

Wednesday, December 30, 2009

Cape Alumina welcomes decision on Irwin petition

- A petition urging the Queensland Government to “Stop mining on the Steve Irwin Wildlife Reserve” has been unsuccessful.
- The Queensland Government will base its decision on the Pisolite Hills bauxite project on its consideration of the project’s Environmental Impact Statement (EIS), which will identify how the project would potentially impact on the environmental values of the area and propose measures to avoid or mitigate those impacts.
- The EIS represents the most comprehensive environmental study ever undertaken in the area and is expected to be completed by the first half of 2010.
- Cape Alumina has confidence in the scientific studies which show a balance can be achieved between responsible and sustainable economic development of the Pisolite Hills project and environmental protection.
- The Pisolite Hills project is designed to deliver significant regional, social and economic benefits while ensuring environmental features are protected.

Cape Alumina Ltd (ASX Code: CBX) welcomes the Queensland Government’s determination to ensure that proper due process is followed and await the findings of the Environmental Impact Statement (EIS) on the Company’s Pisolite Hills bauxite project on Western Cape York Peninsula to ensure that, should the project proceed, the environmental values of the area are preserved or satisfactorily rehabilitated.

This decision was announced by the Minister for Mines and Energy Mr Stephen Robertson in response to a petition led by Mrs Terri Irwin, calling on the Queensland Government to ensure no mining applications would be granted on any part of the Bertiehaugh cattle station, renamed by Mrs Irwin as the Steve Irwin Wildlife Reserve after it was purchased by her private company in 2007.

Part of Cape Alumina’s exploration tenements overlap a small part of the Bertiehaugh cattle station.

Cape Alumina’s Managing Director and CEO Dr Paul Messenger said: “The Minister’s decision is entirely consistent with the position taken by the Queensland Government since Mrs Irwin first embarked on her publicity campaign on this issue.

“We are pleased that the Queensland Government has again stated its commitment to due process. We are now finalising the EIS report which will represent the most comprehensive environmental study ever undertaken in the area.

“We are confident that we have got the science right, the detailed environmental studies have not highlighted any issues that would be expected to cause permitting delays.

“We have no plans to mine any wetlands, rivers, springs or areas of high conservation value, and the Wenlock River will be fully protected under our operational and environmental management plans.

“The elevated dry stringybark country earmarked for shallow mining will be fully rehabilitated progressively throughout the life of the operation.”

Dr Messenger said the Pisolite Hills project would create hundreds of permanent jobs in an area which suffers from endemic unemployment and has few economic opportunities.

“The project will generate up to \$4 billion in exports, hundreds of millions in state royalties and federal taxes and provide much needed opportunities for Aboriginal people in Cape York,” he said.

“It will also challenge the current foreign-owned monopoly in the Australian bauxite market and create much needed competition.”

Cape Alumina expects to complete the EIS by the first half of next year and be in a position to commence construction in 2012, subject to the outcome of the Bankable Feasibility Study and receipt of all regulatory approvals.

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, Queensland.

The Pisolite Hills resource base is approximately 130* million tonnes (Mt) of *in situ* bauxite. Continuing exploration of the company’s surrounding tenements is expected to increase resources.

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

The Pisolite Hills EIS is being fully funded by Cape Alumina Limited 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.

Competent Person Statement

The information in this report related to Exploration Results is based upon data compiled and supplied by Mr John Cameron from Cape Alumina Ltd. The information in this report related to Mineral Resources was compiled by Snowden Mining Industry Consultants Pty Ltd (Snowden), and is based upon and accurately reflects data compiled by Mr Cameron. The reported Mineral Resource has been reviewed by Mr Justin Watson whom at the time of reviewing was employed fulltime by Snowden. Messer’s Cameron and Watson are Members of the Australasian Institute of Mining and Metallurgy and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Persons as defined in the 2004

Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Messer's Cameron and Watson consent in writing to the inclusion in the matters based on the information and context in which it appears.

*132.4 Mt in-situ to yield 87.3 Mt (20.1 Mt Measured + 37.9 Mt Indicated + 29.3 Mt Inferred) at an average grade of 53.1% Al₂O₃ (41.5% Trihydrate Available Alumina + 7.5% reactive SiO₂), at a minimum mining thickness of 0.5 m.

For further information please contact:

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Media

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