

Altech Chemicals Ltd

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Altech Chemicals asked by German state government to consider construction of second HPA plant in Saxony

Altech Chemicals Ltd (ASX:ATC) has received an invitation letter from the German state government of Saxony proposing it consider the construction of a second high purity alumina (HOA) plant in the state.

In the letter, the Saxony government led by Minister-President Michael Kretschmer proposed the next HPA plant be built in the industrial area of Schwarze Pump, 100 kilometres northeast of Dresden.

Government grants to potentially support future plant

As HPA is recognised as a critical component in the lithium-ion battery materials supply chain, an Altech HPA plant in Saxony would be well positioned to support the region's push to create a major electric vehicle battery industry with a secure materials supply chain.

Altech's German advisors recently met with Minister-President Kretschmer to discuss its invitation.

Based on these positive initial discussions, Altech intends to undertake further evaluation which will include research on various government grants that may be available to support establishing a HPA plant in eastern Germany.

Major HPA shortfall forecast from 2021

The company remains focused on the close of funding and the construction of its Malaysian HPA plant, but it also recognises the forecast significant deficit of HPA supply starting in 2020 and the opportunity that this may present in terms of a second HPA plant.

CRU Consulting, in its most recent HPA market outlook report, identified an HPA 4N+ supply shortfall of about 20,000 tonnes per annum in 2021, which it forecast would expand to a shortfall of about 50,000 tonnes a year by 2028.

Company strategy involves future European HPA plant

Altech is of the view that there is merit in starting early-stage planning for additional future HPA plants.

With strong signals from the European Union to foster a rapid transition to electric vehicles and to establish a fully integrated materials supply chain to underpin this transition, Altech's current strategic thinking is for its next HPA plant to be in Europe.

Saxony would be well positioned to support Europe's push to create a major electric vehicle battery industry and associated materials supply chain.

Price: 0.078

Market Cap: \$63.13 m

1 Year Share Price Graph



Share Information

Code: ATC

Listing: ASX

52 week High Low
0.145 0.058

Sector: Exploration & Production

Website: www.altechchemicals.com

Company Synopsis:

Altech Chemicals Ltd (ASX:ATC) is focused on advancing its high purity alumina (HPA) project in Western Australia.

action@proactiveinvestors.com.au

EU strategy to promote electric vehicles

Stringent EU 2020 carbon dioxide emission standards will enable the rapid displacement of internal combustion engine vehicles.

To meet the new standards, European automotive manufacturers have announced plans for new EV model releases - both fully electric and hybrid models.

The EU has a coordinated strategy - offering incentives to buyers, setting strict carbon dioxide emission standards, revealing new grants and subsidies for battery companies to secure production facilities and raw materials within Europe.

Volkswagen has publicly stated it would like to see all its EV manufacturing supply chain steps established in Europe.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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