

28 January 2009

The Company Announcements Office
ASX Limited

Via E Lodgement

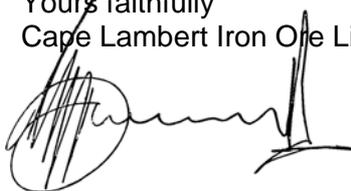
Notice of General Meeting

Please find attached the Notice of General Meeting and Proxy Form for the General Meeting to be held on Friday 27 February 2009.

The Notice will be mailed to all Cape Lambert Iron Ore Limited shareholders today.

A copy of the Notice will also be available on the Company's website www.capelam.com.au.

Yours faithfully
Cape Lambert Iron Ore Limited



Timothy Turner
Company Secretary

For more information please contact:

Cape Lambert Iron Ore Limited
Timothy Turner

+61 8 9380 9555

Website

www.capelam.com.au

CAPE LAMBERT IRON ORE LIMITED

ACN 095 047 920

NOTICE OF GENERAL MEETING

TIME: 9am (WST)

DATE: 27 February 2009

PLACE: Kailis Bros Fish Market and Café Function Centre
101 Oxford Street
Leederville, Western Australia 6007

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9380 9555.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9am (WST) on 27 February 2009 at:

Kallis Bros Fish Market and Café Function Centre, 101 Oxford Street, Leederville, Western Australia 6007.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return it:

- (a) in person to Computershare Investor Services, Level 2, 45 St George's Terrace Perth, Western Australia 6000; or
- (b) by post to Computershare Investor Services, PO Box 242 Melbourne, Victoria 3001; or
- (c) by facsimile to Computershare Investor Services on facsimile number 1800 783 447 (International: +61 3 9473 2555),

so that it is received not later than 9am (WST) on 25 February 2009.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 9am (WST) on 27 February 2009 at Kailis Bros Fish Market and Café Function Centre, 101 Oxford Street, Leederville, Western Australia 6007.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at the opening of business on 26 February 2009.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

SPECIAL BUSINESS

1. RESOLUTION 1 – CANCELLATION OF LISTING ON ALTERNATE INVESTMENT MARKET

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of AIM Rule 41 and for all other purposes, the admission of the Company’s Ordinary Shares to the AIM Market of the London Stock Exchange be cancelled .”

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 61,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – EMPLOYEE OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

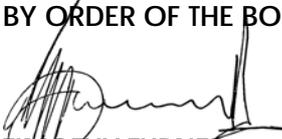
“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 8,350,000 Employee Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not

disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 23 JANUARY 2009

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Timothy Turner', written over a horizontal line.

**TIMOTHY TURNER
CAPE LAMBERT IRON ORE LIMITED
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 9am (WST) on 27 February 2009 at Kailis Bros Fish Market and Café Function Centre, 101 Oxford Street, Leederville, Western Australia 6007.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – CANCELLATION OF LISTING ON ALTERNATE INVESTMENT MARKET

The Company listed on AIM on 4 May 2006 because the Directors considered that the market would offer additional liquidity for Shareholders and the Directors believed the listing would assist the Company in its funding requirements for its Cape Lambert Iron Ore Project which was acquired in December 2005. Since that time, the Shares have traded on AIM under "CLIO" and ASX with the code "CFE".

Currently, 1.77 per cent of the Company's Ordinary Shares are held on the UK register, and there has been limited liquidity in the Company's shares.

Retaining a listing on AIM involves considerable expense and compliance with applicable laws and regulations. The Directors do not consider that the initial benefits of listing the Company on AIM now outweigh the significant costs and resources incurred in retaining that listing. Accordingly, the Company seeks approval from Shareholders to remove the Company's listing on AIM.

If shareholders wish to sell their Ordinary Shares on AIM, they must do so prior to cancellation becoming effective (such cancellation will occur no earlier than five days after the General Meeting and is expected to occur at 7am on 9 March 2009. The last trading day on AIM will be 6 March 2009). Following cancellation of admission of the Company's Ordinary Shares on AIM, the Depositary Interests ("DI") which were trading on AIM will be cancelled. The Company will remain listed on the official list of ASX and Shareholders in jurisdictions outside of Australia will still be entitled to trade Shares on ASX. The Company will continue to comply with all accounting and regulatory requirements expected of a company of this status.

Computershare, as the Company's registrar, will be writing to each DI holder on the UK register to advise them of the process in more detail but if DI holders do nothing with their existing holdings, the transfer to the Australian register will happen automatically.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES

2.1 General

As announced on 2 September 2008, the Company entered into an agreement to make a 30% investment in Marampa Iron Ore Limited (**Marampa**), the owner of the exploration stage Marampa Iron Ore Project in Sierra Leone (**Marampa Transaction**). The Marampa Transaction completed on 1 October 2008.

The Marampa Transaction involved the Company issuing 44,000,000 Shares to Marampa Iron Ore Limited and agreeing to fund US\$25,000,000 towards a definitive feasibility study on the Marampa Project (with the ability to withdraw after US\$5,000,000). Marampa Iron Ore Limited is not a related party of the Company.

