
ALTECH CHEMICALS LIMITED
ACN 125 301 206
NOTICE OF GENERAL MEETING

TIME: 11.00am (WST)
DATE: 16 September 2016
PLACE: Suite 8, 295 Rokeby Road, Subiaco, WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 6168 1555

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the general meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00 am (WST) 16 September 2016 at:

Suite 8, 295 Rokeby Road, Subiaco WA 6008

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm (WST) on 14 September 2016.

VOTING IN PERSON

To vote in person, attend the General Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES (TRANCHE 1)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 43,911,209 Shares at an issue price of \$0.14 (14 cents) each on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: This resolution is seeking shareholder approval under ASX Listing Rule 7.4 to ratify the issue of 43,911,209 shares to various institutional, professional and sophisticated investors on 3 August 2016, being tranche 1 of the \$10.0 million share placement announced by the Company on 27 July 2016.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the tranche 1 share placement and any of their associates. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – APPROVAL FOR THE ISSUE OF PLACEMENT SHARES (TRANCHE 2)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue of up to 30,679,282 Shares to participants in a placement to institutional, professional and sophisticated investors at an issue price of \$0.14 (14 cents) per share, as set out in the Explanatory Statement.”

Short Explanation: This resolution is seeking shareholder approval under ASX Listing Rule 7.1 to approve the issue of 30,679,282 shares at \$0.14 per share to various institutional, professional and sophisticated investors, being tranche 2 of the \$10.0 million share placement announced by the Company on 27 July 2016.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in tranche 2 of the share placement and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

DATED: 11 AUGUST 2016

BY ORDER OF THE BOARD



SHANE VOLK
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution which is the subject of the business of the Meeting.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

1.1 Background

On 27 July 2016 the Company announced a \$10 million share placement to various institutional, sophisticated and professional investors. Shares were priced at \$0.14 (14 cents) per share, which represented a ~14% discount to the 5 day VWAP of the Company's shares as traded on the ASX on the date on which the price of the placement shares was set.

The share placement was conducted in two tranches; tranche 1 was the issue of 43,911,209 shares on 3 August 2016 without the prior approval of Shareholders pursuant to the Company's 15% annual placement capacity under ASX Listing Rule 7.1 and 10% additional placement capacity under ASX Listing Rule 7.1A. The issue of the balance of the placement shares (tranche 2) is subject to the approval of Shareholders, as set out in Resolution 2 of this Notice of Meeting.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A, any equity securities issued under that additional placement capacity will not be counted in the variable upon which the 10% placement capacity is based until that issue has been ratified under ASX Listing Rule 7.4 (or 12 months has passed since their issue). In addition, any equity securities issued under that additional placement capacity will reduce the balance of equity securities able to be issued under that additional capacity without prior shareholder approval until that issue has been ratified under ASX Listing Rule 7.4 (or 12 months has passed since their issue).

By ratifying this issue, the Company will increase the variable upon which the 10% placement capacity is based and retain the flexibility to issue equity securities in the future up to the 10% placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

In addition, ratifying this issue will also restore the ability of the Company to issue further Shares within the 15% limit during the next 12 months.

1.2 Listing Rule 7.5

The following information in relation to the Shares the subject of this Resolution 1 is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the total number of Shares issued by the Company was 43,911,209;
- (b) the Shares were issued at an issue price of \$0.14 each;
- (c) the Shares issued were all fully paid ordinary Shares in the capital of the Company and rank equally in all respects with, and were otherwise issued, on the same terms and conditions as, the Company's existing Shares;
- (d) the Shares were issued to an institutional investors and to sophisticated and professional investors, none of which are related parties to the Company;
- (e) the funds raised from this issue will be applied towards finalising the detailed design of the Company's proposed Malaysian high purity alumina (HPA) plant, completion of independent due diligence associated with finalising debt financing, closure of debt financing and for general working capital purposes; and

- (f) a voting exclusion statement is included in the Notice.

2. RESOLUTION 2 – APPROVAL FOR THE ISSUE OF PLACEMENT SHARES

Resolution 2 seeks shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 30,679,282 fully paid ordinary shares to unrelated professional, sophisticated and other exempt investors. ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of that twelve (12) month period. One circumstance where an issue of securities is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.3:

- (a) The maximum number of securities that will be issued are 30,679,282 fully paid ordinary shares;
- (b) All of the shares are expected to be issued in a single tranche approximately 5 business days after the meeting, in a single but in any event no later than three (3) months after the date of the meeting (unless permitted to be issued at a later date by an ASX waiver of the Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission);
- (c) The issue price of the shares will be \$0.14 (14 cents) per share;
- (d) The shares to be issued are fully paid ordinary shares in the Company having the same terms and rights as, and will rank equally with, the Company's existing listed fully paid ordinary shares;
- (e) The Company will apply to ASX for admission of the shares to quotation on ASX;
- (f) The shares will be issued to professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act none of whom will be related parties of the Company;
- (g) Funds raised by the issue of the shares will be applied towards finalising the detailed design of the Company's proposed Malaysian high purity alumina (HPA) plant, completion of independent due diligence associated with finalising debt financing, closure of debt financing and for general working capital purposes; and
- (h) A voting exclusion statement is contained in the Notice of General Meeting accompanying this Explanatory Statement.

GLOSSARY

\$ means Australian dollars.

Alternate Director means the person nominated as the alternate director to a current director of the Company.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing rules of the ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except for New Year's Day, Good Friday, Christmas Day, Boxing Day, and any other day that the ASX declares is not a business day.

Company means Altech Chemicals Limited (ACN 125 301 206).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

APPOINTMENT OF PROXY FORM

ALTECH CHEMICALS LIMITED
ACN 125 301 206

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Suite 8, 295 Rokeby Road, Subiaco at 11.00am WST on 16 September 2016, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of prior issue of shares (Tranche 1)	☐	☐	☐
Resolution 2	Approval for the issue of placement shares (Tranche 2)	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail: YES ☐ NO ☐

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Altech Chemicals Limited, Suite 8, 295 Rokeby Road, Subiaco WA 6008 ; or
 - (b) e-mail to the Company at **shane @altechchemicals.com**; or
 - (c) facsimile to the Company on facsimile number +61 8 6168 1551.

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.