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## Update on Pure Alumina acquisition negotiations with Polar Sapphire

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# Pure Alumina makes significant progress in negotiations with Polar Sapphire

Negotiations to acquire global high purity alumina leader Polar Sapphire proceeding well

### Key Points

- Negotiations on the binding agreement for Pure Alumina to acquire unlisted Canadian company Polar Sapphire are progressing well, with most of the major terms agreed
- The due diligence is taking place in parallel with the negotiations in an effort to accelerate completion of the transaction (assuming agreement is reached on all issues)
- Technical due diligence is being conducted by Primero Group Ltd. (ASX:PGX), a specialist in hydromet processes and manager of Pure Alumina's successful PFS on its Yendon HPA process
- Accounting and governance due diligence is being undertaken by the Pure Alumina CFO and company secretarial team
- Legal due diligence is being undertaken by Canadian legal firms specialising in corporate and IP law



Pure Alumina Limited (ASX:PUA) is pleased to advise that its negotiations to acquire global high purity alumina (HPA) leader Polar Sapphire are proceeding well, with agreement reached on most of the major terms.

Pure Alumina announced in December that it had signed a non-binding agreement which may lead to it acquiring Polar Sapphire (see ASX release dated December 3, 2018).

As part of the acquisition process, hydromet specialist Primero has completed a site visit to Polar's pilot plant. At the time of the visit, Polar's plant was producing the top-quality 5N HPA to supply 6.3 tonnes to one of the market's largest sapphire producers as part of its final stage of product qualification.

Primero's Montreal-based team spent considerable time going through the operations of the pilot plant with Scott Nichol and Dan Smith from Polar Sapphire. Comments from the site visit highlighted the significant amount of R & D that had successfully been taken from concept through the laboratory scale to the pilot plant stage by the Polar team and noted the quality construction and operability of the plant.

Pure Alumina Managing Director Martin McFarlane said Primero was going through the process documentation, capital and operating costs and construction plans to provide a complete view of the proposed development plans. The final report is expected once Primero has completed its work, but the outcome of the site visit is a very good start.

Mr McFarlane said that the strong relationship that has developed between Pure Alumina and Polar Sapphire had allowed for effective negotiations on key issues.

"We expect to update the market further on the binding agreement in the short term," Mr McFarlane said.

Martin McFarlane  
Managing Director

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## **Pure Alumina Limited**

Pure Alumina owns 100% of the high-grade kaolin deposit at Yendon near Ballarat, Victoria and has established a hydrochloric acid-based process to extract alumina, purify it, and convert it to HPA. A pre-feasibility study of the Yendon HPA project completed in June 2018 produced robust technical and financial outcomes.

## **Polar Sapphire**

Polar Sapphire is a private venture capital funded cleantech company located in Ontario, Canada. Polar has developed a patented hydrochloric acid-based process for making HPA using various feedstocks including aluminium metal. Polar currently manufactures and sells HPA powder, pellets, and beads for various market segments. Polar's customers are reporting excellent quality results from their HPA.

Polar is managed by Scott Nichol who has more than 15 years' experience successfully starting and building companies, including 6N Silicon, Rand Corporation, and Cymat Technologies, that focus on high purity materials and metals for specialised high value end uses.

