

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 | <p>Fully paid ordinary shares (Shares)</p> <p>Options to acquire Shares exercisable at \$0.30 each on or before 31 October 2008 (2008 Options)</p> <p>Options to acquire Shares exercisable at \$0.35 each on or before 31 October 2009 (2009 Options)</p> <p>Options to acquire Shares exercisable at \$0.40 each on or before 31 October 2010 (2010 Options)</p> |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>The maximum number of securities which may be issued is:</p> <p>(a) 109,999,999 Fully Paid Shares;</p> <p>(b) 136,671,600 2008 Options;</p> <p>(c) 50,000,000 2009 Options; and</p> <p>(d) 40,000,000 2010 Options.</p> |

<p>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)</p>	<p>Refer to question 1.</p>
<p>4 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 	<p>The Shares will rank equally in all respects from the date of allotment with existing Shares.</p> <p>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.</p>
<p>5 Issue price or consideration</p>	<p>Fully Paid Shares at \$0.30</p>
<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 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>

+ See chapter 19 for defined terms.

7	Dates of entering +securities into uncertificated holdings or despatch of certificates	On or about 15 December 2005.	
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		249,250,247	Fully Paid Shares
		136,671,600	2008 Options
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		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
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
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

+ See chapter 19 for defined terms.

- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 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 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

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	N/A	

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

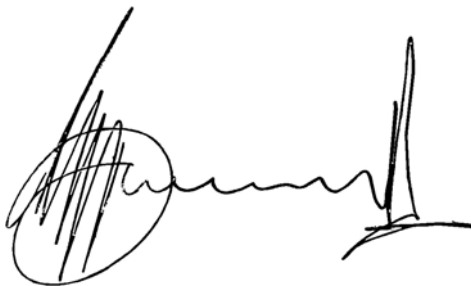
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request 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: 16 December 2005



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(Director/Company secretary)

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

+ See chapter 19 for defined terms.

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUE CAPITAL
1 - 1,000	111	61,686	0.024 %
1,001 - 5,000	215	570,804	0.229 %
5,001 - 10,000	272	2,344,330	0.940 %
10,001 - 100,000	904	35,433,492	14.220 %
100,001 - 99999999999	202	210,754,218	84.584 %
TOTAL	1,704	249,164,530	99.997 %

LOCALITY ANALYSIS

OVERSEAS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUE CAPITAL
1 - 999	4	59,500	0.023 %
1000 - 1999	12	5,070,560	2.035 %
2000 - 2999	149	20,475,339	8.217 %
3000 - 3999	120	48,765,366	19.571 %
4000 - 4999	62	1,856,779	0.745 %
5000 - 5999	61	1,763,025	0.707 %
6000 - 6999	1,263	146,195,040	58.674 %
7000 - 7999	2	7,200	0.002 %
8000 - 8999	1	4,250	0.001 %
9000 - 9999	1	30,000	0.012 %
TOTAL	1,704	249,164,530	99.995 %

