
Report for June Quarter 2020

31 July 2020

ASX Code: PUA, PUAOD

Pure Alumina targets growth in the gold sector

Key Points

- **The updated JORC 2012 compliant Resource Statement for the Hargraves deposit was a very robust 2,318,986t @ 2.38 g/t for 177,652 oz**
- **The review of data for the Hargraves and Hill End projects is advanced with a number of opportunities identified**
- **We are also taking the opportunity to compile the data into a single format to allow greater efficiency in modelling and to include the results of future work**
- **A capital raising for approximately \$2 mil was very well supported with strong demand for the Placement and the Entitlement Issue very well subscribed**
- **The focus for the Company is to continue to develop the opportunities we have at Hill End and Hargraves while also looking for additional value accretive acquisitions**

Corporate

During the quarter, Pure Alumina Limited (Pure Alumina) continued its efforts on creating value for shareholders in the gold sector. The key outcome over the quarter was the release of the 2012 JORC Code compliant resource for the Hargraves deposit. Using existing data, SRK Consulting (Australasia) Pty Ltd re-modelled the project data to be compliant with the current standards.



On 29th of May 2020 Pure Alumina announced a Capital Raising consisting of a placement and an Entitlement Issue. There was significant interest in the Placement, raising a total of \$659,377 before costs over 2 tranches. The first tranche of \$299,377 was issued on the 29th of May 2020 with the balance subject to shareholder vote at an Extraordinary General Meeting (EGM) scheduled for 31st of July 2020.

Simultaneously, a fully underwritten, 3 for 5 Entitlement Issue was announced to raise a total of \$1,377,134 before costs. The take up by shareholders was strong with the balance placed by the underwriter, CPS Capital.

Assuming the relevant resolutions are passed at the EGM, Pure Alumina's capital structure following the capital raise will be:

Shares on issue Pre Capital Raise			221,760,824
Shares issues under Placement			73,264,123
Shares issued in Rights Issue			153,014,968
Shares issued to Brokers			14,322,361
Total Outstanding Shares Post Raising			462,361,722
Placement Options	\$0.025 Strike	30 December 2022 Exp	36,632,061
Entitlement Options	\$0.025 Strike	30 December 2022 Exp	76,507,414
Broker Options	\$0.025 Strike	30 December 2022 Exp	50,000,000
Director Options	Strike at 45% premium to market price at issue	30 December 2022 Exp	20,000,000
Total Outstanding Options			183,139,475

Pure Alumina would like to take this opportunity to thanks our shareholders for their support of the Entitlement Issue and the Placement. The Board would also like to remind shareholders that we have our EGM on the 31st of July 2020 to consider the resolutions outlined in the Notice of Meeting released on 30th of June 2020. The board strongly encourages all shareholders to attend via the webcast ([PUA EGM Zoom Registration](#)).

Hill End Gold Project

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





Figure 1: Hill End gold project location near Bathurst, NSW

Prior exploration by the company has delineated 3 zones of gold mineralisation at Hargraves, Red Hill and Hill End with a substantial amount of drilling and related exploration data. A small gravity milling plant exists at Hill End from the trial mining program. Exploration potential remains open along strike and at depth in all areas of mineralisation.

Planned Activities

Pure Alumina has initiated a detailed review of the Hill End gold project, with an initial focus on:

- Continuing the detailed review of all deposits, with several opportunities already identified. The review and re-modelling process is expected to be completed in the September quarter with further exploration work expected to follow;
- The data generated from the trial mining program will be a particular focus. The significant underground development completed during the program will expedite any exploration work undertaken.

