

Altech Chemicals Ltd

16:11 11 Oct 2019

Altech Chemicals advances German equity strategy for high purity alumina project

Altech Chemicals Ltd (ASX:ATC) continues to progress structuring activities in relation to its German project equity strategy with the aim of supporting the company's high purity alumina (HPA) project.

Youbisheng Green Paper AG, the Frankfurt Stock Exchange-listed company in which Altech has acquired a 29% equity interest, has officially changed its name to Altech Advanced Materials AG (FRA:AMA1).

A new web site for this company has been established and can be accessed at www.altechadvancedmaterials.com.

Raising funds

Altech Advanced Materials (AAM) aims to raise approximately US\$100 million, which if successful would position it to acquire up to a 49% interest in Altech's HPA project.

Initially, AAM intends to secure up to €69.4 million (US\$75.7 million) via a concurrent rights issue and external share placement (RIEP).

AAM has advised Altech that a draft RIEP prospectus was lodged with the German regulator (BaFin) last month, and that feedback from BaFin's review is being incorporated into a final version of the prospectus.

Discussions with potential German lead managers to co-ordinate the RIEP are continuing and AAM has advised that it aims to complete the REIP by early December 2019.

First step in strategy

AAM's option to acquire up to a 49% direct interest in Altech's HPA project is an important first step in a longer-term strategy for Altech and AAM.

This involves providing their respective shareholders with exposure to both the HPA market generally, and ultimately to the growing European electric vehicle/lithium-ion battery market.

This longer-term vision is demonstrated via the recent announcement by Altech of an invitation from the state government of Saxony, Germany, proposing that it consider the construction of a second HPA plant in the state.

Roadshow well received

Altech received a positive response to an initial roadshow in Germany in September showcasing the HPA project and the investment opportunity for AAM.

Price: 0.07

Market Cap: \$56.66 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

The opportunity for potential investors to gain direct exposure to the HPA project via a shareholding in AAM was well received.

Altech said audiences were impressed with the US\$190 million of committed senior debt funding from German government-owned KfW IPEX-Bank along with other developments:

- Support of Euler Hermes - the German government export credit agency;
- Award of the contract for construction of the HPA plant to SMS group of Dusseldorf, Germany; and
- The company's already significant German shareholder base (approximately 20%) comprising Deutsche Balaton AG, Delphi, SMS Investments and various other German and European retail shareholders.

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

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