Altech Chemicals Limited

2015 Annual Report

OUR VISION
To be one of the world's leading producers of high purity alumina (HPA)

High Purity Alumina (HPA) (Al_2O_3):
a high-value material required for the manufacture of LED lights, scratch resistant (sapphire) glass and aluminium semi-conductors. There is no substitute of HPA in the manufacture of these products.

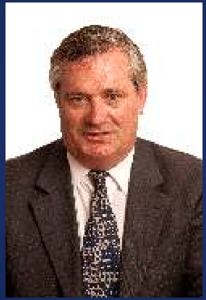
Global HPA demand is approximately 19,040tpa (2014) and demand is growing at an annual rate of 28%, primarily driven by the growth in LED's as this energy efficient, longer lasting and lower operating cost lighting replaces traditional incandescent bulbs. HPA demand is expected to at least double over the coming decade.

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 hydrogen chloride (HCl) leaching 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 the aim of commencing project development in Q1-2016.

Board of Directors

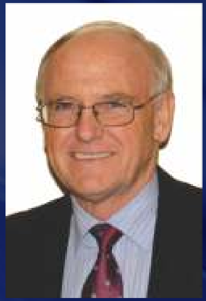
Mr Luke Atkins LLB
Non-Executive Chairman



Mr Atkins is a lawyer by profession and one of the founders of the company. Mr Atkins brings to the board extensive experience in the areas of mining, exploration, and corporate governance. Mr Atkins is also Non-Executive Director of the successful ASX listed mining and exploration company, Bauxite Resources Ltd (BRL).

Mr Atkins formerly held the role of Executive Chairman of BRL after co-founding the company in 2007. Mr Atkins has had extensive experience in capital raisings and has held a number of executive and non-executive directorships of private and publicly listed companies including a number of mining and exploration companies.

Mr Peter Bailey B.Sc(Hons) Elect. Eng MIEE C Eng
Non-Executive Director



Mr Bailey is a highly experienced and qualified engineer with over 40 years' experience in the mining and industrial mineral production industry and has an electrical engineering degree from the University of London. Mr Bailey spent the majority of his career in the iron ore mining, bauxite mining, zinc-lead-copper mining, alumina refining and alumina chemicals industries respectively.

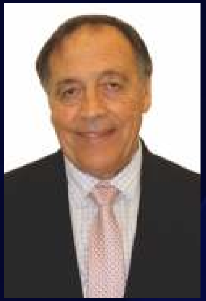
Mr Bailey was President of Alcoa Bauxite and Alumina in 1996, and was responsible for Alcoa's eight alumina plants outside of Australia. He was also the chairman of the Alcoa Bauxite joint venture in Guinea, Africa. In 1998, he was appointed President of Alcoa Worldwide Chemicals' industrial chemicals department from 1998. Post Alcoa, Mr Bailey was chief executive officer of Sherwin Alumina, an alumina refinery based in Texas, USA.

Mr Iggy Tan B.Sc MBA GAICD
Managing Director

Mr Tan is a highly experienced mining and chemical executive with a number of significant achievements in commercial mining projects such as capital raisings, funding, construction, start-ups and operations. Mr Tan has over 30 years' chemical and mining experience and been an executive director of a number of ASX-listed companies.

Having been involved in the commissioning and start-up of seven resource projects in Australia and overseas, including high purity technology projects, Mr Tan is an accomplished project builder and developer. Mr Tan previously held the positions of managing director of Nickelore Limited, Galaxy Resources Limited and Kogi Iron Limited.

Mr Dan Tenardi
Non-Executive Chairman



Mr Tenardi is a highly experienced mining executive with some 40 years in the industry, including with a number of global resource industry leaders across a range of commodities, including iron ore, gold, bauxite, and copper. Mr Tenardi previously spent 13 years with Alcoa, at its bauxite mines in the Darling Range in Western Australia, and a further two years at Alcoa's Kwinana refinery. He has substantial gold mining experience, including with Roche Mining at the Kalgoorlie Superpit and at Anglo Gold Ashanti's Sunrise Dam.

Mr Tenardi subsequently worked at executive level for Rio Tinto's Robe River Iron Associates. Mr Tenardi was managing director of Bauxite Resources Ltd, General Manager of Operations and Chief Operating Manager at CITIC Pacific Mining. Mr Tenardi is currently non-executive director of Grange Resources Ltd.

Chemicals and alumina-specific industry experience to drive the development of the HPA project

Chairman's Letter

Dear fellow shareholders,

The past financial year has been one of tremendous activity and achievement for our Company.

Mr. Iggy Tan, a highly experienced chemical engineer and project developer was appointed as Managing Director in August 2014, his leadership and experience has been pivotal as the Company evolved during the year to focus on assessing the opportunity to commercialise its aluminous clay deposits at Meckering, Western Australia, for the production of high purity alumina (HPA).

In November 2014 the Company's name was changed to Altech Chemicals Limited to better reflect the Company's focus on HPA, and later that month experienced Chief Financial Officer and Company Secretary, Mr Shane Volk joined the Company.

Many shareholders supported the first capital raising by the Company since listing on the Australian Securities Exchange (2011), in December 2014, with a 1:4 entitlement offer at $0.10, including a free attaching option (Ex. $0.10, Expiry 15 December 2015.

Importantly, the year culminated with the publication of a positive Bankable Feasibility Study (BFS) for the Company's exciting high purity alumina (HPA) project – the construction of a HPA plant at Tanjung Langsat, Malaysia, with feedstock sourced from the Company's kaolin deposits at Meckering, Western Australia.

The BFS was delivered well ahead of schedule and the key financial metrics are compelling – a project net present value of US$326 million (applying a 10% discount rate), an internal rate of return of 30.3% on a capital investment of US$76.9 million and annual EBITDA of US$59.4 million at full production. A comprehensive summary of the BFS results are set out in this Annual Report and I encourage all shareholders to take the time to read through them.

Shortly after the announcement of the BFS, the Board was most pleased to welcome Malaysian group Melewar International Investment Company Limited (Melewar IIC) as a shareholder, with its $1.0 million subscription of Company shares. This investment is a strong endorsement of the BFS and the Board have invited Melewa IIC to nominate a non-executive director to join it, their input will provide the Company with invaluable insight into the operating and business environment in Malaysia, as we transition the Company to project development.

The year ahead promises to be equally as busy as the year past, with Iggy and his team clearly focussed on securing the requisite equity and debt financing to advance the Company's HPA project to detailed design and construction.

I look forward with anticipation to an exciting and rewarding year.

Yours sincerely

L J Atkins

Luke Atkins
Chairman
Altech Chemicals Limited

Managing Directors' Review of Operations

I am proud to present my inaugural operations review to fellow shareholders.

Since my appointment as Altech's managing director in August 2014, much has been achieved in a quite short space of time to position the Company for the commercialisation of its aluminous clay (kaolin) deposits.

Our small team of dedicated employee's and consulting partners has managed to transform the Company from a general mineral explorer, with a suite of multiple commodity and project opportunities, to one which is now clearly focused on becoming one of the worlds leading producers of high purity alumina (HPA).

During the past year there have been many important achievements, which I have listed below, the culmination being the publication in June 2015 of a Bankable Feasibility Study (BFS) for the construction and operation of a high purity alumina (HPA) plant at Tanjung Langsat, Malaysia and the associated development of an aluminous clay (kaolin) beneficiation plant and mining operation at Meckering, Western Australia.

