

11 August 2006

The Company Announcements Office  
Australian Stock Exchange Limited

Via E Lodgement

## CAPE LAMBERT IRON ORE LTD PRESENTATION

Please find attached a copy of the Cape Lambert Iron Ore Ltd (ASX:CFE) presentation current as at 11<sup>th</sup> August 2006.

The attached presentation will be utilised by the Company for relevant presentation to current and prospective shareholders and broker representatives.

Should there be any queries related to the attached presentation please do not hesitate to contact the writer.

Yours faithfully

CAPE LAMBERT IRON ORE LTD

Tony Sage  
Executive Director

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).

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**Cape Lambert**  
Iron Ore Ltd



# Western Australian Iron Ore Project

Broker Presentation - August 2006

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# Corporate Profile

Total Shares on Issue	247.5 m
<u>Options</u>	
31 October 2008 @ \$0.277 (ASX: CFEO)	136.5 m
31 October 2009 @ \$0.327	50 m
31 October 2010 @ \$0.377	40 m
Cash at Bank	13 m
Liquid Assets	2 m

Current as of August 2006



# Majority Shareholders

Name	Number	% Issued Capital
National Nominees Ltd	41,543,904	16.65%
ANZ Nominees Limited	23,265,254	9.33%
JP Morgan Fleming Aust Ltd	22,750,000	9.12%
Power United Limited	18,328,363	7.35%
AWP Sage	11,720,075	4.70%
Westpac Custodian Nominees Ltd	11,053,129	4.43%
Computershare Clearing Pty Ltd	6,068,352	2.43%
Battle Mountain Pty Ltd	4,998,631	2.00%
Mr Henry Kai Tong Au	4,473,809	1.79%
Equitech Investments Limited	2,562,050	1.03%
	<b>146,763,567</b>	<b>58.83%</b>

Top 10 Shareholders as at 9 August 2006



# Management

## **Dr Ian Burston – Non-Executive Chairman**

Ian has more than 30 years experience in mining related industries including positions as Managing Director, CEO, Vice President and Chairman for both prominent and junior Company's. Ian is currently a non-executive Chairman of Broome Port Authority, Imdex Ltd and Aztec Resources Ltd and a non-executive Director of Mincor Resources NL.

