2 December 2020

ALTECH ENTITLEMENT OFFER – EXTENSION OF CLOSING DATE

On 9 November 2020, Altech Chemicals Limited (Altech/the Company) (ASX: ATC) (FRA: A3Y) announced the launch of a partially underwritten non-renounceable entitlement offer to raise up to $14.5 million (before costs) on the basis of two (2) new shares at $0.04 each for every five (5) shares held by Altech shareholders at the **Record Date** (see timetable below), plus one free attaching option for each two (2) new shares subscribed and issued (exercise price $0.08, expiry 31 May 2022) (the Offer). ASX quotation will be sought for the options. The Offer is made pursuant to a prospectus.

The Company advises that it is extending the Closing Date of the Offer to 5.00pm (WST) on Friday 11 December 2020, due to postal delays that have resulted in some shareholders not yet receiving Offer documentation.

The revised indicative timetable for the Offer is:

Event	Date*
Lodgement of Prospectus with the ASIC	9 November 2020
Lodgement of Prospectus & Appendix 3B with ASX	9 November 2020
Ex-date	12 November 2020
Record Date for determining Entitlements	**13 November 2020**
Offer Opens. Prospectus and entitlement forms sent to Shareholders & Company announces despatch has completed	18 November 2020
Closing Date**	**11 December 2020**
Announcement of results of Offer and Underwriters notified of under subscriptions	16 December 2020
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	18 December 2020
Quotation of Securities issued under the Offer**	21 December 2020

Notes: * These dates are indicative only, the directors reserve the right to vary the dates without prior notice, subject to ASX Listing Rules
** The directors may extend the Closing Date by giving at least three (3) Business Days notice of ASX prior to the Closing Date. As such, the date that the new shares and option are expected to commence trading on the ASX may vary.

Shareholder are encouraged to contact the Company directly by telephone or e-mail if they have not yet received their Offer documents and would like to participate in the Offer.

Alternatively, application to participate in the Offer may be made on-line using the instructions overpage.

INSTRUCTIONS TO MAKE ON-LINE APPLICATION FOR ENTITLEMENT OFFER SHARES

I already have an online account with Automic share register	I don't have an online account with Automic – but wish to register for one	I don't have an online account with Automic – but will use for this Offer only
https://investor.automic.com.au Select: *"Existing Users Sign In"* Once you have successfully signed in, click on "*Documents and Statements"* Download separately: "Prospectus" and "Entitlement Application Form"	https://investor.automic.com.au/#/signup Select: ***Altech Chemicals*** from the dropdown list in the **ISSUER** field Enter you holder number SRN / HIN (from your latest Holding Statement) Enter Postcode (Aust only) or Country of Residence (if not Australia) Tick box *"I am not a robot"*, then **Next** Complete prompts to set up a username and password Once you have successfully signed in, click on "*Documents and Statements"* Download separately: "Prospectus" and "Entitlement Application Form"	https://investor.automic.com.au/#/loginsah Select: ***Altech Chemicals*** from the dropdown list in the **ISSUER** field Enter you holder number SRN / HIN (from your latest Holding Statement) Enter Postcode (Aust only) or Country of Residence (if not Australia) Tick box *"I am not a robot"*, then **Access** Once you have successfully signed in, click on "*Documents and Statements"* Download separately: "Prospectus" and "Entitlement Application Form"

If you have any questions about the Offer please call the Company Secretary, Mr Shane Volk on +61 8 6168 1555 or e-mail: shane@altechchemicals.com

The Offer is open to all eligible Altech shareholders that have a registered address in Australia, New Zealand, Hong Kong, Malaysia, Singapore and Germany. The Offer will now close on 11 December 2020 (unless further extended in accordance with the ASX Listing Rules). **Also, shareholders will be able to make application for new shares** (and the attaching option) **in addition to their pro-rata 2 for 5 entitlement, via a shortfall offer.**

The Company's major shareholders have agreed to subscriptions for approximately 52% of the Offer ($7.6 million), via a combination of agreeing to take up their respective pro-rata entitlements to shares under the Offer, and/or underwriting any shortfall, as summarised in the Table 1 below.

