



**Altech Chemicals**  
Limited

2018

**Annual Report**

# COMPANY PROFILE

## ABOUT ALTECH CHEMICALS LTD

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the world's leading suppliers of high purity alumina (99.99%  $\text{Al}_2\text{O}_3$ ) through the construction and operation of a 4,500tpa high purity alumina (HPA) processing plant at Johor, Malaysia. Feedstock for the plant will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia and shipped to Malaysia. Initial construction work for the HPA plant commenced subsequent to financial year-end with clearance of the plant site in Johor, Malaysia completed in August 2018. Stage 1 construction is expected to commence before the end of the 2018 calendar year.

Altech's HPA production process will employ conventional "off-the-shelf" plant and equipment to extract HPA from kaolin using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers - in the bottom quartile of the production cost curve. The Company's HPA project is a high margin, high value proposition.





# OUR VISION

to be a world-leading supplier of  
high purity alumina (HPA) via our  
4,500tpa HPA processing plant



# HIGH PURITY ALUMINA (HPA)

## OVERVIEW

High purity alumina, or 'HPA', is a high margin and highly demanded product critical to a number of high-tech applications, in particular HPA is critical for two fast-growing industries: LED lighting and lithium-ion batteries.

In the manufacture of LED lights, HPA is the non-substitutable ingredient essential for the production of synthetic sapphire substrates upon which LEDs (light emitting diodes) are formed; there is no substitute for HPA in the synthetic sapphire production process. Synthetic sapphire is also used to produce wafers used in semiconductors for the electronics industry and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components.

Increasingly HPA is also being consumed in the manufacture of lithium-ion batteries, which are used in electric vehicles and various consumer goods applications. Lithium-ion battery manufacturers are using HPA as a coating for the plastic polymer anode/cathode separator sheets within the battery in order to reduce separator sheet shrinkage and combustibility.

## HPA DEMAND

Globally, LED lights are rapidly displacing traditional incandescent and fluorescent lighting because of the lower operating cost and superior lighting quality of LEDs. This transition, combined with an increase in lithium-ion battery demand for electric vehicles, consumer goods and renewable energy storage is forecast to underpin a significant increase in demand for HPA.

Demand for HPA is forecast to grow at a compound annual growth rate (CAGR) of 15%-16% from 2017 to 2025. Persistence Market Research has forecast global HPA demand (including battery grade HPA) to be 62,519tpa by 2025 compared to 2016 demand of 25,315tpa. Forecasts by Petra Capital Pty Ltd and CRU Consulting are more bullish and have estimated global HPA demand to be 122,000tpa and 92,900tpa respectively by 2025 (as per Table 1). Average forecast HPA demand by 2025 is 92,473tpa, which is equivalent to approximately twenty (20) HPA plants of the size planned by Altech (4,500tpa).

Table 1. Total HPA demand forecasts (2025)

Organisation/Analyst	Forecast HPA demand by 2025 (tpa)	# of Altech sized HPA plants (4,500tpa)
Persistence Market Research (for KfW IPEX - Bank)	62,519	14
Petra Capital	122,000	27
CRU Consulting	92,900	20
Average	92,473	20





**ALTECH BOARD OF DIRECTORS WITH AUSTRALIAN HIGH COMMISSIONER TO MALAYSIA, GERMAN AMBASSADOR TO MALAYSIA, SENIOR REPRESENTATIVES FROM EULER HERMES, KfW IPEX - BANK, SMS GROUP AND MITSUBISHI CORPORATION**



## LITHIUM-ION BATTERY DEMAND

In June 2016 Altech announced an in-house forecast of HPA demand in 2025 for the lithium-ion battery sector of 15,102tpa (refer ASX announcement dated 21 June 2016). Subsequently, a report released by Sydney-based Petra Capital Pty Ltd on 19 March 2018 titled “HPA critical to lithium-ion battery market” estimated that the lithium-ion battery sector would require approximately 23,000tpa of HPA by 2025 (mid-case) with a bullish case for 37,500tpa of HPA demand by 2025 for the sector. In May 2018, London-based global commodity consulting and analysis group CRU Consulting (CRU), applying its robust “bottom-up” analysis and rich electric vehicle industry database, forecast more bullish HPA demand for the lithium-ion battery sector of 76,000tpa by 2025. The CRU forecast represents a 9-fold increase in HPA demand by 2025, compared to 2017 estimated HPA demand.

