

Annual General Meeting of Shareholders Notice of Meeting

The Company is pleased to advise the Annual General Meeting of Shareholders of Cape Lambert Iron Ore Limited will be held on 16 November 2009 at 9am (WST).

The Company has today dispatched the Notice of Meeting to shareholders, please find a copy to follow.

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
536,619,804

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

Cape Lambert Contact

Tony Sage
Executive Chairman
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CAPE LAMBERT IRON ORE LIMITED

ACN 095 047 920

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9:00am (WST)

DATE: 16 November 2009

PLACE: Holiday Inn, City Centre Perth
788 Hay Street
Perth WA 6000

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

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

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:00am (WST) on 16 November 2009 at:

Holiday Inn, City Centre Perth, 788 Hay Street, Perth, Western Australia 6000.

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

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

- (a) in person to Computershare Investor Services Pty Limited, Level 2, 45 St George's Terrace Perth, Western Australia 6000;
- (b) by post to Computershare Investor Services Pty Ltd, PO Box 242 Melbourne, Victoria 3001 or in the self address envelope provided; or
 - a) by facsimile to Computershare Investor Services Pty Ltd on facsimile number 1800 783 447 (inside Australia), +61 3 9473 2555 (outside Australia),

so that it is received not later than 9:00am (WST) on 14 November 2009.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 9:00am (WST) on 16 November 2009 at the Holiday Inn, City Centre Perth, 788 Hay Street, Perth, Western Australia 6000.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at the opening of business on 16 November 2009.

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

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2009 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2009.”

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – TIMOTHY TURNER

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Timothy Turner, a Director who retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 17,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

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

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

4. RESOLUTION 4 – APPROVAL TO ISSUE - SHARES

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 3,976,729 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ALLOCATION OF SHARES TO DIRECTOR – MR ANTONY SAGE

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

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the allocation of 1,826,784 Shares to Mr Antony Sage (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

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

6. RESOLUTION 6 – ALLOCATION OF SHARES TO DIRECTOR – MR TIMOTHY TURNER

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

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the allocation of 400,000 Shares to Mr Timothy Turner (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

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

7. RESOLUTION 7 – ALLOCATION OF SHARES TO DIRECTOR – MR BRIAN MAHER

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

“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the allocation of 350,000 Shares to Mr Brian Maher (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

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

8. RESOLUTION 8 – DIRECTORS’ REMUNERATION

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

“That, for the purposes of clause 13.7 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve the maximum total aggregate fixed sum per annum to be paid to non executive Directors be increased from \$150,000 to \$750,000 in accordance with the terms and conditions set out in the Explanatory Statement.”

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

9. RESOLUTION 9 – CHANGE OF NAME

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

“That, pursuant to Section 157(1) of the Corporations Act and for all other purposes, the Company change its name to “Cape Lambert Resources Limited” and all records of the Company be updated accordingly.”

10. RESOLUTION 10 – DISPOSAL OF MAJOR ASSET

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

“That, for the purposes of ASX Listing Rule 11.4 and for all other purposes, approval is given for the sale by the Company of the Lady Annie Project to Lady Annie Limited, a subsidiary entity of the Company, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Lady Annie Limited and any associates of those persons.

DATED: 9 OCTOBER 2009

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Eloise von Puttkammer', is written over a light grey rectangular background.

**ELOISE VON PUTTKAMMER
CAPE LAMBERT IRON ORE LIMITED
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 9:00am (WST) on 16 November 2009 at the Holiday Inn, City Centre Perth, 788 Hay Street, Perth, Western Australia 6000.

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2009 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.capelam.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2009.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR

3.1 General

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Company currently has 3 Directors and accordingly 1 Director must retire.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Timothy Turner retires by rotation and seeks re-election. A summary of Mr Timothy Turner is contained in the 2009 Annual Report.

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

4.1 General

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

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

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares to Marampa Iron Ore Limited pursuant to the Further Marampa Transaction (**Share Ratification**).

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

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

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

4.2 Technical information required by ASX Listing Rule 7.4

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

- (a) 17,000,000 Shares were allotted;
- (b) the Shares were issued for nil cash consideration as they were issued in consideration for the acquisition of a further 5% interest in Marampa Iron Ore Limited;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to Marampa Iron Ore Limited, which is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration for the acquisition of a further 5% interest in Marampa Iron Ore Limited.

