



Altech Chemicals
Limited



SHARE PURCHASE PLAN

6 December 2019

Dear Fellow Shareholder,

SHARE PURCHASE PLAN OFFER

It is a great pleasure to invite you to participate in the Company's Share Purchase Plan.

With your support, combined with funds raised from the recently announced \$1.8 million share placement, your Company will be able to continue to progress its project funding strategy and continue construction activities at our Johor high purity alumina (HPA) plant site.

Shares of ASX listed companies in the battery materials sector continue to experience difficult trading conditions, but despite these challenging equity market conditions your Company has managed to commence and advance construction works at its Malaysian HPA site, has reached a market capitalisation of A\$100 million and has successfully raise ~A\$35 million since mid-2018, most of which has been deployed to construction activities.

Currently at the 4 hectare HPA site in Johor you can see a totally cleared, levelled and compacted site; the completed maintenance workshop; completed perimeter and internal retaining walls; a system of on-site water detention tanks; and the commencement of construction of an electrical sub-station – all of which has been achieved on time and on budget since construction commenced in February 2019. Remaining construction for the plant (subject to final funding) is expected to be 24-months, with first HPA output anticipated in late 2021.



In terms of project funding, your Company has been successful in securing senior project debt finance of US\$190 million from German government-owned KfW IPEX-Bank as senior lender, and has mandated Macquarie Bank (Macquarie) as the preferred mezzanine lender. The indicative and non-binding mezzanine debt term sheet (currently progressing through due diligence) is for a facility amount of up to US\$90 million and throughout this year the Company has focussed on managing the due diligence process. Macquarie appointed an independent technical advisor, Worley Parson, to conduct the project technical review which was completed over a period of 6 months and concluded with a positive report on the project and processing flowsheet. Following the technical review Macquarie appointed CRU, a London commodities research house, to conduct a HPA market review. This detailed investigation into the HPA market took 3 months and the results showed significant growth expected for HPA demand and a near term supply deficit. Macquarie initiated its legal due diligence, which is ongoing, only after the completion of both the technical and market reviews.

On the equity side, Altech has been in dialogue with various potential joint venture partners to acquire a 49% direct interest in our HPA project for a valuation of US\$100 million as a way of securing the balance of project equity. Whilst the Company continues to seek out and work with potential investors, as an alternative to a joint venture partner the Company is pursuing the sale of the 49% project interest for US\$100 million to a separate German listed company – Altech Advanced Materials AG (AAM). In August 2019 Altech announced that it has sold an option to AAM for it to acquire up to a 49% direct project interest for US\$100m. AAM is currently in the process of fund raising, which Altech understands will occur mainly in the first half of 2020.

As you can see your Company continues to progress its HPA project in challenging market conditions. I thank you for your ongoing support of the Company and invite you to participate in our Share Purchase Plan.

Yours sincerely



Iggy Tan
Managing Director

On 5 December 2019, Altech Chemicals Limited (ASX: ATC, FRA: A3Y) ACN 125 301 206 (**Altech** or **the Company**) announced a \$1.8 million placement of new shares (**Placement**). The Placement was supported by Deutsche Balaton, the Company's major shareholder, and by a variety of sophisticated and professional investors. The Placement Shares will be issued at a price of \$0.0975 per Share.

Altech is now pleased to provide all existing eligible Shareholders the opportunity to purchase up to \$30,000 of new shares in the Company (Shares) via a Share Purchase Plan (SPP), at the same price that participants in the Placement will pay, i.e. \$0.0975 per Share.

To be eligible to participate in the SPP, you were required to have been registered as a holder of Altech Shares, with a registered address in Australia and New Zealand, as at 5pm Western Standard Time (**WST**) on **Wednesday 4 December 2019 (Record Date)**. The Company intends to raise a maximum of \$4.0 million via the SPP and any funds raised will be applied towards payments for the continuation of Stage 2 of construction activities for the Company's high purity alumina (HPA) plant in Malaysia (SMS group GmbH and third-party engineering works), corporate costs including loan commitment fees payable to KfW IPEX-Bank, Germany, administration cost and for general working capital purposes.