Based on the three separate HPA demand forecasts, the average estimated demand for HPA by 2025 from the lithium-ion battery sector is 42,867tpa (refer to Table 2), which is equivalent to approximately eight (9.5) HPA plants of the size planned by Altech (4,500tpa).

Table 2. Lithium-ion battery sector HPA demand forecasts (2025)

Organisation/Analyst	Forecast HPA demand by 2025 (tpa)	Forecast publication date (approx.)	# of Altech HPA plants (4,500tpa)
Altech Chemicals Ltd	15,102	June 2016	3.4
Petra Capital Pty Ltd	37,500	March 2018	8.3
CRU Consulting	76,000	May 2018	16.9
Average	42,867		9.5

## HPA MARKET AND PRICING

The HPA market consists of three (3) main product categories, which are based on  $\text{Al}_2\text{O}_3$  purity: 4N (99.99%), 5N (99.999%) and 6N (99.9999%). 4N is the product category with the largest market as it is used in a wider range of applications. 4N HPA with product specifications equivalent to those proposed by Altech for its battery grade and sapphire grade HPA can currently command a price in the range of US\$30,000/t to US\$40,000/t.

## CURRENT HPA SUPPLIERS

Conventional HPA producers predominantly use expensive and highly processed feedstock such as aluminium metal to produce HPA. The Company's proposed plant will produce HPA directly from kaolin clay via hydrochloric acid (HCl) leaching, using a production process that will employ conventional “off-the-shelf” plant and equipment. HPA production costs from the Company's plant are anticipated to be considerably lower than conventional HPA producers.

The successful construction and operation of Altech's proposed 4,500tpa HPA plant will position the Company as the world's largest single producer of HPA (based on 2014 annual HPA production data). With average annual HPA demand expected to increase to approximately 92,473 tonnes by 2025 (from 25,315 tonnes in 2016), the HPA market is expected to more than fully absorb all of the HPA supply from the Company's proposed plant.

## HIGH PURITY ALUMINA (HPA) CONT.



**“WITH ENOUGH KAOLIN FEEDSTOCK TO SEE OUT 250 YEARS  
OF PRODUCTION, ALTECH HAS A SIGNIFICANT OPPORTUNITY  
TO BECOME A TRAIL BLAZER AND MARKET LEADER IN THE  
RAPIDLY GROWING GLOBAL HPA MARKET”**



# CHAIRMAN'S LETTER

Dear fellow Altech Shareholders,

It has been an extremely busy year for our managing director Iggy Tan and his dedicated team with our High Purity Alumina (HPA) project gaining significant momentum.

Over the past 12 months the Company's principal activities centred around finalising the final investment decision study (FIDS) and securing project financing in preparation for the commencement of construction of our 4,500tpa Malaysian HPA plant in Johor Bahru and Meckering kaolin mine in Western Australia.

Iggy and his team also worked tirelessly with the vast array of project stakeholders from Malaysia, Germany, Japan and Australia throughout the year and in the lead-up to the official ground-breaking ceremony for the HPA plant, held at the Johor site on 8 August 2018.

Significant milestones achieved during the year included:

- finalisation of the 4,500tpa HPA plant design and conclusion of a positive (FIDS);
- the positive decision of the German Export Credit cover for a total debt package of US\$190M;
- granting of works approval for development of the Meckering kaolin mine in Western Australia;
- a \$17M share placement, which was supported by both SMS Group and Melewar group;

- securing commitment from SMS group of US\$15M of equity investment support at finance close;
- purchase of the freehold Meckering land over the mining lease; and
- securing the Malaysian plant site via a 30 year lease.

