

## Market Update Presentation

The Company has organised a broker roadshow where Executive Chairman, Mr Tony Sage, will make a presentation to attendees.

We attach herewith a copy of the presentation.

Yours faithfully  
CAPE LAMBERT IRON ORE LIMITED

**Eloise von Puttkammer**  
Company Secretary

Cape Lambert is an Australian domiciled, mineral investment company. Its current investment portfolio is geographically diverse and consists of mineral assets and interests in mining and exploration companies.

The Company continues to focus on investment in early stage resource projects and companies, primarily in iron ore, copper and gold. Its "hands on" approach is geared to add value and position assets for development and/or sale.

The Board and management exhibit a strong track record of delivering shareholder value.

**Australian Securities Exchange**  
**Code: CFE**

Ordinary shares  
523,797,213

Unlisted options (30 June 2010)  
8,350,000

Unlisted options (31 Oct 2010)  
28,000,000

### Board of Directors

Tony Sage    Executive Chairman  
Tim Turner   Non-executive Director  
Brian Maher   Non-executive Director

Eloise von Puttkammer  
Company Secretary

### Key Projects and Interests

Lady Annie Copper Project  
Sappes Gold Project  
DMC Mining Limited  
Corvette Resources Limited

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**Market Update  
September 2009**

# Disclaimer



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This presentation contains forecasts and forward looking information. Such forecasts, projections and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. Cape Lambert has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, Cape Lambert makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.

Throughout this presentation all figures are quoted in A\$ dollars unless otherwise stated.

You should not act or refrain from acting in reliance on this presentation material. This overview of the Company does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of Cape Lambert’s prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

Information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on previous announcements made by Cape Lambert (or other relevant parties) to the ASX.

This presentation does not constitute financial product advice (nor investment, tax, accounting or legal advice) and has been prepared without taking account of any person’s investment objectives, financial situation or particular needs.

# At a Glance



- ▶ Australian domiciled, mineral investment company,
- ▶ Standard & Poors ASX 300 company,
- ▶ Geographically diverse portfolio of mineral assets, and interests in mining and exploration companies,
- ▶ Cash assets of A\$65.4 million (including environmental performance bonds primarily related to Lady Annie), no debt and fully funded,
- ▶ Cash receivable of A\$80 million due in second half of 2010, plus convertible notes of A\$39.6 million maturing inside 24 months,
- ▶ Estimated cash outgoing of A\$23 million to be paid in May 2010,
- ▶ Directors & management hold 5.4% of the Company,
- ▶ Recent track record of delivering shareholder value – October 2008, A\$100 million capital/dividend payment.

- ▶ Leverage off strong balance sheet - cash reserves,
- ▶ Invest in early stage resource projects and companies that are considered undervalued or distressed,
- ▶ Assets and investments are primarily iron ore, copper, gold and uranium,
- ▶ Add value through a “hands on” approach,
- ▶ Position the assets for either development and/or sale,
- ▶ Current turmoil in financial markets and scarcity of capital is generating widespread and quality investment opportunities,
- ▶ Regularly distribute cash to shareholders via dividend payments as asset realisations occur.

