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ALTECH COMMENCES SOIL SURVEY AT JOHOR HPA SITE

Highlights

- Altech commences soil drilling and survey at Johor HPA site
- Requirement as part of detailed civil design and engineering
- M+W Group (Singapore) co-ordinating work

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) is pleased to advise that it has commenced soil survey drilling at the site of its proposed high purity alumina (HPA) plant in the Tanjung Langsat Industrial Complex, Johor, Malaysia.

Site topography, soil stability and soil analysis are required to finalise the HPA plant civil design and engineering. The Singapore office of M+W Group, Altech's engineering, procurement and construction (EPC) contractor, is co-ordinating the drilling, soil studies, civil design and engineering work. The work will include a full analysis of the soil profile of the site and a determination of the piling and civil requirements.

Malaysian permitting consultants WKL & Associates (WKL) was appointed by the Company to prepare the required development order and construction permit applications. WKL will also assist the Company with applications for the supply of utilities such as electricity, natural gas and water. Altech has also commenced arranging supply contracts for key HPA plant consumables such as hydrochloric acid and lime.

Last week the Company announced the opening of the office of its wholly owned Malaysian subsidiary company, Altech Chemicals Sdn Bhd. The office is conveniently located approximately 300 metres from the proposed HPA plant site at Tanjung Langsat and will service both Altech and M+W Group personnel during the construction phase of the project.

Altech managing director Iggy Tan commented *"It is rewarding to be able to announce the commencement of preliminary work at the Tanjung Langsat HPA site, and the appointment of Altech's first Malaysian employee – a site based project co-ordinator. These events signify the beginning of Altech's presence on the ground in Malaysia"*, he concluded.

- Ends -



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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) (Al_2O_3)**.

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of artificial sapphire. Artificial sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant artificial sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of artificial sapphire.

Global HPA demand is approximately 25,315tpa (2016) and demand is growing at an annual rate 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 an expensive and highly processed feedstock material such as aluminium metal to produce HPA. Altech has completed a Bankable Feasibility Study (BFS) for the construction and operation of a 4,000tpa HPA plant at Tanjung Langsat, 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 with the aim of commencing project development in Q2-2017.



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.