



**Altech Chemicals**  
Limited

## ASX ANNOUNCEMENT AND MEDIA RELEASE

15 April 2015

# ALTECH APPOINTS CASTLE AS ITS MINING AND PROCESSING PARTNER

### Highlights

- Memorandum of Understanding (MOU) signed with Castle
- Provision of campaign mining, earthworks, road construction and equipment hire
- Operator of wet screening beneficiation plant

**Altech Chemicals Limited** (Altech/the Company) (ASX: ATC) is pleased to announce that it has signed a Memorandum of Understanding (MOU) with mining services company, Castle Equipment Pty Ltd (**Castle**), appointing it as mining contractor and processing plant operator for the Company's aluminous clay (kaolin) deposit at Meckering, Western Australia. Castle is an experienced mining industry services provider, offering a range of mining, crushing and equipment hire services to businesses operating in the Western Australian mining industry.

At its Meckering deposit, Altech is planning to campaign mine approximately 145,000 tonnes of aluminous clay (kaolin) at 3 to 4 year intervals, to provide feedstock for its proposed 4,000tpa high purity alumina (HPA) processing plant to be located in Malaysia, and which is the subject of a bankable feasibility study that is scheduled for completion in Q-3 2015.

The Company anticipates that each mining campaign will take two months to complete, with beneficiation of the resultant aluminous clay to be conducted on a continuous basis, 5 days per week, on a single 12-hour day shift, with weekends for scheduled maintenance. Beneficiation will consist of simple wet processing to remove oversize silica, followed by drying to reduce moisture content for shipment. The upgraded kaolin will be packed into 1-2 tonne "bulka bags" for containerised shipment to Malaysia, via the port of Fremantle, Western Australia. The Meckering plant has been designed to produce approximately 18,565 tonnes of beneficiated kaolin per annum at full capacity. Refer Figure 1, below for the proposed Meckering site lay out.

In addition to mining services and beneficiation plant operations and maintenance, Castle will provide the Company with other services normally associated with mining and processing operations, these are expected to include road construction and maintenance, general site administration, and the provision of miscellaneous plant and equipment hire, as required.

Figure 1 – Layout design of the Company's proposed Meckering mining and processing operations

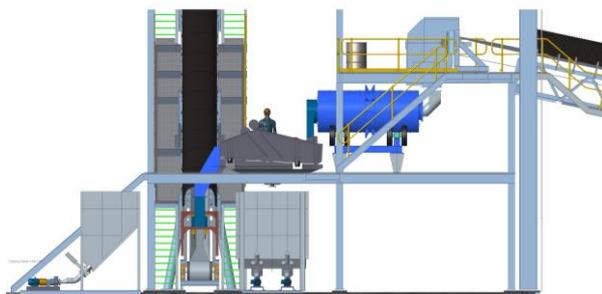
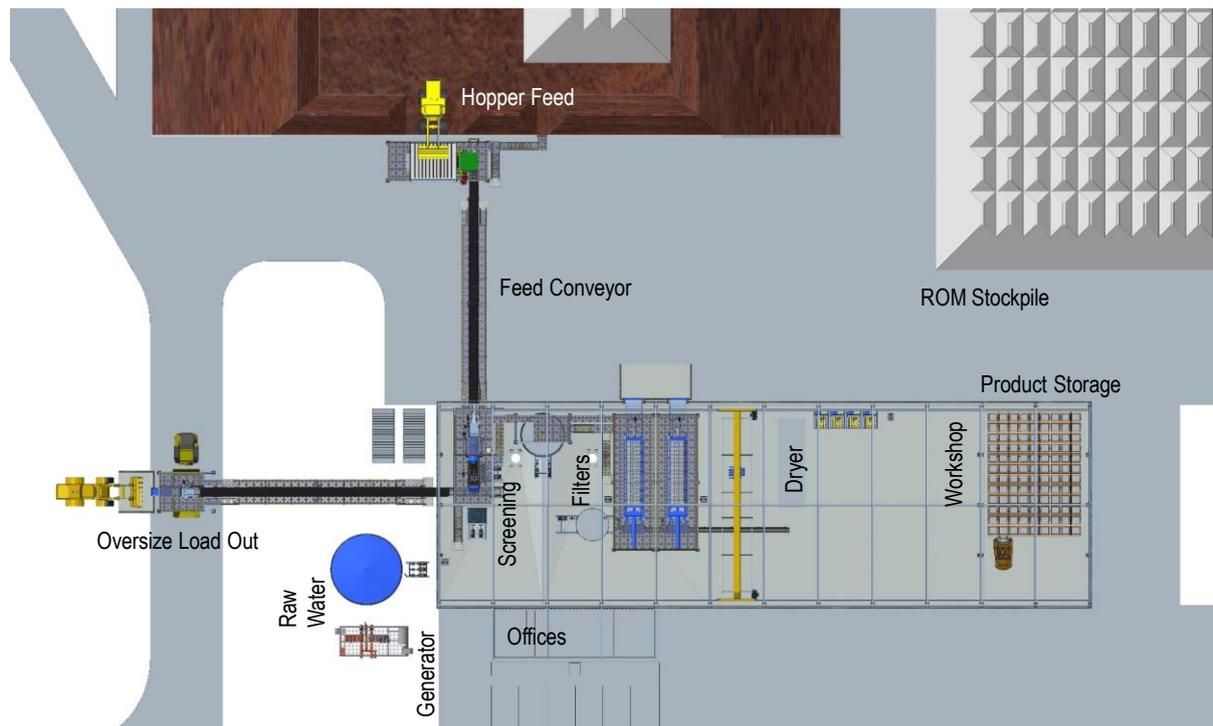


