

21 December 2005

The Company Announcements Office
Australian Stock Exchange Limited

Via E Lodgement

SECONDARY TRADING PROSPECTUS

Attached is a prospectus lodged by the Company at the Australian Securities and Investments Commission earlier today.

The prospectus was prepared for the sole purpose of permitting the on sale of the options that were issued without a disclosure document to UK investors pursuant to the recent placement and the on sale of the options that were issued to employees, consultants and directors as approved by shareholders at the general meeting on 17 October 2005.

Yours faithfully

Tony Sage
Executive Chairman

CAPE LAMBERT IRON ORE LIMITED
ABN 71 095 047 920
(formerly International Goldfields Limited)

PROSPECTUS

For the offer of up to 200 2008 Options at an issue price of \$0.15 each (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the 2008 Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The 2008 Options offered by this Prospectus should be considered as speculative.

SECTION 1

1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

1.1 Summary of Important Dates

Event	Date
Lodgement of Prospectus with the ASIC	21 December 2005
Opening Date	9am (WST) on 21 December 2005
Closing Date	5pm (WST) on 21 December 2005
Allotment and issue of 2008 Options	22 December 2005
Quotation of 2008 Options on ASX	23 December 2005

* The Directors reserve the right to extend the Closing Date at any time after the Opening Date without notice. As such, the date the 2008 Options are expected to commence trading on ASX may vary with any change in the Closing Date.

1.2 Important Notes

Investors should read this document in its entirety and, if in doubt, should consult their professional advisors. The 2008 Options the subject of this Prospectus should be considered speculative.

This Prospectus is dated 21 December 2005 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of the Prospectus is 13 months after the date it was lodged with the ASIC (**Expiry Date**). No 2008 Options will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Application will be made to ASX within seven (7) days after the date of this Prospectus for official quotation of the 2008 Options the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. In

making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

SECTION 2

2. CORPORATE DIRECTORY

Directors

Tony Sage – Executive Chairman
Brian Maher – Technical Director
Timothy Turner – Non-Executive Director
Stockley Davis – Non-Executive Director

Company Secretary

Timothy Turner

Registered Office

18 Oxford Close
LEEDERVILLE WA 6007

Telephone: (08) 9388 0744
Facsimile: (08) 9382 1411

Web: www.internationalgoldfields.com

Share Registry

Advanced Share Registry Services*
110 Stirling Highway
NEDLANDS WA 6009

Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

Solicitors to the Company

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Auditors

Ord Partners*
Level 2
47 Colin Street
WEST PERTH WA 6005

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

SECTION 3

3. DETAILS OF THE OFFER

3.1 Offer

Offer of 2008 Options

This Prospectus invites investors to apply for up to 200 2008 Options at an issue price of \$0.15 each to raise up to \$30.00. Only investors at the direction of the Company may apply pursuant to the Offer.

The terms and conditions of the 2008 Options are set out in Section 5.2.

How to Apply

Applications for 2008 Options under the Offer may only be made by investors at the direction of the Company and must be made using an Application Form.

Completed Application Forms and accompanying cheques must be mailed or delivered to:

Cape Lambert Iron Ore Limited
18 Oxford Street
LEEDERVILLE WA 6007

Completed Application Forms must reach the above address by no later than the Closing Date.

3.2 Opening and Closing Dates of the Offer

The Opening Date is 21 December 2005 at 9:00am WST and the Closing Date is 21 December 2005 at 5:00pm WST.

The Directors reserve the right to extend the Closing Date.

3.3 Minimum Subscription

There is no minimum subscription.

3.4 Allotment of 2008 Options

Allotment of the 2008 Options will take place as soon as practicable after the Closing Date.

In relation to the Offer, the Directors will determine the allottees of all of the 2008 Options and reserve the right to reject any application or to allocate any Applicant fewer 2008 Options than the number applied for.