The Company continues to enjoy the strong and continued support from its growing shareholder base. The total number of shareholders now stands at over 3,400 at the time of writing, almost double the number last year. The market capitalisation of the Company now stands at approximately \$86 million, compared to approximately \$40 million at the same time in 2017.

Looking ahead the Company anticipates finalising the balance of funding required to continue HPA plant construction beyond the current Stage-1 works that commenced in August 2018.

On behalf of the board and all shareholders I extend my thanks and appreciation to Iggy and his team as the construction of the plant begins in earnest and we move the Company towards operations.

Regards,



Luke Atkins  
Non-Executive Chairman



## ALTECH'S MALAYSIAN PLANT CONCEPTUAL DRAWING





# BOARD OF DIRECTORS



## **LUKE ATKINS**

### **Non-Executive Chairman**

A highly qualified mining executive and lawyer by profession, Mr Atkins has had extensive experience in capital raisings and has held a number of executive and non-executive directorships of private and publicly listed companies including a number of mining and exploration companies. Mr Atkins is the co-founder of ASX-listed Bauxite Resources Limited (ASX:BAU) and is currently the company's non-executive director.



## **IGNATIUS (IGGY) TAN**

### **Managing Director**

A highly experienced mining and chemical executive with a number of significant achievements in commercial mining projects such as capital raisings, funding, construction, start-ups and operations. Mr Tan has over 30 years chemical and mining experience and has been an executive director of a number of ASX-listed companies. He holds a Master of Business Administration from the University of Southern Cross, a Bachelor of Science from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors. Mr Tan previously held managing director positions at Kogi Iron Limited (ASX: KFE) and Galaxy Resources Limited (ASX: GXY).



## **PETER BAILEY**

### **Non-Executive Director**

Mr Peter Bailey is a highly experienced and qualified engineer with over 40 years experience in the mining and industrial chemical production industry. He was previously chief executive officer at Sherwin Alumina, an alumina refinery located in Texas, USA. Prior to Sherwin, in 1998 Mr Bailey was president of Alcoa Worldwide Chemical's industrial chemicals department. He was responsible for managing the company's 13 alumina plants that were located in eight countries, with combined annual revenue of approximately US\$700 million. In 1996, Mr Bailey was president of Alcoa Bauxite and Alumina and was responsible for eight (8) alumina plants outside of Australia. He was also chairman of the Alcoa Bauxite joint venture in Guinea, Africa.



## **DANIEL TENARDI**

### **Non-Executive Director**

Mr Dan Tenardi is a highly experienced global resource executive with over 40 years experience in the mining and processing sectors. During his extensive career, Mr Tenardi spent 13 years at Alcoa's alumina refinery in Kwinana as well as at the company's bauxite mines in the Darling Ranges of Western Australia. Mr Tenardi was the founding managing director of Bauxite Resources Limited (ASX: BAU) where he led the rapid growth of the company from its initial exploration phase, to the commencement of trial shipments of ore. Mr Tenardi is currently non-executive independent director of Australian iron ore producer, Grange Resource Limited (ASX: GRR).





## **TUNKU YAACOB KHYRA**

### **Non-Executive Director**

Tunku Yaacob Khyra is the executive chairman of the Melewar Khyra Group of Companies (Melewar), a Malaysian-based diversified financial and industrial services group. He is the major owner and shareholder of Melewar and sits on the boards of Khyra Legacy Berhad, Mycron Steel Berhad, MAA Group Berhad, Melewar Industrial Group Berhad, Ithmaar Bank B.S.C. (listed on Bahrain Stock Exchange) and several other private companies. Tunku Yaacob graduated with a Bachelor of Science (Hons) Degree in Economics and Accounting from City University, London. An accountant by training, he is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.



## **UWE AHRENS**

### **Alternate Non-Executive Director (for Tunku Yaacob Khyra)**

Mr Uwe Ahrens is executive director of Melewar Industrial Group Berhad and managing director of Melewar Integrated Engineering Sdn Bhd. He also sits on the board of several other private limited companies. Mr Ahrens holds Masters degrees in both Mechanical Engineering and Business Administration from the Technical University Darmstadt, Germany. Upon graduation, Mr Ahrens joined the international engineering and industrial plant supplier, KOCH Transporttechnik GmbH in Germany, now belonging to FLSmidth Group, where he held a senior management position for 12 years, working predominantly in Germany, USA and South Africa. Mr Ahrens is the alternate non-executive director for Tunku Yaacob Khyra.

