

Wednesday, 7 April 2010

Media Release

Government should ignore the Wilderness Society's political stunt

THE Queensland Government should ignore the latest political stunt by the Wilderness Society and Australia Zoo and declare, once again, its commitment to due process, Cape Alumina's Managing Director Dr Paul Messenger said today.

The Wilderness Society and Australia Zoo have sought to draw fresh attention to a long-running email and petition campaign and are encouraging people to call the Queensland Premier in order to pressure the Government into subverting due process.

"A petition urging the Queensland Government to stop Cape Alumina's \$400 million Pisolite Hills bauxite mine and port project from going ahead has already been rejected, and so should this latest one," Dr Messenger said.

"This is simply a political stunt and the latest installment in a highly organized, well-resourced and sustained campaign based upon misinformation, emotion and media hype.

"Cape Alumina expects that the Queensland Government will not be unduly influenced by political stunts and will reaffirm its commitment to due process so that Cape Alumina can finalise its Environmental Impact Statement (EIS).

"If that is done, Cape Alumina will prove that a balance between responsible mining economic development and protection of the natural values of western Cape York – where bauxite mining has been going on for more than 50 years – can be achieved."

Dr Messenger said Cape Alumina was finalising the EIS report, which would represent the most comprehensive environmental study ever undertaken in the area.

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

"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 chronic unemployment and has few economic opportunities.

"The project will generate billions of dollars 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 Xinfa, 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 starting soon after commencement of construction and a design capacity 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 and will be released for public comment.

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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