
Pure Alumina Strategic Review

29 October 2019

ASX Code: PUA, PUAOC

Pure Alumina Limited (ASX: PUA) has completed a review of the strategic direction of the Company, as announced on 30 September 2019, and is pleased to advise the resulting change in focus.

High Purity Alumina

While Pure Alumina remains convinced of the strong forecast demand for high purity alumina from the adoption of LED lighting globally and coating on lithium batteries separators for vehicles and energy storage, the challenge of raising the significant capital required to finance a commercial high purity alumina operation has proved difficult in the current environment.

For this reason, the Company has elected to place the development of the Yendon high purity alumina project on hold until market conditions improve or would consider alternative options for the future of the Yendon assets. On 14 June 2018, Pure Alumina announced that the Yendon HPA prefeasibility study had delivered robust technical and financial outcomes which indicated a net present value of US\$692 million (at 10% discount rate) and a forecast internal rate of return of 34%.

Gold

Pure Alumina undertook a review of other major commodity markets and in order of preference preferred the following commodities:

- Gold
- Copper
- Nickel

The attraction of the gold market is close to record high gold prices in Australian dollars and the lack of an apparent supply response indicating that robust gold prices may be sustained in the medium to long term outlook.

Combining the outlook for gold with the fact that Pure Alumina owns the highly prospective Hill End gold project, it is logical that Pure Alumina has concluded that Gold is the Company's preferred commodity going forward. Copper projects would also be considered should a suitable opportunity present.

Hill End is the site of one of Australia's earliest gold rushes with more than 2 million ounces of gold estimated to have been mined historically. It is located in gold rich Lachlan Fold Belt of central NSW. The gold is hosted in quartz veins.

Prior exploration by the company has delineated 3 zones of gold mineralisation at Hargraves, Red Hill and Hill End including a substantial amount of drilling and related work that would be required to estimate a resource and consider development options. Previous studies indicated



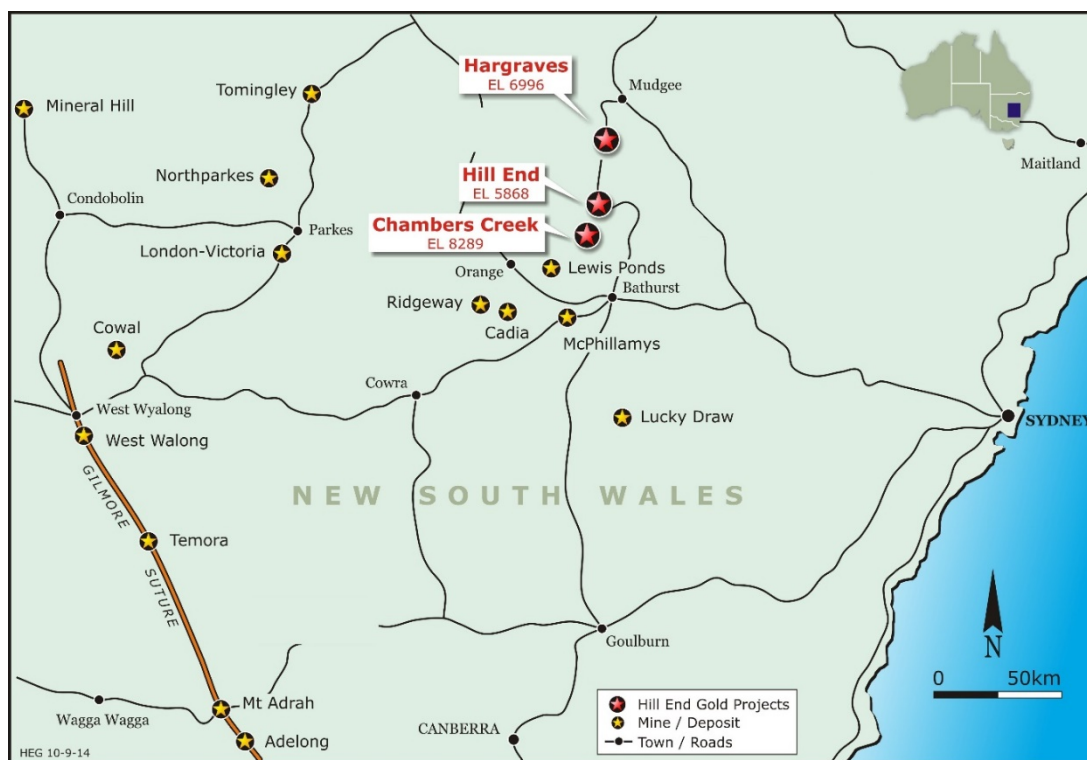
high recoveries of gold were possible using low cost gravity techniques. A small gravity mining plant exists at Hill End. Exploration potential remains open along strike and at depth in all areas of mineralisation.

Future Activities

In order to progress the strategy, Pure Alumina has initiated the following activities:

- Utilising predominantly existing information, generate a gold resource estimate at Hargraves that complies with current JORC reporting requirements;
- Following the completion of the Hargraves gold resource estimate, an update of historic economic studies will be contemplated;
- The exploration potential of Hargraves and other prospective areas of the Hill End project will be reviewed with the aim of expanding the gold deposits;
- Other gold opportunities are being examined to add to the portfolio.

We look forward to providing further updates as the strategy develops.



Hill End Project Location

Martin McFarlane
Managing Director

Media - For further information, please contact:

Paul Armstrong - Read Corporate

+61 8 9388 1474