

10 August 2009

Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Via E Lodgement


Dear Sir/Madam

OFF MARKET TAKEOVER BID BY CAPE LAMBERT IRON ORE LIMITED FOR 100% OF THE SHARES OF CORVETTE RESOURCES LIMITED

In accordance with Step 8 of Section 633(1) of the Corporations Act 2001 (Cth) and ASIC Class Order 01/1543, Cape Lambert Iron Ore Limited:

- (a) gives notice under Section 633(1) Item 8 of the Corporations Act that it has today dispatched offers under an off-market bid to holders of fully paid ordinary shares in Corvette Resources Limited pursuant to a bidder's statement dated 24 July 2009 (**Bidder's Statement**) and that such offers were each dated 10 August 2009; and
- (b) encloses a copy of the Bidder's Statement.

Yours faithfully



Eloise von Puttkammer
Company Secretary
Cape Lambert Iron Ore Limited

Encl.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ ALL OF THE CONTENTS OF THIS DOCUMENT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

BIDDER'S STATEMENT

by

CAPE LAMBERT IRON ORE LIMITED

(ACN 095 047 920)

to acquire **ALL** of your shares in

CORVETTE RESOURCES LIMITED

(ACN 103 006 542)

TO ACCEPT CAPE LAMBERT'S OFFER, SIMPLY COMPLETE THE ENCLOSED ACCEPTANCE FORM AND RETURN IT IN THE ENVELOPE PROVIDED.

This Bidder's Statement is dated 24 July 2009. A copy of this Bidder's Statement was lodged with the ASIC on 24 July 2009. The ASIC takes no responsibility for the content of this Bidder's Statement.

Legal adviser to Cape Lambert Iron Ore Limited

STEINPREIS PAGANIN 
Lawyers & Consultants

Important Information:

Bidder's Statement

This document is the Bidder's Statement from Cape Lambert Iron Ore Limited (ACN 095 047 920) (**Cape Lambert** or the **Company**) in relation to its off-market bid for all of the shares in Corvette Resources Limited (ACN 103 006 542) (**Corvette**).

This Bidder's Statement is dated 24 July 2009. A copy of this Bidder's Statement was lodged with the ASIC on 24 July 2009. The ASIC takes no responsibility for the content of this Bidder's Statement.

Investment Decision

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Corvette Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclosure Regarding Forward Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on Cape Lambert's current expectations about future events. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, those risks identified in Section 11.

Foreign Jurisdictions

The distribution of this Bidder's Statement in jurisdictions outside Australia and New Zealand may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify Cape Lambert or to otherwise permit a public offering of Cape Lambert Shares outside Australia.

Privacy

Cape Lambert has collected your information from the share register of Corvette for the purposes of making this Offer and, if accepted, administering your shareholding in Corvette. Cape Lambert and the share registry may disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by Cape Lambert, please contact Cape Lambert at the address set out in the Corporate Directory.

Defined Terms

Various defined terms are used in this Bidder's Statement. Their meaning is set out in Section 13.

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ANNEXURE A CAPE LAMBERT'S ASX ANNOUNCEMENTS

ANNEXURE B CORVETTE'S ASX ANNOUNCEMENTS

Important Dates:

Date Bidder's Statement was lodged with the ASIC and date of Bidder's Statement	24 July 2009
Date of Offer	10 August 2009
Date of completion of despatch of Bidder's Statement to Corvette Shareholders	12 August 2009
Offer closes * (unless extended or otherwise withdrawn)	11 September 2009

Note:

* This date may be changed as permitted by the Corporations Act.

Information Line:

Please call (08) 9380 9555 (callers in Australia) or +618 9380 9555 (callers outside Australia) if you have any questions or require any assistance with your acceptance.

CORPORATE DIRECTORY

Company

Registered Office and Principal Place of Business

18 Oxford Close
LEEDERVILLE WA 6007

Telephone: (08) 9380 9555
Facsimile: (08) 9380 9666

Project Management Office

Level 1
2 Ord Street
WEST PERTH WA 6005

Telephone: (08) 9211 0600
Facsimile: (08) 9322 2631

Website: www.capelam.com.au

Directors

Mr Antony Sage
Executive Chairman

Mr Timothy Turner
Non-Executive Director

Mr Brian Maher
Non-Executive Director

Company Secretary

Ms Eloise von Puttkammer

Share Registry*

Computershare Investor Services Pty
Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Telephone: 1300 557 010
Facsimile: (08) 9323 2033

Solicitors to the Company

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Stock Exchange*

ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

ASX Code: CFE

Auditor *

PricewaterhouseCoopers
QV1
250 St Georges Terrace
PERTH WA 6000

* These entities have been included for information purposes only. They have not been involved in the preparation of this Bidder's Statement.

1. SECTION 1 – LETTER FROM THE CAPE LAMBERT BOARD

Dear Corvette Shareholder

As announced to ASX on 7 May 2009, following a bid process, Cape Lambert and its wholly owned subsidiaries Cape Lambert MinSec Pty Ltd (**Cape Lambert MinSec**) and Cape Lambert Lady Annie Exploration Pty Ltd (**Cape Lambert Lady Annie**) entered into sale agreements with CopperCo Limited (Administrators Appointed) (Receivers and Managers Appointed) (**CopperCo**) and its wholly owned subsidiary Mineral Securities Limited (**Mineral Securities**) and other subsidiaries of CopperCo pursuant to which:

- (a) Cape Lambert and Cape Lambert Lady Annie agreed to acquire CopperCo's key assets located in the region north-west of Mount Isa in Queensland, namely the Lady Annie Project and the surrounding package of exploration tenements and shareholding in Universal Resources Ltd and Stirling Minerals Ltd (the **Lady Annie Assets**); and
- (b) Cape Lambert and Cape Lambert MinSec agreed to acquire all of the shares in Mineral Securities, a wholly owned subsidiary of CopperCo (**Mineral Securities Acquisition**) which includes, amongst other assets:
 - (i) a 100% interest in the Sappes Gold Project in Greece and a 25% interest in the Lady Loretta Project in Queensland;
 - (ii) portfolio interests in various companies including Platmin Limited (TSX/AIM: PPN), Herencia Resources Limited (AIM: HER) and Charaat Gold Holding Limited (AIM: CGH); and
 - (iii) relevant interests in over 20% of four ASX listed companies, namely:
 - (A) Corvette (a 34.47% interest in the issued share capital of Corvette);
 - (B) Buka Gold Limited (**Buka Gold**) (a 47.25% interest in the issued share capital of Buka Gold);
 - (C) Tianshan Goldfields Limited (**Tianshan**) (a 25.49% interest in the issued share capital of Tianshan); and
 - (D) NiPlats Australia Limited (**NiPlats**) (a 40.11% interest in the issued share capital of NiPlats),

(together, the **Downstream Interests**).

Cape Lambert applied to ASIC for relief to allow it (and Cape Lambert MinSec) to acquire the Downstream Interests without having to make a takeover bid for those companies. ASIC did not grant the requested relief in relation to the Downstream Interests (other than in the case of Tianshan) (**ASIC Decision**). The ASIC Decision was upheld by the Takeovers Panel other than in respect of Tianshan, in which case the Takeovers Panel advised they were not minded to grant relief even if ASIC was prepared to grant restricted relief.

Prior to the completion of the acquisition of the Lady Annie Assets and the Mineral Securities Acquisition, a restructure was undertaken to ensure that Cape Lambert acquired a relevant interest in no more than 20% of any ASX listed company (**Restructure**). Pursuant to the Restructure, the shareholding in each of

Corvette, Buka Gold, and Tianshan held by Mineral Securities (or entities controlled by Mineral Securities) exceeding 19.99% (**Excess Shares**) was sold to CopperCo or an entity controlled by CopperCo (**CopperCo Controlled Entity**). The whole of the shareholding in NiPlats is held by the CopperCo Controlled Entity. CopperCo and the CopperCo Controlled Entity remain in receivership. Pursuant to the terms of the Restructure, Cape Lambert will receive the benefit of any consideration ultimately obtained for the Excess Shares and NiPlats Shares by the receiver of CopperCo and the CopperCo Controlled Entity. CopperCo and the CopperCo Controlled Entity was not acquired by Cape Lambert MinSec pursuant to the Mineral Securities Acquisition and will remain a wholly owned subsidiary of CopperCo, and an entity not associated, controlled by or related to Cape Lambert.

Completion of the acquisition by Cape Lambert Lady Annie of the Lady Annie Assets and Cape Lambert MinSec of the Mineral Securities Acquisition (as varied by the Restructure) occurred on 29 June 2009 and accordingly, Cape Lambert now holds a relevant interest in 19.99% of the issued shares in Corvette, Buka Gold and Tianshan.

On 6 July 2009, Cape Lambert announced to ASX its intention to make an off market takeover offer for all of the ordinary shares in Corvette (**Merger**).

This Bidder's Statement contains Cape Lambert's off-market takeover offer to Corvette Shareholders and contains full details of the Merger proposal.

Cape Lambert is an ASX listed exploration and development company which, in addition to the Lady Annie Assets and the assets acquired pursuant to the Mineral Securities Acquisition, has interests in iron ore projects in Sierra Leone and the Pilbara region of Western Australia.

Corvette Shareholders will benefit along with Cape Lambert Shareholders from having more liquid securities in a merged group with cash assets of approximately \$77million.

In this Bidder's Statement, Cape Lambert is offering to buy **ALL of your Corvette Shares** and in return issue you **0.417 Cape Lambert Shares for every one Corvette Share you own**. Therefore, for every 2.4 Corvette Shares you own you will be issued one Cape Lambert Share. In more simple terms, assuming the Cape Lambert Shares have an issue price of 33.63 cents (being the volume weighted average price of Cape Lambert Shares on ASX over the 2 trading days before the date of this Bidder's Statement) each and the Offer is for 0.417 Cape Lambert Shares for every Corvette Share, **the Offer values each Corvette Share at 14 cents each**.

A summary of the Offer, including conditions, is set out in Section 2 of this Bidder's Statement and full details are contained in Section 10 of this Bidder's Statement.

To accept the Offer, please follow the instructions set out in the Bidder's Statement and on the Acceptance Form attached to the end of this Bidder's Statement.

I very much look forward to your acceptance of the Offer and to welcoming you as a Cape Lambert Shareholder.

For and on behalf of the Board of Cape Lambert

Timothy Turner
Director

2. SECTION 2 – SUMMARY OF OFFER

2.1 Key Terms

The Bidder	Cape Lambert is the company making the Offer.
The Offer	<p>Cape Lambert offers to acquire ALL of your Corvette Shares.</p> <p>You may only accept the Offer in respect of 100% (and not a lesser proportion) of the Corvette Shares you hold.</p> <p>No offer is being made for any Corvette Options on issue.</p>
Consideration	You are offered 0.417 Cape Lambert Shares for every one Corvette Share you own. Therefore, for every 2.4 Corvette Shares you own you will be issued one Cape Lambert Share. If you become entitled to a fraction of a Cape Lambert Share the fraction will be disregarded and you will receive the lowest next whole number of Cape Lambert Shares.
Offer Opens	10 August 2009
Offer Closes	Unless withdrawn or extended in accordance with the Corporations Act, the Offer is open until 5pm WST on 11 September 2009.
When do you get paid?	If you accept the Offer, you will receive the consideration under the Offer within 1 month of the later of the date you accept, and the date the Offer becomes unconditional. In any event, assuming the conditions of the Offer you accept are satisfied or waived, you will be sent payment within 21 days of the end of the Offer Period.
Conditions	<p>The Offer is subject to the defeating conditions set out in Clause 10.8 of this Bidder's Statement.</p> <p>Cape Lambert may choose to waive any of these conditions in accordance with the Offer.</p> <p>In addition, the Offer is conditional on ASX, no later than seven days after the end of the Offer Period, granting permission for the Cape Lambert Shares to be issued under the Offer being quoted on the ASX.</p>
How to Accept	How you accept will depend on whether your Corvette Shares are held in an Issuer Sponsored Holding or a CHESS Holding .
Further information	<p>The full terms of the Offer are set out in Section 10 of this Bidder's Statement.</p> <p>For questions regarding the Offer or how to accept, please call the Company Secretary Ms Eloise von Puttkammer on (08) 9380 9555.</p>

Fees No transfer duty or brokers' commission are payable by Corvette Shareholders who accept the Offer.

2.2 Timetable

An indicative timetable of the Merger is set out below. This timetable is indicative only and may change.

<u>Action</u>	<u>Date</u>
Announcement of Merger	7 July 2009
Lodgement of Bidder's Statement with ASIC	24 July 2009
Date of Offer	10 August 2009
Bidder's Statement dispatched to Corvette Shareholders, Takeover Offer opens	12 August 2009
Last date to free Offer from defeating conditions (or extend the Offer)	4 September 2009
Closing Date of Offer under the Bidder's Statement	11 September 2009
Holding Statements dispatched	14 September 2009

2.3 Why should you accept the Offer?

Section 4 of this Bidder's Statement sets out reasons why Corvette Shareholders should accept the Offer.

2.4 Profile of Cape Lambert

A profile of Cape Lambert is detailed in Section 5 of this Bidder's Statement.

2.5 Profile of Corvette

A profile of Corvette is detailed in Section 6 of this Bidder's Statement.

2.6 Intentions of Cape Lambert

Section 7 of this Bidder's Statement details Cape Lambert's intentions in relation to Corvette if the Merger is successful.

2.7 Financial Information

Section 8 of this Bidder's Statement details financial information in relation to Cape Lambert and Corvette, and the Merged Entity, including pro forma unaudited balance sheets as at 30 June 2009 for Cape Lambert and the Merged Entity.

The financial information set out in Section 8 sets out a number of scenarios in relation to Cape Lambert and the effect this Takeover Offer will have on the Merged Entity depending on the level of acceptances received.

2.8 Tax Considerations

Section 9 of this Bidder's Statement provides a description of the general tax implications of accepting the Offer. You should consult with your own tax adviser regarding the consequences of acquiring, holding or disposing of Corvette Shares and Cape Lambert Shares in light of current tax laws and your particular investment circumstances.

2.9 Terms of Offer

Section 10 of this Bidder's Statement sets out the full terms of the Offer, including defeating conditions and the effect of accepting the Offer.

2.10 Valuation of Cape Lambert Shares and Corvette Shares

As a result of the Mineral Securities Acquisition, Cape Lambert acquired a relevant interest in 23,207,719 Corvette Shares representing 19.99% of Corvette. Completion of this acquisition took place on 29 June 2009 (**Completion Date**).

Pursuant to this Offer, Corvette Shareholders are being offered Cape Lambert Shares in exchange for their Corvette Shares. The number of Cape Lambert Shares to be offered for the Corvette Shares has been valued in accordance with the regulatory requirements of the Corporations Act and applicable ASIC policy. Pursuant to this Offer, Cape Lambert is offering Corvette Shareholders the same value per Corvette Share as it was deemed to have paid for its 19.99% interest in Corvette as a result of the Minerals Securities Acquisition, being **14 cents per Corvette Share**.

In accordance with ASIC guidelines, Cape Lambert has valued the Cape Lambert Shares it is offering pursuant to this Offer up to five business days before it sends the Offer to the Corvette Shareholders (**Valuation Time**).

Specifically, Cape Lambert has adopted 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 lodged this Bidder's Statement at ASIC; and
- (b) the Valuation Time.

The process followed by Cape Lambert is detailed below:

- (a) Cape Lambert lodged this 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 (being 33.63 cents); and
- (b) Cape Lambert will 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, this Bidder's Statement (i.e. the same as that lodged with ASIC); or
 - (ii) if the value of the Cape Lambert Shares has materially changed at the Valuation Time, a replacement Bidder's Statement.

The price deemed to have been paid by Cape Lambert for its 19.99% shareholding in Corvette is the Corvette closing share price on Completion Date of the Mineral Securities Acquisition which was **14 cents per share**.

As at the date this Bidder's Statement was lodged at ASIC, the value of the Corvette Shares (being 14 cents each) was compared to the value of the Cape Lambert Shares (being 33.63 cents each). Accordingly, the number of Cape Lambert Shares to be offered for each Corvette Share is 0.417.

You are being offered 0.417 Cape Lambert Shares for every one Corvette Share you own. Therefore, for every 2.4 Corvette Shares you own you will be issued one Cape Lambert Share. If you become entitled to a fraction of a Cape Lambert Share the fraction will be disregarded and you will receive the lowest next whole number of Cape Lambert Shares.

As detailed above, if the value of the Cape Lambert Shares has materially changed at the Valuation Time, a replacement Bidder's Statement will be despatched to Corvette Shareholders.

2.11 Risks

Section 11 of this Bidder's Statement sets out the key risks associated with holding Cape Lambert Shares.

2.12 When will you receive the consideration?

Once you have validly accepted the Offer, Cape Lambert will endeavour to issue the Cape Lambert Shares to you as soon as is practicable, and in any event on or before the earlier of:

- (a) one (1) month after this Offer is accepted, or the contract resulting from its acceptance becomes unconditional (whichever is the later); and
- (b) 21 days after the end of the Offer Period.

Should you not accept the Offer and Cape Lambert proceeds to compulsorily acquire outstanding Corvette Shares, then you will only receive your consideration in accordance with the timing of the compulsory acquisition provisions of the Corporations Act, which may be more than 2 months after the end of the Offer Period.

2.13 Foreign Corvette Shareholders

If you are a Foreign Corvette Shareholder then, despite any other provision of this Offer, you are offered and will receive for your Corvette Shares a cash amount calculated under clause 10.7(a). Cape Lambert will appoint a nominee to act as the Australian resident nominee on behalf of each Foreign Corvette Shareholder in accordance with Section 619(3) of the Corporations Act. Refer to Section 10.7 for further details.

For the purposes of this Bidder's Statement, you are **not** a Foreign Shareholder if:

- (a) your address as recorded in the Corvette register is within Australia and its external Territories or New Zealand; or
- (b) you have appointed an agent in Australia or New Zealand to receive and accept the Offer on your behalf.

Also, a person will not be a Foreign Corvette Shareholder if Cape Lambert is satisfied that it is not legally or practically constrained from making the Offer to that person in the relevant jurisdiction and to issue Cape Lambert Shares to such a person on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, Cape Lambert is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

2.14 Further information

For queries on how to accept the Offer, please refer to Section 9.1, the enclosed Acceptance Form or call the Company Secretary Ms Eloise von Puttkammer on +61 8 9380 9555.

2.15 Importance notice

The information in this Section 2 is a **summary** of the Offer only.

You should read the entire Bidder's Statement and the separate Target's Statement which will be sent to you directly by Corvette in relation to the Offer before deciding whether to accept the Offer.

3. SECTION 3 - FREQUENTLY ASKED QUESTIONS IN RELATION TO THE OFFER

What is the Offer? The Offer is **0.417 Cape Lambert Shares** for every one Corvette Share you own. Therefore, for every 2.4 Corvette Shares you own you will be issued one Cape Lambert Share.

What is the Bidder's Statement? This Bidder's Statement was prepared by Cape Lambert for distribution to Corvette Shareholders. It sets out the Offer terms and information relevant to your decision whether or not to accept the Offer.

The Bidder's Statement is an important document. If you are in any doubt as to how to deal with this document, you should consult your broker or your legal, financial or other professional adviser as soon as possible.

Who is Cape Lambert? Cape Lambert is an Australian domiciled, (ASX: CFE) listed exploration and development company.

Please refer to Section 5 of this Bidder's Statement for further information about Cape Lambert.

Are there any conditions to the Offer? Yes, the Offer is subject to conditions which are set out in detail in Section 10.8 of this Bidder's Statement.

Cape Lambert may choose to waive certain of the conditions in accordance with the terms of the Offer. Details as to how these conditions can be waived are set out in Section 10.8 of this Bidder's Statement.

What if the conditions of the Offer are not satisfied? If the Offer closes with conditions remaining unsatisfied, the Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your Corvette Shares (unless you otherwise sell them). Cape Lambert will inform you of whether the conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act. Cape Lambert may extend the Offer Period in accordance with the Corporations Act in order to give time for conditions to be satisfied – see "Can Cape Lambert extend the Offer Period?" below.

If I accept the Offer, when will I receive my consideration? If you accept the Offer, Cape Lambert will issue the Cape Lambert Shares to which you are entitled on or before the earlier of:

- one month after you have validly accepted the Offer or the contract resulting from its acceptance becomes unconditional (whichever is later); and
 - 21 days after the end of the Offer Period, provided that the Offer has become
-

unconditional.

How do I accept the Offer? Refer to Section 10.4 of this Bidder's Statement and the enclosed Acceptance Form.

Will I need to pay any brokerage or stamp duty if I accept the Offer? If your Corvette Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Cape Lambert, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptances of the Offer.

If your Corvette Shares are registered in a CHES Holding, or if you are the beneficial owner whose Corvette Shares are registered in the name of a broker, bank, custodian, or other nominee, you will not be obliged to pay stamp duty by accepting the offer but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

You will likely incur brokerage costs if you sell your Corvette Shares on the ASX.

