

# **ALTECH CHEMICALS LIMITED**

*(formerly Australia Minerals and Mining Group Limited)*

**ACN 125 301 206**

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## **ENTITLEMENT ISSUE PROSPECTUS**

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For a non-renounceable entitlement issue of 1 Share for every 4 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.10 per Share to raise up to \$2,693,963 (based on the number of Shares on issue as at the date of this Prospectus) (together with 1 free attaching option having an exercise price of \$0.10 and an expiry date of 15 December 2015 for every 1 Share subscribed for and issued) (**Offer**).

### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Luke Atkins  
(Non-Executive Chairman)

Ignatius (Iggy) Tan  
(Managing Director)

Peter Bailey  
(Non-Executive Director)

Daniel Tenardi  
(Non-Executive Director)

### Company Secretary

Shane Volk

### Share Registry\*

Security Transfer Registrars Pty Ltd  
PO Box 535  
APPLECROSS WA 6953  
770 Canning Highway  
APPLECROSS WA 6153

Telephone: +61 8 9315 2333  
Facsimile: +61 8 9315 2233

### Auditor\*

Moore Stephens  
Level 3, 12 St Georges Terrace  
PERTH WA 6000

### Company Registered Office

3 Bay Road  
CLAREMONT WA 6010

Telephone: + 61 8 9389 5557  
Facsimile: +61 8 9389 5510

Email: [info@altechchemicals.com](mailto:info@altechchemicals.com)  
Website: [www.altechchemicals.com](http://www.altechchemicals.com)

### Stock Exchange Listing

ASX Codes: ATC and ATCO

### Solicitors

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

\*These entities are included for information purposes only. Neither of these entities has been involved in the preparation of this Prospectus nor have they consented to being named in this Prospectus.

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## 2. TIMETABLE

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 & Company announces despatch has been completed	2 December 2014
<b>Closing Date*</b>	<b>15 December 2014</b>
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

\* The Directors may extend the Closing Date by giving at least 3 Business Days notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

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### **3. IMPORTANT NOTES**

This Prospectus is dated 24 November 2014 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **3.1 Risk factors**

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

#### **3.2 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

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 our 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 prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 7 of this Prospectus.

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## **4. DETAILS OF THE OFFER**

### **4.1 The Offer**

The Offer is being made as a non-renounceable entitlement issue of 1 Share for every 4 Shares held by Shareholders registered at the Record Date at an issue price of \$0.10 per Share (together with 1 free attaching New Option at an exercise price of \$0.10 and an expiry date of 15 December 2015 for every 1 Share subscribed for and issued). Fractional entitlements will be rounded up to the nearest whole number.

As at the date of this Prospectus, the Company has 107,758,502 shares on issue. Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date and no Performance Rights vest and are exercised) a maximum of 26,939,626 Shares and 26,939,626 New Options will be issued pursuant to this Offer to raise up to \$2,693,963. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 34,098,333 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

As at the date of this Prospectus the Company has 15,384,580 Performance Rights on issue, none of which will vest or be exercised prior to the Record Date and will not be able to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the Performance Rights on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.2 of this Prospectus. The Company will apply to have the New Options quoted on the ASX.

All Shares issued on conversion of the New Options will rank equally with the existing Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

### **4.2 Minimum subscription**

There is no minimum subscription.

### **4.3 Acceptance**

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. In determining entitlements, any fraction entitlement will be rounded up to the nearest whole number.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full and apply for additional Shares and Options which may be available if not all Shareholders accept their Entitlement in full:
  - (i) pay the amount determined by multiplying the number of Shares you wish to apply for (including your Entitlement) by the issue price of \$0.10 via BPAY using the BPay biller code and personalised reference number indicated on the Entitlement and Acceptance form so that the funds are received before 2.00pm (WST) on the Closing Date; or
  - (ii) complete the Entitlement and Acceptance form, including one of the boxes affording the opportunity to apply for additional Shares and New Options in excess of your Entitlement (box B or box C) and attach your cheque for the appropriate application monies (at \$0.10 per Share) so that it is received before 5.00pm (WST) on the Closing Date.
- (b) if you wish to accept your Entitlement in full:
  - (i) pay the amount in box A of your Entitlement and Acceptance Form via BPAY using the BPay biller code and personalised reference number indicated so that the funds are received before 2.00pm (WST) on the Closing Date; or
  - (ii) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated in box A of your Entitlement and Acceptance Form so that it is received before 5.00pm (WST) on the Closing Date;
- (c) if you only wish to accept part of your Entitlement:
  - (i) pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY using the BPay biller code and personalised reference number indicated so that the funds are received before 2.00pm (WST) on the Closing Date; or
  - (ii) fill in the number of Shares and New Options you wish to accept in the space provided in box C of the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at \$0.10 per Share) so that it is received before 5.00pm (WST) on the Closing Date; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything, however your existing interest in the Company will be diluted.