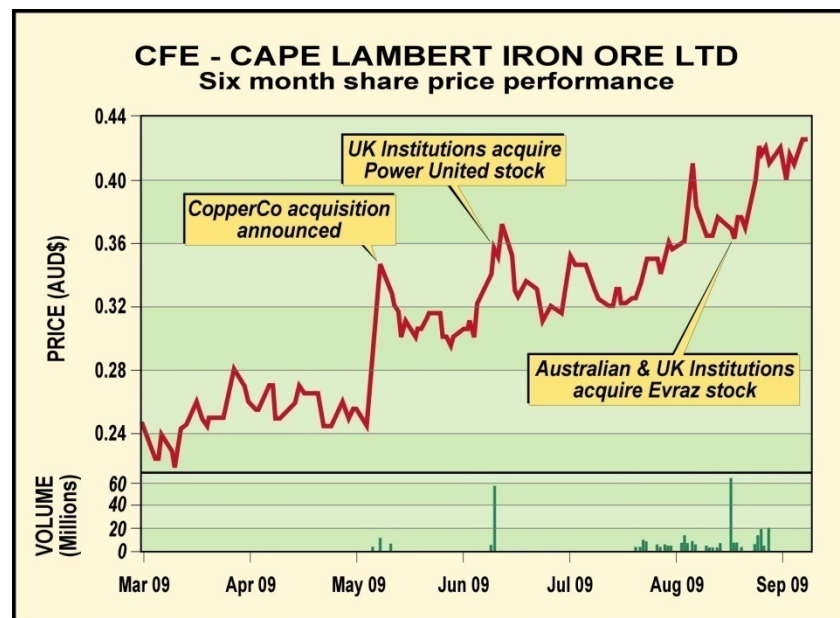
# Corporate



## Capital Structure

Ordinary shares (ASX: CFE)	546M
Market Cap at \$0.42	\$229M
Cash & receivables	\$185M
Amount owing	\$23M
Enterprise value	\$67M
Options	
30 June 2010 - \$0.432	8.4M
31 Oct 2010 - \$0.377	28M
Shareholding	
Directors & management	5.4%
Top 20	60%

## Share Price Performance



Substantial Shareholders	Holding (%)
UK Institutions	18.3%
African Minerals	11.2%
Australian Institutions	7.3%
Directors & Management	5.4%
Chinese Interests	3.9%