When does the Offer close? The Offer is currently scheduled to close at 5.00pm (WST) on 11 September 2009, unless it is extended or withdrawn.

Can Cape Lambert extend the Offer Period? Yes, the Offer Period can be extended at Cape Lambert's election, up to a maximum Offer Period of 12 months. Corvette Shareholders will be advised of any extension via an announcement on the ASX.

What are the tax implications of acceptance? A general summary of the Australian tax consequences of accepting the Offer is set out in Section 9 of this Bidder's Statement. Cape Lambert recommends that you seek independent professional tax advice in relation to your own particular circumstances.

Can I sell my Corvette Shares on market? Yes, but you may incur brokerage costs if you do.

If you have already accepted the Offer, you will be unable to settle any subsequent sale of your Corvette Shares, subject to you being entitled to withdraw your acceptance – see "Can I withdraw my acceptance?" below.

Can I withdraw my acceptance? Under the terms of Offer, you cannot withdraw your acceptance except where a withdrawal right arises under the Corporations Act.

A withdrawal right will arise under the Corporations Act if the Offer remains subject to one or more defeating conditions (set out in Section 10.8 of this Bidder's Statement) and, after you have accepted the Offer, Cape Lambert varies the Offer in a way

that postpones, for more than one month, the time by which Cape Lambert needs to meet its obligations under the Offer.

Where do I go for further information?

For all other queries in relation to the Offer, please contact the Cape Lambert Information Line on (08) 9380 9555 (callers in Australia) or +618 9380 9555 (callers outside Australia).

4. SECTION 4 – REASONS FOR ACCEPTING THE OFFER

4.1 Background

As detailed in the Letter from the Board contained in Section 1 of this Bidder's Statement, on 7 May 2009, following a bid process, Cape Lambert and its wholly owned subsidiaries, Cape Lambert MinSec and Cape Lambert Lady Annie entered into sale agreements with CopperCo and its wholly owned subsidiary Mineral Securities and other subsidiaries of CopperCo pursuant to which:

- (a) Cape Lambert and Cape Lambert Lady Annie agreed to acquire CopperCo's key assets, namely the Lady Annie Project located in the region North West of Mount Isa in Queensland and the surrounding package of exploration tenements and shareholding in Universal Resources Ltd and Stirling Minerals Ltd (**Lady Annie Assets**); and
- (b) Cape Lambert and Cape Lambert MinSec agreed to acquire all of the shares in Mineral Securities, a wholly owned subsidiary of CopperCo (**Mineral Securities Acquisition**).

Mineral Securities held a relevant interest in over 20% of four ASX listed companies, namely:

- (a) Corvette (a 34.47% interest in the issued share capital of Corvette);
- (b) Buka Gold (a 47.25% interest in the issued share capital of Buka Gold);
- (c) Tianshan (a 25.49% interest in the issued share capital of Tianshan); and
- (d) NiPlats (a 40.11% interest in the issued share capital of NiPlats).

Cape Lambert applied to ASIC for relief to allow it (and Cape Lambert MinSec) to acquire the Downstream Interests without having to make a takeover bid for those companies. ASIC did not grant the requested relief (other than in the case of Tianshan) and this decision was upheld by the Takeovers Panel other than in respect of Tianshan, in which case the Takeovers Panel advised they were not minded to grant relief even if ASIC was prepared to grant restricted relief.

Prior to the completion of the acquisition of the Lady Annie Assets and the Mineral Securities Acquisition, a restructure was undertaken to ensure that Cape Lambert acquired a relevant interest in no more than 20% of any ASX listed company (**Restructure**). Pursuant to this Restructure, the shareholding in each of Corvette, Buka Gold, and Tianshan held by Mineral Securities (or entities controlled by Mineral Securities) exceeding 19.99% (**Excess Shares**) was sold to CopperCo or an entity controlled by CopperCo (**CopperCo Controlled Entity**). The whole of the shareholding in NiPlats is held by the CopperCo Controlled Entity. CopperCo and the CopperCo Controlled Entity remain in receivership. Pursuant to the terms of the Restructure, Cape Lambert will receive the benefit of any consideration ultimately obtained for the Excess Shares and NiPlats Shares by the receiver of CopperCo and the CopperCo Controlled Entity. The CopperCo Controlled Entity was not acquired by Cape Lambert MinSec pursuant to the Mineral Securities Acquisition and will remain a wholly owned subsidiary of CopperCo and an entity not associated, controlled by or related to Cape Lambert.

Completion of the Acquisition by Cape Lambert and Cape Lambert Lady Annie of the Lady Annie Assets and Cape Lambert and Cape Lambert MinSec of the

Mineral Securities Acquisition (as varied by the Restructure) occurred on 29 June 2009.

As a result of the Mineral Securities Acquisition, Cape Lambert and Cape Lambert MinSec have acquired a relevant interest in 19.99% of the shares in each of Corvette, Buka Gold and Tianshan (each being an ASX listed company) held by Mineral Securities.

Cape Lambert is now making an offer to all of the Corvette Shareholders to acquire all of the Corvette Shares pursuant to this Takeover Offer.

4.2 Capacity to finance growth opportunities

Cape Lambert is an ASX listed exploration and development company which, in addition to the Lady Annie Assets and the assets acquired pursuant to the Mineral Securities Acquisition has interests in iron ore projects in Sierra Leone and the Pilbara region of Western Australia as well as interests in a number of ASX listed companies. As a result of the sale of its namesake project in 2008, Cape Lambert has significant cash reserves to apply to exploration of additional projects which it deems compatible with its growth strategy.

If the Merger proceeds, Corvette will become a wholly owned subsidiary of Cape Lambert. Cape Lambert has considerable cash reserves and would be in a position to apply some of its cash reserves, if it deems appropriate, towards exploration of Corvette assets.

4.3 An increased market presence with increased investor interest

The Merged Entity (assuming 80% acceptances of the Offer resulting in Cape Lambert owning 100% of Corvette) would have an estimated market capitalisation of \$189,160,929 which should result in increased investor interest and enhance the Merged Entity's presence in the equity capital markets. Corvette Shareholders are expected to benefit from the increased liquidity in the trading of shares in the Merged Entity.

4.4 Access to an increased portfolio of development, exploration and other projects with geographical diversity

- (a) Cape Lambert has a number of different directions in which it can grow, either from its existing portfolio of projects which it possessed prior to the Lady Annie acquisition and Mineral Securities Acquisition, or as a result of those acquisitions. The addition of Corvette's assets will enhance the number of options for growth and expansion in the medium and long term.
- (b) The Merged Entity will have access to an increased portfolio of development, exploration and other projects with some geographical diversity.

4.5 Retention of Current Boards

If less than 90% of Corvette is obtained, the current Directors of Cape Lambert will remain the directors of Cape Lambert, and the current directors of Corvette will remain the directors of Corvette. Mr Antony Sage is a director of both Cape Lambert and Corvette. If Corvette becomes a wholly owned subsidiary of Cape Lambert, the board of Corvette is likely to be changed to nominees of Cape Lambert.

4.6 Value of Cape Lambert Shares

The volume weighted average price (**VWAP**) of Cape Lambert Shares on ASX during the 2 trading days before the date of this Bidder's Statement was 33.63 cents.

Based on the VWAP figure above, assuming the Cape Lambert Shares have an issue price of 33.63 cents each and the Offer being for 0.417 Cape Lambert Shares for every Corvette Share, **the Offer values each Corvette Share at 14 cents.**

4.7 Benefits for Merged Entity

If the Offer is successful, it is anticipated that the prospects of the Merged Entity, compared to those of Corvette alone, will be improved as a result of corresponding benefits including:

- (a) a larger market capitalisation and expanded shareholder base which should provide a more liquid stock for Corvette Shareholders than on a standalone basis;
- (b) Corvette will benefit from additional cash resources and reserves of Cape Lambert;
- (c) increased institutional coverage as a result of a larger market capitalisation;
- (d) diversification in portfolio of assets as Corvette's interests are only in gold and heavy mineral sands projects whereas Cape Lambert has interests in copper (Lady Annie Project), zinc (Lady Loretta Project), iron ore (Cape Lambert South Project and Marampa Iron Ore Project) and gold (Sappes Gold Project); and
- (e) the Board of Cape Lambert together with its expert technical team provides an experienced and balanced set of skills to guide the growth of the merged group.

Cape Lambert believes these benefits will enhance the potential for additional value creation for all shareholders.

4.8 Scrip for scrip rollover relief

Provided Cape Lambert achieves ownership of at least 80% of the issued Corvette Shares, eligible Corvette Shareholders may be entitled to rollover relief from capital gains tax on part of the consideration they receive under the Offer. Section 9 of this Bidder's Statement outlines key tax considerations. You should consult a qualified tax adviser for further taxation advice.

4.9 No stamp duty or brokerage

There will be no brokerage or stamp duty payable by you in respect of the sale of your Corvette Shares to Cape Lambert.

4.10 Risks

There are risks associated with Corvette Shareholders accepting the Offer. Corvette Shareholders should consider the risk factors set out in Section 11 before accepting the Offer.

5. SECTION 5 – PROFILE OF CAPE LAMBERT

5.1 Overview of Cape Lambert's activities

Cape Lambert is an Australian domiciled, listed exploration and development company (**ASX: CFE**), with interests in a geographically diverse portfolio of mineral projects and investments in several exploration and mining companies. The primary mineral commodities comprise iron ore, copper and gold.

Cape Lambert's strategy is to invest in early stage or undervalued projects and companies and, through active management participation, build shareholder value to position the assets for development or sale.

As detailed in the Letter from the Board contained in Section 1 of this Bidder's Statement, on 29 June 2009, Cape Lambert (through its wholly owned subsidiaries) acquired the Lady Annie Project and the surrounding package of exploration tenements, and all of the shares in Mineral Securities. Cape Lambert is still in the process of strategically reviewing all of the assets acquired pursuant to these acquisitions and the risks associated with them. In compiling the information relating to the assets comprising the Lady Annie Project and the Mineral Securities Acquisition, Cape Lambert has relied on publicly available information, which as at the date of this Bidder's Statement has not been independently verified.

Sale of Cape Lambert Magnetite Project to MCC Mining

During 2008, Cape Lambert sold its Pilbara namesake magnetite project to Chinese conglomerate China Metallurgical Group Corporation (**MCC**) and has received A\$320 million of the A\$400 million sale price. The final cash payment of A\$80 million is to be paid by MCC on the grant of a mining lease and related construction approvals for the project.

Over a period of more than 2 years prior to the sale, Cape Lambert had completed various drilling programs, metallurgical test work and technical studies and defined a total Mineral Resource of 1.56 billion tonnes at 31.2% Fe at a cut off grade of 20% Fe, over a strike length of 7km.

Lady Annie Project

The Lady Annie copper project (**Lady Annie Project**) is located approximately 100km north of Mt Isa in Queensland, Australia. The Lady Annie Project is owned by Cape Lambert through its wholly owned subsidiary Cape Lambert Lady Annie Exploration Pty Ltd.

Granted tenements held by the Lady Annie Project cover approximately 1,760km² and include 14 Mining Leases and 29 Exploration Permits for minerals. There are a further 46 exploration permit applications covering approximately 1,571km².

The Lady Annie Project comprises an established oxide copper, heap leach, electrowinning and solvent extraction plant capable of producing approximately 25,000 tonnes per annum of copper cathode. Oxide copper ore was sourced from open pit mines at the Lady Annie and Mount Kelly deposits until mining was suspended in February 2009.

The total published Mineral Resources for the Lady Annie Project comprised 25.2 million tonnes at 0.9% Cu of oxide copper mineralisation (224,800 tonnes of

contained copper metal) and 15.3 million tonnes at 0.8% Cu of sulphide copper mineralisation (125,400 tonnes of contained copper metal).

Considerable upside exists to discover additional oxide and sulphide copper resources, through a systematic program of near mine and regional exploration. There are several identified prospects within trucking distance of the established plant that have the potential to significantly increase the oxide copper resource inventory.

The existing identified oxide copper mineral resources are expected to be sufficient to underpin a mine life of approximately 4 to 5 years, once operations are re-established, with potential extensions achievable from further exploration.

Marampa Iron Ore Project

The Marampa Project is a brownfields exploration project located near the township of Lunsar in Sierra Leone, West Africa. It is defined by Exploration Licence EXPL 09/06, which covers an area of approximately 319km².

On 1 October 2008, Cape Lambert announced that it had entered into an agreement to acquire a 30% investment in Marampa Iron Ore Limited (**Marampa**) a wholly owned subsidiary of African Minerals Limited (**African Minerals**) (AIM: AMI) and owner of the Marampa Iron Ore project (**Marampa Project**) in Sierra Leone. On 22 January 2009, Cape Lambert announced it had reached agreement to increase its investment in Marampa to approximately 35%.

Pursuant to the terms of the agreement Cape Lambert will sole fund the first US\$25 million toward a definitive feasibility study at the Marampa Project, and it holds an exclusive option to invest further in Marampa by acquiring from African Minerals the outstanding shares in Marampa. Cape Lambert assumed management of the Marampa Project on 1 October 2008 and commenced mobilization and field work in January 2009.

The exploration licence encloses (but excludes) the former DELCO, open cut mining operation. DELCO commenced operations in 1933 and exported iron ore from the area until mine closure in 1975 due to depressed commodity prices.

Iron mineralisation at the Marampa Project consists of an inventory of tailings dumps remaining from the DELCO operations, and several hard rock hematite schist drill targets, two of which represent extensions to the iron mineralisation mined by DELCO.

The Marampa Project area is connected to an existing deep water port, ship loader and stockpile area at Pepel by approximately 80km of rail infrastructure. Through a Memorandum of Understanding dated November 2008 (**MOU**) between African Minerals and the Government of Sierra Leone, African Minerals has the right to access and operate the existing rail and port infrastructure.

Pursuant to the MOU, African Minerals is required to grant access rights to the rail and port infrastructure to Marampa on commercial terms to be agreed by Cape Lambert and African Minerals. The rail and port infrastructure requires refurbishment and upgrading but offers substantial time and cost savings relative to a greenfields project.

Shallow, air core drilling of the hematite tailings to enable the completion of a JORC compliant tailings resource estimate commenced in late March 2009.

Initial metallurgical test work on bulk samples of tailings taken from two dumps located on the exploration licence has produced a concentrate with iron grade of 65% and a mass recovery of 46% using a combination of wet high intensity magnetic separation (**WHIMS**) and reverse flotation.

Detailed regional geological mapping of the exploration licence was completed in the March quarter 2009, which identified several targets prospective for hematite schist mineralisation. Diamond drilling is being planned at the prioritised targets including Gafal West and Matukia, which adjoin the old DELCO mine. Scout diamond drilling by African Minerals in 2007 at Gafal West intersected banded to granular specular hematite mineralisation hosted in schistose rocks. Iron grades averaged 23% to 30% Fe over drilled intervals from 36m to 262.5m. These results confirmed the western extension of the specular hematite mineralisation from the former DELCO mining area.

During 2008, Cape Lambert completed sighter metallurgical test work on composite samples from 3 of the 4 scout diamond drill holes drilled in 2007. Rougher concentrates returned iron concentrate grades of 61-63% and mass recovery of approximately 43%.

Cape Lambert's immediate plans at the Marampa Project are to evaluate the development of a tailings retreatment operation, and to explore for, and define hard rock hematite schist mineral resources. The initial tailings and hard rock sighter metallurgical test work has indicated that premium quality iron concentrates for export to world markets can be produced.

Cape Lambert's strategy is to evaluate the viability of a project to produce a high quality hematite iron ore concentrate initially through a low capital entry, tailings retreatment operation, followed by a transition to mining and processing of hematite schist. Access to existing rail and port infrastructure reduces the project's capital investment and production lead time.

Sappes Gold Project

The Sappes Gold Project is located in north eastern Greece approximately 30km north west of the port city of Alexandroupolis, which is located on the Aegean Sea (**Sappes Gold Project**). The Sappes Gold Project is 100% owned by Cape Lambert through its wholly owned subsidiary Cape Lambert MinSec Pty Ltd.

The Sappes Gold Project is located on a 20.1km² Lease granted for 30 years in 1993.

The Sappes Gold Project is based on developing the underground high grade Viper Deposit and an open pit nearby at the St Demetrios deposit. A feasibility study was completed in 2003 and updated in 2006. The Sappes Gold Project is currently in the permitting stage. The feasibility study proposed production of approximately 100,000 ounces of gold (in dore and flotation concentrate) over 5 years with a cash operating cost of approximately A\$430/oz.

The total Mineral Resource at the Viper deposit is 1 million tonnes at 21.4 g/t gold (682,300 ounces of contained gold). The total Mineral Resource at the St Demetrios deposit is 0.8 million tonnes at 3.4 g/t gold (86,300 ounces of contained gold).

Lady Loretta Project

The Lady Loretta Pb-Zn-Ag deposit is located approximately 120km north of Mt Isa, Queensland and 3km east of the Lady Annie copper deposit (**Lady Loretta**

Project). The Lady Loretta Project is held under granted Mining Lease (ML5568), which covers an area of 3,264 hectares.

Cape Lambert owns 25% of the Lady Loretta Project in a joint venture with a subsidiary of Xstrata plc (**Xstrata**) (75% and manager) (LSE: XTA.L).

The Lady Loretta Project is a substantial and advanced underground high grade zinc project. Present feasibility work is focussed on a mine-only development at the Lady Loretta Project, with ore hauled by road to Xstrata's ore processing facilities at Mt Isa.

The total Mineral Resource for the Lady Loretta deposit is 13.7 million tonnes at 17% Zn, 5.8% Pb and 96 g/t Ag.

Australis Exploration Pty Ltd

Australis Exploration Pty Ltd (**Australis**) is a private company that is 100% owned by Cape Lambert through its wholly owned subsidiary Cape Lambert MinSec Pty Ltd.

Australis holds exploration licences and applications covering approximately 38,000km² located in the Northern Territory and Queensland. The tenement package covers extensive portions of the northern and eastern margins of the Georgina Basin, including the Alexander Ridge basement high in the Northern Territory. The tenements are prospective for rock phosphate and secondary uranium deposits.

Cape Lambert South Project

Cape Lambert owns 100% of the Cape Lambert South Project (**Cape Lambert South**), which comprises granted exploration licence E47/1493 with an area of 56.9km², located in the Pilbara coastal region of Western Australia.

A 3km long magnetic anomaly overlaying banded iron formation (**BIF**) is located in the south east of the Cape Lambert South exploration licence. This BIF represents the southern strike extension of the 1.56 billion tonne magnetite iron ore resource owned by MCC.

A first-pass program of geological mapping, 4,107m of RC drilling and one diamond hole for 375m was completed at Cape Lambert South during October 2008 to March 2009. Significant intersections averaging 40m at 33% Fe were returned from the central BIF unit over a strike length of 1.8km. This BIF unit is still open for a further 800m to the southwest. Significant Davis Tube Recovery results from this BIF unit averaged 24.3 % mass recovery with a concentrate grade of 67.4% Fe.

Other Cape Lambert Investments

Pursuant to the Mineral Securities Acquisition, Cape Lambert and Cape Lambert MinSec acquired all of the shares in Mineral Securities which, in addition to the projects outlined previously includes a 19.99% interest in the share capital of each of Corvette, Tianshan and Buka Gold and portfolio interests in various companies including a 5.3% interest in Platmin Limited (TSX/AIM: PPN), a 7.5% interest in Charat Gold Holdings Ltd (AIM: CGH) and in several other listed companies.

On 3 July 2009 Cape Lambert, through its wholly owned subsidiary Dempsey Resources Pty Ltd, acquired 36.4% of DMC Mining Limited (**DMC Mining**) (ASX:

DMM). DMC Mining holds 80% of a 1,000km² tenement in the Republic of Congo, Africa, that is prospective for large supergene hematite and itabirite iron ore deposits.

On 15 July 2009 Cape Lambert, through its wholly owned subsidiary Dempsey Resources Pty Ltd, acquired 8.4% of Cauldron Energy Limited (**Cauldron Energy**) (ASX: CXU). Cauldron Energy holds exploration tenements in Western Australia, South Australia and Argentina, which are prospective for uranium.