## **Mr Brian Maher – Technical Director**

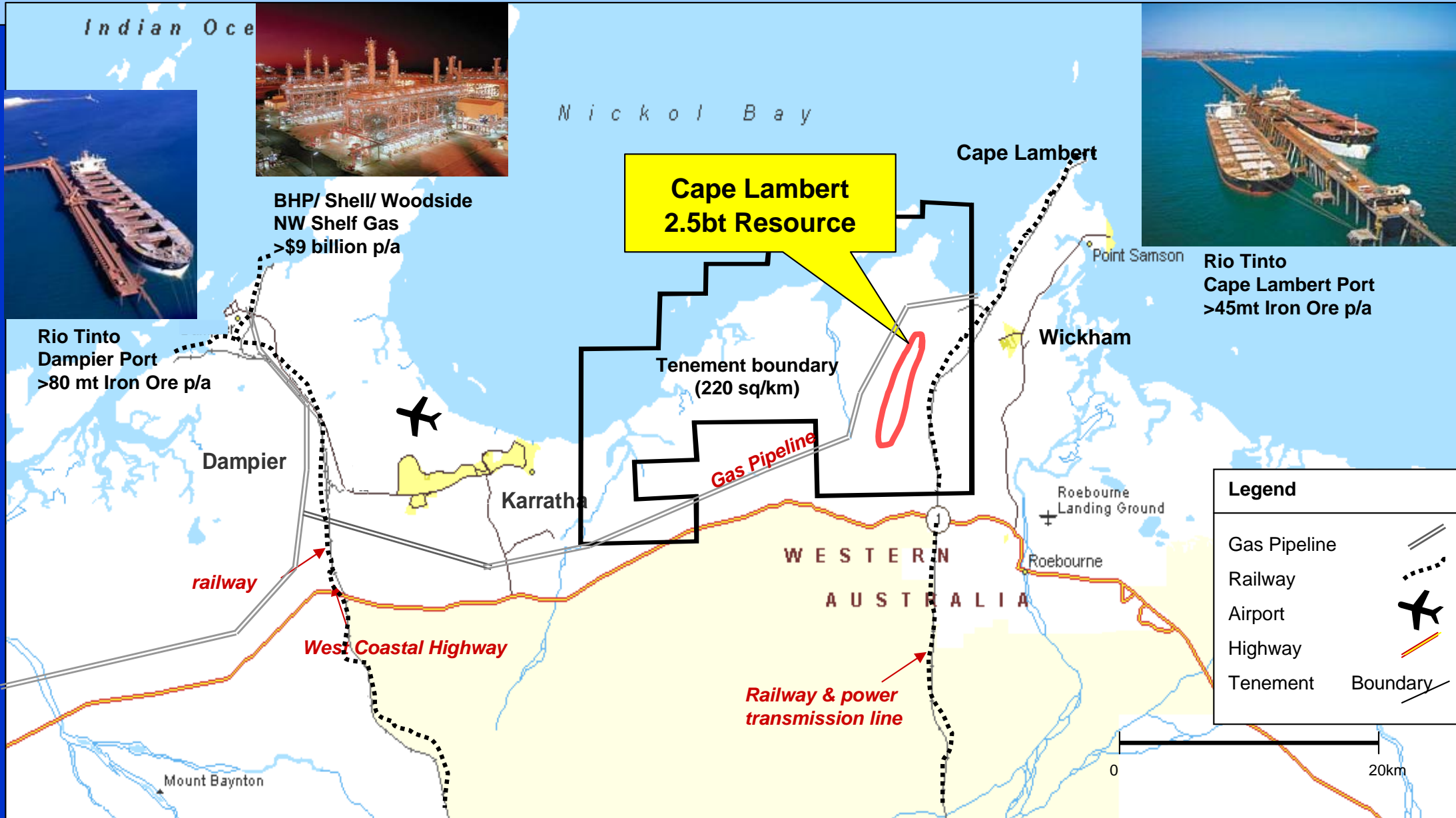
Brian has over 40 years in the mining industry, covering both underground and open cut operations, as a miner, supervisor, mining engineer, mine manager consultant, contractor and managing director. He has worked throughout the world, including Australia, Liberia, Guyana and the Philippines.