# Directors & Management



## Directors

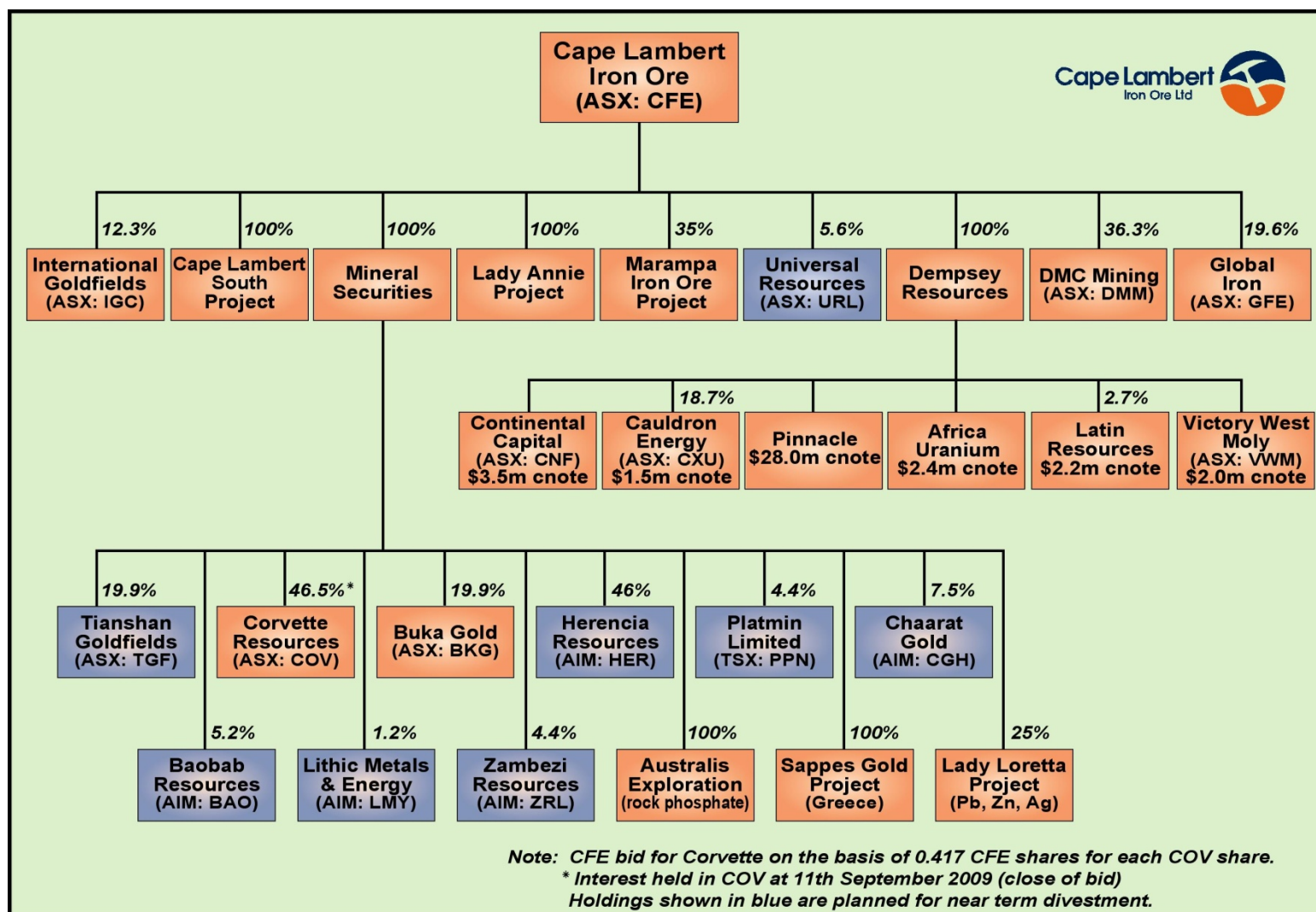
Tony Sage	<i>Executive Chairman</i> Over 25 years experience in corporate advisory, funds management and capital raisings.
Tim Turner	<i>Non-Executive Director</i> Over 25 years experience in management and business consultancy and a partner in an accountancy practice.
Brian Maher	<i>Non-Executive Director</i> Mining engineer with over 40 years experience in the mining industry working in Australia, Liberia, Guyana & the Philippines.

