

Thursday, 18 February 2010

Cape Alumina establishes Mapoon Office and Community Information Centre

- **Permanent office and community information centre to be established in Mapoon, western Cape York**
- **Recruitment of Mapoon Community Liaison Officer underway**
- **Continued strong commitment to community engagement and stakeholder consultation**
- **Opportunity for strong regional economic impetus to support local jobs and business**

EMERGING independent bauxite miner Cape Alumina Limited (ASX Code: CBX) has signed a long-term lease for office space in the Mapoon Aboriginal Shire Council's Land and Sea Centre in the town of Mapoon on western Cape York.

Managing Director Dr Paul Messenger said establishment of the Cape Alumina Mapoon Office and Community Information Centre was a vital step prior to release of the Environmental Impact Statement (EIS) for the Company's proposed Pisolite Hills bauxite mine and port project.

"The office and community information centre will play a central role in our community consultation program throughout the planning, commissioning, operation and decommissioning phases of the Pisolite Hills project," Dr Messenger said.

"We have also advertised for an appropriately qualified local person to become the Company's Mapoon Community Liaison Officer. This person will be based at the new office and work alongside other members of our project team.

"Cape Alumina is not only committed to getting the science right when it comes to protecting the environment, but we're also committed to our ongoing community consultation program to ensure that all local stakeholders are engaged and given an opportunity to provide input and learn the facts about our project."

Office visitors will be able to review hard copies of the Company's Pisolite Hills EIS after it has been released for public comment and inspect project plans and models as well as view an audio visual presentation on the project.

Dr Messenger said the Pisolite Hills project had the potential to create hundreds of permanent jobs in an area that suffered from chronic unemployment and had 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 employment and business opportunities for Aboriginal people in Cape York," he said.

Dr Messenger said a balance between responsible mining, economic development and protection of the natural values of the Wenlock River in western Cape York and the cultural values of the region's Traditional Owners was achievable.

“We are now finalising the EIS, which will be the most comprehensive environmental study ever undertaken in the area,” he said.

“We are confident that we have got the science right – the detailed environmental studies have not identified 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 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.

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