3.5 ASX Listing

The Company has issued 2008 Options that are currently quoted on ASX. Application will be made within 7 days after the date of issue of this Prospectus to ASX for permission for the 2008 Options issued pursuant to this Prospectus to be listed for official quotation by ASX.

In the event that ASX does not grant permission for the official quotation of the 2008 Options within 3 months after the date of issue of this Prospectus (or such period as is varied by the ASIC), none of the 2008 Options offered by this Prospectus will be allotted or issued and the Company will repay all application monies for the 2008 Options within the time period set out under the Corporations Act, without interest.

3.6 Applications outside Australia

The distribution of this Prospectus outside of Australia may be restricted by law.

This Prospectus is not intended to, and does not, constitute an offer of, or invitation to apply for, 2008 Options in any place which, or to any person to whom, the making of such offer or invitation would not be lawful under the laws of any jurisdiction outside Australia. Residents outside Australia should consult their professional advisor as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application for 2008 Options on the basis of this Prospectus. No action has been taken to register or qualify the 2008 Options or the Offer or otherwise to permit an offering of the 2008 Options in any jurisdiction outside Australia.

3.7 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to investors. Instead, holders of 2008 Options will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement.

3.8 Taxation

The Company does not propose to give any taxation advice and neither the Company, its Directors nor its officers accept any responsibility or liability for any taxation consequence to potential Applicants. Applicants should consult their own professional tax advisers in regard to taxation implications of the relevant Offer.

3.9 Risk factors

Prospective investors in the Company should be aware that subscribing for 2008 Options involves a number of risks. These risks are set out in Section 6 of this Prospectus and investors are urged to consider those risks carefully (and if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 6, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the 2008 Options. Accordingly, an investment in the Company should be considered speculative.

3.10 Privacy Act

If you complete an application for 2008 Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application,

service your needs as a security holder, facilitate distribution payments and corporate communications to you as a security holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for 2008 Options, the Company may not be able to accept or process your application.

3.11 Enquiries

Any questions concerning the Offer should be directed to Timothy Turner, the Company Secretary, on (08) 9388 0744.

SECTION 4

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The Company has recently issued a number of 2008 Options to UK investors, Directors, brokers, consultants and staff without a disclosure document. These issues of securities were approved at the General Meeting.

The primary purpose of this Offer is to permit the holders of the 2008 Options that have been issued before the date of this Prospectus without a disclosure document to trade their 2008 Options without the issue of a disclosure document as may otherwise be required under the Corporations Act. The Company is seeking to raise only a nominal amount of \$30 under this Prospectus and accordingly, the purpose of this Prospectus is not to raise capital.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;
- (b) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

4.2 Effect of the Offer

The principal effect of the Offer will be to increase the number of 2008 Options on issue as set out in the table below, assuming all 2008 Options offered under this Prospectus are issued.

Shares	Number
Shares currently on issue	249,164,530
Shares to be issued pursuant to the Offer	nil
Total	249,164,530
Options	
2008 Options currently on issue	136,671,605
2008 Options to be issued pursuant to Offer	200
2008 Options on issue after Offer	136,671,805
Other Options ¹	91,050,000

¹ The other Options currently on issue are:

- 50,000,000 unlisted options exercisable at \$0.35 each on or before 31 October 2009;
- 40,000,000 unlisted options exercisable at \$0.40 each on or before 31 October 2010;

- 500,000 options exercisable at \$0.39 each on or before 9 February 2009; and
- 550,000 unlisted options exercisable at \$0.45 each on or before 22 October 2008.

4.3 Statement of Financial Position

The issue of 2008 Options pursuant to this Prospectus will not have a material impact on the Company's financial position and for this reason a pro forma statement of financial position of the Company showing the financial effect of the Offer has not been included in this Prospectus.