# MANAGING DIRECTOR'S REVIEW OF OPERATIONS

During the year the Company made significant progress towards securing the required funding for the commencement of construction of its proposed Malaysian high purity alumina (HPA) plant and associated kaolin mine in Meckering, Western Australia.

## FINAL INVESTMENT DECISION STUDY (FIDS)

On 23 October 2017 Altech's board announced its decision to proceed with the HPA project following the positive results from a Final Investment Decision Study (FIDS) for the development of a 4,500tpa HPA plant at Johor, Malaysia and kaolin mine at Meckering, Western Australia. The FIDS incorporated up-to-date project assumptions including: a final capital cost estimate that included the fixed-price lump-sum engineering, procurement and construction (EPC) contract value for the proposed Malaysian HPA plant; a fixed-price lump-sum EPC contract value for the construction of a container loading facility at Meckering, Western Australia; and the capital cost for the initial kaolin mining campaign.

The financial metrics for the FIDS are extremely robust. Project Net Present Value (NPV) is \$505.6 million at a discount rate of 7.5%; payback (at full rate) is 3.9 years; and annual EBITDA at full production is US\$75.7 million. The capital cost of the project is US\$298 million. The internal rate of return (IRR) is 21.9% with a gross margin on sales of 63%. Publication of the FIDS results was a significant milestone for the Company.

## CAPITAL RAISING TO SUPPORT DEVELOPMENT

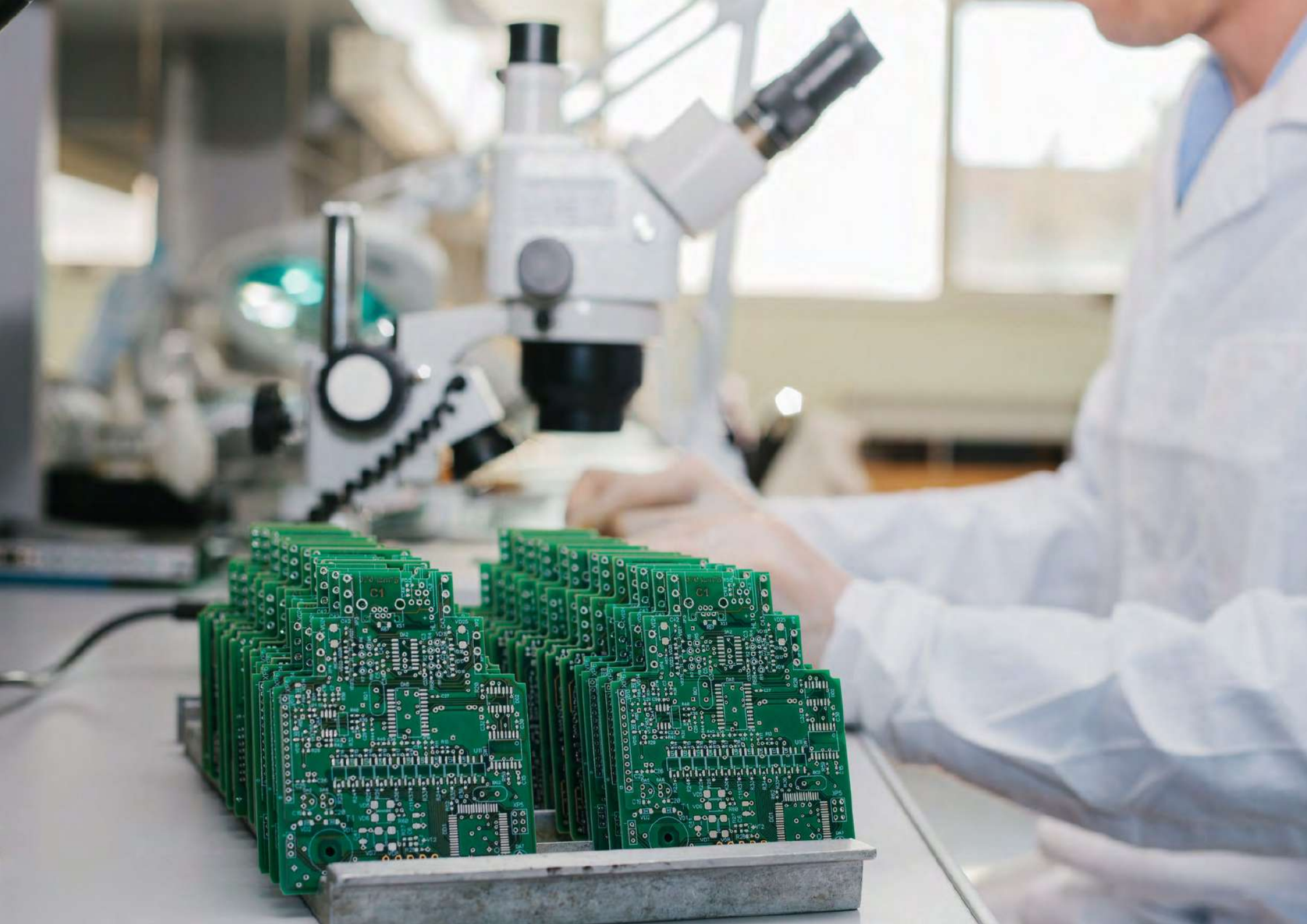
In October 2017 the Company was successful in raising A\$17 million via a placement of shares to a variety of existing and new shareholders. Proceeds from the placement were used to continue the development of the Company's HPA project and included payments for land at Meckering and Johor, plus HPA plant design and engineering, working capital and corporate costs. The placement was strongly supported by German engineering firm SMS group, the appointed EPC contractor for the proposed Malaysian HPA plant, with a US\$4 million (A\$5.3 million) subscription of shares. SMS group held approximately 8% of the Company's total issued capital as at 30 June 2018.