## **Mr Tony Sage – Executive Director**

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



# 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)**

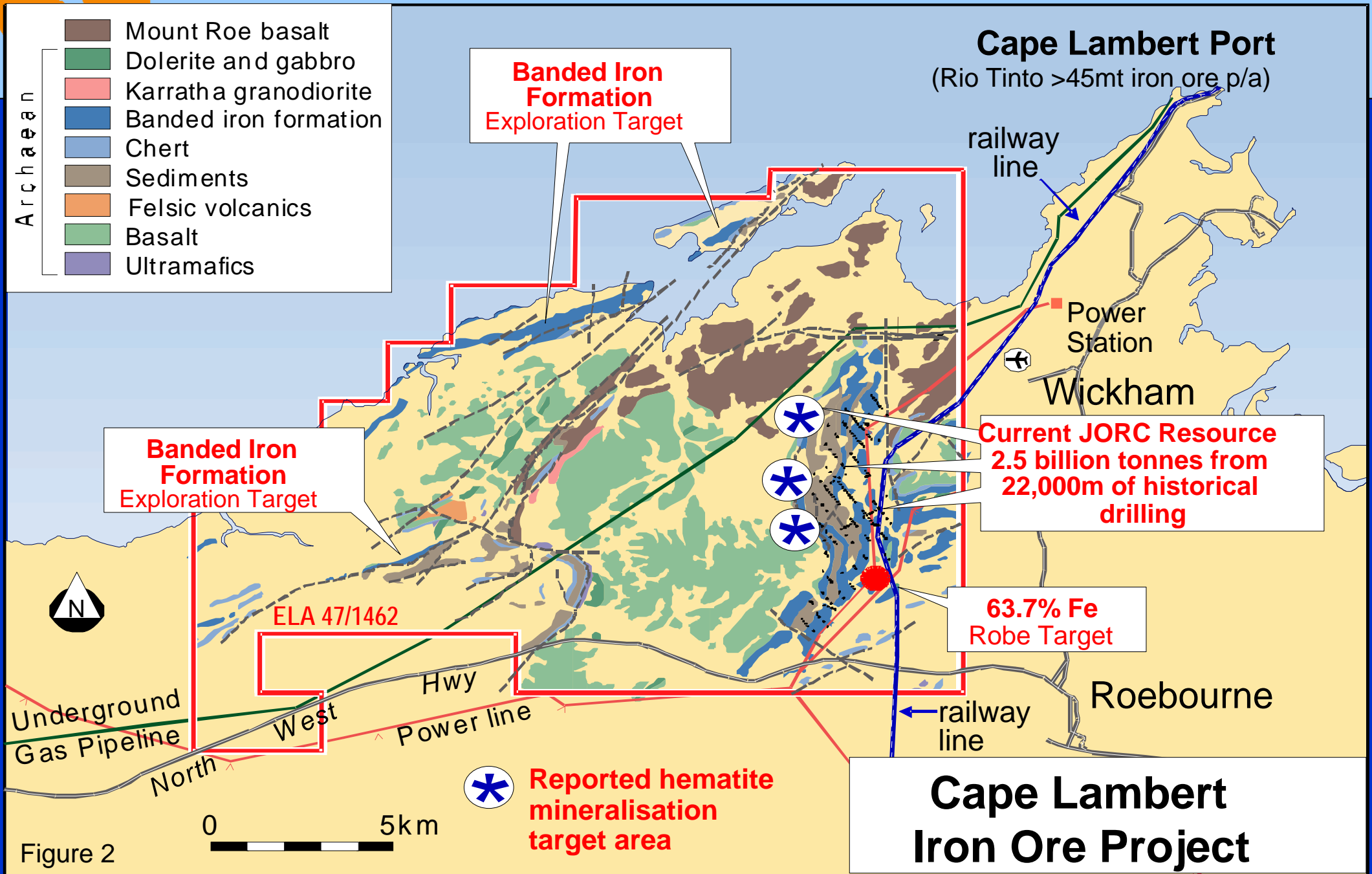
*This Resource was calculated from 22,662 metres of Robe historical drilling consisting of 189 drill holes*

