



**Altech Chemicals**  
Limited

## ASX ANNOUNCEMENT AND MEDIA RELEASE

24 November 2014

# NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER

### Highlights

- One (1) new share at \$0.10 for every four (4) shares held, with a free attaching listed option (exercise price \$0.10, expiring of 15 Dec 2015), for each new share subscribed
- \$2.69 million to be raised, before costs
- Funds will be applied to the Bankable Feasibility Study (BFS) for the construction of a High Purity Alumina (HPA) processing plant, corporate purposes and general working capital

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) is pleased to announce that the Company is providing an opportunity for shareholders to participate in a pro-rata non-renounceable entitlement offer (**Entitlement Offer**). Since the Company quoted its securities on the Australian Securities Exchange (ASX) in 2010, this is the first time ATC shareholders have the opportunity to increase their holdings by subscribing to new securities.

Funds from the Entitlement Offer will be applied to the Bankable Feasibility Study (BFS) for the construction of a High Purity Alumina (HPA) processing plant in Johor Bahru (JB) (refer ASX Announcements dated 16 September 2014, and 20 November 2014 for details). The Company's cash position still remains strong with approximately \$1.3 million on hand. The Company anticipates a rebate in the order of \$0.5-\$0.6 million for its extensive Research and Development related activities during the 2014-2015 year, the receipt of which is estimated by Q3 2015. However, the board believes it is prudent to raise additional funds in the short-term in order to ensure the completion of the BFS, as well as position the Company to maintain project momentum and provide for the immediate transition to detailed plant design, post BFS.

The Entitlement Offer is on the basis of **one (1) new share** at **\$0.10** for every **(4) four shares** held by Altech shareholders at the **Record Date** (please refer to the timetable below), with **one (1) free attaching listed option** (exercise price \$0.10, expiry of 15 December 2015) (**Attaching Option**) for every new share subscribed, to raise up to **\$2.69 million**, before costs.

Black-Scholes modeling of the free Attaching Option has determine a theoretical value of \$0.032 per option, applying a risk free interest rate of 2.55%, share price volatility of 81.32%, and a share price of \$0.10.

The Altech board and a major shareholder has committed to supporting the Entitlement Offer for \$211,000.

The strong interest shown to date in the Company's new HPA strategy is highly encouraging, commented managing director Mr Iggy Tan. *"This is the first opportunity that Altech shareholders have had to participate in the current strategy that is aimed at the Company transitioning into a world class producer of High Purity Alumina. The Bankable Feasibility Study is progressing well, this is an extremely exciting phase of the Altech journey and a great opportunity for shareholders to continue their involvement with the Company at its current modest valuation"*.

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## **Shareholder participation in the Entitlement Offer**

Shareholders will be mailed individual entitlement application forms and a copy of the Entitlement Offer Prospectus on 2 December 2014.

The Entitlement Offer application form will set out each Shareholders' individual pro-rata entitlement on the basis of 1 new share (and 1 free Attaching Option) for each 4 shares held at the Record Date (Entitlement). Shareholders will also have the opportunity to apply for shares and the free Attaching Option in excess of their Entitlement by nominating the amount of additional shares (and free Attaching Options) that they would like to apply for on the Entitlement application form.

## **Optionholders**

Optionholders should note that there is no entitlement for options to participate in this Entitlement Offer, unless options are exercised prior to the Record Date of the Entitlement Offer (1 December 2014).

However, Optionholders that are not Shareholders and wish to participate in the Entitlement Offer can make an application as part of the Shortfall Offer (see below). Shortfall application forms with an accompanying copy of the Prospectus will be mailed to all current and previous Optionholders on 2 December 2014.

## **Non-Shareholders**

Any Entitlements not taken up by Shareholders (either through Shareholders accepting their Entitlement, or through shareholders accepting their Entitlement and applying for additional shares and free Attaching Options) will form the Shortfall Offer.

The Shortfall Offer is a separate offer and will remain open for up to three months following the Closing Date of the Entitlement Offer. The Directors reserve the right to issue Shortfall Securities at their absolute discretion.

Non-Shareholders who would like to make an application to participate in the Shortfall Offer should contact the Company directly for a copy of the Shortfall application form and a Prospectus.

The indicative timetable for the Entitlement Offer is:

<b>Event</b>	<b>Date*</b>
Lodgement of Prospectus with the ASIC	24 November 2014
Lodgement of Prospectus & Appendix 3B with ASX	24 November 2014
Notice sent to Shareholders	26 November 2014
Notice sent to Optionholders	26 November 2014
Ex date	27 November 2014
Record Date for determining Entitlements	1 December 2014
Prospectus despatched to Shareholders	2 December 2014
Closing Date**	15 December 2014
Securities quoted on a deferred settlement basis	16 December 2014
ASX notified of under subscriptions	18 December 2014
Despatch of holding statements	19 December 2014
Quotation of Securities issued under the Offer*	22 December 2014

\* Note: These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the ASX Listing Rules.

\*\* Note: The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.



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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)** ( $Al_2O_3$ ). HPA is a high-value product because it is the major source material for scratch-resistant artificial sapphire glass. Sapphire glass is used to produce a range of high-performance electronic applications such as LEDs, semi-conductors, phosphor display screens, as well as new emerging products such as smartphones and tablet devices. The global HPA market is approximately 19,040tpa (2014) and is expected to at least double over the coming decade.



Current HPA producers use an expensive and highly processed feedstock material such as aluminium metal to produce HPA. Altech produces 4N HPA directly from an ore feedstock, aluminous clay, from its Meckering deposit in Western Australia. The Company is now advancing a Bankable Feasibility Study (BFS) to develop a full-scale **3,000tpa HPA production facility**. The Altech process employs conventional and proven "off-the-shelf" plant and technology to extract HPA from its **low-cost and low-impurity** aluminous clay feedstock, which results in **lower operating costs**.

Altech is a chemical processing group focused on creating a high-margin product to meet the growing global demand for the next generation of high-performance technologies.

### **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.