



Altech Chemicals
Limited

ASX ANNOUNCEMENT AND MEDIA RELEASE

12 March 2019

ALTECH – HPA PLANT STAGE 1 CONSTRUCTION UPDATE

Highlights

- Stage 1 construction progressing as planned
- Site office, security post and safety systems established
- Topsoil removed, bulk earthworks and levelling in progress
- Piling rig mobilised to site
- Steel for workshop procured and being sand blasted

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to provide an update of activities at the Company's high purity alumina (HPA) project site in Johor, Malaysia, where Stage 1 construction is progressing as planned.

Initial site establishment activities are now complete, with the site now fully fenced and secured. The site construction office has been erected; a security post has been installed; a vehicle wash down bay is established with sediment control; a site weather monitoring station is in place; and temporary ablutions are installed. A site safety induction process has been established, with all entry onto the site strictly controlled. Site security personnel have been inducted and the site is now monitored on a 24-hour, 7 day per week basis.

Removal of top soil from the site is complete and bulk earthworks and site levelling is in progress. A foundation piling rig has been mobilised to site for piling tests. Workshop foundation piling is expected to commence shortly and preparations for the reinforced concrete works are in progress. Workshop steel (70 tons) has been purchased and has arrived at a nearby fabrication shop in preparation for sandblasting and off-site fabrication.

Overall, Stage 1 work has been steady and is building. The site is gradually moving from the establishment phase into the construction phase. Work is being conducted in accordance with the highest safety standards and there have been no safety incidents to report.

A short video highlighting Stage 1 construction activities can be viewed via the following link:
<https://www.youtube.com/watch?v=sewJFlp6XY4>



Site construction office



Site safety procedures established



Site access control



Security post



Completion of site perimeter fence



Vehicle wash down bay with sediment control



Top soil removal completed



Top soil removal completed



Bulk earth works and leveling



Bulk earthworks and soil removal



Foundation piling rig on site for tests



Site leveling to specification



Compaction of site to specification



Compacted workshop pad



Watering and compaction of site



Project signage



Project contractor signage



SMS Project Mangement



Managing Director, Iggy Tan visiting site



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) (Al₂O₃).

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 and has announced the execution of an agreement with its appointed EPC contractor SMS group for commencement of Stage 1 construction of the HPA plant at Johor, Malaysia.



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