<----- CURRENT STATUS ----->

<-- LAST PRINT 15/12/2005 -->

RANK	*---S H A R E H O L D E R---*	Total Units	% Issue Capital	Cum Units	Cum % Capital	Rank	Total Units	% Issue Capital	Unit Change	% Change
1	KOUTA BAY PTY LTD <CANACCORD LIMITED> PO BOX 1905 SUBIACO WA 6904	39,900,000	16.013	39,900,000	16.013	0	0	0.000	39,900,000	16.013
2	GROUP #178 NATIONAL NOMINEES LIMITED GPO BOX 1406M MELBOURNE VIC 3001	19,739,461	7.922	59,639,461	23.935	1	19,739,461	7.922	0	0.000
3	POWER UNITED LIMITED SUITE 501A 5TH FLOOR 9 QUEENS ROAD HONG KONG	18,328,363	7.355	77,967,824	31.290	0	0	0.000	18,328,363	7.355
4	ANZ NOMINEES LIMITED <CASH INCOME A/C> GPO BOX 2842AA MELBOURNE VIC 3001	15,728,034	6.312	93,695,858	37.602	2	15,728,034	6.312	0	0.000
5	GROUP #68 ANTONY WILLIAM PAUL SAGE <EGAS SUPER FUND A/C> 2 PENRYN AVENUE CITY BEACH WA 6015 MR ANTONY WILLIAM PAUL SAGE <EGAS SUPER ACCOUNT> 2 PENRYN AVENUE CITY BEACH WA 6015	11,720,075	4.703	100,187,361	40.207	4	6,491,503	2.605	0	0.000
6	WESTPAC CUSTODIAN NOMINEES LIMITED 50 PITT STREET SYDNEY NSW 2000	10,570,168	4.242	115,986,101	46.547	3	10,570,168	4.242	0	0.000
7	WATERLOO AUSTRALIA PTY LTD 945 WELLINGTON STREET WEST PERTH WA 6005	7,331,323	2.942	123,317,424	49.489	0	0	0.000	7,331,323	2.942
8	SANDALWOOD RESOURCES PTY LTD 90 PLOVER DRIVE YANGEBUP WA 6164	5,498,483	2.206	128,815,907	51.695	0	0	0.000	5,498,483	2.206
9	HELEN WELLS & ASSOCIATES PTY LTD 4 LARNACA COURT TEMPLESTOWE VIC 3106	5,498,483	2.206	134,314,390	53.901	0	0	0.000	5,498,483	2.206
10	J P MORGAN NOMINEES AUSTRALIA LIMITED LOCKED BAG 7 ROYAL EXCHANGE NSW 1225	4,966,700	1.993	139,281,090	55.894	6	4,966,700	1.993	0	0.000
11	GROUP #4 MR HENRY KAI TONG AU 20 PLUNKETT ROAD BALMORAL NSW 2088	4,473,809	1.795	143,754,899	57.689	7	4,273,809	1.715	200,000	0.080
12	GROUP #71 SILKTREE INVESTMENTS PTY LTD 10 OWSTON STREET MOSMAN PARK WA 6012	3,433,457	1.377	147,188,356	59.066	8	3,433,457	1.377	0	0.000
13	EQUITECH INVESTMENTS LIMITED ATTENTION:MR COLIN PAUL SEAH LOT H LEVEL 7 WISMA OCEANIC JALAN OKK AWANG BESAR 87008 FT LABUAN EAST MALAYSIA	2,562,050	1.028	149,750,406	60.094	9	2,562,050	1.028	0	0.000

<----- CURRENT STATUS ----->

<-- LAST PRINT 15/12/2005 -->

RANK	*---S H A R E H O L D E R---*	Total Units	% Issue Capital	Cum Units	Cum % Capital	Rank	Total Units	% Issue Capital	Unit Change	% Change
14	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD LEVEL 41 120 COLLINS STREET MELBOURNE VIC 3000	2,191,535	0.879	151,941,941	60.973	10	2,191,535	0.879	0	0.000
15	GROUP #172	1,813,198	0.727							
	MRS JUNE VAN RENS 20 OBERON CLOSE DIANELLA WA 6059	1,813,198	0.727	153,755,139	61.700	11	1,813,198	0.727	0	0.000
16	MS JANE ELIZABETH GLASS 3 DUNDALK ROAD FLOREAT WA 6014	1,807,857	0.725	155,562,996	62.425	12	1,807,857	0.725	0	0.000
17	GROUP #112	1,640,746	0.658							
	BARDSLEY SUPERANNUATION PTY LTD <BARDSLEY SUPER FUND A/C> 4 HUMBERT STREET WOODLANDS WA 6018	1,640,746	0.658	157,203,742	63.083	13	1,440,746	0.578	200,000	0.080
18	GROUP #98	1,391,112	0.558							
	MR STEVEN JAN ZIELINSKI & MRS KAREN LYN ZIELINSKI <MAVISTA PARK SUPER ACCOUNT> PO BOX 112 LEEDERVILLE WA 6007	100,000	0.040	157,303,742	63.123	39	150,000	0.060	-50,000	-0.020
	MR STEVEN JAN ZIELINSKI & MRS KAREN LYN ZIELINSKI <MAUVISTA PARK SUPER A/C> PO BOX 112 LEEDERVILLE WA 6902	1,291,112	0.518	158,594,854	63.641	14	1,291,112	0.518	0	0.000
19	WHITEY TIGER PTY LTD <WTL A/C> 75 ALFRED STREET PRAHRAN VIC 3181	1,250,000	0.501	159,844,854	64.142	0	0	0.000	1,250,000	0.501
20	PROJECT MANAGEMENT & ENGINEERING PTY LTD <W D MITCHELL S/F A/C> PO BOX 663 JOLIMONT WA 6014	1,224,000	0.491	161,068,854	64.633	20	724,000	0.290	500,000	0.200
	TOTAL	161,068,854	64.633				82,412,202	33.069		

