

20 April 2006

The Company Announcements Office  
Australian Stock Exchange Limited

Via E Lodgement

CFE TO LIST ON AIM  
(4 MAY 2006)

Cape Lambert Iron Ore Ltd (ASX: CFE) is pleased to announce that its shares will be officially quoted on AIM on 4 May 2006.

The Company believes the AIM listing will maintain and enhance its global profile and facilitate greater exposure and access to European-based capital, enhancing the fundraising ability of the Company.

The Company will be conducting a roadshow in London in the lead up to the AIM listing, commencing 24 April 2006, with sponsoring broker Collins Stewart.

Please find to follow our presentation to be used during the roadshow.

Yours faithfully

CAPE LAMBERT IRON ORE LTD

Tony Sage  
Executive Chairman

**Cape Lambert**  
Iron Ore Ltd



# Western Australian Iron Ore Project

April 2006



# Corporate Profile

Total Shares on Issue	250 m
<u>Options</u>	
31 October 2008 @ \$0.277 (ASX: CFEO)	136.6 m
31 October 2009 @ \$0.327	50 m
31 October 2010 @ \$0.377	40 m
Cash at Bank	16 m
Liquid Assets	2 m

Current as of April 2006



# Majority Shareholders

Name	Number	% Issued Capital
National Nominees Ltd	46,120,632	18.51%
JP Morgan Fleming Aust Ltd	22,750,000	9.13%
Power United Limited	18,328,363	7.35%
Westpac Custodian Nominees Ltd	11,991,147	4.81%
AWP Sage	11,720,075	4.70%
Citicorp Nominees Pty Ltd	10,975,054	4.40%
Waterloo Australia Pty Ltd	7,331,323	2.94%
Sandal Wood Resources Pty Ltd	5,498,483	2.20%
Helen Wells & Associates	5,498,483	2.20%
	<b>140,213,560</b>	<b>56.24%</b>

Shareholders as at April 2006



# Management

## Mr Tony Sage – Executive Chairman

Mr Sage has in excess of 25 years of experience in the field or corporate advisory services, funds management and capital raising. Mr Sage has been involved in the management and financing of listed mining companies in Australia and internationally for the last 12 years.

## Mr Timothy Turner – Director/Secretary

Mr Turner specialises in offshore and domestic business structuring, corporate and trust tax planning and has in excess of 20 years experience in new ventures and capital raising.

## Mr Brian Maher – Technical Director

Mr Maher has over 40 years in the mining industry, covering both underground and open cut operations, as a miner, supervisor, mining engineer, mine manager consultant, contractor and managing director. He has worked throughout the world, including Australia, Liberia, Guyana and the Philippines.



# Corporate Strategy

- Join Venture / Sell the Romanian Copper/Gold Project
- Disposal of shareholdings in Jackson Gold, Republic Gold, Great Australian and Polaris (net approx \$AUD2.3million)
- Progress BFS on Cape Lambert Deposit and initiate exploration work at Mt Anketell



# Corporate Strategy

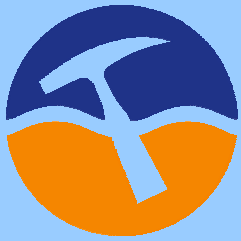
- Finalise negotiations with 2 major Chinese groups Shandong and Sinosteel.

