

06 March 2007

The Company Announcements Office  
Australian Stock Exchange Limited

## Via E Lodgement

### EVANSTON AGREEMENT – PORTMAN IRON ORE LIMITED

Cape Lambert Iron Ore Limited (ASX: CFE, AIM: CLIO) is pleased to announce that it has signed a letter agreement with Portman Iron Ore Limited (“Portman”), which will enable Portman to explore for, and develop iron ore resources on 5 tenements located in the Evanston region, near Portman’s Koolanyobbing operations.

Cape Lambert holds the iron ore rights on these tenements.

It is expected that any iron ore resource(s) that are delineated would become a satellite mining operation to the Koolanyobbing operations.

The agreement requires Portman;

- to spend a total of \$1m on exploration within 3 years to earn 100% of the iron ore rights, with a minimum of \$300,000 to be spent in the first 12 months; and
- to pay Cape Lambert a royalty of 1.5% of average per tonne value for iron ore products removed from the tenements.

Cape Lambert Chairman Ian Burston said “he was pleased with the outcome of discussions with Portman and that these tenements would now be subject to systematic exploration potentially leading to additional value creation for Cape Lambert shareholders”.

He further added “the tenements provided a good fit for Portman with existing mining and transport infrastructure close by and the agreement enables Cape Lambert to focus on evaluation and development of its name sake magnetite project, near Karratha in the Pilbara of Western Australia”.

Yours faithfully  
CAPE LAMBERT IRON ORE LTD

**Ian F. Burston**  
Chairman

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