

Friday, 7 May 2010

Cape Alumina committed to working with Traditional Land Owners and all stakeholders

EMERGING independent bauxite miner Cape Alumina Limited (ASX Code: CBX) is working cooperatively with the Traditional Owners and the local community of Mapoon to ensure its mine project has lasting social and economic benefits for all stakeholders, not just individuals, the Company's Managing Director Dr Paul Messenger said today.

"Cape Alumina is committed to due process and will continue to work with the Mapoon Trustees, all of the traditional owners of the land and all stakeholders to ensure everyone will share in the benefits of our projects," he said.

"We know that our Environmental Impact Statement (EIS), which is presently being compiled, will prove that a balance between environmental protection of the Cape York's natural values and responsible economic development can be achieved.

"The Company will not be distracted by media stunts when our studies show 80 per cent of the local community are in favour of the mine project going ahead.

"Cape Alumina recently released the findings of an Economic Impact Assessment (EIA) that shows the proposed Pisolite Hills bauxite mine and port project in western Cape York, Queensland, will boost economic activity by \$1.2 billion, in Net Present Value terms, and create or sustain more than 1,700 jobs over the mine's 15-year life.

"This includes more than \$600 million (NPV) and 1,300 jobs into the Far North Queensland economy.

"The Pisolite Hills project will generate long-term jobs and economic prosperity for the local western Cape York communities – in particular the Traditional Land Owners of the region and Mapoon residents – as well as major centres such as Cairns, Cooktown, Townsville and Innisfail.

"We have no plans to mine any wetlands, rivers, springs or areas of high conservation value and the elevated dry stringybark country earmarked for shallow mining will be fully rehabilitated progressively throughout the life of the operation."

Cape Alumina expects to complete the EIS by the first half of this 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, permitting 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 up to 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. Messrs 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". Messrs 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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