



**Altech Chemicals**  
Limited

## ASX ANNOUNCEMENT AND MEDIA RELEASE

24 November 2014

# BFS OPTIMISATION OF HIGH PURITY ALUMINA (HPA) PLANT OUTPUT

### Highlights

- Altech's Bankable Feasibility Study (BFS) confirms an optimised annual production rate for its proposed high purity alumina (HPA) plant
- Proposed HPA plant annual production rate increased to 4,000tpa
- BFS is on schedule for completion during Q3 2015

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) is pleased to announce that as part of its current Bankable Feasibility Study (BFS), engineering studies have established an optimised plant production rate of 4,000 tonne per annum (tpa) for the proposed high purity alumina (HPA) processing plant.

The revised annual production rate will result in further positive economies of scale and it is anticipated that operating costs per kilogram of final product (99.99% 4N HPA) will be significantly reduced.

The revised 4,000tpa production rate provides an opportunity for the Company to position itself as a significant global producer of HPA. The global HPA market was estimated at 19,040tpa in 2014, with the HPA market, driven by growing demand for sapphire glass in the LED lighting and electronics industries, expected to more than double in size to 48,230tpa by 2018, an annual growth rate of ~28% according to Technavio Research.

Altech believes that based on the forecast growth in global HPA demand, there will be sufficient HPA required for the development of a 4,000tpa HPA production plant by 2018. With annual global HPA demand estimated at ~48,000tpa in 2018, a 4,000tpa plant will represent approximately 8% of the forecast supply requirement.

Altech managing director, Iggy Tan said that the BFS work is progressing well.

*"The HPA plant design output optimisation was an indisputable conclusion that supported a number of significant cost benefits through further economies of scale. We are pleased with the adjusted annual tonnage and progress of our BFS remains on schedule for targeted completion during Q3, 2015".*

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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 has successfully produced 4N HPA using 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 **4,000tpa HPA production** facility. The Altech process employs conventional and proven "off-the-shelf" plant and technology to extract HPA directly 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.