#### **4.4 Payment by cheque/bank draft**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to – “Altech Chemicals Limited” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

#### **4.5 Payment by BPAY®**

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

**PLEASE NOTE THAT IF YOU INADVERTENTLY USE THE SAME CUSTOMER REFERENCE NUMBER FOR MORE THAN ONE OF YOUR APPLICATIONS, YOU WILL BE DEEMED TO HAVE APPLIED FOR THE ENTITLEMENT TO WHICH THAT CUSTOMER REFERENCE NUMBER APPLIES AND ANY EXCESS AMOUNT WILL BE DEEMED TO BE AN APPLICATION FOR ADDITIONAL SHARES AND OPTIONS.**

It is your responsibility to ensure that your BPAY® payment is received by the Company's share registry by no later than 2:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to BPAY electronic payments and you should therefore take this into consideration when making payment.

#### ***Application for Shares in addition to your Entitlement***

Shareholders are invited to apply for Shares and Options in addition to your Entitlement. The Company has sole discretion to issue all, none or some of any additional Shares and Options you may apply for. Additional Shares will be issued at the same time as Shares applied for under your Entitlement.

Application monies for any additional Shares you apply for but which are not issued to you will be refunded without interest.

The Company intends to honour all applications for additional Shares and New Options where possible. This will reduce any Shortfall which may otherwise be issued.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

One (1) free attaching New Option with an exercise price of \$0.10 and an expiry date of 15 December 2015 will be issued for every one (1) Share

subscribed for and issued under the Offer. The Company will apply for quotation of the New Options on the ASX.

#### **4.6 Underwriting**

The Offer is not underwritten.

#### **4.7 Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer (either through Shareholders accepting their Entitlement or through Shareholders accepting their Entitlement and applying for Shares and Options in addition to their Entitlement), will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.10 being the price at which the Shares have been offered under the Offer, plus one (1) free attaching New Option will also be issued with each Share issued under the Shortfall Offer.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion.

#### **4.8 ASX listing**

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

#### **4.9 Issue**

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

#### **4.10 Overseas Shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **4.11 Enquiries**

Any questions concerning the Offer should be directed to Altech Chemicals Limited's Company Secretary on (08) 9389 5557.

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## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$2,693,963. No funds will be raised from the issue of the New Options.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	(\$)	%
1	Bankable Feasibility Study (BFS) for the development of the high purity alumina (HPA) processing operation	2,430,463	90
2	Expenses of the Offer	48,000	2
3	Corporate costs and working capital	215,500	8
	<b>Total</b>	<b>2,693,963</b>	<b>100</b>

#### Notes:

1. Refer to section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

### 5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$2,645,963 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 107,758,502 as at the date of this Prospectus to 134,698,128 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 34,098,333 as at the date of this Prospectus to 61,037,959 Options following completion of the Offer.

### 5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 September 2014 and the unaudited pro-forma balance sheet as at 30 September 2014 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	<b>UNAUDITED 30-Sep-14</b>	<b>PROFORMA 30-Sep-14</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents <sup>1</sup>	1,268,176	3,914,139
Other current assets	51,048	51,048
<b>TOTAL CURRENT ASSETS</b>	<b>1,319,224</b>	<b>3,965,186</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6,694	6,694
Exploration and evaluation expenditure	521,257	521,257
Development expenditure	1,663,805	1,663,805
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,191,755</b>	<b>2,191,755</b>
<b>TOTAL ASSETS</b>	<b>3,510,979</b>	<b>6,156,942</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	154,093	154,093
<b>TOTAL CURRENT LIABILITIES</b>	<b>154,093</b>	<b>154,093</b>
<b>TOTAL LIABILITIES</b>	<b>154,093</b>	<b>154,093</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>3,356,886</b>	<b>6,002,849</b>
<b>EQUITY</b>		
Share capital	9,422,571	12,068,534
Reserves	1,480,474	1,480,474
Accumulated losses	(7,546,159)	(7,546,159)
<b>TOTAL EQUITY</b>	<b>3,356,886</b>	<b>6,002,849</b>