Competent Person Attributes

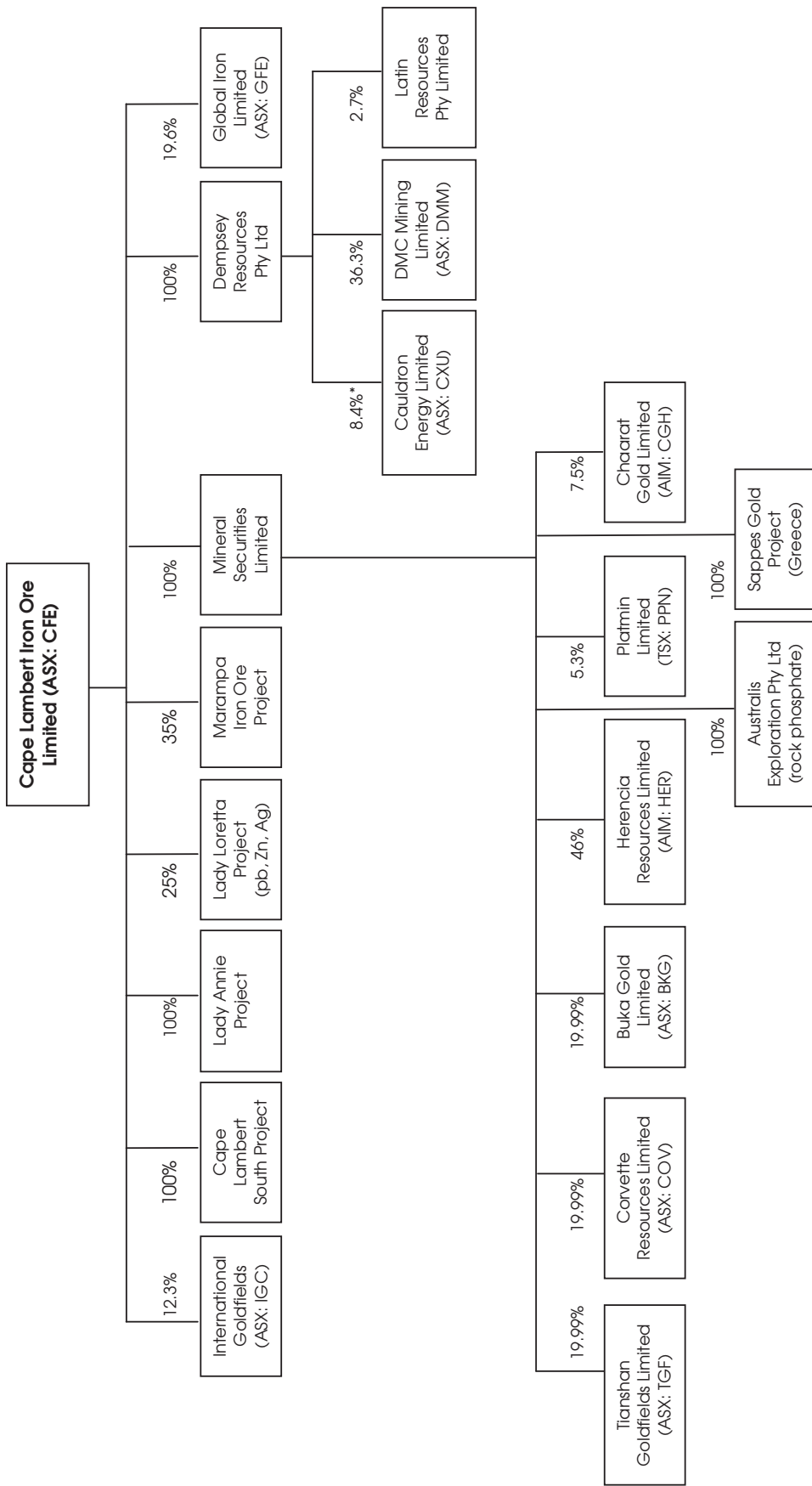
The metallurgical information in this section of the Bidder's Statement relating to the Cape Lambert South Project and Marampa Project is compiled by Mr GV Ariti who is a member of The Australasian Institute of Mining and Metallurgy. Mr Ariti has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ariti consents to the inclusion in this Bidder's Statement of the matters based on his information in the form and the context in which it appears.

The Exploration information in this section of the Bidder's Statement relating to the Cape Lambert South Project and Marampa Project is based on information compiled by Mr K Bischoff who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bischoff has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bischoff consents to the inclusion in this Bidder's Statement of the matters based on his information in the form and the context in which it appears.

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements in relation to the Lady Annie Project, the Sappes Gold Project and the Lady Loretta Project fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

5.2 Ownership and Structure of Cape Lambert

A group structure of the material assets and key subsidiaries of the Cape Lambert group is shown below. Note that not all subsidiaries and relevant interests in all companies is shown below:



* An estimated additional 10.3% to be obtained subsequent to a shareholder meeting of Cauldron Energy Limited.

5.3 Directors of Cape Lambert

Details of the responsibilities and experience of the Cape Lambert directors (as at the date of this Bidder's Statement) are set out in the Company's Annual Report, a copy of which is available on request or from the ASX website.

A brief summary of the Cape Lambert Board is set out below.

Mr Antony Sage (BCom, FCPA, CA, FTIA) - Executive Chairman

Mr Antony Sage has in excess of 25 years experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining companies for the last 12 years. Mr Sage was a founding director of International Goldfields Limited and its merger partner Hamill Resources Limited (the merged entity now being Cape Lambert Iron Ore Limited). Mr Sage is also a director of currently listed International Goldfields Limited (ASX: IGC), Global Iron Limited (ASX: GFE), Cauldron Energy Limited (ASX: CXU), Tianshan (ASX: TGF) and Corvette (ASX: COV).

As at the date of this Bidder's Statement, Mr Sage does not have a relevant interest in any Corvette Shares.

Timothy Paul Turner (B.Bus, FCPA, FTIA, Registered Company Auditor) - Non-Executive Director

Mr Timothy Turner is a senior partner with accounting firm Hewitt Turner & Gelevitis. Mr Turner specialises in domestic business structuring, corporate and trust tax planning and corporate secretarial. He also has in excess of 25 years experience in new ventures, capital raisings and general business consultancy.

Mr Turner has a Bachelor of Business (Accounting and Business Administration), is a Registered Company Auditor, a Fellow of CPA Australia and a Fellow of the Taxation Institute of Australia. Mr Turner is also a director of currently listed International Goldfields Limited (ASX: IGC), Global Iron Ore Limited (ASX: GFE) and Legacy Iron Ore Limited (ASX: LCY).

Mr Turner resigned from his position of Company Secretary of Cape Lambert on 1 April 2009 and continues in his role of non executive director.

Mr Brian Maher (BE(Min), FAusIMM, FIMM) - Non-Executive Director

Mr Brian Maher has over 40 years experience in the mining industry, covering both underground and open cut operations, as a miner, supervisor, mining engineer, mine manager consultant, contractor and managing director. He has worked throughout the world, including Australia, Liberia, Guyana and the Philippines. He has spent over 12 years in the iron ore industry.

Mr Maher has a Bachelor of Mining Engineering from the University of Melbourne, and is a fellow of both the Australian Institute of Mining and Metallurgy and the Institution of Mining and Metallurgy. Mr Maher has held senior management positions with leading mining and engineering companies throughout the world including Hamersley Iron, Broken Hill South, Griffin Coal, Thyssen Mining Construction, Lameco Iron Ore, Kinhill Engineers, Linden Mining, Minproc Engineers and Nissho Iwai Mineral Sands.

5.4 Information about Cape Lambert Securities

(a) Cape Lambert Shares

At the date of this Bidder's Statement, Cape Lambert had 523,797,213 Cape Lambert Shares on issue. Further information about Cape Lambert Shares is provided in Section 12.5 of this Bidder's Statement.

(b) Cape Lambert Options

As at the date of this Bidder's Statement, Cape Lambert had 36,350,000 unlisted Cape Lambert Options on issue. The details of the Cape Lambert Options are as follows:

Number	Exercise Price	Expiry Date
28,000,000	\$0.309 each	31 October 2010
8,350,000	\$0.432	30 June 2010

Further information about Cape Lambert Options is provided in Section 12.5 of this Bidder's Statement.

5.5 Shareholders of Cape Lambert

As at 21 July 2009, there were approximately 5,010 Cape Lambert Shareholders.

As at 21 July 2009, the top ten Cape Lambert Shareholders were:

Cape Lambert Shareholder	Number of Cape Lambert Shares	% of Cape Lambert Shares
ANZ Nominees Limited Cash Income a/c	85,519,493	16.33
Marampa Iron Ore Limited	61,000,000	11.65
Merrill Lynch (Australia) Nominees Pty Limited	60,502,702	11.55
HSBC Custody Nominees (Australia) Limited	51,256,203	9.79
Antony William Paul Sage (Egas Super Fund)	26,689,761	5.10
JP Morgan Nominees Australia Limited	17,776,194	3.39
Citicorp Nominees Pty Limited	16,183,308	3.09
Sunny Team Limited	15,307,262	2.92
HSBC Custody Nominees (Australia) Limited – AC 3	14,550,000	2.78
Mighty River International Limited	6,283,421	1.20
Total	355,068,344	67.79 %

5.6 Trading in Cape Lambert Shares

Cape Lambert Shares are quoted on ASX (ASX Code: CFE).

Set out below is a table showing relevant trading prices of Cape Lambert Shares on ASX:

Comparative trading period	Price of Cape Lambert Shares
Highest trading price in the 6 months prior to the date of this Bidder's Statement	\$0.38
Lowest trading price in the 6 months prior to the date of this Bidder's Statement	\$0.21
Closing trading price on the date Cape Lambert announced the Takeover Bid	\$0.335
Approximate volume weighted average price in the 6 months prior to the date of this Bidder's Statement	\$0.317
Approximate volume weighted average price in the 3 months prior to the date of this Bidder's Statement	\$0.331
Approximate volume weighted average price in the 1 month prior to the date of this Bidder's Statement	\$0.332

The last available closing sale price of Cape Lambert Shares on ASX prior to lodgement of this Bidder's Statement with the ASIC was \$0.34 per Cape Lambert Share on 23 July 2009.

5.7 Changes to Capital

Outlined below is the capital structure of Cape Lambert assuming completion of the Offer and various other scenarios in respect of acceptances of the Offer.

The actual number of Cape Lambert Shares on issue will depend upon the number of acceptances of the Offer and the effect of rounding of fractional entitlements. If you become entitled to a fraction of a Cape Lambert Share the fraction will be disregarded and you will receive the lowest next whole number of Cape Lambert Shares. The tables assume that no Corvette Options are issued or exercised during the Offer Period.

Scenario 1: Assuming 100% acceptance of the Offer

Cape Lambert Shares	Number
Cape Lambert Shares on issue	523,797,213
Offer Consideration (assuming 100% acceptance of Offer) ¹	48,349,415
TOTAL	572,146,628

Notes:

1. Unlikely to occur as an entity controlled by Cape Lambert holds 19.99% of Corvette.

Cape Lambert Options	Number
Current Unlisted A Cape Lambert Options on issue	28,000,000
Current Unlisted B Cape Lambert Options on issue	8,350,000
TOTAL	36,350,000

Scenario 2: Assuming 80% acceptance of the Offer (i.e. effectively Cape Lambert and its associates would own 100% of Corvette as currently an entity controlled by Cape Lambert holds 19.99% of Corvette)

Cape Lambert Shares	Number
Cape Lambert Shares on issue	523,797,213
Offer Consideration (assuming 80% acceptance of Offer)	38,679,532
TOTAL	562,476,745

Cape Lambert Options	Number
Current Unlisted A Cape Lambert Options on issue	28,000,000
Current Unlisted B Cape Lambert Options on issue	8,350,000
TOTAL	36,350,000

Scenario 3: Assuming 50% acceptance of the Offer (i.e. effectively Cape Lambert and its associates would own 70% of Corvette as currently an entity controlled by Cape Lambert holds 19.99% of Corvette)

Cape Lambert Shares	Number
Cape Lambert Shares on issue	523,797,213
Offer Consideration (assuming 50% acceptance of Offer)	24,402,573
TOTAL	548,199,786

Cape Lambert Options	Number
Current Unlisted A Cape Lambert Options on issue	28,000,000
Current Unlisted B Cape Lambert Options on issue	8,350,000
TOTAL	36,350,000

5.8 General effect of acquisition on Cape Lambert

If Cape Lambert is successful in proceeding to compulsory acquisition of Corvette, Cape Lambert intends to:

- (a) primarily, continue to progress its current activities and explore its current assets;
- (b) conduct a strategic review of the assets of Corvette; and
- (c) use its cash reserves to assist in the funding of the exploration and expansion of Corvette's assets if deemed appropriate following the strategic review by Cape Lambert of Corvette's asset.

5.9 Effect on substantial shareholders of Cape Lambert post completion of the Offer

Scenario: Assuming 80% acceptance of the Offer (i.e. effectively Cape Lambert and its associates would own 100% of Corvette)

The acquisition of Corvette will impact on the substantial shareholders of Cape Lambert. Based on current shareholdings and substantial shareholder notices lodged with Cape Lambert, the table below summarises the expected substantial shareholders of Cape Lambert on completion of the Offer.¹

Name	Number of Cape Lambert Shares held post completion of the Offer	Current relevant interest (%)	Relevant Interest following completion of the Offer (%)
Evraz Group SA	72,083,164	13.76	12.82
African Minerals Limited	61,000,000	11.65	10.84
UniCredit Aton International Limited	36,871,885	7.04	6.56
Metropsl (Cyprus) Limited	27,922,808	5.33	4.96
Antony William Paul Sage	26,939,761	5.14	4.79

Notes:

1. Assumes no Corvette Options are exercised and Corvette Shareholders representing 80% of the Corvette Shares accept the Offer, as the remaining 19.99% of Corvette Shares are currently held by an entity associated with Cape Lambert.

5.10 Directors' Relevant Interests post completion of the Offer

As at the date of this Bidders Statement, Mr Brian Maher holds a relevant interest in 120,000 Corvette Shares. No other Director holds a relevant interest in any Corvette Shares or Corvette Options.

Scenario 1: Assuming 80% acceptance of the Offer (i.e. effectively Cape Lambert and its associates would own 100% of Corvette)

If the Merger is successfully completed, the relevant interests of the Directors of Cape Lambert will be as set out below. The Directors do not hold any Options in Cape Lambert. ¹

Name	Number of Cape Lambert Shares held pre Offer	Relevant Interest pre Offer (%)	Number of Cape Lambert Shares held post completion of the Offer	Relevant Interest post completion of the Offer ¹ (%)
Antony Sage	26,939,761	5.14	26,939,761	4.79
Timothy Turner	1,000,000	0.19	1,000,000	0.18
Brian Maher	738,000	0.14	788,000	0.14

Notes:

1: This assumes:

- Corvette Shareholders holding 80% of Corvette Shares accept the Offer (as an entity associated with Cape Lambert holds 19.99% of the Corvette Shares);
- all other Cape Lambert Shares related to the Merger are issued;
- no other Cape Lambert Shares or Corvette Shares are issued; and
- no other Cape Lambert Options or Corvette Options are granted or exercised.

5.11 Financial Information

Section 8 of this Bidder's Statement contains an unaudited but reviewed balance sheet of Cape Lambert as at 31 December 2008 and an unaudited pro-forma balance sheet of Cape Lambert as at 30 June 2009.

Cape Lambert is an exploration company. Given the speculative nature of exploration, mineral development and production, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors believe that reliable forecasts can not be prepared and accordingly have not included forecasts in this Bidder's Statement.

5.12 Website

Cape Lambert maintains a website, www.capelam.com.au, which contains further information about Cape Lambert and its operations.

5.13 Further Information

As a company whose shares are quoted on ASX, Cape Lambert is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of all documents lodged with the ASIC in relation to Cape Lambert may be obtained for a fee from, or inspected at, an office of the ASIC.

As permitted by ASIC Class Order 01/1543, this Bidder's Statement contains statements which are made, or based on statements made, in documents lodged with the ASIC or ASX. The Class Order permits certain statements to be included in this Bidder's Statements without the consent of the person to whom

the statement was attributed where the statement was made in a document lodged with the ASIC or ASX.

Pursuant to the Class Order, Cape Lambert will provide a copy of the documents referred to below, free of charge, to any person who asks for them during the Offer Period:

- (a) Cape Lambert's 2008 Annual Report containing the financial statements for the period ended 30 June 2008 (being the latest annual financial report containing the financial statements for a financial year most recently lodged with the ASIC in relation to Cape Lambert before the date of this Bidder's Statement);
- (b) Cape Lambert's 2009 Interim Half Year Financial Report containing the financial statements for the period ended 31 December 2008 (being the latest half yearly financial report containing the financial statements for a financial year most recently lodged with the ASIC in relation to Cape Lambert before the date of this Bidder's Statement); and
- (c) all documents and announcements used to notify ASX of information relating to Cape Lambert under the provisions of the Listing Rules since lodgement of its 2008 audited annual financial statements, being the documents set out in Annexure A to this Bidder's Statement.

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules or in the Bidder's Statement that Corvette Shareholders and their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of Cape Lambert; or
- (b) the rights and liabilities attaching to the Cape Lambert Shares to be issued pursuant to the Offer.

5.14 Dividend Policy

In October 2008, Cape Lambert paid its first dividend of \$0.149 per Cape Lambert Share to its shareholders. Moving forward, Cape Lambert's dividend policy will be determined by the board of directors. No assurance can be given as to the timing or amount of future dividends (if any). There are many factors which will influence any dividends declared by Cape Lambert, including the amount of profit (if any) available for distribution (which itself is dependent on a number of variables) and the need for Cape Lambert to retain earnings to meet the costs of capital expenditure or other expenses.

6. SECTION 6 – PROFILE OF CORVETTE

6.1 Disclaimer

This overview of Corvette and all financial information concerning Corvette contained in this Bidder's Statement has been prepared by Cape Lambert using publicly available information, adjusted where considered appropriate by Cape Lambert based on Cape Lambert's industry knowledge and expertise.

The information in this Bidder's Statement concerning Corvette has not been independently verified. Cape Lambert does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The primary sources of information about Corvette used by Cape Lambert were as follows:

- (a) Corvette's Annual Report for the period ending 30 June 2008;
- (b) Corvette's Half Year Report for the 6 months ending 31 December 2008;
- (c) press releases and ASX announcements made by Corvette in the past 12 months;
- (d) other publicly released information in relation to Corvette; and
- (e) Cape Lambert's own knowledge and industry expertise.

Further information relating to Corvette is expected to be included in the target's statement which Corvette must provide to its shareholders.

6.2 Overview of Corvette's activities

Corvette is a public company listed on ASX (ASX Code: COV) and has interests in gold and heavy mineral sands projects. Corvette was previously named Mineral Sands Limited (ASX Code: MSN) and changed its name to Corvette Resources Limited (and ASX Code to COV) in November 2008.

Corvette holds interests in mining tenements and tenement applications in Western Australia, Victoria, Queensland, New South Wales and South Australia.

Corvette has carried out exploration for heavy minerals sands with drilling programmes in the Murray, Eucla and Otway Basins. In addition, major gold geochemical sampling and drilling programmes were undertaken exploring Proterozoic basement rocks on the Eucla Basin margins, at the Plumridge Project. In particular Corvette's Plumridge Project has advanced substantially and is the company's flagship project in the short and medium term.

Plumridge Project

Corvette's Plumridge gold project (**Plumridge Project**) is located approximately 275km east north east of Kalgoorlie in Western Australia.

The Plumridge Project comprises tenements covering an area of approximately 2,200km² situated on the margin of the Albany-Fraser Province and the interpreted reworked transitional margin of the Yilgarn Block. This Province hosts the 5 million ounce Tropicana-Havana gold deposit, located 70km along strike to the north, discovered by the AngloGold Ashanti/Independence joint venture partners. The area is underexplored due to extensive ground cover and differing rock types to the Yilgarn gold deposits.

Corvette has undertaken an extensive auger geochemical gold sampling programme which commenced in 2007. Two areas with extensive anomalous gold were considered priority targets on the basis of:

- large areas of contiguous high gold in calcrete values, and
- peak values of +30 ppb Au (maximum result is 60 ppb Au).

These two areas were called the Northern (later termed **Corvette Prospect**) and Southern anomalies.

Aircore drilling of the geochemical anomalies at the Corvette Prospect commenced in April 2008 and encountered supergene gold mineralisation near the base of weathering in felsic to intermediate gneisses over a strike length of approximately 12km and in zones over an approximate width of 2.5km. Mineralisation is associated with hydrothermal alteration and sulphidation evident at the base of the weathered rocks.

Corvette commenced the first stage of a deeper reverse circulation (**RC**) drilling programme in October 2008. This stage comprised 53 holes and 6,570 metres and was completed on 15 December 2008.

In addition infill and extension aircore drilling has been carried out to further define supergene gold mineralisation trends intersected in previous broad spaced drilling, and to investigate auger geochemical anomalies 2 kilometres south of previous aircore drilling coverage. Approximately 5,200 metres were drilled in 143 holes.

On 5 March 2009, Corvette announced that it had identified significant and widespread gold mineralisation from the first phase of RC drilling at the Corvette Prospect. The results identified significant mineralisation over more than 8 kilometres along the western and eastern structural zones of the Corvette Prospect, interpreted as major zones of shearing and deformation.

The results from the first stage RC drilling program included 21 holes on 11 sections with intersections greater than 0.5 g/t Au, and 16 holes on 11 sections intersecting better than 1 g/t Au in unweathered rock.