UWE AHRENS AND IGGY TAN AT THE JOHOR OPENING CEREMONY







## REVIEW OF OPERATIONS CONT.

### EPC CONTRACTOR APPOINTED

Altech appointed German engineering firm SMS group GmbH (SMS) as EPC contractor for the construction of its proposed Malaysian HPA plant. SMS provided a fixed price turnkey contract and has included clear and concise guarantees to Altech for plant throughput and completion. In addition, having prior experience with the kaolin to HPA HCl processing that Altech will use, SMS agreed process and final product guarantees for the 99.99% (4N) HPA quality specification. The guarantees provided by SMS are extremely positive and significantly mitigate project risk. SMS is a large privately owned German engineering firm with annual turnover of approximately 3.3 billion Euros. SMS has recent EPC contract experience in Malaysia, having successfully completed the Sakura smelting project, in Sarawak.

### JOINT VENTURE WORK STREAM

During the year the Company has explored potential project-level joint venture options with several major industrial groups that if successfully concluded, could result in a major reduction of the equity amount required to fund the project. A partial sale at the project level in conjunction with mezzanine debt can be an attractive option for minimisation of parent company shareholder dilution. The Company is investigating potential partners with strong balance sheets and industrial/speciality materials experience. The process is ongoing.

### MEZZANINE DEBT WORK STREAM

A number of groups were appointed to identify mezzanine debt opportunities subordinate to the KfW IPEX-Bank senior loan. As the HPA project is extremely cash rich, the Company targeted mezzanine debt of between US\$70 and US\$120 million. Various mezzanine debt providers accessed the project data room containing detailed project information and subsequent due diligence and site visits were undertaken. In May 2018, the Company announced that it had received and executed a non-binding term sheet for a mezzanine project debt facility of US\$120 million from an international investment bank. The bank has appointed an independent technical and market advisor to undertake detailed project due diligence and a kick off meeting was held on 27 July 2018, in Dusseldorf, Germany.