5. RESOLUTION 4 – APPROVAL TO ISSUE SHARES

5.1 General

As previously advised, the Company has signed a binding heads of agreement to acquire 100% of the share capital of MOJO Mining Pty Ltd (**MOJO**) in consideration for the issue of 3,976,729 Shares.

MOJO holds 15 contiguous exploration tenements covering 5,000km² in the southern portion of the Mt Isa Block in Queensland. These tenements have been subjected to aeromagnetic, radiometric and gravity assessment that identified geophysical anomalies prospective for copper, zinc-lead-silver, phosphate and uranium.

The tenement package held by MOJO is contiguous to the 38,000km² tenement package held by 100% owned Cape Lambert subsidiary Australis Exploration Pty Ltd and south of the Lady Annie and Lady Loretta Projects.

A summary of ASX Listing Rule 7.1 is contained in Section 4.1.

The effect of Resolution 4 will be to allow the Directors to issue the Shares to the Shareholders of MOJO during the period of 3 months after the date of the Meeting (or a longer period if allowed by ASX) without using the Company's 15% annual placement capacity.

None of the persons receiving the Shares are related parties of the Company.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to this Resolution:

- (a) 3,976,729 Shares will be issued;
- (b) the Shares will be issued for nil cash consideration;
- (c) the Shares will be issued to the Shareholders of MOJO, none of whom are related parties of the Company;
- (d) the Shares will be issued on the same terms as existing Shares on issue;
- (e) the Shares will be issued no later than 3 months after the date of the Meeting (or such other date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on one date; and
- (f) no funds will be raised from the issue of the Shares as they are being issued in consideration for the acquisition of MOJO.

6. RESOLUTIONS 5, 6 AND 7 – ALLOCATION OF SHARES TO DIRECTORS

6.1 General

Prior to completion of the CopperCo Transaction, a restructure was undertaken to ensure that the Company did not acquire a relevant interest in more than 20% of any of Corvette Resources Limited (**Corvette**), Buka Gold Limited, Tianshan Goldfields Limited or NiPlats Australia Limited (**Restructure**). This was achieved by the shares exceeding 20% in these companies being sold to CopperCo or an entity controlled by CopperCo (**Excess Shares**). Pursuant to the Restructure, the

Company is to receive the benefit of any consideration ultimately obtained for the Excess Shares by the Receiver for CopperCo and the CopperCo controlled entity (**Receiver**).

As previously announced the Company made a takeover offer for all of the Shares in Corvette Resources Limited (**Corvette**) (**Takeover Bid**). As a result of the Takeover Bid, the Company acquired approximately 46% of the Shares in Corvette. The Company issued 12,822,591 Shares to satisfy the acceptances pursuant to the Takeover Bid.

The Receiver accepted the Takeover Bid in respect of Corvette Shares that it held pursuant to the Restructure and received 6,996,784 Shares.

Rather than cancel the 6,996,784 Shares (which represents 1.3% of the Company), the Directors resolved to allocate the Shares to employees, consultants and Directors of the Company who have played a significant role in the growth of the Company in recent years. The Shares will be escrowed until 30 June 2010.

It is proposed to allocate a total of 2,576,784 Shares to Directors Messrs Tony Sage, Timothy Turner and Brian Maher, subject to receipt of Shareholder approval. The remaining 4,420,000 Shares will be allocated to employees and consultants of the Company. It should be noted that these are not new Shares being issued, rather they are already existing Shares on issue resulting from the Takeover Bid.

For a public company to give a financial benefit to a related party of the public company, the public company must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The allocation of Shares to the Directors requires the Company to obtain Shareholder approval because the Shares constitute giving a financial benefit and as Directors, Messrs Tony Sage, Tim Turner and Brian Maher are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the allocation of Shares to the Directors.

