



14 May 2015

ALTECH APPOINTS SIMULUS ENGINEERING AS EPCM PARTNER FOR MECKERING

Highlights

- Appointment of local company Simulus Engineering as EPCM partner for Meckering
- Simulus was instrumental in testwork and development of flowsheet
- Simulus is the key engineering contractor on the BFS

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) is pleased to announce that it has now appointed Simulus Engineering Pty Ltd (Simulus) as its Engineering, Procurement, Construction and Management (EPCM) partner for its proposed kaolin beneficiation plant at Meckering, Western Australia.

Simulus has been the key engineering partner during the bankable feasibility study (BFS) phase of the project. The Meckering beneficiation plant will enable the initial simple wet processing of kaolin to remove oversize silica, followed by drying to reduce moisture content. The resultant upgraded kaolin will be packed into 1-2 tonne “bulka bags” for containerised shipment to Johor Baharu, Malaysia, via the port of Fremantle, Western Australia. The Meckering plant has been designed to produce approximately 18,565 tonnes of beneficiated kaolin per annum at full capacity

Simulus is a multidisciplinary engineering company that has conducted project assessments in over 25 countries around the world for over 75 companies. Simulus has laboratory test work facilities as well as process simulation capabilities which were major aspects of Altech’s BFS. Simulus has previously conducted the Company’s laboratory pilot plant test work and Integrated Plant Study (IPS) in 2013-2014. In addition, Simulus has been responsible for the BFS’s engineering concept development, including the process flowsheet for both Meckering and Malaysia’s proposed operations.

The appointment of Simulus follows the Company’s 10 March 2015 announcement of M+W Group as the EPCM partner for the HPA plant in Malaysia, and the appointment of Castle Equipment Pty Ltd as mining contractor and processing plant operator for the Meckering beneficiation plant on 15 April 2015.

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For more information, please contact:

Corporate

Iggy Tan
Managing Director
Altech Chemicals Limited
Tel: +61 8 6168 1555
Email: info@altechchemicals.com

Media Contact

Tony Dawe
Consultant
Professional Public Relations
Tel (office): +61 8 9388 0944
Email: tony.dawe@ppr.com.au

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 **4,000tpa 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.