
Placement and Entitlement Issue**29 May 2020****ASX Code: PUA, PUAOC**

PLACEMENT AND ENTITLEMENT ISSUE TO RAISE \$2.0 Mil

Pure Alumina Limited (ASX:PUA) ("**Pure Alumina**" or "**the Company**") is pleased to announce a capital raising totalling approximately \$2.0 million (before costs) ("**Capital Raising**"), which will comprise of a placement in two tranches for a total of \$0.6 million, followed by a fully underwritten, non-renounceable entitlement issue to raise approximately a further \$1.4 million. Funds raised by the Capital Raising will be used for further exploration of the Company's existing gold tenements, undertake due diligence and related costs on potential acquisitions and general working capital purposes.

Pure Alumina Chairman, Mr Tom Eadie commented that "The Capital Raising is a very positive outcome for Pure Alumina, in what is currently a challenging operating and financing environment for many exploration companies given the well documented impact of COVID-19. Importantly, we are pleased to have been able to structure the Capital Raising in a manner that will provide existing shareholders with the opportunity to participate in the Capital Raising through the entitlement issue."

The Board of Pure Alumina is pleased to advise that CPS Capital Group Pty Ltd ("**CPS Capital**") and Vert Capital Pty Ltd ("**Vert**") have been appointed as joint lead managers to the Capital Raising and CPS Capital as the sole underwriter to the entitlement issue. The joint lead managers have received binding commitments for a placement to raise \$659,000 (before costs) from sophisticated, professional and other exempt investors and CPS Capital has entered into an underwriting agreement with the Company to underwrite a non-renounceable entitlement issue to raise \$1,377,000 (before costs) on the terms set out in the Prospectus issued on 29 May 2020. The entitlement issue will be undertaken at the same issue price per share as the placement.

Placement

CPS Capital and Vert have received binding commitments for the placement of 73,264,123 shares at an issue price of \$0.009 per share to raise \$659,377 before costs ("**Placement**"). The Placement will be made in 2 tranches, with tranche 1 being for 33,264,123 shares issued under the Company's 7.1 capacity and tranche 2 for 40,000,000 to be issued subject to Shareholder approval at a general meeting to be held as soon as practical, and in any event no later than 30 September 2020. The tranche 1 Placement shares are expected to be issued within 3 business days.

One new option will be issued for each 2 shares issued in the Placement with a strike price of \$0.025 and an expiry date of 30 December 2022. The issue of options will be subject to Shareholder approval at the general meeting referred to above.



Entitlement Issue

The Company is also undertaking a fully underwritten, non-renounceable pro-rata entitlement issue which will offer eligible shareholders the opportunity to subscribe for three (3) new fully paid ordinary shares for every five (5) existing fully paid ordinary shares held at an issue price of 0.9 cent (\$0.009) per share (“**Entitlement Issue**”).

One new option will be issued for each 2 shares issued in the Entitlement Issue with a strike price of \$0.025 and an expiry date of 30 December 2022.

Approximately 153,015,000 shares will be offered to eligible shareholders under the Entitlement Issue to raise approximately \$1,377,134 before costs.

The Entitlement Issue will be offered to all shareholders with registered addresses in Australia and New Zealand who hold shares as at 7.00pm (AEST) on the record date (being 3 June 2020). Persons who are issued shares under tranche 1 of the Placement will be eligible to participate in the Entitlement Issue. New shares issued in the Entitlement Issue will rank equally with the shares already on issue and the Company will apply to the ASX for quotation of the new shares and new options.

Indicative Capital Structure on Completion

On completion of the Placement and Entitlement Issue, the indicative capital structure of Pure Alumina is expected to be as follows:

Capital Structure Shares post Placement and Entitlement Issue

Shares currently on issue	221,760,824
Shares issues under Placement	73,264,123
Shares issued in Entitlement Issue	153,014,968
Total Outstanding Shares Post Raising	448,039,915

*40,000,000 Shares being subject to shareholder approval.

Listed Options	\$0.075 Strike	3 July 2020 Exp	52,200,000
Unlisted Options	\$0.075 Strike	3 July 2020 Exp	2,600,000
Unlisted Options	\$0.20 Strike	3 July 2020 Exp	26,600,000
Placement Options	\$0.025 Strike	30 December 2022 Exp	36,632,062
Entitlement Options	\$0.025 Strike	30 December 2022 Exp	76,507,484
Broker Options	\$0.025 Strike	30 December 2022 Exp	50,000,000
Total Outstanding Options			244,539,546

The Company will be well positioned to deliver shareholder value by maximising the value of its existing projects and acquiring high value new projects with an estimated cash balance of \$2.1 million post completion of the Placement and Entitlement Issue.

Company Update

Pure Alumina is at an exciting stage of redefining its strategy. We have completed the updating of the Hargraves resource, as announced on 29 May 2020, and are currently going through the models in some detail in order to determine the most effective steps to maximise the value of the Hill End gold project.

In addition to Hill End, we are also looking for acquisitions that have the potential to increase shareholder value through exploration and development. The focus for acquisitions is within Australia in gold, nickel or potentially other base metals exploration, development or production projects.



We are also investigating alternatives to realise the value of the Yendon HPA project. There are several strategies that we are considering but they are all at an early stage. We will advise the market as this develops.

Event Indicative Dates

EVENT	DATE*
Announcement of Offers, Appendix 3B lodged with ASX and Prospectus lodged with ASIC and ASX	Friday, 29 May 2020
Shares quoted ex-rights	Tuesday, 2 June 2020
Issue of Placement Tranche 1 Shares	Wednesday, 3 June 2020
Record Date for Entitlement Offer (7:00pm AEST)	Wednesday, 3 June 2020
Dispatch of Prospectus and Entitlement and Acceptance Form to Eligible Shareholders	Tuesday, 9 June 2020
Closing Date (5.00pm)**	Tuesday, 30 June 2020
New Share and New Options quoted on a deferred settlement basis (if agreed by ASX)	Wednesday, 1 July 2020
Announcement of results of Entitlement Offer	Friday, 3 July 2020
Issue of New Shares and New Options under the Entitlement Offer, and lodge Appendix 2A (before noon AEST)***	Tuesday, 7 July 2020
Commencement of trading of New Shares and New Options (normal trading of Shares resumes)****	Wednesday, 8 July 2020

* This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, in consultation with the underwriter, CPS Capital, subject to the Listing Rules and the Corporations Act.

**The Directors may extend the Closing Date by giving at least 3 Business Days' Notice to ASX prior to the Closing Date. In that event, the date the New Shares and New Options are expected to be issued and commence trading on ASX may vary.

*** The Placement Tranche 2 Shares and Placement Options ("**Placement Securities**") will be issued subject to the Company obtaining Shareholder approval for such issue. It is anticipated that a Shareholder meeting for the issue of the Placement Securities will be held as soon as practicable, and in any event no later than 30 September 2020.

****Trading of New Shares and New Options will be subject to them being granted Official Quotation

This announcement has been authorised for release on ASX by the Board of Pure Alumina Limited.

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