Notes: The unaudited pro-forma consolidated balance sheet set out above has been prepared on the basis and assumption that there has been and will be no material movements in the assets and liabilities of the Company between 30 September 2014 and the Closing Date other than those set out in this Prospectus.

The following material movements in the assets and liabilities of the company since 30 September 2014 have not been included in the above pro-forma balance sheet:

- (a) Research and Development taxation concession refund of \$462,172 announced to the ASX on 29 October 2014.

## 5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, and on the basis that no existing Options are exercised or Performance Rights converted, is set out below.

### Shares

	Number
Shares currently on issue	107,758,502
Shares offered pursuant to the Offer	26,939,626
<b>Total Shares on issue after completion of the Offer</b>	<b>134,698,128</b>

### Options

	Number
<b>Quoted Options currently on issue:</b> exercisable at \$0.20 on or before 31 May 2015	21,465,000
<b>Unquoted Options currently on issue:</b>	
exercisable at \$0.20 <sup>1</sup> on or before 31 May 2015	8,000,000
exercisable at \$0.20 on or before 18 December 2017	1,000,000
exercisable at \$0.25 on or before 18 December 2017	1,000,000
exercisable at \$0.30 on or before 18 December 2017	1,000,000
exercisable at \$0.20 on or before 8 February 2015	500,000
exercisable at \$0.30 on or before 4 February 2015	333,333
exercisable at \$0.25 on or before 15 March 2015	200,000
exercisable at \$0.20 on or before 31 January 2017	600,000
<b>New Options offered pursuant to the Offer</b>	
Quoted exercisable at \$0.10 on or before 15 December 2015	26,939,626
<b>Total Options on issue after completion of the Offer</b>	<b>61,037,959</b>

<sup>1</sup> the terms of these Options specify that in the case of a pro rata issue (except a bonus issue) of securities to the holders of Company shares after the date of issue of the options, the exercise price of the options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.

### Performance Rights

	Number
Performance Rights: Employees	384,580
Performance Rights: Managing Director	15,000,000
<b>Total Performance Rights on issue after completion of the Offer</b>	<b>15,384,580</b>

- Performance Rights vest on the anniversary date of the individual employee's employment with the Company. Once vested, a Performance Right may be exercised at the discretion of the employee. Each Performance Right entitles the employee to one fully paid ordinary Share of the Company. There is no amount payable upon exercise of the Performance Right. If an employee ceases employment with the Company prior to the vesting of a Performance Right, the Performance Right is forfeited.

At the date of this Prospectus 226,880 Performance Rights have vested and remain unexercised. Written undertakings have been obtained from all Performance Rights holders confirming that they shall not exercise their rights during the period of this Offer. In addition, 157,700 Performance Rights are unvested at the date of this Prospectus and will not vest until 1 August 2015 at the earliest.

2. None of these Performance Rights (which have been awarded to the Managing Director) have vested and the earliest date that any of these Performance Rights can vest is 25 August 2015. The Vesting Conditions attached to the Performance Rights are as follows:
- (a) Tranche 1: 5,000,000 Performance Rights will vest upon completion of \$1.9m capital raising, delivery of a bankable feasibility study and 1 year of continuous service with the Company;
  - (b) Tranche 2: 5,000,000 Performance Rights will vest upon successful funding of the HPA project and 2 years continuous service with the Company; and
  - (c) Tranche 3: 5,000,000 Performance Rights will vest upon first tonne of HPA product sold and plant is at a steady state of production (plant is stable and producing at a constant and consistent rate) within specification quality and 3 years continuous service with the Company.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

## 5.5 Details of substantial holders

Based on publicly available information as at 21 November 2014 those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
LAKE MCLEOD GYPSUM PTY LTD	23,900,002	22.18%
MR DANIEL LEWIS TENARDI	7,000,000	6.50%
LUKE FREDERICK ATKINS*	6,443,055	5.98%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

\* 2,693,055 shares held directly and 3,750,000 shares held indirectly by Australian Mineral Investment Group Pty Ltd, a company controlled by Mr Atkins.