6.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed allocation of Shares to the Directors:

- (a) the related parties are Messrs Tony Sage, Tim Turner and Brian Maher and they are related parties by virtue of being Directors;

- (b) the maximum number of Shares (being the nature of the financial benefit being provided) to be allocated to the related parties is:
- (i) 1,826,784 Shares to Mr Tony Sage (or his nominee);
 - (ii) 400,000 Shares to Mr Tim Turner (or his nominee); and
 - (iii) 350,000 Shares to Mr Brian Maher (or his nominee);
- (c) the Shares will be allocated to the Directors from the Receiver no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be allocated on one date;
- (d) the Shares will be allocated for nil cash consideration accordingly no funds will be raised;
- (e) the Shares will rank equally with other Shares on issue;
- (f) the value of the Shares is estimated to be \$1,175,014 and has been determined by applying a discount factor of 5% to the closing Share price on 8 Oct 2009 of \$0.48. A discount factor is considered appropriate given that the Shares will be in escrow to 30 June 2010;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below;

Related Party	Shares	Options
Mr Sage	26,939,761	Nil
Mr Turner	1,000,000	Nil
Mr Maher	1,015,000	Nil

- (h) the remuneration from the Company to the Directors and their associates (for their roles as Directors and also consultancy arrangements with the Company) for both the current financial year and previous financial year are set out below:

Related Party	Current Financial Year (2009/2010)	Previous Financial Year (2008/2009)	
		Directors fees	Other Payments*
Mr Sage	\$550,000	\$437,500	\$600,000
Mr Turner	\$60,000	\$60,000	\$400,000
Mr Maher	\$39,450	\$39,450	\$200,000

* The other payments relate to fees paid by the Company to entities associated with the Directors for consulting services to the Company pursuant to agreements.

- (i) if the Shares are allocated to the Directors there will be no change to the number of Shares on issue as the Shares are already on issue. The Shares represent approximately 0.5% of the Company and it will result in the Directors holding the following number of Shares.

Related Party	Shares	%
Mr Sage	28,766,545	5.36%
Mr Tuner	1,400,000	0.26%
Mr Maher	1,365,000	0.25%

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.50	18, 21/22, 24/25 Sep 09
Lowest	\$0.16	20/21 Nov 08
Last	\$0.48	8 Oct 09

- (k) the primary purpose of the allocation of the Shares to the Directors is in recognition of their involvement in identifying, securing and negotiating significant transactions (further details of which are set out in this Explanatory Statement) and to provide cost effective consideration to the Directors for their ongoing commitment and contribution to the Company in their respective roles as Directors. The Shares are already on issue and will be escrowed until 30 June 2010. The alternative options available to the Company in respect of these Shares, include the sale of the Shares (which would result in funds received by the Company), transfer of the Shares to non related parties or the cancellation of the Shares which would result in an increase NTA per Share. There are opportunity costs to the Company in making this decision. Accordingly, the Directors have determined it both necessary and appropriate to seek Shareholder approval to proceed with the option contemplated by Resolutions 5 to 7;

- (l) in respect of Resolutions 6 and 7:

- as advised by the Company in 2008/2009 ASX announcements and its 2009 Annual Report, the Company's focus is on acquiring, investing in and adding value to early stage mineral projects for development or sale. Details of the numerous and significant acquisitions made by the Company in the last financial year are set out in the 2009 Annual Report. Historically (and prospectively) acquisitions require the Company to have significant cash reserves available to it at the time of negotiation and acquisition;
- the Company distributed to Shareholders \$100m in the 2009 financial year and has stated in its 2009 Annual Report and this Explanatory Statement it intends to continue to distribute funds to Shareholders upon realisation of its assets;
- commentary relating to ASX Corporate Governance Principles and Recommendation Policy 8.2 states (inter alia) that non executive directors should normally be remunerated by way of fees in the form of cash, non cash benefits, superannuation contributions or salary sacrifice into equity and should not receive options or bonus

payments (and the issue of these Shares to Messrs Turner and Maher may be considered a bonus payment); and

- the Board acknowledges the allocation of Shares to Messrs Turner and Maher is contrary to this recommendation. However, the Board considers the allocation of Shares to those parties is an option available to Shareholders to consider and in the circumstances, is appropriate to put to Shareholders to consider whether to allocate Shares to the non executive directors as opposed to a cash payment, given the desire to ensure the Company maintains a strong cash position for future acquisitions of assets (in line with its historical and proposed business model) and distributions to Shareholders.

As outlined above, there are alternate options available in respect of these Shares and in respect of remunerating the non executive Directors. Accordingly, Shareholders should consider the above matters carefully before deciding how to vote on these Resolutions.

