

PURE ALUMINA LIMITED (ABN 74 072 692 365)

PROSPECTUS

This Prospectus is issued by Pure Alumina Limited (ABN 74 072 692 65) ("**Company**") for a pro rata, non-renounceable rights issue of three (3) Shares ("**New Shares**") for every five (5) Shares held at the Record Date at an issue price of 0.9 cents (\$0.009) per New Share to raise approximately \$1,377,135 before issue costs, together with one (1) free attaching option having an exercise price of 2.5 cents (\$0.025) and expiry date of 30 December 2022 ("**New Option**") for every two (2) New Shares purchased ("**Entitlement Offer**").

The Entitlement Offer is fully underwritten by CPS Capital Group Pty Ltd.

Subject to obtaining Shareholder approval, the Company also intends to issue the following securities to institutional, professional and sophisticated investors under this Prospectus:

- one (1) free attaching New Option for every two (2) Shares issued pursuant to a Share placement to be completed on or about 3 June 2020 to raise approximately \$299,000 before issue costs ("**Placement Tranche 1 Options**");
- a further placement of 40,000,000 Shares at an issue price of 0.9 cents (\$0.009) per Share ("**Placement Tranche 2 Shares**") to raise approximately \$360,000 before issue costs; and
- one (1) free attaching New Option for every two (2) Placement Tranche 2 Shares issued ("**Placement Tranche 2 Options**").

The Placement Tranche 1 Options, the Placement Tranche 2 Shares and the Placement Tranche 2 Options being the "**Placement Offer**". The Placement Offer is not made to Eligible Shareholders.

CPS Capital Group Pty Ltd and Vert Capital Pty Ltd are acting as Joint Lead Managers in relation to the Entitlement Offer and the Placement Offer.

Important Notice

This document is important and should be read in its entirety. The Prospectus is a "transaction specific prospectus" issued in accordance with section 713 of the Corporations Act. In making representations in this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors whom potential investor may consult. After reading this Prospectus, if you have any questions about the New Shares and New Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The New Shares and New Options offered under this Prospectus should be considered highly speculative.

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SUMMARY OF OFFERS

Pursuant to this Prospectus, the Company makes the following offers under this Prospectus:

- **Entitlement Offer** - a pro rata, non-renounceable rights issue of three (3) New Shares for every five (5) Shares held at the Record Date at an issue price of 0.9 cents (\$0.009) per New Share to raise approximately \$1,377,135, before issue costs, together with one (1) free attaching New Option for every two (2) New Shares purchased.

The Entitlement Offer is fully underwritten by CPS Capital. New Shares and New Options not subscribed for under the Entitlement Offer will be placed by CPS Capital in consultation with the Company in accordance with the terms of the Underwriting Agreement.

- **Placement Offer** – subject to obtaining Shareholder approval, the Company intends to issue the following securities to institutional, professional and sophisticated investors under this Prospectus:
 - **Placement Tranche 1 Options** - one (1) free attaching New Option for every two (2) Shares issued pursuant to a Share placement to be completed on or about 3 June 2020 to raise approximately \$299,000 before issue costs;
 - **Placement Tranche 2 Shares** - a further placement of 40,000,000 Shares at an issue price of 0.9 cents (\$0.009) per Share to raise approximately \$360,000 before issue costs; and
 - **Placement Tranche 2 Options** - one (1) free attaching New Option for every two (2) Placement Tranche 2 Shares issued.

Shareholder approval for the issue of the Placement Securities (being the Placement Tranche 1 Options, Placement Tranche 2 Shares and Placement Tranche 2 Options) shall be sought at a general meeting of the Company to be held as soon as practicable (which the Company anticipates will occur by 30 September 2020).

New Shares offered under this Prospectus, and issued on exercise of the New Options, are fully paid in the Company and will rank equally with existing Shares. The rights and liabilities attaching to New Shares and New Options are described in Section 5.

INDICATIVE TIMETABLE*

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)*** Deferred settlement trading ends (if agreed by ASX)	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, 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 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.

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

IMPORTANT INFORMATION

Understanding this Prospectus

Below is important information in relation to the Offers.

This Prospectus is dated 29 May 2020 and was lodged with ASIC on that date.

Neither ASIC nor ASX take responsibility for the content of this Prospectus. Subject to the requirements of the Corporations Act and the Listing Rules, the Directors of the Company reserve the right to close the Offers earlier than the timetable (summarised above) or vary any of the important dates set out in this Prospectus without prior notice, including extending the closing date of the Entitlement Offer. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX for the New Shares and New Options to be granted Official Quotation. Official Quotation of the New Options will be conditional on there being a sufficient number of holders of the New Options to satisfy the requirements of the ASX for the creation of a new class of listed security. No application monies will be repaid if the New Options offered under this Prospectus are not admitted to official quotation.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities and options to acquire continuously quoted securities. This Prospectus does not include all information that would be included in a prospectus for an initial public offering.

This Prospectus should be read in its entirety. The risks associated with investing in the Company are significant and potential investors should carefully consider those risks and seek professional advice before deciding whether to invest. The risks associated with the Offers which the Company has identified are summarised below and set out in further detail in Section 4.

If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser. Important capitalised terms and phrases used in this Prospectus are defined in the glossary in Section 9.

The past performance of the price of the Company's Shares or other securities in the Company provides no guidance or indication as to how the price of Shares, including New Shares, will perform in the future.

Disclaimer

No person has been authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Except as required by law, and only to the extent so required, neither the Company, nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

The Company and its Directors, officers and employees disclaim any responsibility to update any risk factors or publicly announce the result of any revisions to the forward-looking statements contained in this Prospectus to reflect future developments or events, other than where required to do so by the Corporations Act or the ASX Listing Rules.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website, www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers made under this Prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company. No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

Overview of the Company

The Company is a mineral exploration and development company, currently focused on two areas:

- the Hill End Gold Project; and
- assessing acquisitions to enhance shareholder value.

The Hill End Gold project, consisting of the Hargraves, Reward and Red Hill deposits are located in Hill End, NSW. It was the site of one of Australia's first gold rushes. The Company has held these projects since 2002 and undertaken a number of exploration programs and development studies. The Company released an undated 2012 JORC Code Compliant resource on 29 May 2020. This updated geological model is the starting point for a detailed review of the opportunities to enhance the value of the project.

The Company is also investigating alternatives to realise the value of the Yendon HPA project.

The Company is also actively looking for acquisition opportunities that will add value to the Company. The focus is on gold, nickel and base metal opportunities in Australia. The strategy and rationale was outlined in the Company's ASX release on 29 October 2019, and its December 2019 and March 2020 Quarterly Reports. The Company has continued to review and assess projects that may be suitable.

Key Investment Risks

Shareholders and prospective investors should be aware that subscribing for New Shares (and New Options) in the Company involves a number of risks.

The risk factors set out in Section 4, and other general risks applicable to all investments in listed securities, may affect the value of the Shares, now or in the future. Accordingly, an investment in the Company should be considered highly speculative.

In particular, the Company notes the following specific risks:

Risk	Further Details
Investment Risk Holders of Shares have no right to a repayment of their investment. Investors should appreciate that an investment in Shares carries risks. The Shares may not be tradeable at their issue price, and liquidity may be thin. The Shares are not redeemable in any circumstance and, in the event of external administration or liquidation (i.e., insolvency), are likely to be of minimal value.	Section 4.2(a)
Future capital needs and additional funding The future capital requirements of the Company will depend on many factors. There can be no guarantee that the Company will be able to raise additional capital to meet future funding requirements.	Section 4.2(b)
Exploration Company Risk As the Company is an exploration company, the market's perception of the value of its shares can alter significantly from time to time, causing fluctuations in the Company's share price.	Section 4.2(c)
Industry Nature Risk Mineral exploration activity, especially drilling, by its nature is risky. Where exploration is successful, drilling operations can be affected by breakdowns, adverse weather conditions, site and geographical conditions, operational risks, shortage or delays in the delivery of rigs and/or other equipment, industrial disputes, government regulations, environmental issues and unanticipated costs. Exploration may be unsuccessful. Exploration may prove to be more costly than expected or the proposed timing of exploration may not be achieved, thus potentially putting strains on the Company's financial position.	Section 4.2(d)
Native Title Risk and Cultural Heritage Native title rights may adversely impact on the Company's operations. The Company's current projects are in compliance with Native Title requirements, however there is no certainty that a suitable Native Title agreement could be reached if there were a requirement for such an agreement due to further development or changes in Native Title requirements.	Section 4.2(e)
Reliance on Key Management The responsibility of overseeing the day-to-day operations and the strategic management of the Company may be dependent upon the Company's senior management, key personnel and consultants.	Section 4.2(f)
Tenure and Title Risk Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for tenements will be approved in full or at all.	Section 4.2(g)
Access and Infrastructure Risk Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties. There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.	Section 4.2(h)

Risk	Further Details
Occupational Health and Safety There is an inherent risk of workplace accidents occurring during the conduct of exploration and mining activity.	Section 4.2(i)
Underwriting Risk The Entitlement Offer is fully underwritten which means there is a high level certainty that the Company will raise sufficient money under it to carry out its stated objectives for the next 12 months. However, there are circumstances outlined in this document that may lead to the Underwriting Agreement being terminated (see Section 6.5 for further information).	Section 4.2(j)
Acquisition Risk There is a risk that the Company will not succeed in finding new projects or investments suitable for the Company. Any projects identified may not be successful and may increase the risk profile of the Company. Furthermore, ASX may require the Company to seek Shareholder approval and to meet the admission requirements under Chapters 1 and 2 of the Listing Rules if a new investment or acquisition by the Company is completed.	Section 4.2(k)
Quotation of New Options Whilst the Company intends to apply for Official Quotation of the New Options, there is no guarantee that the Company will be able to fulfil the ASX's requirements in relation to Official Quotation of those New Options. If so, the New Options will not be tradeable on ASX.	Section 4.2(l)
COVID-19 Risk At the time of issue of this Prospectus, the COVID-19 global pandemic is having a significant and material impact on global markets and providing substantial impingement on the day-to-day operations of businesses. The pandemic may disrupt or prevent the Company from undertaking its operations and intended programs and may impact the Company's ability to raise capital in the near to medium term future.	Section 4.3(a)
Investment and Economic Risk The Company's future possible revenues, operating costs, Share price and returns to Shareholders may be affected by changes in general economic factors.	Section 4.3(b)
Governmental and Regulatory Risk There can be no assurance that all of the relevant approvals and permits necessary to conduct mining operations will be granted by the relevant governments and regulatory authorities or that they will remain in good standing where already granted. Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact the operating and financial performance and cash flows of the Company.	Section 4.3(c)
Commodity and Currency Price Volatility Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations which may materially impact the value of the Company's assets.	Section 4.3(d)
Stock Market Risks The market price of the Shares may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the Company's operations.	Section 4.3(e)

Risk	Further Details
<p>Other Risk Factors</p> <p>Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the Company's business or trade.</p>	<p>Section 4.4</p>

Obtaining a copy of this Prospectus

Additional copies of this Prospectus are available from the registered office of the Company during normal business hours. A copy of the Prospectus can be downloaded from the website of the Company at www.purealumina.com.au, or the website of ASX at www.asx.com.au. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be a resident of Australian or New Zealand and must only access the Prospectus from within Australia or New Zealand.

The Prospectus available on the Company's website does not include an Entitlement and Acceptance Form. Eligible Shareholders wishing to take up their Entitlement should complete the personalised Entitlement and Acceptance Form which accompanies the Prospectus provided to Eligible Shareholders.

Any person may obtain a copy of the Prospectus free of charge by contacting the Company (or downloading it from the Company's website).

Forward-looking statements

This document contains forward looking statements that are not based solely on historical facts but are based on current expectations about future events and results. These forward looking statements are subject to inherent risks and uncertainties. Such risks and uncertainties include factors and risks specific to the operations of the Company, as well as general economic conditions, prevailing interest rates, conditions in the financial markets, government policies and regulations and competitive pressures. As a consequence, actual events or results may differ materially from the expectations expressed or implied in such forward looking statements.

