

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

| | |
|-----------------------|-----------------------------|
| Name of entity | CAPE ALUMINA LIMITED |
| ABN | 88 107 817 694 |

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

| | |
|----------------------------|-----------------|
| Name of Director | Graeme Sherlock |
| Date of last notice | 11 July 2012 |

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Direct or indirect interest | Direct |
| Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small> | Direct Interest: A. Graeme Sherlock |
| Date of change | 10 December 2012 |

+ See chapter 19 for defined terms.

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| <p>Number of Securities held prior to change</p> <p>Name of holder & nature of interest <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small></p> <p>Nature of Interest:</p> | <p>Number & class of Securities</p> <p>A. 1,630,000 fully paid ordinary shares</p> <p>A. Up to 500,000 Performance Rights convertible into ordinary shares in the capital of Cape Alumina on a one for one basis. 50% of the Performance Rights will vest on 24 June 2012 and the balance of 50% will vest on 24 June 2013.</p> <p>A. Up to 508,268 Performance Rights convertible into ordinary shares in the capital of Cape Alumina on a one for one basis. 50% of the Performance Rights will vest on 31 December 2013 and the balance of 50% will vest on 31 December 2014.</p> |
| <p>Class</p> | <p>2013 Performance Rights</p> |
| <p>Number acquired</p> | <p>Up to 788,275 Performance Rights convertible into ordinary shares in the capital of Cape Alumina on a one for one basis.</p> |
| <p>Number disposed</p> | <p>Nil</p> |
| <p>Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small></p> | <p>Nil Consideration. Value of Performance Rights is \$68,883 based on independent valuation as explained in Notice of AGM dated 19 October 2012.</p> |

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| <p>No. of securities held after change Name of holder & nature of interest Note: Provide details of the circumstances giving rise to the relevant interest.</p> <p>Nature of Interest:</p> | <p>Number & class of Securities</p> <p>A. 1,630,000 fully paid ordinary shares</p> <p>A. Up to 500,000 Performance Rights convertible into ordinary shares in the capital of Cape Alumina on a one for one basis. Performance Rights will vest on 24 June 2013.</p> <p>A. Up to 508,268 Performance Rights convertible into ordinary shares in the capital of Cape Alumina on a one for one basis. 50% of the Performance Rights will vest on 31 December 2013 and the balance of 50% will vest on 31 December 2014.</p> <p>A. Up to 788,275 Performance Rights convertible into ordinary shares in the capital of Cape Alumina on a one for one basis. 50% of the Performance Rights will vest on 7 July 2014 and the balance of 50% will vest on 7 July 2015.</p> |
| <p>Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</p> | <p>Participation in 2013 Performance Rights Scheme</p> |

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Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

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| Detail of contract | |
| Nature of interest | |
| Name of registered holder (if issued securities) | |
| Date of change | |
| No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed | |
| Interest acquired | |
| Interest disposed | |
| Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation | |
| Interest after change | |

Part 3 – +Closed period

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required? | No |
| If so, was prior written clearance provided to allow the trade to proceed during this period? | N/A |
| If prior written clearance was provided, on what date was this provided? | N/A |

+ See chapter 19 for defined terms.