

Thursday, 5 May 2011

## **ASX release: Bauxite Hills project passes major milestone**

### **Key points**

- **Access agreements signed with western Cape York Aboriginal land owners**
- **Exploration and drilling program designed to establish JORC resource at Bauxite Hills set to start during the 2011 dry season**

Cape Alumina Limited (ASX Code: CBX) today announced that it had finalised access agreements with western Cape York Aboriginal land owners in the Company's proposed Bauxite Hills mine and port project area, clearing the way for a large-scale exploration and drilling program to begin later this year.

Exploration Consent and the Conduct and Compensation Agreements were signed between Cape Alumina and the Apudthama Land Trust (ALT) in Bamaga, Cape York Peninsula, Queensland, late last week. These were the final access agreements required for the project's exploration and drilling phase, which is on track to commence during the 2011 dry season.

The Bauxite Hills project area is 95 kilometres north of Weipa on Queensland's Cape York Peninsula and five kilometres south-east of the port at Skardon River. A concept study completed earlier this year showed that the Bauxite Hills project was robust and could potentially yield 50-100\* million tonnes of dry-product bauxite, which would viably sustain a 15-year export operation.

Cape Alumina Acting Chief Executive Officer Neville Conway said the signing of these agreements was a "major milestone" in the project's development and further evidence of the positive relationship that exists between Cape Alumina and the Aboriginal people of western Cape York.

"We are extremely pleased that these agreements with the Apudthama Land Trust have been finalised and that the Bauxite Hills project can now progress to the next stages of development," Mr Conway said.

"The negotiations were conducted in a friendly and cooperative manner with a view that the development of the Bauxite Hills project will have significant benefits for all parties.

"Starting later this year we will undertake an advanced exploration and drilling program to establish a JORC resource and commence environmental studies of the area before moving to the feasibility stage of the project.

"Over the years, Cape Alumina has successfully developed a very strong relationship with the Traditional Land Owners and Aboriginal people of western Cape York within the areas of our operations.

\* The potential quantity and grade of these deposits are conceptual in nature. There is insufficient information to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource in these areas.



“We have employed Traditional Land Owners to assist us in our field operations (exploration, cultural heritage surveys, environmental studies and community liaison) and we will continue to do so at the Bauxite Hills project area,” he said.

Mr Conway said that the Bauxite Hills mine and port project could generate more than \$1 billion of economic activity in Queensland and produce significant social benefits for the indigenous people of western Cape York.

“This project has the potential to be a significant economic asset not only for Queensland but for the entire country, and would give a much-needed boost to the western Cape York region,” he said.

“Our project would boost business development and employment in the area and has the potential to give local people the chance to develop their skills while also enhancing regional centres like Cairns as an important base for the fly-in, fly-out component of our workforce.”

### **Background information:**

The agreements that Cape Alumina has negotiated with the Apudthama Land Trust join a number of major agreements between the Company and Aboriginal parties in western Cape York. The agreements that Cape Alumina has in place are:

- Wik Exploration Agreement (17 October 2006)
- Wik Exploration Agreement (29 July 2009)
- Napranum Exploration Agreement (5 December 2006)
- Mapoon Exploration Agreement (23 April 2007)
- Mapoon North Exploration Agreement (11 September 2008)
- Exploration Consent Agreement with Apudthama Land Trust (29 April 2011)
- Conduct and Compensation Agreement with Apudthama Land Trust (29 April 2011)

Before undertaking any mining at Bauxite Hills, Cape Alumina will also negotiate an Indigenous Land Use Agreement (ILUA) with the Aboriginal Trustees and Traditional Land Owners of the project site.

#### **COMPETENT PERSONS' STATEMENT**

Technical information relating to Cape Alumina Limited contained in this report has been compiled by Mr John Cameron, who is a competent person and full-time employee of Cape Alumina Limited and member of the Australasian Institute of Mining and Metallurgy with relevant experience to the mineralisation being reported on to qualify as a Competent Persons as defined by the Australasian Code for Reporting of Minerals, Resources and Reserves. Mr Cameron consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

### **More information:**

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