
Polar Transaction Update

26 September 2019

ASX Code: PUA, PUAOC

Pure Alumina Limited (ASX: PUA) (Pure Alumina) provides the following update on the acquisition of Polar Sapphire Limited (Polar Sapphire).

As advised on 24th July 2019, the agreement to acquire Polar Sapphire (Acquisition Agreement) was extended until 30th September 2019. We are continuing to receive investor interest in the Polar acquisition and capital raise; however we have yet to achieve the required \$30 million in commitments required under the acquisition agreement.

Challenging equity markets resulting from reduced interest in battery materials driven by a downturn in lithium stocks, significant uncertainties surrounding US / China trade relations and Brexit have significantly impacted the ability to raise capital.

Both Polar Sapphire and Pure Alumina are continuing to work towards completing the capital raise and there are investors who have yet to complete their analysis and inform us of their intentions; however it is unlikely that the capital raise will be achieved before the 30 September 2019 Acquisition Agreement expiry.

Pure Alumina is in discussion with Polar Sapphire to extend the Acquisition Agreement under certain circumstances but has not yet been advised of Polar Sapphire's intentions after the Acquisition Agreement expires. We therefore are unable to provide certainty that the acquisition will proceed. In the event that the transaction is not extended, Pure Alumina will review its future direction.

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Managing Director

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Pure Alumina Limited

Pure Alumina is an ASX listed company with a strategy to become a producer of high purity alumina to capture the opportunity presented by the rapidly growing high purity alumina market.

Pure Alumina has completed a pre-feasibility study of its 100% owned Yendon kaolin to HPA project which demonstrated robust technical and financial outcomes. Investor feedback raised concerns on the capital required and timeframe for the Yendon project. The proposed acquisition of Polar Sapphire addresses investor concerns with a 90% reduction in total capital to acquire Polar Sapphire and initiate commercial production of HPA. Commercial HPA production is planned to commence within a year.

The completion of the acquisition of Polar Sapphire is expected to enable Pure Alumina to be the first ASX listed HPA producer. Polar's technology has been proven at pilot plant scale, has very low capital and operating costs and a fast construction time to commercial production of 12 months from the completion of the acquisition.

Once commercial HPA production is established, Pure Alumina plans to undertake R&D to integrate its kaolin process with Polar Sapphire's proprietary technology. If successful, it would further reduce Polar Sapphire's already low operating costs.

Polar Sapphire

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

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