**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





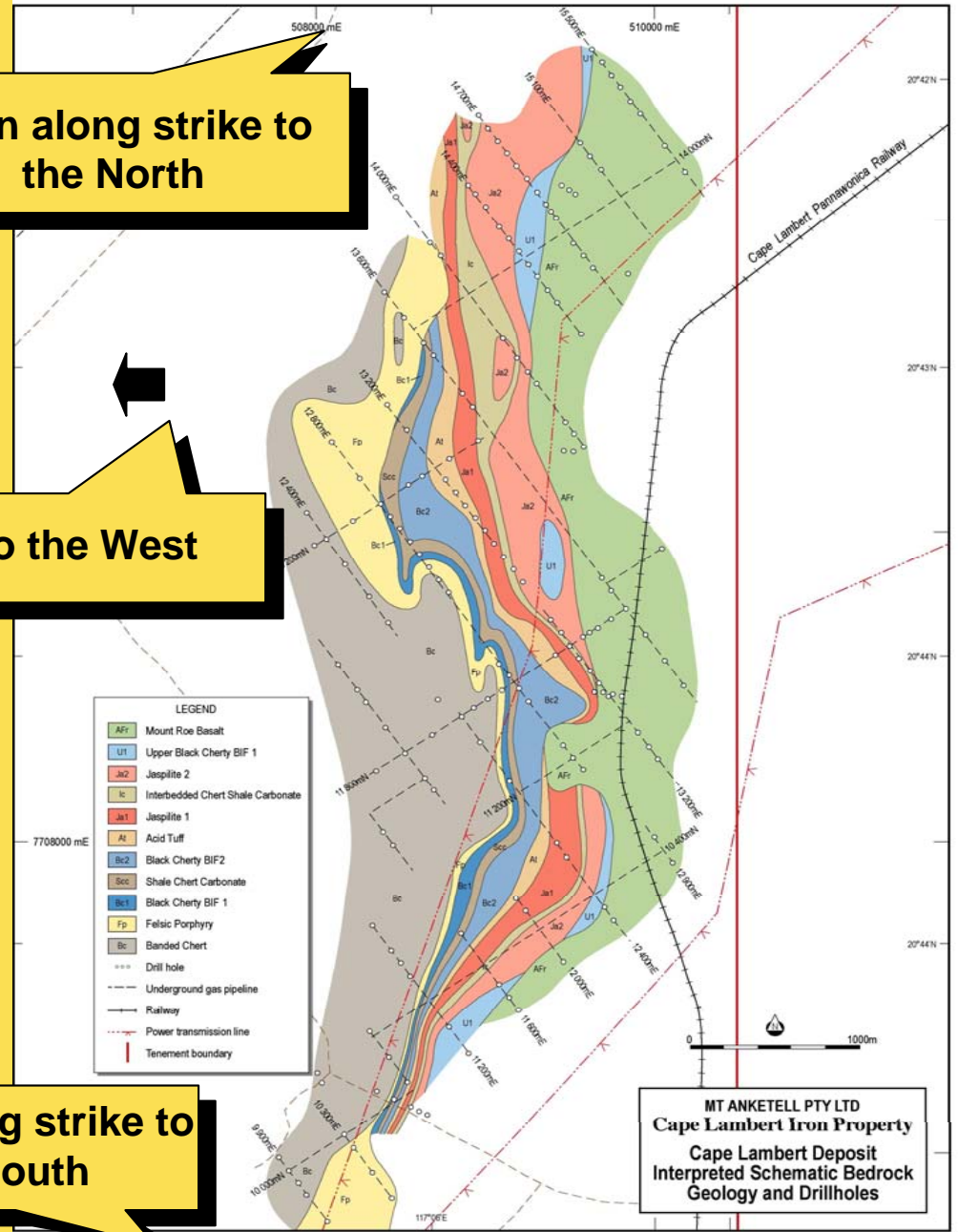
# Current Resource

- 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

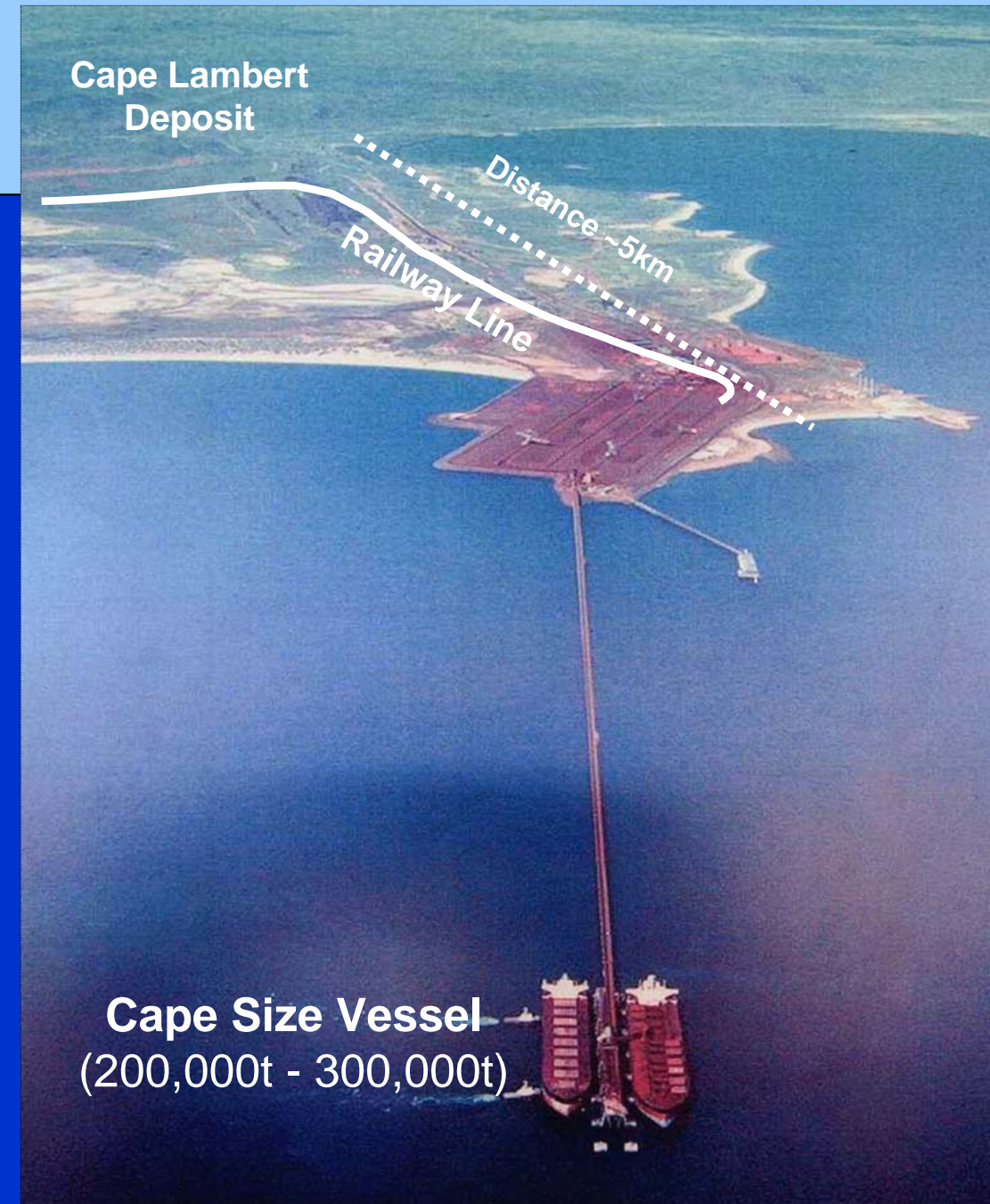




# Cape Lambert Logistic Advantages

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

Fortescue (FMG)	450km
Mt Gibson (MGX)	400km
Gindalbie (GBG)	260km
Grange Resources (GRR)	120km