Forward-looking statements in this Prospectus are made only at the date of this Prospectus. Subject to any continuing obligations under applicable law or the Listing Rules, the Company does not in providing this information undertake any obligation to publicly update or revise any of the forward-looking statements for any change in events, conditions or circumstances on which any such statement is based. Accordingly, you are cautioned not to place undue reliance on forward looking statements contained in this document.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Refer to Section 1.1.11 for treatment of International Shareholders. Applications for New Shares and New Options offered pursuant to this Prospectus can only be submitted by an Entitlement and Acceptance Form which accompanies this Prospectus.

CHAIRMAN'S LETTER

Dear Shareholder

I am pleased to invite you, as a valued Shareholder of Pure Alumina Limited, to participate in the Company's non-renounceable pro-rata entitlement issue of 3 New Shares in the Company for every 5 Shares held on the Record Date of 3 June 2020. The issue price of each New Share will be 0.9 cents (\$0.009). The Entitlement Offer is fully underwritten by CPS Capital.

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. Our focus for acquisitions is within Australia in gold, nickel or potentially other base metals exploration, development and 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.

The number of New Shares (and free attaching New Options) that you are entitled to subscribe for under this Offer is set out in your personalised Entitlement and Acceptance Form that accompanies this Prospectus.

To accept all or part of your Entitlement, you will need to complete the attached Entitlement and Acceptance Form and return it to the Company's Share Registry together with payment of the appropriate application money. Alternatively, you can simply pay for the number of new Shares for which you wish to subscribe through BPAY® and avoid the need to fill out and return your Entitlement and Acceptance Form. Please note that, whichever approach you choose to adopt, payment needs to be received by 5:00pm (AEST) on the Closing Date. The Closing Date is presently 30 June 2020, but the Company has the right to extend the offer period of the Entitlement Offer.

This entitlement offer is non-renounceable and therefore your Entitlement is neither tradeable on the ASX nor otherwise transferable.

This Prospectus also includes the offer of the Placement Securities to institutional, professional and sophisticated investors. The offer of the Placement Securities is not made to Eligible Shareholders.

On behalf of the Directors of Pure Alumina, I encourage you to consider this investment opportunity. Your Company is about to embark on a new chapter that will provide for a very exciting future.

Thank you for your ongoing support of the Company.

Yours sincerely,



Tom Eadie
Chairman
Pure Alumina Limited

INVESTMENT OVERVIEW

The below information is a selective overview of the Entitlement Offer and the Placement Offer. You should read the Prospectus in full before deciding to apply for New Shares and New Options.

Entitlement Offer

Topic	Summary	More information
What is the Entitlement Offer?	The Entitlement Offer is a pro rata, non-renounceable rights issue of three (3) New Shares for every five (5) Shares held at the Record Date at an issue price of 0.9 cents (\$0.009) per New Share to raise approximately \$1,377,135, before issue costs and one (1) free attaching option having an exercise price of 2.5 cents (\$0.025) and expiry date of 30 December 2022 for every two (2) New Shares purchased.	Section 1.1
What is the price per New Share and New Option under the Entitlement Offer?	<p>The price per New Share subscribed for under the Entitlement Offer is 0.9 cents (\$0.009). New Options will be issued for nil consideration.</p> <p>The Issue Price represents a 41.22% discount from the volume weighted average price at which Shares in the Company have traded in the 15 days on which the Company's Shares have been traded immediately prior to the announcement of the Offer.</p>	Section 1.1
Am I eligible to participate in the Entitlement Offer?	Only Shareholders whose registered address is in Australia or New Zealand as at 7.00 pm (AEST time) on the Record Date may participate in the Entitlement Offer.	Section 1.1.4
Do I have to participate in the Entitlement Offer?	No, participation in the Entitlement Offer is optional.	Section 1.1.3
Can I transfer my entitlement to participate in the Entitlement Offer?	No, the Entitlement Offer is non-renounceable and you cannot transfer your entitlement to subscribe for New Shares and New Options under the Entitlement Offer.	Section 1.1.1
How many New Shares and New Options will I receive if I participate in the Entitlement Offer?	Your entitlement under the Entitlement Offer is to subscribe for three (3) New Shares for every five (5) Shares you already hold as at the Record Date. You may subscribe for less than your full entitlement. You will receive one (1) New Option for every two (2) New Shares you subscribe for under the Entitlement Offer.	Section 1.1
What are the terms of the New Options?	Each New Option is offered for free and is exercisable at 2.5 cents (\$0.025) until the expiry date of 30 December 2022.	Section 5.2

Topic	Summary	More information
What is the purpose of the funds raised under the Entitlement Offer?	The Entitlement Offer is being undertaken to provide funding for development work on the Hargraves deposit, business development and acquisition activities, costs of the Offers and working capital. The effect of the Entitlement Offer on the Company is set out in Section 2.	Section 2.1
Do I have to pay brokerage on the New Shares and New Options?	No brokerage, commission or other participation costs are payable by you in respect of the acquisition of New Shares and New Options under the Entitlement Offer.	Section 1.2
What are the risks of subscribing for New Shares and New Options under the Entitlement Offer?	<p>New Shares and New Options offered pursuant to this Prospectus should be considered speculative and an investment in the Company is subject to a range of risks, including (but not limited to):</p> <ul style="list-style-type: none"> • investment and environment risks; • exploration company risks; and • native title. <p>Further details on the risks associated with an investment in the Company are set out in Section 4.</p>	Section 4
How do I participate in the Entitlement Offer?	<p>In order to take up your Entitlement under the Entitlement Offer, forward your completed Entitlement and Acceptance Form together with your cheque in Australian currency drawn on and payable at an Australian bank for the amount shown on the form to reach the Company's Share Registry, Boardroom Pty Limited, no later than 5.00pm (AEST) on Tuesday, 30 June 2020 at the address set out below:</p> <p>Pure Alumina Limited c/- Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001</p> <p>Cheques should be made payable to "Pure Alumina Limited" and crossed "Not Negotiable". Alternatively, a BPAY® option is also available. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form.</p>	Section 7.1

Topic	Summary	More information
When will I receive my New Shares and New Options?	<p>New Shares and New Options are expected to be issued to Eligible Shareholders who participate in the Entitlement Offer on 7 July 2020.</p> <p>Holding statements are expected to be sent to successful Applicants shortly after the issue of the New Shares and New Options.</p>	Section 1.1.8
When can I trade my New Shares and New Options issued under the Entitlement Offer?	<p>It is expected that New Shares and New Options issued under the Entitlement Offer will commence trading on ASX on 8 July 2020. There is no guarantee that the Company will be able to fulfil the ASX's requirements in relation to Official Quotation of those New Options. If so, the New Options will not be tradeable on ASX.</p> <p>You should confirm your holding of Shares and New Options before trading any New Shares or New Options you believe you have acquired under the Entitlement Offer.</p>	Section 1.1.9
What are the rights and liabilities attaching to the New Shares issued under the Entitlement Offer?	New Shares issued under the Entitlement Offer will rank equally in all respects with existing Shares on issue at the Record Date.	Section 5.1
What are the rights and liabilities attaching to the New Options issued under the Entitlement Offer?	The rights and liabilities attaching to the New Options are set out in Section 5.2.	Section 5.2
How can Eligible Shareholders obtain further information?	<p>If you would like further information you can:</p> <ul style="list-style-type: none"> • contact your stockbroker, accountant, solicitor and/ or other professional adviser; and/or • visit the Company's website at www.purealumina.com.au. 	Section 7.5

INVESTMENT HIGHLIGHTS

Purpose of the Entitlement Offer and Placement Offer

The primary purpose of the Entitlement Offer and the Placement is to raise up to approximately \$2,040,000** (before expenses) for the purposes of meeting the Company's expenditure set out in the table below:

Purpose*	Entitlement Offer funds applied	Placement funds applied**	Total**
Development work on the Hargraves deposit	\$0.10m	\$0.30m	\$0.40m
Business development and acquisition activities	\$0.90m	\$0.10m	\$1.00m
Costs of capital raising	\$0.22m	\$0.04m	\$0.26m
Working capital provision – acquisition contingency	\$0.16m	\$0.22m	\$0.38m
TOTAL	\$1.38m	\$0.66m	\$2.04m

* The Board reserves the right to alter this budget as a result of a change in circumstances or intervening events.

** The issue of the Placement Tranche 2 Shares is subject to Shareholder approval. If approval is not obtained, then the Company will raise \$360,000 less than this amount

Effect of Entitlement Offer and Placement Offer on the Company

Share Capital

The effect of the Offers on the capital structure of the Company, assuming that all Entitlements are accepted and no Options are exercised, prior to the Record Date, will be as follows:

Issue	Shares	Options
Number of Securities on issue prior to the Entitlement Offer and Placement Offer	221,760,824	81,400,000
Number of Placement Tranche 1 Shares	33,264,123	-
Total Securities on issue upon issue of the Placement Tranche 1 Shares	255,024,947	81,400,000
Number of new Securities to be issued under the Entitlement Offer	153,014,968	76,507,484
Number of new Securities to be issued under the Placement Offer*	40,000,000	36,632,062
Number of New Options to be issued to the Joint Lead Managers**	-	50,000,000

Total Securities on issue upon completion of the Entitlement Offer and the Placement	448,039,915	244,539,546
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* The issue of the Placement Tranche 1 Options, the Placement Tranche 2 Shares and the Placement Tranche 2 Options is conditional on Shareholder approval being obtained.

** See Section 6.4 for further information in relation to these New Options

Cash Position

Completion of the Entitlement Offer and the Placement Offer will have the effect of increasing the Company's cash reserves by approximately \$1.78m (after deducting estimated cash costs of the Entitlement Offer and the Placement Offer, i.e. approximately \$258,000, which excludes the non-cash costs of options issued to the Joint Lead Managers), providing funds to advance the activities and objectives of the Company.

In the event all of the New Options are exercised, the Company will raise an additional \$2.83m.

DIRECTOR PROFILES

Mr Tom Eadie

Non-Executive Chair

Mr Eadie is a geologist/geophysicist with extensive experience across many commodities and as a Company Director. He is currently a Non-Executive Director of ASX listed companies Strandline Resources and Alderan Resources.

Mr Eadie was the founding Chairman of Syrah Resources (ASX:SYR). During his time in this role, Syrah discovered and began the development of the world-class Balama graphite project in Mozambique.

Mr David Leavy

Managing Director

Mr Leavy has over 25 years of experience in the banking and mining industries covering a wide range of commodities. He has significant experience in debt and equity markets, physical and derivative commodity markets, specifically in gold, bauxite, iron ore, base metals, oil and LNG. Recent roles have included CFO of several mining companies undergoing project development, requiring implementation of appropriate business processes, government negotiations, team establishment, logistics etc. in Australia, Ghana, Guinea and Sierra Leone. Prior to this Mr Leavy held a number of roles at Westpac through financial markets (FX and commodity derivatives), project finance, relationship management, credit analysis and capital solutions. A significant focus for these roles was on the Mining and Oil & Gas sectors.

Mr Robert Boston

Non-executive Director

Mr Boston is an experienced resources corporate executive having worked in legal, business development, strategy, marketing and commercial positions with BHP Billiton (Nickel West), Rio Tinto Exploration and Poseidon Nickel Limited. Robert holds a law degree having worked for national law firms Freehills and Mallesons Stephen Jaques. Robert has multi commodity expertise in particular exploration, early stage resource development, M&A, joint ventures and marketing. Robert also holds a Bachelor of Commerce, Bachelor of Laws, a Post Graduate Diploma in Applied Finance (FINSIA), and a Diploma of Management. Robert is admitted to the Supreme Court of Western Australia and High Court of Australia.

Details of the Directors' interests and benefits are set out in Sections 6.6 to 6.8.