This exciting journey has so far included:

- re-naming of the Company to Altech Chemicals Limited, a name that better reflects the vision and purpose of the Company as a HPA producer;
- divestment of non-kaolin projects, including a farm-in and joint venture agreement over the South West Titanium Project;
- initiation of a bulk kaolin feasibility study, and option to mine with Dana shipping;
- identification of Malaysia as the preferred site for the Company's proposed HPA plant, incorporation of a Malaysian subsidiary, identification of land for the plant at the Tanjung Langsat Industrial Complex, Johor, and optimising the HPA plant size at 4,000tpa;
- partnering with key service providers such as Seatram (transport and logistics); Atea (composite materials); Castle Equipment (mining and kaolin processing); M+W (EPCM – Malaysia); Melewar (construction – Malaysia); Simulus Engineering (EPCM – Meckering); SGL Group (HCL equipment) and Drytech (kiln providers);
- securing additional funding for the Company via an 1:4 entitlement offer in December 2014, a \$815k loan facility against the Company’s 2015 research and development rebate, and subsequent to year end a \$1.13 million share placement; and
- approval of site assessment for the Tanjung Langsat HPA plant and the commencement of permitting for the Meckering kaolin mine and beneficiation plant.

The results of the BFS are set out in this annual report, and I think that you will agree that they are quite compelling and set out a robust commercial and technical case for the development of the HPA plant.

With the BFS now completed, the year ahead will focus on securing finance for the HPA project, building our team of professionals, detailed final plant design, and subject to securing the necessary funding, commencing construction activities.

I look forward to updating you on the progress that the Company makes in the 12 months ahead, next year.

Yours sincerely

Iggy Tan
Managing Director

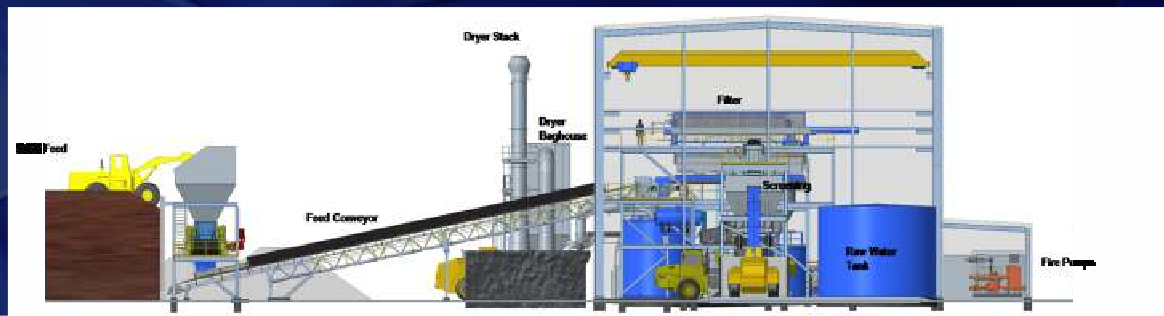
Bankable Feasibility Study

On 29 July the Company announced the results of its Bankable Feasibility Study for the construction and operation of a 4,000tpa high purity alumina (HPA) plant at Tanjung Langsat, Johor, Malaysia and the associated development of an aluminous clay (kaolin) beneficiation plant and mining operation at the Company's 100% owned kaolin deposit at Meckering, Western Australia to provide feedstock for the HPA Plant.

The financial and technical results from the BFS are particularly compelling:

- Capital cost estimate US$ 76.9 million
- Estimated pre-tax NPV of US$326.1 million (A$362.4 million) (@ 10% discount)
- Highly attractive IRR of 30.3%
- Long-term sale price forecast of US$23,000/tonne (A$25,560/tonne) for 99.99% (4N) product
- Cost of goods sold US$8,140/tonne (A$9,050/tonne)
- EBITDA of US$59.4 million (A$66.0 million) per annum.

Altech will now proceed to the funding phase of the project.



Bankable Feasibility Study

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) through the construction and operation of a 4,000tpa high purity alumina (HPA) processing plant at Tanjung Langsat, Johor, Malaysia. Feedstock for the plant will be sourced from the Company's 100% owned kaolin deposit at Meckering, Western Australia where a beneficiation plant will be constructed and mine developed to supply ~18,656tpa (dry) of beneficiated kaolin to the HPA plant.

HPA is a high-value product and is the major source material for the manufacture of sapphire substrates (used in a range of applications, most notably in LEDs), semiconductor wafers (high performance electronics) and scratch-resistant artificial sapphire glass. The global HPA market is approximately 19,040tpa (2014) and is expected to at least double over the coming decade.

BFS Results – Key Financials

	US$ (mill)	A$ (mil)
Project Capital Costs	76.9	98.6
Revenue p.a.	92.0	102.2
Operating Costs p.a.	32.6	36.2
EBITDA p.a.	59.4	66.0
Payback	3.8 years	3.8 years
IRR	30.3%	30.3 %
Net Present Value (@10.0%)	326.1	362.4
NPV/Capex Ratio	4.24	3.68

1. Bankable Feasibility Study Context

The BFS is a comprehensive and detailed study of the technical and commercial viability for the construction and operation of a 4,000tpa HPA processing plant at Tanjung Langsat, Johor, Malaysia, and the associated development of an aluminous clay (kaolin) beneficiation plant and mining operation at the Company's 100% owned kaolin deposit at Meckering, Western Australia to provide feedstock to the HPA plant (the Project).

The BFS has identified the preferred chemical processing method and associated design for the HPA plant, the preferred beneficiation and mining method for the Meckering kaolin deposit and other infrastructure requirements and capacities for the Project. Detailed capital cost and operating cost estimates have been obtained from prospective suppliers, contractors, or expert consultants, enabling detailed financial modelling of the proposed development.

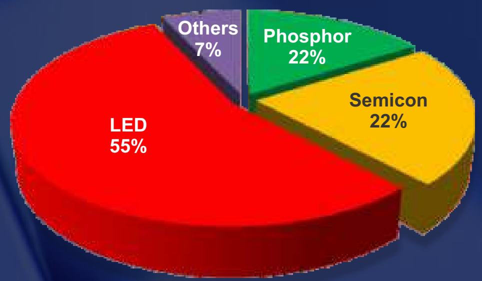
The key elements of this BFS for the development of the Project include:

- Engineering concept development;
- Estimation of the capital costs and operating costs;
- Market analysis of potential product sales and revenue; and
- Financial analysis and scenario modelling.

1.1 The HPA Market and HPA Demand

- HPA is an essential and high-value material for the lighting, electronics, aerospace, defence and medical industries. For 2014, the global HPA market was independently estimated at 19,040tpa and demand is expected to increase to 48,230tpa by 2018. The increase in global HPA demand, which is currently rising at a constant annual growth rate (CAGR) of 28%, is underpinned by HPA's significance in the production of critical components used in light emitting diodes (LED's) and high-performance electronics. Specifically, HPA is the key ingredient required for the manufacture of sapphire substrates, used in a range of applications, most notably in LED lighting and displays.
- Products that use LEDs are energy efficient and the ongoing replacement of incandescent filament light bulbs with more energy efficient, longer lasting and lower operating cost LED lighting is forecast to drive significant growth in HPA demand, as more than 90% of the world's LED lights use sapphire substrates and over time LED lighting is expected to completely replace incandescent bulbs.

Figure 1 - Global HPA market by application (2013)



In addition, increased demand for HPA is attributable to continued growth in the manufacture of semiconductor wafers, used predominantly for high-performance electronics. HPA is a preferred material for wafer production because of its high level of plasma corrosion resistance and high bending strength. Semiconductor demand is expected to experience steady growth because of increased global use of electrical and electronic appliances, and rapid economic growth in emerging countries.

Figure 2 - Annual global HPA demand (thousands of tonnes) estimates (2013-14) and forecast (2015-18)

Sapphire is second only to diamond when it comes to hardness, and this attribute combined with its scratch resistance has seen sapphire glass traditionally used for high-end watch faces and camera lenses. Demand for artificial sapphire glass by smartphone manufactures is expected to grow as they adopt sapphire glass facings for products and follow the lead of smartphone manufacturers Vertu and Huawei. Apple (and others) already use sapphire glass for the smartphone camera lenses and Apple selected sapphire glass for the face of its newly released Apple Watch. The manufacture of sapphire glass facings requires the production of a large 99.99% (4N) pure HPA/aluminium oxide (Al_2O_3) single crystal boule, from which the glass facings are cut and shaped; there is no substitute for HPA in the manufacture of these sapphire crystal boules.Other drivers for increasing HPA demand include lithium-ion batteries (hybrid cars), phosphor display screens (PDPs), and soft focus cosmetics.