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUE CAPITAL
1 - 1,000	0	0	0.000 %
1,001 - 5,000	86	401,350	0.293 %
5,001 - 10,000	109	988,215	0.723 %
10,001 - 100,000	320	11,033,206	8.072 %
100,001 - 99999999999	68	124,248,834	90.910 %
TOTAL	583	136,671,605	99.998 %

LOCALITY ANALYSIS

OVERSEAS	10	53,643,000	39.249 %
1 - 999	2	16,500	0.012 %
1000 - 1999	3	3,024,500	2.212 %
2000 - 2999	15	2,144,332	1.568 %
3000 - 3999	31	9,627,000	7.043 %
4000 - 4999	14	331,935	0.242 %
5000 - 5999	4	339,833	0.248 %
6000 - 6999	504	67,544,505	49.421 %
7000 - 7999	0	0	0.000 %
8000 - 8999	0	0	0.000 %
9000 - 9999	0	0	0.000 %
TOTAL	583	136,671,605	99.995 %

<----- CURRENT STATUS ----->

<-- LAST PRINT 15/12/2005 -->

RANK	*---S H A R E H O L D E R---*	Total Units	% Issue Capital	Cum Units	Cum % Capital	Rank	Total Units	% Issue Capital	Unit Change	% Change
1	POWER UNITED LIMITED SUITE 501A 5TH FLOOR 9 QUEENS ROAD HONG KONG	50,000,000	36.584	50,000,000	36.584	0	0	0.000	50,000,000	36.584
2	KOUTA BAY PTY LTD <CANACCORD LIMITED> PO BOX 1905 SUBIACO WA 6904	19,950,000	14.597	69,950,000	51.181	0	0	0.000	19,950,000	14.597
3	GROUP #68 ANTONY WILLIAM PAUL SAGE <EGAS SUPER FUND A/C> 2 PENRYN AVENUE CITY BEACH WA 6015	8,000,000	5.853	8,000,000	5.853	0	0	0.000	8,000,000	5.853
4	NATIONAL AUSTRALIA BANK LTD <KAS DEPOSITRY TRUST CO A/C> C/- ADVANCED SHARE REGISTRY PO BOX 1156 NEDLANDS WA 6909	7,500,000	5.487	85,450,000	62.521	1	7,500,000	5.487	0	0.000
5	STATE SECURITIES PTY LTD LEVEL 9 171 LATROBE STREET MELBOURNE VIC 3000	5,000,000	3.658	90,450,000	66.179	2	5,000,000	3.658	0	0.000
6	COLBERN FIDUCIARY NOMINEES PTY LTD PO BOX W2024 PERTH WA 6846	3,500,000	2.560	93,950,000	68.739	3	3,500,000	2.560	0	0.000
7	EQUITAS NOMINEES PTY LTD <GROUP A A/C> BROKING OPERATIONS GPO BOX 4294 SYDNEY NSW 1164	3,000,000	2.195	96,950,000	70.934	4	3,000,000	2.195	0	0.000
8	D & D NOMINEES PTY LTD GPO BOX 1392M MELBOURNE VIC 3001	3,000,000	2.195	99,950,000	73.129	5	3,000,000	2.195	0	0.000
9	ANTONY PAUL WILLIAM SAGE <SAGE FAMILY A/C> 2 PENRYN AVENUE CITY BEACH WA 6015	1,960,000	1.434	101,910,000	74.563	0	0	0.000	1,960,000	1.434
10	CAMERON JOHN LOCKLEY 49A MATHIS WAY CARINE WA 6020	1,500,000	1.097	103,410,000	75.660	6	1,500,000	1.097	0	0.000
11	MICHAEL JOHN HANSON THODYS NEW FARM ROAD ALRESFORD HAMPSHIRE S024 9QH ENGLAND	1,500,000	1.097	104,910,000	76.757	7	1,500,000	1.097	0	0.000
12	TIMMARIN HOLDINGS PTY LTD <TIMOTHY PAUL TURNER FAM A/C> SUITE 4 63 SHEPPERTON ROAD VICTORIA PARK WA 6100	1,480,000	1.082	106,390,000	77.839	0	0	0.000	1,480,000	1.082
13	CASULA MANAGEMENT PTY LTD PO BOX 199 VICTORIA PARK WA 6979	1,000,000	0.731	107,390,000	78.570	8	1,000,000	0.731	0	0.000
14	CANACCORD CAPITAL (EUROPE) LIMITED 1ST FLOOR BROOKE HOUSE 27 UPPER BROOKE STREET LONDON W1K 7QF UNITED KINGDOM	1,000,000	0.731	108,390,000	79.301	9	1,000,000	0.731	0	0.000