SECTION 1 DETAILS OF THE OFFERS

This Section provides details of the Offers made under this Prospectus. Before deciding whether to apply for New Shares under this Prospectus, you should read this Prospectus in its entirety.

1.1. Entitlement Offer

The Entitlement Offer made pursuant to this Prospectus is a pro rata non-renounceable rights issue as follows:

Entitlement Offer Details	
New Shares:	A total of 153,014,968 fully paid ordinary shares in the Company to be issued. New Shares will rank equally with existing Shares. The terms and conditions of the New Shares are set out in Section 5.1.
New Options:	Each subscriber for New Shares will receive one (1) free attaching Option for every two (2) New Shares subscribed for, having an exercise price of 2.5 cents (\$0.025) and expiry date of 30 December 2022. The terms and conditions of the New Options are set out in Section 5.2.
Fractions:	Calculation of any Eligible Shareholder's fractional entitlements will be rounded down to the nearest whole number.
Price:	0.9 cents (\$0.009) per New Share.
Entitlement:	Eligible Shareholders are offered the right to subscribe for three (3) New Shares for every five (5) Shares they hold at the Record Date.
Eligible Shareholders:	Shareholders of the Company registered on the Company's share register at the Record Date and residing in Australia and New Zealand. Please refer to Section 1.1.4 for further information about eligibility.
No Rights Trading	The rights of Eligible Shareholders to subscribe for their entitlement are non-renounceable and may not be traded on the ASX.
How to apply:	Eligible Shareholders wishing to subscribe for New Shares need to complete an Entitlement and Acceptance Form and submit it to the Company, together with payment prior to the Closing Date. See Section 7 for more details on how to apply.
Opening Date:	The Entitlement Offer will open on Tuesday, 9 June 2020.
Closing Date*:	The last day to subscribe for New Shares under the Entitlement Offer is 5:00 pm (AEST) on Tuesday, 30 June 2020.
Shortfall	Any New Shares not applied for by Eligible Shareholders under the Entitlement Offer will be placed by CPS Capital in consultation with the Company in accordance with the terms of the Underwriting Agreement.

* The Board reserves the right to close the Entitlement Offer early or extend the Closing Date, in consultation with the Underwriter, should it consider it necessary to do so.

1.1.1. No trading of Entitlements

The Entitlement Offer is non-renounceable and Eligible Shareholder's rights to subscribe for their Entitlement to New Shares under this Prospectus are not able to be sold, traded or transferred. Any part of your Entitlement that is not accepted by you will lapse.

1.1.2. Shortfall

Any New Shares and New Options not applied for by Eligible Shareholders under the Entitlement Offer will be placed by CPS Capital in consultation with the Company in accordance with the terms of the Underwriting Agreement.

1.1.3. No Minimum Subscription

There is no minimum subscription for Eligible Shareholders under the Entitlement Offer.

The Entitlement Offer is underwritten.

1.1.4. Eligibility of Shareholders for the Entitlement Offer

The Entitlement Offer is made only to those Shareholders whose registered address is in Australia or New Zealand as at 7.00 pm (AEST time) on the Record Date ("**Eligible Shareholders**").

Shareholders whose registered address is not in Australia or New Zealand, or who become registered holders of Shares in the Company after the Record Date, are not eligible to participate in the Entitlement Offer.

An Entitlement and Acceptance Form setting out Eligible Shareholders' Entitlements accompanies the Prospectus distributed to Eligible Shareholders.

Eligible Shareholders who do not take up their Entitlement in full may, as a result of this Entitlement Offer, have their percentage shareholding in the Company diluted.

1.1.5. Custodians and Nominees

The Entitlement Offer is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Entitlement Offer and the nominee must not take up any Entitlement or send any materials to the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

1.1.6. Eligible Shareholder Entitlements

The Entitlement of each Eligible Shareholder is shown on the personalised Entitlement and Acceptance Form.

1.1.7. Closing Date and Payment for New Shares

The Closing Date for acceptance of Entitlement and Acceptance Forms is 5:00pm (AEST) on Tuesday, 30 June 2020.

Cheques must be drawn in Australian currency on an Australian bank and made payable to 'Pure Alumina Limited' and crossed 'Not Negotiable'. Shareholders are asked not to forward cash or postal notes by mail. Receipts for payment will not be issued.

Eligible Shareholders may submit payments for New Shares applied for using BPAY®. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY®, you do not need to return your Entitlement and Acceptance Form.

Cheques will be returned if New Shares are not issued or Application for New Shares is not accepted.

1.1.8. Allotment of New Shares and New Options

New Shares and New Options will be allotted and issued in accordance with Listing Rules and indicative timetable as set out in page 3 of this Prospectus. Holding statements for all New Shares and New Options allotted shall be dispatched as soon as practicable in accordance with the Listing Rules after the issue of the New Shares and New Options.

Until the allotment and issue of the New Shares and New Options under this Prospectus, application monies will be held by the Company in trust in a separate bank account maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

1.1.9. ASX Quotation

On or within 7 days of the date of this Prospectus the Company will make application for the New Shares and the New Options issued pursuant to the Offers to be granted Official Quotation on the ASX.

There is no guarantee that the Company will be able to fulfil the ASX's requirements in relation to Official Quotation of those New Options. If so, the New Options will not be tradeable on ASX.

If ASX does not grant Official Quotation of the New Shares within 3 months after the date of the Prospectus then the New Shares and New Options will not be allotted and application monies will be repaid in full without interest.

Quotation of the New Shares or the New Options on the ASX does not in any way indicate an endorsement by the ASX of the Company, the Company's projects or the New Shares and New Options. The ASX takes no responsibility for the contents of this Prospectus.

1.1.10. CHESS System

The Company participates in the Clearing House Electronic Subregister System ("**CHESS**"). ASX Settlement Pty Limited (ACN 008 504 532) ("**ASX Settlement**"), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Shareholders will not receive certificates for their New Shares but will receive a statement of their holdings indicating the allotment of their New Shares pursuant to their acceptance of the Offers made under this Prospectus.

Shareholders who are broker-sponsored will receive a CHESS statement from ASX Settlement.

Shareholders registered under the Issuer Sponsored subregister will receive a statement from Boardroom Pty Limited.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to Shareholders at the end of any month in which the balance of their shareholding or option-holding changes. Shareholders may also request a statement at any other time, although a charge may be made for this additional service.

1.1.11. International Shareholders

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Shareholders who do not have a registered address in Australia or New Zealand are not eligible to participate in the Entitlement Offer. The laws of jurisdictions outside of Australia and New Zealand may restrict the distribution of this Prospectus. Anyone who comes into possession of this Prospectus outside Australia or New Zealand should seek advice on and observe any such restrictions. A failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company is of the view that it is unreasonable to extend the Entitlement Offer to Shareholders with registered addresses outside Australia or New Zealand, having regard to:

- the small number of Shareholders with registered addresses outside Australia and New Zealand;
- the number and value of the New Shares which would be offered to ineligible Shareholders (being International Shareholders); and
- the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, this Entitlement Offer will not be made to International Shareholders. This Prospectus is sent to International Shareholders for information purposes only. In order for a Shareholder to participate in the Entitlement Offer, the Shareholder must be resident in Australia or New Zealand at the Record Date.

In particular, this Prospectus does not constitute an offer for sale of the New Shares or any right to a security into the United States or to U.S. persons. The New Shares have not been, and will not be, registered under the U.S. Securities Act and must not be offered or sold within the United States or to U.S. persons unless they are registered under the U.S. Securities Act or an exemption from the registration required of the U.S. Securities Act is available.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that participation in the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form or payment by BPAY® will constitute a representation that there has been no breach of such regulations. Shareholders who are nominees are therefore advised to seek independent advice as how they should proceed. Where the Entitlement Offer has been dispatched to a Shareholder domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the Offers contemplated by this Prospectus, the Prospectus is provided for information purposes only.

1.2. Costs of participation

No brokerage, commissions or other transaction costs will be payable by Applicants in respect of the Application for, and allotment of, New Shares or New Options under this Prospectus.

1.3. Issue Expenses

The estimated cash expenses of the Entitlement Offer and the Placement Offer, including professional fees, registry services and printing and postage are approximately \$258,000. In addition, the estimated non-cash costs of the Entitlement Offer and the Placement Offer, which includes the estimated value of the New Options proposed to be issued to the Joint Lead Managers (or their nominee/s), are \$128,000.

SECTION 2 PURPOSE AND EFFECT OF THE OFFERS

2.1. Purpose of the Offers

This Entitlement Offer and the Placement Offer are being undertaken principally to provide funds to meet the Company's ongoing working capital expenditure, including personnel expenses, marketing, technology and costs associated with the Entitlement Offer and the Placement Offer, as set out in the table below:

Purpose*	Entitlement Offer funds applied	Placement funds applied**	Total
Development work on the Hargraves deposit	\$0.10m	\$0.30m	\$0.40m
Business development and acquisition activities	\$0.90m	\$0.10m	\$1.00m
Costs of capital raising	\$0.22m	\$0.04m	\$0.26m
Working capital provision – acquisition contingency	\$0.16m	\$0.22m	\$0.38m
TOTAL	\$1.38m	\$0.66m	\$2.04m

** The Board reserves the right to alter this budget as a result of a change in circumstances or intervening events.*

*** The issue of the Tranche 2 Placement Shares is subject to Shareholder approval. If approval is not obtained, then the Company will raise \$360,000 less than this amount*

The above is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board may determine to alter the way funds are applied as it considers necessary and appropriate having regard to the circumstances at the time.

The Entitlement Offer is fully underwritten by CPS Capital. However, if the Underwriting Agreement is terminated, and/or if Shareholder approval is not obtained for the Placement Offer, there is a risk that sufficient funds will not be received under the Offers to fund the Company's immediate working capital requirements. As a result, the Company may need to meet its working capital requirements using funds from one or a combination of the following:

- (a) funds raised from the issue of the Placement Tranche 1 Shares;
- (b) existing working capital;
- (c) debt funding; or
- (d) the proceeds of a future capital raising.

Shareholders are strongly urged to read this Prospectus carefully so as to better understand the purpose of the Offers, how the funds to be raised under the Offers will be applied, the key assumptions involved and the potential impact the new funding will have on the Company's future growth and enterprise value.

2.2. EFFECT OF THE OFFERS ON THE COMPANY

(a) Capital Structure

The effect of the Entitlement Offer and the Placement on the capital structure of the Company, assuming that all Entitlements are accepted and no Options are exercised prior to the Record Date, will be as follows:

Issue	Shares	Options
Number of Securities on issue prior to the Entitlement Offer and Placement Offer	221,760,824	81,400,000
Number of Placement Tranche 1 Shares	33,264,123	-
Total Securities on issue upon issue of the Placement Tranche 1 Shares	255,024,947	81,400,000
Number of new Securities to be issued under the Entitlement Offer	153,014,968	76,507,484
Number of new Securities to be issued under the Placement Offer*	40,000,000	36,632,062
Number of New Options to be issued to the Joint Lead Managers**	-	50,000,000
Total Securities on issue upon completion of the Entitlement Offer and the Placement	448,039,915	244,539,546

* The issue of the Placement Tranche 1 Options, the Placement Tranche 2 Shares and the Placement Tranche 2 Options is conditional on Shareholder approval being obtained.

** See Section 6.4 for further information in relation to these New Options

(b) Cash Position

Completion of the Entitlement Offer and the Placement Offer will have the effect of increasing the Company's cash reserves by approximately \$1.78m (after deducting estimated cash costs of the Entitlement Offer and the Placement Offer, i.e. approximately \$258,000, which excludes the non-cash costs of options issued to the Joint Lead Managers), providing funds to advance the activities and objectives of the Company. In the event all of the New Options are exercised, the Company will raise an additional \$2.83m.

Note that no consideration will be received by the Company on the issue of the New Options. There is no certainty that all or some of the New Options will be exercised and consequently no certainty that the Company will receive proceeds from the exercise of the New Options, nor issue additional Shares, on the exercise of the New Options.

