

## ASX release

Tuesday, 1 July 2014

### **Resignation of Cape Alumina CEO. Cape to re-focus on Bauxite Hills and Maximise Management Synergies with Metro Coal.**

Cape Alumina Limited (ASX: CBX) announces that Graeme Sherlock, Cape Alumina's Chief Executive Officer (CEO), has resigned but will continue to support the Company on an as required basis over the coming months. The Board thanks Graeme for his dedication and exemplary efforts over the past three years and hopes he will continue to be involved with Cape Alumina over the long-term.

In the interim, the Company has appointed Scott Waddell to the role of Acting CEO. Scott will combine this with his current position of CFO and Company Secretary for both Cape Alumina and Metro Coal. Scott's remuneration conditions have not changed from those detailed in the 2013 Annual Report, other than two months' notice being required for either party to terminate the employment agreement.

Scott's key priority will be progressing the Bauxite Hills mine and port project as well as continuing to assess other opportunities to add value to the Company, particularly in Cape York. In an effort to maximise management synergies between Cape Alumina and Metro Coal Limited (ASX: MTE) and to move the assessment of Bauxite Hills forward quickly, Mike O'Brien, has agreed to take on the role of Project Director for the Bauxite Hills project in addition to his current duties as CEO of Metro Coal.

These changes will further reduce the corporate costs of both companies and ensure shareholders' funds are primarily focused on exploration and development activities.

#### **About Bauxite Hills mine and port project**

The proposed Bauxite Hills mine and port project is located approximately 95 kilometres north of Weipa on western Cape York, Queensland, within the bauxite plateau between the Ducie and Skardon Rivers and just five kilometres south-east of the existing port at Skardon River.

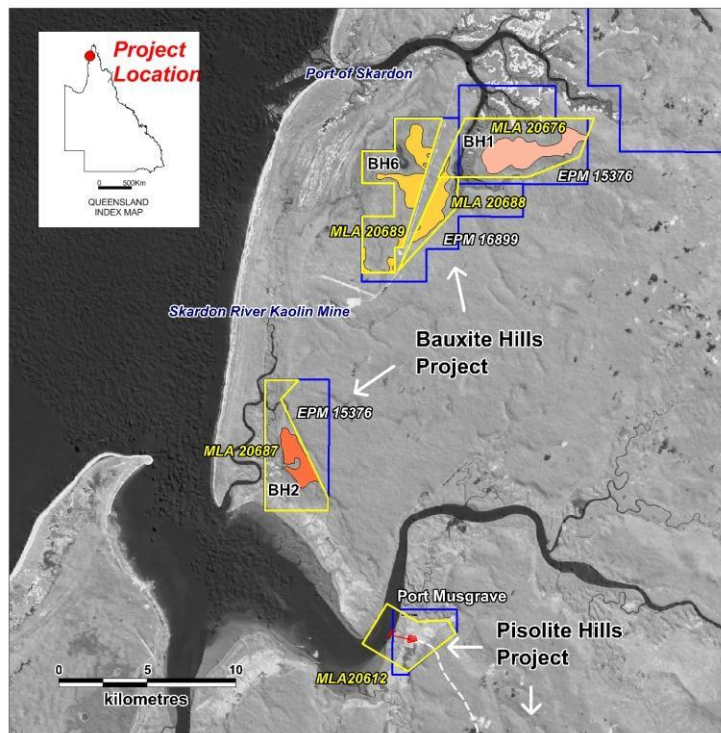
Bauxite Hills is one of the largest undeveloped bauxite projects in Queensland with an Inferred Resource of 60 million tonnes (Mt) of *in-situ*, high-quality, export-grade bauxite\*.

This is expected to yield 42 Mt of beneficiated, dry-product bauxite at average grades of 51.6 per cent alumina (Al<sub>2</sub>O<sub>3</sub>) and 9.5 per cent silica (SiO<sub>2</sub>). Further analysis is being undertaken to determine if a Direct Shipping Ore (DSO) which is acceptable in the international traded bauxite market can also be produced from the resource.

\* Note: refer to ASX Release (Annual Report) dated 21 October 2013 for details of the JORC resource.

The resources at Bauxite Hills have low strip ratios and are contained in very shallow, free-digging deposits. The deposits are located close to coastal waters and international shipping routes, and have a high alumina content with low bauxite to alumina ratios, which mean lower shipping costs and lower overall refinery input costs compared to bauxite deposits outside the Weipa region.

In late 2012, Cape Alumina completed the Bauxite Hills prefeasibility study, which confirmed the technical and economic feasibility of the project. It is believed that the incorporation of a DSO product could improve the economics of the project considerably as the capital cost would be significantly reduced.



#### COMPETENT PERSON'S STATEMENT

Technical information about exploration targets and ore resources relating to Cape Alumina contained in this report has been compiled by Neil McLean who is a contractor to Cape Alumina and a Fellow of the Australasian Institute of Mining and Metallurgy (F. AusIMM) with more than five years of relevant experience in the style of mineralisation being reported and qualifies as a Competent Person as defined by the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2004 Edition). Mr McLean consents to the inclusion in this report of the matters based on the information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

**More information:** Cape Alumina Limited +61 7 3009 8000.

