



Altech Chemicals
Limited

ASX ANNOUNCEMENT AND MEDIA RELEASE

7 May 2019

ALTECH – FIRST STEEL RAISED AT HPA PLANT CONSTRUCTION SITE

Highlights

- First steel erected at Altech's Malaysian HPA plant site
- "Opstaan Yster" ceremony held to mark the occasion
- Culmination of a series of significant achievements

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) is pleased to announce that first steel has been raised at its high purity alumina (HPA) plant construction site in Johor, Malaysia.

Stage 1 construction of the Company's HPA plant commenced in February 2019 and is being undertaken by Metix, the South African headquartered wholly-owned subsidiary of appointed EPC contractor SMS group GmbH of Germany. In accordance with South African custom, an "Opstaan Yster" ("stand-up of iron" in Afrikaans) ceremony and celebration was held at the site on Friday 3 May 2019 to mark this significant project milestone. In attendance for the ceremony were senior Metix, SMS group and Altech management; and all site based employees and sub-contractors. A video showing the *Opstaan Yster* ceremony can be found at https://youtu.be/LnwG_HcbM5g, the video also provides an update of stage 1 construction progress.

The raising of first steel at Altech's HPA plant site represents the culmination of a series of significant achievements for the project over the last 6 months, these include advanced design and engineering; the obtaining of numerous permits and approvals; completion of bulk earthworks; completion of foundation piling for the maintenance workshop building and adjacent area; procurement of steel; site establishment; the appointment of various sub-contractors; establishment of site Safety, Health & Environmental (SHE); and the implementation of construction quality assurance systems.



Iggy Tan (ATC), Shane Volk (ATC), Wynand Moolman (Metix) and Uwe Ahrens (ATC) tightening the first bolts

Wynand Moolman, general manager of Metix South Africa and director of Metix Malaysia, opened the *Opstaan Yster* ceremony – thanking all employees and sub-contractors working on site for their safety performance and diligent efforts to date. He noted that there had been no safety incidents reported for the project and that the construction team is committed to continue its unblemished safety record. Altech's managing director Iggy Tan and alternate non-executive director Uwe Ahrens joined with Wynand Moolman and Shane Volk to tighten the first bolts of the first steel erected for the maintenance workshop building, thereby officially marking the completion of the “*Opstaan Yster*”.



Administration building retaining wall



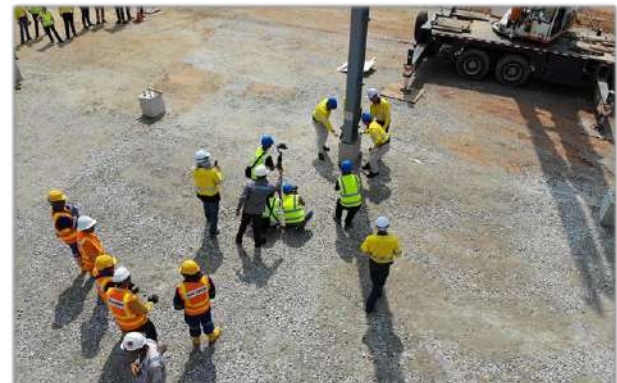
First steel column ready for lift



Erection of the first maintenance workshop column



Local rigging contractors



Securing the bolts



Securing the first steel column



Metix management team



Metix and AME (sub-contractor) teams celebrating the milestone



Altech and Metix staff



Delivered steel with quality control



Boundary retaining wall



Concrete footings of workshop building



"Opstaan Yster" ceremony plaque



AME local civil sub-contractor



AME crane team



Ceremony marque area

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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) (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 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 commencement of Stage 1 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.