(c) Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Company's Shares on the ASX, during the three months immediately preceding the lodgement of this Prospectus with ASIC and the respective dates of those sales are set out below:

Highest: 1.8 cents on 6 and 9 March 2020 and 18 and 20 May 2020.

Lowest: 0.9 cents on 19, 24, 25 March 2020 and 3, 6, 7, 8, 9 April 2020.

The last market sale price prior to the date of lodgement of this Prospectus with ASIC was 1.6 cents (\$0.016) on 20 May 2020.

(d) Effect of Entitlement Offer on Control

If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of the Company, as the Entitlement Offer is made pro-rata and in that case no rights would lapse or be placed in accordance with the terms of the Underwriting Agreement. Eligible Shareholders' shareholding in the Company will be diluted if they did not participate in the Placement.

As the Company does not propose to apply to ASIC for the approval of the appointment of a nominee for the purposes of section 615 of the Corporations Act, no person will be permitted to acquire New Shares or New Options under the Entitlement Offer to the extent that such acquisition results in that person holding a relevant interest exceeding 20% of the issued share capital of the Company on a post Entitlement Offer basis.

The current substantial shareholders of the Company, as at the date of this Prospectus, according to substantial holding notices lodged with the Company, are as follows:

Substantial Shareholder	No. of Shares	% of current issued capital
Keith Knowles	14,402,355	6.95
Tolga Kumova and associated entities	15,887,032	7.57

2.3. COMPANY PROJECTS

(a) Introduction

The Company is a mineral exploration and development company, currently focused on two areas:

- the Hill End Gold Project; and
- assessing acquisitions to enhance shareholder value.

(b) Hill End Gold Project

The Hill End Gold Project in New South Wales consists of 3 main areas of interest:

- Hargraves
- Red Hill
- Hawkins Hill / Reward

The Hill End Gold project was the site of one of Australia's first gold rushes. The Company has held these projects since 2002 and undertaken a number of exploration programs and development studies. The Company released an undated 2012 JORC Code Compliant resource on 29 May 2020. This updated geological model is the starting point for a detailed review of the opportunities to enhance the value of the project.

The Project is currently on care and maintenance.

Hargraves History

In July 1851, Kerr's Hundredweight specimen containing approximately 50 kg of gold, was discovered at the Big Nugget Hill (**BNH**) near what is now the town of Hargraves. Small scale hard rock quartz mining operations were established on the BNH deposit and several thousands of tons of ore were processed for stated returns of up to "30 ounces / ton" (848 g/t) of gold.

Mining operations at BNH were conducted through several vertical shafts during the main production period between 1851 and 1858. The deepest shaft was the Big Nugget Hill shaft at 91 metres and most mining was to a depth of about 60 metres.

Historical workings on the BNH deposit ceased in 1915.

The Hargraves tenement EL 6996 is prospective for slate-belt style orogenic gold deposits in quartz reefs, centred on the hinge of a number of parallel anticlines, most notably the BNH anticline. Since 2007 HEG has undertaken extensive exploration on the Hill End and Hargraves deposits to understand the geological controls of the gold mineralisation in the area. Intensive diamond drilling, logging and structural studies of the BNH deposit have provided a detailed geological model of the BNH deposit.

Hill End History

Rich alluvial gold deposits were discovered to the north and south of Hill End in 1851 and later the same year reef gold was being mined at Sargent's Hill immediately west of the township off the current Group MLs. The Alpha Mining Co. was formed to mine the reef gold at Sargent's Hill and other reef occurrences at Dirt Hole Creek, 4 km north of Hill End, and operated until the early 1860s.

Large numbers of prospectors were operating in the field in the 1860s, and by 1865 shallow rich veins were being worked on Hawkins Hill to the south of Hill End and in the Golden Gully area to the north. In the early 1870s, most activity was centred on Hawkins Hill where rich shoots were being developed. The Beyers and Holtermann specimen was mined from the Mica Vein in 1872, from a depth of 40–50 m below surface.

A trial mining process was conducted from 2008 to 2010 at the Amalgamated shaft, part of the Reward project. An initial bulk sampling program in 2008 was escalated to continuous operations in 2009, running until 2010. Ore was process through a 10 tph gravity separation plant located at the base of the Amalgamated shaft. The processing plant, waste dump and tailings storage facility are currently on care and maintenance.

TENEMENT SCHEDULE – DETAILS OF ALL TENEMENTS CURRENTLY HELD (NSW)

Lease	Project	Managing Company	Lease Type	Lease Status	Grant Date	Expiry Date	Current Area
EL 5868	HILL END	PUA	Exploration Licence	Renewal Pending	18/06/2001	18/06/2019	16 Units
EL 6996	HARGRAVES	PUA	Exploration Licence	Current	21/12/2007	21/12/2021	6 Units
EL 8289	CHAMBERS CREEK	PUA	Exploration Licence	Current	20/08/2014	20/08/2020	3 Units
GL 5846	HILL END	PUA	Gold Lease	Current	15/02/1968	07/12/2024	2.044 ha
ML 49	HILL END	PUA	Mining Lease	Current	30/07/1975	07/12/2024	1.618 ha
ML 50	HILL END	PUA	Mining Lease	Current	30/07/1975	07/12/2024	3.02 ha
ML 315	HILL END	PUA	Mining Lease	Current	08/12/1976	07/12/2024	6.671 ha
ML 316	HILL END	PUA	Mining Lease	Current	08/12/1976	07/12/2024	8.846 ha
ML 317	HILL END	PUA	Mining Lease	Current	08/12/1976	07/12/2024	7 ha
ML 913	HILL END	PUA	Mining Lease	Current	20/01/1981	19/01/2023	22 ha
ML 914	HILL END	PUA	Mining Lease	Current	20/01/1981	19/01/2023	21.69 ha
ML 915	HILL END	PUA	Mining Lease	Current	04/02/1981	03/02/2023	13.27 ha
ML 1116	HILL END	PUA	Mining Lease	Current	28/03/1984	16/10/2024	15.71 ha
ML 1541	HILL END	PUA	Mining Lease	Current	17/10/2003	16/10/2024	279.2 ha

(c) Yendon HPA Project

The Company acquired Pure Alumina Pty Ltd in August 2017. The strategy was to undertake the appropriate studies on the development of a high purity alumina (HPA) project using the kaolin located in the tenements held by Pure Alumina Pty Ltd as a feedstock for a purification process that would produce 99.99% pure alumina.

The Pre-Feasibility Study (PFS) results were released to ASX on 14 June 2018. While the PFS results were very positive from both a technical and commercial perspective, the board recognized the difficulties in securing the funding necessary to develop the project. The size and structure of the HPA market is not well understood by traditional project financiers and HPA consumers do not typically provide long term offtake arrangements. With the development of HPA coated lithium batteries and their use in electric vehicles, the growth of the market is expected to increase significantly over the next 5 years.

While the Company is of the view that the HPA market is very attractive, the focus is on developing a successful exploration and mining company. Alternatives to realise the value of the Yendon HPA project are being investigated, these may include:

- selling the project to another company focused on HPA and/or industrial minerals, or
- a trade sale to an existing HPA producer.

The Company will maintain the existing kaolin tenements in good standing.

PURE ALUMINA LIMITED – DETAILS OF ALL TENEMENTS CURRENTLY HELD (VIC)

Lease	Project	Managing Company	Lease Type	Lease Status	Grant Date	Expiry Date	Current Area
EL 4547	YENDON	PUA	Exploration Licence	Current	10/09/2018	09/09/2023	32 grats
EL 5461	YENDON	PUA	Exploration Licence	Current	09/09/2016	09/09/2020	4 grats
EL 8289	YENDON	PUA	Exploration Licence	Current	22/12/2017	22/12/2020	3 grats
RL6734	YENDON	PUA	Retention Licence	Application**	Submitted 13/04/2018		225.2 ha

**The Retention Licence (RL) was applied for in April 2018. The RL covers the Yendon resource used for HPA pre-feasibility study. There is a risk that the RL is not granted. If this were to occur then EL5461 and EL8289 may need to be reduced in size at the next renewal which may reduce the size of the resource covered by those tenements

(d) Acquisition opportunities

The Company is also actively looking for acquisition opportunities that will add value to the Company. The focus is on gold, nickel and base metal opportunities in Australia. The strategy and rationale was outlined in the Company's ASX release on 29 October 2019, and its December 2019 and March 2020 Quarterly Reports. The Company has continued to review and assess projects that may be suitable.

SECTION 3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND PRO-FORMA CAPITAL STRUCTURE

Set out below is a pro forma consolidated Statement of Financial Position for the Company and its controlled entities (**Consolidated Entity**) after taking into account the effect of the Offers. This statement is based on the audit reviewed accounts of the Company as at 31 December 2019, lodged with the ASX on 11 March 2020.

The pro forma Consolidated Statement of Financial Position illustrates the effect of the Entitlement Offer and the Placement based upon the following assumptions and qualifications:

- (a) there being no other material changes to the Consolidated Entity's Statement of Financial Position since 31 December 2019;
- (b) the Entitlement Offer being fully subscribed resulting in the Company issuing an additional 153,014,968 New Shares raising a total of \$1,377,135;
- (c) the Placement being fully subscribed, and the issue of the Placement Securities being approved by Shareholders, resulting in the Company issuing an additional 73,264,123 Shares raising a total of \$659,377;
- (d) the costs of the Offers (being the Placement Offer and the Entitlement Offer) which are estimated as \$385,941 in total, which includes the estimated value of the New Options proposed to be issued to the Joint Lead Managers (or their nominee/s) (subject to Shareholder approval); and
- (e) the activities of the Consolidated Entity since 31 December 2019 not being recognised in the *pro forma* consolidated Statement of Financial Position.

	Audit reviewed balance sheet 31 Dec 2019	Placement Tranche 1 adjustments	Entitlement Offer adjustments	Placement Tranche 2 adjustments*	Cost of issues**	Proforma historical balance sheet 31 Dec 2019
Assets						
Current assets						
Cash and cash equivalents	535,121	299,377	1,377,135	360,000	(257,941)	2,313,692
Trade and other receivables	58,070					58,070
Total current assets	593,191	299,377	1,377,135	360,000	(257,941)	2,371,762
Non-current assets						
Other financial assets	636,750					636,750
Property, plant and equipment	162,435					162,435
Right-of-use assets	24,098					24,098
Exploration and evaluation	6,507,109					6,507,109
Total non-current assets	7,330,392	-	-	-	-	7,330,392
Total assets	7,923,583	299,377	1,377,135	360,000	(257,941)	9,702,154
Liabilities						
Current liabilities						
Trade and other payables	166,904					166,904
Lease liabilities	24,730					24,730
Employee benefits	21,705					21,705
	213,339	-	-	-	-	213,339
Non-current liabilities						
Employee benefits	5,008					5,008
Other	290,386					290,386
Total non-current liabilities	295,394	-	-	-	-	295,394
Total liabilities	508,733	-	-	-	-	508,733
Net assets	7,414,850	299,377	1,377,135	360,000	(257,941)	9,193,421
Equity						
Issued capital	84,672,745	299,377	1,377,135	360,000	(385,941)	86,323,316
Reserves	200,848				128,000	328,848
Accumulated losses	(77,458,743)					(77,458,743)
Total equity	7,414,850	299,377	1,377,135	360,000	(257,941)	9,193,421
* - Relates to issues of Shares under the Placement with are subject to shareholder approval						
** - Comprises issue costs of Placement and Entitlement Offer						

SECTION 4 RISK FACTORS

4.1. General

The Company's activities are subject to a number of risks which may impact future financial performance and the market price at which New Shares and New Options trade. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, others are outside the Company's control and cannot be mitigated. Therefore, investors who acquire New Shares may be exposed to a number of risks. Broadly, these risks can be classified as risks that are general to investing in the share market and risks specific to an investment in Shares and the Company's underlying business.