Table 1: Major shareholder participation in the Offer

	Offer participation		
Shareholder/Group	**Entitlement**	**Underwriting**	**Totals**
Deutsche Balaton / Delphi	$2,043,085	$2,956,915	**$5,000,000**[1]
Melewar	$1,111,021	$1,512,814	**$2,623,835**
Totals	**$3,154,106**	**$4,469,729**	**$7,623,835**

[1] The total participation amount for Deutsche Balaton / Delphi is conditional on the shareholders (who are associates) not attaining a 20% voting interest in Altech; and/or exceeding a 20% interest in Altech in aggregate (including the attaching options), without Foreign Investment Review Board (FIRB) approval; application for FIRB approval has been lodged. For full details please refer to the Offer Prospectus.

At 4 cents per share, the Offer shares are priced at a 15% discount to the 5 day volume weighted average price (VWAP) of the Company's shares as traded on the ASX to Thursday 5 November 2020 and a 18% discount to the closing price on Thursday 5 November, 2020. In addition to the discount, a free attaching option will be issued for each two new shares subscribed and issued.

Authorised by: Iggy Tan (Managing Director)

For more information, please contact:

Corporate

Iggy Tan
Managing Director
Altech Chemicals Limited
Tel: +61 8 6168 1555
Email: info@altechchemicals.com

Shane Volk
Company Secretary
Altech Chemicals Limited
Tel: +61 8 6168 1555
Email: info@altechchemicals.com

Investor Relations (Europe)
Kai Hoffmann
Soar Financial Partners
Tel: +49 69 175 548320
Email: hoffmann@soarfinancial.com
Wir sprechen Deutsch.

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 (Al2O3) through the construction and operation of a 4,500tpa high purity alumina (HPA) processing plant at Johor, Malaysia. Feedstock for the plant will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia and shipped to Malaysia.

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. Increasingly HPA is used by lithium-ion battery manufacturers as the coating on the battery's separator, which improves performance, longevity and safety of the battery. With global HPA demand approximately 19,000t (2018), it is estimated that this demand will grow at a compound annual growth rate (CAGR) of 30% (2018-2028); by 2028 HPA market demand is forecast to be approximately 272,000t, driven by the increasing adoption of LEDs worldwide as well as the demand for HPA by lithium-ion battery manufacturers to serve the surging electric vehicle market.

German engineering firm SMS group GmbH (SMS) is the appointed EPC contractor for construction of Altech's Malaysian HPA plant. SMS has provided a USD280 million fixed price turnkey contract and has proposed clear and concise guarantees to Altech for plant throughput and completion. Altech has executed an off-take sales arrangement with Mitsubishi Corporation's Australian subsidiary, Mitsubishi Australia Ltd (Mitsubishi) covering the first 10-years of HPA production from the plant.

Conservative (bank case) cash flow modelling of the project shows a pre-tax net present value of USD505.6million at a discount rate of 7.5%. The Project generates annual average net free cash of ~USD76million at full production (allowing for sustaining capital and before debt servicing and tax), with an attractive margin on HPA sales of ~63%. (Refer to ASX Announcement *"Positive Final Investment Decision Study for 4,500TPA HPA project"* dated 23 October 2017 for complete details. The Company confirms that as at the date of this announcement there are no material changes to the key assumptions adopted in the study).

The Company has been successful in securing senior project debt finance of USD190 million from German government owned KfW IPEX-Bank as senior lender. Altech has also mandated Macquarie Bank (Macquarie) as the preferred mezzanine lender for the project. The indicative and non-binding mezzanine debt term sheet (progressing through due diligence) is for a facility amount of up to USD90 million. To maintain project momentum during the period leading up to financial close, Altech has raised ~A$39 million in the last 24 months to fund the commencement of Stage 1 and 2 of the plant's construction; Stage 1 construction commenced in February 2019 with Stage 2 early works completed at the end of June 2020.

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.