Resource Table

2012 JORC-compliant Mineral Resources

	Classification	Tonnes (t)	Grade (Au g/t)	Contained oz
Hargraves	Indicated	1,108,651	2.7	97,233
	Inferred	1,210,335	2.1	80,419
Sub-Total		2,318,986	2.4	177,652
Red Hill	Indicated	413,000	1.4	18,600
	Inferred	1,063,000	1.8	61,400
Sub-Total		1,475,000	1.7	80,000
Combined Total	Indicated	1,521,651	2.35	115,833
	Inferred	2,273,335	1.96	141,819
		3,791,986	2.11	257,653

- Hargraves: 0.8 g/t reporting cut-off [ASX Announcement 29 May '20](#)
- Red Hill: 0.5 g/t per block, ordinary kriging grade interpolation, classified Mineral Resources limited to 160mRL below surface. ASX announcement 30 Nov 2015: [ASX announcement Nov '15](#)



2004 JORC-compliant Mineral Resources

	Classification	Tonnes (t)	Grade (Au g/t)	Contained oz
Hawkins Hill - Reward	Measured	77,400	11.3	28,100
	Indicated	180,400	6.5	37,700
	Inferred	627,800	8.8	178,100
Total		885,600	8.6	243,900

Cut-off grades: Hawkins Hill – Reward: 0.5 g/t and inverse distance squared grade interpolation

ASX announcement 13 Oct 2010: [ASX Announcement Oct '10](#). This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Total Resource Inventory

	Classification	Tonnes (t)	Grade (Au g/t)	Contained oz
JORC 2012	Indicated	1,521,651	2.4	115,833
	Inferred	2,273,335	1.9	141,819
	Sub-total	3,794,986	2.1	257,652
JORC 2004	Measured	77,400	11.3	28,100
	Indicated	180,400	6.5	37,700
	Inferred	627,800	8.8	178,100
	Sub-total	885,600	8.6	243,900
Total		4,680,586	3.3	501,552

Pursuant to ASX Listing Rule 5.23.3, Pure Alumina Limited confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements referred to in the Resource Tables above and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not materially changed.

Potential Acquisitions

While the Hill End gold projects are the key focus, the Company will continue to search for additional, value creating, projects. The focus is on projects that meet the following criteria:

- High priority exploration potential
- Known gold or copper regions
- Good access to infrastructure

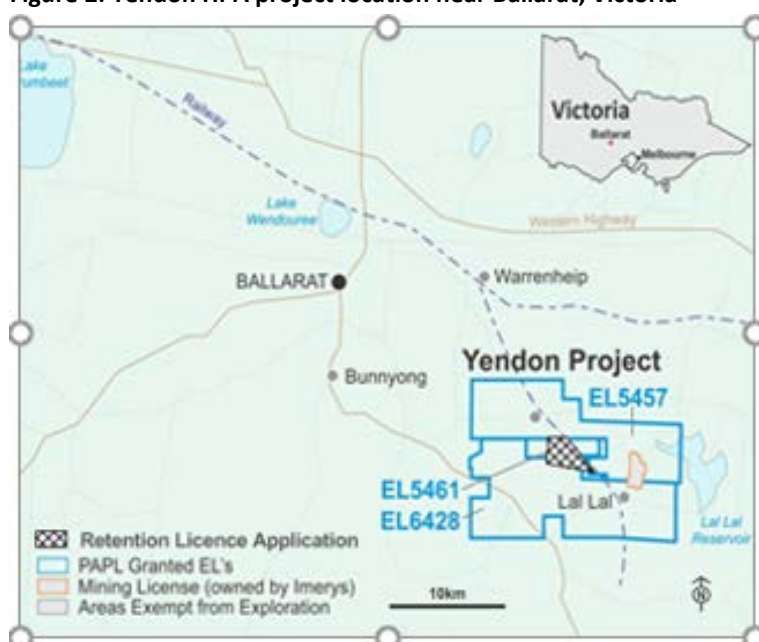


Yendon High Purity Alumina Project

Following the end of the quarter the Company was advised by the Victorian Mines Department that the Retention License application covering the kaolin resource had been approved. The Retention license covers parts of EL5457 and EL5461, the balance of these tenements and EL6428 will be relinquished in due course.

The pre-feasibility study (PFS) of the Yendon high purity alumina (HPA) project was completed in June 2018 (ASX 14 June 2018), delivering robust technical and financial outcomes. However, as previously announced by the Company, its current strategy to focus on the gold sector will see the Yendon HPA project put on hold until market conditions improve. The Company is also looking at alternatives to realise value from the project.