This Section sets out the identified major risks associated with investing in New Shares and New Options. This list is not exhaustive and investors should read this Prospectus in its entirety before making an investment decision. Investors should also have regard to their own investment objectives and financial circumstances, and should consider seeking appropriate independent investment advice before deciding whether to invest in the New Shares and New Options.

4.2. Risk factors specific to the Company

The Company is an ASX listed company engaged in mineral exploration in Australia. It is currently looking to acquire additional exploration projects.

The Company released its latest audit reviewed financial results for the first half of the 2019/20 financial year as an announcement to ASX on 11 March 2020. A copy can be obtained from the Company's website www.purealumina.com.au or the ASX website www.asx.com.au under the code "PUA".

An investment in the Company is not risk free and should be regarded as speculative.

There are specific risks that relate directly to the Company's activities. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares and the underlying Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed and does not take into account the individual circumstances of Shareholders.

The Directors strongly recommend that potential Investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and consult with their professional advisers before deciding whether to apply for Shares under this Prospectus.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

(a) ***Investment Risk***

Holders of Shares have no right to a repayment of their investment. Investors should appreciate that an investment in Shares carries risks. The Shares may not be tradeable at their issue price, and liquidity may be thin. The Shares are not

redeemable in any circumstance and, in the event of external administration or liquidation (i.e., insolvency), are likely to be of minimal value.

(b) ***Future Capital Needs and Additional Funding***

While the Company believes that on completion of the Offers it will have enough working capital to fund its activities in the short term, it is operating in highly volatile times. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates. If adequate funds are not available on acceptable terms the Company may not be able to further develop its project(s) and it may impact on the Company's ability to continue as a going concern.

As the Company is also actively looking at acquisitions, there may be additional funding requirements to fund the acquisition or undertake the required work program on the acquisition. As at the date of this document, the Company does not have any negotiations underway on any potential acquisition and is therefore unable to quantify any potential requirement.

None of these alternatives have been determined at present, and any need to implement a funding alternative would be considered if required having regard to the circumstances at that time including the amount raised under the Offer. However, no assurance can be given that the Company will be able to implement any specific alternative or raise any particular amount through implementing any of them. The Company's ability to raise capital in the future may also be impacted by COVID-19 (see Section 4.3(a)).

(c) ***Exploration Company Risk***

As the Company is an exploration company, the market's perception of the value of its shares can alter significantly from time to time, causing fluctuations in the Company's share price. Fluctuations may also occur as a result of factors influencing the price of shares in exploration companies or share prices generally, as well as exploration activities by other parties in the same general region. The price of shares rises and falls and many factors affect the price of shares including local and international stock markets, movements in interest rates, economic and political conditions and investor and consumer sentiment. The stock markets generally remain volatile.

While the Company is seeking to acquire additional exploration assets in order to increase the geological diversity of the Company's exploration portfolio all of the abovementioned risks also apply to any acquisition.

(d) ***Industry Nature Risk***

Mineral exploration activity, especially drilling, by its nature is risky. Where exploration is successful, drilling operations can be affected by breakdowns, adverse weather conditions, site and geographical conditions, operational risks, shortage or delays in the delivery of rigs and/or other equipment, industrial disputes, government regulations, environmental issues and unanticipated costs. Exploration may be unsuccessful. Exploration may prove to be more costly than expected or the proposed timing of exploration may not be achieved, thus potentially putting strains on the Company's financial position.

Even if an apparently viable mineral resource is identified, there is no guarantee that it can be profitably exploited. While exploration may yield positive results there can be no guarantee that any discovery will be sufficiently productive to justify commercial development or cover operating costs. There can be no assurance that the Company will achieve production as this will depend on a wide range of factors, including

development decisions, capital costs and operating costs and the ability of the Company to fund these costs.

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. In addition, such estimates are necessarily imprecise and depend to a significant extent on interpretations, which may prove inaccurate. The calculation of any possible grade and tonnage of a mineral deposit in a prospect may be proved incorrect by future exploration/production, mapping and/or drilling.

(e) ***Native Title Risk and Cultural Heritage***

Native title rights may adversely impact on the Company's operations. The Company's current projects are in compliance with Native Title requirements, however there is no certainty that a suitable Native Title agreement could be reached if there were a requirement for such an agreement due to further development or changes in Native Title requirements.

The impact of Native Title requirements on any future acquisition is not able to be assessed currently but may incur unforeseen costs and time in negotiation an agreement.

Delays may be experienced if evidence of Aboriginal cultural heritage exists on any land to which the Company requires access. When exercising a right or permission for access to any land, it is an offence, to disturb physical evidence of human occupation of prehistoric or historic significance without statutory permission. This restriction applies to any activity including minerals exploration and production. The Company is currently in compliance with all heritage requirements on its current projects, but may face unexpected delays and/or costs with any potential acquisition.

(f) ***Reliance on Key Management***

The responsibility of overseeing the day-to-day operations and the strategic management of the Company may be dependent upon the Company's senior management, key personnel and consultants. There can be no assurance given that there will be no detrimental impact on the Company if one, or a number of, those employees or consultants cease their employment or engagement with the Company.

(g) ***Tenure and Title Risk***

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for tenements will be approved in full or at all. In addition, interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(h) ***Access and Infrastructure Risk***

Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties. There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.

(i) ***Occupational Health and Safety***

There is an inherent risk of workplace accidents occurring during the conduct of mining activity. The Board is totally committed to providing a safe and healthy workplace for the Company's employees and contractors, where engaged from time

to time. Hazardous activities are avoided wherever possible, but when necessary, all employees and contractors are required to conduct themselves in accordance with all applicable laws and policies in force from time to time in respect of occupational health and safety.

(j) ***Underwriting Risk***

The Entitlement Offer is fully underwritten which means there is a high level certainty that the Company will raise sufficient money under it to carry out its stated objectives for the next 12 months. However there are circumstances outlined in this document that may lead to the underwriting agreement becoming being terminated (see Section 6.5 for further information). If this were to occur there is no guarantee that the Company will be able to secure additional or alternative funding under the Entitlement Offer, the success of which would then be dependent on shareholder support and the ability to obtain investor support for any shortfall that may arise. If such support is not forthcoming, the Company's work programme will be compromised and consideration will need to be given to implementing alternative funding strategies.

(k) ***Acquisition Risk***

There is a risk that the Company will not succeed in finding new projects or investments suitable for the Company. Any projects identified may not be successful and may increase the risk profile of the Company. Furthermore, ASX may require the Company to seek Shareholder approval and to meet the admission requirements under Chapters 1 and 2 of the Listing Rules if a new investment or acquisition by the Company is completed.

(l) ***Quotation of New Options***

Whilst the Company intends to apply for Official Quotation of the New Options, there is no guarantee that the Company will be able to fulfil the ASX's requirements in relation to Official Quotation of those New Options. If so, the New Options will not be tradeable on ASX.

(m) ***Uninsured Loss and Liability***

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses and liabilities to third parties. There is a risk that the Company may not be insured against all losses or liabilities that could arise from the Company's operations. If the Company incurs losses or liabilities which are not covered by the Company's insurance policies, the funds available for exploration and development will be reduced and the value and/or tenure of the Company's assets may be at risk.

(n) ***Contractual Dispute Risk***

Contractual disputes with joint venture partners and contractors can arise from time to time. The Company does not currently have any joint venture arrangements on its projects, however it may be a part of any future acquisition or divestment. Where a venture partner does not satisfy its financial or other commitments or act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Company. The Company is unable to predict the risk of financial failure, non-compliance with obligations or default by a participant in any venture to which it may become a party, or insolvency or managerial failure by any of contractors used by the Company in its exploration activities. Failure to meet contracted obligations by a joint venture partner or contractor could adversely affect the Company's capacity to carry out its own activities.

(o) ***Environmental Risk***

In relation to the projects currently held by the Company is currently in compliance with all environmental requirements. Issues can arise from time to time with respect

to abandonment costs, consequential clean-up costs and environmental concerns. The Company could become subject to liability if, for example, there is an environmental event such as rain, storms, fire, flooding etc that require clean-up costs to be incurred. It is not possible to quantify any such contingent liability. Whilst no guarantee can be given, the Company is not aware of any advices which would suggest that there is any particular exposure in relation to any of its present interests.

(p) ***Environmental Impact Constraints***

The Company's exploration and appraisal programs will, in general, be subject to approval by government authorities. Development of any mineral resources will be dependent on the Company being able to obtain environmental approvals to carry out its planned activities, and then being able to meet all environmental conditions placed on such activities.

(q) ***Impairment of Non-Financial Assets Risk***

As at 30 December 2019, the Company's assets included \$6.5 million of capitalised exploration and evaluation costs. These assets are tested semi-annually for impairment in accordance with accounting standard requirements to assess whether the carrying value may exceed its recoverable amount. An impairment loss may be triggered if capitalised exploration expenditure, evaluation and development costs where an area of interest does not meet the requirements under the accounting standards (AASB 6 - Exploration for and Evaluation of Mineral Resources).

4.3. General Risks

A number of factors which are outside of the Company's control may significantly impact on the Company, its performance and the price of New Shares. These factors include:

(a) ***COVID-19 Pandemic and Possible Similar Future Outbreaks Risk***

At the time of issue of this Prospectus, the global pandemic COVID-19 is having a significant and material impact on global markets and providing substantial impingement on the day-to-day operations of businesses. The pandemic may disrupt or prevent the Company from undertaking its operations and intended programs and may impact the Company's ability to raise capital in the near to medium term future.

Different regions in the world have from time to time experienced outbreaks of various viruses. At this time, a widespread global pandemic of severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2) and the infectious disease COVID-19, caused by the virus, is taking place. As the virus and the diseases it causes are relatively new, effective cure and vaccines are yet to be developed. While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, the pandemic has had and will continue to have a significant and severe impact on the lives of a large portion of the global population and cause significant effects on global markets and trade. At this time, the pandemic has caused states of emergencies to be declared in various countries, travel restrictions and bans being imposed, quarantines being established and various industries, businesses, companies and institutions to close.

The ongoing effect of COVID-19 and any possible future outbreaks of viruses may have a significant adverse effect on the Company's operations, such as preventing the Company from carrying out its planned exploration activities and disruptions to the Company's supply chains and access to employees/contractors. The current pandemic may also have a severe negative impact on the economies in which the Company operates, which may affect the Company's ability to raise capital, decrease incomes of the Company and/or the Company's ability to pay its creditors in the event that its operations are negatively affected.

(b) ***Investment and Economic Risk***

Economic factors both in Australia and internationally beyond the control of the Company, such as interest rates, inflation, exchange rates, taxation, changes in government policy and legislation, may negatively impact on the operational performance of the Company.

The Company's revenues, expenses and cash flows could be negatively affected by any of these factors, which in turn may affect the price of New Shares.

No assurances can be made that the Company's performance will not be adversely affected by any such market fluctuations or factors. None of the Company or its Directors or any other person guarantees the performance of the Company or the market price at which its shares trade.

The price of New Shares and New Options quoted on ASX may rise or fall.

The New Shares issued under the Entitlement Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. The value of the New Shares will be determined by the share market and will be subject to a range of factors beyond the control of the Company and its Directors including the demand and availability of Shares.

There can be no guarantee that an active market in New Shares will develop or the market price of the shares will not decline. An investment in New Shares should be considered speculative.

(c) ***Governmental and Regulatory Risk***

The impact of actions by governments may affect the Company's operations including matters such as necessary approvals, land access, sovereign risk, additional or increased taxation and royalties which are payable on the proceeds of the sale of any successful exploration. Further, the approval of contractual arrangements in relation to exploration permits as well as the renewal of exploration permits is each a matter of governmental discretion and no guarantee can be given in this regard.