- (m) Mr Tony Sage declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Board (other than Mr Tony Sage) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution;
- (n) Mr Tim Turner declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6. The Board (other than Mr Tim Turner) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution;
- (o) Mr Brian Maher declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7. The Board (other than Mr Brian Maher) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to allocate the Shares to Directors as approval is being obtained under ASX Listing Rule 10.11 and the Shares have already been issued in accordance with Exception 5 of the ASX Listing Rule 7.2. Accordingly, the allocation of Shares to the Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 8 – DIRECTORS' REMUNERATION

7.1 General

Clause 13.7 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors from time to time will not exceed the sum

determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares. This sum does not include fees paid to executive Directors or to Directors for extra services performed on behalf of the Company or its business. Rather it relates to non executive's Directors fees.

Total remuneration for non executive Directors has not increased by any significant amount since 2001 when the Company was called Hamill Resources Limited. Since that time, the Company's market capitalisation has increased substantially and the Company has significantly grown to become a Company with a multi commodity and geographically diverse portfolio of mineral assets and investments.

In the past 12 months, during a period of significant uncertainty in global financial markets, Cape Lambert has completed the following milestones:

- (a) sold its namesake iron ore asset in Western Australia to Chinese group MCC for \$400 million (receiving \$320 million in cash with the final payment of \$80 million deferred until the second half of 2010);
- (b) returned A\$100 million to Shareholders via a special dividend and return of capital;
- (c) acquired a 35% interest in the Marampa iron ore project located in Sierra Leone, West Africa for a scrip consideration valued at approximately US\$20 million;
- (d) acquired the assets of the former CopperCo group, which amongst other things includes the Lady Annie oxide copper mine in Queensland, Sappes gold project in Greece and a 25% interest in the high-grade, lead-zinc-silver Lady Loretta project also located in Queensland, for \$120 million;
- (e) entered into an agreement to acquire Mojo Mining Limited in a scrip deal valued at \$1.75 million; and
- (f) issued approximately \$46 million in convertible notes to eight resources companies with significant project potential.

To date Cape Lambert, via its wholly owned subsidiary Dempsey Resources Limited, has converted two of the Convertible Notes, in Cauldron Energy (ASX: CXU) and DMC Mining (ASX: DMM), giving its' stake in these 2 companies of 18.7% and 36.3% respectively.

Cape Lambert has also significantly enhanced its exposure to Australian and international institutions and funds in recent months, with approximately 25% of the Cape Lambert share register now held by these groups. Analyst coverage has also increased significantly, with a number of the major broking houses in Australia and Europe initiating coverage on the Company in 2009.

Accordingly, the Board considers it appropriate to increase the maximum remuneration payable to non executive Directors as considerably more time is involved in governing the Company and its assets.

Resolution 8 seeks Shareholder approval to increase the total aggregate fixed sum per annum to be paid to the non executive Directors by \$600,000 from \$150,000 to \$750,000.

The total aggregate fixed sum per annum has been determined after reviewing similar companies listed on ASX, the fact that the market capitalization of the

Company and asset composition has dramatically increased and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

8. RESOLUTION 9 – CHANGE OF NAME

A company may change its name by special resolution of Shareholders.

The Company proposes to change its name to “Cape Lambert Resources Limited” to more accurately reflect the multi commodity and diverse portfolio of mineral assets and investments.

9. RESOLUTION 10 – DISPOSAL OF MAJOR ASSET

9.1 General

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 (**CLLA Exploration**) entered into sale agreements with CopperCo Limited (In Liquidation) (Receivers and Managers Appointed) (**CopperCo**) and its wholly owned subsidiary Mineral Securities Limited (**Mineral Securities**) and other subsidiaries of CopperCo pursuant to which, amongst other things, the Company and CLLA Exploration 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.

Resolution 10 seeks Shareholder approval for the Company to sell the Lady Annie Project held by the Company's wholly owned subsidiary CLLA Exploration to the Company's child entity, Lady Annie Limited (**Lady Annie**).

Lady Annie is a wholly owned subsidiary of Q Copper Limited (**Q Copper**) which in turn is a wholly owned subsidiary of the Company. Lady Annie and Q Copper were incorporated in the British Virgin Islands in September 2009 for the purpose of entering into the Agreement for Sale of Assets (as summarised in Section 9.2) and acquiring the Lady Annie Project.

Further details of the Lady Annie Project are set out in Section 9.3.

