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Springs will be protected, says Cape Alumina CEO

Cape Alumina Chief Executive Officer Dr Paul Messenger has welcomed debate about the environmental protection of the western Cape York region and said today that his Company will protect the natural springs in the area.

Dr Messenger was responding to claims made in *The Courier-Mail* today by opponents that want to subvert due process and stop the Company's proposed mining operations at Pisolite Hills in western Cape York from ever going ahead.

"We welcome any legitimate contribution to the environmental impact assessment process," Dr Messenger said today.

"Cape Alumina's proposed mining activities will be between 5km and 15km away from the Wenlock River and well away from any major tributaries. And we will institute world's best practice in relation to environmental protection and rehabilitation.

"If due process is followed, Cape Alumina will prove that it is possible to achieve a balance between responsible and sustainable economic development and environmental protection of the Cape York region.

"The Pisolite Hills Environmental Impact Statement (EIS) is being fully funded by Cape Alumina and will represent the most comprehensive environmental study ever undertaken in the area.

"The EIS will be assessed by the Queensland Department of Environment and Resource Management and the Commonwealth Department of Environment, Water, Heritage and the Arts," he said.

Dr Messenger refuted Professor Craig Franklin's claims that "the bauxite plateau ... is the source of water for the spring".

"This statement has been disproved by detailed hydrological studies carried out in the area," Dr Messenger said.

"Professor Franklin has made similar erroneous claims in the past, but through the very robust, open and transparent environmental impact assessment process these claims will be shown to be false.

"Cape Alumina is very confident that we will properly address all legitimate environmental concerns," he said.

Dr Messenger also reiterated that the Company's proposed bauxite mining project at Pisolite Hills will be good for the economy and for the people of western Cape York.

"Our proposed mining operation at Pisolite Hills will be a boon for the local Aboriginal communities and Queensland's economy and has the potential to create hundreds of jobs during construction and hundreds of permanent, full-time jobs during the initial 12-to-15 year life of the project," he said.

“It will generate several billion dollars in export revenue from bauxite sales and hundreds of millions of dollars in Queensland Government royalties and Commonwealth Government taxes.

Dr Messenger said that Cape Alumina was negotiating an Indigenous Land Use Agreement (ILUA) with the traditional land owners, which is expected to become a landmark agreement as the first of its kind to be negotiated prior to grant of a mining lease for bauxite.

“We are presently negotiating an ILUA with the Traditional Owners and know that our project has the chance to socially and economically up-lift the local aboriginal communities and at the same time fully protect the Wenlock River, its springs and tributaries.”

About Cape Alumina and its Pisolite Hills 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 largest aluminium and alumina producers.

The Pisolite Hills bauxite project is centred on an elevated open, dry bauxite plateau approximately 50km northeast of Weipa in Cape York in Queensland.

The Pisolite Hills resource base is approximately 130 million tonnes (Mt) of *in situ* bauxite, and exploration will continue in the company’s surrounding tenements where further resources are expected to be outlined over the next two years.

Since 2004, Cape Alumina has invested more than \$13 million in to the Pisolite Hills project. The Company expects to spend in excess of \$15 million prior to committing to project development and the current estimate of project capital expenditure is approximately \$500 million.

Subject to a positive feasibility study and successful financing, construction is expected to be carried out between 2012 and 2013 and bauxite production is planned to commence in 2013/14 at the target rate of 7 Mt per annum of dry bauxite product.

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