## Shandong

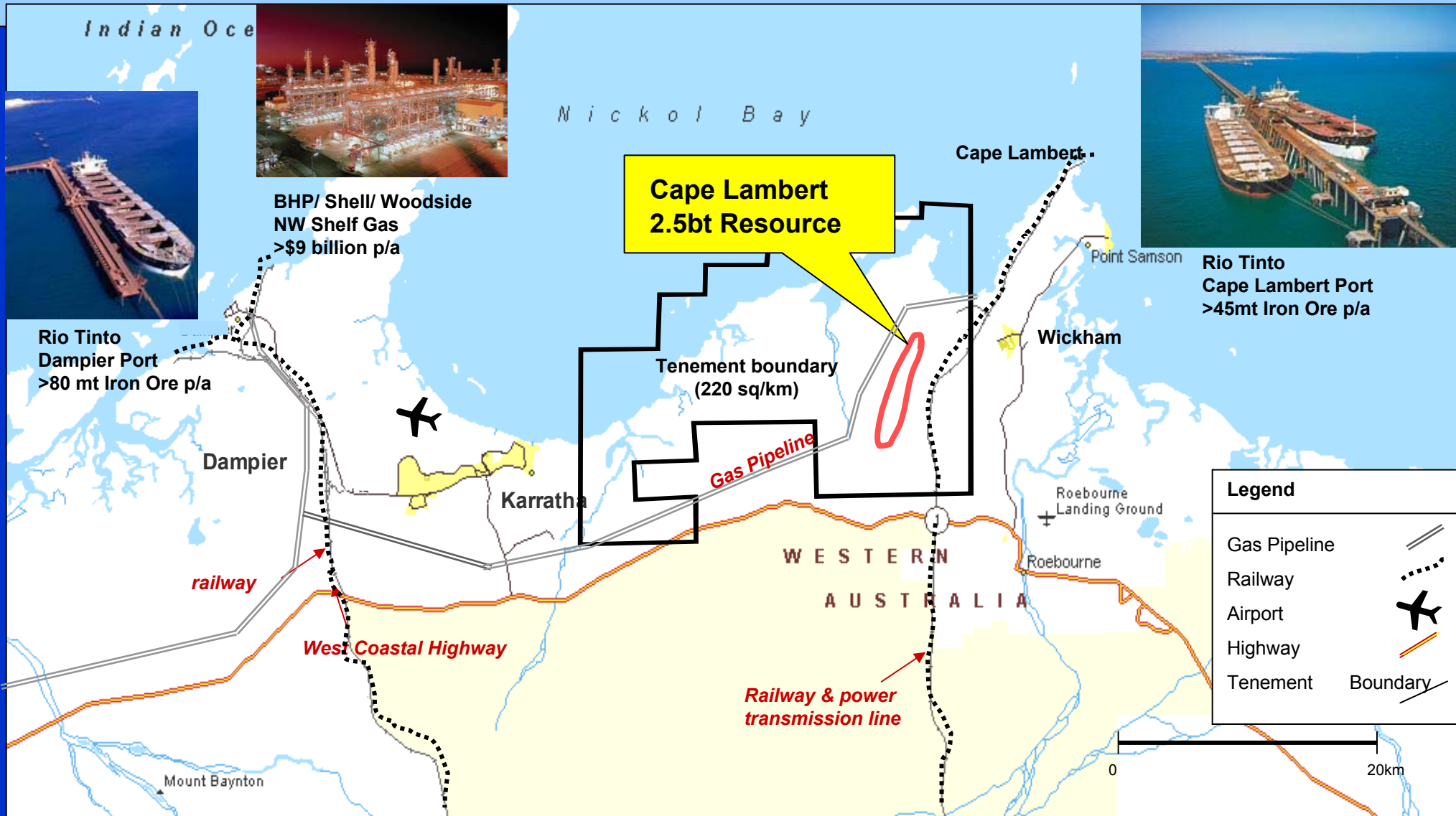
Finalise negotiations to purchase 19.9% of CFE on market for 100% of the off take.

## Sinosteel

Second largest Chinese steel group wishes to JV (50/50) and build infrastructure for 100% of the off take, MOU signed March 2006.