SECTION 5

5. RIGHTS ATTACHING TO SHARES AND TERMS OF 2008 OPTIONS

5.1 Rights attaching to Shares

The following is a summary of the more significant rights attaching to the Shares that will be issued upon exercise of the 2008 Options. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have such number of votes as bears the same proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

The Directors may from time to time declare a dividend to be paid to Shareholders entitled to the dividend. The dividend shall (subject to Clause 5.5 of the Company's Constitution and to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in proportion to the number of shares held by them, irrespective of the amount paid up, or credited as paid up, on the

shares in accordance with the Corporations Act. The Directors may from time to time pay to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to Shareholders, shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Changes to Capital Structure

The Company may by ordinary resolution and subject to the Corporations Act and the Listing Rules:

- (i) issue new shares of such amount as is specified in the resolution;
- (ii) consolidate and divide all or any of its shares into shares of larger amounts than its existing shares;
- (iii) sub-divide all or any of its shares into shares of smaller amount, but so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each such share of a smaller amount is the same as it was in the case of the share from which the share of a smaller amount is derived; and
- (iv) cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and reduce its share capital by the amount of the shares so cancelled.

(g) Variation of Rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms

of issue of the shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class. Any variation of rights is subject to Part 2.F.2 of Chapter 2F of the Corporations Act.

5.2 Terms and Conditions of the 2008 Options

The terms and conditions of the 2008 Options which are offered pursuant to this Prospectus are as follows:

- (a) each 2008 Option entitles the holder to one (1) Share;
- (b) the 2008 Options are exercisable at any time on or prior to 5.00pm (WST) on 31 October 2008 (**Expiry Date**) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the 2008 Options are exercised to the registered office of the Company;
- (c) the 2008 Option exercise price is \$0.30 per 2008 Option;
- (d) subject to paragraph (i), a 2008 Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the 2008 Option can be exercised;
- (e) subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the 2008 Options are freely transferable;
- (f) all Shares issued upon exercise of the 2008 Options will rank pari passu in all respects with the Company's then issued Shares;
- (g) the Company will apply for quotation of the 2008 Options and all Shares issued upon exercise of the 2008 Options on ASX;
- (h) there are no participating rights or entitlements inherent in the 2008 Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the 2008 Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give 2008 Option holders the opportunity to exercise their 2008 Options prior to the date for determining entitlements to participate in any such issue; and
- (i) if at any time the issued capital of the Company is reconstructed, all rights of a 2008 Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules.

SECTION 6

6. RISK FACTORS

6.1 General

The 2008 Options offered under this Prospectus should be considered speculative because of the nature of the Company's business. The future profitability of the Company will be dependent on the success of the results of the exploration on the current and any future assets of the Company and the successful commercial exploitation of these assets.

Whilst the Directors recommend the Offer, there are however numerous risk factors involved. The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the 2008 Options.

Factors which may affect the Company's financial position, prospects and the price of its listed 2008 Options and the Shares to be issued on exercise of the 2008 Options include the following:

6.2 General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors, which may contribute to that general economic climate, include the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

6.3 Additional Capital

The Company is likely to require further financing to develop the Cape Lambert Project and its existing projects in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

6.4 ASX Share Investment Risk

There are various risks associated with investing in any form of business and with investing in the stock market generally. The value of 2008 Options and Shares will depend upon general stock market and economic conditions as well as the specific performance of the Company. There is no guarantee of profitability, dividends, return of capital, or the price at which the 2008 Options and Shares will trade on ASX. The past performance of the Shares is not necessarily an indication as to future performance as the trading price of shares and options can go down or up in value.

6.5 Economic Risks, Commodity Risks and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities will expose the potential income of the Company to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company is and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

6.6 Reliance on Key Personnel

The Company's prospects depend in part on the ability of its executive officers and senior management to operate effectively, both individually and as a group.

Further, the success of the Company largely depends on its ability to attract and retain additional highly qualified management and personnel.

