



Altech Chemicals
Limited

ASX ANNOUNCEMENT AND MEDIA RELEASE

24 March 2016

ALTECH SHARE PLACEMENT AND SHARE PURCHASE PLAN

Highlights

- \$1.2 million raised via a share placement to professional and sophisticated investors
- Existing Shareholders invited to participate via a Share Purchase Plan

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) is pleased to advise that it has raised \$1.2 million via a placement of shares to a variety of professional and sophisticated investors at 8.6 cents per share (the Placement). The issue price represents a ~14% discount to volume weighted average price (VWAP) for Altech shares as traded on the Australian Securities Exchange (ASX) for the last 5 trading days to 18 March 2016 and a ~20% discount to the 10 day VWAP.

Funds raised from the Placement will be applied to finalising the detailed design of the Company's proposed high purity alumina (HPA) plant at Johor, Malaysia, for the completion of debt financing and for general working capital purposes.

The Placement shares will be issued to a variety of professional and sophisticated investors in accordance with Section 708 of the Corporations Act. Allotment of the Placement shares is expected to be on 1 April 2016 and the shares will rank equally with existing ordinary shares.

Share Purchase Plan

As announced on 21 March 2016, the Company is pleased to offer to existing eligible shareholders the opportunity to subscribe to a maximum of \$15,000 of new shares, at the same price as the Placement (8.6 cents per share), via a **Share Purchase Plan** (SPP).

Under the SPP rules, existing shareholders who are recorded on the share register at 23 March 2016 (record date), with a registered address in Australia or New Zealand will be eligible to participate and each eligible shareholder will be entitled to apply for up to \$15,000 of new fully paid ordinary shares of the Company at 8.6 cents per share without incurring any brokerage or other transaction costs. All new shares issued under the SPP will rank equally with existing ordinary shares of the Company.

The closing date for participation in the SPP will be Friday 8 April 2016. Full details of the SPP will be announced later today and individual letters including acceptance forms will be mailed to all eligible shareholders.

As settlement of the Placement will not occur until after the SPP record date, Placement participants will not be entitled to participate in the SPP unless they were already eligible shareholder of the Company at the record date.

-End-

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Corporate

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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) (Al₂O₃)**.

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of artificial sapphire. Artificial sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant artificial sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of artificial sapphire.

Global HPA demand is approximately 19,040tpa (2014) and demand is growing at an annual rate of 28%, primarily driven by the growth in worldwide adoption of LEDs. As an energy efficient, longer lasting and lower operating cost form of lighting, LED lighting is replacing the traditional incandescent bulbs. HPA demand 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 completed a Bankable Feasibility Study (BFS) for the construction and operation of a 4,000tpa HPA plant at Tanjung Langsat, Malaysia. The plant will produce HPA directly from kaolin clay, which will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers.

The Company is currently in the process of securing project financing with the aim of commencing project development in Q1-2017.



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.