



Announcement Summary

Entity name

ALTECH CHEMICALS LTD

Announcement Type

New announcement

Date of this announcement

Wednesday April 22, 2020

The Proposed issue is:

☒ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
ATC	ORDINARY FULLY PAID	140,571,133

Proposed +issue date

Wednesday April 22, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

ALTECH CHEMICALS LTD

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

45125301206

1.3 ASX issuer code

ATC

1.4 The announcement is

☒ New announcement

1.5 Date of this announcement

Wednesday April 22, 2020

1.6 The Proposed issue is:

☒ A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Wednesday January 20, 2021	☒ Estimated	

Comments

Shareholder approval is not required for the agreement to issue the Unconditional Shares (defined below), which will be issued under the Company's LR 7.1 placement capacity. Shareholder approval is required for agreement to issue the Conditional Shares (defined below), and that approval will be sought at a shareholder meeting (on or around 20 Jan 2021) prior to the issue of these shares, but may occur before or after that date.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +Security Code and Description

ATC : ORDINARY FULLY PAID

Maximum Number of +securities proposed to be issued

4,219,409



Purpose of the issue

As set out in the ASX announcement on 22 April 2020, 4,219,409 fully paid ordinary shares are being issued in satisfaction of the Company's obligation to pay a commencement fee to the Subscriber under the Share Purchase Subscription Agreement

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.04980

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +Security Code and Description

ATC : ORDINARY FULLY PAID

Maximum Number of +securities proposed to be issued

4,800,000

Purpose of the issue

As set out in the ASX Announcement on 22 April 2020, the Company is issuing 4,800,000 fully paid ordinary shares for nil consideration to secure the Company's obligation relating to the Share Purchase Subscription Agreement.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

What is the issue price per +security?



Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +Security Code and Description

ATC : ORDINARY FULLY PAID

Maximum Number of +securities proposed to be issued

131,551,724

Purpose of the issue

As set out in the ASX Announcement of 22 April 2020, the proceeds will be used to fund the Company's corporate activities and for general working capital. The actual issue price of the shares and the actual number of shares issued will be calculated at the time of issue in accordance with the formula in the Share Purchase Subscription Agreement and therefore may not be the same as the issue price and number of shares set-out in this section.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.02900

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

☒ No



Part 7C - Timetable

7C.1 Proposed +issue date

Wednesday April 22, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?

☒ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

☒ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

77,984,926

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

☒ No

7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?

☒ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

☒ No

7E.2 Is the proposed issue to be underwritten?

☒ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

As set out in the ASX Announcement of 22 April 2020 and elsewhere in this Appendix 3B, the Company will pay a commencement fee to the subscriber by way of issuance of 4,291,409 fully paid ordinary shares at \$0.0498 per share.



Part 7F - Further Information

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

7F.2 Any other information the entity wishes to provide about the proposed issue

The following information applies to the issue of the 131,551,724 fully paid ordinary shares set out in Part 7B, above:

1. The proposed issue of the shares will occur in accordance with the Share Purchase Subscription Agreement that is set out in the ASX Announcement on 22 April 2020.

2. As set out in the ASX Announcement of 22 April 2020, pursuant to the Share Purchase Subscription Agreement, in consideration of aggregate prepayment of up to A\$1,834,682, which will be paid to the Company in nine equal instalments, the Company has agreed to issue ordinary fully paid shares (the "Unconditional Shares") having an aggregate subscription price of up to A\$2,000,000.

In addition, subject to shareholder approval, in consideration of aggregate prepayment of up to A\$900,000, which will be paid to the Company in three equal instalments, the Company has agreed to issue ordinary fully paid shares (the "Conditional Shares"), having an aggregate subscription price of up to A\$981,000.

The first prepayment of \$200,000 will be made on or about 27 April 2020, and the subsequent prepayments of A\$200,000 (up to a maximum of A\$300,000) each will be made approximately monthly. The subsequent monthly prepayments may only be increased by mutual consent to a maximum of A\$300,000. As a result, subject to mutual consent and shareholder approval, further aggregate prepayments of up to A\$765,138 may be made for Conditional Shares, having an aggregate subscription price of up to A\$834,000.

The fully paid ordinary shares to be issued will be issued in one or more issuances prior to the date that is twelve (12) months after the final prepayment is made under the Share Purchase Subscription Agreement, in such number determined by dividing (i) the subscription price utilised in such issuance by (ii) at the subscriber election either (a) A\$0.0628 or (b) 90% of the average of the five daily VWAPs (chosen by the subscriber) during a specified period prior to the date of their issuance. The fully paid ordinary shares to be issued will rank pari passu with existing ordinary shares at the time of issue.

3. The issue price per share of \$0.029 set out above is the issue price that would apply, and the Maximum Number of ordinary shares proposed to be issued set out above, is the number of shares that would be issued if the shares the subject of the placement were to be issued on the execution date of the Share Purchase Subscription Agreement. The actual issue price per share, and the actual number of shares that are issued, for the shares issued by the Company, will be determined according to the formula set out in the proceeding paragraph.