Figure 2: Yendon HPA project location near Ballarat, Victoria



Current Tenement Schedule

The table below contains details of tenements held by PUA and its controlled entities at the end of the quarter.

Project	Tenement	Grant / Application Date	Expiry Date	Area
Hill End (NSW)	Exploration Licence No 5868 (1992) ¹	18/06/2001	renewal pending	16 units
Hill End (NSW)	Gold Lease No 5846 (1906) ¹	15/02/1968	7/12/2024	2.044 hectares
Hill End (NSW)	Mining Lease No 1116 (1973) ¹	28/03/1984	16/10/2024	15.71 hectares
Hill End (NSW)	Mining Lease No 1541 (1992) ¹	17/10/2003	16/10/2024	279.20 hectares
Hill End (NSW)	Mining Lease No 315 (1973) ¹	8/12/1976	7/12/2024	6.671 hectares
Hill End (NSW)	Mining Lease No 316 (1973) ¹	8/12/1976	7/12/2024	8.846 hectares
Hill End (NSW)	Mining Lease No 317 (1973) ¹	8/12/1976	7/12/2024	7.00 hectares



Hill End (NSW)	Mining Lease No 49 (1973) ¹	30/07/1975	7/12/2024	1.618 hectares
Hill End (NSW)	Mining Lease No 50 (1973) ¹	30/07/1975	7/12/2024	3.02 hectares
Hill End (NSW)	Mining Lease No 913 (1973) ¹	20/01/1981	19/01/2023	22.00 hectares
Hill End (NSW)	Mining Lease No 914 (1973) ¹	20/01/1981	19/01/2023	21.69 hectares
Hill End (NSW)	Mining Lease No 915 (1973) ¹	4/02/1981	3/02/2023	13.27 hectares
Hargraves (NSW)	Exploration Licence No 6996 (1992) ¹	21/12/2007	renewal pending	24 units
Chambers Creek (NSW)	Exploration Licence No 8289 (1992) ¹	24/3/2014	20/08/2020	3 Units
Yendon (Vic)	Exploration Licence No 5457	10/09/2013	renewal pending	41 Graticules ²
Yendon (Vic)	Exploration Licence No 5461	10/09/2016	9/09/2020	4 Graticules ²
Yendon (Vic)	Exploration Licence No 6428	22/12/2017	21/12/2020	49 Graticules ²
Yendon (Vic)	Retention Licence app No RL6734	27/07/2018	grant pending	225.2 hectares

Notes:

1 - A graticule is essentially 1 sq. km or part thereof

Other

Payments to related parties included in Appendix 5B

The payments to related parties of Pure Alumina disclosed in item 6.1 of the Appendix 5B for the quarter were payments of directors' fees and salaries.

The release of this announcement was authorized by the Managing Director, Mr David Leavy, on behalf of the Board.

David Leavy
Managing Director

Media - For further information, please contact:

David Leavy – Managing Director +61 3 9692 7222



Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PURE ALUMINA LIMITED

ABN

74 072 692 365

Quarter ended ("current quarter")

June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(56)	(156)
	(b) development		
	(c) production		
	(d) staff costs	(85)	(676)
	(e) administration and corporate costs	(134)	(679)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid		
1.7	R&D tax incentive	234	234
1.8	Other income	25	28
	Polar transaction costs (non-recurrent costs)	-	(123)
1.9	Net cash from / (used in) operating activities	(16)	(1,372)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)		
	(e) investments		
	(f) other non-current assets	-	(32)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	-	290
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	258

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	300	300
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(32)	(32)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Payment of lease liabilities	(8)	(29)
3.10	Net cash from / (used in) financing activities	260	239

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	241	1,360
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(16)	(1,372)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	258
4.4	Net cash from / (used in) financing activities (item 3.10 above)	260	239

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	485	485

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	485	241
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	485	241

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(16)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(16)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	485
8.5 Unused finance facilities available at quarter end (Item 7.5)	
8.6 Total available funding (Item 8.4 + Item 8.5)	485
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	30.3

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

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3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

31 July 2020

Date:

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.