The best gold grades at the Corvette Prospect are located in mineralised fold structures that resemble the deposit style at both the Tropicana-Havana deposit and the Challenger Gold Mine, where high grade gold shoots are developed along fold hinges. Further similarities include a quartz-feldspar-biotite gneiss host with quartz veins, felsic melts (leucosomes) and pegmatitic phases in the mineralised fold structures, sandwiched between garnet rich gneiss in the hanging wall and amphibolite in the footwall.

On 25 June 2009, Corvette announced further high grade gold intersections from RC holes drilled at the Stingray Zone (at the south portion of the western structural zone) of the Corvette Prospect. These initial assays are part of a 6,000 metre RC drilling program being undertaken by Corvette to follow-up previously identified high grade intersections at Stingray, including a one-metre intersection of 15.2 g/t Au in the last metre of hole CVRC 48 (refer Corvette ASX release in March 2009). Significant results included:

- CVRC 58 - 16 metres at 5.6 g/t Au from 116 metres (including 8 metres at 9.8 g/t Au from 120 metres).
- CVRC 56 - 16 metres at 1.2 g/t Au from 104 metres (including 8 metres at 1.7 g/t Au from 108 metres and 4 metres at 1.5 g/t Au from 128 metres).

Eucla Basin - Pioneer and Newmont Projects

Corvette's Eucla Basin heavy mineral projects (**Pioneer and Newmont Projects**) were located in the south-western portion of the Eucla Basin in WA.

A first pass gold-in-calcrete auger geochemical programme was completed by Corvette on tenements E 69/2204 and E 69/2205 in the Newmont Project area, 88km west of Balledonia in the December 2008 quarter. Follow up sampling and assaying from reconnaissance AC holes drilled during earlier heavy mineral sands exploration returned no significant results and this downgraded the gold potential of the area.

Following a review of Corvette's priorities, the Pioneer and Newmont Projects were relinquished during the March 2009 quarter. As a result twenty seven Exploration Licences were surrendered and three Exploration Licence Applications were withdrawn.

Murray Basin Projects

Corvette's Murray Basin heavy mineral sands projects are located in the west and north-west of Victoria and south-western New South Wales (**Murray Basin Projects**). Within the Murray Basin Projects, Mineral Resources have been estimated at Wedderburn, Graybridge, Avonbank and Kalkee. Corvette also holds the Cannie West, Kings Tank, Meridian, Monak, and Apsley exploration licences.

The Wedderburn, Graybridge, Avonbank, and Kalkee projects host large heavy mineral deposits that have attractive grades, low potential strip ratios, and high in-situ zircon contents.

Exploration for heavy mineral sands at Wedderburn first occurred in the early 1980's and continued to the late 1990's. Corvette has completed an aircore drilling programme over a portion of the Wedderburn deposit to evaluate previous results and to collect up to date data. A total Indicated and Inferred Mineral Resource of 173.2 million tonnes at 4.4% total heavy minerals (**THM**) with the THM averaging 14.4% zircon has been estimated at Wedderburn. A bulk sample of ore from the Wedderburn deposit was collected in 2006 and has been the subject of metallurgical test-work.

The Graybridge and Avonbank deposits were discovered during the late 1980's, and mineralisation delineated during the early 1990's. A total Inferred Mineral Resource of 47.6 million tonnes at 3.4% THM with the THM averaging 15.1% zircon has been estimated at Graybridge. A total Indicated and Inferred Mineral

Resource of 206.1 million tonnes at 5.5% THM with the THM averaging 15.3% zircon has been estimated at Avonbank.

The Kalkee Exploration Licence covers the south-western extensions of the Avonbank resource. Following the grant of the Kalkee licence in April 2007, the Avonbank resource estimate was updated to encompass the extensions lying within the Kalkee locale. The combined Avonbank-Kalkee total Mineral Resource was estimated at 360.3 million tonnes averaging 5.8% total heavy minerals, representing an increase of combined heavy minerals from 11 million tonnes to 21 million tonnes, and an 83% increase in contained zircon, from 1.8 million tonnes to 3.3 million tonnes.

A programme of six holes for 180 metres was completed on EL 5016, Kalkee in the second half of 2008. The programme was designed to repeat holes drilled by a previous explorer on a portion of the Avonbank Heavy Mineral deposit situated on EL 5016.

Otway Basin Project

Following the execution of a farm-in agreement with Beaconsfield Gold NL in October 2007 covering EL 4932 (145 km²) (**Beaconsfield Gold Farm-In Tenement**), Corvette commenced ground exploration in the Otway Basin late in 2007.

The Otway Basin contains Tertiary-aged unconsolidated sands considered to be littoral sediments in strand-plain settings analogous to the Murray Basin to the north, but unlike the Murray Basin, has received little exploration for heavy mineral sands.

A 72 hole, 1,486m aircore programme was carried out on the Beaconsfield Gold Farm-In Tenement in late 2007. Although only low levels of heavy minerals were encountered in this work, the Tertiary sands encountered are believed to represent suitable facies for heavy mineral deposition and further work is planned.

A reconnaissance issuance aircore programme comprising 29 holes for 712 metres was completed in the second half of 2008. Heavy liquid separations were completed on 20 selected intervals and returned anomalous THM results generally in 0.5% to 1.5% THM range.

Assessment of mineral assemblages of the heavy mineral fractions from this reconnaissance programme indicated low levels of rutile and zircon.

Inkerman Project

Corvette's Inkerman Project is located in the coastal hinterland of the Cape York Peninsula along the eastern shore of the Gulf of Carpentaria in far north Queensland (**Inkerman Project**). The north of the Inkerman Project lies to the south of Weipa, while the southern and central portions of the Inkerman Project area are accessed via Normanton.

Planned work on the Inkerman Project includes field reconnaissance and target generation through the use of remote sensing techniques, surface and reconnaissance sampling and compilation of geological and geophysical datasets. Negotiations are still in progress with Native Title and Traditional Owners, to gain exploration access to these granted tenements.

6.3 Corvette Board of Directors

As at the date of this Bidder's Statement, the directors of Corvette are:

- (a) Patrick McManus - Managing Director;
- (b) John Moore - Non Executive Chairman; and
- (c) Antony Sage - Non-Executive Director.

If Corvette does not become a wholly owned subsidiary of Cape Lambert the current directors of Corvette will remain the directors of Corvette. Mr Antony Sage is also a director of Cape Lambert. If Corvette does become a wholly owned subsidiary of Cape Lambert, Cape Lambert may consider appointing nominees to the board of Corvette.

Mr Sage's details are set out in Section 5.3 and details of Mr McManus and Hon. Moore are set out below.

Further details of the responsibilities and experience of the Corvette directors (as at the date of this Bidder's Statement) are set out in Corvette's Annual Report, a copy of which is available on request or from the ASX website.

Patrick McManus - Managing Director

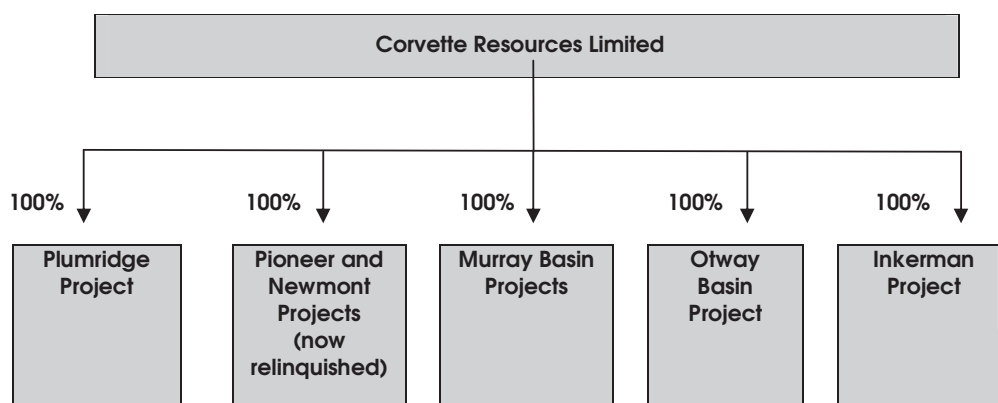
Patrick McManus is a mineral processing professional with over 30 years industry experience and has worked in both operational and corporate roles within the industry with Rio Tinto, RZM Cable Sands and RGC Mineral Sands Ltd. Mr McManus has extensive experience in managing and operating mining companies including mine development, feasibility study, plant commissioning, process design and modelling, financial modelling and management and strategic planning. He also has experience in public listed companies including technical and operational management, managing public and community relations and government approvals.

Hon John Moore - Non Executive Chairman

John Moore holds a Bachelor of Commerce and Associate in Accountancy from the University of Queensland. Hon. Moore has had a distinguished career in politics. He was the Minister for Defence, the Minister for Industry, Science and Tourism and Vice President of the Executive Council. Prior to entering politics, Hon. Moore was a stockbroker and member of the Brisbane Stock Exchange for 12 years. He has served on the boards of many broking and banking related companies including Citinational Limited, Merrill Lynch (Aust) Pty Ltd and Grindlays (Aust) Pty Ltd. Hon. Moore is currently a director of Herencia Resources Plc and Copperco Ltd (Receiver and Manger Appointed)(Administrator Appointed) as well as the Chairman of Australian Wine and Brandy Corp.

6.4 Group Structure of Corvette

A group structure, showing the principal activities and business of the Corvette group is shown below:



6.5 Information about Corvette securities

(a) Corvette Shares

As at 17 July 2009:

- (i) Corvette had 116,038,596 Corvette Shares on issue; and
- (ii) there were approximately 654 Corvette Shareholders.

The top ten Corvette Shareholders as at 17 July 2009 were as follows:

Corvette Shareholder	Number of Shares	% Shares
Mineral Securities Operations Ltd	23,207,719	19.99
Copperco Limited	16,792,281	14.47
ANZ Nominees Limited	4,200,556	3.62
John Colinton Moore & Jacqueline Sarah Moore	2,770,000	2.39
Donamac Investments Pty Ltd	2,371,111	2.04
Simon Colinton Moore	2,370,000	2.04
Ajava Holdings Pty Ltd	2,200,000	1.90
Mark Teakle	2,105,263	1.81
Metprotech Pacific Pty Ltd	2,000,000	1.72
L & E Fisher Nominees Pty Ltd	1,800,000	1.55
Total	59,816,930	51.54

(b) Corvette Options

As at the date of this Bidder's Statement, Corvette has the following Corvette Options on issue:

Corvette Options	Number
Current Unlisted A Corvette Options on issue	2,775,000
Current Unlisted B Corvette Options on issue	400,000
Current Unlisted C Corvette Options on issue	1,187,500
Current Unlisted D Corvette Options on issue	1,187,500
TOTAL	5,550,000

6.6 Financial Profile of Corvette

This Section 6.6 includes historical financial information in relation to Corvette for the financial year ended 30 June 2008, as well as the financial half-year ended 31 December 2008.

All information relating to Corvette has been sourced from Corvette's 2008 annual report and 31 December 2008 half-year report. The financial information for Corvette has been presented in abbreviated form.

Cape Lambert has relied on the information in Corvette's financial reports to prepare this Section 6.6.

Summary Income Statement

The historical summary income statement is sourced from Corvette's reviewed financial statements for the financial half-year ended 31 December 2008.

	6 Months Ended 31 December 2008 Reviewed \$'000s
Continuing Operations	
Revenue	237
Directors' and Employee benefit expenses	(433)
Exploration expenditure written off	(1,215)
Corporate expenses	(111)
General office expenses	(118)
Compliance costs	(33)
Depreciation expenses	(33)
Other expenses	(87)
Loss before income tax expense	(1,793)
Income tax benefit/(expense)	121
Net Loss for the period	(1,672)
Basic earnings/(loss) per share (cents)	(1.44)
Diluted earnings/ (loss) per share (cents)	(0.5)

Summary Balance Sheets

The historical summary balance sheets are sourced from Corvette's audited financial statements for the financial year ended 30 June 2008 and the reviewed financial statements for the financial half-year ended 31 December 2008.

	6 Months Ended 31 December 2008 Reviewed \$'000s	Year Ended 30 June 2008 Audited \$'000s
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,475	2,289
Trade and other receivables	238	108
Other financial assets	-	3,500
Prepayments	10	20
TOTAL CURRENT ASSETS	3,723	5,917
NON-CURRENT ASSETS		
Plant and equipment	167	192
Deferred exploration expenditure	5,310	4,293
Other financial assets	844	743
Deferred Tax asset	2	2
TOTAL NON-CURRENT ASSETS	6,323	5,231
TOTAL ASSETS	10,046	11,147
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	807	289
Provisions	33	33
TOTAL CURRENT LIABILITIES	840	322
NON CURRENT LIABILITIES		
Provisions	26	19
TOTAL NON CURRENT LIABILITIES	26	19
TOTAL LIABILITIES	866	341
NET ASSETS	9,180	10,806
EQUITY		
Issued Capital	12,843	12,843
Reserves	258	212
Accumulated losses	(3,921)	(2,249)
TOTAL EQUITY	9,180	10,806

Summary Cash Flow Statements

The historical summary cash flow statement is sourced from Corvette's reviewed financial statements for the financial half-year ended 31 December 2008.

	6 Months Ended 31 December 2008 Reviewed \$'000s
CASH FLOWS FROM OPERATING ACTIVITIES	
Interest received	135
Payments to suppliers and employees	(430)
Net cash provided by/(used in) operating activities	(295)
NET CASH FLOWS FROM INVESTING ACTIVITIES	
Payment for exploration and evaluation	(1,910)
Payment for financial assets	(100)
Payment for plant and equipment	(9)
Proceeds from Redemption of Term Deposits	3,500
Net cash provided by/(used in) investing activities	1,481
CASH FLOWS FROM FINANCING ACTIVITIES	
Payment of Share issue costs	-
Net cash provided by/(used in) financing activities	-
Net increase/(decrease) in cash and cash equivalents	1,186
Cash and cash equivalents at beginning of half year	2,289
CASH AND CASH EQUIVALENTS AT END OF HALF YEAR	3,475

6.7 Website

Corvette maintains a website, www.corvetteresources.com.au, which contains further information about Corvette and its operations.

6.8 Further Information on Corvette

As a company whose shares are quoted on ASX (ASX Code: COV), Corvette is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. A substantial amount of information concerning Corvette has previously been notified to ASX and is therefore publicly available.

Corvette Shareholders may obtain or inspect a copy of documents lodged with the ASIC at an office of the ASIC or of documents lodged with ASX at an office of ASX. In addition, on request to Cape Lambert and free of charge, Corvette Shareholders may obtain a copy of, or inspect, any documents referred to in this Bidder's Statement which have been lodged with the ASIC or given to ASX or which have already been published in a book, journal or comparable publication.

The ASX announcements made by Corvette to ASX since the date of lodgement of Corvette's 2008 Annual Report containing the financial statements for the period ended 30 June 2008 (being the latest annual financial report containing the financial statements for a financial year most recently lodged with the ASIC in relation to Corvette and before the date of this Bidder's Statement, are set out in Annexure B to this Bidder's Statement.

7. SECTION 7 – RATIONALE FOR OFFER AND INTENTIONS OF CAPE LAMBERT

7.1 Rationale for the Offer

Cape Lambert believes that there are a number of key strategic and financial benefits to Corvette Shareholders that will arise from the successful acquisition of Corvette by Cape Lambert. These include:

(a) **Increased Cash Reserves**

As at the date of this Bidder's Statement, Cape Lambert's cash reserves totalled approximately \$73.9 million. A proportion of these cash reserves may be applied by Cape Lambert to explore the assets of Corvette.

(b) **Improved Synergies and Cost Savings**

If Cape Lambert acquires 100% of Corvette, there may be synergies associated with combining Cape Lambert's and Corvette's operations, including costs savings through consolidating corporate costs and the simplification of Cape Lambert's and Corvette's ownership structure.

(c) **Realisation of benefit of MinSec Acquisition**

Before entering into the agreement to acquire Mineral Securities Cape Lambert envisaged becoming the beneficial owner of all of the Corvette Shares owned by Mineral Securities. However, as detailed in Section 1, Cape Lambert did not receive the ASIC relief to allow it (and Cape Lambert MinSec) to acquire the Downstream Interests exceeding 20% in each of Corvette, Tianshan, Buka Gold and NiPlats.

Prior to the completion of the acquisition of the Lady Annie Assets and the Mineral Securities Acquisition, a restructure was undertaken to ensure that Cape Lambert acquired a relevant interest in no more than 19.99% of the shares of any ASX listed company (**Restructure**). Pursuant to the Restructure, the shareholding in each of Corvette, Buka Gold, and Tianshan held by Mineral Securities (or entities controlled by Mineral Securities) exceeding 19.99% (**Excess Shares**) was sold to CopperCo or an entity controlled by CopperCo (**CopperCo Controlled Entity**). Pursuant to the terms of the Restructure, Cape Lambert will receive the benefit of any consideration ultimately obtained for the Excess Shares and NiPlats Shares by the receiver of CopperCo and the CopperCo Controlled Entity. CopperCo and the CopperCo Controlled Entity was not acquired by Cape Lambert MinSec pursuant to the Mineral Securities Acquisition and will remain a wholly owned subsidiary of CopperCo, and an entity not associated, controlled by or related to Cape Lambert.

Accordingly, if CopperCo accepted the Offer in respect of the Corvette Shares it holds as a result of the Restructure, Cape Lambert would hold a relevant interest in Corvette that it thought it would obtain pursuant to the Mineral Securities Acquisition (but which was prohibited as a result of the ASIC relief not being granted). The Cape Lambert Shares issued in consideration would be transferred from CopperCo to Cape Lambert MinSec and would need to be transferred or cancelled within the time period and procedure prescribed by the Corporations Act to prevent Cape Lambert holding a relevant interest in its own shares. CopperCo is

not under any contractual obligation or otherwise legally obligated to accept the Offer in respect of the Corvette Shares it holds.

(d) **Diversification of exploration assets**

The Corvette Shareholders will be exposed to diversification of exploration assets as currently Corvette has interests in gold and heavy mineral sands. If Cape Lambert acquires 100% of Corvette, Corvette Shareholders would also be exposed to iron ore, copper, zinc and other mineral projects.

(e) **Board of Cape Lambert**

The board of Cape Lambert together with its expert technical team provides an experience and balanced set of skills to guide the growth of the merged group.

7.2 Percentage Control to Corvette Shareholders

If the Merger proceeds as intended, Corvette Shareholders will become Cape Lambert Shareholders, together holding approximately 6.88% of the issued Cape Lambert Shares (on an undiluted basis). This assumes holders of 80% of the Corvette Shares accept the Offer (as the remaining 19.99% of the Corvette Shares are already controlled by Cape Lambert) and are issued a total of 38,679,532 Cape Lambert Shares and no other Cape Lambert Shares are issued or Cape Lambert Options are exercised.

7.3 Approach and Intentions of Cape Lambert

This Section sets out the intentions of Cape Lambert on the basis of facts and information concerning Corvette which are known to Cape Lambert as at date of this Bidder's Statement. However, Cape Lambert will only reach final decisions in light of material facts and circumstances at the relevant time. Accordingly, the statements set out in this Section are statements of current intentions only which may vary as new information becomes available or circumstances change.

7.4 Intentions upon acquisition of 90% or more of Corvette

This Section describes Cape Lambert's intentions if Cape Lambert and its associates have acquired a relevant interest in 90% or more of the Corvette Shares and so becomes entitled to proceed to compulsory acquisition of the outstanding Corvette Shares and any other Corvette securities on issue which it is entitled to compulsorily acquire in accordance with Part 6A.1 of the Corporations Act.

(a) **Compulsory Acquisition**

Cape Lambert intends to proceed with the compulsory acquisition of any Corvette Shares not acquired under the Offer and any other Corvette securities on issue which it is entitled to compulsorily acquire in accordance with the Corporations Act.

If it is required to do so, Cape Lambert intends to give notice to Corvette Shareholders and holders of Corvette Options offering to acquire their Corvette Shares and Corvette Options.

(b) **Directors**

Assuming Cape Lambert acquired the whole of Corvette, Cape Lambert would consider the appointment of nominees to the board of Corvette.

(c) ASX Listing

After the conclusion of the compulsory acquisition process, Cape Lambert intends to arrange for Corvette to be removed from the official list of ASX (subject to obtaining any required approval from ASX).

(d) Operations and assets

Cape Lambert has not had access to all the information relevant to making a final decision regarding what changes, if any, will be made to Corvette's operations.

At the end of the Offer Period, Cape Lambert will conduct an immediate review of Corvette's operations on both a strategic and financial level to determine mechanisms for improving the performance and return to shareholders and realise any potential operational and financial synergies available to the Merged Entity.

The extent of the review is not able to be determined at this stage, although it is likely to involve some, or all, of the following:

- (i) understanding the terms of the Plumridge Gold Project, Eucla Basin – Pioneer and Newmont Projects, Murray Basin Project, Otway Basin Project and InKerman Project;
- (ii) understanding any existing material third party contractual arrangements;
- (iii) identifying and assessing the prospectivity of exploration potential of Corvette's assets and how best to assign resources to undertake detailed exploration; and
- (iv) eliminating duplication of functions where it is economical to do so.

