



Pure Alumina signs Non-binding Term Sheet with Polar Sapphire

3 December 2018

ASX Code: PUA, PUAOC

Pure Alumina signs non-binding term sheet to negotiate a possible merger with next-generation high purity alumina producer

Key Points

- Pure Alumina has entered into a non-binding term sheet to negotiate terms for the possible acquisition of unlisted, Canadian company Polar Sapphire (www.polarsapphire.com)
- Polar produces 99.999% (5N) high purity alumina (HPA) at its facility in Toronto
- Polar's patented HPA process gives it one of, if not the, lowest HPA production costs in the world for 5N HPA
- Polar has established HPA sales with a number of sapphire producers.
- Polar's HPA process is modular with expansion achieved by installing additional modules. This keeps capital cost extremely low
- HPA demand is growing rapidly on the back of its use in LED lighting and lithium batteries for electric vehicles. HPA demand is forecast to quadruple to ~100,000tpa by 2030



Pure Alumina Limited (ASX:PUA) is pleased to advise that it has signed a non-binding term sheet which contemplates exclusive negotiation of terms for the acquisition of 100% of Toronto-based high purity alumina (HPA) producer Polar Sapphire. Both parties have committed to work towards agreeing formal terms of a potential transaction on or before 31 January 2019. There is no certainty that formal terms for the proposed acquisition will be agreed or a transaction complete. Any formal terms will be subject to a range of conditions including (without limitation) confirmatory due diligence, receipt of necessary shareholder, third party and regulatory approvals.

Polar is currently producing HPA at its pilot plant in Toronto, generating cashflow in the process.

Pure Alumina has been progressing development of its Yendon high purity alumina project in Victoria and recently completed a Pre-feasibility Study (PFS) on this project.

Pure Alumina's Managing Director, Mr Martin McFarlane, said "We are very impressed with the technology that Polar Sapphire has developed to produce high purity alumina and look forward to advancing discussions with Polar with the objective of finalising a binding agreement."

Pure Alumina will continue to keep shareholders informed of developments.

Martin McFarlane
Managing Director

Media - For further information, please contact: Paul Armstrong - Read Corporate +61 8 9388 1474

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.

Pure Alumina Limited

Pure Alumina owns 100% of the high grade kaolin deposit at Yendon near Ballarat Victoria and has established a hydrochloric acid based process to extract Aluminium purify it and convert it to HPA. A pre-feasibility study of the Yendon HPA project completed in June 2018 produced robust technical and financial outcomes.

Pure Alumina has commenced a detailed feasibility study of the Yendon project and is developing plans to build a commercial demonstration plant to produce HPA from Yendon kaolin.