## Key Management

Joe Ariti	<i>General Manager</i> Metallurgist with over 25 years experience in the mining industry working in Australia, Indonesia, PNG & Africa.
Fiona Taylor	<i>Chief Financial Officer</i> Chartered accountant with over 13 years experience in both commerce and professional practice in South Africa, Australia and the UK.
Kim Bischoff	<i>GM – Exploration</i> Geologist with 26 years experience in exploration, development and mining working in Australia, Southeast Asia and Africa.
Simon McDonald	<i>Head of M&amp;A</i> Simon has extensive experience in capital markets and has spent the last decade as a professional investor for Merrill Lynch, Lehman Brothers and Commerzbank.



# Group Structure

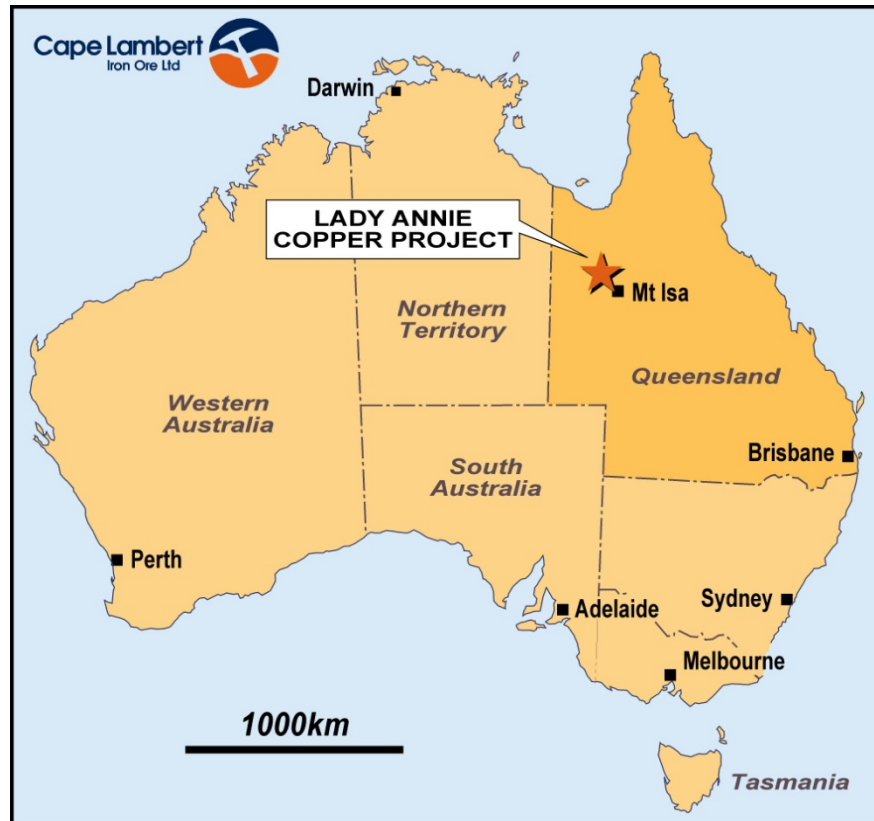




# Lady Annie Copper Project



- ▶ Oxide copper heap leach EW/SX project with,
  - ▶ Established infrastructure to support 25kt pa copper cathode production,
  - ▶ Total oxide Cu Mineral Resource inventory of 25.2 million tonnes at 0.9% Cu containing 224,800 tonnes of copper metal,