The key objective of this review will be to ascertain the extent of any possible synergies which may be available to the Merged Entity and to the extent synergies are available, to assess the most efficient mechanism to access those synergies.

(e) Employees

The status of Corvette's existing employees will be considered as part of the review outlined in Section 7.4(d) above. Cape Lambert intends to combine Corvette's corporate head office functions with those of Cape Lambert (in West Leederville). Cape Lambert will make decisions regarding senior management positions following the general operation review referred to above.

Cape Lambert will seek to retain operational experience inherent in Cape Lambert's and Corvette's existing staff. However, where Cape Lambert decides there is a duplication, then the role will be filled by the best candidate in the opinion of the Cape Lambert management. Cape Lambert will consider whether there are opportunities elsewhere

in the Merged Entity for those employees who may become redundant as part of the combining of management groups. As a result of the implementation of these intentions, it is possible that certain operational functions will become redundant. Some redundancies may occur as a result, however, the incidence, extent and timing of such job losses cannot be predicted in advance. If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

7.5 Intentions of gaining control but less than 90% of Corvette

On completion of the Offer, Cape Lambert may hold a sufficient number of Corvette Shares to exercise control over the management and operations of Corvette, but may not be entitled to compulsorily acquire all outstanding Corvette Shares. Cape Lambert's intentions in those circumstances are to implement the intentions described in Section 7.4 above to the extent that it is economically feasible and subject to the requirements of the Corporations Act, the ASX Listing Rules (in particular in relation to related party transactions and conflicts of interests) and any other applicable laws or regulations and the legal obligations of the directors of Corvette to act in the best interests of Corvette Shareholders as a whole.

Cape Lambert will maintain Corvette's listing on ASX while it meets ASX's requirements for maintaining a listing but only if the benefits of that listing outweigh the corporate and compliance costs of doing so.

If Cape Lambert acquires less than 90% of the Corvette Shares on issue, then Corvette Shareholders should be aware that if they do not accept the Offer they may become a "locked-in" minority after the end of the Offer Period (i.e if Cape Lambert holds a majority of Corvette Shares but is not entitled to compulsorily acquire the remaining Corvette Shares).

7.6 Intentions of gaining between 19.99% of Corvette (being Cape Lambert's current shareholding in Corvette) but not control of Corvette

On completion of the Offer if Cape Lambert obtains between 19.99% of Corvette (being Cape Lambert's current relevant interest in Corvette) but not control of Corvette, Cape Lambert's current intention is to hold the Corvette Shares it acquires as a portfolio investment. As such, if at any time the Corvette Shares held by Cape Lambert do not achieve an appropriate portfolio return, and Cape Lambert forms the view that continuing to hold those securities is not in the best interests of Cape Lambert Shareholders, it may dispose of those Corvette Shares in any manner it sees fit.

7.7 Other Intentions

Except for the changes and intentions set out in Section 7.3 and subject to the outcome of the review, it is the present intention of Cape Lambert (based on the information presently available to it) to:

- (a) continue to hold the key assets of Corvette and maintain its business in substantially the same manner as it is presently being conducted; and
- (b) not make any major changes to the business or assets of Corvette and not redeploy any of the fixed assets of Corvette.

7.8 Limitations in giving effect to intentions

The ability of Cape Lambert to implement the intentions set out in this Section 7 will be subject to the legal obligations of Cape Lambert directors to have regard to the interests of Corvette and all Corvette Shareholders, and the requirements of the Corporations Act and the Listing Rules relating to transactions between related parties conflicts of interests. Cape Lambert will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

7.9 Intentions in relation to Corvette Options

Cape Lambert has not made an offer for the Corvette Options. However, the Offer does extend to any Corvette Shares that are issued between the Record Date and the end of the Offer Period as a result of the exercise of any Corvette Options.

As mentioned above:

- (a) if Cape Lambert becomes entitled to compulsorily acquire Corvette Options in the future (pursuant to Section 694A of the Corporations Act or otherwise), Cape Lambert intends to do so; and
- (b) if Cape Lambert is required to buy out holders of Corvette Options in accordance with Section 663A of the Corporations Act, it intends to do so.

8. SECTION 8 – FINANCIAL INFORMATION

8.1 Overview

This Section contains:

- (a) an unaudited but reviewed balance sheet for Corvette as at 31 December 2008 using the published financial information in Corvette's half-year financial report for the 6 months ended 31 December 2008;
- (b) an unaudited but reviewed balance sheet of Cape Lambert as at 31 December 2008;
- (c) a pro forma balance sheet of Cape Lambert as at 30 June 2009 which has been determined using the reviewed balance as at 31 December 2008 adjusted for significant transactions that have occurred during the 6 months January 2009 to June 2009; and
- (d) a pro forma balance sheet of Cape Lambert as at 30 June 2009 assuming completion of the Merger based on the assumptions specified.

The pro forma balance sheets of the Merged Entity presents:

- (a) Cape Lambert's financial position as at 30 June 2009 as if Cape Lambert had acquired 100% of Corvette on that date i.e. using the assumption that 80% of the Offer is accepted resulting in Cape Lambert owning 100% of Corvette (as currently an equity controlled by Cape Lambert holds 19.99% of Corvette); and
- (b) Cape Lambert's financial position as at 30 June 2009 as if Cape Lambert had acquired 70% of Corvette on that date i.e. using the assumption that 50% of the Offer is accepted resulting in Cape Lambert owning 70% of Corvette (as currently an entity controlled by Cape Lambert holds 19.99% of Corvette).

For the purposes of preparing a pro forma balance sheet of the Merged Entity at 30 June 2009, the reviewed balance sheet of Corvette as at 31 December 2008 has been used.

Acquisition accounting entries have been based on the terms of the Offer in order to arrive at an unaudited pro-forma consolidated balance sheet for the Merged Entity as at 30 June 2009.

The Directors of Cape Lambert will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after completion of the Offer.

The pro-forma balance sheet is indicative only. The Directors of Cape Lambert have drawn their own conclusions based on the known facts and other publicly available information. If the facts, circumstances, assumptions or other information should prove to be different to that described, the conclusions may change accordingly.

This Section should be read in conjunction with Section 7 of this Bidder's Statement, which provides details of Cape Lambert's current intentions regarding Corvette.

	Cape Lambert Iron Ore Ltd				Corvette Resources Ltd As at 31 Dec 08	Merged Entity (100% interest in Corvette)	Merged Entity (70% interest in Corvette)
	As at 31 Dec 08	As at 30 Jun 09	Indicative acquisition accounting for CopperCo transactions \$'000	Indicative accounting for other significant transactions \$'000			
Current assets	Reviewed \$'000	Pro-forma \$'000		Reviewed \$'000		Pro-forma \$'000	Pro-forma \$'000
Cash	209,453	73,908		3,475		77,383	77,383
Trade and other receivables	19,956	51,342	(15,403)	248	(2,351)	49,240	49,240
Inventory		16,647	14,740			4,228	4,228
Restricted cash		4,228				7,172	7,172
Total current assets	229,409	136,650	(663)	3,723	(2,351)	138,022	138,022
Non current assets							
Trade and other receivables	4,418	4,479				4,479	4,479
Financial assets	6,761	37,315		844		38,159	38,159
Restricted cash	161	9,284	7,859			9,284	9,284
Property, plant & equipment	126	8,404		167		8,571	8,571
Exploration & other mineral assets	1,795	166,704	600	5,310		174,409	174,409
Intangible assets (goodwill)		23,505			7,065	30,570	28,527
Investments in associates	22,761	11,548	4,930		(3,249)	35,989	35,989
Loans to associates	68	68				68	68
Deferred tax assets				2		2	2
Total non current assets	36,089	241,913	13,389	6,323	3,816	301,531	299,487
Total assets	265,498	428,041	12,726	10,046	1,465	439,553	437,510
Current liabilities							
Trade and other payables	(894)	(14,781)	(2,827)	(807)		(15,588)	(15,588)
Provisions				(33)		(33)	(33)
Deferred consideration		(10,000)				(10,000)	(10,000)
Interest bearing liabilities		(14,525)				(14,525)	(14,525)
Income tax	(63,103)	(22,983)	(1,738)			(22,983)	(22,983)
Deferred income	(250)	(250)				(250)	(250)
Total current liabilities	(64,247)	(62,540)	(4,565)	(840)	0	(63,380)	(63,380)

	Cape Lambert Iron Ore Ltd				Corvette Resources Ltd As at 31 Dec 08	Merged entity (100% interest in Corvette)	Merged entity (70% interest in Corvette)
	As at 31 Dec 08	Indicative acquisition accounting for CopperCo transactions \$'000	Indicative accounting for other significant transactions \$'000	As at 30 Jun 09			
Non current liabilities	Reviewed \$'000	\$'000	\$'000	Pro-forma \$'000	Reviewed \$'000	Pro-forma \$'000	Pro-forma \$'000
Deferred tax liability	(32)	(41,865)		(41,896)	(26)	(41,896)	(41,896)
Provisions	(32)	(11,923)	0	(53,819)	(26)	(11,949)	(11,949)
Total non current liabilities	(64,279)	(47,515)	(4,565)	(116,358)	(866)	(117,224)	(117,224)
Total liabilities							0
Net assets	201,219	102,303	8,161	311,683	9,180	322,329	(578)
Equity							
Issued capital	120,181		4,930	125,111	12,843	135,766	(6,989)
Reserves	5,075			5,075	258	5,075	(258)
Retained profits	75,963	102,303	3,231	181,497	(3,921)	181,487	3,916
Minority interest							2,754
	201,219	102,303	8,161	311,683	9,180	322,329	(578)

The following significant transactions occurring in the 6 month period January 2009 to June 2009 have been identified and reflected in the pro-forma balance sheet above:

The Lady Annie Assets and Mineral Securities Acquisitions

- (a) Secured debt amounting to \$71 million in relation to Mineral Securities Limited (Mineral Securities) and the Lady Annie mine site was acquired from Macquarie Bank Limited and Linq Capital Limited in February 2009. \$14.5 million of this transaction was financed by way of a short term loan from Macquarie Bank Limited, due for repayment in July 2009.
- (b) A working capital loan facility of \$18 million was provided to the Lady Annie and Mineral Securities operations during the period February to June 2009.
- (c) Interest, discounts and other fees amounting to \$7.5 million were received pursuant to the acquisition of Lady Annie and Mineral Securities secured debt and the provision of the working capital facility.

- (d) On 29 June 2009, Cape Lambert completed the acquisition of the Lady Annie assets and the Mineral Securities group for an agreed consideration of \$135 million, of which \$10 million has been deferred.
- (e) The purchase consideration has been used firstly to settle the debt owing to secured creditors, secondly to establish a creditors trust for the unsecured creditors of companies within the Mineral Securities group that are in administration, and thirdly for working capital.
- (f) The assets and liabilities acquired pursuant to the Lady Annie Assets and Mineral Securities Acquisition have been accounted for on a provisional basis.

Other significant transactions

- (a) Convertible notes totalling \$15 million were issued during the period January to June 2009.
- (b) Equity securities were acquired during the period for approximately \$7.7 million.
- (c) Equity securities were disposed of during the period, generating \$2.7 million cash and a \$1.3 million profit.
- (d) Equity securities were revalued at 30 June 2009 with an uplift in value of approximately \$0.25 million being recognized.
- (e) 17 million Cape Lambert Shares valued at \$4.9 million were issued to acquire an additional 5% interest in Marampa Iron Ore Ltd.
- (f) Withholding tax payments amounting to \$2.5 million were temporarily refunded. These are due for repayment early in the 2009/10 financial year.
- (g) Expenditures were incurred and revenues were earned as part of the ordinary course of business during the period. The estimated impact of these revenues and expenditures is as follows:

	\$ million
Cash outflow	2.2
Reduction of trade and other receivables	0.4
Exploration expenditures capitalised	0.6
Increase in trade and other payables	0.3
Increase in income tax payable	1.8
Net profit	0.3

Taxation

The tax impact of the material components of the above significant transactions has been determined on a provisional basis and taken into account in the pro-forma balance sheet.

9. SECTION 9 – AUSTRALIAN TAX CONSIDERATIONS

9.1 Introduction

This Section of the Bidder's Statement provides a broad outline of the principal Australian income tax consequences for the Australian resident Corvette Shareholders as a result of acceptance of this Offer and receiving Cape Lambert Shares. This outline is not exhaustive of all possible income tax considerations that could apply to particular Corvette Shareholders.

The limitations to this outline are as follows:

- it applies only to Australian resident Corvette Shareholders. Special additional rules may apply to particular Corvette Shareholders, such as insurance organizations, superannuation funds, tax exempt organizations and financial institutions; and
- it is based on Australian tax law in effect at the date of the Bidder's Statement. It does not consider or anticipate any changes in the law (including changes to legislation, judicial authority or administrative practice).

Cape Lambert and its advisers do not accept any liability or responsibility in respect of any statement concerning the taxation consequences of the Offer or in respect of the taxation consequences themselves. All Corvette Shareholders should consult their own independent professional tax advisers regarding the income tax and capital gains tax consequences of disposing of Corvette Shares and acquiring Cape Lambert Shares.

Any Corvette Shareholders not resident in Australia for tax purposes should seek their own independent taxation advice.

9.2 Australian Resident Shareholders

The Australian taxation consequences for Corvette Shareholders who accept the Offer will be dependent upon a number of factors, including:

- (a) whether the Corvette Shareholder holds their shares in Corvette on capital or revenue account or as trading stock;
- (b) the tax residency of the shareholder (i.e. whether Australian resident or not); and
- (c) whether the level of acceptances under the Offer is for at least 80% of the Corvette Shares.

9.3 Income Tax and Capital Gains Tax Issues

The taxation consequences associated with the Offer will depend upon whether the Corvette Shareholders hold their Corvette Shares as:

- (a) capital assets;
- (b) revenue assets; or
- (c) trading stock.

Each Corvette Shareholder will need to determine which category they fall into. The Australian income tax consequences of accepting the Offer for each Corvette Shareholder will differ depending on which category of ownership applies to them.

9.3.1 Corvette Shares held on capital account

Shareholders who hold their Corvette Shares as passive investments with the intention of generating dividend income and/or long term capital growth are likely to be considered to hold shares on capital account for income tax purposes.

The acceptance of this Offer will constitute the disposal of the Corvette Shares by the Corvette Shareholder for Australian income tax purposes. The disposal of Corvette Shares by the Corvette Shareholders pursuant to the Offer constitutes a Capital Gains Tax (**CGT**) event for Australian income tax purposes where they are held on capital account.

Corvette Shareholders may realise a capital gain or capital loss in respect of the disposal of their Corvette Shares (refer to Section 9.3.1.1 below), subject to the availability and the extent of scrip for scrip roll-over relief (refer Section 9.3.1.2 below).

In certain circumstances, Corvette Shareholders may be eligible to apply the CGT discount to reduce their assessable capital gain (the eligibility requirements for the CGT discount are discussed in the following paragraphs) (**CGT Discount**). The relevant rate of the CGT Discount is 50% for individuals, and 33 1/3% for complying superannuation funds.

9.3.1.1 Where roll-over relief is unavailable or not chosen

To the extent that scrip for scrip roll-over relief is not available (e.g. if Cape Lambert does not achieve an 80% level of acceptance) or is not accessed (e.g. the Corvette Shareholder is not a resident of Australia for taxation purposes, or the Corvette Shareholder chooses not to access roll-over relief), the tax consequences should be as follows:

- a capital gain should arise to the extent that the capital proceeds from the disposal of Corvette Shares (being the aggregate of the market value of the Cape Lambert Shares) exceed the cost base of the Corvette Shares. The market value of the Cape Lambert Shares is determined at the time which is the later of the date the Corvette Shareholder accepts the Offer or the date the Offer becomes unconditional. If a Corvette Shareholder (being an individual, trust or superannuation fund) has held their Corvette Shares for at least 12 months as at the later of the date the Offer is accepted or the date the Offer becomes unconditional, the Corvette Shareholders may apply the CGT Discount.
- A capital loss should be realised to the extent the amount of the capital proceeds received (as above) by a Corvette Shareholder is less than the reduced cost base of the Corvette Shares.

Any capital gain realised in respect of the disposal of the Corvette Shares should be included in the Corvette Shareholder's assessable income in the tax year in which the Offer is accepted (unless the resulting capital gains are completely offset against other capital losses of the Corvette Shareholder). Capital losses may be applied against any other capital gains derived by the Corvette Shareholder in the same year. Any unapplied capital losses may be carried forward to be applied against future capital gains.

The availability of the CGT Discount in calculating the amount of the net capital gains included in assessable income depends on a number of factors, including the date of acquisition of the Corvette Shares whether the Corvette Shareholders are companies, trusts, superannuation funds or individuals and the choice made by these Corvette Shareholders (refer to Section 9.3.1.2 below). In general terms, the CGT Discount provides individuals with a reduction of the taxable capital gain by 50% where the Corvette Shareholders have held their Corvette Shares for at least 12 months prior to the date the Offer is accepted. The 50% discount means that only half of any capital gain arising from the disposal of the Corvette Shares is included in assessable income and assessed at the Corvette Shareholder's marginal tax rate. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains.

Where Corvette Shares are held by a complying superannuation entity and the CGT Discount is validly chosen, the discount will reduce the nominal capital gain on the disposal of the Corvette Shares by one-third.

The calculation of the cost base of Corvette Shares depends on each Corvette Shareholder's circumstances. Generally, the cost base of Corvette Shares is equal to the amount paid by the Corvette Shareholder for the securities plus certain incidental costs incurred (for example, brokerage fees) of acquisition and disposal.

9.3.1.2 CGT scrip for scrip roll-over relief

Subdivision 124-M of the Income Tax Assessment Act 1997 provides scrip for scrip roll-over relief where shareholders dispose of some or all of their shares in one company in exchange for shares in another company..

Roll-over relief may be available to Australian residents where:

- a Corvette Shareholder receives Cape Lambert Shares in consideration for the disposal of some or all of their Corvette Shares under the Offer;
- as a result of the Offer, Cape Lambert obtains 80% or more of the Corvette Shares;
- the Corvette Shareholder acquired their Corvette Shares on or after 20 September 1985 and, but for the roll-over,

a capital gain would arise from the exchange (refer Section 9.3.1.1 above);

- The Offer is to be made to all Corvette Shareholders and is on the same terms for all Corvette Shareholders and the Cape Lambert Shares provide the same kind of rights and obligations as those attached to Corvette Shares; and
- the relevant Corvette Shareholder chooses that the roll-over relief applies.

Provided Corvette Shareholders elect to apply CGT scrip for scrip roll-over relief and that Cape Lambert acquires 80% or more of the Corvette Shares on issue, any capital gain arising from the Offer will be disregarded.

Where the Corvette Shareholders choose CGT scrip for scrip roll-over relief:

- the capital gain made on the disposal of their Corvette Shares is deferred; and
- the Corvette Shareholders retain a proportion of the cost base of Corvette Shares as the cost base in the Cape Lambert Shares. The Corvette Shareholder's cost base per share in the replacement Cape Lambert Shares is equal to the cost base they have in their Corvette Shares, divided by the number of Cape Lambert Shares acquired under the Offer.

Where a Corvette Shareholder realises a capital loss on the disposal of their Corvette Shares, no CGT scrip for scrip roll-over relief is available. Realised capital losses may not be deducted against other assessable income of Corvette Shareholders (excluding capital gains) for income tax purposes. For individuals a capital loss may be offset against capital gains that are realised in the same year or in later years. For companies, specific loss rules apply which may limit the ability to offset the capital loss in current year or later years. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains.

All Corvette Shareholders should obtain their own independent professional taxation advice as to whether and how a roll-over election should be made.

Special rules apply if a Corvette Shareholder together with its associates holds 30% or more of the voting, dividend or capital distribution rights of Corvette immediately before the commencement of the Offer Period. Such Corvette Shareholders should seek separate advice on this issue.

9.3.2 Corvette Shares held on revenue account

Corvette Shareholders who acquired their Corvette Shares with the dominant purpose of reselling them at a profit are likely to be

considered to hold their Corvette Shares on revenue account for income tax purposes.

Where this is the case, any gain or loss realised on disposal of the Corvette Shares (determined based on the market value of Cape Lambert Shares) will be assessed as ordinary income or claimed as a revenue deduction. The scrip for scrip rollover relief provisions will have no application. The CGT Discount will also not be available in this situation.

9.3.3 Corvette Shares held as trading stock

Corvette Shareholders, who are engaged in the business of share trading, whereby they regularly acquire shares and hold them with a view to making short-term profits through sale or exchange in the ordinary course of carrying on a business, would hold the Corvette Shares as trading stock.

Where this is the case, scrip for scrip rollover relief will not be available on acceptance of the Offer. In these circumstances, any proceeds received from the sale arising from the Offer will be included in assessable income of the shareholder. The CGT Discount will also not be available.

