

28 July 2008

The Company Announcements Office  
Australian Stock Exchange Limited

**Via E Lodgement**

## **Cape Lambert shareholders approve AUD\$400M MCC deal**

Cape Lambert Iron Ore Limited ("Cape Lambert" or the "Company") (ASX: CFE, AIM:CLIO) has received shareholder approval for the AUD\$400M sale of its namesake iron ore project in Western Australia to China Metallurgical Group Corporation ("MCC").

On 26 February 2008, Cape Lambert announced that it had signed an MoU with MCC for the sale of the Company's Cape Lambert Iron Ore Project located in the Pilbara region of Western Australia for a total consideration of AUD\$400 million. The Project comprises four key Exploration Licenses being E47/1462, E47/1271, E47/1233 and E47/1248.

The approval of this transaction by shareholders, received at a shareholder meeting in Perth earlier today, was the final condition precedent in the landmark transaction.

With all conditions now being met both parties will now move to finalise settlement of the transaction by the end of this month. At this time the first substantive payment, A\$240M will be paid to Cape Lambert, with the majority of the remaining payments to be made in the coming 60 days. The final payment of A\$80M is to be made on the granting of a Mining Lease at the project. MCC has already paid a deposit of A\$10M.

Cape Lambert Chairman, Ian Burston, said "We are pleased our shareholders approved the sale of the Cape Lambert Project to MCC, not only for the financial boost it provides to the company but also because it strengthens our already strong relationship with MCC."

"We have forged a strong relationship with MCC in recent months, a relationship we believe will continue to grow as we look to acquire and develop other major iron ore projects in the future.

"MCC has expressed their willingness to work with us to jointly develop major iron ore projects, which given their technical and financial expertise is something we believe will be a significant boost to the company moving forward."

In accordance with Listing Rule 3.13.2, it is confirmed that the following resolutions put to the General Meeting of Cape Lambert Iron Ore Limited held on 28 July 2008 were passed on a show of hands:

Resolution 1: Change in Nature and Scale of Activities

Resolution 2: Equal Reduction of Capital

Resolutions 3 through 8 were withdrawn by the Board at the meeting.

In addition, information required to be disclosed by the Company in accordance with section 251AA of the Corporations Act 2001 is also attached.

Yours faithfully  
Cape Lambert Iron Ore Limited

**Ian Burston**  
Executive Chairman

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**About MCC:**

MCC has more than 70 fully owned and controlled subsidiaries, including nearly 20 overseas companies worldwide. It has a workforce of more than 47,600 technical and managerial employees.

The company has total assets of approximately US\$20 billion (145 billion Yuan) and in 2007 the revenue and total profit of the group totalled approximately US\$18 billion (126 billion Yuan) and US\$1 billion (7.2 billion Yuan) respectively. It has completed design and construction assignments for approximately two thirds of the iron ore projects in China and undertaken design and construction work for more than 90% of the steel mills in China. Its stated objective is to become a Fortune 500 company by 2010.

In Australia, MCC owns 20% of Citic Pacific Mining's A\$5.2 billion Sino Iron Project, located near Cape Preston, approximately 120km south west of the Cape Lambert iron ore project. MCC has also been awarded the EPC construction contract at the Sino Iron Project.

Further information about MCC may be found at [www.mcc.com.cn](http://www.mcc.com.cn).

**CAPE LAMBERT IRON ORE LIMITED  
GENERAL MEETING – 28 JULY 2008**

## Disclosure of Proxy Votes

In accordance with section 251AA of the Corporations Act 2001, the following information is provided to Australian Stock Exchange Limited in relation to resolutions passed by members of Cape Lambert Iron Ore Limited at its General Meeting held on 28 July 2008.

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