In addition to conventional debt, the Company is considering alternate sources of finance such as a stream finance. On 15 June 2018, the Company announced that it had executed an indicative non-binding term sheet for a US\$60 million stream finance facility. A stream finance facility is a structured alternative financing product whereby the facility provider agrees to advance a facility amount in exchange for a percentage of future gross sales. The provider has also appointed an independent technical advisor to undertake detailed project due diligence and the process is well advanced.

## REVIEW OF OPERATIONS CONT.

### SENIOR DEBT FUNDING

On 15 December 2017 Altech was pleased to announce that it had been advised that the German government inter-ministerial committee (IMC) had reached a positive decision on its application for project finance export credit cover relating to the Company's proposed Malaysian HPA plant. Following the IMC decision, the Company was advised by KfW IPEX-Bank that it had successfully processed credit approval for a project finance debt package of US\$190 million, comprising US\$170 million of project finance export credit cover (available at long tenure and at highly attractive terms) and US\$20 million at customary lending terms. Altech proceeded to execute commitment, terms and conditions documentation with KfW IPEX-Bank to commit the US\$190 million debt package. The FIDS results, combined with the extensive and detailed project due diligence conducted by the lender's due diligence consultants provided the foundation for the US\$190 million debt package successfully negotiated with KfW IPEX-Bank.

### BALANCE OF FUNDS

A condition precedent to drawdown of the KfW IPEX-Bank debt is for the Company to secure the balance of funds in addition to senior debt, for the project. The focus for the Company since approval of the KfW IPEX-Bank senior debt has been to secure an optimal project financing solution that would deliver the balance of funds and allow for senior debt drawdown.





**Altech Chemicals Sdn Bhd**

# GRAND OPENING CEREMONY

8<sup>TH</sup> AUG 2018



**AUSTRALIAN HIGH COMMISSIONER TO MALAYSIA, H.E. ANDREW GOLEDZINOWSKI AND CHAIRMAN, LUKE ATKINS**



## REVIEW OF OPERATIONS CONT.

### MECKERING KAOLIN OPERATION

The Company's Meckering kaolin deposit is positioned within Altech's granted mining lease (M70/1334), which is approximately 86 hectares in size. The mining lease is situated approximately 140km east of Perth and 8km south east of the wheat-belt town of Meckering, Western Australia. The deposit consists of a maiden Ore Reserve (JORC 2012) of 1.2Mt @ 30% Al<sub>2</sub>O<sub>3</sub> in the minus 300-micron fraction with a cut-off grade of 25% Al<sub>2</sub>O<sub>3</sub> for the Meckering kaolin deposit, which is sufficient HPA plant feedstock supply for an estimated 30-year project-life. The Ore Reserve lies within the Mineral Resources estimation of 12.7Mt at 30% Al<sub>2</sub>O<sub>3</sub> in the same minus 300 micron kaolin fraction with a cut-off grade of 25% alumina; the Mineral Resources estimation would support a HPA processing operation for >250 years.

At Meckering, mined kaolin ore will be screened to a size of <12mm via a trommel screening unit. The <12mm screened ore will proceed to a housed container loading facility, where it will be fed into standard 20-foot shipping containers via a telescopic container feed conveyor. Once loaded, the shipping containers will be transported by road to the port of Fremantle, for shipment to Johor, Malaysia, which is the location of Altech's proposed HPA processing plant.

### PURCHASE OF FREEHOLD LAND

During the year, the Company's wholly-owned subsidiary Altech Meckering Pty Ltd completed the purchase of approximately 92 hectares of freehold land covering its granted mining lease M70/1334 at Meckering, Western Australia.

### WORKS APPROVAL GRANTED

On 25 August 2017 the Company's Works Approval application for a proposed kaolin screening and loading facility at the Meckering kaolin deposit (M70/1334) was granted by the Western Australian (WA) Department of Water and Environmental Regulation (DWER).

The works approval permits the construction of the proposed kaolin screening and loading facility infrastructure, which will be located adjacent to the proposed Run of Mine (ROM) stockpile at the Meckering kaolin deposit.