  - ▶ Total sulphide Cu Mineral Resource inventory of 15.3 million tonnes at 0.8% Cu containing 125,400 tonnes of copper metal.
- ▶ Extensive portfolio of granted tenements covering  $\approx 1,855\text{km}^2$  within highly prospective Mt. Isa Inlier,
- ▶ Mature asset in terms of CFE business model and planned for near term divestment via trade sale or IPO.



# Lady Annie - IPO

- ▶ Copper fundamentals are good;
  - ▶ 132% price increase since Dec08,
  - ▶ Chinese have poor copper endowment.
- ▶ Lady Annie is well positioned;
  - ▶ Minimal timeline and risk to recommence production - all infrastructure, & key technical management in place,
  - ▶ No copper/currency hedging,
  - ▶ Historical cash costs at second quartile of cost curve – US\$1.10/lb,
  - ▶ Five year mine life at 25kt pa copper production, with excellent potential to add mine life in the near term.
- ▶ IPO process;
  - ▶ Patersons mandated as Lead Manager,
  - ▶ Minimum value to CFE – A\$150M + 5% retained equity.



# Marampa Iron Ore Project

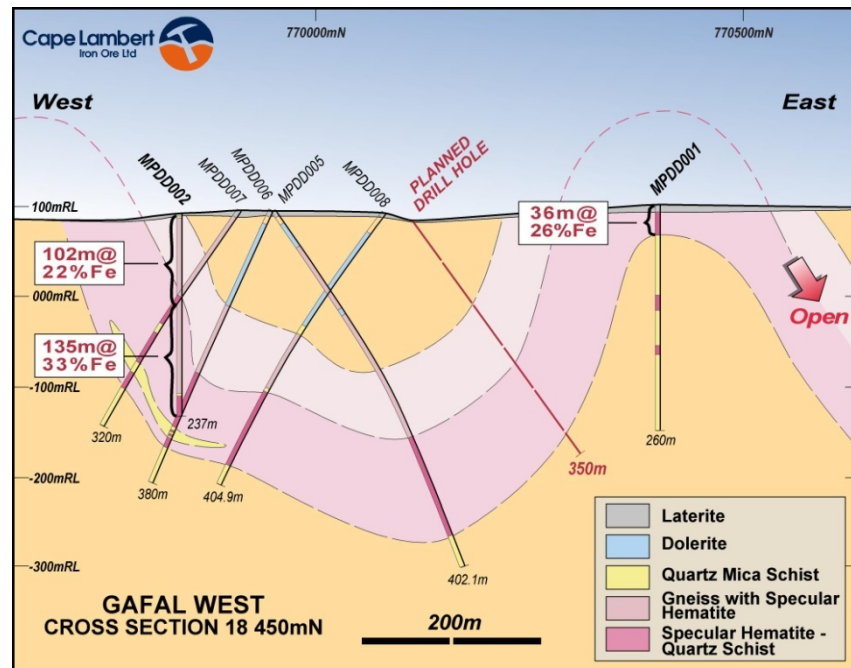
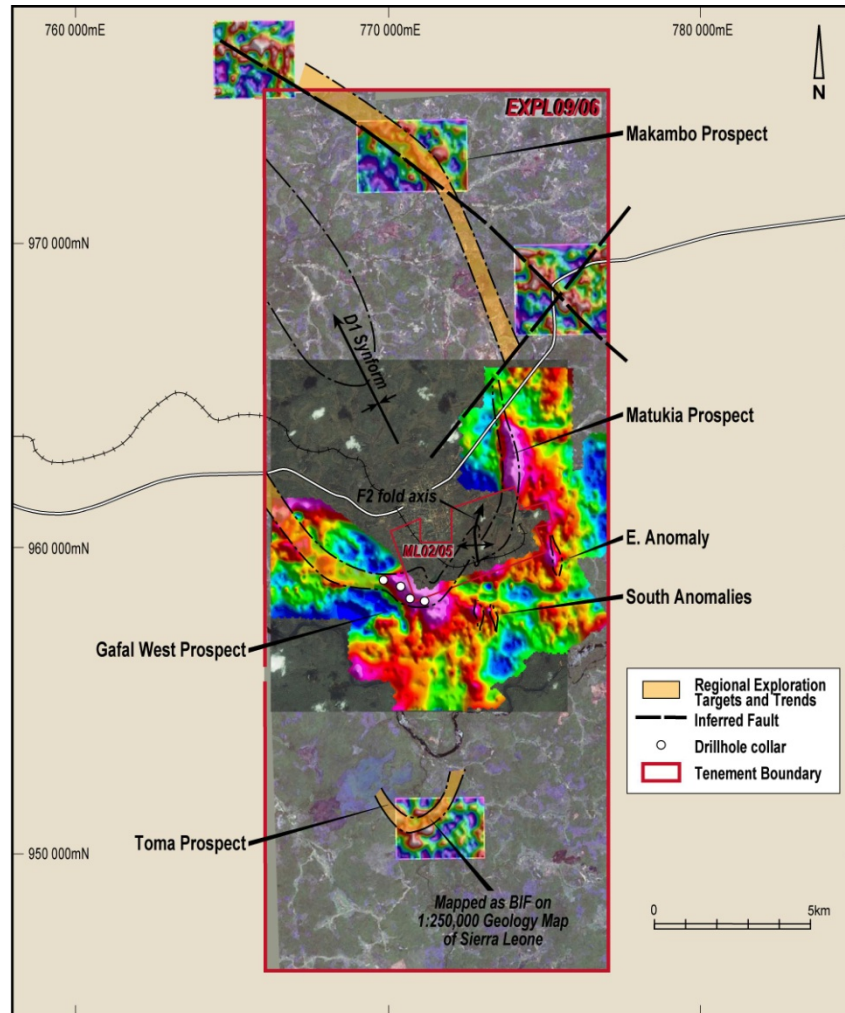


