



Altech Chemicals
Limited

ASX ANNOUNCEMENT AND MEDIA RELEASE

5 April 2018

ALTECH COMPLETES PURCHASE OF MECKERING MINING LEASE FREEHOLD LAND

Highlights

- Purchase of freehold land covering mining lease M70/1334 completed
- Ownership secures mining access
- Meckering kaolin mine fully permitted

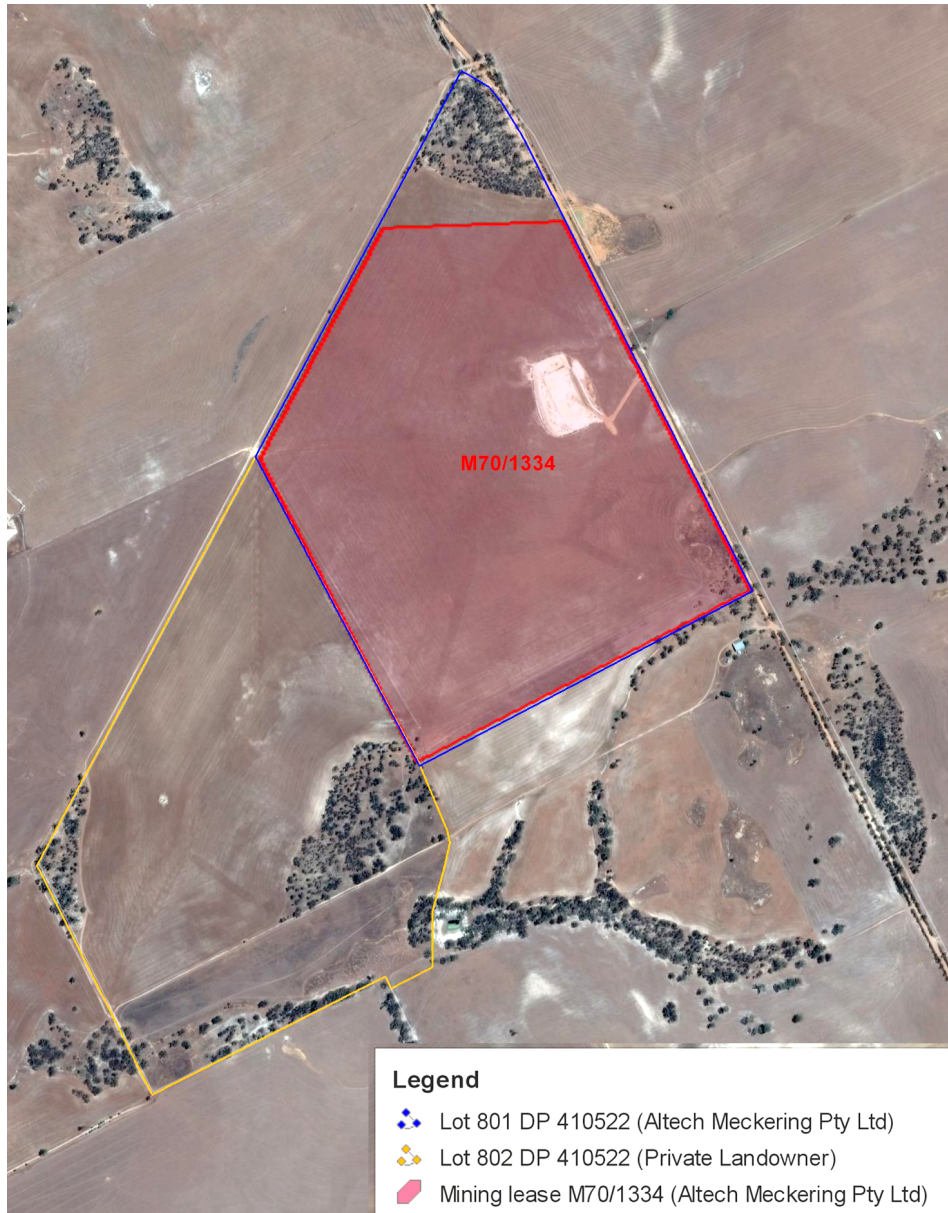
Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to advise that its wholly owned subsidiary Altech Meckering Pty Ltd has completed the purchase of approximately 92 hectares of freehold land covering its granted mining lease M70/1334, at Meckering, Western Australia.

Altech previously announced that it had exercised its option to purchase the freehold land on 17 October 2017. Settlement of the purchase was subject to the subdivision of the registered land title; the issuing of certificates of title for the new lots created; and final payment of the purchase price, all of which have now been completed.

Kaolin ore from the Company's Meckering mining lease M70/1334 will provide feedstock for its proposed Malaysian high purity alumina (HPA) plant. Altech received mining approval for its Meckering kaolin mine in March 2017 and a works approval for the construction of a kaolin screening and loading facility in August 2017. The Meckering kaolin mine is fully permitted, with construction of the kaolin screening and loading facility able to proceed upon completion of the balance of project financing.

Managing director Mr Iggy Tan said, "*Finalising the purchase of the freehold land covering granted mining lease M70/1334 marks the completion of another important milestone in the advancement of our HPA project. The land purchase will ensure unimpeded access to M70/1334 for Altech. The proposed Meckering kaolin mine is fully permitted and construction of the kaolin screening and loading facility and initial mining can proceed once the balance of project finance is secured*", he said.

Figure 1. Plan of freehold land subdivision (blue) and mining lease M70/1334 (red)



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About Altech Chemicals (ASX:ATC) (FRA:A3Y)

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

Global HPA demand is approximately 25,315tpa (2016) and demand is growing at a compound annual growth rate (CAGR) of 16.7% (2016-2024), 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.

Current HPA producers use expensive and highly processed feedstock materials such as aluminium metal to produce HPA. Altech has completed a Final Investment Decision Study (FIDS) for the construction and operation of a 4,500tpa HPA plant at the Tanjung Langsat Industrial Complex, Johor, 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 mid-2018.



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 the 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.