Q Copper intends to seek a listing on the official list of ASX through an initial public offering pursuant to a prospectus prior to the end of 2009 (**Prospectus**). The amount of capital sought to be raised and the issue price of shares to be offered pursuant to the Prospectus is still being finalised. CLLA Exploration will retain between 5% and 10% of the shares in Q Copper and a representative of the Company will be appointed to the board of Q Copper.

Pursuant to ASX Listing Rule 11.4, a listed entity must not, without shareholder approval, dispose of a major asset if, at the time of the disposal, it is aware that the entity acquiring the asset intends to issue or offer securities with a view to becoming listed.

Lady Annie is currently a child entity of the Company and the proposed sale of the Lady Annie Project will constitute the disposal of a major asset by the Company. Accordingly, Shareholder approval of the transaction is required pursuant to ASX Listing Rule 11.4.

9.2 Asset Sale Agreement

CLLA Exploration has entered into an asset sale agreement with Q Copper and Lady Annie pursuant to which CLLA Exploration has agreed to sell, and Lady Annie

has agreed to acquire, the right, title and interest in and to the Lady Annie Project from CLLA Exploration on the following material terms and conditions:

- (a) **(Sale of Lady Annie Project)**: CLLA Exploration shall sell and Lady Annie shall purchase, all of CLLA Exploration's right, title and interest in and to the Lady Annie Project, free of all encumbrances.
- (b) **(Excluded Assets)**: CLLA Exploration will retain all of the right, title and interest in:
 - (i) all finished copper plate which has been stripped and bundled in preparation for shipment as at the settlement date;
 - (ii) all trade debts and other receivables owed (or incurred but not yet invoiced) as at the settlement date; and
 - (iii) the rights to explore and mine phosphate on the tenements which comprise the Lady Annie Project **(Phosphate Rights)**.
- (c) **(Excluded Liabilities)**: CLLA Exploration will retain all of the obligations in relation to all trade payables owed (or incurred but not yet invoiced) as at the settlement date.
- (d) **(Conditions Precedent)**: the sale of the Lady Annie Project is subject to the following conditions (amongst others):
 - (i) Lady Annie completing a financial and legal due diligence on the Lady Annie Project, to the sole and absolute satisfaction of Lady Annie;
 - (ii) CLLA Exploration and/or Lady Annie obtaining all necessary governmental consents, authorisations and approvals, including the consent of the Minister under the Mineral Resources Act (if required) to transfer the Tenements to Lady Annie and approval from the Foreign Investment Review Board for the transaction (if required);
 - (iii) each of the lessors/financiers providing their consent in respect of the various leased equipment, or payout and releasing CLLA Exploration from all of its obligations under such leases arising on or after the settlement date; and
 - (iv) each other party to material contracts executing and delivering to CLLA Exploration a deed of novation in a form reasonably acceptable to both CLLA Exploration and Lady Annie,(together, the **Conditions**).
- (e) **(Consideration)**: the consideration payable for the purchase of the Lady Annie Project is:
 - (i) the payment in the order of \$155,000,000 in cash **(Cash Consideration)**; and
 - (ii) the issue of 22,000,000 Q Copper Shares to CLLA Exploration or its nominee **(Share Consideration)**.
- (f) **(Adjustment of Share Consideration)**: the Share Consideration is to represent between 5% and 10% of the issued capital of Q Copper after

completion of the initial public offer, and the exact percentage to be confirmed by CLLA Exploration in writing prior to completion of the initial public offer (**Requested Percentage**). If after completion of the initial public offer, CLLA Exploration will hold less than the Requested Percentage, Q Copper agrees to issue CLLA Exploration (or its nominee) such additional Q Copper Shares for no further consideration so that CLLA Exploration is the holder of the Requested Percentage.

