

30 January 2009

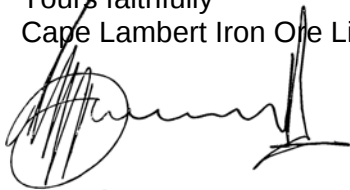
The Company Announcements Office
ASX Limited

Via E Lodgement

Appendix 5B for the quarter ended 31 December 2008

Please find attached the Company's Appendix 5B for the quarter ended 31 December 2008.

Yours faithfully
Cape Lambert Iron Ore Limited



Timothy Turner
Company Secretary

For more information please contact:

Cape Lambert Iron Ore Limited
Timothy Turner

+61 8 9380 9555

Website

www.capelam.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CAPE LAMBERT IRON ORE LTD

ABN

71 095 047 920

Quarter ended ("current quarter")

31 December 2008

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(7,766)	(8,137)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(1,241)	(4,459)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3,408	5,154
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other : Non-refundable deposit – Cape Lambert Iron Ore project sale	-	315,000
	Other	30	(30,370)
Net Operating Cash Flows		(5,569)	277,188
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a)prospects	-	-
	(b)equity investments	(1,478)	(1,948)
	(c) other fixed assets	(3)	(5)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	(15,141)	(15,141)
1.11	Loans repaid by other entities	-	-
1.12	Other : Payment for Convertible Notes	(7,070)	(7,820)
1	Net investing cash flows	(23,692)	(24,914)
1.13	Total operating and investing cash flows (carried forward)	(29,261)	252,274

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(29,261)	252,274
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	6,264	41,474
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	(100,433)	(100,433)
1.19	Other - repayment of issue proceeds	-	-
	- costs of share issues	-	-
	Net financing cash flows	(94,169)	(58,959)
	Net (decrease) in cash held	(123,430)	193,315
1.20	Cash at beginning of quarter/year to date	332,882	16,137
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	209,452	209,452

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	122
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Executive and non executive directors salaries and bonuses

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-
3.2	Credit standby arrangements	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3
4.2 Development	-
Total	3

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,094	694
5.2 Deposits at call	208,358	332,188
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	209,452	332,882

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	N/A			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

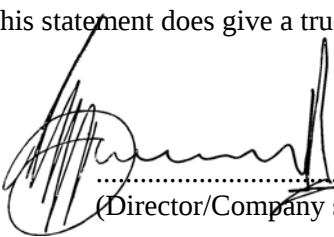
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	506,787,213	506,787,213		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	66,733,121	66,733,121		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	28,000,000 3,300,000 8,350,000	- - -	<i>Exercise price</i> 37.7 cents \$1.40 43.2 cents	<i>Expiry date</i> 31 October 2010 30 June 2009 30 June 2010
7.8 Issued during quarter				
7.9 Exercised during quarter	22,241,846	-	27.7 cents	31 October 2008
7.10 Expired during quarter	100,000 7,894,288	- -	42.7 cents 27.7 cents	22 October 2008 31 October 2008
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

+ See chapter 19 for defined terms.

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Director/Company secretary)

Date: 29 January 2009

Print name:Timothy Turner.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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