1.2 HPA Pricing, Supply and Market Dynamics

1.2.1 Current HPA Supply

There are a limited number of HPA producers; the largest 8 producers supply 50% of global HPA market and 14 of the top 20 HPA producers are Chinese companies, although the largest producer of HPA is Sumitomo Chemicals of Japan.

All established HPA producers purchase either aluminium metal or aluminium sulphate as feedstock and use one of four processing techniques for HPA production, either hydrolysis of aluminium, choline hydrolysis of aluminium, thermal decompression of ammonium aluminium sulphate, or thermal decomposition of ammonium aluminium carbonate hydroxide.

As the established producers use a refined aluminium product as feedstock, current HPA production costs are estimated to be significantly higher than those for Altech's HPA Project, which has the advantage of using its own aluminous clay (kaolin) feedstock that is low in both sodium and iron, impurities that add to processing costs.

1.2.2 Market Dynamics

Independent assessment by Technavio, a leading technology research and advisory company with global coverage, has determined that the outlook for HPA demand is strong and the threat to demand from substitute and/or rival products is low. Consequently, it is expected that the bargaining power of HPA suppliers will remain strong despite the forecast of a moderate threat from new entrants to the supply side of the HPA market, of which Altech will be one. Refer table 1 below for a summary of Technavio's analysis of HPA market dynamics.

Bankable Feasibility Study

1.3 HPA From Kaolin

The production of alumina or aluminium oxide from kaolin (or 'aluminous clay') is not a new concept. Compared to the Bayer refining and Hall-Heroult smelting techniques, which are widely used for the industrial scale production of aluminium from bauxite ores, the chlorination (or acid processing) of alumina containing clays promised many advantages, and as a result industry spent many years perfecting technologies for the extraction of alumina from clays. Significant information and research, including documented US Government success relating to various process technologies exists. These successes were the catalyst for Altech's HPA Project and the concept of kaolin-to-alumina acid-based processing, around which this BFS is constructed.

During the 1980's, aluminous clay (or 'kaolin') hydrogen chloride (HCl) processing was demonstrated to be ideal for producing HPA, primarily due to the absence of sodium ions in an aluminous clay feedstock (the presence of sodium irons in refined alumina feedstock such as aluminium metal or aluminium sulphate, when used for the production of HPA, adds to processing costs).

However, due to the limited demand for HPA in the 1980's, HCl processing technology was not commercialised and the Bayer/Hall-Heroult processes, which although unable to produce HPA, were widely adopted for the large-scale commercial production of smelter grade alumina (SGA) (99.5% Al_2O_3), using bauxite ores as feedstock.

With a global market for HPA now well established and forecast for healthy annual growth, the commercial viability of HCl processing of kaolin to produce HPA is now established, and set out in this BFS.

1.4 HCl Processing Test Work

Since 2012, the Company has undertaken test work to confirm and refine the application of HCl processing of kaolin sourced from its Meckering deposit for the production of HPA.

Laboratory scale test work was initially conducted in Perth, Western Australia by TSW Analytical Pty Ltd (TSW), a leading forensic and analytical chemist group. Since early 2014 larger scale batch processing of kaolin sourced from a bulk-trial test pit at Meckering has been undertaken by the Simulus Group, a Perth-based hydrometallurgical and mineral process services group, TSW also provided analytical services for this work.

Table 1 - Market forces analysis

Factor	Magnitude of Impact	Comment
Threat of substitutes	Low	There is no direct substitute of high purity alumina as it is used in high-tech applications
Threat of rivalry	Low	Competition among the existing players is low in the market, as there are few vendors at present
Threat of new entrants (supply side)	Moderate	Probability for new players to enter the market is moderate as this is a high margin product, and new innovations on reducing the cost of production could bring more active players in to the market
Bargaining power of buyers	Low	Buyers have few choices of global suppliers and it is not easy to switch
Bargaining power of suppliers	High	Currently, there is high purity alumina deficit, making the buyers over dependent on suppliers

Bankable Feasibility Study

Batch processing included the bulk wet processing of representative samples of future run-of-mine (ROM) kaolin from Meckering to optimise and confirm the beneficiation flow sheet. Beneficiated kaolin was then subjected to HCl processing, which involved calcination; acid leaching to produce aluminium chloride; crystalisation of aluminium chloride; two stages of purification; roasting for acid recovery; and final calcination for the production of finished product HPA.

Results enabled the optimisation of the Company's HCl process design as well as the simplification of the final HPA plant design, which had the added benefit of reducing estimated capital and operating costs. Significantly, the batch processing results confirmed that the HCl “aluminous clay to HPA direct route” was valid for the kaolin sourced from the Company's Meckering deposit.

Meckering Mineral Resource Estimation (JORC 2004)

Classification	Tonnage	45 micron (%)[1]	Brightness[2]
Indicated Resource	16,770,000	42.3	83.2
Inferred Resource	48,280,000	41.8	83.5
Total Mineral Resources	**65,000,000**	**41.9**	**83.4**

Notes:
1. The minus 45 micron percentage was measured by wet screening
2. Brightness is the ISO brightness of the minus 45 micron material

1.5 Meckering Kaolin Deposit

Altech's 100%-owned aluminous clay ('kaolin') deposit is located close to the town of Meckering, Western Australia, and is approximately 130km by road from Perth and ~153km from the port of Fremantle, Western Australia.

At Meckering, the Company holds a land position of approximately 587km^2 covering three (3) tenement applications and one (1) granted tenement. The Company's kaolin deposit sits within granted tenement E70/3923 and the deposit, with a JORC indicated and inferred mineral resource of 65Mt provides an abundant, low-cost feedstock for a 4,000tpa HPA plant, which will require ~18,650tpa of beneficiated kaolin at full capacity. At this rate of production, the Meckering deposit is capable of satisfying the plants' kaolin requirements well beyond the 30-year timeframe of this BFS. In November 2014, the Company made application for grant of a mining lease within E70/3923, the grant is before the WA Mining Wardens court pending a determination and subsequent compensation.

The Meckering kaolin deposit is low in impurities, especially iron and sodium, and consequently is an ideal feedstock for HCl processing to HPA.

Bankable Feasibility Study

1.5.1 Meckering Mining

A mining area has been identified, an open pit designed and a mine plan for an initial 30-year mine life developed.

Approximately 1.3Mt of the 65Mt kaolin mineral resource will be mined over 30 years, in 10 discrete mining campaigns. A mining contractor will conduct the mining campaigns at three-yearly intervals and the mine will be a simple quarry-style operation.

Of the 1.3Mt to be mined, approximately 71% will be from indicated mineral resources, with the balance (29%) from inferred mineral resources. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

The first mining campaign is planned for 129,000 tonnes of kaolin, with 123,000 tonnes of overburden removed; the campaign will last approximately two months and the resultant kaolin will be stockpiled on the ROM stockpile, from where it will be drawn at a rate of ~40,600tpa for beneficiation.

The life of mine strip ratio is a very low 1.08:1. Life of mine waste tonnage is estimated at 1.42Mt for the mining of 1.31Mt of kaolin.