- (g) (**Loan**): The Cash Consideration will be satisfied by way of a loan by CLLA Exploration to Lady Annie (**Loan**). The Loan together with the repayment of all outgoings on the Tenements and provision of funding by CLLA Exploration to Lady Annie between the settlement date and the date Q Copper receives applications for the full amount of the initial public offering comprises the **Outstanding Monies**. The Outstanding Monies shall be repaid in full on the date Q Copper receives applications for the full amount of the initial public offering.
- (h) (**Interest**): if the Outstanding Monies is repaid within 9 months of the settlement date, no interest is payable, otherwise interest on the Outstanding Monies will be deemed to have accrued from the settlement date and is payable at a rate of LIBOR plus 2% per annum to be capitalised into Loan until fully repaid.
- (i) (**Security**): the Outstanding Monies shall be secured such that no funds shall be applied from the initial public offer until all Outstanding Monies are satisfied in full.
- (j) (**Settlement Date**): Settlement shall occur 5 business days after satisfaction or waiver of the last of the Conditions;
- (k) (**EPO Obligations**): After settlement Lady Annie must perform the EPO Obligations and indemnify CLLA Exploration and CopperCo and the Receivers and Managers against any loss arising from a breach of the EPO Obligations.
- (l) (**Retained Phosphate Rights**): Cape Lambert will retain the exclusive right to explore, mine and treat any phosphate on the Tenements which comprise the Lady Annie Project (**Phosphate Rights**). The Agreement for Sale of Assets contains co existence rights in respect of the Company exercising its Phosphate Rights and Lady Annie exercising all other rights on the Tenements.
- (m) (**Sale of Tenements**): If Lady Annie proposes to assign, sell or transfer all or any of the Tenements to a third party, it must first offer CLLA Exploration the right to acquire the Tenement(s).
- (n) (**CLLA Exploration warranties**): CLLA Exploration provides limited warranties to Lady Annie and Q Copper which are standard in agreements of this nature, including that it has authority to transfer the Lady Annie Project and the Lady Annie Project will be transferred free of encumbrances (other than the equipment leases).
- (o) (**Lady Annie warranties**): Lady Annie provides warranties to CLLA Exploration which are standard in agreements of this nature, including that it has authority to enter into the Asset Sale Agreement.

- (p) **(CLLA Exploration Indemnities)**: CLLA Exploration indemnifies and holds harmless Lady Annie from any loss or claim arising out of any act or omission in relation to the Tenements in respect of the Phosphate Rights.
- (q) **(Indemnities)**: CLLA Exploration indemnifies and holds harmless Lady Annie from any loss or claim arising out of any act or omission in relation to the Tenements following settlement.

9.3 Lady Annie Project

The Lady Annie Project is located approximately 100km north of Mt Isa in Queensland, Australia. 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.

9.4 Nature of Assets

The Lady Annie Project to be sold pursuant to the Agreement for Sale of Assets consists of:

- (a) goodwill;
- (b) plant and equipment;
- (c) inventory;
- (d) 14 Mining Leases, 29 Exploration Permits and 46 Exploration Permit Applications;
- (e) equipment leases;
- (f) statutory licences;
- (g) contracts;
- (h) records;
- (i) intellectual property;
- (j) work in progress;
- (k) mining information relating to the Lady Annie Project; and
- (l) employee entitlements

The Agreement for Sale of Assets specifically excludes the finished goods, trade receivables, trade creditors and the right to explore and mine phosphate on the Lady Annie Project.

9.5 Ongoing activities

The Company has significant cash reserves and a multi commodity and geographically diverse portfolio of mineral assets and investments. Its continual focus is on creating wealth for Shareholders by acquiring and adding value to early stage mineral assets for development or sale.

Following the sale of the Lady Annie Project and initial public offering of Q Copper, the Company will retain interests in a number of projects and shareholding, as detailed below.

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.

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 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.

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 explore for, and define hard rock hematite schist mineral resources. The initial 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 from mining and processing the 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 Tianshan Goldfields Limited and Buka Gold Limited and portfolio interests in various companies including a 5.3% interest in Platmin Limited (TSX/AIM: PPN), a 7.5% interest in Chaarat 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.

On 27 August 2009, Cape Lambert entered into an agreement to acquire MOJO Minerals Limited (**MOJO**). MOJO holds 15 contiguous exploration tenements covering approximately 5,000km² in the southern portion of the Mt Isa Block in Queensland, which are contiguous to the land package owned by Australis. The Company's strategy for the Australis land holding is to complete a reconnaissance level exploration work program over the next 12-18 months ahead of a potential initial public offering. It is intended to include the MOJO tenement package within any initial public offering.

As announced on 14 September 2009, following its off market takeover bid, Cape Lambert now holds 46.52% of Corvette Resources Limited (**Corvette Resources**). Corvette Resources has interests in gold and heavy mineral sands projects with interests in mining tenements and tenement applications in Western Australia, Victoria, Queensland, New South Wales and South Australia.

Competent Person Attributes

The metallurgical information in this section of this Notice of Meeting 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 Notice of Meeting 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 Notice of Meeting 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 Notice of Meeting 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 Notice of Meeting 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.