# Cape Lambert Region (Western Australia)





# Cape Lambert JORC Resource

## **2.5 Billion Tonnes @ 30%Fe**

1.4bt in Indicated Resource category

1.1bt in Inferred Resource category

**(250m depth & 25%Fe cut off)**

## **1.2 Billion Tonnes @ 33%Fe**

0.67bt in Indicated Resource category

0.53bt in Inferred Resource category

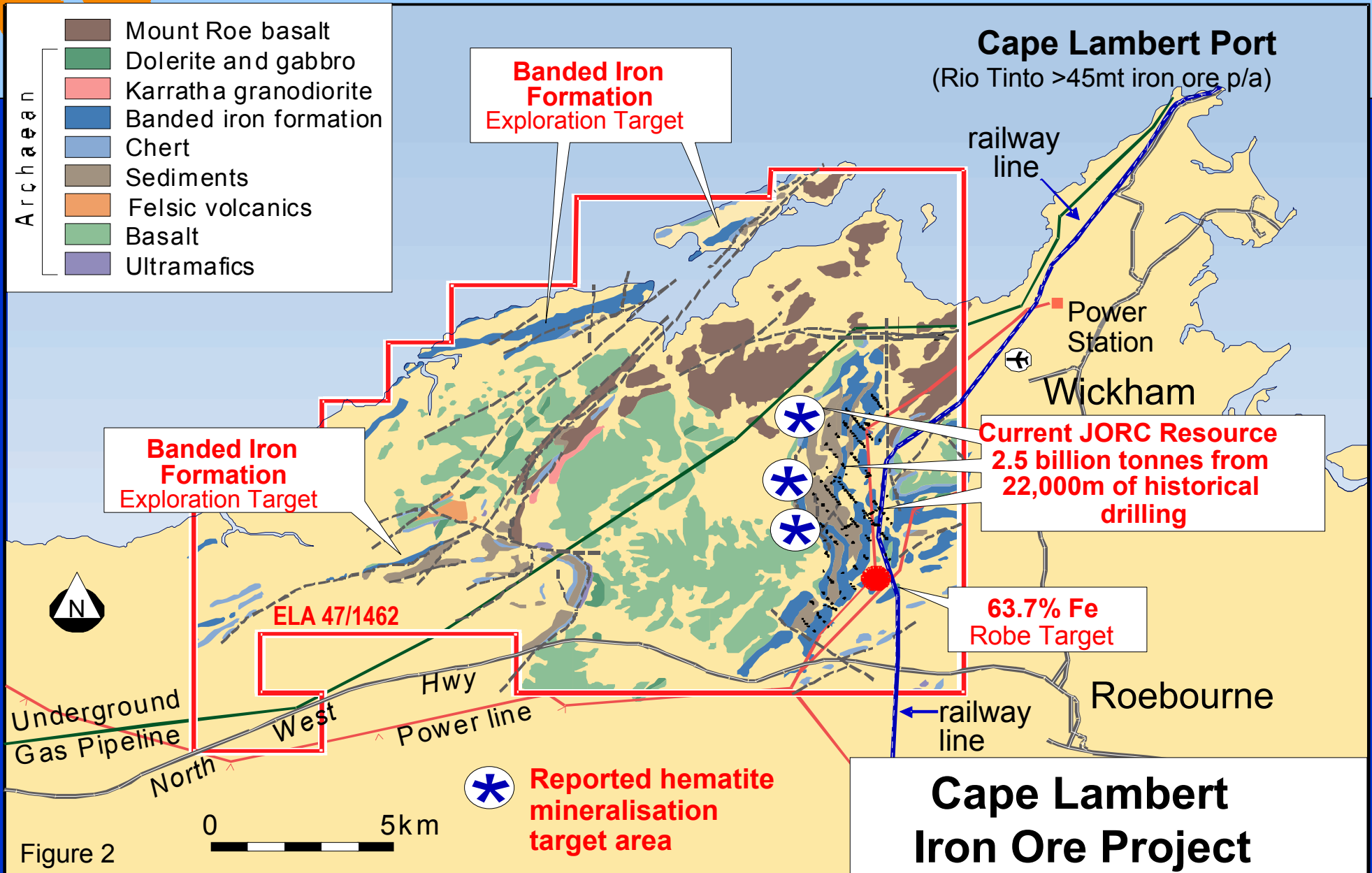
**(250m depth & 30%Fe cut off)**

*This Resource was calculated from 22,662 metres of Robe historical drilling consisting of 189 drill holes*

**Qualification:** *The mineral Resource is based on information compiled by Martin Reynolds who is a fellow of the Australian Institute of Mining & Metallurgy. Mr Reynolds is a Director of Mackay & Schnellmann Pty Ltd, an independent geological consultant. Mr Reynolds is qualified as a Competent person as defined in the 2004, "Australasian Code for Reporting of Mineral Resources and Reserves" (JORC).*