The offer of Shares under the SPP (**Offer**) opens on **Friday 6 December 2019 (Opening Date)** and **closes at 5.00pm WST on Thursday 19 December 2019 (Closing Date)**. No late applications will be accepted, however the directors of the Company (**Directors**) reserve the right to extend the Closing Date at their sole and absolute discretion.

The purchase price for each Share under the Offer will \$0.0975 per Share. The SPP will not be underwritten.

If you are eligible to subscribe for Shares under the Offer and you wish to participate, you may subscribe for Shares as follows:

Offer	Subscription Amount (\$A)	Number of new Shares
Offer A	\$30,000 (maximum)	307,692
Offer B	\$20,000	205,128
Offer C	\$15,000	153,846
Offer D	\$10,000	102,564
Offer E	\$5,000	51,282
Offer F	\$2,000 (minimum)	20,512

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have selected by the Issue Price, rounded down.

You may only subscribe for Shares in the tranches stated above. The Company reserves the right to allot fewer Shares than an eligible Shareholder applies for under the Offer, or no Shares, and any determination by the directors of the Company in respect of any scaling back will be final. If a scale back occurs, the Company will refund any excess application money to eligible Shareholders (without interest).

In the event the Company wishes to allot fewer Shares than an eligible Shareholder applies for, the allocation of Shares to applicant Shareholders will be at the absolute discretion of the Company's directors from time to time.

Please carefully read the terms and conditions relating to the Offer, as you will be bound by them.

All key dates in relation to the Offer are set out below. The dates are indicative only and the Company may change any of the dates at its discretion.

Event	Date
Record Date for SPP	Wednesday 4 December 2019
Announce SPP and Placement and lodgement of Appendix 3B	Thursday 5 December 2019
Issue of Shares under Placement, lodge Appendix 2A (Placement) and Cleansing Notice lodged with ASIC	Tuesday 10 December 2019
Dispatch SPP Offer Letter to shareholders and release Offer Letter on the ASX	Friday 6 December 2019
Opening Date for SPP	Friday 6 December 2019
Closing Date for SPP	Thursday 19 December 2019
Announcement of results of SPP	Monday 23 December 2019
Issue date of SPP Shares and lodgement of Appendix 2A (SPP) with ASX	Friday 27 December 2019

If you have any questions in respect of the SPP, the Offer, or these terms and conditions please contact Shane Volk (Company Secretary) on (08) 6168 1555, or via e-mail at shane@altechchemicals.com.

Yours sincerely,



Iggy Tan
Managing Director

TERMS AND CONDITIONS

The following are the terms and conditions of the Offer under the Plan (**Terms and Conditions**). By accepting the offer to subscribe for Shares under the Share Purchase Plan (**SPP or Plan**), you will have agreed to be bound by these Terms and Conditions and the Company's constitution.

1. ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 issued by the Australian Securities and Investments Commission

The Offer has been structured to comply with the ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (as may be amended from time to time) to enable the Company to issue Shares without a prospectus.

2. Opening and closing date of the Offer

The Offer opens on **Friday 6 December 2019 (Opening Date)**.

The Offer closes at 5pm WST on **Thursday 19 December 2019 (Closing Date)**.

No late applications will be accepted, however the Directors reserve the right to extend the Closing Date at their sole and absolute discretion by making an announcement to the ASX.

3. Who is eligible to participate in the offer?

You are eligible to apply for Shares in the Offer if:

- your registered address, as recorded in the Company's register of members, is in Australia or New Zealand; and
- you were registered as a holder of Shares as at 5pm WST on **Tuesday 4 December 2019**.

(Eligible Shareholder).

The Offer to each Eligible Shareholder is made on the same terms and conditions as all other Eligible Shareholders.

The Offer is non-renounceable (i.e. you may not transfer your right to subscribe for Shares under the Offer to anyone else).