Figure 2 - Drum Scrubber and Screening

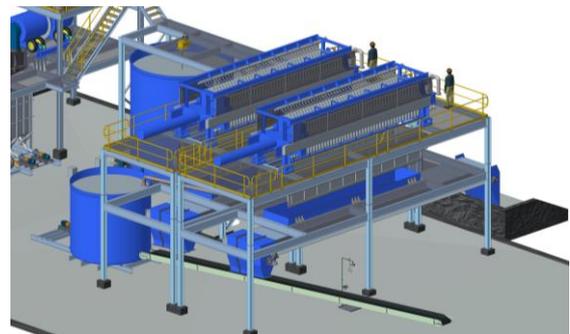


Figure 3 - Pressure Filtration

Commenting on the signing of the MOU with Castle, Altech's managing director Iggy Tan explained, "We are gradually ticking all the boxes and getting all the players in place to not only complete the bankable feasibility study on time, but to ensure that the Company is ready (subject to finance) to proceed with project development as quickly we can. We have selected Castle due to its overall mining services experience, flexibility and skills in running these type of operations".

-End-



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For more information, please contact:

### Corporate

Iggy Tan  
Managing Director  
Altech Chemicals Limited  
Tel: +61 8 9389 5557  
Email: [info@altechchemicals.com](mailto:info@altechchemicals.com)

### Media Contact

Tony Dawe  
Consultant  
Professional Public Relations  
Tel (office): +61 8 9388 0944  
Email: [tony.dawe@ppr.com.au](mailto:tony.dawe@ppr.com.au)

### **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)** ( $\text{Al}_2\text{O}_3$ ). HPA is a high-value product because it is the major source material for scratch-resistant artificial sapphire glass. Sapphire glass is used to produce a range of high-performance electronic applications such as LEDs, semi-conductors, phosphor display screens, as well as new emerging products such as smartphones and tablet devices. The global HPA market is approximately 19,040tpa (2014) and 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 produces 4N HPA directly from an ore feedstock, aluminous clay, from its Meckering deposit in Western Australia. The Company is now advancing a Bankable Feasibility Study (BFS) to develop a full-scale **4,000tpa HPA production facility**. The Altech process employs conventional and proven "off-the-shelf" plant and technology to extract HPA from its **low-cost** and **low-impurity** aluminous clay feedstock, which results in **lower operating costs**.

Altech is a chemical processing group focused on creating a high-margin product to meet the growing global demand for the next generation of high-performance technologies.



### **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.