In December 2016 the Company submitted a mining proposal and mine closure plan, which was subsequently approved by the WA Department of Mines, Industry Regulation and Safety (DMIRS) in March 2017. In addition to the above approvals the Native Title and Aboriginal heritage aspects of the proposed Meckering kaolin mine were also considered. Having executed a Noongar Standard Heritage Agreement (NSHA) with the South West Aboriginal Land and Sea Council (SWALSC) on behalf of the Ballardong People Agreement Group, a heritage survey was undertaken and no sites of ethnographic significance were identified.

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.



## REVIEW OF OPERATIONS CONT.

### MALAYSIA HPA OPERATION

During the year the Company worked closely with its appointed engineering, procurement and construction (EPC) contractor, SMS group GmbH (SMS) of Germany to finalise the detailed design and engineering of the proposed Malaysian HPA plant.

The Company secured the HPA plant site (PLO 14) within the established Tanjung Langsat Industrial Complex during 2016 via the execution of a 30-year lease agreement (with a 30-year renewal option) with Johor Corporation. The ~4ha site is in a section of the industrial park specifically reserved for chemical facilities. Last year the Company received approval from the Department of Environment, Johor (DOE) of its Preliminary Site Assessment (PAT) for the HPA plant at a production rate of 4,500tpa.

### MANUFACTURING LICENCE RECEIVED

On 21 February 2018 the Company announced that it had received advice from the Malaysian Investment Development Authority (MIDA) that its manufacturing licence application for operation of a 4,500tpa high purity alumina plant at Johor, Malaysia was approved and that following the submission of various documentation the manufacturing licence would be issued. The Company is delighted with the support for its HPA project demonstrated by MIDA and the Johor and Malaysian governments.





## OFF-TAKE SECURED

Altech has executed a 10-year off-take sales arrangement with Mitsubishi Corporation's Australian subsidiary, Mitsubishi Australia Ltd (Mitsubishi) for HPA production from the Company's Malaysian HPA plant.

The agreement appoints Mitsubishi as the exclusive buyer of the HPA produced from the plant and will commence on the date of first shipment of final HPA product. The contracted sale quantities will mirror Altech's proposed HPA plant's production ramp up.

**NON-EXECUTIVE DIRECTOR, PRINCE YAACOB KHYRA ADDRESSING GROUND BREAKING CEREMONY**



## REVIEW OF OPERATIONS CONT.

### GROUND-BREAKING CEREMONY

An official ground-breaking ceremony was held on 8 August 2018 marking the commencement of the stage 1 construction of the Company's HPA plant in Johor, Malaysia. The opening ceremony marked the commencement of the ~2-year construction period for the HPA plant and the starting point of an investment in Malaysia of approximately 1.2 billion Ringgit (US\$300m) by the Company. Attendees at the ceremony included all members of the Company's board of directors; German government-owned KfW IPEX-Bank (the senior lender); Euler Hermes (German government export credit agency); Melewar group (major shareholder); MAA Group Berhad (major shareholder); Australian High Commissioner to Malaysia; German ambassador to Malaysia; Johor Corporation representatives; and numerous other Malaysian stakeholder representatives.

### STAGE 1 CONSTRUCTION COMMENCES

Altech is equity funding stage 1 construction of its Johor HPA plant to maintain project momentum and as such the work will be in parallel with the close of project finance.

