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ALTECH – HPA PLANT CONSTRUCTION UPDATE

Highlights

- Stage 1 Construction progressing as planned
- Workshop steel frame complete and cladding underway
- Retaining wall construction nearing completion
- OSD Tank base poured and walls in progress

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

Structural steel erection for the maintenance workshop frame and roof is now complete, along with cladding of the roof and canopy (Figure 1 and Figure 2). Work is now underway on the installation of internal mezzanine flooring and cladding of the building walls.

Retaining wall construction has proceeded well along both the western and eastern site boundaries and is currently estimated as 90% complete (Figure 3). The internal site retaining wall construction is complete and the area is currently undergoing backfilling.

Finally, development of the on-site detention (OSD) storm water tanks is proceeding to plan (Figure 4), with pouring of the base concrete floors now complete for all four tank zones. Wall casting has now commenced in the first three tanks. To complete OSD tank construction, concrete roof panels that are being pre-cast on site will be lifted onto the tanks, which will then be backfilled.

Figure 1 - Maintenance Workshop construction progress



Figure 2 - Maintenance Workshop construction progress



Figure 3 - Retaining walls and backfilling activities

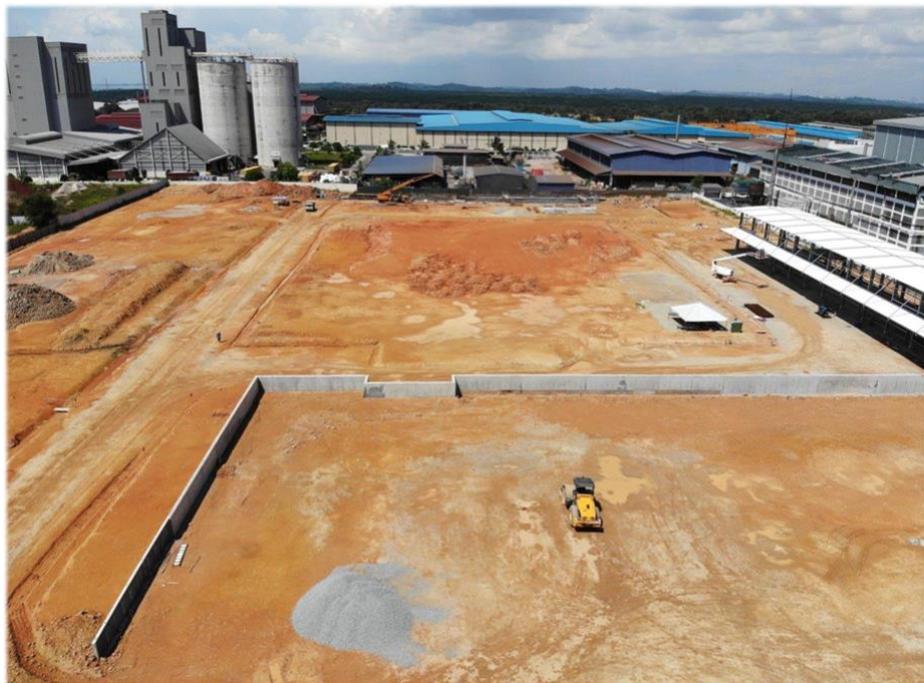


Figure 4 - OSD Tank construction activities



Figure 5 - Overall site view showing construction progress



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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) (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 the commencement of 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.