

14 March 2006

The Company Announcements Office
Australian Stock Exchange Limited

Via E Lodgement

CAPE LAMBERT SELLS NFX GOLD STAKE FOR AUD\$4 MILLION

Cape Lambert Iron Ore Ltd (ASX: CFE) wishes to confirm that it has sold its 16% stake in Canadian Gold Company NFX Gold Inc. (TSX: NFX) for AUD\$4.1 million. This sale represents a AUD\$3.5 million profit (based on carrying value at 30 June 2005) for CFE and brings the cash balance of the Company to approximately \$24 million.

The Company retains 220,000 shares in NFX which are held in escrow until 14 June 2006 and at present the current market value of these shares is in excess of AUD\$350,000.

The Company's decision to divest its stake in NFX in addition to the proposed spin off of its gold assets (announced to the ASX on 17 January 2006) are intended to allow the Company to concentrate its resources on the development of its 100% owned Cape Lambert Iron Ore project, located in the Pilbara region of Western Australia. A Bankable Feasibility Study (BFS) is underway, with off-take discussions with a number of parties being negotiated.

CFE continues to hold other significant assets that may be sold in the near future. These include the Sacu Copper/Gold project in Romania, a 9% stake in Jackson Gold, the Jubuk Kaolin project and shares in Republic Gold Ltd.

Should there be any queries on this matter please do not hesitate to contact the writer.

Yours faithfully

CAPE LAMBERT IRON ORE LTD

Tony Sage
Executive Chairman