<----- CURRENT STATUS ----->

<-- LAST PRINT 15/12/2005 -->

RANK	*---S H A R E H O L D E R---*	Total Units	% Issue Capital	Cum Units	Cum % Capital	Rank	Total Units	% Issue Capital	Unit Change	% Change
15	DEJASH PTY LTD 14 SALAMANDER STREET DIANELLA WA 6059	1,000,000	0.731	109,390,000	80.032	10	1,000,000	0.731	0	0.000
16	STOCKLEY ROY DAVIS 114 KEIGHTLEY ROAD SHENTON PARK WA 6009	1,000,000	0.731	110,390,000	80.763	0	0	0.000	1,000,000	0.731
17	MR BRIAN JOSEPH MAHER PO BOX 1719 BOWRAL NSW 2576	1,000,000	0.731	111,390,000	81.494	11	1,000,000	0.731	0	0.000
18	BELL POTTER SECURITIES LIMITED LEVEL 37 2 ESPLANADE PERTH WA 6000	900,000	0.658	112,290,000	82.152	12	900,000	0.658	0	0.000
19	WHITEY TIGER PTY LTD <WTL A/C> 75 ALFRED STREET PRAHRAN VIC 3181	625,000	0.457	112,915,000	82.609	0	0	0.000	625,000	0.457
20	GERARD BASILI 268A WEST COAST HIGHWAY SCARBOROUGH WA 6019	600,000	0.439	113,515,000	83.048	13	600,000	0.439	0	0.000
	TOTAL	113,515,000	83.048				30,500,000	22.310		

16 December 2005

The Company Announcements Office
Australian Stock Exchange Limited

Via E Lodgement

**LODGEMENT OF APPENDIX 3B NEW ISSUE, TOP TWENTY
SHAREHOLDERS AND SPREAD**

Please find attached Appendix 3B, new Top Twenty and Spread report as supplied by our Registrar.

The Board confirms that the Company has issued and allotted 109,999,999 fully paid shares, 136,671,600 listed options.

Under the terms of the Share Sale Agreement, the Vendors were issued and allotted a total of 36,656,801 shares, 50,000,000 31 Oct 2008 options exercisable at \$0.30, 50,000,000 31 Oct 2009 options exercisable at \$0.35 and 40,000,000 31 Oct 2010 options exercisable at \$0.40.

The remaining 73,343,198 shares have been issued and allotted under the prospectus dated 21 November 2005 and through a placement to UK investors which both combined raised A\$22,002,959.40.

Should you require any further information about the information contained within this announcement please contact the undersigned.

Yours faithfully

A W P Sage
Executive Chairman