A failure to obtain any approval would mean that the ability of the Company to participate in or develop any project may be limited or restricted either in part or absolutely. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

(d) ***Commodity and Currency Price Volatility***

Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Some of these influencing factors include:

- the COVID-19 pandemic;
- world demand for particular commodities;
- the level of production costs in major commodity producing regions; and

- expectations regarding inflation, interest rates and US dollar exchange rates.

Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and financial position.

Factors affecting commodity prices include:

- supply and demand fluctuations for specific commodities;
- changes in investor sentiment toward specific commodities;
- speculative trading;
- forward selling activities; and
- macro-economic factors such as inflation and interest rates.

(e) ***Stock Market Risks***

The market price of the Shares may be significantly adversely affected by a variety of factors including (but not limited to) perceptions of, or variations in, general market conditions, operating performance, commodity prices, project and country risk, Board and management strength and expertise and a broad range of other factors which may or may not relate to the Company's operations.

4.4. Other Risk Factors

Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the Company's business or trade.

Before any decision is made to subscribe for securities under the Offers, the above matters, and all other matters described in this document must be carefully considered. The New Shares and New Options to be allotted pursuant to this Prospectus should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Investment in the Company is regarded as speculative and neither the Company nor any of its Directors guarantees that any specific objective of the Company will be achieved or that any particular performance of the Company or its securities, including the New Shares and New Options offered by this Prospectus will be achieved.

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or the Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the Company's financial performance and the value of the Shares.

5.1. Rights attaching to the Shares

The rights attaching to ownership of the Shares arise from a combination of:

- the Constitution; and
- in certain circumstances, the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

The following is a summary of the more significant rights attaching to the Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Shareholders.

Further details of the rights attaching to Shares are set out in the Constitution of the Company, a copy of which can be inspected at the Company's registered office during normal business hours.

5.1.1. Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

5.1.2. Voting rights

Subject to any rights or restrictions, at general meetings of shareholders:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.1.3. General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion.

5.1.4. Dividends

Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment, or if the Directors have fixed a time for determining entitlement to a dividend, at that time. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Directors may set aside a sum out of the profits of the Company, as reserves, before recommending dividends of the profits.

5.1.5. Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set a value as the liquidator considers fair upon any property to be so decided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may also, with the authority of a special resolution, vest the whole or any part of any property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit. No member is obliged to accept any Shares, securities or other assets in respect of which there is any liability.

Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding-up, and the Corporations Act, all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

5.1.6. Transfer of shares

Shares can be transferred upon delivery of a proper instrument of transfer to the Company. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Except where the operating rules of an applicable clearing and settlement facility licensee provide otherwise, until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

The Directors may refuse to register a transfer if the Listing Rules permit or require, or if the transfer is a transfer of restricted securities which is or might be in breach of the Listing Rules or any escrow agreement entered into by the Company. The Board may refuse to register a transfer of shares upon which the Company has a lien.

5.1.7. Unmarketable parcels

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

5.2. Rights attaching to New Options

The following are the terms of the Options to be issued pursuant to this Prospectus.

- (a) The New Options will be issued for no consideration.
- (b) Each New Option entitles the holder to be issued one Share on exercise.
- (c) The exercise price of each New Option is 2.5 cents (\$0.025).
- (d) The New Options are exercisable by the holder at any time from the date of issue until the expiry date of 5:00pm (AEST) on 30 December 2022.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the New Options (**Notice of Exercise**). Options may be exercised by an Option holder, in whole or in part, by completing the Notice of Exercise

accompanied by payment in full for the relevant number of Shares being subscribed, being the exercise price multiplied by the number of New Options exercised.

- (f) An Option holder may only exercise a minimum of \$500 of New Options, or such lesser number if the exercise price of all of the New Options held by the holder is less than that amount.
- (g) Options will be deemed to have been exercised on the last day of the month in which the Notice of Exercise is lodged with the Company.
- (h) Shares issued pursuant to exercise of New Options will rank for dividend from the date they are issued and will otherwise rank equally with all other fully paid ordinary shares then on issue.
- (i) The Company currently intends to apply for quotation of the New Options on the official list of the ASX. Quotation of the New Options is not guaranteed or automatic but will depend on ASX exercising its discretion under the Listing Rules.
- (j) The Company will apply to ASX for quotation of the Shares issued on exercise of the New Options.
- (k) The Company will ensure, for the purposes of determining entitlements to any entitlement issue, that the Option holder will be notified of a proposed entitlement issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (l) If there is a bonus issue to the holders of the underlying securities, on the exercise of any New Options, the number of securities received will include the number of bonus securities that would have been issued if the New Options had been exercised prior to the record date for bonus issues. The exercise price will not change.
- (m) In the event of a pro rata issue (except a bonus issue) of Shares offered or made to the holders of Shares, the exercise price of each New Option existing on the record date for determining entitlements in relation to the pro rata issue will be reduced in a proportion as considered appropriate by the Board.
- (n) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed in a manner as considered appropriate by the Board and in accordance with the ASX Listing Rules.
- (o) Before listing on ASX, the New Options are freely transferable, subject to the terms of the Corporations Act and the ASX Listing Rules, through an instrument in writing in a form approved by the Company which is signed by or on behalf of both the transferor and the transferee. The duly completed form to be submitted to the Company and accompanied by any evidence the Company may require.
- (p) In the event the New Options are listed as an approved financial product, transfer can be effected through CHESS or another prescribed clearing and settlement facility in accordance with the ASX Settlement Operating Rules. The transfer can be declined, or a holding lock be applied to prevent a transfer of the New Options, if permitted to do so by the ASX Listing Rules.

- (q) Transmission can be effected to the legal personal representative of the deceased if the deceased was a sole holder, and the survivor or survivors if the deceased was a joint holder.
- (r) At a meeting of holders of New Options, the rules applicable to the convening, holding, and voting at, a general meeting of the Company will apply, so far as they are capable of application, to that meeting on the basis that on a poll a holder is entitled to 1 vote for each New Option held.

SECTION 6 ADDITIONAL INFORMATION RELEVANT TO THE OFFERS

6.1. The Company is a Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

The ASX maintains records of company announcements for all companies listed on the ASX. The Company's announcements may be viewed on the ASX's website at www.asx.com.au.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at an office of ASIC.

6.2. Section 713 Prospectus

This Prospectus has been issued under the provisions of section 713 of the Corporations Act. Section 713 enables disclosing entities to issue prospectuses in relation to securities in a class of securities that has been quoted on the ASX at all times in the 12 month period preceding the date of the prospectus, or options to acquire such securities. Copies of documents lodged at ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ASIC.

The New Shares to be issued under this Prospectus are in a class of securities that has been continuously quoted on the ASX in the 12 month period preceding the date of this Prospectus. The New Options are options to acquire continuous quoted Shares in the Company.

As the New Shares form part of the same class as the Company's existing Shares, ASIC Corporations (Exposure Period) Instrument 2016/74 allows the Company to accept Entitlement and Acceptance Forms upon the lodgement of this Prospectus with ASIC.

The level of disclosure that applies to this Prospectus requires that it must contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the effect of the Offers on the Company; and
- (b) the rights and liabilities attaching to the securities being offered.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in the Prospectus. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospectus of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that the Company has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company. Information that is already in the public domain has not been

reported in this Prospectus, other than that which is considered necessary to make the Prospectus complete.

6.3. Right to Obtain Copies of Documents

The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy of the document before the Closing Date:

- (a) the annual financial report of the Company for the year ended 30 June 2019, being the annual financial report most recently lodged by the Company with the ASX; and
- (b) any continuous disclosure notices (that is, documents in which the ASX was notified of information relating to the Company) given by the Company after 21 October 2019, being the date of lodgement of the Company's 2019 Annual Report, and before lodgement of a copy of this Prospectus with the ASIC. These documents are:

29 October 2019	Strategic review update
31 October 2019	Quarterly Activities and Cashflow Report
29 November 2019	AGM Chairman's Presentation
29 November 2019	Results of Annual General Meeting
02 December 2019	Constitution
24 December 2019	Final Director's Interest Notice
30 January 2020	Quarterly Activities and Cashflow Report
18 February 2020	Becoming a substantial holder
26 February 2020	Becoming a substantial holder - Correction
2 March 2020	Change in substantial holding
11 March 2020	Half Year Accounts
12 March 2020	Change in substantial holding
23 April 2020	Quarterly Activities and Cashflow Report - March 2020
21 May 2020	Pause in Trading
21 May 2020	Trading Halt
25 May 2020	Voluntary Suspension
29 May 2020	Update of Hargraves Resource
29 May 2020	Placement and Entitlement Issue

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website (www.asx.com.au), and will also be made available on the Company website (www.purealumina.com.au). Copies of announcements can also be obtained from the Company on request. Prospective investors are advised to refer to ASX's website or the Company website for updated releases about events or matters affecting the Company.

The annual financial report and the continuous disclosure notices referred to above have been identified for the purposes of section 713(4) of the Corporations Act and are not taken to form part of the content of this Prospectus.

The Company's Constitution and the consents referred to in Section 6.11 are also available for inspection for a period of 12 months after the date of this Prospectus during normal business hours at the Company's office at:

Pure Alumina Limited
Level 4, 100 Albert Road
South Melbourne ,Victoria 3205

6.4. Joint Lead Managers

The Company has entered into a mandate agreement with CPS Capital Group Pty Ltd ("**CPS**") and Vert Capital Pty Ltd ("**VERT**") ("**Joint Lead Managers**") pursuant to which the Company has appointed the Joint Lead Managers as the joint lead managers ("**Joint Lead Managers Mandate**") in relation to the Entitlement Offer under this Prospectus and the Placement.

In consideration for the services provided by the Joint Lead Managers, the Company has agreed to pay to the following fees to the Joint Lead Managers:

- (a) a management fee of 1% (each) plus GST of the gross amounts received by the Company from the Placement and Entitlement Offer;
- (b) CPS Capital will receive a fee of 4% of the Underwritten Amount (being \$1,377,135), plus GST (if applicable), for the underwriting of the Entitlement Offer. The underwriting is conducted under the Underwriting Agreement (as summarised in Section 6.5);
- (c) a placement fee of 4%, plus GST, where applicable, of the total funds raised under the Placement;
- (d) by negotiation, the Joint Lead Managers will be liable to pay a placing fee to certain parties, of up to 4%, plus GST, where applicable, from the underwriting fee referred to in paragraph (b) above; and
- (e) CPS Capital and VERT (and/or their nominee/s) will each receive twenty five (25) million options at a subscription price of \$0.00001 each (each option being exercisable at \$0.025 and expiring on 30 December 2022, being the same terms as the New Options) which are to be issued either:
 - (i) upon the receipt of Shareholder approval for their issue at the next convened general meeting of Shareholders following the date of the Joint Lead Managers Mandate; or
 - (ii) under the Company's placement capacity available under Listing Rule 7.1 following the next refreshment of that capacity.

The recipients of these New Option will not transfer the New Options for three months after their issue.

The Joint Lead Managers will be entitled to be reimbursed for certain expenses incurred in relation to their role as Joint Lead Managers, which may include airfares, accommodation, legal and printing costs, couriers and telecommunications costs, subject to those expenses having been approved by the Company prior to being incurred (with the exception of travel expenses).

The Joint Lead Managers Mandate otherwise contains terms and conditions which are considered standard for an agreement of this nature, including those relating to confidentiality,

limiting the Joint Lead Managers' liability and certain covenants, representations and warranties from the Company to the Joint Lead Managers. In addition, the Company has provided certain indemnities to the Joint Lead Managers and their officers, employees, agents and advisers.

6.5. Underwriting Agreement

On 28 May 2020, CPS Capital (as "**Underwriter**") and the Company entered into a underwriting pursuant to which the Underwriter has agreed to underwrite the Entitlement Offer to the extent of the 153,014,969 New Shares ("**Underwritten Shares**") and 76,507,485 New Options (together, the "**Underwritten Securities**") ("**Underwriting Agreement**").

