



Altech Chemicals
Limited

18 August 2017

Anjuli Sinniah
Senior Advisor, Listings Compliance (Perth)
ASX Limited
Level 40, Central Park,
152-158 St Georges Terrace
Perth WA 6000

via e-mail: Anjulin.Sinniah@asx.com.au

Dear Ms Sinniah,

Altech Chemical Limited ("ATC"): Appendix 5B Query

We refer to your letter dated 17 August 2017 and respond as follows:

1. Does ATC expect that it will continue to have negative operating cash flows for the time being and, if so, why not?

Consistent with mineral explorers that are transitioning to project development, Altech Chemicals Ltd (ATC/the Company) expects that it will continue to have negative net operating cash flow in future quarters.

2. Has ATC taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Company is currently in advanced discussions with several parties for the placement of Company shares, which would provide sufficient funds for the Company's continued operations. The Company currently has every expectation that sufficient further funds will be forthcoming. The Company has ample remaining securities placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A.

The Company has a solid track record of raising funds to support its projects since listing on ASX. The Company remains confident that it will be able to continue to raise funds, as require, to advance its high purity alumina (HPA) project.

3. Does ATC expect to be able to continue its operations and to meet its business objective and, if so, on what basis?

Yes, the Company does expect to be able to continue its operations and to meet its business objectives.

The Company is currently confident that it will, as in the past, raise the funds that it requires to advance its HPA project.

4. ***Please prove any other information that ATC considers may be relevant to ASX forming an opinion on whether ATC is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).***

In relation to ASX Listing Rule 12.2:

- a. The Company is currently confident of raising the further funds required to continued with its business operations;
- b. The Company should receive early next quarter a research and development tax rebate of several hundred thousand dollars, the precise amount of the rebate is currently being ascertained;
- c. The Company shareholder base comprises several large cornerstone investors that have a track record of providing the Company with funds to continue its operations.

5. ***Please confirm that ATC is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.***

The Company confirms that it is in compliance with the ASX Listing Rules, in particular Listing Rule 3.1 and that there is no information that should be given to the ASX about the Company's financial condition in accordance with that Rule that has not already been released to the market.

6. ***Please confirm that ATC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ATC with delegated authority from the board or respond to ASX on disclosure matters.***

The Company confirms that its responses to the question above have been authorised by the managing director, on behalf of the board of the Company.

Yours sincerely



Shane Volk
Company Secretary



17 August 2017

Mr Shane Volk
Company Secretary
8/295 Rokeby Road
SUBIACO WA 6008

By email: shane@altechchemicals.com

Dear Mr Volk

Altech Chemicals Limited ("ATC"): Appendix 5B Query

I refer to ATC's Appendix 5B quarterly report for the period ended 30 June 2017 lodged with ASX Market Announcements Platform on 31 July 2017 (the "Appendix 5B").

ASX notes that ATC has reported:

- negative net operating cash flows for the quarter of \$3,207,000;
- cash at the end of the quarter of \$1,423,000 and
- estimated cash outflows for the next quarter of \$1,342,000.

It is possible to conclude, based on the information in the Appendix 5B that if ATC were to continue to expend cash at the rate indicated by the Appendix 5B, ATC may not have sufficient cash to continue funding its operations. In view of that, ASX asks ATC to respond separately to each of the following questions and requests for information:

1. Does ATC expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has ATC taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does ATC expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that ATC considers may be relevant to ASX forming an opinion on whether ATC is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that ATC is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

6. Please confirm that ATC's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ATC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **9am AWST on Monday 21 August 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in ATC's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ATC's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at anjuli.sinniah@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to ATC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that ATC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ATC's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Anjuli Sinniah
Senior Adviser, Listings Compliance (Perth)