	2010 Options
	550,000	Options exercisable at \$0.45 each on or before 22 October 2008
	500,000	Options exercisable at \$0.39 each on or before 9 February 2009
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	N/A
12 Is the issue renounceable or non-renounceable?	N/A
13 Ratio in which the +securities will be offered	N/A
14 +Class of +securities to which the offer relates	N/A
15 +Record date to determine entitlements	N/A
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	N/A

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

N/A

19 Closing date for receipt of acceptances or renunciations

N/A

⁺ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A	
39	Class of +securities for which quotation is sought	N/A	
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class
		N/A	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the + securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

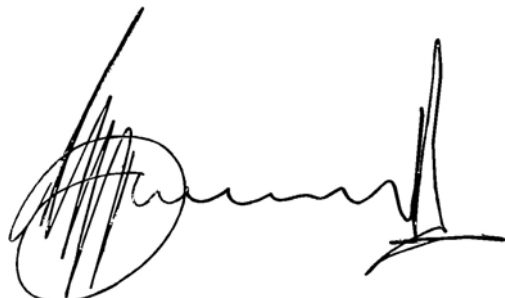
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date: 28 November 2005



.....
(Director/Company secretary)

Print name: Timothy Turner == == == == ==

+ See chapter 19 for defined terms.