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## **6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

### **6.1 Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 6.2 Options

Each Option will entitle the holder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) on the following terms and conditions (**Option**).

- (a) Each Option entitles the holder to subscribe for and be allotted one Share which is exercisable by paying \$0.10 (**Exercise Price**) at any time on or before 5.00pm (Western Standard Time) on 15 December 2015 (**Expiry Date**).
- (b) Options may be exercised by delivering the form prescribed by the Company from time to time for the purpose of exercising Options (**Exercise Notice**) to the Company's registered office or the Company's share registry at any time prior to the Expiry Date.
- (c) The Exercise Notice must state the number of Options to be exercised and be accompanied by the relevant holding statement(s) and a cheque (in Australian currency) made payable to the Company for an amount being the result of the Exercise Price multiplied by the number of Options being exercised.
- (d) As soon as practical following receipt of a properly executed Exercise Notice and application monies in respect of the exercise of any Options, the Company will issue the resultant Shares and deliver notification of shareholdings.
- (e) The Company shall make an application to have the Options listed for Quotation within 7 days of the date of issue.
- (f) The Company shall make an application to have the Shares (issued pursuant to an exercise of the Options) listed for Quotation within 7 days of the date of issue.

- (g) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, pari passu with existing Shares of the Company in all respects.
- (h) An Option has no right to participate in pro rata issues of securities to shareholders unless the Option is exercised before the record date for determining entitlements to the relevant pro rata issue. Each person or persons registered as the holder of an Option from time to time will be notified by the Company of any proposed pro rata issue of securities to shareholders in accordance with ASX Listing Rules.
- (i) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (j) Except as expressly set out in the terms, an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (k) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the Options will be changed to the extent necessary to comply with the requirements of ASX Listing Rules (in force at the time of the reorganisation) for the reorganisation of capital.

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## **7. RISK FACTORS**

### **7.1 Introduction**

- (a) The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.
- (b) There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **7.2 Company specific**

There are a number of specific risks associated with the Company which may adversely affect the Company's financial position, prospects and price of its listed securities. In particular, the Company is subject to risks relating to the exploration and development of mineral properties which are not generally associated with other businesses.

#### Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised or Performance Rights converted, the number of Shares in the Company will increase from 107,758,502 currently on issue to 134,698,128. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX on the last day that the Company's shares traded on the ASX prior to the date of this Prospectus being lodged of \$0.10 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

Set out below are specific risks that may adversely affect the Company.

#### Development stage business

The Company is on a proposed development path and has commenced a Bankable Feasibility Study (BFS) to examine the technical, economic, commercial, environmental and social acceptability of the construction and operation of a HPA processing plant. There is no certainty that: the outcomes of the BFS will be positive; if the outcomes are positive that the construction and operation of a HPA processing plan will be able to

proceed; if it does proceed that it will operate as expected and deliver the results that were foreshadowed in the BFS.

### Operational Risks

If the Company is successful in advancing its proposed HPA project beyond the BFS stage to construction, the Company will be exposed to various construction and operational risks including unanticipated financial, operational or political events, cost overruns, decline in HPA commodity prices and demand, equipment and labour shortages, equipment failure, technical concerns including possible reserves and deliverability difficulties, environmental impacts, increases in operating cost structures, community or industrial actions, natural disasters, interruptions to the supply of power, water, chemicals or fuel, or other circumstances which may result in the delay, suspension or termination of the Company's project, the total or partial loss of the investment and a material adverse effect on the Company's results of operations and financial condition. In addition construction, commissioning and operational ramp up of operational assets can be subject to unexpected problems or delays in schedule.

