
Report for December Quarter 2019

30 January 2020

ASX Code: PUA, PUAOC

Pure Alumina targets growth in the gold sector

Key Points

- A full review of the Hill End gold project is now underway
- Updated JORC 2012 compliant Resource Statement scheduled for release in March quarter
- Several potential gold acquisitions under review
- David Leavy appointed as Pure Alumina's Managing Director to oversee the management of Hill End gold project and the project acquisition process following the resignation of MD Martin McFarlane on 24 December 2019

Corporate

During the quarter, Pure Alumina Limited (Pure Alumina) re-focused its efforts on creating value for shareholders in the gold sector. This involves a two-pronged strategy based on a review of its Hill End gold project in NSW and the potential acquisition of new gold projects. As outlined below, Pure Alumina has commenced a review of the Resource estimate for the Hargraves deposit at Hill End to make it JORC 2012 compliant.

In addition to the work at Hill End, Pure Alumina has reviewed a number of potential acquisitions to create additional value.

Management Changes

On the 24th of December, Martin McFarlane stepped down as Managing Director. Mr McFarlane played a key role in the development of the Yendon HPA project. The Board would like to thank him for his commitment in guiding the Company during his time as MD.



David Leavy has been appointed as interim Managing Director, with key responsibility for managing the activities at Hill End and leading the search for new projects. Once a clear path forward has been identified, Pure Alumina will undertake a review of the skills required to maximise the value from the Company's projects.

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.

Prior exploration by the company has delineated 3 zones of gold mineralisation at Hargraves, Red Hill and Hill End which included a substantial amount of drilling and related work required to estimate a resource and consider development options. A small gravity milling plant exists at Hill End. Exploration potential remains open along strike and at depth in all areas of mineralisation.

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



Planned Activities

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

- Utilising existing information to generate a gold resource estimate at Hargraves that complies with current JORC 2012 reporting requirements;



- Following the completion of the Hargraves gold resource estimate, the next steps will be decided to maximise value from the project. This may include an update of the economic studies and/or additional drilling to improve confidence levels;
- The exploration potential of Hargraves and other prospective areas of the Hill End project will be reviewed with the aim of expanding the gold deposits.

Potential Acquisitions

In addition to the Hill End gold project, a search for additional, value creating, projects commenced during the quarter. A review of a number of projects that are within the criteria sought by Pure Alumina is currently underway. The focus is on projects that meet the following:

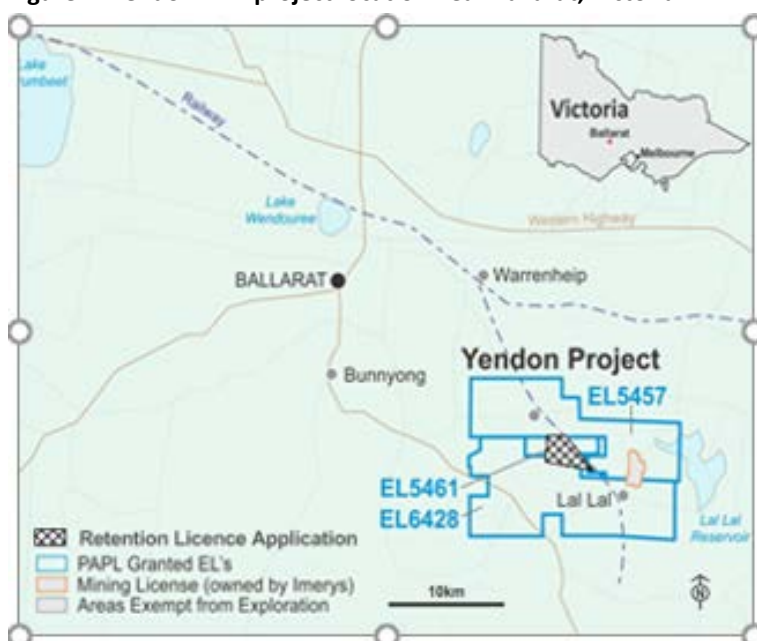
- High priority exploration potential
- Known gold producing regions
- Good access to infrastructure

We have short listed several projects so far and are working through the structure and potential terms of a transaction with the respective vendors.

Yendon High Purity Alumina Project

The HPA Project tenements, Exploration Licences 5457, 5461 and 006428, are located at Yendon near Ballarat, Victoria, where kaolin mining and processing has occurred for decades. The Yendon kaolin resource is located on EL5457 and EL5461. Application for a retention license over the Yendon kaolin deposit has been made to the Victorian Mines Department.

Figure 2: Yendon HPA project location near Ballarat, Victoria



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 outlined above, the new strategy for Pure Alumina will see the Yendon HPA project put on hold until market conditions improve.



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	7/12/2019	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	7/12/2019	6.671 hectares
Hill End (NSW)	Mining Lease No 316 (1973) ¹	8/12/1976	7/12/2019	8.846 hectares
Hill End (NSW)	Mining Lease No 317 (1973) ¹	8/12/1976	7/12/2019	7.00 hectares
Hill End (NSW)	Mining Lease No 49 (1973) ¹	30/07/1975	7/12/2019	1.618 hectares
Hill End (NSW)	Mining Lease No 50 (1973) ¹	30/07/1975	7/12/2019	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	21/12/2019	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

David Leavy
Managing Director

Media - For further information, please contact:

Paul Armstrong - Read Corporate +61 8 9388 1474

This announcement is authorized for release to the market by the Board of Directors of Pure Alumina Limited



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

PURE ALUMINA LIMITED

ABN

74 072 692 365

Quarter ended ("current quarter")

December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs #	(295)	(445)
(e) administration and corporate costs	(270)	(518)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
Other income	3	3
Polar Sapphire transaction costs (non-recurrent costs)	-	(123)
Gold asset sale transaction costs (non-recurrent costs)	-	-
1.9 Net cash from / (used in) operating activities	(562)	(1,083)

- December 2019 quarter payments higher than usual as included non-recurrent termination payment to former Managing Director

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets	(25)	(32)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	290
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Payments related to tenements and associated items		
2.6 Net cash from / (used in) investing activities	(25)	258

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
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 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,122	1,360
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(562)	(1,083)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25)	258
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	535	535

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	535	1,122
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)	535	1,122

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
306

Directors' fees and salaries.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter*	\$A'000
9.1 Exploration and evaluation	135
9.2 Development	
9.3 Production	
9.4 Staff costs	162
9.5 Administration and corporate costs	87
9.6 Other (provide details if material):	
9.7 Total estimated cash outflows	384

* Please note that the above estimated cash outflows for the next quarter do not include expected cash inflows which may arise.

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL 6447 Pittong, Victoria (licence surrendered)	Exploration licence	100%	Nil
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

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



Sign here:
(Director)

Date: 30 January 2020

Print name:David Leavy.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.