4. Is the Offer voluntary?

The Offer is entirely voluntary and is subject to these Terms and Conditions. You do not have to participate if you don't want to.

5. How was the issue price determined?

The issue price for each Share under the Offer is set at \$0.0975 per Share (**Issue Price**). This is the same price paid per Share as participants in the placement of Shares announced by the Company on 5 December 2019. The Issue Price of \$0.0975 per Share represents a ~15% discount to the 5 day volume weighted average market price of the Company's Shares as traded on the ASX immediately prior to the announcement of the Placement.

6. Important Information on price risk to consider

Before deciding whether to accept the Offer, you should refer to the current market price of Shares, which can be obtained from the financial pages of your daily newspaper, your stockbroker, your financial adviser, or the ASX. Please note that the market price of Shares may rise or fall between the date of this Offer and the date when the Shares are issued to you under the Offer. This means that the price you pay per Share under this Offer may be greater than or less than the price of Shares at the time the Shares are issued to you pursuant to this Offer.

In determining whether you wish to participate in this Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your own circumstances.



7. How much can you invest in the Offer?

Subject to paragraph 9, if you are an Eligible Shareholder under the Plan, you can subscribe for Shares as follows:

Offer	Subscription Amount (\$A)	Number of new Shares
Offer A	\$30,000 (maximum)	307,692
Offer B	\$20,000	205,128
Offer C	\$15,000	153,846
Offer D	\$10,000	102,564
Offer E	\$5,000	51,282
Offer F	\$2,000 (minimum)	20,512

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have selected by the Issue Price, rounded down.

Please note that the maximum limit of \$30,000 of Shares applies to you even if you receive more than one Offer from the Company. For example, if you are both a sole and a joint Shareholder of the Company as at the Record Date, you can only apply for Shares under the Offer once, either in your capacity as sole Shareholder or joint Shareholder, not both.

No fractions of Shares will be issued.

8. Maximum number of new Shares to be issued?

- (a) **ASX Listing Rules limitation:** In accordance with ASX Listing Rule 7.2 Exception 5, the total number of new Shares under the Offer must not exceed 30% of the number of Shares currently on issue (the maximum number of Shares that can be issued under the Plan is 228,470,116 Shares).
- (b) **Discretionary limitation:** It is presently intended that a maximum of 41,025,641 Shares will be issued pursuant to the Offer, which would raise a maximum of \$4,000,000. Applications will be accepted on a 'first in, first accepted' basis and will not be able to be withdrawn once made. The Company's board of directors (**Board**) presently intends that Offer will close after the maximum amount of \$4,000,000 has been raised, however it reserves the right to accept oversubscriptions.
- (c) **Board discretion:** The Board reserves its right to reject or scale back any applications in whole or in part. The Board reserves absolute discretion regarding the final amount raised under the Offer (subject to the maximum permitted under the ASX Listing Rules). If there is a rejection or scale back, your application monies may be greater than the value of new Shares issued to you under the Plan, in which case the excess application monies will be refunded to you, without interest.

9. Custodian Certification

If on 4 December 2019 you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to a maximum of \$30,000 worth of Shares for each beneficiary for whom you act as Custodian provided you complete and submit, together with an Application Form, a certificate (**Custodian Certificate**) with the following information:

- (a) that you held Shares on behalf of:
 - (i) one or more other persons that are not Custodians; and/or
 - (ii) another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one of more other persons who are resident in Australia or New Zealand, to which those beneficial interests relate,

(each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you, and/or the Downstream Custodian, to apply for Shares on their behalf under the Plan;
- (b) the number of Participating Beneficiaries and their names and addresses;

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- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
 - (d) the dollar amount of Shares that each Participate Beneficiary has instructed you, either directly or indirectly through a Downstream Custodian, to apply for on their behalf;
 - (e) that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act in addition to the application price for any other Shares issued to you as custodian (as a result of instruction given to you as Custodian or a Downstream Custodian) for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$30,000;
 - (f) that a copy of this Offer document was given to each Participating Beneficiary; and
 - (g) where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more Downstream Custodians, the name and address of each Downstream Custodian.