Figure 3 - Meckering Proposed Mining Area, ROM and Beneficiation Plant locations

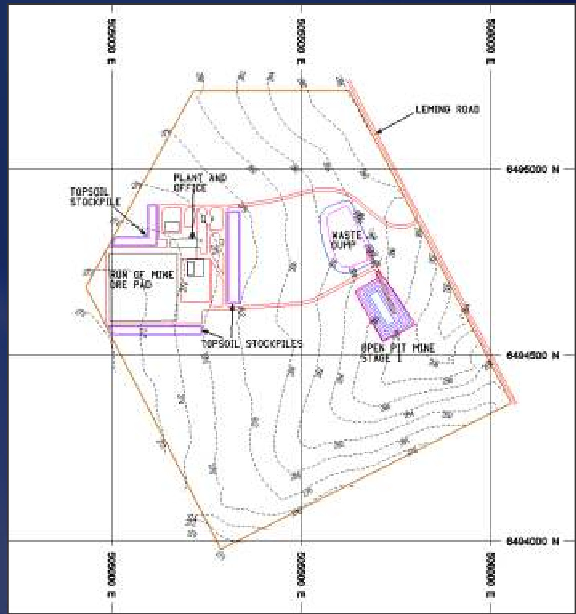


Figure 4 - Meckering Beneficiation Plant Flow Diagram

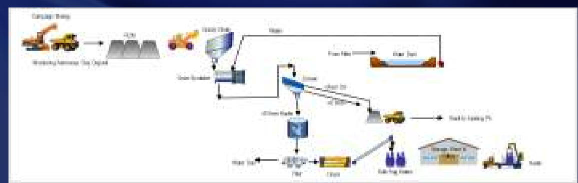


Figure 5 - Meckering Beneficiation Plant Elevations

1.5.2 Meckering Beneficiation

The Meckering beneficiation plant will be located adjacent to the ROM stockpile (refer) and will consist of a wet processing plant to remove oversized silica. The ROM material will be screened to less than 500 micron (<500µm) and beneficiated to 27-30% Al_2O_3. The >500µm reject material will consist primarily of quartz and silica and will be returned to the open pit.

A four-stage wet screening circuit has been designed and will comprise of drum scrubber, screening and pressure filter and dryer. The <500µm dry kaolin product will be delivered to a bagging station where the filter cake will be bagged into two-tonne (2t) “bulka bags”, which will be containerised and transported by road to the port of Fremantle, Western Australia for shipping to the Company's HPA plant in Malaysia.

Beneficiation operations will be conducted on a continuous basis, 5 days per week on a single 12 hours shift, with weekend for scheduled maintenance. Production of beneficiated kaolin will be at a rate of ~18,565tpa (dry), with ~20,300tpa (wet) of oversized quartz and silica sand tailings returned to the open pit; a beneficiated kaolin yield of ~48.5%.

1.5.3 Transport of Beneficiated Kaolin (Meckering to Tanjung Langsat, Malaysia)

Beneficiated kaolin will be bagged in 2t "bulka bags", containerised and transported from Meckering via road to the port of Fremantle (a distance of ~153kms). The containers will be shipped from Fremantle to the port of Tanjung Pelepas (a container port located in south-western Johor, Malaysia ~90kms by road from Tanjung Langsat), and then transported via road from Tanjung Pelepas to Tanjung Langsat.

The estimated cost of shipping (Meckering to Tanjung Langsat) is US$148.91 (A$165.46) per tonne of beneficiated kaolin, or US$0.69 (A$0.77) per kg of finished product HPA.

1.6 HPA Plant Location - Malaysia

The Tanjung Langsat Industrial Complex, Johor, Malaysia has been selected as the location for the HPA plant.

A number of potential locations in South East Asia were considered for the plant, including Kwinana, Western Australia. Tanjung Langsat was chosen based on significant economic and developmental benefits associated with this dedicated industrial park, which includes the ready availability of hydrochloric acid, power and natural gas – all at highly competitive prices, and for its proximity to international container ports and international airports (Johor Bahru and Singapore).

Other advantages of Malaysia as the plant's location include the availability of skilled labour at competitive cost, a corporate tax rate of 25%, various investment and tax incentives on offer, English as the predominant business language, and the legacy of legal and government systems modelled on British equivalents. The Company has identified a ~4 hectare site in a section of the Tanjung Langsat Industrial Complex reserved for chemical facilities as the location for its HPA plant (refer to Figure 6).

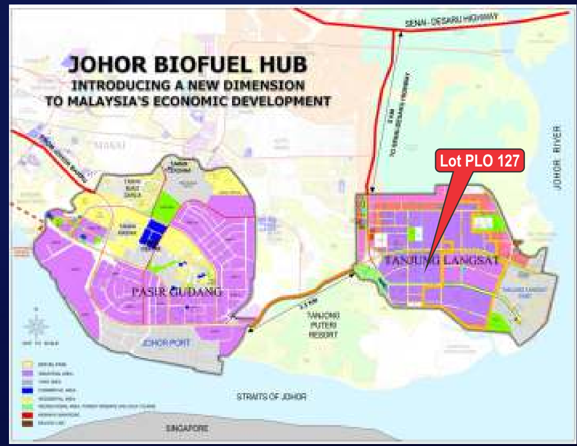
1.7 HPA Processing Plant

1.7.1 Plant Scale – 4,000tpa

The proposed Malaysian HPA plant is a single train continuous processing plant, which will provide economies of scale in terms of operating costs and will position Altech as the largest producer of HPA in the world, surpassing Sumitomo Chemicals that currently states its annual HPA production capacity at 3,200 tonnes. Altech's HPA plant has been designed to be highly automated; manning levels in Malaysia will be ~83 persons, inclusive of administration and support staff.

In optimising the design of its HPA plant, the Company has specifically focused on minimising technological risk by selecting proven "off-the-shelf" plant and equipment. For example, the leaching circuit is conventional, kilns are standard rotary kilns and centrifuges are "off-the-shelf" units commonly used in the chemical industry.

Figure 6 - Tanjung Langsat Industrial Complex, Johor, Malaysia



Bankable Feasibility Study

1.7.2 HPA Processing Description

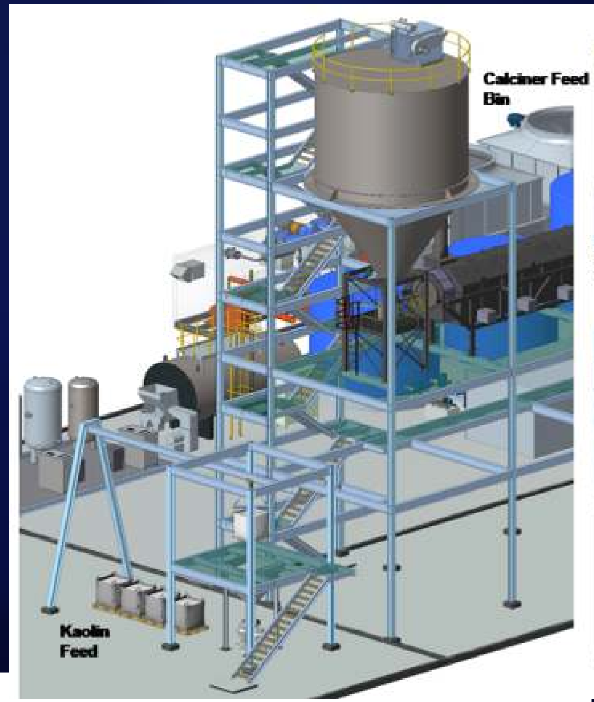
Bulka bags of beneficiated kaolin will be unloaded at the HPA process plant's bag unloading station and the kaolin will be fed by conveyor into the kiln feed bin, the bin will have a storage capacity of ~24 hours of feed demand. In the first stage of the process, kaolin will be calcined at around 600°C in an indirect rotary kiln to convert the crystal structure of the clay to a more reactive form. The kiln will be indirectly fired by natural gas with associated cyclone and bag-house to collect off-gas fines. The calcine will be cooled, screened and any oversized crushed to a particle size of <500μm.