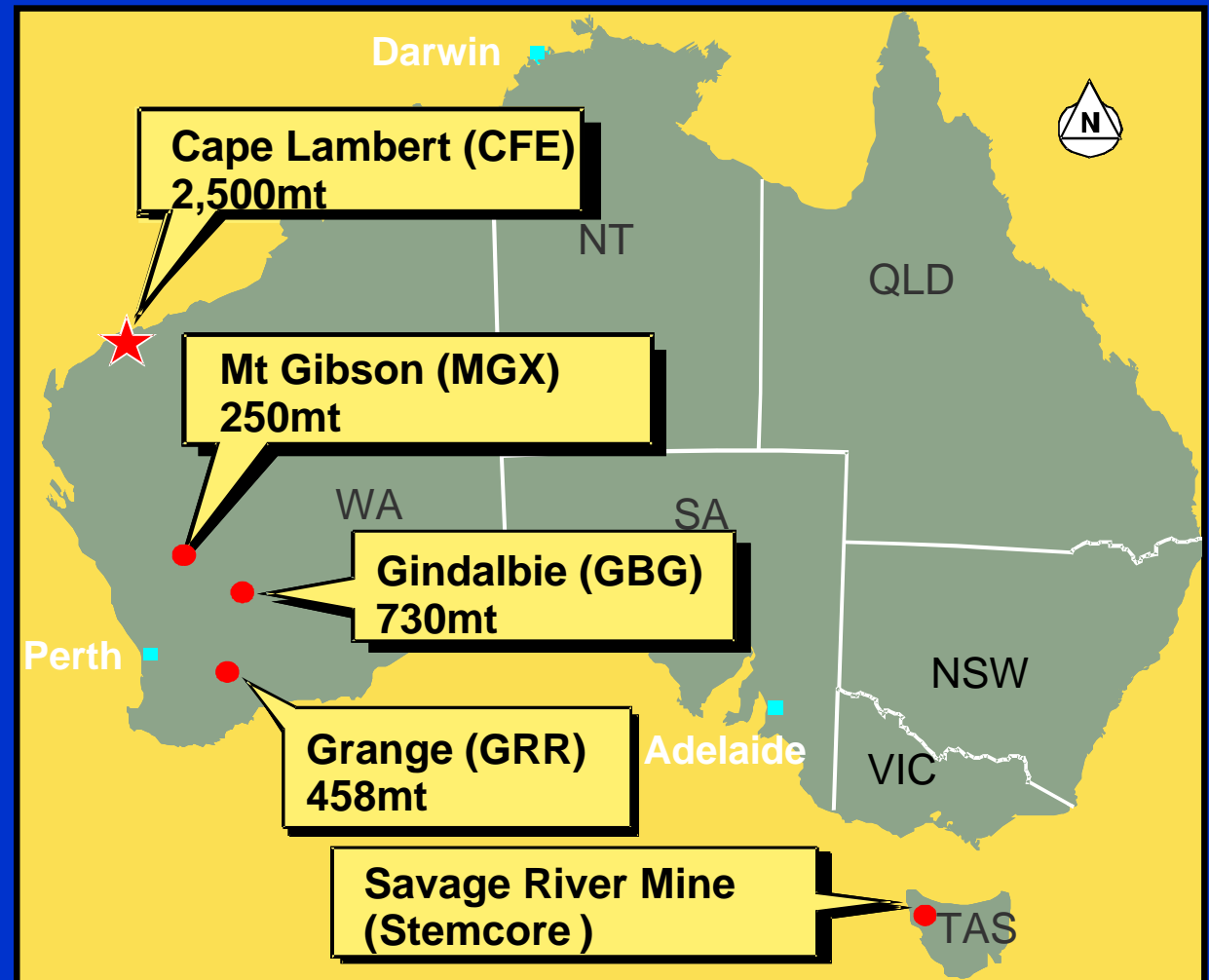
# Major Australian Magnetite Deposits

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
- 40 – 50 year mine life
- 5mtpa – 15mtpa concentrator to >60% iron
- Capital ex requirements to turn key, est. \$500 million
- AVG Waste Ratio 0.6 : 1
- Recovery 30 - 35%



# Comparison of Companies

	Market Cap (Million \$)	Share Structure		Resource (Million Tonnes)	Est. Cap Expenditure	Production (mtpa)	Comment
		Shares (Million)	Options (Million)				
BHP Billiton	40,000			Large		75	DSO
Rio Tinto	40,000			Large		105	DSO
Fortescue Metals (FMG)	2,200	224	2	1,100	2,500	N/A	DSO
Mt Gibson (MGX)	370	401	25	250	800	5-7*	DSO & Concentrate
Gindalbie Metals (GBG)	280	385	22	730	1,100	4*	Concentrate
Grange Resources (GRR)	143	95	16	458	1,500	4*	Concentrate
<b>Cape Lambert Iron Ore (CFE)</b>	<b>99</b>	<b>247</b>	<b>227</b>	<b>2,500</b>	<b>350-500</b>	<b>5-15*</b>	<b>Concentrate</b>

Data compiled from various public sources current at the time of production only, to the best of our knowledge. \* Figures are estimates only



# 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



# Why Invest In Cape Lambert

- Assembling Professional Team
- Large Ore Body Capable of Concentration to Acceptable Steel Industry Standards
- Prime Location
- Competitive Cost Into Ship
- Strong Iron Ore Market
- Sole Focus on Developing Cape Lambert Deposit





# Next Steps

## Stage 1

- RC Drilling Programme - Commenced

## Stage 2

- Refine Metallurgical Process for Concentrate
- Refine JORC Reserve / Resource Categories
- Develop Capital and Operational Estimates
- Complete BFS