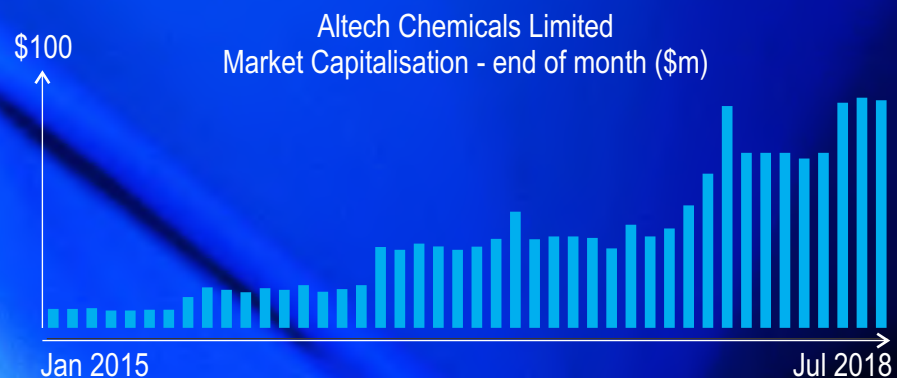
Construction work covered under the stage 1 construction agreement includes: bulk earthworks; extensive foundation piling; the construction of retaining walls; underground storm water/process discharge tanks (OSD tanks); construction of the site electrical sub-station; and construction of a maintenance workshop. The maintenance workshop will be used as the construction site office during stage 2 of HPA plant construction.

Engineering works incorporated in the stage 1 construction program included the finalisation of layout drawings and the construction permitting process. The stage 1 agreement covers the first 6 to 7 months of the proposed 2-year construction period. The value of the work is approximately US\$10 million, the majority of which will be credited against the US\$280 million lump-sum contract with SMS Group.

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.

# CORPORATE

In the last four years the Company has focused on building its shareholder base and driving up market liquidity for its shares. During this time shareholder numbers have increased six-fold from 600 to around 3,500 and daily share trading liquidity has risen from an average of around \$3,000 per day to an average of \$140,000 per day. These increases are testament to the quality of its HPA project and awareness created amongst investors from conference presentations and road shows. During the last four years the price of Altech shares has risen from a base of ~6 cents and market capitalisation has grown from ~\$8 million to \$87 million.





# CORPORATE INFORMATION

## Altech Chemicals Limited

ABN 45 125 301 206

### DIRECTORS

Luke Atkins	Chairman
Ignatius Tan	Managing Director
Daniel Tenardi	Non-executive Director
Peter Bailey	Non-executive Director
Tunku Yaacob Khyra	Non-executive Director
Uwe Ahrens	Alternate Director

### COMPANY SECRETARY

Shane Volk

### REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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**Website:** [www.altechchemicals.com](http://www.altechchemicals.com)

### AUDITORS

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Perth, Western Australia, 6000

### SHARE REGISTRY

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Perth WA 6000  
Telephone: 1300 288 664  
(Int): +61 2 9698 5414  
Facsimile: +61 2 8583 3040

### STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Limited (ASX) and its shares are also quoted on the Frankfurt Stock Exchange (Börse Frankfurt) (FWB)

**Home Exchange:** Perth

**ASX Code:** ATC

**Frankfurt Stock Exchange:**

**FWB Code:** A3Y

### COMPETENT PERSONS STATEMENT

The information in this announcement that relates to Mineral Resources and Ore Reserves is extracted from the report entitled "Maiden Ore Reserve at Altech's Meckering Kaolin Deposit" released on 11 October 2016; the report is available to view of the Company's website [www.altechchemicals.com](http://www.altechchemicals.com). The Company confirms that the new information or data used in its Financial Investment Decision Study (FIDS) does not materially affect the information included in the original market announcement and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and that any changes do not impact the estimates. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### 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.

The mezzanine debt and stream finance term sheets referred to this report are indicative in nature; are non-binding; and contain the general terms of a proposed transaction. Any future commitments will be subject to and is contingent upon all internal approvals of the financial institution as well as the completion of detailed due diligence (including but not limited to legal and technical due diligence) and legally binding documentation and senior lender agreement. There is no certainty that the mezzanine project debt or stream finance will be approved or a transaction concluded based on what is contemplated in the term sheet. The Company makes no representations or warranties whatsoever as to the outcome of the mezzanine debt or stream finance process.

Should shareholders have any queries in relation to their shareholding with Altech Chemicals Ltd, please contact Automic at [hello@automic.com.au](mailto:hello@automic.com.au), or via telephone on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).





**Altech Chemicals**  
Limited

[www.altechchemicals.com](http://www.altechchemicals.com)