



**Altech Chemicals**  
Limited

## ASX ANNOUNCEMENT AND MEDIA RELEASE

14 March 2017

# ALTECH GAINS MINING APPROVAL FOR MECKERING

### Highlights

- Mining proposal approved for Altech's Meckering kaolin deposit (M70/1334)
- Important development milestone for supply of kaolin feedstock to Malaysian high purity alumina (HPA) plant
- Approval allows mining to proceed when required
- Stage 1 mining over a two-month campaign stockpiling 3 years' of HPA plant feedstock

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) is pleased to advise that the Department of Mines and Petroleum (WA) has approved the mining proposal and the associated mine closure plan for its Meckering kaolin deposit. The mining approval marks an important stage in the development of the Company's proposed Meckering kaolin mine, which will provide feedstock for Altech's proposed Malaysian high purity alumina (HPA) plant.

The approved submission specifically allows for mining activities to commence within the Company's 100%-owned Meckering mining lease M70/1334, which is located approximately 140km east of Perth.

At Meckering, Altech plans to mine approximately 140,000 tonnes of kaolin once every three years; mining will take place in short two-month mining campaigns. The resultant raw kaolin ore will be stockpiled on site, then containerised into standard shipping containers at the rate of approximately 40,000tpa and shipped to Johor, Malaysia via the port of Fremantle, Western Australia.

Altech managing director Mr Iggy Tan said, *"The Company is delighted to have received mining approval for the Meckering kaolin deposit. Whilst the Company will not need to commence mining kaolin until 2018, the approval of the mine is an important developmental milestone that has now been ticked off."*

*"The next step is the works approval application for the proposed loading facility at Meckering, which is assessed by the Department of Environment Regulation",* Mr Tan concluded.

- Ends -

For more information, please contact:

**Corporate**

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**About Altech Chemicals (ASX: ATC)**

**Altech Chemicals Limited** (Altech/the Company) is aiming to become one of the **world's leading suppliers of 99.99% (4N) high purity alumina (HPA) (Al<sub>2</sub>O<sub>3</sub>)**.

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of artificial sapphire. Artificial sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant artificial sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of artificial sapphire.

Global HPA demand is approximately 25,315tpa (2016) and demand is growing at an annual rate of 16.7% (2016-2024), primarily driven by the growth in worldwide adoption of LEDs. As an energy efficient, longer lasting and lower operating cost form of lighting, LED lighting is replacing the traditional incandescent bulbs.

Current HPA producers use an expensive and highly processed feedstock material such as aluminium metal to produce HPA. Altech has completed a Bankable Feasibility Study (BFS) for the construction and operation of a 4,000tpa HPA plant at Tanjung Langsat, Malaysia. The plant will produce HPA directly from kaolin clay, which will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers.

The Company is currently in the process of securing project financing with the aim of commencing project development in Q2-2017.



**Forward-looking Statements**

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

**Competent Persons Statements – Meckering Kaolin Deposit**

The information in this announcement that relates to Mineral Resources and Ore Reserves is extracted from the report entitled "Maiden Ore Reserve at Altech's Meckering Kaolin Deposit" released on 11 October 2016; the report is available to view of the Company's website [www.altechchemicals.com](http://www.altechchemicals.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.