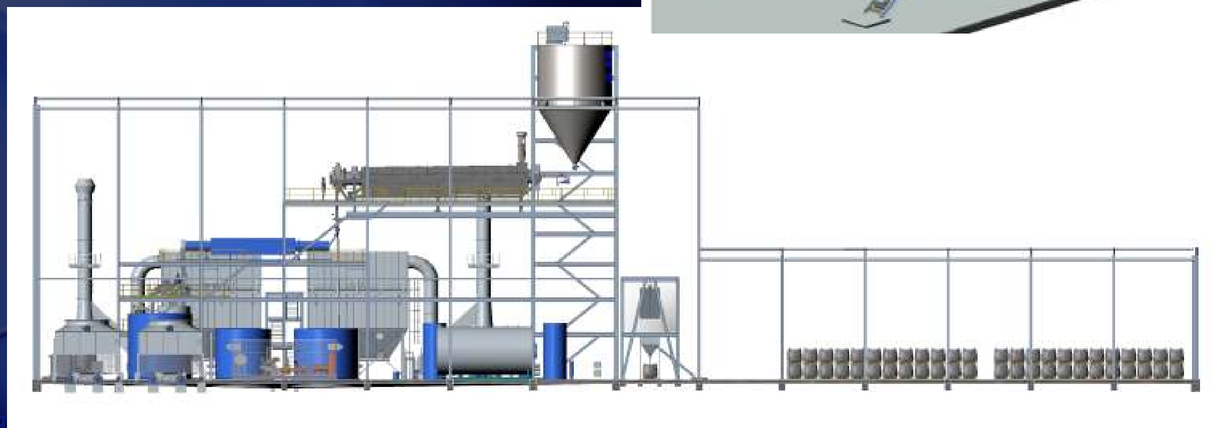
Leaching follows, during which the calcine will be mixed with recycled wash liquor containing hydrochloric acid (HCl) at up to 36% w/w. The leach reaction is exothermic and the oxide components (except silica) are converted to soluble chlorides, producing a high concentration of aluminium chloride (AlCl3) solution. The leached slurry is then pumped to leach residue filtration.

The silica residue slurry will be filtered and the silica residue neutralised before being disposed of to local vendors, such brick works or cement plants. The pregnant liquor solution, known as "PLS" is directed to crystallisation where aluminium chloride hexahydrate ($AlCl_3 .6H_2O$ also known as "ACH") is crystallised out of solution. This will be achieved by increasing the acid concentration of the liquor (ACH is insoluble at strong acid concentrations) by bubbling anhydrous HCl gas. ACH crystals are then filtered and washed from the solution.

The resultant ACH filter cake will be transferred to a slurrying tank where the ACH crystals will be dissolved in ultra-pure water and then fed to the second crystallisation circuit. This dissolution process makes it possible to release residual impurities, which may have become trapped in the crystals during the first crystallisation. Like the first stage crystallisation, the ACH acid concentration in the liquor is increased by bubbling HCl gas and crystallised ACH filtered and finally washed to remove any residual acid and/or impurities.

The third stage of crystallisation is identical to the second. The purified ACH cake is heat treated in two stages via natural gas fired rotary kilns. The first stage involves heating the ACH to around 600°C in order to decompose the ACH to a mixture of basic aluminium chlorides (oxychlorides) and alumina. Most of the chloride is liberated as HCl, recovered and reused in the process.



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Bankable Feasibility Study

Figure 7 - HPA Plant Flowsheet

The partially-calcined solids from the roaster fall directly into the second rotary kiln that then heats the solids further to remove the remainder of the HCl and water (H_2O) to produce highly pure alpha (α) alumina (Al_2O_3), in other words, HPA. The HPA will discharge to a cooler and is then fed directly to a final acid leach stage to remove surface trace impurities. The HPA is washed and filtered in two stages and dried before feeding to a fine grinding mill to produce product with a particle size of <10µm.

The milled HPA will be bagged into 20kg plastic-lined paper bags stored for dispatch to customers.

1.7.3 Production Ramp Up

A conservative approach has been adopted for plant commission and start up. Specifically, it has been assumed that during the first year of operation the plant will produce at 50% capacity (2,000tpa) and that only 70% of production will be HPA, the balance of will be a combination of 99.9% (3N) alumina and SGA. Plant production is assumed to gradually increase from year 1 until full capacity and steady state production is attained from year 5.

Allowance has also been made in the sales ramp-up for an anticipated period of product qualification and acceptance with customers; it has been assumed that this may take up to six months. These conservative production and sales ramp-up profiles have been incorporated into the BFS financial model.

Figure 7 - HPA Plant Flowsheet

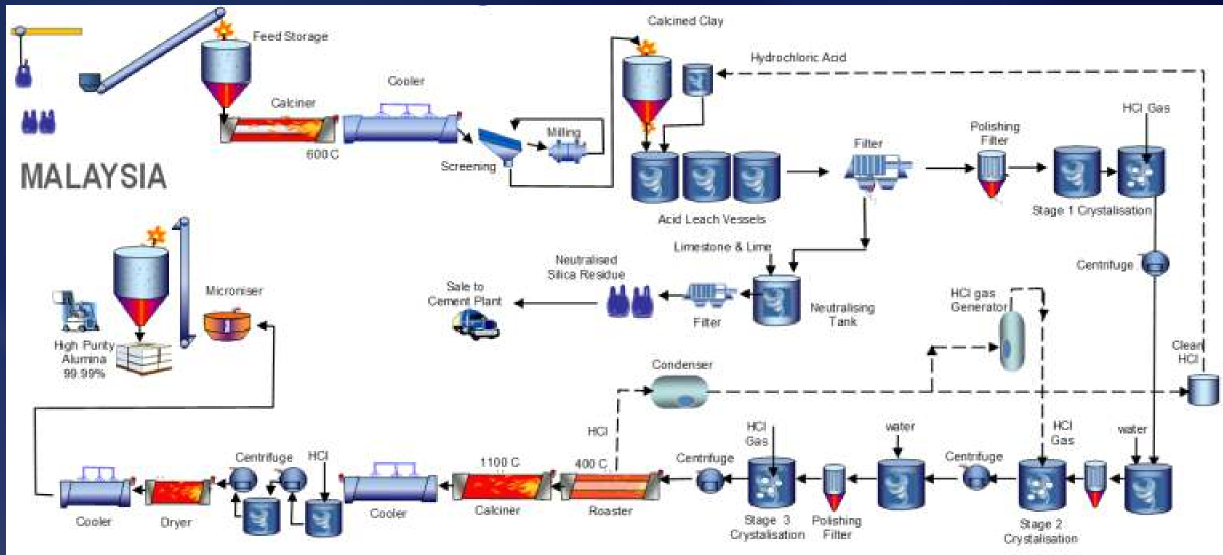
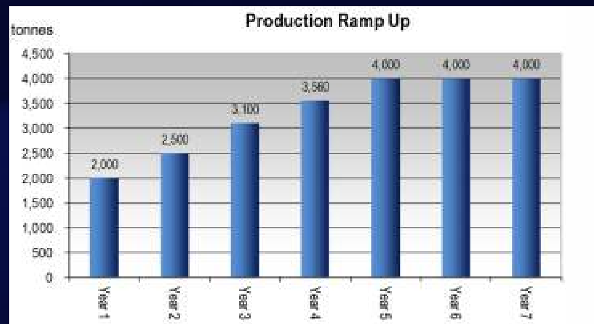


Figure 8 - HPA Plant General Layout and 3D View

Figure 9 - HPA Plant Assumed Production Ramp Up



Bankable Feasibility Study

1.8 Environmental and Project Approvals

1.8.1 Meckering Beneficiation Plant and Mine

The Meckering beneficiation plant and mine have been referred to the Western Australian state government for environmental approval in accordance with the prevailing state legislation and regulations. Baseline environmental surveys have been completed and investigations to date have not identified any environmental issues or potentially adverse impacts that would compromise approval of the developments, as the proposed operations are considered a low-level extraction activity and the permitting process will therefore be simple and straightforward.

