



**Altech Chemicals**  
Limited

## ASX ANNOUNCEMENT AND MEDIA RELEASE

6 May 2016

# ALTECH SECURES SETTLEMENT FOR MINING LEASE AT MECKERING

### Highlights

- Settlement with freehold landowners covering mining lease application M70/1334
- Landowners objection to grant of mining lease lifted
- Company proceeding to mining lease grant
- Company to submit Mining Proposal (MP) and Mine Closure Plan (MCP)
- 18 month option to purchase 94 ha of land covering mining lease
- Guarantees mining accessibility

Altech Chemicals Limited (Altech/the Company) (ASX: ATC) is pleased to announce that it has executed a settlement and option to purchase agreement for the freehold land that completely encompasses its mining lease application M70/1334 at Meckering, Western Australia. As reported previously, the landowners had objected to the application for grant of the mining lease and the objection was before the Warden's Court (WA). Concurrently, the Company continued to negotiate a settlement with the landowners and a final settlement has now been reached.

The parties have agreed to settle for an undisclosed amount and on the terms and conditions contained below:

- Landowners will dismiss the objection to the grant of M70/1334
- Altech will proceed with the grant of the mining lease
- Landowners have granted Altech an option to purchase 94 hectares of land which includes the area subject to M70/1334
- Option period of 18 months to purchase the land
- Mining operations may commence only after the purchase the land at the agreed price

M70/1334 is estimated to contain ~11 million tonnes of kaolin mineral resources, which will be sufficient to supply feedstock for Altech's proposed Malaysia HPA plant for in excess of 250 years.

Altech managing director, Mr Iggy Tan said *"the Company is delighted to have reached agreement with the landowners for the freehold land purchase at Meckering. The grant of M70/1334 can now proceed without objection, following which the Company will submit a Mining Proposal (MP) and a Mine Closure Plan (MCP), and upon approval of these items (and subject to funding) mining operations at Meckering will be ready to commence.*

*"This is yet another significant milestone achieved in the march to develop the Company's high purity alumina project", Mr Tan concluded.*

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**Corporate**

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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 19,040tpa (2014) and demand is growing at an annual rate of 28%, 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. HPA demand is expected to at least double over the coming decade.

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 German KfW IPEX bank.



**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.

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