- ▶ 35% interest and Manager,
- ▶ Specular hematite, operated from 1933 to 1977,
- ▶ Proximal to existing mineral railway that connects to Pepel port,
- ▶ Hard rock drill targets defined & diamond drill testing commenced at Gafal West prospect – 5 holes completed for 2,000m,
- ▶ Bench scale metallurgical test work completed on composite samples – high iron and mass recoveries utilising WHIMS,
- ▶ Hard rock target size  $\pm$  500-600 million tonnes.



Rougher WHIMS Test Work	Mass %	Fe Rec. %	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
0-50m Feed – 30% Fe	43	90.5	63.2	5.8	1.8	0.03
50-200m Feed – 28% Fe	43	92.3	61.1	7.4	1.8	0.04

# Marampa – Gafal West



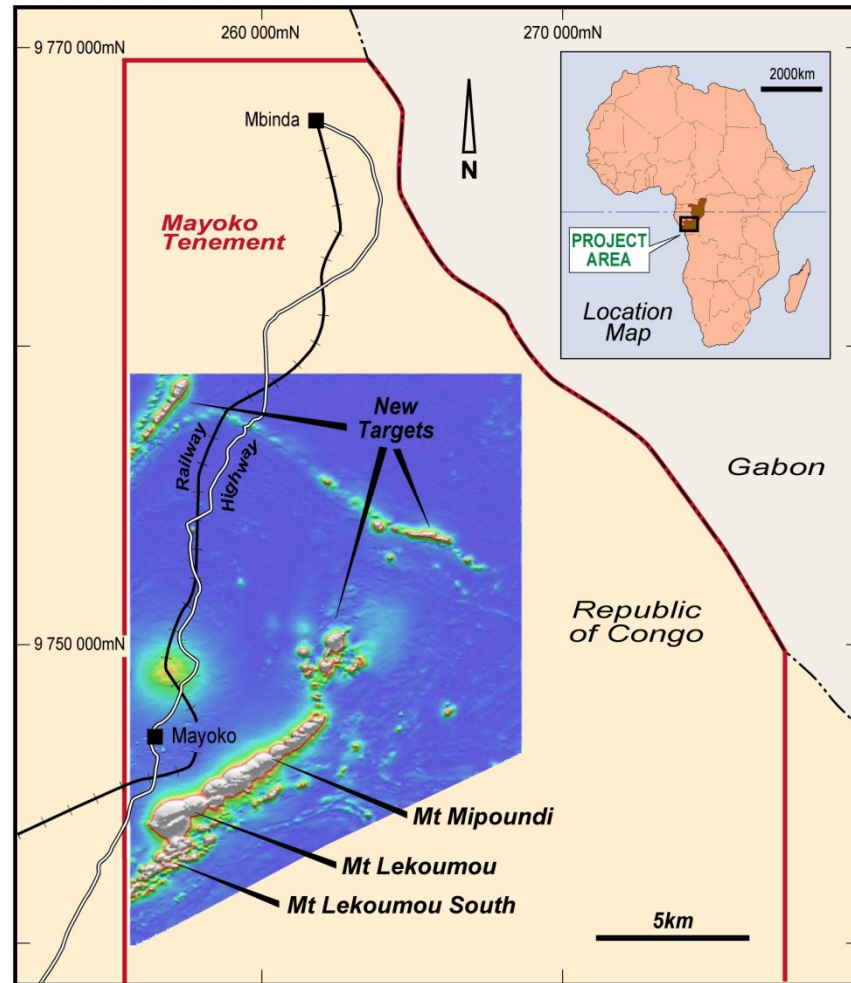


# DMC Mining Limited

(Hold 36.3% - ASX: DMM)



- ▶ 80% interest in Mayoko Iron Ore Project,
- ▶ Within 3km of railway that connects to port at Point Noire,
- ▶ Airborne magnetic survey recently completed,
  - ▶ Main anomaly 7km by 200m,
  - ▶ 3 new targets identified,
  - ▶ Drilling scheduled to commence early October.
- ▶ Target size  $\pm$  0.7-1.0 billion tonnes of itabirite iron ore.



# Sappes Gold Project



- ▶ Project based on developing;
  - ▶ high-grade, underground Viper resource (total Mineral Resource – 1Mt at 21.4 g/t Au),
  - ▶ small, open pit on St Demetrios mineralisation (total Mineral Resource – 0.8 Mt at 3.4 g/t Au).
  - ▶ planned production of 100koz pa over 5 years (in dore and flotation concentrate) for a cash operating cost of A\$430 per oz,
  - ▶ development capital circa. A\$120M.
- ▶ Historical permitting delays, but flow sheet now configured to eliminate cyanide.