In providing a certificate under this paragraph 9, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.

For the purpose of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 you are a 'Custodian' if you provide a custodial or depository service in relation to shares of a body or interests in a registered scheme and who:

- (a) holds an Australian financial services licence covering the provision of a custodial or depository service;
- (b) is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service;
- (c) is a trustee of a:
 - (i) self-managed superannuation fund; or
 - (ii) superannuation master trust;
- (d) holds an Australian financial services licence covering the operation an IDPS or is a responsible entity of an IDPS-like scheme; or
- (e) is a registered holder of shares or interests in the class and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (set out in paragraph 9) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact Company's Share registry, Automic Pty Ltd during business hours.

The Company reserves the right to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

10. Shareholder Certification

Subject to paragraph 9, an Eligible Shareholder must, on application for Shares pursuant to the Offer, certify to the Company that the total of the application price for the following does not exceed \$30,000:

- (a) the Shares the subject of the application under the Plan;
- (b) any other Shares issued to the Eligible Shareholder under the Plan or any similar arrangement in the 12 months before the application under the Plan; and
- (c) any other Shares which the Eligible Shareholder has instructed a Custodian to acquire on their behalf under the Plan; and

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- (d) any other Shares issued to a Custodian in the 12 months before the application under the Plan as a result of an instruction given by the Eligible Shareholder to the Custodian to apply for Shares on their behalf under an arrangement similar to the Plan.

11. Costs of Participation

The only cost to you associated with the Offer is the Issue Price of the number of Shares you wish to subscribe for. **Under the Offer you do not have to pay for brokerage, commission or other transaction costs** which would normally apply when you acquire Shares on market.

12. Allotment of Shares and Variation on Number of Shares Issued

The Company expects the Shares to be allotted within seven (7) business days after the Closing Date.

The Company's Share registry, Automic Pty Ltd, will send to you a Transaction Confirmation Statement in due course.

Without limiting the above, the Company reserves the right to allot fewer Shares than an Eligible Shareholder applies for under the Offer, or no Shares, in the Company's discretion or if the Company believes the allotment of those Shares would contravene any law or the ASX Listing Rules. No interest will be paid on any money returned.

In the event the Company wishes to allot fewer Shares than an Eligible Shareholder applies for or is not permitted to issue all the Shares offered as a result of any law or ASX Listing Rule, the allocation of Shares to applicant Shareholders will be at the absolute discretion of the Directors from time to time.

13. What Rights Will the Shares Carry?

Once the Shares are issued, they will rank equally with existing Shares in the Company and will carry the same voting rights, dividend rights, and entitlements to dividends, rights and bonus issues.

14. Can the Company Change the Plan?

The Plan may be changed, suspended or terminated by the Company at any time. If the Company changes, suspends or terminates the Plan it will advise ASX. The accidental omission to give notice of changes to or suspension or termination of the Plan or the non-receipt of any such notice will not invalidate the change, suspension or termination.

15. Directors' Participation

The directors of the Company, as Eligible Shareholders, may participate in the Offer (without having to obtain Shareholder approval), on the same terms as all other Shareholders in the Company.

16. How Do You Pay for the Shares?

All amounts in this Offer are expressed in Australian dollars.

- (a) **Make a payment using BPAY®** in accordance with the instructions on the Application Form. If paying via BPAY®, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Eligible Shareholders to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Application Form (which includes the Biller Code and your unique Customer Reference Number) and you will not need to return the Application Form.

If paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your Application Form. If you receive more than one personalised Application Form, you will need to complete individual BPAY® transactions using the Customer Reference Number specific to each individual personalised Application Form that you receive.

The maximum investment any Shareholder may apply for will remain \$30,000 even if a Shareholder receives more than one Offer (whether in respect of a joint holding or because the Shareholder has more than one holding under a separate account).