The proposed Meckering operation was not referred to the Environmental Protection Authority (EPA) for assessment, because the proposed project does not fall within the referral guidelines in the Memorandum of Understanding signed by the EPA and the Department of Mines and Petroleum (DMP). The project will be assessed under the provisions of the Western Australian Mining Act 1986 (Mining Proposal and Mine Closure Pan) and the operations managed under Part V of the Environmental Protection Act (Works Approval and Licencing).

1.8.2 Malaysian HPA Plant

The Company has received approval from the Department of Environment, Johor (DOE) of its Preliminary Site Assessment (colloquially referred to as a “PAT”) for the HPA plant. In general, the approval of the PAT confirms that the proposed location of the HPA plant at Tanjung Langsat and its proposed activity are compatible with gazetted structure and local plans, surrounding land use, provision of set-backs or buffer zones and waste disposal requirements.

The DOE, in its response to the Company's PAT, also advised that an Environment Impact Assessment (EIA) will not be required for the HPA plant, as the processing capacity of the plant will be less than 100 tonnes per day. This is a positive outcome for the Project and simplifies the permitting and environmental approval process.

The next stage in the environmental approvals process is the approval and registration of air pollution control system, chimneys and fuel burning equipment, each required under various Malaysian environmental quality regulations. The Malaysian environmental approval process is relatively straightforward and the Company will continue to work with its local environment consultant (Daya Eco Techno Sdn Bhd) to satisfy these requirements.

Altech's proposed HPA plant has been designed to meet international environmental standards as well as the standards of the Malaysian Environmental Quality Act (EQA) 1974. Specifically, Altech has designed its plant to ensure that all off-gasses that vent to exhaust stacks meet Malaysian environmental emission limits and that any discharges vented to the atmosphere pass through appropriate dust removal systems such as bag-houses or electrostatic separators. In addition, any potential HCl vapour streams will be cleaned via caustic scrubbers before venting to atmosphere.

Solid residue from the plant will predominantly be in the form of neutralised benign silica residue that will be made available to local brickworks or cement plants. Any acidic residue from the plant will be neutralised and treated on-site and disposed of via local waste vendors. All process water from the plant will be treated on-site to established environmental standards.

Figure 5 - Meckering Beneficiation Plant Elevations

Bankable Feasibility Study

1.9 HPA Sales and Off-take

The Company has been in discussion and correspondence with numerous HPA customers since 2013 and interest and support for a new supplier into what is a rapidly growing market has been high. Post publication of this BFS, the Company intends to commence more earnest discussions with potential customers with the aim of determining individual buyer purchasing intent, and/or executing off-take arrangements. Interest shown from existing HPA users underpins the Company's view that market demand for its HPA will be strong. Selling and marketing costs have been estimated at US$ 0.76 (A$0.84) per kg of finished product HPA.

1.10 Capital and Operating Costs

The engineering, design and operating costs for the HPA plant and the beneficiation plant have been estimated by Simulus, which has considerable experience in the design and engineering of similar projects. Other operating costs (such as freight, insurance, contract mining, administration expenses) have been determined from quotations submitted by prospective suppliers, contractors or expert consultants, and during the course of the BFS the Company established partnerships with key service providers and equipment vendors for the purpose of enhancing the accuracy and transparency of quoted pricing, which flows through to the accuracy of the Project financial model and also positions the Project for a rapid transition to final design and construction post BFS, subject to securing finance.

1.10.1 Capital Costs

Major equipment costs and electrical, piping, earthworks, structural and civil works, equipment installation and concrete costs are based on vendor pricing and take-offs, and the costs for minor items have been determined by reference to Simulus' database of equipment costs. Allowances have been applied as factored percentages for insulation and ducting, temporary facilities, freight and vendor representatives and site commissioning. Insurance costs are based on actual quotations, as is the costs of land acquisition in Malaysia and Australia. Capital items that are not priced in Australian dollars have been converted to Australian dollars at prevailing exchange rates, and visa versa to estimate USD capita costs. A USD:AUD exchange rate of 0.78 has been assumed for capital cost estimation.

The capital cost for both the Meckering beneficiation and Malaysia HPA plants is estimated at US$76.9 million (A$98.6 million).

The capital cost for the Meckering kaolin beneficiation plant and associated mining support infrastructure is estimated at US$17.3 million (A$20.6 million). The Malaysian HPA plant is estimated at US$55.1 million (A$68.9 million), and there is an overall contingency of US$5.0 million (A$6.4 million) allowed. See Table 2, 3 and 4 for the capital costs breakdowns. Simulus assesses that its capital cost estimates for plant and equipment are +/-15%.

Figure 5 - Meckering Beneficiation Plant Elevations

Bankable Feasibility Study

1.10.2 Operating Costs

Operating costs are based on actual quotations from service providers for mining, kaolin beneficiation plant operations, transport and shipping, IT support, insurances, and for consumables such as HCl, power, water, gas, reagents etc. from published pricing. Labour rates are based on recent market survey data and overhead costs are estimated based on experience.

Summary of capital cost estimates

Area	US$m	A$m
Meckering	16.047	20.574
HPA Plant (Tanjung Langsat)	54.600	70.000
Insurances	1.265	1.621
Contingency	4.993	6.401
TOTAL CAPITAL COSTS	76.905	98.595

Operating cost estimate by activity (per kg HPA)

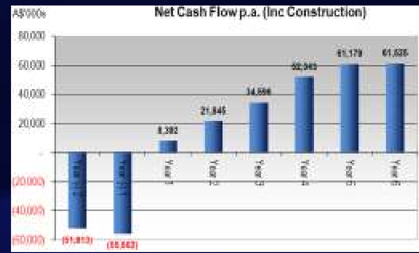
OPEX SUMMARY (per kg HPA)			
Activity	USD	AUD	MYR
Meckering Mining	$0.11	$0.12	0.34
Meckering Beneficiation	$1.26	$1.40	3.99
Transport (Meckering to Malaysia)	$0.69	$0.77	2.19
WA State Royalty	$0.09	$0.10	0.30
HPA Manufacturing (JB)	$3.76	$4.18	11.94
HPA Selling Costs & Misc.	$0.76	$0.84	2.41
Corporate (Aust)	$0.98	$1.09	3.10
Corporate (Malaysia)	$0.50	$0.55	1.58
TOTAL per kg	$8.14	$9.05	25.85

1.10.3 HPA Selling Price Assumption

A conservative long-term selling price of US$23.00 (A$25.56) per kg of finished product HPA, FOB Malaysia has been assumed for the BFS. Table 6 below compares this assumed price with established HPA supplier pricing, as understood by the Company.

Table 6 - Competitor HPA Pricing (4N – 99.99% Al_2O_3)

Producer	Quality	US$ /kg
Supplier 1	Poor	20
Supplier 2	Good	23
Supplier 3	V Good	26
Altech (BFS price)	V Good	23



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1.11 Financial Evaluation

Cash flow modelling of the Project shows a pre-tax net present value of US$326.1 million (A$362.4 million) applying a discount rate of 10%. The payback period is 3.8 years and the pre-tax internal rate of return is 30.3%. The financial model used constant dollars and has not factored in any inflationary impact on revenue or costs.

The Project generates annual average net free cash of ~US$55.3 million (A$61.5 million) at full production (allowing for satisfying capital and before debt servicing and tax), with an attractive margin on HPA sales of ~65%.

At full production, total annual sales revenue is US$92.0 million (A$102.2 million) applying an FOB sales price of US$23,000 (A$25,560) per tonne of finished product HPA. Total operating costs, including mining, beneficiation, shipping and chemical processing are US$32.6 million (A$36.2 million) per annum or US$8,140 (A$9,050) per tonne of finished product HPA.

Table 7 sets out a summary of the key financial results from the financial model in various currencies.

