

13 July 2009

The Company Announcements Office
ASX Limited

Via E Lodgement

Further details of Cape Lambert's bid for Corvette Resources

Australian resources company Cape Lambert Iron Ore Limited (**ASX: CFE**) (the **Company** or **Cape Lambert**) advises shareholders of the proposed offer price to be made pursuant to its off-market scrip takeover offer (the **Offer**) for all of the issued shares in ASX listed resources company Corvette Resources Limited (**ASX: COV**) (**Corvette**), that was announced to ASX on 6 July 2009.

As a result of Cape Lambert acquiring 100% of Mineral Securities Limited (**Mineral Securities**), it acquired a relevant interest in 20% of the issued shares in Corvette. Completion of this acquisition took place on 29 June 2009 (**Completion Date**).

On 6 July 2009, Cape Lambert confirmed its intention to make the Offer. The proposed Offer will be subject to a number of conditions which are set out in Annexure A to the 6 July 2009 announcement.

Offer Price

Pursuant to the Offer, Corvette shareholders will be offered Cape Lambert shares in exchange for their Corvette shares. The number of Cape Lambert shares to be offered for the Corvette shares will be valued in accordance with the regulatory requirements of the Corporations Act and applicable ASIC policy. Cape Lambert proposes to offer Corvette shareholders the same value per Corvette share as it was deemed to have paid for its 20% interest in Corvette as a result of acquiring 100% of Minerals Securities, being **14 cents**.

Cape Lambert shares as consideration

In accordance with ASIC guidelines, Cape Lambert will value the quoted Cape Lambert shares it is offering in consideration for each Corvette share up to five business days before it sends the first offer (**Valuation Time**).

Specifically, Cape Lambert will adopt the volume weighted average market price of Cape Lambert shares in the ordinary course of trading on ASX during the two full trading days before each of:

- (a) the time as close as practical to when Cape Lambert lodges its bidder's statement at ASIC; and
- (b) the Valuation Time.

Accordingly, the process to be followed is as follows:

- (a) Cape Lambert will lodge a bidder's statement with ASIC disclosing the value of the Cape Lambert shares as at the time as close as practical to the lodgement time; and
- (b) Cape Lambert will then send to all Corvette shareholders:

- (i) if the valuation of the Cape Lambert shares conducted for the purposes of (a) is still current at the Valuation Time, its bidder's statement (i.e. the same as that lodged with ASIC); or
- (ii) if the value has materially changed at the Valuation Time, a replacement bidder's statement.

Value of Corvette Shares to be acquired

In order to calculate the price deemed to have been paid by Cape Lambert for its 20% shareholding in Corvette, the same valuation method as used for the Cape Lambert shares has been adopted, that is, the volume weighted average market price of Corvette shares in the ordinary course of trading during the two full trading days before the Completion Date.

Using this valuation method the value of the Corvette shares acquired by Cape Lambert pursuant to its acquisition of 100% of Mineral Securities has been calculated as **14 cents** each. This value will be compared to the value of the Cape Lambert shares once determined (as detailed above) and the number of Cape Lambert shares to be offered for each Corvette share will be calculated.

Full details of these valuation methods will be set out in the bidder's statement which will be lodged with the Australian Securities Exchange and the Australian Securities and Investments Commission shortly.

Yours faithfully

Cape Lambert Iron Ore Limited

Tony Sage
Executive Chairman

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About Corvette Resources:

Corvette Resources Limited has established a portfolio of 100% owned Exploration Licences and Applications within Australia covering approximately 16,600 km² in Western Australia, Victoria, and Queensland.

It has secured advanced project areas in Victoria containing resources that exhibit potentially favourable mining and processing options, and good infrastructure. In addition, exploration projects have been secured in provinces with potential for mineral sands and gold deposits.

The portfolio of properties offers excellent potential for the discovery and development of mining projects.

Website: www.corvetteresources.com.au