



Altech Chemicals
Limited

ASX ANNOUNCEMENT AND MEDIA RELEASE

18 June 2019

ALTECH – HPA PLANT STAGE 1 CONSTRUCTION UPDATE

Highlights

- Stage 1 Construction progressing as planned
- Workshop steel frame erection nearing completion
- Retaining wall construction 75% complete
- OSD Tank excavation and construction work underway

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

Structural steel erection for the maintenance workshop building has progressed considerably since the *Opstaan Yster (stand up of iron)* ceremony held on site at the beginning of May 2019. The building frame erection and roof structure placement is nearing completion, and the construction team shall shortly commence with roof and wall cladding activities. Retaining wall construction is proceeding along both the western and eastern site boundaries and is currently estimated as 75% complete. The internal site retaining wall, which is required for site terracing immediately behind the Administration building is also progressing in accordance with the Stage 1 construction schedule.

Finally, excavation of the on-site detention (OSD) storm water tanks have commenced along the southern boundary of the plant site, with construction of the first of four underground tanks now underway, which involves blinding, lining and reinforcement ahead of the pouring of concrete. The four OSD tanks will have a total volume of 2000m³, and will serve as intermediate storage for all site storm water in accordance with the Malaysian planning regulations and stormwater management practices.

An update video can be found at <https://youtu.be/SAmFST3ooko>



Workshop Structure Erection Progress



Workshop Structure Erection Progress



Retaining Wall Construction



OSD Tank Excavation and Construction Preparation



OSD Tank Lining and Reinforcement



Site Progress Aerial View – Northern Boundary



Site Progress Aerial View – Southern Boundary

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

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.