6.7 Tenement Rights

The applications comprising the Cape Lambert Project have not been granted. There are inherent risks associated with obtaining grant of any mining tenement applications. If one or both of the applications are not granted, the Company will suffer significant damage through the loss of the opportunity to develop and discover any resources on the Cape Lambert Project area. Although the Directors are not aware of any reason why the applications may not be granted, there is no guarantee that they will, in fact, be granted.

6.8 Resource Estimates

The resource estimate for the Cape Lambert Project is an expression of judgement based on knowledge, experience and industry practice. Resource estimates which are valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations. Further, there is no guarantee that any deposit on the Cape Lambert Project will be able to be economically exploited.

6.9 Exploration and Evaluation Risks

Exploration and evaluation may be hampered by mining, heritage and environmental legislation, industrial disputes, cost overruns, land claims and compensation, and other unforeseen contingencies.

The operations of the Company depend on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Weather conditions over a prolonged period can adversely affect exploration, mining and drilling operations and the timing of earning revenues.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades, and commodity prices affect successful project development, as does the design and construction of efficient processing facilities, competent operational management and prudent financial administration.

6.10 Environmental Risk

Mining is an industry that has become subject to increasing environmental responsibility and liability. The potential for liability is an ever-present risk.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation.

6.11 Growth

The Company intends to continue to expand its exploration activities both organically and through the acquisition of new projects. There are always risks that the benefits, synergies or efficiencies expected from such acquisitions or expansions may take longer than expected to be achieved or may not be achieved at all. Growth also brings substantial demands on management. The Company seeks to manage its growth through planning and consultation.

6.12 Commercial Risks

Like many companies, the Company faces commercial risks such as competition, litigation, industrial disputes, operational risks and liabilities.

6.13 Operating Risks

Other operating risks relating to the ability of the Company to:

- operate effective budgetary and cost controls;
- manage systems interruptions and capacity constraints; and
- maintain adequate network security measures.

6.14 Legislative Changes

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company is not aware of any specific material changes in relevant regulations or policy in this regard but it is possible that more extensive regulations may be imposed in the future. These regulations may restrict the Company from carrying out some of its existing and proposed activities.

SECTION 7

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The 2008 Options that will be issued pursuant to this Prospectus will be in the same class as the 2008 Options which are currently quoted on ASX.

In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the issuing company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half year financial report lodged with the ASIC by the Company after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any documents used to notify ASX of information relating to the Company during that period in accordance with ASX Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

For details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report refer to the table set out below.

Date	Description of Announcement
20/12/05	Reinstatement to Official Quotation
20/12/05	Initial Director's Interest Notice
20/12/05	Appendix 3B – Directors Options
20/12/05	Appoints New Technical Director
19/12/05	Chinese Group Interest
16/12/05	Appendix 3B & Top 20
15/12/05	POL ann: Higher Gold Grades - Yarbu & Clampton North Prospects
14/12/05	Closes \$33m Raising / Share Sale Agmt now unconditional
02/12/05	Prospectus to Remain Open
30/11/05	Results of AGM 30 Nov 2005
28/11/05	Appendix 3B
22/11/05	POL: Gold Mineralisation Discovered in Clampton North & Yarbu
21/11/05	Disclosure Document
18/11/05	Capital Raising - Update
16/11/05	Change of Director's Interest Notice x 3
16/11/05	Disclosure Document
11/11/05	Appendix 3B
08/11/2005	ASX Code Change to CFE
02/11/2005	Prospectus Extension
28/10/2005	First Quarter Activities Report
28/10/2005	First Quarter Cashflow Report
27/10/2005	Annual Report 2005
27/10/2005	Notice of Annual General Meeting
17/10/2005	Results of general Meeting
17/10/2005	Cape Lambert Iron Ore Presentation Oct 2005
14/10/2005	POL: Jackson RAB Drilling - First Assay Results

ASX maintains files containing publicly available information for all listed companies which can be viewed at www.asx.com.au.