# Cape Lambert Geology





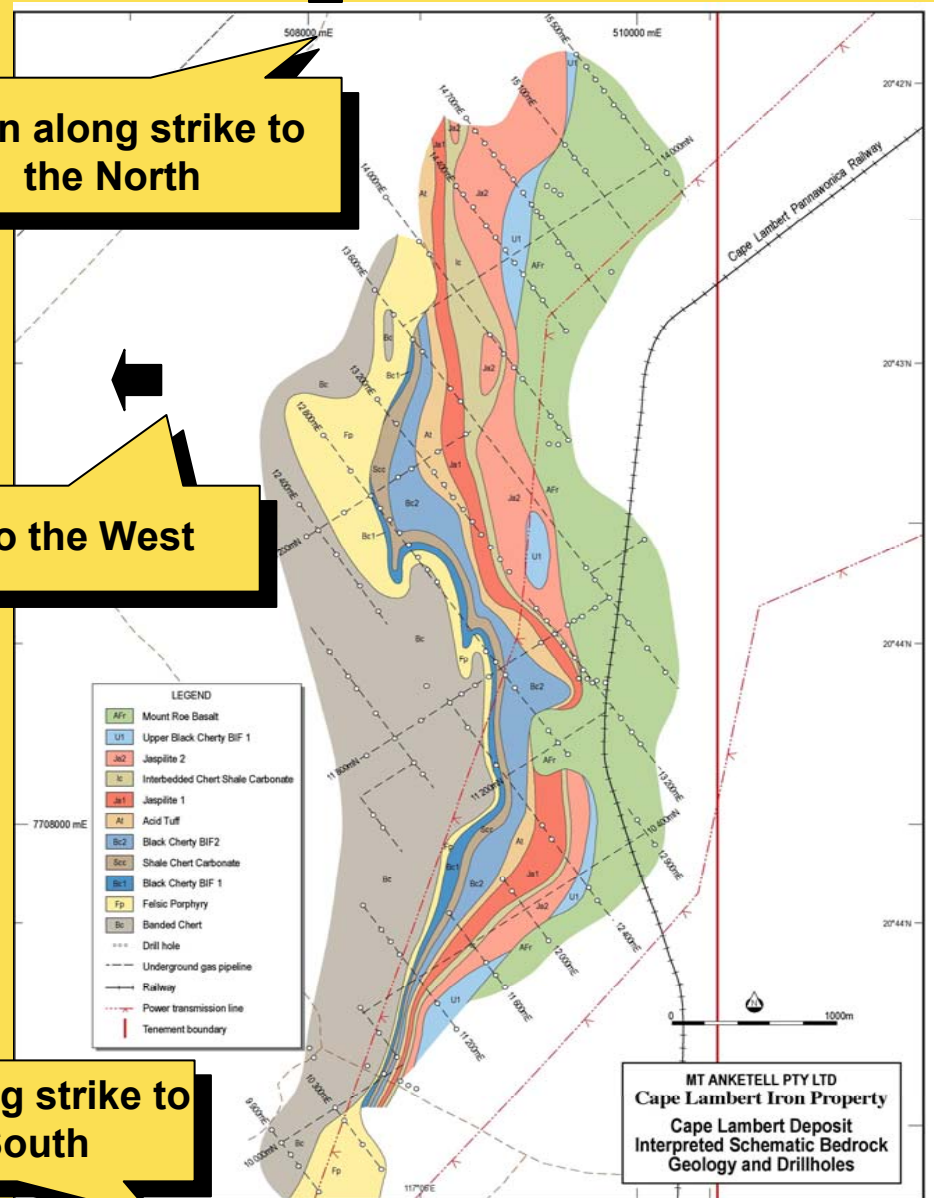
# Current Resource

- 2.5bt Resource
- Significant upside, the resource is open to:
  - North
  - West
  - South
  - At Depth