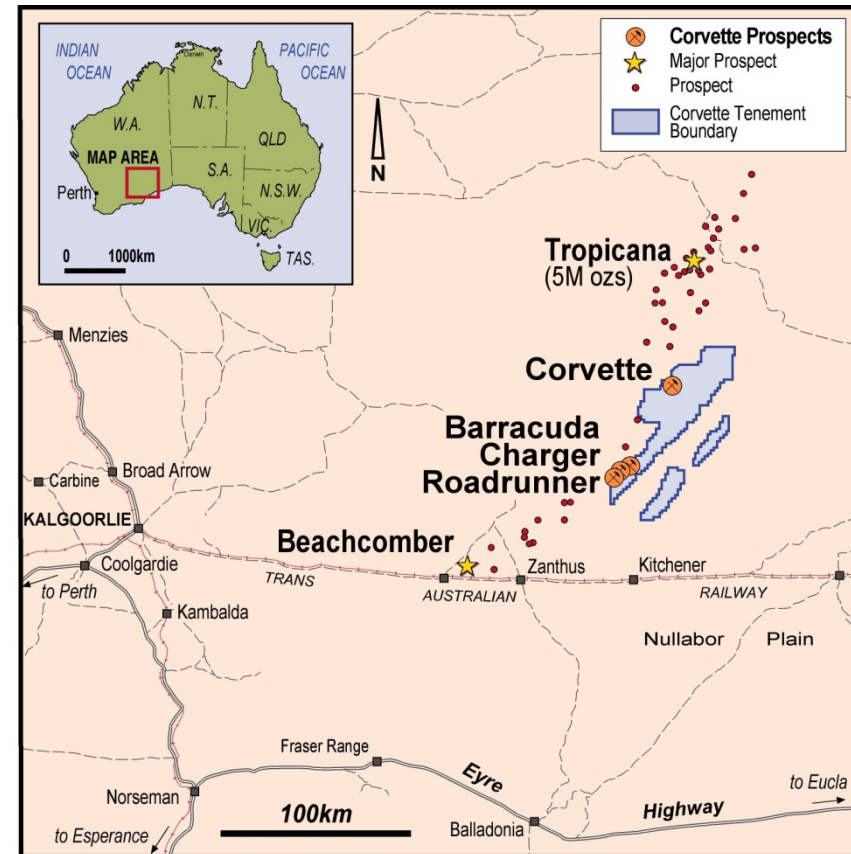


# Corvette Resources – Gold

(Hold 46.5% - ASX: COV)



- ▶ Strategic tenement holding of 2,300km<sup>2</sup> in emerging Albany-Fraser gold province,
  - ▶ Geological setting analogous to 5 million oz Tropicana deposit (70km north along strike),
  - ▶ Extensive anomalous gold in soil/calcrete over 12km at Corvette prospect,
  - ▶ Numerous, encouraging RC gold intercepts requiring interpretation and follow-up drilling,
  - ▶ AngloGold & Independence Group committed to a feasibility study around a A\$520 million investment to produce 360k oz gold pa over 10 years.
- ▶ Scrip takeover bid completed,
  - ▶ 0.417 CFE shares per COV share,
  - ▶ CFE now control 46.5%.