The Underwriting Agreement is subject to conditions precedent usual to commercial agreements of this type, such as the Underwriter being satisfied with its due diligence enquiries and providing a consent to be named in this Prospectus.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter the following fees:

- (a) an underwriting fee equal to 4% (plus any applicable GST) of the Underwritten Amount (being \$1,377,135 plus any applicable GST);
- (b) a management fee equal to 1% (plus any applicable GST) of the Underwritten Amount; and
- (c) 25 million Options (as noted in Section 6.4(e) above).

The fees set out in this Section 6.5 relating to the Entitlement Offer supersede the fees to be paid to CPS Capital under the Joint Lead Managers Mandate.

In addition, the Company will pay and will indemnify and keep indemnified the Underwriter against and in relation to, all costs and expenses of and incidental to the Entitlement Offer, including but not limited to:

- (a) the disbursements of the Underwriter (including legal fees);
- (b) reasonable accommodation and travelling expenses of the Underwriter relating to the Entitlement Offer; and
- (c) all marketing and promotional expenditure related to the Entitlement Offer,

provided that the aggregate of all costs and expenses referred to above does not exceed \$500 (without the prior consent of the Company).

The Underwriter may procure such persons to sub-underwrite the Underwritten Securities as the Underwriter in its absolute discretion thinks fit and must pay all fees and commissions due to any sub-underwriters.

The obligation of the Underwriter to underwrite the Underwritten Securities is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **Shareholder Approval:** the Company does not obtain shareholder approval, if required, for the issue of securities pursuant to the Entitlement Offer;
- (b) **Indices fall:** the S&P ASX 200 Index falls to a level that is 90% or less of the level as at the close of trading on the day immediately prior to the date of the Underwriting Agreement and is at or below that level at the close of trading;

- (i) for 2 consecutive Business Days during any time after the date of the Underwriting Agreement; or
 - (ii) on the Business Day immediately prior to the day of settlement of the Entitlement Offer;
- (c) **Prospectus:** the Company does not lodge the Prospectus by the Lodgement Date (as defined in the Underwriting Agreement) or the Prospectus or the Entitlement Offer is withdrawn by the Company;
- (d) **No Listing Approval:** the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (e) **No Official Quotation:** ASX has advised the Company that it will not grant official quotation to the Underwritten Shares;
- (f) **Supplementary prospectus:**
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an adverse change, forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter, which will not be unreasonably withheld;
- (g) **Non-compliance with disclosure requirements:** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Underwritten Securities;
- (h) **Misleading Prospectus:** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (i) **Restriction on issue:** the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (j) **Withdrawal of consent to Prospectus:** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;

- (k) **ASIC application:** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, which is not dismissed or withdrawn by the date by which the Company must give notice to the Underwriter of the shortfall, if any;
- (l) **ASIC hearing:** ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act;
- (m) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world and the Underwriter believes (on reasonable grounds) that the outbreak or escalation or terrorist act is likely to result in the S&P ASX 200 Index falling by the percentage contemplated in (b) above;
- (n) **Authorisation:** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (o) **Event of Insolvency:** an Event of Insolvency (as defined in the Underwriting Agreement) occurs in respect of a Relevant Company (as defined in the Underwriting Agreement);
- (p) **Indictable offence:** a director or proposed director named in the Prospectus is charged with an indictable offence; or
- (q) **Termination Events:** upon the occurrence of any of the following events:
 - (i) **Default:** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (ii) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
 - (iii) **Contravention of constitution or Act:** a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **Adverse change:** an event occurs which gives rise to a Material Adverse Effect (as defined in the Underwriting Agreement) or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any relevant company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;

- (v) **Error in Due Diligence Results:** it transpires that any of the Due Diligence Results or any part of the Verification Material was materially false, misleading or deceptive or that there was a material omission from them;
- (vi) **Significant change:** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vii) **Public statements:** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Entitlement Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (viii) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlement Offer or the affairs of any relevant company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **Change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement, other than in relation or response to the current COVID-19 global health pandemic;
- (x) **Prescribed Occurrence:** a Prescribed Occurrence (as defined in the Underwriting Agreement) occurs, other than as disclosed in the Prospectus;
- (xi) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (xii) **Judgment against a Relevant Company:** a judgment in an amount exceeding \$100,000 is obtained against a relevant company and is not set aside or satisfied within 7 days;
- (xiii) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any relevant company, other than any claims foreshadowed in the Prospectus;
- (xiv) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
- (xv) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of a relevant company (other than as a result of the Entitlement Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xvi) **Timetable:** there is a delay in any specified date in the Prospectus timetable which is greater than 5 Business Days, without the consent of the Underwriter;

- (xvii) **Force Majeure:** a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs, without the consent of the Underwriter;
- (xviii) **Certain resolutions passed:** a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xix) **Capital Structure:** any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (xx) **Breach of Material Contracts:** any of the Contracts (as defined in the Underwriting Agreement) is terminated or substantially modified;
- (xxi) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- (xxii) **Market Conditions:** after the date of the Underwriting Agreement, a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets, other than in relation or response to the current COVID-19 global health pandemic.

The Underwriting Agreement also contains a number of indemnities, representations and warranties given by the Company to the Underwriter that are considered standard for an agreement of this type.

6.6. The Board of Directors, Interests of Directors and Management

Details of the interests of each Director in securities of the Company immediately before lodgement of the Prospectus with ASIC are set out in the table below. The table does not take into account any securities the Directors may acquire under the Entitlement Offer. The Director profiles are set out on page 16 of this Prospectus and contain details of the Board's experience and expertise.

Relevant Interests of Directors (including indirect interests)

Director	Shares	Unlisted options
Tom Eadie	8,993,217	200,000
David Leavy	1,798,526	Nil
Robert Boston	833,526	Nil

6.7. Payments and Benefits to Directors

Except as set out in this Prospectus, no person has paid or agreed to pay any amount, or provided or agreed to provide any benefit to:

- (a) any Director in order to induce them to become, or to qualify as, a Director; or
- (b) any Director for services provided by him in connection with:

- (i) the formation or promotion of the Company, or
- (ii) the Offers.

The remuneration paid or payable to each Director for the last two years (including cash and non-cash benefits) is set out in Section 6.8 below.

6.8. Remuneration of Directors and Executives

The Managing Director, Mr David Leavy is currently paid a salary of \$204,000 per annum plus statutory superannuation.

As a non-executive Director, Mr Tom Eadie is currently paid \$60,000 in directors fees per annum plus statutory superannuation.

As a non-executive Director, Mr Robert Boston is currently paid \$40,000 in directors fees per annum plus statutory superannuation.

The following table shows the annual remuneration paid to these directors for the last two financial years ended 30 June 2018 and 30 June 2019 and year to date for the financial year ending 30 June 2020:

	Cash salary and fees \$	Super- annuation \$	Total \$
2020 year to date			
E.T. Eadie	55,000	5,225	60,225
R. Boston	36,667	3,483	40,150
D. Leavy	187,000	17,765	204,765

	Cash salary and fees \$	Super- annuation \$	Share-based payments Equity- settled \$	Total \$
2019 financial year				
E.T. Eadie	60,000	5,700	-	65,700
R. Boston	40,000	3,800	24,000	67,800
D. Leavy	204,000	19,380	60,000	283,380

	Cash salary and fees \$	Total \$
2018 financial year		
R. Boston	21,183	23,195
D. Leavy	145,681	153,233

Further details of the remuneration of Directors is set out in the Remuneration Report set out in the 2019 Annual Report of the Company.

6.9. Interests of, and Issue of Payments and Benefits to, Advisors and Experts

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory, expert or any other capacity in connection with the preparation and distribution of this Prospectus, promoters of the Company (together, "**Prescribed Persons**") holds, or at any time in the past two years held, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offers; or
- (c) the Offers.

Except as set out in this Prospectus, no amounts have been paid or agreed to be paid to any Prescribed Person and no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

GrilloHiggins Lawyers will receive the sum of approximately \$30,000 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in connection with the Entitlement Offer.

CPS Capital and VERT have acted as Joint Lead Managers in respect of the Entitlement and the Placement under this Prospectus, for which they will receive fees pursuant to the mandate as summarised at Section 6.4.

CPS Capital has acted as Underwriter in respect of the Entitlement Offer under this Prospectus, for which it will receive fees pursuant to the mandate as summarised at Section 6.5.

6.10. Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against us.

6.11. Consents

GrilloHiggins Lawyers has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's solicitors in relation to the Offers. GrilloHiggins Lawyers has not authorised or caused the issue of any part of this Prospectus.

CPS Capital and VERT have each given, and as at the date of this Prospectus have not withdrawn, their consent to be named as Joint Lead Managers in relation to the Offers. Neither CPS Capital nor VERT has authorised or caused the issue of any part of this Prospectus.

CPS Capital has given, and as at the date of this Prospectus has not withdrawn, its consent to be named as Underwriter in relation to the Entitlement Offer. CPS Capital has not authorised or caused the issue of any part of this Prospectus.

Boardroom Pty Limited has given, and as at the date of this Prospectus has not withdrawn, its consent to be named as Share Registry. Boardroom Pty Limited has not authorised or caused the issue of any part of this Prospectus.

SECTION 7 ACTION REQUIRED BY SHAREHOLDERS

7.1. What Existing Shareholders may do

The number of New Shares and New Options to which Eligible Shareholders are entitled under the Entitlement Offer ('your Entitlement') is shown on the accompanying Entitlement and Acceptance Form.

As an Existing Shareholder, you may:

- take up your Entitlement in full;
- take up part of your Entitlement; or
- do nothing and allow your Entitlement to lapse.

7.2. Taking up all of your Entitlement

If you wish to take up all of your Entitlement complete the accompanying Entitlement and Acceptance Form for New Shares and New Options in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form together with your cheque in Australian currency drawn on and payable at an Australian bank for the amount shown on the form to reach the Company's Share Registry, Boardroom Pty Limited, no later than 5.00pm (AEST) on Tuesday, 30 June 2020 at the address set out below:

Pure Alumina Limited
c/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Cheques should be made payable to "Pure Alumina Limited" and crossed "Not Negotiable". Alternatively, a BPAY® option is also available. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form.

If you are accepting all or part of your Entitlement and payment is being made by BPAY®, you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm Melbourne time on Tuesday, 30 June 2020.

7.3. Consequences of doing nothing – Entitlement not taken up

You will receive no benefit if you do not take up your Entitlement. Shareholders are unable to sell their rights. It is therefore important that you consider taking action either to take up your Entitlement in accordance with the above instructions and the instructions on the back of the Entitlement and Acceptance Form.

7.4. Applications and Payment

If your Entitlement and Acceptance Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted by the Company. The Company's decision as to whether to accept the application or how to construe, amend or complete it, shall be final, but no Applicant will be treated as having offered to purchase more New Shares than indicated by the amount of the cheque for application monies.

You are urged to lodge your Application as soon as possible. Entitlement and Acceptance Forms must not be circulated to prospective investors unless attached to a copy of this Prospectus.

Cheques must be drawn in Australian currency on an Australian bank and made payable to 'Pure Alumina Limited' and crossed 'Not Negotiable'. Please do not forward cash or postal notes by mail. Receipts for payment will not be issued.

Eligible Shareholders may submit payments for New Shares applied for using BPAY®. In order to use BPAY®, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY®, you do not need to return your Entitlement and Acceptance Form. In light of potential postal service delays due the COVID-19 pandemic, you may wish to consider this payment method.

7.5. Enquiries

If you have any queries about your Entitlement please contact the Company between the hours of 8.30am and 5.00pm (AEST), Monday to Friday:

Ph: +61 3 9692 7222

Email: mleydin@leydinfreyer.com.au

Alternatively, contact your stockbroker or other professional adviser.

7.6. Personal Information and Privacy Act

Eligible Shareholders have already provided certain personal information to the Company and its share registry. If Eligible Shareholders apply for New Shares and New Options, the Company and its share registry may update that personal information or collect new information. Such information will be used to assess the Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Your personal information may be used and disclosed to persons inspecting the registers, regulatory bodies, print service providers, mail houses retained for Company purposes and Company's share registry.