Open along strike to the North

Open to the West

Open along strike to the South

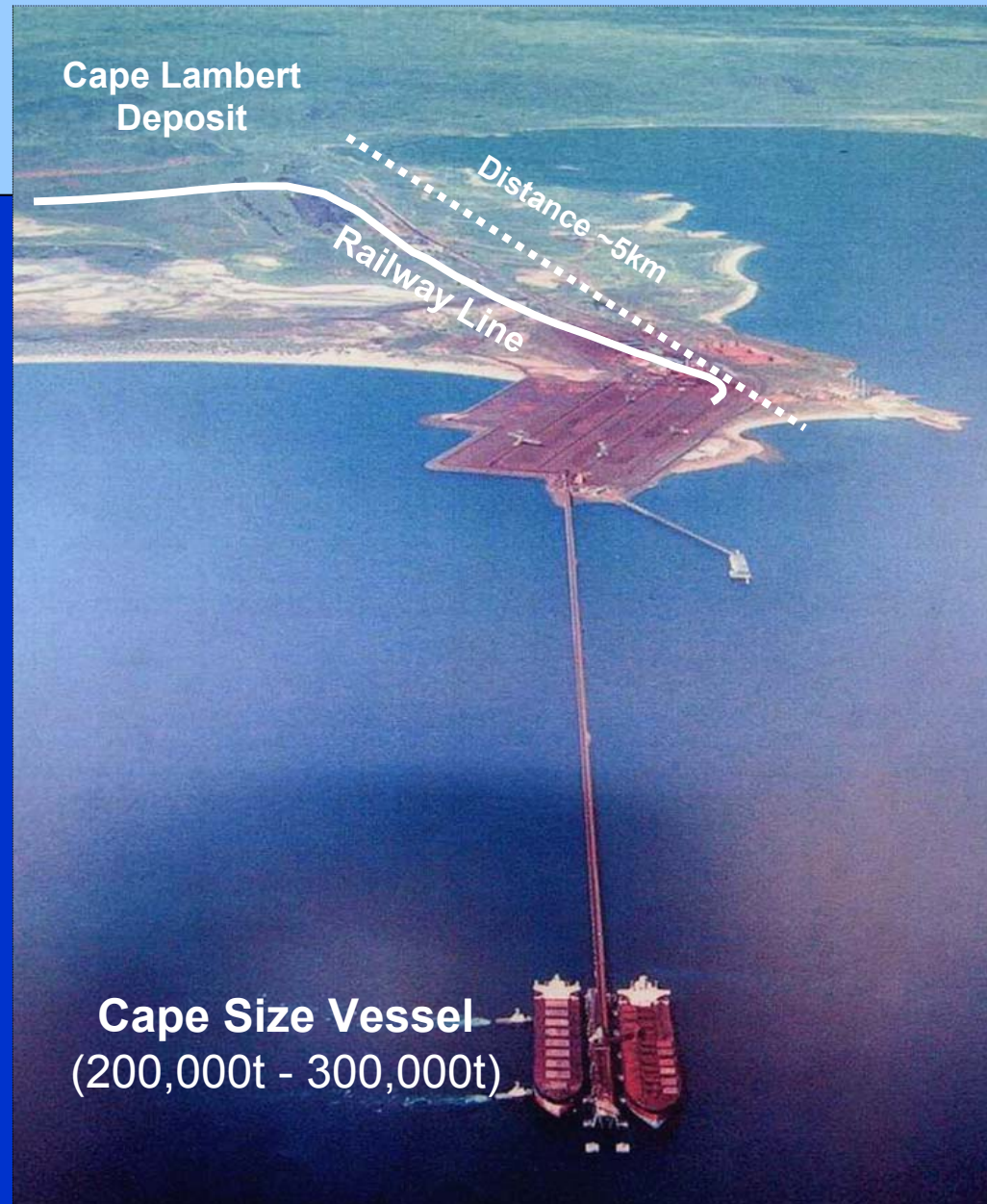




# Cape Lambert Logistic Advantages

- 5km from Coast
- Direct connection to Gas, Power, Infrastructure, Local Workforce etc
- \$2.5million per/km:-

Fortescue (FMG)	450km
Mt Gibson (MGX)	400km
Iron Ore Holdings (IOH)	250km
Gindalbie (GBG)	260km