7.2 Consents

Steinepreis Paganin has given its written consent to being named as solicitors to the Company and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has not authorised or caused the issue of this Prospectus and does not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

7.3 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any organisation in which such a Director is a partner or director, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of 2008 Options pursuant to this Prospectus; or
- (c) the offer of 2008 Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any Director or to any organisation in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company or the offer of 2008 Options pursuant to this Prospectus.

Each Director's direct and indirect interests in securities in the Company at the date of this Prospectus are:

Director	Shares	2008 Options
Tony Sage	11,930,075	10,000,000 ¹
Brian Maher	Nil	1,000,000
Timothy Turner	544,004	1,500,000 ¹
Stockley Davis	Nil	1,000,000 ¹

¹ The Directors were issued the 2008 Options in recognition of their efforts in securing the Acquisition.

The Company's Constitution provides that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided between the Directors as the Directors determine (or otherwise in equal shares). The Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

In the last two years before lodgement of this Prospectus at the ASIC, \$218,000 for the year ended 30 June 2004, \$398,050 for the year ended 30 June 2005 and approximately \$124,700 for the period from 1 July 2005 to the date of this Prospectus has been paid by the Company by way of remuneration for services (exclusive of superannuation) provided by the Directors, companies associated with the Directors or their associates in their capacity as Directors, consultants or advisers.

The Directors currently receive the following emoluments from the Company:

Director	Annual Emolument (inclusive of superannuation)
Tony Sage	\$250,000
Brian Maher	\$600 per day working an average of 1 day per week
Timothy Turner	\$18,000
Stockley Davis	\$18,000

7.4 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert nor any organisation in which such expert has an interest, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of 2008 Options pursuant to this Prospectus; or
- (c) the offer of 2008 Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert or to any firm in which any such expert is a partner, either to induce him to become, or to qualify him as, a expert or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company or the offer of 2008 Options pursuant to this Prospectus.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately \$2,000 for services provided in relation to this Prospectus. Additionally, Steinepreis Paganin has been paid, or will be paid, approximately \$80,000 for due diligence, preparation of the Company's notice of meeting, preparation of a previous prospectus and preparation of formal documentation in respect of the Transaction. In the last 2 years Steinepreis Paganin has been paid an additional \$1,000 for services to the Company.

7.5 Estimated Expenses of Offer

The total expenses of the Offer are estimated to be approximately \$4,000.

7.6 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares and 2008 Options are enhanced disclosure securities.

The Company's securities were suspended from trading on 18 August 2005 and were released from suspension on 21 December 2005.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding suspension of the Company's securities from trading on 18 August 2005 and the respective dates of those sales were:

Highest: \$0.30 per Share on 9, 10, 11, 12, 15 and 16 August 2005.

Lowest: \$0.135 per Share on 12, 13, 20 and 21 July 2005.

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.30 on 16 August 2005.

7.7 Directors' Consent

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



TONY SAGE

For and on behalf of

CAPE LAMBERT IRON ORE LIMITED

GLOSSARY

2008 Option means an option to acquire a Share on the terms and conditions set out under the heading "Terms and Conditions of the 2008 Options" in Section 5.2.

Acquisition means the acquisition by the Company of the whole of the issued share capital of Mt Anketell from the Mt Anketell Shareholders.

Applicant means a person that applies for 2008 Options using an Application Form pursuant to this Prospectus.

Application Form means the application form for the Offer either attached to or accompanying this Prospectus.

ASIC means the Australian Shares and Investments Commission.

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691).

Closing Date means the closing date for receipt of Application Forms under this Prospectus as set out in Section 3.2.

Company or **Cape Lambert** means Cape Lambert Iron Ore Limited (ABN 71 095 047 920).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

General Meeting means the general meeting of the Company held on 17 October 2005.

Listing Rules or **ASX Listing Rules** means the Listing Rules of ASX.

Mt Anketell means Mt Anketell Pty Ltd (ACN 111 501 672).

Mt Anketell Shareholders means Sandalwood Resources Pty Ltd, Helen Wells & Associates Pty Ltd, Waterloo Australia Pty Ltd, Rodney John Whitbread and Power United Limited.

