



LETTER TO SHAREHOLDERS

26 November, 2014

Dear Shareholder

NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER

On November 24 2014, Altech Chemicals Limited (Altech/the Company) (ASX: ATC) announced the launch of a non-renounceable pro-rata entitlement offer on the basis of one (1) new ATC share (**Share**) at \$0.10 for each four (4) Shares held by ATC shareholders registered on 1 December 2014 at 5.00pm WST (**Record Date**), with one (1) free attaching option (**Attaching Option**) for every new Share issued, with each Option having an exercise price of \$0.10 and expiring 15 December 2015, to raise approximately \$2,693,963 before costs (**Entitlement Offer**).

The Entitlement Offer is made pursuant to a prospectus lodged with the Australian Securities and Investments Commission (ASIC) on 24 November 2014 (**Prospectus**) and released to the Australian Securities Exchange (ASX) on the same date. The Prospectus is available on the Company's website: www.altechchemicals.com or on the ASX website: www.asx.com.au.

A full copy of the Prospectus will be mailed on or about 2 December 2014 to all ATC Shareholders with a registered address in Australia or New Zealand at the Record Date above (**Eligible Shareholders**).

The Entitlement Offer is not underwritten, however the Company's directors and a major shareholder have indicated their intention to subscribe to \$211,000 of their respective entitlements in aggregate.

The proposed timetable for the Entitlement Offer is as follows*:

Event	Date*
Announcement of Entitlement Offer and Appendix 3B lodged with ASX	24 November 2014
Prospectus lodged at ASIC and ASX	24 November 2014
Notices despatched to Shareholders and Optionholders	26 November 2014
ATC Shares trade on an 'ex' Entitlement basis	27 November 2014
Record Date for eligibility to participate in the Entitlement Offer	1 December 2014 at 5.00pm WST time
Prospectus & Entitlement and Acceptance Form despatched to Shareholders	2 December 2014
Prospectus, Notice & Shortfall Application Form despatched to Optionholders	2 December 2014
Opening Date for the Entitlement Offer	2 December 2014
Last day to extend the Closing Date for the Entitlement Offer	10 December 2014
Closing Date for the Entitlement Offer	15 December 2014 at 5.00pm WST time
Securities quoted on a deferred settlement basis	16 December 2014
Notify ASX of under-subscriptions	18 December 2014
Despatch of new holding statements for New Shares issued under the Entitlement Offer	19 December 2014
Allotment of New Shares issued under the Entitlement Offer and deferred settlement trading ends	22 December 2014
Normal ASX trading for New Shares commences	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 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.

Information required to be given to you in accordance with Listing Rules:

Pursuant to the Listing Rules, the Company is required to provide to you certain information before proceeding with the Entitlement Offer. This letter contains all the information required by Appendix 3B of the Listing Rules.

- Up to 26,939,626 Shares and 26,939,626 Options will be issued pursuant to the Entitlement Offer.
- The Shares rank equally in all respects from the date of allotment with the existing class of quoted Shares. Each Option is exercisable at \$0.10 each on or before 15 December 2015.
- The issue price of the Shares will be \$0.10 each. The Options will be issued for nil consideration.
- The Company will apply for quotation of the Shares and Options issued pursuant to the Entitlement Offer on the official list of the ASX.
- The Shares will be fully paid ordinary shares in the capital of the Company.
- The funds raised by the Entitlement Offer will be used to oversee the successful completion of a Bankable Feasibility Study (BFS) targeting the development of the high purity alumina (HPA) processing operation; and to meet the expenses of the Entitlement Offer and for corporate costs and general working capital purposes.
- It is expected that the Shares and Options will be entered into uncertificated holdings on 19 December 2014.
- The capital structure of the Company following the Entitlement Offer will be as follows (over page)

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

Options	Number
Quoted Options currently on issue: exercisable at \$0.20 on or before 31 May 2015	21,465,000
Unquoted Options currently on issue:	
exercisable at \$0.20 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
New Options offered pursuant to the Entitlement Offer:	
Quoted exercisable at \$0.10 on or before 15 December 2015	26,939,626
Total Options on issue after completion of the Offer	61,037,959

Performance Rights	Number
Performance Rights: Employees	384,580
Performance Rights: Managing Director	15,000,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	15,384,580

- The Company currently has no dividend policy.
- No shareholder approval for the Entitlement Offer is required.
- The Entitlement Offer is non-renounceable. This means that shareholders who do not wish to subscribe for all or some of the Shares offered under the Entitlement Offer may not sell or trade any of their respective entitlement.
- The offer under the Entitlement Offer relates to ordinary fully paid shares in the capital of the Company.
- The Company only has one register.
- Eligible shareholders will be offered one (1) new Share for every four (4) Shares held on the Record Date. One (1) free attaching Option will be issued for every Share issued.
- The Company will not be sending an offer under the Entitlement Offer to any security holders who are not recorded on the Company register as resident in Australia and New Zealand as at the Record Date.
- The Entitlement Offer is not underwritten.
- There is no broker to the Entitlement Offer.
- If you wish to take up all, part or apply for shares in addition to your entitlement, you must complete the Entitlement and Acceptance Form in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with payment for the amount shown on the form or for such lesser or greater amount as you wish to apply for, so as to reach the Company's share registry no later than 5.00 pm (WST) on **Monday, 15 December 2014 (Closing Date)**.
- If you do not wish to accept part or all of your entitlement, you are not obliged to do anything.

The above information was provided to the ASX on 24 November 2014.

This letter is not a prospectus and does not constitute an offer of securities. An offer of Shares under the Entitlement Offer will only be made in, or accompanied by, a copy of the Prospectus sent to all eligible shareholders. Before deciding whether to apply for Shares under the Entitlement Offer, you should consider the terms of the Prospectus carefully. If in doubt, consult with your professional adviser.

Overseas Shareholders

The offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). Therefore, if you are a shareholder with a registered address other than in Australia or New Zealand, no offer will be made to you. In making this decision, the Directors have taken into account the small number of overseas Shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

If you have any queries concerning your entitlement or participation in the Entitlement Offer, please do not hesitate to contact the Company between 8:30am and 5.00pm (WST) on telephone 08 9389 5557, your stockbroker, or other professional adviser.

Yours faithfully

Altech Chemicals Limited



Shane Volk
Company Secretary