



Alpha **HPA**
ABN 79 106 879 690

ASX: **A4N**
ASX Announcement
28 August 2019

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(3 pages by email)

HPA PILOT PLANT UPDATE

- **HPA refining process well advanced**
- **56kg of HPA pre-cursor has now been refined and HPA calcining commenced**

Alpha HPA Limited ('Alpha' or 'the Company') is pleased to provide an update on its HPA First Pilot Plant operations in Brisbane.

The high purity alumina (HPA) refining campaign (2B), being the conversion of Al-salt to HPA pre-cursor and then to HPA commenced on 12 August 2019. To date, 56kg of HPA pre-cursor has been produced from multiple batches, representing approximately 50% of the Al- salt.

The HPA pre-cursor is now being progressively calcined into a final HPA product through the Company's static calciner in Brisbane with several kilograms expected to be produced over the coming weeks. To advance the calcination rate, and to collect key thermal heat-up and cool-down data, the Company has ordered a lab-scale rotary calciner for installation in September.



Removal of HPA pre-cursor from the filter



A batch of HPA pre-cursor ready for calcination

Next Steps

The first batches of HPA have now been despatched to a high-purity lab in the USA for assaying and specialist jet milling and from there will be distributed to offtake parties for qualification testwork. First assay results from the high purity lab are expected next week.

Managing Director, Rimas Kairaitis, commented; *"The HPA First Pilot Plant continues to perform well, with all process units operating as expected. We are excited to be closing in on the first assays and customer sample despatches"*

For further information, please contact:

Rimas Kairaitis
Managing Director
rkairaitis@alphaHPA.com.au
+61 (0) 408 414 474

Cameron Peacock
Investor Relations & Business Development
cpeacock@alphaHPA.com.au
+61 (0) 439 908 732

About the HPA First Project

The Company's HPA First Project represents the evaluation and intended commercialisation of the production of ~10,000tpa of high purity alumina (HPA) using the Company's proprietary licenced solvent extraction and HPA refining technology. The technology provides for the extraction and purification of aluminium from an industrial feedstock to produce 4N (>99.99% purity) alumina for the intended use within the lithium ion battery and LED lighting industry. Following a successful testwork programme and Pre-Feasibility Study (PFS), updated in March 2019, Alpha HPA is now completing a pilot plant program at its dedicated laboratory facility in Brisbane, as part of a full definitive Feasibility Study (DFS) due for delivery in CY2019.

Key highlights of the PFS (ASX: 7 March 2019):

- Unit production costs of **US\$5,123** per tonne of HPA (after by-product credits)
- Annual Free Cash Flow (FCF) at full production rate, of **US\$199 million** (assuming US\$25,000/t HPA)
- Capital Expenditure of US\$149 million

Competent Persons Statement (Process Development Testwork)

Information in this announcement that relates to metallurgical results is based on information compiled by or under the supervision of Dr Stuart Leary, an Independent Consultant trading as Delta Consulting Group. Dr Leary is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Dr Leary has sufficient experience to the activity which he is undertaking to qualify as a Competent Persons under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Leary consents to the inclusion of the technical data in the form and context in which it appears.

For further information on testwork results and processes see ASX announcements dated 5 August 2019, 25 July 2019, 2 July 2019, 3 June 2019, 17 April 2019, 7 March 2019, 4 December 2018, 20 November 2018, 6 September 2018, 31 August 2018, 9 July 2018, 30 April 2018, 26 April 2018, 21 March 2018, 6 March 2018, 21 February 2018, 8 December 2017, 30 November 2017, 29 November 2017, 24 November 2017 and 13 November 2017.

Cautionary Statement

The Pre-Feasibility Study (PFS) referred to in this announcement has been undertaken to assess the technical and financial viability of the HPA First Project. Further evaluation work including a Definitive Feasibility Study (DFS) is required before the Company will be in a position to provide any assurance of an economic development case. The PFS is based on the material assumptions about the availability of funding and the pricing received for HPA. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by this PFS will be achieved. To achieve the range of outcomes indicated in the PFS, Pre-Production Capital in the order of A\$198 million plus working capital will likely be required. Investors should note that there is no certainty that the Company will be able to raise the amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other "value realisation" strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce the Company's proportionate ownership of the Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the PFS.

Forward Looking Statements

This PFS contains certain forward-looking statements with respect to the financial condition, results of operations, and business of the Company and certain plans and objectives of the management of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice and may involve significant elements of subjective judgement and assumptions as to future events which may or may not occur. Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company, nor any other person, give any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this PFS in light of those disclosures.

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