9.4 Ownership and disposal of Cape Lambert Shares

If the holders of Corvette Shares have any questions about the financial or taxation aspects of holding or disposing of Cape Lambert Shares, then they should consult a suitably qualified professional tax adviser, prior to making a decision whether or not to accept the Offer for their Corvette Shares.

The Australian income tax and capital gains tax consequences of disposal by a Corvette Shareholder of Cape Lambert Shares should be broadly the same as for the disposal of Corvette Shares as described in Section 9.3.

9.4.1 Cape Lambert Shares

9.4.1.1 Cape Lambert Shares acquired where roll-over election was made

Where a choice to apply scrip for scrip roll-over relief was available and was made by a Corvette Shareholder in respect of the disposal of Corvette Shares, the cost base of the Cape Lambert Shares issued to the Corvette Shareholder under the Offer is equal to the cost base of the Corvette Shares that were exchanged for the Cape Lambert Shares. This amount will be apportioned across the Cape Lambert Shares acquired on a reasonable basis.

The subsequent disposal of the Cape Lambert Shares acquired under the Offer will be a CGT event and will be subject to taxation as outlined in Section 9.3 above.

Individual Corvette Shareholders may determine whether the Cape Lambert Shares have been held for at least 12 months for the purpose of applying the CGT discount in relation to any capital gain as a result of disposing of the Cape Lambert Shares (see Section 9.3 above) by reference to the date that they

acquired the Corvette Shares. Therefore, if the combined period during which the Corvette Shareholder held the Corvette Shares and the Cape Lambert Shares is at least 12 months, the Corvette Shareholder may be entitled to apply the CGT Discount in respect of the disposal of the Cape Lambert Shares.

9.4.1.2 Cape Lambert Shares acquired where roll-over relief does not apply and held on Capital Account

Where roll-over relief does not apply to the disposal of Corvette Shares, the total cost base of all of the Cape Lambert Shares acquired under the Offer includes the total market value of the corresponding Corvette Shares disposed of at the date of acceptance of the Offer. The cost base for each individual Cape Lambert Share will be the amount calculated, divided by the number of the Cape Lambert Shares acquired.

9.4.1.3 Cape Lambert Shares held on revenue account

Corvette Shareholders who acquired their Cape Lambert Shares under the Offer and held their Corvette Shares with the dominant purpose of reselling them at a profit are likely to be considered to hold their Cape Lambert Shares on revenue account for income tax purposes.

Where this is the case, any gain or loss realised on disposal of the Cape Lambert Shares being the proceeds received over the cost of acquiring the Cape Lambert Shares (the market value of the Cape Lambert Shares determined at the time of the issue of the Cape Lambert Shares under this offer) will be assessed as ordinary income or claimed as a revenue deduction. The scrip for scrip rollover relief provisions will have no application. The CGT Discount will also not be available in this situation.

9.4.1.4 Cape Lambert Shares held as trading stock

Corvette Shareholders, who are engaged in the business of share trading, whereby they regularly acquire shares and hold them with a view to making short-term profits through sale or exchange in the ordinary course of carrying on a business, would hold the Cape Lambert Shares issued under this offer as trading stock.

Where this is the case, scrip for scrip rollover relief will not be available on acceptance of the Offer. In these circumstances any proceeds received from a sale will be included in assessable income of the shareholder. The CGT Discount will also not be available.

9.5 Dividends in Relation to Cape Lambert Shares

During the period in which Corvette Shareholders hold the Cape Lambert Shares, they may receive dividends which may be either franked or unfranked. Dividends are grossed up for any franking credits and are included in the Corvette Shareholder's assessable income. A tax offset (rebate) equal to the

franking credit included in assessable income is available to reduce the tax payable on the dividend.

There are rules that limit the availability of franking credits in certain circumstances. For example, Corvette Shareholders will generally be required to have held Cape Lambert Shares for at least 45 days following acquisition.

These rules are complex and you should consult your taxation adviser regarding their operation.

In certain instances, to the extent that an individual taxpayer has excess franking credits (i.e. over and above the taxpayer's tax liability for the relevant tax year), he or she may be entitled to a refund of the excess amount. Again, Corvette Shareholders should consult their own tax advisers in this regard.

9.6 Goods and Services Tax (GST) Considerations

Corvette Shareholders who accept the Offer and who are registered, or required to be registered for GST, will also need to consider whether there is a GST impact to them.

A supply of shares is an input taxed (exempt) supply for GST purposes. Consequently, the disposal of shares by Corvette Shareholders to Cape Lambert will not give rise to any GST liability.

10. SECTION 10 – TERMS OF OFFER

10.1 General Terms

- (a) **(Offer)** Cape Lambert offers to acquire all of your Corvette Shares on the terms and conditions of this Offer. This Offer relates to all Corvette Shares which exist (or will exist) as at the Record Date.
- (b) **(Rights):** If you accept this Offer and Cape Lambert acquires your Corvette Shares, Cape Lambert is also entitled to any Rights in respect of your Corvette Shares.
- (c) **(Consideration):** The consideration being offered by Cape Lambert for the acquisition of all of your Corvette Shares is 0.417 Cape Lambert Shares per Corvette Share you own, subject to the terms and conditions set out in the Offer. Therefore, for every 2.4 Corvette Shares you own you will be issued one Cape Lambert Share.
- (d) **(Rounding):** If you become entitled to a fraction of a Cape Lambert Share under the Offer, the fraction will be disregarded and you will receive the lowest next whole number of Cape Lambert Shares.
- (e) **(Foreign Shareholders):** If you are a Foreign Shareholder then despite any other provision of this Offer, you are offered and will receive for your Corvette Shares a cash amount calculated under clause 10.7(a).
- (f) **(ASX Listing of Cape Lambert Shares):** Cape Lambert will apply for official quotation of the Cape Lambert Shares pursuant to this Offer on ASX. Quotation will not be automatic but will depend on ASX exercising its discretion. Cape Lambert has already been admitted to the official list of ASX and the Cape Lambert Shares to be issued under the Offer are of the same class as Cape Lambert Shares already quoted on ASX. Cape Lambert cannot guarantee, and does not represent or imply, that the Cape Lambert Shares will be listed.
- (g) **(Ranking of Cape Lambert Shares):** The Cape Lambert Shares to be issued pursuant to this Offer will, from their date of issue, rank equally in all respects with existing Cape Lambert Shares currently on issue.
- (h) **(Terms of Cape Lambert Shares):** The rights and obligations of the Cape Lambert Shares are set out in Section 12 of the Bidder's Statement.

10.2 Offer Period

Unless withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 5:00pm (WST) on 11 September 2009, subject to any extension in accordance with the Corporations Act.

10.3 Who May Accept

- (a) **(Registered Holders at Record Date and Additional Holders):** This Offer in this form and bearing the same date is being made to each holder of Corvette Shares registered, or entitled to be registered, in the register of shareholders of Corvette as at 5.00pm (WST) on the Record Date.
- (b) **(Transferees):** A person who:

- (i) is able during the Offer Period to give good title to a parcel of Corvette Shares; and
- (ii) has not already accepted this Offer which relates to those Corvette Shares,

may accept as if an Offer from Cape Lambert on terms identical with this Offer had been made to that person in relation to those Corvette Shares.

- (c) **(Trustees and Nominees):** If at any time during the Offer Period and before this Offer is accepted you hold your Corvette Shares in two or more distinct parcels (for example, as trustee, nominee or otherwise on account of another person) within the meaning of Section 653B of the Corporations Act, then:

- (i) this Offer is deemed to consist of a separate corresponding Offer to you in relation to each distinct parcel of your Corvette Shares; and
- (ii) acceptance by you of the Offer for any distinct parcel of Corvette Shares is ineffective unless:
 - (A) you give written notice to Cape Lambert stating that your Corvette Shares consist of distinct parcels; and
 - (B) your acceptance specifies the number of the Corvette Shares in each separate parcel to which the acceptance relates,

provided that you may at the one time, accept two or more such separate corresponding Offers as if they were a single Offer in relation to a separate parcel of Corvette Shares.

For the purposes of Section 10.3(c)(ii)(B) above, the notice required:

- (C) if it relates to Corvette Shares not in a CHESS Holding, must be in writing; or
- (D) if it relates to Corvette Shares in a CHESS Holding, must be in electronic form approved under the ASTC Settlement Rules for the purposes of Part 6.8 of the Corporations Act.

If this applies to you, contact Computershare Investor Services Pty Limited on 1300 557 010 for such additional copies of this Bidder's Statement and the Acceptance Form as are necessary. Please note that, in accordance with legal requirements, calls to this number will be recorded.

Beneficial owners who's Corvette Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance and the service costs involved in accepting the Offer.

- (d) **(Foreign Laws):** This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a

result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

10.4 How to Accept this Offer

- (a) You may only accept this Offer in respect of 100% (and not a lesser proportion) of your Corvette Shares. For example, if you have 10,000 Corvette Shares and you wish to accept the Offer, you may only accept this Offer in respect of 10,000 Corvette Shares.
- (b) You may only accept this Offer during the Offer Period.
- (c) The method by which you can accept this Offer will depend on whether your Corvette Shares are in an Issuer Sponsored Holding or a CHES Holding. Your Corvette Shares are in an Issuer Sponsored Holding if they are sponsored directly by Corvette as issuer. Your Corvette Shares are in a CHES Holding if they are sponsored by a Broker or other CHES participant or if you are a Broker or Non-Broker Participant.
- (d) **Issuer Sponsored Holdings:** If your Corvette Shares are held on Corvette's issuer sponsored subregister when you accept, you must:
 - (i) complete and sign the Acceptance Form in accordance with the instructions on the Acceptance Form; and
 - (ii) ensure that the Acceptance Form together with all other documents required by the instructions on it (including the certificates in respect of any of your Corvette Shares which are certificated) are received at the following address before the end of the Offer Period:

Mailing Address:

Cape Lambert Iron Ore Limited
C/- Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

Delivery Address:

Cape Lambert Iron Ore Limited
C/- Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

- (e) **CHES Holdings:** If your Corvette Shares are in a CHES Holding when you accept this Offer, you must comply with the ASTC Settlement Rules. Accordingly, to accept this Offer in respect of your Corvette Shares:
 - (i) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period; or
 - (i) if you are not the Controlling Participant, you may either:

- (A) instruct your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period. For non institutional shareholders, your "Controlling Participant" will normally be the stockbroker through whom you either bought your Corvette Shares or through whom you ordinarily trade shares on ASX; or
- (B) alternatively, you may sign and complete the accompanying Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it is received (together with all documents required by the terms of this Offer) before the expiry of the Offer Period at the address specified in Section 10.4(d)(ii) of this Bidder's Statement. In that case, you will be deemed to have authorised Computershare Investor Services Pty Ltd. Limited to forward your instructions to your Controlling Participant, who will then accept this Offer on your behalf during the Offer Period in accordance with the ASTC Settlement Rules and the Corporations Act.

CHESS holders should note that acceptance of the Offer will not be effected until it is received by their Controlling Participant and processed by them electronically through CHESS.

- (f) The return of the Acceptance Form to the Company (or Computershare Investor Services Pty Ltd) by facsimile does not satisfy the requirements of Sections 10.4(d) or 10.4(e) (unless you have made prior arrangements with Cape Lambert). If your Acceptance Form is returned by post, it will be deemed to have been received in time if the envelope in which it is sent is post-marked before the end of the Offer Period.
- (g) Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, subject to Sections 650E or 650G of the Corporations Act.
- (h) Cape Lambert may, in its sole discretion, at any time deem any Acceptance Form it receives to be a valid acceptance in respect of your Corvette Shares even if a requirement for acceptance has not been complied with.

10.5 The Effect of Acceptance

- (a) By following the procedures described in Section 10.4 you will be deemed to have:
 - (i) accepted this Offer in respect of the Corvette Shares registered in your name to which this Offer relates, regardless of the number of Corvette Shares specified in the Acceptance Form (subject however to Sections 10.3(b));
 - (ii) agreed to the terms of the Offer and subject to the conditions contained in Section 10.8 of this Bidder's Statement being

- fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASTC Settlement Rules) to Cape Lambert all of your Corvette Shares;
- (iii) agreed to accept the consideration being offered by Cape Lambert and agreed to be bound by the Constitution of Cape Lambert;
 - (iv) authorised Cape Lambert to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary:
 - (A) to make the Acceptance Form an effective acceptance of this Offer; and/or
 - (B) to enable registration of the transfer to Cape Lambert of your Corvette Shares;
 - (v) irrevocably authorised and directed Corvette to pay to Cape Lambert or to account to Cape Lambert for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of this Offer in respect of your Corvette Shares which Cape Lambert acquires pursuant to this Offer (subject to Cape Lambert accounting to you for any dividends, distributions or entitlements received by it if your acceptance of this Offer is validly withdrawn pursuant to Section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
 - (vi) represented and warranted to Cape Lambert that:
 - (A) Cape Lambert will acquire good title to and beneficial ownership of all of your Corvette Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
 - (B) you have paid Corvette all amounts which are due in respect of your Corvette Shares;
 - (C) all of your Corvette Shares are fully paid;
 - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Corvette Shares (together with all Rights attached to them) to Cape Lambert; and
 - (E) unless you have notified Cape Lambert in accordance with Section 10.3(c) (Corvette Shares held in separate parcels), your Corvette Shares do not consist of separate parcels of Corvette Shares;
 - (vii) unless you are a Foreign Corvette Shareholder (as that expression is defined in Section 13 of this Bidder's Statement), agreed to accept the Cape Lambert Shares to which you become entitled by accepting this Offer subject to Cape Lambert's Constitution and the terms of issue of the Cape Lambert Shares and to have authorised Cape Lambert to place

your name on its register of shareholders as the holder of the Cape Lambert Shares issued to you under the Offer;

- (viii) represented and warranted to Cape Lambert that the making by Cape Lambert to you, and your acceptance, of this Offer is lawful under any Foreign Law which applies to you, to the making of this Offer, and to your acceptance of this Offer;
- (ix) agreed to indemnify Cape Lambert fully in respect of any claim, demand, action, suit or proceeding made or brought against Cape Lambert and any loss, cost, expense, damage or liability whatsoever suffered or incurred by Cape Lambert as a result of you not producing your HIN or SRN or in consequence of the transfer of your Corvette Shares to Cape Lambert being registered by Cape Lambert without production of your HIN or SRN;
- (x) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) Cape Lambert and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Corvette Shares or in exercise of any right or power derived from the holding of your Corvette Shares including, without limitation:
 - (A) attend and vote in respect of your Corvette Shares at any and all meetings of Corvette;
 - (B) requisition or join with other holders of Corvette Shares in requisitioning and/or convening a meeting of the members of Corvette;
 - (C) demand a poll for any vote to be taken at any meeting of Corvette Shareholders;
 - (D) propose or second any resolutions to be considered at any, and all meetings of Corvette Shareholders;
 - (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a director of Cape Lambert as a proxy in respect of all or any of your Corvette Shares and a transfer form for your Corvette Shares), proxies, consents, agreements and resolutions relating to your Corvette Shares;
 - (F) request Corvette to register in the name of Cape Lambert or its nominee your Corvette Shares which you hold on any register of Corvette; and
 - (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of Cape Lambert as the beneficial owner and intended registered holder of your Corvette Shares in respect of

which you have accepted this Offer and to have further agreed to do all such acts, matters and things that Cape Lambert may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the Constitution of Corvette) if requested by Cape Lambert. This appointment is irrevocable and terminates upon registration of a transfer to Cape Lambert or your Corvette Shares; and

- (xi) agreed not to vote in person at any general meeting of Corvette or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Cape Lambert and the directors, secretaries and other officers of Cape Lambert by Section 10.5(a)(x) of this Bidder's Statement.
- (b) The representations, warranties, undertakings and authorities referred to in this Section 10.5 will (unless otherwise stated) remain in force after you receive the consideration for your Corvette Shares and after Cape Lambert becomes the register as the holder of them.
- (c) Cape Lambert may at any time in its absolute discretion:
 - (i) treat the receipt by it of an Acceptance Form during the Offer Period (or in an envelope post-marked before the expiry of the Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with; and
 - (ii) where you have satisfied the requirements for acceptance in respect of only some of your Corvette Shares, treat the acceptance as a valid acceptance in respect of all of your Corvette Shares.

In respect of any part of an acceptance treated by it as valid, Cape Lambert will provide you with the relevant consideration in accordance with Section 10.6(a), and the exercise of Cape Lambert's rights under this Section 10.5 will be conclusively and only evidenced by its so doing. This Section is not a condition of this Offer.

10.6 Provision of Consideration

- (a) Subject to the terms of this Offer and the Corporations Act, Cape Lambert will provide the consideration for your Corvette Shares not later than one month after this Offer is accepted or this Offer (or the contract resulting from its acceptance) becomes unconditional, whichever is the later, but in any event (assuming the Offer becomes or is declared unconditional) not later than 21 days after the end of the Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Offer, regardless of any delay in providing the consideration or any extension of the Offer.
- (c) Subject to Section 10.8 of this Bidder's Statement, the obligation of Cape Lambert to allot and issue any Cape Lambert Shares to which you are entitled under the Offer will be satisfied:

- (i) by entering your name on the register of members of Cape Lambert; and
 - (ii) if your name is entered into the issuer sponsored subregister of Cape Lambert, by Cape Lambert dispatching to you an issuer sponsored holding statement for the Cape Lambert Shares to which you become entitled by accepting this Offer (by pre-paid mail to your address as shown on the register of members of Corvette).
- (d) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
- (i) if that document is given with your acceptance, Cape Lambert will provide the consideration in accordance with Section 10.6(a);
 - (ii) if that document is given after acceptance and before the end of the Offer Period while this Offer is subject to a defeating condition, Cape Lambert will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) within one month after this Offer becomes unconditional; or
 - (B) 21 days after the end of the Offer Period;
 - (iii) if that document is given after acceptance and before the end of the Offer Period while this Offer is not subject to a defeating condition, Cape Lambert will provide the consideration by the end of whichever of the following periods ends earlier:
 - (A) one month after that document is given; or
 - (B) 21 days after the end of the Offer Period; and
 - (iv) if that document is given after the end of the Offer Period, Cape Lambert will provide the consideration within 21 days after that document is given.
- (e) If, at the time you accept the Offer, any of the following:
- (i) Banking (Foreign Exchange) Regulations 1959 (Cth);
 - (ii) Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002 (Cth);
 - (iii) Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001 (Cth);
 - (iv) Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003 (Cth); or
 - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for your

Corvette Shares, or would make it unlawful for Cape Lambert to provide any consideration to you for your Corvette Shares, you will not be entitled to receive any consideration for your Corvette Shares until all requisite authorities, clearances or approvals have been received by Cape Lambert.

10.7 Foreign Shareholders

- (a) If you are a Foreign Corvette Shareholder (as that expression is defined in Section 13 of this Bidder's Statement), and you accept this Offer, Cape Lambert will:
- (i) arrange for the issue to a nominee approved by the ASIC (**Nominee**) of the number of Cape Lambert Shares to which you and all other foreign shareholders would have been entitled but for this Section;
 - (ii) cause those Cape Lambert Shares to be offered for sale in such manner, at such price and on such other terms and conditions as are approved by the Nominee; and
 - (iii) pay to you the amount ascertained in accordance with the following formula:

$$\text{Net Proceeds of Sale} \times \frac{YS}{TS}$$

Where:

- (A) **Net Proceeds of Sale** is the amount remaining after deducting the expenses of the sale from the proceeds of sale;
 - (B) **YS** is the number of Cape Lambert Shares which would, but for Section 10.7(a), have been allotted and issued to you; and
 - (C) **TS** is the total number of Cape Lambert Shares allotted and issued to the nominee under this Section in respect of the Corvette Shares held by all foreign shareholders.
- (b) You will be paid your share of the proceeds of the sale of the Cape Lambert Shares by the Nominee in Australian currency.
- (c) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) as soon as practicable and in any event within the period required by the Corporations Act to your address in the most up to date copy of the Corvette register provided to the Company before your consideration cheque is produced.
- (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of Cape Lambert Shares by the Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.