### Processing Risks

Should the Company be successful in its development and operation of its proposed HPA processing plant, the Company's operations will be subject to the operating risks associated with HPA processing, including the related risks associated with storage and transportation of raw materials, products and wastes. These operating risks have the potential to cause personal injury, property damage or environmental contamination, and may result in the shutdown of affected facilities, business interruption, or the imposition of civil or criminal penalties, which may impact the Company's standing in the public eye.

There are potential hazards associated with the Company's proposed mining and processing operations and the related storage and transportation of products and wastes. Examples of such hazards that may arise from the Company's proposed operations could include:

- pipeline and storage tank leaks and ruptures;
- explosions and fires;
- mechanical failures; and
- chemical spills and other discharges or releases of toxic or hazardous substances or gases.

These hazards may cause personal injury and loss of life, damage to property or contamination of the environment, which may result in suspension of operations or the imposition of civil or criminal penalties, including fines, expenses for remediation or claims by governmental entities or third parties. Although the Company maintains various insurance type and amounts that it believes is customary for its business activities, the Company may not fully insure against all potential hazards incidental to its operations.

## Supply Chain

The Company may be dependent on contractors and suppliers to supply vital goods and services to its operations, should operations commence. The Company may therefore be exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supplies may have an adverse effect on the financial performance of the Company.

## Market demand and price risks

If the Company progresses to become a producer and seller of HPA, the Company's business will rely primarily on the production and sale of its HPA products to a variety of buyers. Fluctuations in the global HPA market may materially affect the future financial performance of the Company.

Demand for, and pricing of, HPA products may be sensitive to external economic and political factors, including:

- worldwide HPA supply and demand;
- the level of economic activity in the markets the Company may serve;
- regional political developments in HPA-producing countries and regions
- the price and availability of new technology; and
- the availability and cost of HPA substitutes.

Strong HPA prices, as well as real or perceived disruptions in supply, may create economic incentives to identify or create alternate technologies that ultimately could depress future long-term demand for HPA. This may, at the same time, incentivise the development of additional projects to produce HPA. If industries reduce their reliance on HPA products, the resulting change in demand could have a material adverse future effect on the Company's proposed business. In particular, if prices or demand for HPA were to decline, this could impair the Company's ability to obtain financing for its planned project and its ability to find purchasers for its products at prices acceptable to the Company.

It is impossible to predict future HPA price movements with certainty. Any sustained low HPA prices or further declines in the price of HPA may adversely affect the Company's proposed business, results of operations or its ability to finance the development of its project, if the results of the BFS are shown to demonstrate the projects' viability.

### Access to capital risk

The Company' business and, in particular, its development of a large-scale project, relies on access to debt and equity financing. There is a risk that the Company may not be able to access capital from these markets, which would impact the ability to develop its project.

### General regulatory risks

The Company' business is subject to, in each of the countries in which the Company operates, or may operate, various national and local laws and regulations relating to the mining, production, marketing, pricing, transportation and storage of the Company's products and/or residues. Permits from a variety of regulatory authorities may be required for aspects of the Company's operations. Many of those permits may be subject to conditions, and a change in the conditions attaching to those permits, or the imposition of new conditions, that could have a material adverse effect on the Company's proposed business and financial condition. A change in the laws which apply to the Company's business or the way in which it is regulated could also have a material adverse effect on the Company's business and financial condition. Other changes in the regulatory environment (including applicable accounting standards) may have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on the Company's business and/or financial condition.

### Environmental risks

The Company's possible future mine development and processing program will, in general, be subject to approval by governmental authorities. Development of any of the Company's properties will be dependent on the project meeting environmental guidelines and, where required, being approved by governmental authorities and the possible future activities of the Company may be subject to extensive laws and regulations controlling not only the mining of, exploration for and processing of mineral properties, but also the possible effects of such activities upon the environment and interests of local communities. In the context of obtaining environmental permits, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent, and the Company could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution or other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, greenhouse gas emissions, the storage, treatment and disposal of wastes or the effects of its business on the water table and groundwater quality.

Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. These laws sometimes apply retroactively. In

addition, a party can be liable for environmental damage without regard to that party's negligence or fault.

#### Regulatory Risk

The Western Australian Department of Mines and Petroleum (**Department**) from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

#### Economic Risks

Economic factors beyond the control of the Company, such as changes in commodity prices, interest rates, inflation, exchange rates and taxation, may negatively impact on the revenue and profitability of the Company.

#### Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

#### Title Risks and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest; there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

#### Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under this Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration, evaluation and development programs as the case may be.

### 7.3 General risks

#### Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

#### Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

#### Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

#### Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

### Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

## 7.4 **Risks associated with the Entitlement Offer**

### Value of the Options

The Options that are issued as part of the Entitlement Offer are issued for no additional consideration but require the Option Exercise Price to be paid at the time of exercise. If the prevailing trading price of the Company's shares during the Option Exercise Price is lower than the Option Exercise Price, then it is likely that the Options will not be exercised. In this case, for investors, the unexercised Options will not have value and will lapse on the Option Expiration Date.

If the Options are not exercised, or only some of the Options are exercised, then the Company may not receive the proceeds that would otherwise be generated if holders pay the Option Exercise Price. This possibility may reduce the amount of capital that the Company would receive if all of the Options are exercised on or before the Option Expiry Date by up to A\$2.694 million.

### Liquidity of the Options

Although the Options are proposed to be listed on ASX, there can be no guarantee that there will be a liquid market for trading of the Options.

## 7.5 **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Securities pursuant to this Prospectus.

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **8.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s Securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

<b>Date</b>	<b>Description of Announcement</b>
24-Nov-14	Altech BFS optimisation of HPA processing plant
24-Nov-14	Altech Non-Renounceable Pro-Rate Entitlement Offer
21-Nov-14	Company Presentation - Sydney Capital Showcase
20-Nov-14	Altech selects Johor Bahru for HPA plant site
20-Nov-14	Trading Halt
19-Nov-14	Appendix 3Y - Iggy Tan
19-Nov-14	Appendix 3B - Performance Rights
14-Nov-14	Altech Chemicals to Present at Sydney Capital Showcase
04-Nov-14	Altech Chemicals to Present at Sydney Capital Showcase
12-Nov-14	Appointment of Chief Financial Officer/Company Secretary
10-Nov-14	Name Change to Altech Chemicals Limited amended
07-Nov-14	Singapore Capital Expo & Small Cap Showcase Presentation
06-Nov-14	Name Change to Altech Chemicals Limited
05-Nov-14	Results of Meeting
05-Nov-14	AGM Presentation
31-Oct-14	Quarterly Reports
29-Oct-14	AMMG Receives AU\$0.46 Million R&D Tax Incentive Refund
28-Oct-14	BFS Team Appointed for 3,000tpa HPA Project
22-Oct-14	High Purity Alumina (HPA) Market Update
17-Oct-14	Mineral Sands Joint Venture Finalised
07-Oct-14	Company Presentation
06-Oct-14	Notice of Annual General Meeting/Proxy Form
03-Oct-14	AMMG Updates Process Flow Design For HPA Chemical Plant

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.altechchemicals.com](http://www.altechchemicals.com)

### **8.3 Market price of shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.105	13-Nov-14
Lowest	\$0.070	19-Sep-14
Last	\$0.100	19-Nov-14

### **8.4 Interests of Directors**

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

## Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Listed Options	Unlisted Options	Performance Rights
Luke Atkins	6,443,055	Nil	6,000,000 <sup>1</sup>	Nil
Iggy Tan	Nil	Nil	Nil	15,000,000 <sup>4</sup>
Daniel Tenardi	7,000,000	Nil	Nil	Nil
Peter Bailey	1,437,949	Nil	3,000,000 <sup>2</sup>	Nil
<b>TOTAL</b>	<b>14,881,004</b>	<b>Nil</b>	<b>9,000,000<sup>3</sup></b>	<b>15,000,000</b>

### Notes

<sup>1</sup> The terms of these unlisted Options specify that in the case of a pro rata issue (except a bonus issue) of securities to the holders of Company shares after the date of issue of the options, the exercise price of the options (currently \$0.20) will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;

<sup>2</sup> This consists of 1,000,000 unquoted Options exercisable at \$0.20 each expiring on 18 December 2017; 1,000,000 unquoted Options exercisable at \$0.25 each expiring on 18 December 2017; and 1,000,000 unquoted Options exercisable at \$0.30 each expiring on 18 December 2017.

<sup>3</sup> Neither Mr Atkins nor Mr Bailey intends to exercise their Options prior to the Record Date.