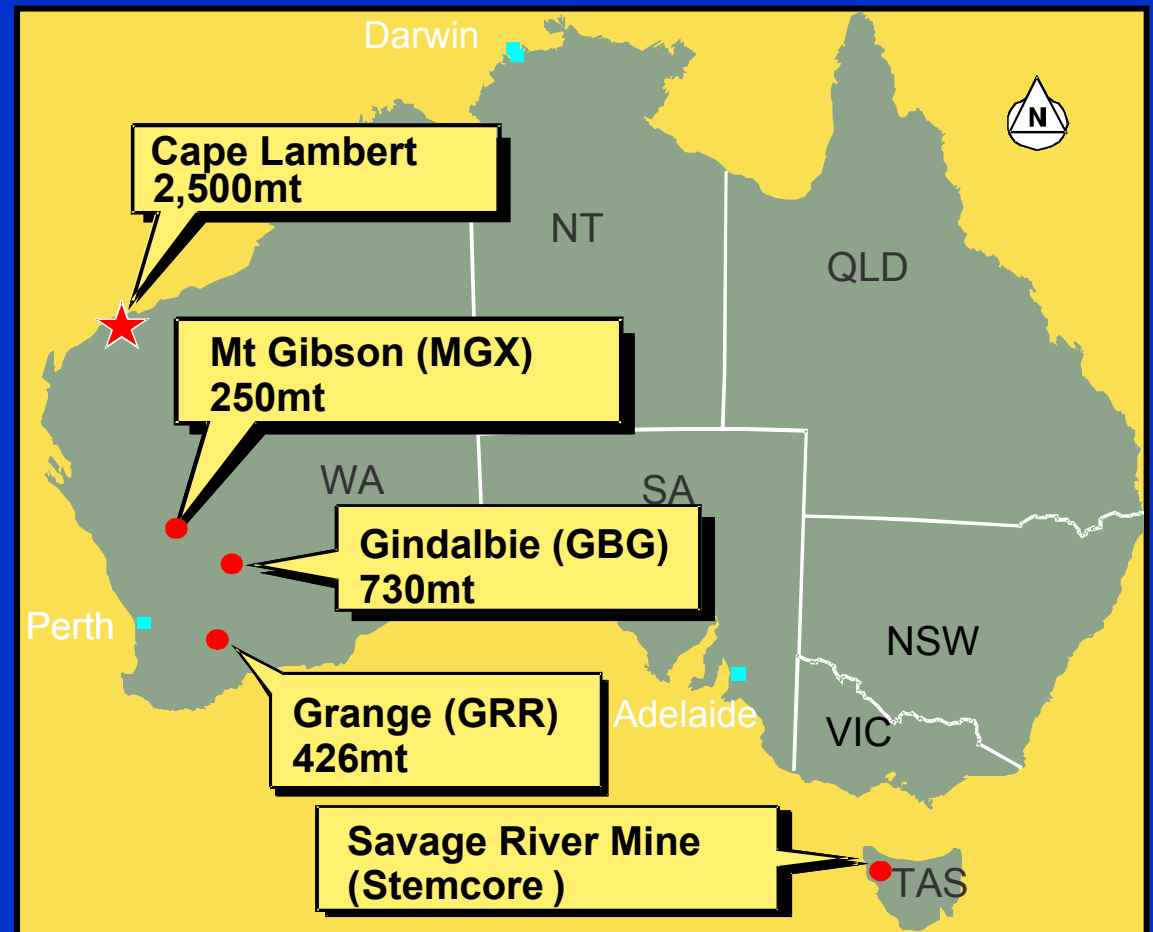
# Major Australian Magnetite Deposits

Cape Lambert deposit is located on the north west coast of Western Australia, 20km north of Karratha which is a major distribution hub for iron ore, gas, etc.

## Close Proximity from Cape Lambert to Asian Steel Mills

China	6400 km
Japan	6200 km
India	6200 km
Korea	6200 km
Indonesia	2100 km
Malaysia	2900 km

Note: All locations and distances approximate





# Bankable Feasibility Components

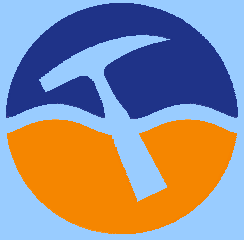
- 2.5 Billion Tonnes JORC compliant Resource
- 50+ year mine life
- 5mtpa – 10mtpa concentrator to >60% iron
- Capital ex requirements to turn key, est. \$350 million
- AVG Waste Ratio 0.6 : 1
- Recovery 30 - 35%



# Comparison of Similar Companies

	Capital Structure		Current Market Capitalisation (Million \$)	Est. Cap EX	Tonnes (Million)
	Shares (Million)	Options (Million)			
Fortescue Metals (FMG)	224	2	1,350	2,500	1,100
Mt Gibson (MGX)	401	25	370	800	250
Gindalbie Metals (GBG)	385	22	275	1,100	730
Grange Resources (GRR)	95	15.5	147	1,500	426
Cape Lambert Iron Ore Ltd (CFE)	247	227	110	350	2,500

Current as of April 2006



# Summary

- Location - 5km's from Coast
- Significant infrastructure already in place  
(power, road, water and populated areas)
- Substantial Tonnage with significant upside
- Stable political and economic environment
- Proximity to Asian markets