9.6 Effect of proposed Initial Public Offer on the Company

Q Copper intends to undertake the initial public offer and seek listing on the official list of ASX.

The structure and pricing of the initial public offer is still being finalised however, it is proposed that the Company will retain between a 5% and 10% of Q Copper and the remainder of the issued capital will be held by the subscribers to the Prospectus.

A pro-forma consolidated balance sheet of the Company and its controlled entities post the proposed sale of the Lady Annie project and the Q Copper initial public offer is presented below:

	Audited	Pro-forma	
	Balance Sheet at 30 June 2009 \$'000	Impact of proposed sale and IPO \$'000	Balance Sheet post sale and IPO \$'000
Current assets			
Cash and cash equivalents	74,059	149,755	223,814
Restricted cash	5,657	13,101	18,758
Trade and other receivables	49,907	-	49,907
Inventory	4,421	(524)	3,897
Total current assets	134,044	162,332	296,376
Non current assets			
Trade and other receivables	5,749	-	5,749
Financial assets at fair value through profit and loss	36,528	22,000	58,528
Investments accounted for using the equity method	38,385	-	38,385
Restricted cash	10,813	(7,856)	2,957
Property, plant & equipment	8,919	(8,309)	610
Exploration & evaluation expenditure	154,679	(74,391)	80,288
Total non current assets	255,073	(68,556)	186,517
Total assets	389,117	93,776	482,893
Current liabilities			
Trade and other payables	23,298	-	23,298
Deferred income	37	-	37
Borrowings	15,871	(1,085)	14,786
Income tax liability	24,435	5,865	30,300
Total current liabilities	63,641	4,780	68,421
Non current liabilities			
Deferred tax liabilities	41,671	(22,317)	19,354
Provisions	11,923	(11,923)	-
Borrowings	2,991	(2,991)	-
Total non current liabilities	56,585	(37,231)	19,354
Total liabilities	120,226	(32,451)	87,775
Net assets	268,891	126,227	395,118
Equity			
Issued capital	126,016		126,016
Reserves	4,387		4,387
Retained profits	138,488	126,227	264,715
	268,891	126,227	395,118

Notes:

1. The purchase consideration for the Lady Annie Project is assumed to be \$177,000,000 which will be satisfied by cash of \$155,000,000 and the issue of 22,000,000 Q Copper shares of \$1 each (representing 10% of the shares on issue).
2. At 30 June 2009, performance bonds relating to the Lady Annie Project amounted to \$7,855,713. Subsequent to 30 June 2009, performance bonds amounting to \$5,245,132 relating to the Lady Annie Project have been

provided. Until these performance bonds are replaced by Q Copper they remain within current restricted cash. Q Copper is required to place \$13,100,845 in an escrow account as security for the performance bonds.

9.7 Advantages and disadvantages of the sale of the Lady Annie Project

The principal advantages and disadvantages to Shareholders of the proposed sale of the Lady Annie Project are as follows:

Advantages

- (a) The Company proposes paying a dividend of \$0.10 per Share to Shareholders in the March 2010 quarter after successful completion of the initial public offering.
- (b) The Company will retain between 5% and 10% of the shares on issue in Q Copper being the entity that holds the right, title and interest to the Lady Annie Project which will be a company listed on ASX. Accordingly, Shareholders will retain an indirect interest in the Lady Annie Project.
- (c) The sale of the Lady Annie Project allows the Company to focus on the exploration and development of other assets to provide greater value accretive opportunities to Shareholders.
- (d) The Company will receive in the order of \$155 million in consideration for the sale of the Lady Annie Project and these funds can be used by the Company for additional opportunities or to develop existing assets.
- (e) The Company will not incur additional holding, exploration and production costs associated with the Lady Annie Project.

Disadvantages

- (a) There is no guarantee that the shares in Q Copper will increase in value following its listing on ASX.
- (b) Shareholders will have a decreased exposure to any economic discovery on the tenements and production from the Lady Annie Project, sold to Q Copper.

9.8 Information on Lady Annie and Q Copper

(a) Background

Lady Annie and Q Copper were incorporated in the British Virgin Islands in September 2009 for the purpose of entering into the Agreement for Sale of Assets and acquiring the Lady Annie Project.

It is intended that Q Copper will undertake the initial public offering and seek quotation of its securities on ASX in late 2009.