<sup>4</sup> The Performance Rights will vest in three tranches:

- Tranche 1: 5,000,000 Performance Rights will vest upon completion of \$1.9m capital raising, delivery of a Bankable Feasibility Study and 1 year continuous service;
- Tranche 2 – 5,000,000 Performance Rights will vest upon successful funding of the HPA project and 2 years continuous service; and
- Tranche 3 – 5,000,000 Performance Rights will vest upon first tonne of HPA product sold and plant is at a steady state of production (plant is stable and producing at a constant and consistent rate) within specification quality and 3 years continuous service.

## Director participation in the Offer

The Board recommends all Shareholders take up their Entitlement and advises that the Directors listed below intend to take up their respective Entitlements as set out in the table.

Director	Shares held	Entitlement Shares	Entitlement Options	Entitlement \$	Director Participation \$
Luke Atkins	6,443,055	1,610,764	1,610,764	161,076	50,000
Iggy Tan	-	-	-	-	25,000
Peter Bailey	1,437,949	359,487	359,487	35,949	35,949
<b>TOTAL</b>	<b>7,881,004</b>	<b>1,970,251</b>	<b>1,970,251</b>	<b>197,025</b>	<b>110,949</b>

The Company has entered into commitment letters with each of the Directors that intend to participate in the Entitlement Offer, whereby they have each agreed to subscribe for the amount of their Entitlement as is outlined in the "Director Participation" column in the table above (totalling \$110,949). Mr Iggy Tan, who does not currently hold any Shares in the Company, has agreed, subject to Shareholder approval, to subscribe for \$25,000 of Shortfall Shares under the Shortfall Offer. At the date of this Prospectus Mr Dan Tenardi had not determined the amount of his participation in the Entitlement Offer, if any.

## Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in a general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual cash remuneration (including consulting fees) paid to both executive and non-executive directors.

Director	2014/15 \$'s	2013/14 \$'s	2012/13 \$'s
Luke Atkins <sup>1</sup>	280,691	280,691	282,321
Iggy Tan	332,500	-	-
Daniel Tenardi	20,000	20,000	40,000
Peter Bailey	20,000	20,000	40,000
<b>TOTAL</b>	<b>653,191</b>	<b>320,691</b>	<b>362,321</b>

<sup>1</sup> Mr Luke Atkins' remuneration consists of chairman fees of \$20,000 p.a. (2012/13 \$40,000 p.a), plus consulting fees, which are paid to Executive Resource Personnel Pty Ltd, a company controlled by Mr. Atkins.

## 8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;

- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$12,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$55,100 (excluding GST and disbursements) for legal services provided to the Company.

## **8.6 Consents**

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section; and
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$48,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	<b>\$</b>
ASIC fees	2,290
ASX fees	18,190
Legal fees	12,000
Printing and distribution	6,000
Miscellaneous	3,520
Outbound calling to shareholder	6,000
<b>TOTAL</b>	<b>48,000</b>

The Company reserves the right to pay a commission of between 4% and 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

## **8.8 Electronic prospectus**

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Application or Shortfall Application Form. If you have not, please phone the Company on +61 8 9389 5557 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.altechchemicals.com](http://www.altechchemicals.com)

The Company reserves the right not to accept an Entitlement and Application or Shortfall Application Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Application or Shortfall Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **8.9 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## **8.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship**

The Company will not be issuing Share or Option certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## 8.11 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

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**9. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Mr Ignatius Tan  
Managing Director  
For and on behalf of  
Altech Chemicals Limited**

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## 10. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Altech Chemicals Limited (ACN 125 301 206).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**New Option** means an Option issued on the terms set out in section 6.2 of this Prospectus.

**Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Option Exercise Date** means 15 December 2015.

**Option Exercise Price** means \$0.10

**Optionholder** means a holder of an Option.

**Performance Rights** means those Performance Rights as set out in Section 5.4.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Securities** means Shares and/or New Options offered pursuant to the Entitlement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Application Form** means the shortfall application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 4.7 of this Prospectus.

**Shortfall Securities** means those Securities issued pursuant to the Shortfall.

**WST** means Western Standard Time as observed in Perth, Western Australia.