Further information in respect of the Marampa Transaction is contained in ASX and AIM announcements made by the Company on 2 September 2008 (1 September 2008 on AIM) and 1 October 2008.

The Company also announced on 22 January 2009 that it had entered into a further agreement with Marampa pursuant to which the Company subscribed for further shares in Marampa to take its interest in Marampa to 35%. The consideration payable by the Company was the issue of 17,000,000 Shares. These Shares were issued within the Company's 15% capacity

Accordingly, Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the initial 44,000,000 Shares to Marampa pursuant to the Marampa Transaction and also the issue of the 17,000,000 Shares to Marampa on 22 January 2009 (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 61,000,000 Shares were allotted;
- (b) the Shares were issued for nil cash consideration as they were issued in part consideration for the acquisition of 35% of the issued capital in Marampa;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The 61,000,000 Shares issued to Marampa under the Marampa Transaction are subject to a voluntary restriction agreement for a period of 12 months from completion of the Marampa Transaction (that is, from 1 October 2008);
- (d) the Shares were allotted and issued to Marampa; and
- (e) no funds were raised from this issue as the Shares were issued in part consideration for the acquisition of a 35% interest in Marampa.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – EMPLOYEE OPTIONS

3.1 General

On 5 August 2008, the Company issued 8,350,000 Employee Options to employees and consultants of the Company as a reward and incentive to promote motivation, company ownership and loyalty. The Company is committed to remunerating its senior executives in a manner that is market competitive and consistent with best practice as well as supporting the interests of Shareholders. Accordingly, the Company considers it appropriate to issue employees and consultants Employee Options to align the interests of the employees and consultants with those of Shareholders and increase Company performance.

None of the subscribers pursuant to this issue were related parties of the Company.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Employee Options (**Option Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in Section 2.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Option Ratification:

- (a) 8,350,000 Employee Options were allotted;
- (b) the Employee Options were issued for nil cash consideration as they were issued to employees and consultants of the Company in consideration for their services to the Company and to promote motivation, company ownership and loyalty. Accordingly, no funds were raised from the issue;
- (c) the Employee Options were issued on the terms and conditions set out in Section 3.3; and
- (d) the Employee Options were allotted and issued to the following parties:

Name of Allottee	Number of Employee Options
Giuseppe Vince Ariti	3,000,000
Kim Bischoff	1,500,000
Jeffrey Charles Hamilton	1,500,000
Lloyd Arthur Berrey	1,125,000
Neil Robert Fraser	150,000
Rita Care	150,000
Eloise von Puttkammer	350,000

Judy Tonkin	300,000
Emily O 'Connell	125,000
Candice Damopoulos	75,000
Kelly-Anne Dyne	75,000
TOTAL	8,350,000

3.3 Terms of Options

The terms and conditions of the Employee Options are as follows:

- (a) each Employee Option entitles the holder to one Share;
- (b) the Employee Options are exercisable at any time on or prior to 5.00pm (WST) on 30 June 2010 (**Expiry Date**) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Employee Options are exercised to the registered office of the Company;
- (c) the Employee Option exercise price is \$0.432 per Employee Option¹;
- (d) subject to paragraph (i), an Employee Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Employee Option can be exercised;
- (e) subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Employee Options are freely transferable;
- (f) all Shares issued upon exercise of the Employee Options will rank pari passu in all respects with the Company's then issued Shares;
- (g) the Company will not apply for quotation of the Employee Options. The Company will apply for quotation of the Shares issued upon exercise of the Employee Options;
- (h) there are no participating rights or entitlements inherent in the Employee Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Employee Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Employee Option holders the opportunity to exercise their Employee Options prior to the date for determining entitlements to participate in any such issue; and
- (i) if at any time the issued capital of the Company is reconstructed, all rights of a Employee Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules.

¹ Please note that in the Company's announcement on 8 August 2008, the Employee Option exercise price was \$0.50 per Employee Option. However, as a result of the return of capital and in line with the Company's announcement of 15 October 2008, the exercise price of each Employee Option was reduced by \$0.068.

4. ENQUIRIES

Shareholders are required to contact the Company on (+ 61 8) 9380 9555 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

AIM means the Alternate Investment Market of the London Stock Exchange plc.

AIM Rules means the AIM Rules for Companies.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX and/or AIM declares is not a business day.

Company means Cape Lambert Iron Ore Limited (ACN 095 047 920).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Employee Option means the options to acquire a share issued to employees and consultants on the terms set out in Section 3.3.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting means this notice of general meeting including the Explanatory Statement.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time or Western Daylight Saving Time (as applicable) as observed in Perth, Western Australia.



Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 9.00am (WST) Wednesday 25 February 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Cape Lambert Iron Ore Limited hereby appoint

 the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Cape Lambert Iron Ore Limited to be held at Kailis Bros Fish Market and Cafe Function Centre, 101 Oxford Street, Leederville, Western Australia 6007 on Friday, 27/02/2009 at 9.00am (WST) and at any adjournment of that meeting.

Important for Items 2 and 3: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Items 2 and 3 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 2 and 3 and your votes will not be counted in computing the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 2 and 3 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Cancellation of listing on Alternate Investment Market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue - Employee Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____