

9 October 2008

The Company Announcements Office  
ASX Limited

**Via E Lodgement**

## **General Meeting Cancelled**

Cape Lambert Iron Ore Limited ("Cape Lambert" or the "Company") (ASX: **CFE**, AIM: **CLIO**) and Power United Limited ("Power United") are pleased to advise that they have settled all outstanding actions with respect to the calling of a shareholders meeting by Power United to remove the majority of the current Cape Lambert Board. The requisitioning of the meeting by Power United was announced by Cape Lambert on 16 September 2008.

By the effect of consent orders made by Justice McKerracher today in the Federal Court of Australia the shareholders' meeting scheduled for 15 October 2008 has been cancelled.

Following extensive meetings and negotiations between the parties, matters were resolved on the basis that a complete geological and technical review of the Marampa project has now been completed by Power United. Power United endorses Cape Lambert's assessment of, and optimism for, the project (especially with a target mineralisation of greater than 1 billion tonnes of hematite) and believes that working in conjunction with African Minerals Limited (AIM:**AMI**) will provide significant benefits to Cape Lambert shareholders and to Sierra Leone. Substantial synergies have been identified in both companies obtaining leverage through the joint infrastructure development (port facilities and railway) of both the Marampa Project and African Minerals Tonkolili iron ore Project.

As part of the process moving forward, Cape Lambert will offer new board positions to Anthony (Tony) Roberts, a nominee of Power United and to a nominee of African Minerals. To this end, Tony Roberts will be invited to join the Cape Lambert Board (upon completion of all necessary regulatory requirements) with the African Mineral's nominee to be appointed at the same time. Mr Roberts is a mining engineer with over 35 years experience in Australia and overseas. His experience has been gained with both major and junior mining companies and has included senior management positions with BHP and Placer Dome. His experience has included contract negotiations on iron ore supply to China and Japan resulting in an intimate understanding of the needs and demands of various steel mills in those countries.

Cape Lambert also looks forward to reviewing and, potentially acquiring an interest in, other advanced stage mining projects. With the current market situation, the Company believes that there are number of opportunities available that can be capitalised on given Cape Lambert's strong cash position and technical team.

Cape Lambert Executive Chairman, Tony Sage noted that the Company was pleased to have these matters resolved and to be well positioned to focus on the development of its existing

assets and review of other opportunities as they become available.

Yours faithfully  
Cape Lambert Iron Ore Limited

Tony Sage  
**Executive Director**

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