10.8 Defeating Conditions of this Offer

- (a) Subject to Sections 10.8(b) and 10.8(c), the Offer and any contract that results from acceptance of the Offer are subject to the fulfilment of the following conditions:
- (i) no agreements or arrangements exist under which other parties have rights to terminate or vary a material agreement or arrangement with Corvette, or acquire a material interest in Corvette or a substantial interest in shares in Corvette, as a result of Cape Lambert's acquisition of Corvette Shares, except where a waiver has been given;
 - (ii) between the Announcement Date and the end of the Offer Period, no event has occurred or become public that is, or is reasonably likely to be, a Corvette Material Adverse Event;
 - (iii) no prescribed occurrences (being occurrences listed in Section 652C(1)(a) – (h) and Section 652C(2)(a) – (e) of the Corporations Act but applied to an off market takeover bid) occur in relation to Corvette or its Subsidiaries during the period from the Announcement Date to the date which is three (3) Business Days after the end of the Offer Period without the prior consent of Cape Lambert; and
 - (iv) between the Announcement Date and the end of the Offer Period, Corvette and its Subsidiaries do not declare, distribute or resolve to pay or provide any dividend, bonus or other share of its profits or assets.
- (b) Each condition in Section 10.8(a) is a separate, several and distinct condition, operates as a condition subsequent and is for the benefit of Cape Lambert alone and may only be relied upon by Cape Lambert.
- (c) Except as provided below, Cape Lambert may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions in Section 10.8(a) by giving notice to Corvette declaring the Offers to be free from the conditions specified in accordance with Section 650F of the Corporations Act. This notice may be given not later than 7 days before the end of the Offer Period.
- (d) Subject to the provisions of the Corporations Act, Cape Lambert alone will be entitled to the benefit of the conditions in Section 10.8(a) and any breach or non-fulfilment thereof may be relied upon only by Cape Lambert.
- (e) The date for giving the notice required by Section 630(3) of the Corporations Act is 4 September 2009, subject to extension in accordance with 630(2) if the Offer Period is extended pursuant to Section 650(C).
- (f) The Offer is subject to the condition that permission for admission to official quotation by ASX of the Cape Lambert Shares to be issued pursuant to the Offer is sought no later than 7 days after the start of the Offer Period and is granted no later than 7 days after the end of the Offer Period. This condition is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in Section 10.8. The Offer cannot be freed of this condition and

consequently no statements made by Cape Lambert can be taken to waive that condition. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be void automatically. Cape Lambert will apply to ASX for quotation of the Cape Lambert Shares to be issued pursuant to this Offer within 7 days after the start of the Bid Period.

10.9 Withdrawal of Offer

Cape Lambert may withdraw this Offer at any time before you accept it, but only with the consent in writing of the ASIC (which consent may be given subject to such conditions, if any, as are imposed by the ASIC).

If at the time the Offer is withdrawn:

- (a) all the conditions set out in Section 10.8 have been satisfied, all contracts arising from the acceptance of the Offer before it was withdrawn will remain enforceable; or
- (b) the Offer remains subject to one or more of the conditions set out in Section 10.8, all contracts arising from its acceptance become void.

10.10 Variation

Cape Lambert may vary this Offer in accordance with Section 650D of the Corporations Act.

10.11 Stamp duty or other costs

All costs and expenses of the preparation, dispatch and circulation of this Offer and any stamp duty payable in respect of the transfers will be paid by Cape Lambert. No brokerage is payable by you if you accept this Offer.

10.12 Governing Law

This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Western Australia.

10.13 Date of Offer

This Offer is dated 10 August 2009.

11. SECTION 11 – RISK FACTORS

11.1 Overview

If the Offer becomes unconditional, Corvette Shareholders who accept the Offer will become Cape Lambert Shareholders. In those circumstances, Corvette Shareholders will:

- (a) continue to be exposed to the risks associated to the investment in Corvette as a result of their indirect interest in Corvette through Cape Lambert;
- (b) be exposed to the risks which are specific to an investment in Cape Lambert; and
- (c) be exposed to additional risks relating to the Offer and the Merged Entity.

These risks are explained in detail below. Corvette Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Takeover Offer. By accepting the Takeover Offer, Corvette Shareholders will be investing in Cape Lambert.

The business activities of Cape Lambert are subject to various risks that may impact on the future performance of Cape Lambert. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of Cape Lambert and cannot be mitigated. Corvette Shareholders should also be aware that as Cape Lambert has only just completed the acquisition of the Lady Annie Assets and the Mineral Securities Acquisition, it is still in the process of conducting its strategic review of these assets and identifying risks associated with the assets. Accordingly, not all of the risks associated with the Lady Annie Assets or the assets comprising the Mineral Securities Acquisition may have been identified by Cape Lambert as at the date of this Bidder's Statement.

Accordingly, an investment in Cape Lambert carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative. The principal risk factors include, but are not limited to, the following:

11.2 Business Risks of the Merged Entity

Operating Risks

The current and future operations of Cape Lambert, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) adverse geological conditions;
- (b) limitations on activities due to seasonal weather patterns and cyclone activity;
- (c) unanticipated operational and technical difficulties encountered in exploration and production activities;
- (d) mechanical failure of operating plant and equipment;

- (e) industrial and environmental accidents, industrial disputes and other force majeure events;
- (f) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (g) inability to obtain necessary consents or approvals.

Exploration Success

The tenements in which Cape Lambert has an interest (**Tenements**) are at various stages of exploration, and potential Cape Lambert Shareholders should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of Cape Lambert may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of Cape Lambert.

The success of Cape Lambert will also depend upon Cape Lambert having access to sufficient development capital, being able to maintain title to its Tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of Cape Lambert and possible relinquishment of the Tenements.

Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect Cape Lambert's operations.

Native Title Risks

Both the *Native Title Act 1993* (Cth), related State Native Title legislation and Aboriginal Land Rights and Aboriginal Heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles.

Compensatory obligations may be necessary in settling Native Title claims if lodged over any tenements acquired by Cape Lambert. The existence of outstanding registered Native Title claims means that the grant of a tenement in respect of a particular tenement application may be significantly delayed or thwarted pending resolution of future act procedures in the Native Title Act. The

level of impact of these matters will depend, in part, on the location and status of the tenements acquired by Cape Lambert. At this stage it is not possible to quantify the impact (if any) which these developments may have on the operations of Cape Lambert.

The Directors closely monitor the potential effect of native title claims involving tenements in which Cape Lambert has or may have an interest.

Title Risks

Tenements are granted subject to various conditions including, but not limited to, expenditure conditions. Failure to comply with these conditions may expose the tenements to forfeiture.

All of the tenements in which Cape Lambert has or will have an interest will be subject to application for renewal from time to time. The renewal of the term of each tenement is subject to the applicable legislation in that jurisdiction. If a tenement is not renewed for any reason, Cape Lambert may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement. However, the Directors are not aware of any reason why renewal of the term of any tenements will not be granted.

Environmental Risks and Regulations

Cape Lambert's projects are subject to Commonwealth, State and international laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these projects would be expected to have a variety of environmental impacts should development proceed.

Cape Lambert intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by Cape Lambert's activities will be rehabilitated as required by the conditions attaching to Cape Lambert's mining tenements.

Economic Factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs and stock market prices. Cape Lambert's and Corvette's future possible profitability and the market price of Cape Lambert's quoted securities can be affected by these factors which are beyond the control of Cape Lambert, Corvette and their directors.

Commodity Price Volatility and Exchange Rate Risks

If Cape Lambert proceeds to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of Cape Lambert to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of Cape Lambert. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Susceptibility to political, social and economic risk

Changes in government regulations and policies may adversely affect the financial performance of the companies and projects in which Cape Lambert invests.

The countries in which Cape Lambert has material interests, rights or investments are Australia and Sierra Leone. The country risks to which Cape Lambert has exposure include a range of economic, political, administrative, taxation and regulatory factors. There can be no assurance that the future political and economic conditions in the countries in which Cape Lambert or its investee companies operate will not result in their governments adopting different policies in relation to foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income, return of capital and other areas, each of which may affect Cape Lambert's ability to undertake its strategy in respect of its assets in the manner currently contemplated. Political, social and economic factors may interrupt or prevent exploration, mine development or production operations or may result in the non-renewal or cancellation of exploration licenses and permits.

Lack of control over non-controlled assets and reliance on third parties

Cape Lambert will have interests in resource companies and in the assets through which it participates in joint ventures with other entities. Any failure of Cape Lambert or other joint venture party to meet their obligations could have a material adverse effect on the value of the investment or project. In some cases, Cape Lambert may be unable to control or influence strategic decisions made in respect of the companies in which it has invested or in which it participates by joint venture and so is exposed to the decisions made in respect of the companies in which it has invested or in which it participates by joint venture and so is exposed to the decisions of management of those entities and is dependent on the quality of such management to maximise the value of its investment. In some cases, Cape Lambert is dependent on the use of third party infrastructure and services. The loss of the services could have an adverse effect on its operations.

Potential negative pricing pressure

Under the Offer, Cape Lambert will issue a significant number of Cape Lambert Shares. Some recipients of Cape Lambert Shares may not intend to continue to hold their Cape Lambert Shares and may wish to sell them on ASX. There is a risk that the sale of such holdings may adversely affect the price of Cape Lambert Shares.

Insurance Risks

Cape Lambert has insurance to protect itself against certain risks. However, Cape Lambert will not be insured against all possible risks, whether because of the unavailability of cover or because the premiums may be excessive relative to the benefits that would accrue. Accordingly, Cape Lambert may become subject to liability for such risks, which may have a material adverse effect on its financial condition and operating results.

Retention of key business relationships

Cape Lambert relies on strategic relationships with other entities and also on good relationships with regulatory and government departments. It also relies upon third parties to provide essential contracting services.

While the Directors have no reason to believe otherwise, there can be no assurance that Cape Lambert's existing relationships will continue to be maintained or that new ones will be successfully formed. The Merged Entity, its business, operating results and prospects could be adversely affected by changes to such relationships or difficulties in forming new ones.

Reliance on Key Personnel

A number of key personnel are important to attaining the business goals of Cape Lambert and the Merged Entity. The loss of any one or more of these key personnel could have an adverse impact on the performance and prospects of Merged Entity. It is not possible to predict the risk associated with a financial failure, default or non-compliance of a contractor, but such events, should they occur, are likely to harm the performance of Merged Entity.

Cape Lambert depends on its strategic partners for investment opportunities and to assist it with evaluating and exploiting investment opportunities. There would be serious consequences for the Merged Entity if one of the strategic partners did not comply with its agreement with Cape Lambert, suffered insolvency or other financial difficulty or suffered a managerial failure.

Adequacy of Capital and Capital Raising

While the directors believe that Cape Lambert has sufficient funds to fund its activities, there can be no assurance that Cape Lambert will not seek to exploit business opportunities of a kind which will require it to raise additional capital from equity or debt sources. There can also be no assurance that Cape Lambert will be able to raise such capital on favourable terms or at all.

Any additional equity raising may dilute the interest of Cape Lambert's shareholders, and any debt financing, if available, may involve financial covenants which limit Cape Lambert's operations. There is no guarantee that acceptable sources of funds will be found in the future. If Cape Lambert is unable to obtain such additional capital, Cape Lambert may be required to reduce the scope of any expansion, which could adversely affect its business, operating results and financial condition.

Growth

Cape Lambert will continue to seek to grow the Merged Entity both organically and through new investment opportunities. There are always risks that the benefits, synergies or efficiencies expected from such investments or growth may take longer than expected to be achieved or may not be achieved at all. Any investments pursued could have a material adverse effect on the Merged Entity.

Growth also brings substantial demands on management. The Cape Lambert Board of Directors applies its experience to the evaluation and financing of new opportunities to determine whether the expected risks and rewards of these opportunities meets Cape Lambert's requirements and its strategies for diversification of risk and for capital. The operating results of the Merged Entity will largely depend on the ability of Cape Lambert's Board of Directors to make sound investment decisions.

ASX Share Investment Risk

There are various risks associated with investing in any form of business and with investing in the stock market generally. The value of Cape Lambert Shares will depend upon general stock market and economic conditions as well as the specific performance of Cape Lambert. There is no guarantee of profitability, dividends, return of capital, or the price at which the Cape Lambert Shares will trade on ASX after completion of the Takeover Bid.

Forward looking information

Certain information in this Bidder's Statement constitutes forward looking information that is subject to risks and uncertainties and a number of assumptions, which may cause the actual expenditure of Cape Lambert to be different from the expectations expressed or implied in this Bidder's Statement.

11.3 General Securities Risk Factors

Share Market

There are general risks associated with any investment and the share market. The price of Cape Lambert Shares listed on the ASX may rise and fall depending on a range of factors beyond Cape Lambert's control and which are unrelated to Cape Lambert's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

Liquidity Risk

There is no guarantee that there will be an ongoing liquid market for Cape Lambert Shares. Accordingly, there is a risk that, should the market for Cape Lambert Shares become illiquid, Cape Lambert Shareholders will be unable to realise their investment in Cape Lambert.

11.4 Risks Relating to the Takeover Offer

Issue of Cape Lambert securities as consideration

Corvette Shareholders are being offered specific quantities of Cape Lambert Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of Cape Lambert Shares.

Change in control risk

If there is a change in control of Corvette, there may be adverse consequences for the Merged Entity. For example, the terms of the contracts to which Corvette is a party may entitle the other party to the contract to terminate the contract or revise its term in the event of a change of control of Corvette.

Acquisition of less than 100% of Corvette Shares

It is possible that Cape Lambert could acquire less than 100% of the Corvette Shares under the Offer. The existence of a minority interest in Corvette may have an impact on the operations of the Merged Entity, although this impact will

depend upon the ultimate level of Corvette ownership acquired by Cape Lambert.

Limited due diligence

In preparing the information relating to Corvette contained in this Bidder's Statement, Cape Lambert has relied on publicly available information relating to Corvette. As no independent due diligence has been carried out on Corvette risks may exist in relation to Corvette (which will affect the Merged Entity) of which Cape Lambert is unaware. If any material risks are known to the directors of Corvette they must be disclosed in the Target's Statement to be issued by Corvette.

12. SECTION 12 – OTHER INFORMATION

12.1 Cape Lambert's Interest in Corvette

Immediately before this Bidder's Statement was lodged with the ASIC and as at the date immediately before the first Offer is sent, Cape Lambert and its associates had the following relevant interest in, and voting power in relation to, Corvette securities:

Class of Securities	Total Number in Class	At date of this Bidder's Statement	At date first Offer is sent
Corvette Shares	23,207,719	19.99%	19.99%
Corvette Options ¹	Nil	Nil	Nil

Cape Lambert's voting power in Corvette as at the date of this Bidder's Statement was 19.99%.

Mr Brian Maher (a Director of Cape Lambert) holds a relevant interest in 120,000 Corvette Shares.

12.2 Acquisitions of Corvette Securities by Cape Lambert and its Associates during the last 4 Months

As detailed in Section 2.10, as a result of the Mineral Securities Acquisition, Cape Lambert acquired a relevant interest in 23,207,719 Corvette Shares representing 19.99% of Corvette. Completion of this acquisition took place on 29 June 2009 (**Completion Date**).

Pursuant to this Offer, Corvette Shareholders are being offered Cape Lambert Shares in exchange for their Corvette Shares. The number of Cape Lambert Shares to be offered for the Corvette Shares has been valued in accordance with the regulatory requirements of the Corporations Act and applicable ASIC policy. Pursuant to this Offer, Cape Lambert is offering Corvette Shareholders the same value per Corvette Share as it was deemed to have paid for its 19.99% interest in Corvette as a result of the Minerals Securities Acquisition, being **14 cents per Corvette Share**.

In accordance with ASIC guidelines, Cape Lambert has valued the Cape Lambert Shares it is offering pursuant to this Offer up to five business days before it sends the Offer to Corvette Shareholders (**Valuation Time**).

Specifically, Cape Lambert has adopted 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 lodged this Bidder's Statement at ASIC; and
- (b) the Valuation Time.

The process to be followed is detailed below:

- (a) Cape Lambert lodged this Bidder's Statement with ASIC on 24 July 2009 disclosing the value of the Cape Lambert Shares as at the time as close as practical to the lodgement time (being 33.63 cents); and
- (b) Cape Lambert will send to all Corvette Shareholders:
 - (iii) if the valuation of the Cape Lambert Shares conducted for the purposes of (a) is not materially different to that calculated as at the Valuation Time, this Bidder's Statement (i.e. the same as that lodged with ASIC); or
 - (iv) if the value of the Cape Lambert Shares has materially changed at the Valuation Time, a replacement Bidder's Statement.

The price deemed to have been paid by Cape Lambert for its 19.99% shareholding in Corvette is the Corvette closing share price on Completion Date of the Mineral Securities Acquisition which was **14 cents per share**.

As at the date this Bidder's Statement was lodged at ASIC, the value of the Corvette Shares (being 14 cents each) was compared to the value of the Cape Lambert Shares (being 33.63 cents each). Accordingly, the number of Cape Lambert Shares to be offered for each Corvette Share was calculated and you are being offered 0.417 Cape Lambert Shares for every one Corvette Share you own.

Therefore, for every 2.4 Corvette Shares you own you will be issued one Cape Lambert Share. If you become entitled to a fraction of a Cape Lambert Share the fraction will be disregarded and you will receive the lowest next whole number of Cape Lambert Shares.

As detailed above, if the value of the Cape Lambert Shares has materially changed at the Valuation Time, a replacement Bidder's Statement will be despatched to Corvette Shareholders.

Cape Lambert and its associates have not made any other acquisitions and disposals of Corvette Shares in the 4 months prior to the date of this Bidder's Statement.

As detailed elsewhere in this Bidder's Statement, Antony Sage is a Director of Cape Lambert and Corvette. Antony Sage does not hold any Corvette Securities as at the date of this Bidder's Statement.

12.3 Collateral Benefits

Other than as disclosed in this Bidder's Statement, during the period of 4 months before the date of this Bidder's Statement, neither Cape Lambert nor any associate of Cape Lambert gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an associate of that person, to:

- (a) accept the Offer; or
- (b) dispose of their Corvette Shares,

and which is not offered to all holders of Corvette Shares under the Offer.

12.4 Cape Lambert is a Disclosing Entity

Due to the fact that Cape Lambert is offering Cape Lambert Shares as consideration for the acquisition of Corvette Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Cape Lambert Shares under Sections 710 to 713 of the Corporations Act.

Cape Lambert is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, Cape Lambert is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of Cape Lambert's securities.

The Cape Lambert Shares that will be issued pursuant to this Bidder's Statement are in a class that have been quoted on the official list of ASX during the 3 months prior to the date of this Bidder's Statement. For this reason, Cape Lambert is only required to disclose information in this Bidder's Statement that would usually be required in a "transaction specific prospectus".

In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of securities on Cape Lambert and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company unless such information has not previously been disclosed to ASX.

Having taken such precautions and having made such enquiries as are reasonable, Cape Lambert believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Bidder's Statement which required Cape Lambert to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Bidder's Statement and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half year financial report lodged with the ASIC by the Company after the lodgement of the annual financial report

referred to in (i) and before the lodgement of this Bidder's Statement with the ASIC; and

- (iii) any documents used to notify ASX of information relating to the Company during that period in accordance with ASX Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

For details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report refer to Annexure A of this Bidder's Statement.

12.5 Information about Cape Lambert Shares

The Cape Lambert Shares to be issued pursuant to the Offer will, from their date of issue, rank equally in all respects with existing Cape Lambert Shares on issue. The rights attaching to the Shares arise from a combination of Cape Lambert's Constitution, statute and general law. A summary of the rights attaching to the Cape Lambert Shares is set out below:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Dividend Rights

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be

declared and paid according to the proportion which the amount paid on the Share is to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any Shares of the Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions of the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(f) Future Increase in Capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(g) Variation of Rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

12.6 Risk Factors

Corvette Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offer. By accepting the Offer, Corvette Shareholders will be investing in Cape Lambert.

The principal risk factors associated with Cape Lambert's existing business and acceptance of the Offers are set out in Section 11.

12.7 Disclosure of Interests / Fees and benefits payable to Directors and Advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) director or proposed director of Cape Lambert;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of Cape Lambert; or
- (d) broker or underwriter in relation to the Issue,

has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (e) the formation or promotion of Cape Lambert;
- (f) any property acquired or proposed to be acquired by Cape Lambert in connection with its formation or promotion or in connection with the Issue; or
- (g) the issue of Cape Lambert Shares under this Bidder's Statement,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a director or expert of Cape Lambert or otherwise for services rendered by him in connection with the formation or promotion of Cape Lambert or the issue of Cape Lambert Shares under this Bidder's Statement.

Steinepreis Paganin has acted as the legal advisers to Cape Lambert in relation to the Takeover Bid and related matters. Cape Lambert estimates it will pay Steinepreis Paganin approximately \$50,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

12.8 Disclosure of Interests

The directors of Cape Lambert have the following interests in Cape Lambert securities and Corvette securities (either held directly, held by entities controlled by them or held by entities of which they are directors) as at the date of this Bidder's Statement.

Director	Cape Lambert Shares	Cape Lambert Options	Corvette Shares	Corvette Options
Antony Sage	26,939,761	Nil	Nil	Nil
Timothy Turner	1,000,000	Nil	Nil	Nil
Brian Maher	738,000	Nil	120,000	Nil

Notes:

1: This table includes interests held by related parties of the Directors.

12.9 Fees and Benefits

The Constitution of the Company provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting (currently set at \$150,000), to be divided among the Directors and in default of agreement then in equal shares.

In the last two financial years, \$422,600 in 2008 and \$1,736,950 in 2009 has been paid by the Company by way of remuneration for advisory services provided by the Directors, companies associated with the Directors or their associates in their capacity as directors, as set out below.

