

Thursday 5 June 2008

Environmental Impact Statement (EIS) process commences for Pisolite Hill Bauxite Project

Cape Alumina has lodged with the Queensland Environmental Protection Agency (EPA) the Draft Terms of Reference for an Environmental Impact Statement for the Company's Pisolite Hills Bauxite Project on the Weipa Bauxite Plateau on western Cape York.

Having submitted an Initial Advice Statement in late 2007, the Draft Terms of Reference is the next step in the preparation of an Environment Impact Statement (EIS) for Pisolite Hills. The EIS will be prepared over the next 12-15 months for the planned 7 million tonne per annum (mtpa) bauxite project.

The EIS will identify the environmental values of the site and propose appropriate environmental management strategies. Prior to any mining activity at Pisolite Hills, Cape Alumina will require an Environmental Authority (EA) from the EPA.

Cape Alumina CEO, Dr Paul Messenger said the EIS would be the most comprehensive environment survey ever undertaken on this part of the Weipa Bauxite Plateau.

"Cape York has a mix of environments that have been managed by Aboriginal people for thousands of years, however the region has also been subject to various impacts since European settlement," Dr Messenger said.

"Pisolite Hills lies partly over the Bertiehaugh Pastoral Lease which was established as a cattle station in the 1880s and remains an operating cattle station today. Our proposal to mine, excavate and rehabilitate approximately 2-3 sqkm each year over a 10-15 year mine life, equates to less than one quarter of one per cent of the vast 1350 sqkm Bertiehaugh Cattle Station.

"Cape Alumina has received some media attention of late and we welcome public interest and scrutiny of our proposal, but it would be premature at this stage to respond to all the current commentary and assertions about the area's unique or sensitive environmental attributes. The most appropriate forum is through due process, science and a comprehensive, rigorous and independently assessed EIS.

"Since 2005 Cape Alumina has consulted regularly with the area's Traditional Owners and the Mapoon community and we plan to continue this important consultation and discussion process with all stakeholders.

"Pisolite Hills is an ideal opportunity to promote sustainable economic development in this remote part of Queensland for the benefit of all stakeholders and particularly the local indigenous people. Pisolite Hills has the potential to provide tangible benefits in skills training, employment and business opportunities to the local communities, in particular the people of Mapoon and the Traditional Owners of the land."

EIS Process and Indicative Timetable

The Environmental Protection Agency (EPA) will advertise the Draft Terms of Reference in early to mid June 2008, which will then be available for public comment.

Cape Alumina has also provided an Initial Advice Statement prepared by environmental consultants AARC. The Initial Advice Statement provides an overview of the proposed project, and describes the environmental values to be investigated.

Copies of the Draft Terms of Reference and the Initial Advice Statement will be available on the EPA (www.epa.qld.gov.au) and Cape Alumina websites (www.capealumina.com.au) in coming weeks once the Draft Terms of Reference are advertised.

The EPA, not Cape Alumina, will be the determinant of the Final Terms of Reference for the EIS. Following the public comment phase, the EPA will issue the Final Terms of Reference (most likely in the fourth quarter of 2008) after which the development and compilation of an EIS will occur.

A draft EIS will then be issued in mid-2009 for EPA review, and subsequently released for public review and comment. Subject to all necessary approvals, Cape Alumina could then be granted mining leases by early 2010.

Cape Alumina Environment Activities

Cape Alumina's environmental consultants undertook field surveys in 2007 and returned to Pisolite Hills this week to continue their flora and fauna survey – the results of which will form part of the EIS.

Other planned studies to be undertaken by Cape Alumina and its consultants include, but are not limited to:

- Cultural Heritage Surveys (including formulation of a Cultural Heritage Management Plan)
- Groundwater and Surface Water investigations
- Soil and Land Suitability Study
- Air Quality Impact and Greenhouse Gas Assessment
- Social and Economic Impact Assessment
- Coastal and Marine Ecology Studies

About AustralAsian Resource Consultants (AARC)

AARC is an independent environmental and resource development consultancy, established in 1996. AARC has undertaken numerous EIS and environmental studies in a range of locations in Australia and overseas. AARC's role in the Pisolite Hills Project is to provide specialist environmental advice. Environmental studies will be undertaken using a combination of in-house expertise and external specialist sub-consultants.

About Cape Alumina and Pisolite Hills Bauxite Project

Cape Alumina is a Brisbane-based, Cape York-focused emerging bauxite company. Cape Alumina has international support from Chinese alumina majors including Xinfu, one of China's leading independent aluminium and alumina groups. Cape Alumina proposes to develop the 7mtpa Pisolite Hills project during 2010 to meet increasing world bauxite demand. The first step in its plans is an IPO this year, followed by development approvals and construction in 2009-10 and production planned for 2011.

For further enquiries please contact

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