Table 7 - Summary of key financial outputs from the Project Financial Model

HIGH PURITY ALUMINA PROJECT						
Bankable Feasibility Study						
	Australian Dollars		US Dollars		Malaysian Ringgit	
FINANCIAL OUTPUT SUMMARY						
HPA Production	4,000	tonnes	4,000	tonnes	4,000	tonnes
Exchange Rate	0.90	USD/A$	0.90	USD/A$	3.17	USD/MYR
Capex Exchange Rate	0.78	USD/A$	0.78	USD/A$	3.58	USD/MYR
Project Capex	$98.6	million	$76.9	million	275.4	million
Corporate Costs	$8.9	million	$8.0	million	22.8	million
Opex p.a.	$36.2	million	$32.6	million	103.4	million
NPV	$362.4	million	$326.1	million	1,035.3	million
Discount Rate	10%		10%		10%	
Payback	3.8	years	3.8	years	3.8	years
IRR	30.3%		30.3%		30.3%	
Revenue p.a.	$102.2	million	$92.0	million	292.1	million
Costs p.a.	$36.2	million	$32.6	million	103.4	million
EBITDA p.a.	$66.0	million	$59.4	million	188.7	million
HPA Selling Price	$25.56	per kg	$23.00	per kg	73.0	per kg
Cost of production	$9.05	per kg	$8.14	per kg	25.9	per kg
Margin %	65%		65%		65%	
Margin $/kg	$16.51	per kg	$14.86	per kg	47.2	per kg

1.11.1 NPV Sensitivity

Analysis of the sensitivity of the Project NPV to changes in key assumptions or estimates used in the financial model (base case) shows that the NPV is most sensitive to a movement in the USD/AUD exchange rate and a movement in the HPA selling price (which is denominated in US dollars). The NPV is not as sensitive to changes in capital or operating costs, as illustrated in table 8, below.

Table 8 - Net Present Value (NPV) sensitivity analysis

HIGH PURITY ALUMINA PROJECT

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SENSITIVITY ANALYSIS (NPV)

Altech Chemicals

A$'s million (pre-tax)									
Discount Rate	Base Case	Capex +10%	Capex -10%	Opex +10%	Opex -10%	HPA Price +10%	HPA Price -10%	AUD/USD 0.80	AUD/USD 1.00
6%	619.728	603.952	635.504	570.571	668.886	746.434	504.740	769.240	500.134
8%	470.521	455.961	485.082	430.378	510.664	572.277	379.078	590.325	374.691
10%	362.371	348.690	376.052	328.800	395.942	445.888	288.041	460.599	283.799
12%	282.045	269.016	295.073	253.388	310.701	351.934	220.465	364.211	216.320
14%	221.014	208.481	233.547	196.120	245.908	280.542	169.156	290.945	165.076

1.11.2 Discount Rate

The 10% discount rate used in the Project financial model to calculate the NPV is conservative considering the low risk profiles of both Australia and Malaysia and prevailing interest rates for the US dollar and the domestic currencies of Australia and Malaysia. The Global Competitiveness Report (GCR) is a yearly report published by the World Economic Forum and based on the reports 2014-15 rankings, Australia and Malaysia sit in the top 30 countries, ranking 22 and 20 respectively.

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1.11.2 Discount Rate

The 10% discount rate used in the Project financial model to calculate the NPV is conservative considering the low risk profiles of both Australia and Malaysia and prevailing interest rates for the US dollar and the domestic currencies of Australia and Malaysia. The Global Competitiveness Report (GCR) is a yearly report published by the World Economic Forum and based on the reports 2014-15 rankings, Australia and Malaysia sit in the top 30 countries, ranking 22 and 20 respectively.

In the current economic environment a discount rate of 8% is commonly used for project evaluations. If a discount rate of 8% is applied, the NPV of the Project climbs by ~30% to US$423 million (A$471 million).

1.11.3 Exchange Rates

A USD:AUD exchange of 0.78 has been used to convert capital items priced in US$'s to A$'s (and visa-versa to estimate total US$ capital costs, where capital items are priced in A$'s).

A more conservative USD:AUD exchange rate of 0.90 has been adopted in the Project financial model to convert US$ denominated items, such as the selling price of HPA, to A$'s over the 30 year life of

Table 9 - Currency assumptions

Currency	Capex	LT Model
USD	0.78	0.90
AUD	1.00	1.00
MYR	3.58	3.17

Figure 10 - Monthly USD/AUD exchange rates (1993-2015)

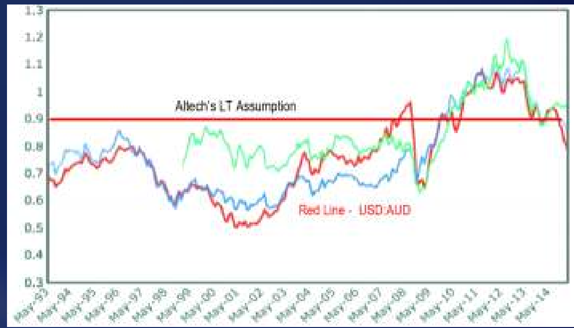

Figure 5 - Meckering Beneficiation Plant Elevations

1.12 Project Schedule

Subject to successful funding, the project schedule sees campaign mining at Meckering commence in Q4-2016.

Site works at both development locations (Meckering and Tanjung Langsat) are scheduled to commence during Q1-2016 and the overall construction period at Meckering is estimated to be approximately 15 months, and at Tanjung Langsat approximately 18 months.

Commissioning of the Meckering beneficiation plant is scheduled to commence in Q1-2017, which will provide sufficient time to build an inventory of beneficiated kaolin and make initial shipments of the kaolin to Malaysia. Six months of plant commission has been allowed for the HPA plant, which is scheduled to commence during Q2-2017, with the first saleable production of HPA in Q4-2017.

During commissioning, start up and an anticipated qualification period for Altech's HPA, the BFS has assumed a gradual increase in annual production from a starting-point of 2,000tpa in year 1, and has also assumed that during production years 1 to 3, there will be a proportion of finished product sales that are not HPA, but either 99.9% (3N) alumina or SGA.

Bankable Feasibility Study

1.13 Project Risk

An Integrated Risk Assessment has been undertaken on the Project that included qualitative and quantitative analysis of the risks and uncertainties associated with the Projects' development and culminated in the development of a comprehensive risk register, which included mitigation actions. The identification and management of risk is an ongoing process and as such will form part of the approach that the Company will adopt as it advances the Project to final design and construction.

1.14 Project Funding

Based on a capital cost estimation of ~US$77 million, the Company is aiming to secure a debt component of ~US$50–US$55 million, and has been in discussion with various banks and other potential investors in respect to debt financing and other funding options. The Company is open to less conventional financing arrangements, which could include structured financing, and/or bonds from European markets and/or joint venturing.

The Company anticipates that the finalisation of financing will take two or three quarters and that during this time it intends to proceed to detailed design and continue with permitting and approvals activities for the Project, subject to funding.

Figure 11 - Project implementation schedule

Bankable Feasibility Study

1.15 Competitor Analysis

A recent report (December 2014) by Breakaway Research, a well-established niche advisory firm specialising in equities research, funds management, private equity funding and corporate advisory services, estimated that the current industry average cost of HPA production is in the range of US$14,000 to US$17,500 per tonne, underpinned by the established HPA producers using an expensive and highly processed feedstock material such as aluminium metal, for the production of HPA.

The BFS estimates that Altech's total cost of production will be US$8,140 (A$9,050) per tonne of finished product HPA, and the Company anticipates that this will firmly position its production cost in the bottom quartile of the production cost curve for all HPA producers. The five main reasons are:

1. Altech owns its feedstock supply and does not use expensive aluminium metal as the feed;
2. The 4,000tpa single train HPA plant will be the largest in the industry, which will provide economies of scale, diluting overheads and thereby reducing unit cost of production;
3. Altech's production process will recycle the primary reactant (HCl), i.e. it is re-used, which substantially minimises operating costs;
4. Altech's kaolin feedstock has few impurities, consequently impurity removal costs are minimised; and
5. The HPA plant will be located in a low-cost country, Malaysia thereby reducing the overall unit costs of production.