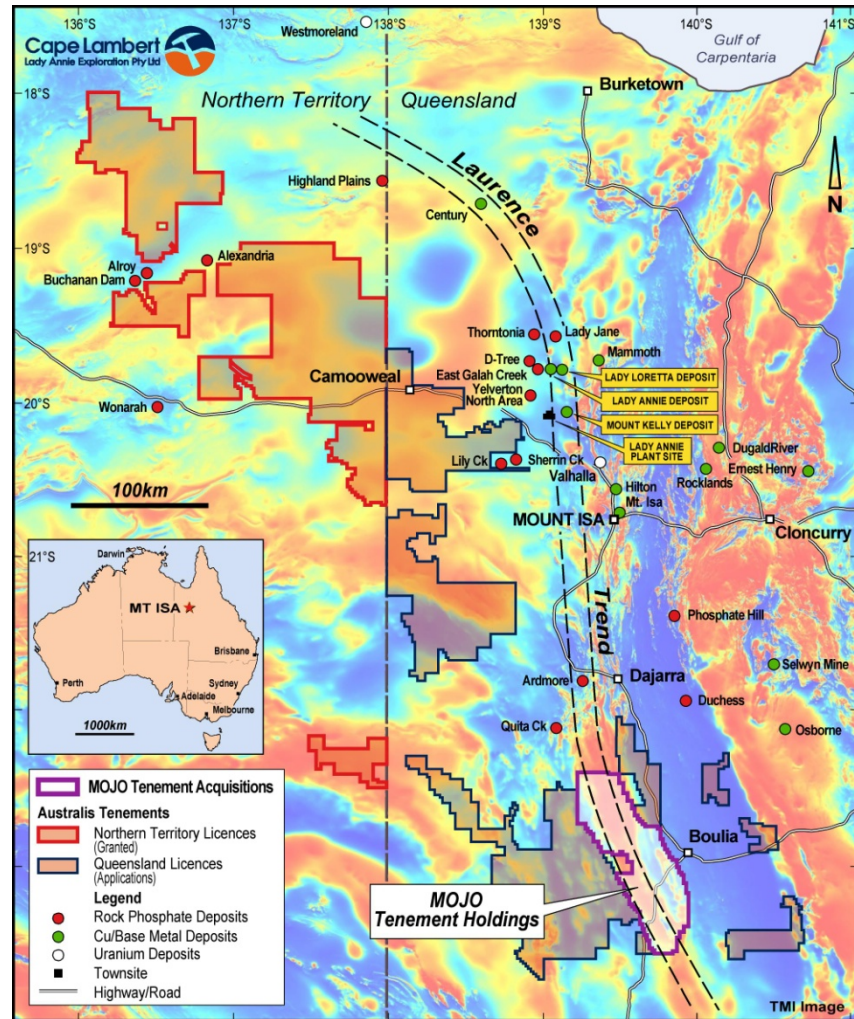




# Australis –Phosphate



- ▶ Wholly owned subsidiary,
- ▶ Exploration licences and applications covering  $\approx 38,000\text{km}^2$ ,
- ▶ Additional  $5,000\text{km}^2$  of landholding being acquired through A\$1.75 million scrip transaction,
- ▶ A large part of the holdings & applications cover the Georgina Basin – prospective for;
  - ▶ Rock phosphate deposits,
  - ▶ Uranium, and
  - ▶ Sedimentary base metal deposits.
- ▶ Reconnaissance exploration work program, ahead of potential IPO.



# Other Key Assets



Asset	Interest	Commodity	Stage	Location
Platmin	4.4%	PGM	Preproduction	South Africa
Lady Loretta	25%	Pb-Zn-Ag	Preproduction	Qld, Australia
Tianshan	19.9%	Gold	Feasibility	China
Cauldron	18.7%	Uranium	Exploration	Australia/Argentina
IGC	12.3%	PGM	Preproduction	South Africa
Universal	5.6%	Copper	Feasibility	Qld, Australia

# Value Proposition



Asset	A\$ Value
Cash	\$65M
Cash Receivables	\$120M
Cash Outgoing	(\$23M)
Equities (mark-to-market)	\$72M
Lady Annie (100%)	\$150M?
Marampa (35%)	\$120M?
Sappes (100%)	\$50M?
Australis (100%)	?
Lady Loretta (25%)	?
Cape Lambert South (100%)	?
<b>Total</b>	<b>++\$500M</b>

**Notes:**

- 1.Cash receivables relates to the final payment to be received in respect of the sale of the Cape Lambert project and repayment of convertible notes.
- 2.Equities were marked-to-market on 11 September 2009.
- 3.Lady Annie value based on “asking price” in respect of a trade sale and “minimum value” in respect of an IPO.
- 4.Marampa value based on “asking price” in respect of a trade sale.
- 5.Sappes value based on the preferred value determined by the Independent Expert in CopperCo Limited’s ASX release dated 30 June 2008 “*Prospectus to acquire all the issued shares in Mineral Securities Limited*”.

## **Competent Persons Statement**

The Metallurgical information in this presentation is based on information compiled by 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 report of the matters based on his information in the form and the context in which it appears.

The Exploration information in this presentation is based on information compiled by 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 report of the matters based on his information in the form and the context in which it appears.

## **Mineral Resources**

*Lady Annie Copper Project* – Mineral Resources quoted in this presentation in respect of Lady Annie are based on previous announcements made to ASX Limited by CopperCo Limited, specifically ASX release dated 30 October 2008 “*Mining 2008 Resources Convention Presentation*”.

*Sappes Gold Project* - Mineral Resources quoted in this presentation in respect of Sappes are based on previous announcements made to ASX Limited by CopperCo Limited, specifically ASX release dated 30 June 2008 “*Prospectus to acquire all the issued shares in Mineral Securities Limited*”.

## **Target Statements**

Target sizes quoted in this presentation are conceptual in nature and in respect of the target sizes quoted, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Target sizes referred to in this presentation refer to potential tonnages of iron ore mineralisation that have been estimated using available exploration information including historic and contemporary geological mapping, geochemical sampling of outcrops, pits and trenches, wide spaced diamond drill holes and modelling of ground and airborne geophysical survey data.

## **Production and Cost Information**

*Sappes Gold Project* – Production rates, capital and operating costs quoted in this presentation in respect of Sappes are based on previous announcements made to ASX Limited by CopperCo Limited, specifically ASX release dated 30 June 2008 “*Prospectus to acquire all the issued shares in Mineral Securities Limited*”.