



Polar Sapphire Acquisition Update

24 July 2019

ASX Code: PUA, PUAOC

Pure Alumina Limited (ASX: PUA), which, as previously announced to the market on 21 March 2019 and 17 June 2019, is undertaking an acquisition of Canadian HPA producer Polar Sapphire Limited (Polar Sapphire), has agreed with Polar Sapphire to extend the acquisition agreement's end date to 30 September 2019, to provide additional time to facilitate completion of all conditions precedent, and to remove exclusivity on both sides.

Pure Alumina has been focussed on the capital raise that is contemplated as part of the transaction which is now at an advanced stage although not yet completed. There has been strong interest from investors both here in Australia and overseas with site visits to Polar Sapphire's HPA pilot plant and follow up meetings currently underway.

Scott Nichol, Polar Sapphire CEO, commented: "Polar Sapphire remain committed to completing the capital raise with Pure Alumina and are confident that it will be completed. Both parties however may now consider other options should they arise."

Pure Alumina's aim is to continue its concentrated efforts to complete the capital raise process as soon as practicable. Martin McFarlane, MD of Pure Alumina, elaborated, "We believe that we are still Polar's favoured pathway to commercialising Polar's HPA low cost method of producing HPA and our focus remains on raising the capital to complete the deal."

Martin McFarlane
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.