Offer means the invitation to apply for 2008 Options as set out in Section 3.1.

Opening Date means the opening date for receipt of Application Forms under this Prospectus as set out in Section 3.2.

Option means an option to acquire a Share.

Prospectus means this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Transaction means the Acquisition and the offer of securities pursuant to the Company's prospectus dated 21 November 2005.

WST means Western Standard Time.

APPLICATION FORM

CAPE LAMBERT IRON ORE LIMITED
(formerly International Gold Limited)
ABN 71 095 047 920

Only complete this Application Form if you are directed to do so by the Company.

To meet the requirements of the Corporations Act, this form must not be handed on unless it is attached to or accompanies the Prospectus dated 21 December 2005.

PLEASE USE BLOCK LETTERS.

A. I/We apply for 2008 Options at an issue price of \$0.15 each

All cheques must be drawn on an Australian Bank in Australian dollars, made payable to "Cape Lambert Iron Ore Limited" and crossed not negotiable.

B. Complete Full Name Details

Title (or Company Name & ACN)	Given Name(s)	Surname
Applicant (1)		
Joint Applicant (2)		

C. Complete Address Details

Number & Street		
Suburb or City	State	Postcode

D. Telephone Details

Home ()	Work ()
Contact Name	

E. Cheque Details

Drawer	Bank	Branch (BSB)	Amount of Cheque AUD \$

I/We declare that this application is completed according to the declarations/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Cape Lambert Iron Ore Limited and the representations and warranties contained on the reverse of this Application Form and agree to take any number of 2008 Options equal to or less than the number applied for.

NO SIGNATURE IS REQUIRED.

Lodge your application form as soon as possible.

NOTE: Return of the application form with your cheque for the application monies will constitute your offer to subscribe for 2008 Options in the Company.

HOW TO APPLY FOR 2008 OPTIONS

Please complete all relevant sections of the application form using block letters.

Please post or deliver the completed application form together with your cheque to the following address:

Cape Lambert Iron Ore Limited
18 Oxford Street
LEEDERVILLE WA 6007

Insert the NUMBER OF 2008 OPTIONS that you wish to apply for in box A. The amount of your application monies must be equal to the number of 2008 Options applied for multiplied by \$0.15 per 2008 Option.

Write your FULL NAME in Box B. This must be either your own name or the name of a Company. You should refer to the examples noted for the correct forms of name that can be registered. Applications using the incorrect form of name may be rejected. If your application form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. Any decision as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final. You will not however, be treated as having to subscribe for more 2008 Options than is indicated by the amount of the accompanying cheque.

Enter your POSTAL ADDRESS for all correspondence in Box C. All communications to you from the Company (Shareholding statements, annual/interim reports, correspondence, etc) will be mailed to the person(s) and address as shown.

Enter details of contact person and telephone number, if any enquiries need to be made by the Company, in Box D.

Insert the AMOUNT OF YOUR CHEQUE(S) in Box E. The total amount of your cheque(s) must equal the number of 2008 Options applied for multiplied by \$0.15 per 2008 Option. Do not send cash. A separate cheque should accompany each application form lodged. No receipts will be issued.

Correct Form of Registrable Title

Note that ONLY legal entities are allowed to hold 2008 Options. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Cape Lambert Iron Ore Limited. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable titles.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	John Smith	
Joint	John Smith & Michael Smith	
Trusts	John Smith (Smith Family Account)	John Smith Family Trust
Deceased Estates	Michael Smith (Est John Smith Account)	John Smith (deceased)
Partnerships	John Smith & Michael Smith (John Smith & Sons Account)	John Smith & Sons
Clubs/Unincorporated Bodies	John Smith (Smith Investment Club Account)	Smith Investment Co
Superannuation Funds	John Smith Pty Ltd (Superannuation Fund Account)	John Smith Pty Ltd Superannuation Fund