



21 August, 2009

Dear Sir/Madam,

Thank you for your email and your interest in Cape Alumina. I would like to take this opportunity to respond and to correct some of the myths and misunderstandings about our proposed mine at Pisolite Hills on Cape York.

While many people are quick to criticize the mining industry, it should be remembered that the entire area of Australia directly impacted by mining is less than the concrete driveways in Sydney! A quick fly-over of south-eastern Australia via Google Earth reveals a patchwork mosaic of clear-felled land for grazing and agriculture. When combined with cities, towns and infrastructure it means massive habitat destruction - none of which will ever be rehabilitated.

In contrast, the impact from mining is tiny and mines are routinely rehabilitated, re-vegetated and landscaped to create lakes and habitat for native fauna. The modern mining industry has a vastly different approach in the 21st Century to environmental and social issues than it has had in the past.

Australia Zoo and the Irwin family are engaged in a negative media campaign to encourage the public to sign a petition which they hope will override due process and halt our project at Pisolite Hills, with complete disregard for the interests of all other stakeholders. Unfortunately, the public are being asked to sign their petition on the basis of only one side of the story which is being presented in an emotive way and which includes misinformation, misleading statements and scientific errors.

The facts are that Cape Alumina has no plans to mine or to harm, any rivers, wetlands, rainforests, springs or high conservation value environments. We will have spent almost 3 years and \$3-4 million undertaking the most comprehensive Environmental Impact Study (EIS) ever done in the region and developing appropriate Environment Management Plans to protect the environment. The area we plan to mine is over 30km from the coast, 60m above sea level, and between 5 and 15 km away from the Wenlock River. It is open dryland stringybark country which is the most abundant vegetation type in northern Australia and is classified under the Vegetation Management Act as being "*Not of concern*". A number of small springs are situated in the vicinity of Pisolite Hills. There are hundreds of springs in western Cape York and they will be fully protected under our mining operations.

The Australia Zoo "Save Steve's Place" campaign misleads people into believing that Steve Irwin established a wetland conservation reserve before his death, and that it is now under threat from mining.

This is simply not true.

It is not a wetland conservation reserve. It is a dry land cattle station purchased by Mrs Irwin's private company with a controversial gift of taxpayers' money from the previous Federal Government on the eve of the last election, after Steve Irwin's tragic death.

Documents obtained under Freedom of Information laws clearly state that the Bertiehaugh Cattle Station was identified by Mrs Irwin's private company Silverback Properties Pty Ltd after her husband's death. A proposal was then made to acquire the property for various purposes including "*to enhance sustainable pastoral activities*".

The facts are that Cape Alumina lodged its tenement applications for Pisolite Hills in early 2004, long before Mrs Irwin purchased the Bertiehaugh Cattle Station for her private company following a rushed application to the Commonwealth. The Howard Government actually breached its own guidelines in providing over 100% of the funding for the \$6.3 million purchase – when Mrs Irwin's company should have contributed one-third of the cost.

As far as we know, Steve Irwin never visited Pisolite Hills which remained inaccessible until August 2006.

Since the purchase of the property we have tried to engage Mrs Irwin to hear directly of her concerns as part of our ongoing community and stakeholder consultation. Unfortunately, apart from one meeting in March, 2008 during which she expressed no concerns, Mrs Irwin has ignored my invitations for further discussion.

The slick promotional material at Australia Zoo is designed to encourage people to sign its petition but does not mention the *Bertiehaugh Dry Vine Forests*. These are the most important and unique ecosystem in the region. They are protected by the Federal Government under the National Estate but are at the centre of Mrs Irwin and her business partners' expanded cattle grazing plans. People should be concerned that these important, remnant forests may be under immediate threat from overgrazing without any environmental Impact assessment or any environmental monitoring.

Pisolite Hills is nowhere near these forests and will have no impact on them.

Since early in 2005, Cape Alumina has worked closely with the local Aboriginal people of the area. Our project represents an opportunity for the Aboriginal people of Cape York to engage in the sustainable development of their land for the benefit of their children and their children's children.

We have approached the people Traditional Owners and people from Mapoon from the very start to negotiate access rights for exploration and mining. This has resulted in four exploration access agreements with Aboriginal parties and we are close to finalising a mining agreement for Pisolite Hills. The people of Mapoon see Cape Alumina and Pisolite Hills as an opportunity to correct some of the mistakes of the past - to be involved in the first major development on their land since the Weipa mine was developed in the 1960s. Back then, Aboriginal people had no vote, no rights and no say in how their land would be

developed, while today they are empowered by land ownership and are involved with us every step of the way.

Over the last 12 months we have spent more than \$1 million negotiating a comprehensive land mark agreement with six Traditional Owner groups, the Mapoon Aboriginal Council, the Mapoon Aboriginal Trustees, the Cape York Land Council and the National Native Title Tribunal. This agreement will establish how the Pisolite Hills project will be developed and managed. It will be the first agreement of its type negotiated prior to the grant of a mining lease in Cape York. The agreement includes targets for indigenous employment, business and community development initiatives, education and training, environmental and cultural heritage management and financial benefits including royalties to Aboriginal people.

For years governments have been trying, with limited success to “close the gap” between Aboriginal and non-Aboriginal Australian’s. Having spent over 20 years working in the mining industry, largely on Aboriginal lands, I am convinced that the mining industry is best placed to offer real jobs and real opportunities to Aboriginal people in remote areas.

The Traditional Owners and Trustees of the land at Pisolite Hills support the work of Cape Alumina. Following Mrs Irwin’s attempts to override due process and a court case to confirm Cape Alumina’s rights last year, they stated on September 9, 2008 that they *“consider it vital that Cape Alumina be permitted to complete all the environmental impact studies and works necessary for all the Pisolite Hills Project area”*.

Bauxite is the raw material for aluminium which people around the world use every single day – in our homes and offices; in buses, trains, cars, ships and aircraft; in the appliances we use and the safe packaging of the food and beverages that we consume. If the vital raw material, bauxite, doesn’t come from an open, transparent and responsible country like Australia, it will be sourced from the rainforests of Indonesia, or other countries that do not have the same level of social and environmental checks and balances that we take for granted in this country.

I appreciate that, on face value, it is easy to sign a petition that seems to support a high profile Australian, but I urge people to consider the facts before they do so. Furthermore, I encourage you to approach this issue with an open mind and examine both sides of the argument and particularly to consider the hopes and aspirations of the Aboriginal people of Cape York. For further information, visit our web site at www.capealumina.com.au.

Yours sincerely,



Dr Paul Messenger
CEO
Cape Alumina Limited