Lady Annie and Q Copper do not hold any assets. Subject to satisfaction of the Conditions, Lady Annie will acquire the Lady Annie Project from CLLA Exploration.

Information in respect of the Lady Annie Project is detailed in Sections 9.1 and 9.3.

(b) Board of directors of Q Copper

At present the board of directors of Q Copper comprises representatives of the Company and overseas representatives. Prior to lodging the Prospectus, the board will change to persons independent of the Company other than one representative of the Company which will remain on the board of Q Copper. However, such persons have not yet been confirmed.

10. ENQUIRIES

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

GLOSSARY

\$ means Australian dollars.

Agreement for Sale of Assets means the agreement between CLLA Exploration, Q Copper and Lady Annie pursuant to which CLLA Exploration agrees to sell, and Lady Annie agree to acquire, the right, title and interest in and to the Lady Annie Project.

Annual General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

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

Constitution means the Company's existing constitution.

CopperCo means CopperCo Limited (ABN 95 004 434 904) (In Liquidation) (Receivers and Managers Appointed) and its Relevant Subsidiaries.

Corporations Act means the Corporations Act 2001 (Cth).

Department means (as appropriate) the Department of Employment, Economic Development and Innovation in Queensland or the Department of Environment and Resource Management or Department of Mines and Energy.

Directors means the current directors of the Company.

Environmental Incident means the incidents in January and February 2009 where, as a result of heavy rains falling across the Lady Annie Project site during January and February 2009, there was uncontrolled discharge of a solution into the environment beyond concentrations allowed in Environmental Authority No MIN 100401006.

EPO Obligations means the obligations:

- (a) under and relating to the:
 - (i) Environmental Protection Order dated 26 February 2009;
 - (ii) revised Environmental Protection Order dated 6 March 2009;
 - (iii) any Notice to Conduct or Commission an Environmental Evaluation to which the revised Environmental Protection Order is updated; and
 - (iv) any other environmental protection order or notice to conduct or commission an environmental evaluation,
issued by the Department prior to 30 June 2010; and

(b) under any environmental protection order which is issued on or before 28 September 2010 as a result of a specific matter Lady Annie notifies before 30 June 2010 to:

(i) CLLA Exploration, as a matter it reasonably anticipates is likely to become the subject of an environmental protection order; and

(ii) the Department,

in connection with the Environmental Incident.

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

Lady Annie means Lady Annie Limited a company duly registered in the British Virgin Islands with BVI company Number 1546805.

Lady Annie Project means the Lady Annie Copper Project as described in Sections 9.1 and 9.3 of the Explanatory Statement.

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

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Q Copper means Q Copper Limited a company duly registered in the British Virgin Islands with BVI Company Number 1546808.

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

Receivers and Managers has the meaning given to it in the asset sale agreement dated 7 May 2009 between CopperCo, Cape Lambert, CLLA Exploration and others.

Relevant Subsidiaries has the meaning given to it in the asset sale agreement dated 7 May 2009 between CopperCo, the Company, the CLLA Exploration and others.

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

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

Shareholder means a holder of a Share.

Tenements means the 14 Mining Leases, 29 Exploration Permits and 46 exploration permit applications which comprise the Lady Annie Project.

WST means Western Standard Time as observed in Perth, Western Australia.



Lodge your vote:



By Mail:

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

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

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

Proxy Form

For your vote to be effective it must be received by 9:00am (WST) Saturday 14 November 2009

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions

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

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

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

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

Attending the Meeting

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

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

Turn over to complete the form →



View or update your securityholding, 24 hours a day, 7 days a week:

<http://www.investorcentre.com>

Access the annual report

www.capelam.com.au

Review your securityholding

Update your securityholding

Your secure access information is:

SRN/HIN:



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

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



Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Cape Lambert Iron Ore Limited to be held at The Holiday Inn, City Centre Perth, 788 Hay Street, Perth, Western Australia 6000 on Monday 16 November 2009 at 9:00am (WST) and at any adjournment of that meeting.

Important for Item 5: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 5 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 5 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 5 of business.

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

STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Timothy Turner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Allocation of Shares to Director - Mr Antony Sage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Allocation of Shares to Director - Mr Timothy Turner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Allocation of Shares to Director - Mr Brian Maher	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Change of Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Disposal of Major Asset	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____