If you do not provide the information requested in the Entitlement and Acceptance Form, the Company may not be able to process the Application or administer your holding of Shares appropriately.

Under the *Privacy Act 1998 (Cth)*, you may access, correct and update personal information held by, or on behalf of the Company or its share registry by contacting the Company as follows:

Pure Alumina Limited
Attention: Company Secretary
Level 4, 100 Albert Road
South Melbourne VIC 3205
Ph: +61 3 9692 7222
Email: mleydin@leydinfreyer.com.au

SECTION 8 DIRECTORS AUTHORISATION

The Directors of the Company have authorised the issue of this Prospectus on behalf of the Company.

This Prospectus has been signed by a Director for and on behalf of the Directors, in accordance with section 351 of the Corporations Act.

A handwritten signature in dark ink, appearing to read 'Tom Eadie', written in a cursive style.

Mr Tom Eadie

Non-Executive Chairman

SECTION 9 GLOSSARY

In this Prospectus the following terms have the meanings ascribed to them below, unless the context otherwise requires.

TERM	DEFINITION
AEST	Australian Eastern Standard Time
Applicant(s)	Person(s) who submit an Application
Application	A valid application made to subscribe for a specified number of New Shares pursuant to this Prospectus
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691)
ASX Settlement	ASX Settlement Pty Ltd (ACN 008 504 532)
BNH	Big Nugget Hill
Board	The board of Directors at Pure Alumina Limited
Business Day	A business day as defined in the Listing Rules.
CHESS	Clearing House Electronic Subregister System
Closing Date	The date the Entitlement Offer closes, being 5.00pm (AEST) on Tuesday, 30 June 2020, unless extended by the Company
Company	Pure Alumina Limited (ACN 072 692 365)
Constitution	The constitution of the Company
Consolidated Entity	Has the meaning given in Section 3
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CPS Capital	CPS Capital Group Pty Ltd (ACN 088 055 636)
Directors	The directors of the Company
Eligible Shareholder	A Shareholder entitled to participate in the Entitlement Offer as described in Section 1.1.4
Entitlement	The entitlement of a Shareholder to participate in the non-renounceable rights issue of three (3) New Share for every five (5) Shares held at the Record Date at an issue price of 0.9 cents (\$0.009) per New Share, together with one (1) free attaching option having an exercise price of 2.5 cents (\$0.025) and expiry date of 30 December 2022 for every two (2) New Shares purchased
Entitlement Offer	The offer for the Entitlement made in accordance with this Prospectus
Entitlement and Acceptance Form	The form described as such accompanying this Prospectus (for Eligible Shareholders only)
GST	Australian goods and services tax
HPA	High purity alumina
International Shareholder	A holder of Shares having a registered address outside Australia or New Zealand
Issuer Sponsored Statement	Issuer sponsored holding statement to be issued by CHESS
Joint Lead Managers	CPS Capital and VERT

TERM	DEFINITION
Joint Lead Managers Mandate	Mandate agreement pursuant to which the Company has appointed the Joint Lead Managers in relation to the Entitlement Offer and the Placement
Listing Rules	The official listing rules of the ASX
New Options	Options issued under this Prospectus
New Shares	Shares issued under this Prospectus
Notice of Exercise	Has the meaning given in Section 5.2(e)
Offers	The Entitlement Offer and the Placement Offer made in accordance with this Prospectus, further details of which are set out in Section 1
Official Quotation	Has the meaning given to the term 'quotation' in the Listing Rules
PFS	Pre-Feasibility Study
Placement	The placement of New Shares and New Options to certain institutional and sophisticated investors to raise up to \$659,377, which includes the Placement Tranche 1 Shares, the Placement Tranche 1 Options, Placement Tranche 2 Shares and the Placement Tranche 2 Options
Placement Offer	The offer for the Placement Securities made in accordance with this Prospectus
Placement Securities	The Placement Tranche 1 Options, Placement Tranche 2 Shares and the Placement Tranche 2 Options
Placement Tranche 1 Options	One free attaching New Option for every two Placement Tranche 1 Shares issued, the issue of which being subject to Shareholder approval being obtained
Placement Tranche 2 Options	One free attaching New Option for every two Placement Tranche 2 Shares issued, the issue of which being subject to Shareholder approval being obtained
Placement Tranche 1 Shares	The offer of approximately 33,264,123 Shares at an issue price of 0.9 cents (\$0.009) per Share
Placement Tranche 2 Shares	The offer of up to 40,000,000 Shares at an issue price of 0.9 cents (\$0.009) per Share, the issue of which being subject to Shareholder approval being obtained
Prescribed Persons	Prescribed Persons has the meaning given to it in Section 6.9
Prospectus	This Prospectus dated 29 May 2020
Record Date	Wednesday, 3 June 2020
Section	A section of this Prospectus
Securities	New Shares and/or New Options (as the context requires)
Shareholder	A register holder of Shares appearing on the Company's share register
Shares	Ordinary fully paid shares in the capital of the Company
Share Registry	Boardroom Pty Limited (ACN 003 209 836)
Statement of Financial Position	The statement on the financial position of the Company
Supplementary Prospectus	Any supplementary prospectus or replacement prospectus or both in relation to the Offers and the Prospectus lodged pursuant to section 719 of the Corporations Act

TERM	DEFINITION
Tph	Tonnes per hour
Underwriter	CPS Capital
Underwriting Agreement	The underwriting agreement between CPS Capital (as Underwriter) and the Company dated 28 May 2020 as summarised in Section 6.5
Underwritten Shares	Has the meaning given in Section 6.5
Underwritten Securities	Has the meaning given in Section 6.5
VERT	Vert Capital Pty Ltd (ACN 635 566 424)

CORPORATE DIRECTORY

Registered Office

Pure Alumina Limited
Level 4, 100 Albert Road
South Melbourne VIC 3205

Website

www.purealumina.com.au

Directors

Tom Eadie (Non-Executive Chair)
David Leavy (Managing Director)
Robert Boston (Non-Executive Director)

Company Secretary

Melanie Leydin

ASX Code

Shares: PUA

Joint Lead Managers

CPS Capital Group Pty Ltd
Level 45 108 St George's Terrace
Perth WA 6000

Vert Capital Pty Ltd
Hall Chadwick, 283 Rokeby Road
Subiaco WA 6008

Underwriter

CPS Capital Group Pty Ltd
Level 45 108 St George's Terrace
Perth WA 6000

Solicitors to the Offers

GrilloHiggins Lawyers
Level 4, 114 William Street
Melbourne VIC 3000

Auditor

Moyes Yong*
Suite 1301, Level 13
115 Pitt Street
Sydney NSW 2000

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: 1300 737 760
Website: www.boardroomlimited.com.au

**This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.*

ENTITLEMENT OFFER

ENTITLEMENT AND ACCEPTANCE FORM

Entitlement No.	
Subregister	
SRN/HIN	
Number of Shares held at 7:00pm (Sydney time) on Wednesday, 3 June 2020	

Closing Date:
Tuesday, 30 June 2020 at 5:00pm (Sydney time)

This is an important document and requires your immediate attention. This Entitlement and Acceptance Form can only be used in relation to the security holding represented by the SRN or HIN printed above. If you are in doubt about how to deal with this Entitlement and Acceptance Form, please consult your financial or other professional adviser.

You should read the Prospectus dated 29 May 2020 (Prospectus) that accompanies this Entitlement and Acceptance Form for details of the Entitlement Offer and other important information. Capitalised words used and not otherwise defined in this Entitlement and Acceptance Form have the meaning given to them in the Prospectus. *You do not need to return this Entitlement and Acceptance Form if you pay by BPAY®.*

A Offer acceptance

The return and receipt of this Entitlement and Acceptance Form with your application monies by the Closing Date or payment via BPAY® by the Closing Date will constitute acceptance of your Entitlement on the terms and conditions set out in the Prospectus (Application).

If you wish to accept your **FULL ENTITLEMENT** please complete and return this Entitlement and Acceptance Form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW.**

Entitlement to New Shares on the basis of 3 New Shares for every 5 Ordinary Shares held	Price per New Share	Amount payable on full acceptance of Entitlement at A\$0.009 per New Share
	A\$0.009 per New Share =	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** please complete the box below showing the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares being accepted	Price per New Share	Amount enclosed at A\$0.009 per New Share
	A\$0.009 per New Share =	

B Payment

Payment may only be made by BPAY® or cheque. Cash will not be accepted. Payments cannot be made at a bank.

Payment Option 1 - BPAY®


Biller Code:
CRN:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make payment from your account.

More info: www.bpay.com.au

© Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY® please contact your participating financial institution.
- If paying by BPAY® you do NOT need to return this Entitlement and Acceptance Form.

Payment Option 2 – Cheque

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT AUD
				\$

- Only cheques in Australian dollars and drawn on an Australian branch of a financial institution will be accepted.
- Your cheque must be made payable to "Pure Alumina Limited" and crossed "Not Negotiable".
- Please ensure that you submit the correct amount. Incorrect payments may result in your Application being rejected.

THIS FORM CONTINUES OVERLEAF

C Contact details

You do not have to provide us with your contact details, however it will assist us if we need to contact you.

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	()	()	

LODGEMENT INSTRUCTIONS AND OTHER IMPORTANT INFORMATION

Your payment must be received by no later than 5.00pm (Sydney time) on Tuesday, 30 June 2020.

1 BPAY®

If paying by BPAY®, you do not need to return this Entitlement and Acceptance Form but you must contact your Australian bank, credit union or building society to make this payment from your account. For more information go to: www.bpay.com.au. Refer to the front of this Entitlement and Acceptance Form for the Biller Code and Customer Reference Number (CRN). You should check the processing cut-off time for BPAY® transactions with your bank, credit union or building society to ensure that your payment will be received by the UWL Share Registry in time as the cut-off time administered by your bank, or relevant financial institution might be earlier than the Closing Date. Payments by BPAY® must be received **by no later than 5.00pm (Sydney time) on Tuesday, 30 June 2020**.

PUA will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

2 Cheque

Complete your cheque details in Section B of this Entitlement and Acceptance Form. Please ensure that sufficient cleared funds are held in your account, as your cheque will be processed on the day of receipt, but no later than the Closing Date.

If you are paying by cheque, you must post your completed Entitlement and Acceptance Form and payment to:

Pure Alumina Limited Entitlement Offer
c/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Neither Boardroom Pty Limited nor the Company accepts any responsibility if you do not lodge this Entitlement and Acceptance Form in accordance with the instructions on it. A reply-paid envelope is enclosed for shareholders in Australia. All other Eligible Shareholders must make their own postal arrangement and affix the correct postage. If you are paying by cheque, your Entitlement and Acceptance Form and payment must be received **by no later than 5.00pm (Sydney time) on Tuesday, 30 June 2020**.

You cannot withdraw your Application once it has been accepted.

Important Notices

Overseas Shareholders

The Prospectus and this Entitlement and Acceptance Form do not constitute an offer of securities in any jurisdiction outside of Australia and New Zealand. In particular, the New Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h)) in compliance with Regulation S under the U.S. Securities Act.

The Prospectus and this Entitlement and Acceptance Form do not constitute an offer or invitation to acquire the Entitlements or the New Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. By applying for New Shares, you represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States and that applying for New Shares does not breach any law in any relevant jurisdiction outside Australia or New Zealand.

Acceptance of Entitlement Offer

By either returning this Entitlement and Acceptance Form with payment to the Share Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations in the Prospectus; and
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the constitution of Pure Alumina Limited.

Privacy Statement

Boardroom Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on this Entitlement and Acceptance Form. Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).

For further information regarding this Entitlement and Acceptance Form or the Entitlement Offer please contact the PUA Offer Information Line on 1300 737 760 within Australia, or +61 2 9290 9600 outside Australia from 8.30am to 5.00pm Monday to Friday. For other questions you should contact your stockbroker, solicitor, accountant or other professional adviser.