OR



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- (b) You may pay for the Shares by cheque, bank draft or money order in Australian dollars. Please make your cheque, bank draft or money order payable to “**Altech Chemicals Limited**” and cheques are crossed “**Not Negotiable**”. Applicants must not forward cash. Receipts for Application Payments will not be issued.

Please post to:

Altech Chemicals Ltd SPP
C/- Automic Group
GPO Box 5193
Sydney
NSW 2001

17. Please make the BPAY® payment for the exact amount or provide a cheque, bank draft or money order

If you do not provide the exact amount, the Company reserves the right to return your BPAY® payment or your Application Form and cheque, bank draft or money order. If the Company returns your BPAY® payment or Application Form and cheque, bank draft or money order, no Shares will be allotted to you.

You have a choice of 6 tranches of amounts of Shares of which you may subscribe for one.

These are detailed below:

Offer	Subscription Amount (\$A)
Offer A	\$30,000 (maximum)
Offer B	\$20,000
Offer C	\$15,000
Offer D	\$10,000
Offer E	\$5,000
Offer F	\$2,000 (minimum)

18. Will the Shares be quoted on the ASX?

The Company will apply for the Shares allotted to you to be quoted on the ASX, within the relevant period specified in the ASX Listing Rules.

19. How is a Dispute Resolved?

The Company may settle any dispute in connection with the Plan in any manner it thinks fit, whether generally or in relation to any participant, application or Share. The Company's decision shall be final and binding.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions.



HOW DO YOU APPLY FOR SHARES UNDER THE OFFER

1. If you want to participate in this Offer please carefully read the Terms and Conditions relating to the Offer.
2. If you are making a BPAY® payment, you do not need to return the Application Form. Please ensure that the amount paid by BPAY® is the exact subscription amount you wish to subscribe for.
3. Complete all the required details in the enclosed Application Form, noting that all amounts are expressed in Australian dollars:
 - (i) Check the box for the subscription amount for Shares that you wish to apply for.
 - (ii) Complete the cheque details section and ensure that the "Amount" section corresponds to the exact amount payable for the Shares you wish to subscribe for. Remember, **the minimum is \$2,000 worth of Shares and the maximum is \$30,000 worth of Shares.**
 - (iii) Insert your telephone contact numbers so that we may contact you if necessary.
 - (iv) You do not need to sign the Application Form.

If your payment is to be made using BPAY®

4. **Make a payment using BPAY®** in accordance with the instructions on the Application Form. If paying via BPAY®, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Eligible Shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Application Form (which includes the Biller Code and your unique Customer Reference Number) and you will not need to return the Application Form.

If paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your Application Form. If you receive more than one personalised Application Form, you will need to complete individual BPAY® transactions using the Customer Reference Number specific to each individual personalised Application Form that you receive. The maximum investment any Shareholder may apply for will remain \$30,000 even if a Shareholder receives more than one Offer (whether in respect of a joint holding or because the Shareholder has more than one holding under a separate account).

If your payment is to be by cheque, bank draft or money order

5. Ensure your cheque, bank draft or money order is made out for the exact amount of the Share parcel you want to subscribe for, payable to "**Altech Chemicals Limited**" and cheques crossed "**Not Negotiable**".

Return the completed Application Form, together with the cheque, bank draft or money order to Altech Chemicals Limited to:

Altech Chemicals Ltd SPP
C/- Automic Group
GPO Box 5193
Sydney
NSW 2001

6. Ensure that your completed Application Form and payment reach Altech Chemicals Limited by the Closing Date of the Offer being no later than **5.00pm** (WST) on Thursday 19 December 2019. **No late applications will be accepted, although the directors reserve the right to extend the closing date.**

In determining whether you wish to participate in this Offer you should seek personal financial and/or taxation advice referable to your own circumstances.

By accepting this Offer you agree to be bound by the Terms and Conditions of the Offer and the Constitution of the Company.