Director Remuneration	2008	2009	2010 (YTD)
Antony Sage	\$350,000 ¹	\$1,037,500 ²	\$36,458
Timothy Turner	\$48,000	\$460,000 ³	\$5,000
Brian Maher	\$24,600	\$239,450 ⁴	Nil
TOTAL	\$422,600	\$1,736,950	\$41,458

Notes:

1: Includes advisory fees of \$200,000 paid to Mr Sage during the year ended 30 June 2008.

2: Includes advisory fees of \$287,500 paid to Mr Sage during the year ended 30 June 2009 and \$600,000 paid as a bonus to Mr Sage in September 2008.

3: Includes \$400,000 paid as a bonus to Mr Turner in September 2008.

4: Includes \$200,000 paid as a bonus to Mr Maher in September 2008.

12.10 Consents

In accordance with Section 636(3) of the Corporations Act, Steinepreis Paganin has consented to being named as legal advisers to Cape Lambert in this Bidder's Statement and has not withdrawn its consent prior to lodgement of this Bidder's Statement with the ASIC.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, (free of charge), during the bid period, please contact Cape Lambert on +61 8 9380 9555.

In addition, as permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the Statements (free of charge), during the bid period, please contact Cape Lambert on +61 8 9380 9555.

12.11 Date for Determining Holders

For the purposes of Section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under Items 6 and 12 of Section 633(1) of the Corporations Act is 5pm (WST) 7 August 2009.

This Bidder's Statement is dated 24 July 2009 and was approved pursuant to a resolution passed unanimously at a meeting of directors of Cape Lambert.

Signed for and on behalf of
Cape Lambert Iron Ore Limited



Timothy Turner
Director

13. SECTION 13 – DEFINITIONS AND INTERPRETATION

13.1 In this Bidder's Statement (including its annexures), unless the context otherwise requires:

Acceptance Form means the acceptance form enclosed with this Bidder's Statement or alternatively any acceptance form sent to a Corvette Shareholder by Cape Lambert's share registry in relation to the Offer.

Announcement Date means 7 July 2009.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532), the body which administers the CHESS system.

ASTC Settlement Rules means the business rules of ASTC.

ASX means ASX Limited (ABN 98 008 624 691).

Bid Period has the meaning given to that term in the Corporations Act.

Bidder's Statement means this Bidder's Statement.

Broker means a person who is a sharebroker and a participant under the ASTC Settlement Rules.

Buka Gold means Buka Gold Limited (ACN 112 731 638).

Business Day means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

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

Cape Lambert Lady Annie means Cape Lambert Lady Annie Exploration Pty Ltd (ACN 136 930 222).

Cape Lambert MinSec means Cape Lambert MinSec Pty Ltd (ACN 136 930 204).

Cape Lambert Option means an option to acquire a Cape Lambert Share.

Cape Lambert Share means a fully paid ordinary share in Cape Lambert.

Cape Lambert Shareholder means a holder of a Cape Lambert Share.

CHESS means the Clearing House Electronic Subregister System which provides for electronic share transfers in Australia.

CHESS Holding has the meaning given to that term in the ASTC Settlement Rules.

Controlling Participant means a Broker or Non-Broker Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASTC Settlement Rules

CopperCo means CopperCo Ltd (ACN 004 434 904) (Administrators Appointed) (Receivers and Managers Appointed).

Corporations Act means Commonwealth Corporations Act 2001 (Cth).

Corvette means Corvette Resources Limited (ACN 103 006 542).

Corvette Material Adverse Event means an event which will, or is reasonably likely to, have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses, revenue or prospectus of Corvette. For these purposes, a "Specified Event" is:

- (a) an event or occurrence that occurs during the Offer Period; or
- (b) an event or occurrence that occurs or is likely to occur following the Offer Period and which has not been publicly announced prior to the announcement by Cape Lambert of the Takeover Offer.

Corvette Option means an option to subscribe for a Corvette Share.

Corvette Optionholder means a holder of Corvette Options.

Corvette Share means a fully paid ordinary share in Corvette, and all Rights attaching to that share.

Corvette Shareholder means a holder of Corvette Shares who is able to accept the Offer.

Director means a director of Cape Lambert.

Foreign Corvette Shareholder means any Corvette Shareholder whose address, as entered in the register of members of Corvette, is outside of Australia (and its external Territories) or New Zealand, but **does not include** any Corvette Shareholder that has appointed an agent in Australia or New Zealand to receive and accept the Offer on their behalf. Also, a person will not be a Foreign Corvette Shareholder if Cape Lambert is satisfied that it is not legally or practically constrained from making the Offer to that person in the relevant jurisdiction and to issue Cape Lambert Shares and Cape Lambert Options to such a person on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, Cape Lambert is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

Foreign Law means a law of a jurisdiction other than Australia.

Issuer Sponsored Holding means a holding of Corvette Shares on Corvette issuer sponsored subregister.

Listing Rules means the Official Listing Rules of ASX, as amended from time to time.

Merged Entity means Cape Lambert and its subsidiaries following the acquisition by Cape Lambert of all, or a majority of the Corvette Shares.

Merger means the proposed merger of Cape Lambert and Corvette by way of an off market conditional takeover offer.

Mineral Securities means Mineral Securities Limited (ARBN 124 546 443), a wholly owned subsidiary of CopperCo.

Mineral Securities Acquisition means the acquisition by Cape Lambert and Cape Lambert MinSec of all of the securities of Mineral Securities and its assets pursuant to a sale agreement between Cape Lambert, Cape Lambert MinSec, CopperCo and Mineral Securities.

NiPlats means NiPlats Australia Limited (ACN 100 714 181).

Non-Broker Participant means a non-broker participant under the ASTC Settlement Rules.

Offer Period means the period referred to in Section 10.2, during which the Offer will remain open for acceptance.

Offer or **Takeover Offer** means the offer, referred to in Section 10, to be made by Cape Lambert to acquire Corvette Shares on the terms set out in Section 10.1.

Official List means the official list of entities that ASX has admitted and not removed.

Official Quotation means official quotation on ASX.

Panel Decision means the decision of the Takeovers Panel dated 17 June 2009.

Record Date means the date set by Cape Lambert under section 633(2) of the Corporations Act, being 5pm (WST) on 7 August 2009.

Rights means all accretions to and rights attaching to the relevant Corvette Share at or after the date of this Bidder's Statement (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by Corvette).

Takeover Bid means Cape Lambert's takeover bid for Corvette by making the Offer.

Tianshan means Tianshan Goldfields Limited (ACN 099 544 680).

Unlisted A Cape Lambert Option means an unlisted Cape Lambert Option exercisable at \$0.309 on or before 31 October 2010.

Unlisted A Corvette Option means an unlisted Corvette Option exercisable at \$0.20 on or before 30 April 2010.

Unlisted B Cape Lambert Option means an unlisted Cape Lambert Option exercisable at \$0.432 on or before 30 June 2010.

Unlisted B Corvette Option means an unlisted Corvette Option exercisable at \$0.20 on or before 30 April 2010.

Unlisted C Corvette Option means an unlisted Corvette Option exercisable at \$0.20 on or before 30 December 2010.

Unlisted D Corvette Option means an unlisted Corvette Option exercisable at \$0.15 on or before 30 June 2012.

Unlisted E Corvette Option means an unlisted Corvette Option exercisable at \$0.20 on or before 30 June 2012.

WST means Australian Western Standard Time.

§ means Australian dollars.

13.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth (Western Australian) time;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a section is to a section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASTC Rules, as the case may be;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom an Offer is made; and
- (o) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

ANNEXURE A - CAPE LAMBERT'S ASX ANNOUNCEMENTS

The Company has lodged the following announcements with ASX since the lodgement of the 2008 audited financial statements:

Date Lodged	Description of Document
20/07/2009	Presentation
17/07/2009	Becoming a substantial holder for CXU
15/07/2009	CXU: Cape Lambert Takes Major Stake and Exploration Update
14/07/2009	COV:Corvette Share Price for Takeover Bid - Ltr to S/holders
13/07/2009	Further details of CFE bid for Corvette
07/07/2009	Becoming a substantial holder for DMM
06/07/2009	COV: Takeover Bid - Initial Take No Action Advice
06/07/2009	Bid for Corvette
03/07/2009	Change in substantial holding for IGC
03/07/2009	DMM: Conversion of Convertible Note
03/07/2009	CFE to acquire 37% of DMC Mining
01/07/2009	Response to News Article
30/06/2009	Request to convene General Meeting
29/06/2009	Becoming a substantial holder: TGF, COV, BKA
29/06/2009	CUO: Sale Successfully completed
29/06/2009	Completion of CopperCo Asset Acquisition
26/06/2009	BKG: Request for Register of Members
17/06/2009	Director Resignation and Appendix 3Z
17/06/2009	COV: Takeover Panel Decision
17/06/2009	BKG: Cape Lambert Iron Ore Ltd - Takeovers Panel Decision
17/06/2009	Cape Lambert MinSec Pty Ltd - Panel Affirms ASIC Decision
15/06/2009	Ceasing to be a substantial holder x 2
10/06/2009	Trading volume
09/06/2009	Cape Lambert MinSec Pty Ltd Panel Receives Application

08/05/2009	MXX: Copper Ltd Group Sale of Assets
08/05/2009	CUO: Sale of Assets and Environmental Update
08/05/2009	Successful bid for CopperCo Assets
08/05/2009	DMC: Strategic Partner Negotiations / Capital Raising Update
07/05/2009	Trading Halt
06/05/2009	DMM: Convertible Note Update
30/04/2009	Quarterly Activities Report and Appendix 5B
16/04/2009	Positive Metallurgical Results from Marampa Tailings
07/04/2009	Drilling Commences at Marampa
01/04/2009	Company Secretary Appointment/Resignation
31/03/2009	Drill Results Received For Cape Lambert South
13/03/2009	Half Year Accounts
13/03/2009	Change of Director's Interest Notice
03/03/2009	Constitution
27/02/2009	Results of Meeting
23/02/2009	Change of Director's Interest Notice
19/02/2009	Projects Update
17/02/2009	Becoming a substantial holder for GFE
12/02/2009	Resignation AIM Nomad
09/02/2009	CUO: Change in Receiver and Managers
09/02/2009	CopperCo
30/01/2009	Quarterly Cashflow Report
28/01/2009	Notice of General Meeting/Proxy Form
27/01/2009	Amended - Change in substantial holding
27/01/2009	Change in substantial holding
22/01/2009	App3B New Issue and Cleansing Statement
22/01/2009	Increases Marampa Stake
20/01/2009	Quarterly Activities Report
16/12/2008	Market Update

10/12/2008	Becoming a substantial holder
04/12/2008	Change of Director's Interest Notice
27/11/2008	Market Update
26/11/2008	Change of Director's Interest Notice
25/11/2008	Results of Meeting
25/11/2008	Market Update Presentation
14/11/2008	Appendix 3B
13/11/2008	Marampa able to access existing Infrastructure
03/11/2008	Change of Director's Interest Notice
31/10/2008	Drilling Commences at Cape Lambert South
29/10/2008	Change of Director's Interest Notice
28/10/2008	Notice of Annual General Meeting/Proxy Form
23/10/2008	Change of Director's Interest Notice
22/10/2008	Amended Appendix 3B
21/10/2008	Company confirms AUD\$100M payment
21/10/2008	Appendix 3B
20/10/2008	Change of Director's Interest Notice
20/10/2008	Market Update Presentation
15/10/2008	Ex date Return of Capital and Dividend
14/10/2008	Change of Director's Interest Notice
14/10/2008	Change of Director's Interest Notice
10/10/2008	Appendix 3B
10/10/2008	Change of Director's Interest Notice
09/10/2008	General Meeting Cancelled
08/10/2008	Listed Option Expiry
07/10/2008	Quarterly Activities and Cashflow Report
07/10/2008	ASX Circular - Reorganisation of Capital
03/10/2008	Becoming a substantial holder
02/10/2008	Return of Capital and Unfranked Dividend

02/10/2008	Appendix 3B
01/10/2008	Appendix 3B
01/10/2008	Notice under Section 708A
01/10/2008	Marampa Investment complete
30/09/2008	Annual Report to shareholders

ANNEXURE B – CORVETTE’S ASX ANNOUNCEMENTS

Corvette has lodged the following announcements with ASX since the lodgement of the 2008 audited financial statements:

Date Lodged	Description of Document
14/07/2009	Corvette Share Price for Takeover Bid - Letter to S/holders
13/07/2009	Further details of CFE bid for Corvette
06/07/2009	Takeover Bid - Initial Take No Action Advice
06/07/2009	CFE Bid for Corvette
02/07/2009	Letter re Change in substantial holding from CUO
01/07/2009	Change in substantial holding from CUO
29/06/2009	Becoming a substantial holder from CFE
29/06/2009	CFE: Completion of CopperCo Asset Acquisition
29/06/2009	Awarded EIS Drilling Grant Funding
25/06/2009	High Grade Gold Intersection from RC Drilling at Corvette
17/06/2009	Takeover Panel Decision
17/06/2009	Cape Lambert MinSec Pty Ltd - Panel Affirms ASIC Decision
09/06/2009	TOV:Cape Lambert MinSec P/L-Panel Receives Application
19/05/2009	Corvette and CSIRO commence Research Programme
13/05/2009	Presentation to Gold Investor Forum
12/05/2009	Replacement Appendix 3Y Change in Director’s Interests
12/05/2009	Appendix 3B Release from Escrow
05/05/2009	Grant of Options to Non-Executive Directors
01/05/2009	Change of Director’s Interest Notice
22/04/2009	Quarterly Activities and Cashflow Reports
14/04/2009	Change of Director’s Interest Notice
23/03/2009	Broker Presentation (Amended)
23/03/2009	Broker Presentation
20/03/2009	Change of Director’s Interest Notice
19/03/2009	Corvette Intersects 15g/t gold

11/03/2009	Half Yearly Accounts
05/03/2009	RC Drilling Intersects Gold along 8 km Structure
27/02/2009	Initial Director's Interest Notice
27/02/2009	Initial Director's Interest Notice
27/02/2009	Final Director's Interest Notice
27/02/2009	Final Director's Interest Notice
26/02/2009	Director Appointment/Resignation
11/02/2009	Aircore Drilling Enhances Gold Zone
22/01/2009	Quarterly Activities Report
19/01/2009	Response to ASX Query - Change in Directors Interest Notices
16/01/2009	Change of Director's Interest Notice
16/01/2009	Change of Director's Interest Notice
16/01/2009	Change of Director's Interest Notice
14/01/2009	Appendix 3B
19/12/2008	Drilling Programme Completed
28/11/2008	Final Director's Interest Notice
28/11/2008	Resignation of Non Executive Director
27/11/2008	Substantial Shareholder CopperCo Limited
13/11/2008	AGM Presentation Update
12/11/2008	New ASX Code Effective Date
12/11/2008	Change of Name to Corvette Resources Limited
12/11/2008	AGM Presentation
12/11/2008	Results of Annual General Meeting
11/11/2008	Drilling Extends Plumridge Gold Zone
29/10/2008	Quarterly Activities and Cashflow Report
29/10/2008	RC Drilling Commences at Plumridge
03/10/2008	Notice of Annual General Meeting/Proxy Form
19/09/2008	Annual Report to shareholders

Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
web.queries@computershare.com.au
www.computershare.com

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SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

Use a black pen.
Print in CAPITAL letters
inside the grey areas.

A B C 1 2 3

For your security keep your SRN/HIN confidential.

Transfer and Acceptance Form - Share Offer

This personalised form can only be used in relation to the securityholding represented by the Securityholder Reference Number (SRN) or Holder Identification Number (HIN) printed above. It is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or other professional adviser.

Use this form to accept Cape Lambert Iron Ore Limited Offer for your Corvette Resources Limited Shares

B Consideration

The consideration applicable under the terms of this offer

*If you are a Foreign shareholder and have not appointed an agent in Australia or New Zealand to receive and accept the offer on your behalf, your Cape Lambert Shares will be allocated to a nominee and sold on your behalf. See Section 10.7 of the bidder Statement.

Securityholder details

Subregister

Issuer/CHESS

Your holding in
Corvette Resources Limited

123456789012

Share consideration to be issued to you on the basis of 1 Cape Lambert Iron Ore Limited Share for every 2.4 Corvette Resources Limited Shares accepted

123456789012

C To be completed by Securityholder

You will be deemed to have accepted the Offer in respect of all your Corvette Resources Limited Shares if you sign and return the form.

If you hold your Corvette Resources Limited Shares in a CHESS holding (see "subregister" above), to accept the offer you can either:

- Instruct your Controlling Participant directly - normally your stockbroker or
- Authorise Cape Lambert Iron Ore Limited to contact your Controlling Participant on your behalf, which you can do by signing and returning the form. By signing and returning the form you will be deemed to have authorised Cape Lambert Iron Ore Limited to contact your Controlling Participant directly via the CHESS system.

D Contact details

Please provide your contact details in case we need to speak to you about this form.

Name of contact person

[Name input field]

Contact person's daytime telephone number

() [Telephone input field]

E Sign here - this section must be signed before we can process this form.

I/We accept the offer made by Cape Lambert Iron Ore Limited in respect of Shares in Corvette Resources Limited I/we hold and I/we agree to be bound by the terms and conditions of the offer (including the instructions as to acceptance of the offer on the back of this form) and transfer all of my/our Corvette Resources Limited Shares to Cape Lambert Iron Ore Limited for the above consideration

Individual or Securityholder 1

[Signature box 1]

Sole Director and Sole Company Secretary

Individual or Securityholder 2

[Signature box 2]

Director

Individual or Securityholder 3

[Signature box 3]

Director/Company Secretary

The directors reserve the right to make amendments to this form where appropriate. Please refer to the lodgement instructions overleaf.

*If you are signing this Acceptance Form as an agent for a foreign Corvette Shareholder please tick this box

See back of form for completion guidelines

How to complete this form

Acceptance of the takeover offer

A Registration Details

The Shares are currently registered in the name(s) printed on this form. Your consideration will be issued in the name(s) which appear(s) on Cape Lambert Iron Ore Limited's copy of the Target register.

If you have already sold all your Corvette Resources Limited Shares shown overleaf, you need not take any further action. For security reasons we suggest that you destroy this form.

B Consideration

The Share consideration payable owing under the takeover offer is 0.417 Cape Lambert Iron Ore Limited share for every 1 Corvette Resources Limited Share accepted. Therefore, for every 2.4 Corvette Shares accepted you will be issued 1 Cape Lambert Iron Ore Limited Share.

If you become entitled to a fraction of a Cape Lambert Iron Ore Limited Share under the offer, the fraction will be disregarded and you will receive the lowest next whole number of Cape Lambert Iron Ore Limited Shares.

C How to accept the Offer

If your Corvette Resources Limited Shares are held in an Issuer Sponsored Holding, simply complete and return this form to the Cape Lambert Iron Ore Limited Registry so that it is received by no later than 5.00pm WST on 11 September 2009, unless extended.

If your Corvette Resources Limited Shares are in a CHESSESS holding, you may **contact your Controlling Participant** directly (normally your stockbroker) with instructions to accept the offer. If you do this, you will need to sign and return this Transfer and Acceptance Form to your Controlling Participant. If you want Cape Lambert Iron Ore Limited to contact your Controlling Participant on your behalf via the CHESSESS system, sign and return this form to the Cape Lambert Iron Ore Limited Registry so that it is received no later than 5.00pm WST on 11 September 2009 unless extended.

If you sign and return this Transfer and Acceptance Form to the Registry either in respect of an Issuer Sponsored Holding or so that contact may be made with your Controlling Participant on your behalf, you warrant to Cape Lambert Iron Ore Limited (and authorise Cape Lambert Iron Ore Limited to warrant on your behalf) that you have full legal and beneficial ownership of the Corvette Resources Limited Shares and that Cape Lambert Iron Ore Limited will acquire them free from all mortgages, charges, liens,

encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Neither Cape Lambert Iron Ore Limited or Computershare Investor Services Pty Limited ('CIS') will be responsible for any delays incurred by this process. You should allow sufficient time for the preferred party to initiate the acceptance of the offer on your behalf.

D Contact details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

E Signature(s)

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must attach a certified copy of the Power of Attorney to this form when you return it.

Deceased Estate: all executors must sign and, a certified copy of Probate or Letters of Administration must accompany this form.

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.

Lodgement of Transfer and Acceptance Form

This Transfer and Acceptance Form must be received by CIS Perth by no later than 5.00pm WST on 11 September 2009. You should allow sufficient time for this to occur. Return this Transfer and Acceptance Form to:

Computershare Investor Services Pty Limited
GPO Box D182
Perth WA 6840

Neither CIS nor the Company accepts any responsibility if you lodge the Transfer and Acceptance Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you need help in completing this form please contact CIS on Telephone 1300 557 010.

Please note this form may not be used to change your address.

2TKAS

CFE

Please return the completed form in the envelope provided or to the address opposite:

Computershare Investor Services Pty Limited
GPO Box D182
Perth WA 6840
Australia

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