

**ASX Release – 29 November 2011**

**PARTIALLY UNDERWRITTEN SHARE PURCHASE PLAN**

Cape Alumina Limited (**Cape Alumina** or **Company**) is pleased to advise that it will be undertaking a Share Purchase Plan (**SPP**) to raise up to \$2,340,000. One important objective of this capital raising is to allow smaller shareholders the opportunity to increase their investment in the Company at an attractive price and with no brokerage fees.

The SPP will allow all existing Cape Alumina shareholders registered in Australia and New Zealand and who hold shares on the record date of 28 November 2011, the opportunity to subscribe for up to \$15,000 of shares in Cape Alumina at 12 cents per share. Based on the share price at closing on 24 November 2011, the offer price equates to approximately 36.8% discount to the last traded share price.

No brokerage, commission, stamp duty or other transaction costs will be payable by eligible shareholders in respect of the application and issue of shares.

Patersons Securities Limited will underwrite 50% of the maximum amount of the SPP subject to finalisation of documents. The offering may be scaled back in the event of over-subscription as specified in the letter of offer.

The funds raised for the SPP will be used for the following purposes:

- Completion of maiden JORC-Code-compliant resource for Bauxite Hills;
- Environmental works for Bauxite Hills;
- Indigenous Land Use Agreement for Bauxite Hills;
- Pre-feasibility study for Bauxite Hills;
- Other business development activities; and
- Provide additional working capital to the Company.

The offer will open on 1 December 2011 and will close on 16 December 2011. Details of the SPP and application forms are being sent to all entitled shareholders and a copy of the plan details will be posted on the ASX platform shortly.

For further information please contact the Cape Alumina SPP Information Line on 1800 421 712 if calling within Australia or +61 2 8280 7486 if calling from outside of Australia, or alternatively visit the Company's website at [www.capealumina.com.au](http://www.capealumina.com.au).

Yours sincerely,



Mr Scott Waddell, FCPA, ACIS  
Company Secretary  
Cape Alumina Limited