



Friday, 30 July 2010

ASX Release

Pisolite Hills Environmental Impact Statement (EIS) extension

The Queensland Department of Environment and Resource Management (DERM) has granted Cape Alumina Limited (ASX Code: CBX) a 12-month extension to complete the Environmental Impact Statement (EIS) for the Company's Pisolite Hills mine and port project in western Cape York, Queensland.

Following the Queensland Government's declaration of the Wenlock River Basin as a wild river area in June this year, Cape Alumina suspended work on the Pisolite Hills EIS and commenced a detailed review of all of the Company's operations in western Cape York.

Cape Alumina now has until 26 September 2011 to complete the EIS and submit it to the Queensland and Commonwealth Governments for consideration.

Cape Alumina's Managing Director, Dr Paul Messenger, said the additional time was needed to allow the Company to complete a detailed review of the Pisolite Hills project and understand the full impact of the Wenlock wild river declaration on the environmental investigations and reporting done to date.

"As a result of the Queensland Government's declaration of the Wenlock River Basin as a wild river area the proposed 7 million tonne per annum (Mtpa) Pisolite Hills mine and port project is no longer viable," Dr Messenger said.

"The Queensland Government's decision to set arbitrary, 500-metre High Preservation Areas (HPAs) around the Pisolite Hills project area without reference to established science and against the advice of DERM officers and independent experts may have rendered this project uneconomic in any form.

"It is, therefore, critical for Cape Alumina to fully review the Pisolite Hills project and evaluate other opportunities in western Cape York with the aim of restoring value for our shareholders," he said.

Cape Alumina's studies show that the proposed 7 Mtpa Pisolite Hills project would boost economic activity by \$1.2 billion, in Net Present Value (NPV) terms, and create or sustain more than 1,700 jobs over the mine's 15-year life.

The boost to the Far North Queensland economy alone would be more than \$600 million in NPV terms and 1,300 jobs.

The project would also be a boon for the Traditional Land Owners and Aboriginal people of Mapoon providing them with a rare opportunity to gain social and economic independence and prosperity.

For further information please contact:

Cape Alumina Limited +61 7 3844 9911.