1.16 Conclusion & Recommendations

The BFS is a comprehensive and detailed study of the technical and commercial viability for the construction and operation of a 4,000tpa HPA processing plant at Tanjung Langsat, Johor, Malaysia, and the associated development of an aluminous clay (kaolin) beneficiation plant and mining operation at the Company's 100% owned kaolin deposit at Meckering, Western Australia to provide feedstock for the HPA plant.

The BFS has identified the preferred chemical processing method and associated design for the HPA plant, the preferred beneficiation and mining method for the Meckering kaolin deposit and other infrastructure requirements and capacities for the Project. Detailed capital cost and operating cost estimates have been obtained from prospective suppliers, contractors, or expert consultants, enabling detailed financial modelling of the proposed development.

Overall, Altech anticipates that its proposed HPA plant will be in the bottom quartile of the production cost curve for the world's HPA producers.

The BFS has established that Altech's HPA Project is a financially robust and attractive business case. The Project is a high margin, high value proposition, requiring a relatively low level of capital investment. Considering the technical and commercial analysis presented in the BFS, the Company will now proceed to the funding phase of the Project, and concurrently, the Company intends to proceed to detailed design, permitting and approvals, and subject to funding, ordering long lead items, commence site clearance and proceed to construction.

Other Activities

Company Name Change

Shareholders approved a change of Company name to Altech Chemicals Limited at the Company's annual general meeting held on 5 November 2014. The new name took effect from 10 November 2014 and better reflects the vision and purpose of the Company as a high purity alumina producer.

Incorporation of Malaysian Subsidiary

Following the identification of Malaysia as the preferred site for the Company's proposed high purity alumina (HPA) plant, the Company incorporated a wholly owned Malaysian subsidiary, Altech Chemicals Sdn Bhd in January 2015.

Malaysia was selected as the preferred location for the HPA plant based on significant economic and development benefits, which include readily available hydrochloric acid, power and natural gas – all at highly competitive prices, availability of skilled labour at competitive cost, a corporate tax rate of 25%, various investment and tax incentives on offer, English as the predominant business language and the legacy of legal and government systems modeled on British equivalents.

Appointment of Chief Financial Officer and Company Secretary

Mr Shane Volk, an experienced Chief Financial Officer and Company Secretary was appointed effective 12 November 2014. Mr Volk has in excess of 25 years of resourced industry experience, is a Chartered Secretary and has significant operations and development experience.

South West Titanium Project

Consistent with its strategy of divesting and/or realising value from its non-kaolin mineral tenements, in October 2014 the Company announced the finalisation of a farm-in and joint venture agreement with Midas Engineering Group Pty Ltd over the Company's South West Titanium project.

Under the terms of the agreement, Midas undertook a series of engineering studies to confirm the projects viability, however on 25 March 2015 Midas informed the Company of its decision not to proceed with a scoping study for the project, which would have earned it a 20% joint venture interest. The Company continues to seek other interested parties for development of the project.

$1.13 million capital raising

On 10 August 2015, the Company was delighted to announced the placement of $1,129,500 of fully paid ordinary shares at $0.059 per share to various investors, including a Malaysian investor, Melewar IIC Limited (Melewar).

19,144,068 new fully paid ordinary shares will be issued in the placement, which will be made in two tranches, an initial tranche of 8,974,576 shares ($0.530 million) was issued in accordance with the Company's placement capacity under ASX Listing Rule 7.1A; 8,474,576 shares to Melewar and 500,000 shares to a sophisticated investor on 12 August 2015. A second tranche of 10,169,492 shares ($0.600 million) will be issued subject to shareholder approval, which will be sought at the Company's Annual General Meeting planned for Friday 30 October 2015; 8,474,577 shares to Melewar ($0.500 million) and 1,694,915 shares ($0.100 million) to non-executive directly, Mr Tenardi.

Other Activities

Bulk Kaolin Study

In March 2015 the Company executed a memorandum of understanding with Dana Shipping and Trading S.A. (Dana) to fund a scoping study to assess the commercial viability of mining and processing bulk kaolin from the Company's Meckering kaolin deposits, the estimated cost of the study is $100,000.

In return for conducting the study, Altech has granted Dana until 30 September 2015 to which it may exercise the exclusive right to mine up to 10Mt of kaolin from the Company's Meckering deposits ("First Option"). On exercise of the option, Dana will be required to subscribe to $1,000,000 of Altech fully paid ordinary shares, to be priced at a 10% premium to the volume weighted average price of the shares as traded on the ASX in the 120 calendar days prior to the option exercise date, and pay the Company a 2% gross sales royalty on all future bulk kaolin sales.

In the event Dana exercises its First Option, Altech will grant Dana a second option ("Second Option") to mine an additional 10MT of kaolin from the Meckering Deposit. The Second Option is exercisable within 3 months from the date of the first sale of commercial bulk kaolin from the Meckering Deposit, and if the Second Option is exercised Dana must subscribe to an additional $1,000,000 of Altech fully paid ordinary shares, to be priced at a 10% premium to the volume weighted average price of the shares as traded on the ASX in the 120 calendar days prior to the option exercise date, and continue to pay a 2% gross sales royalty on all bulk kaolin sales. Dana is an Athens-based global shipping company with a focus on dry cargo operations, working with a diversified suite of dry bulk commodities such as coal, iron ore, grains and minor bulks across all dry bulk vessel sizes.

Project Permitting

Tanjung Langsat: In late April 2015, Altech commenced the permitting process for its Tanjung Langsat HPA plant, and on 19 June 2015 the Company announced that it had received notice from the Department of Environment, Johor (DOE), advising that the DOE had approved the Preliminary Site Assessment (colloquially known as a "PAT"), for the construction and operation of the HPA plant. The DOE also confirmed that an environmental impact assessment will not be required for the plant, as the proposed processing capacity will be less than 100 tonnes per day. The next stage in the environmental approvals process at Tanjung Langsat is the approval and registration of various equipment such as air pollution control systems, chimneys and

fuel burning equipment, a relative straightforward process. Consequently the Company does not envisage any environmental permitting impediments for the plant.

Meckering: On 7 July 2015, the Company announced that it had commenced the permitting process for the aluminous clay (kaolin) mine and associate processing plant at Meckering, Western Australia and submitted a project application to the Western Australian Department of Environmental Regulation (DER). The DER has confirmed its acceptance of the Company's application and confirmed that under DER regulations the beneficiation plant may only require registration post construction, rather than an application for an Operating Licence, simplifying the permitting process.

Forward-looking Statements

This report 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.

Competent Persons Statement – Meckering Kaolin Deposit

The information in this report that relates to Mineral Resources for the Company's Meckering Kaolin (Aluminous Clay) Deposit is based on information compiled by Ms Sue Border, who is a Fellow the AusIMM and of AIG and is a consultant to the Company. Ms Border has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that she is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The information contained in this report is extracted from the ASX announcement entitled "new exploration licence granted with JORC Kaolin Resource of 65Mt at AMMG's Meckering project" dated 13 January 2011 and is available to view on the Company web site www.altechchemicals.com. Ms Border has reviewed this statement and can confirm the resource figures are current and approves the inclusion in this 2015 annual report in the form and context in which they appear.

Corporate Directory

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info@altechchemicals.com
www.altechchemicals.com

BOARD OF DIRECTORS

Luke Atkins – Non Executive Chairman
Ignatius Tan – Managing Director
Daniel Tenardi – Non Executive Director
Peter Bailey – Non Executive Director

COMPANY SECRETARY

Shane Volk

SHARE REGISTRY

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Applecross WA 6953

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Perth WA 6813

SOLICITORS

Steinepreis Paganin
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The Directors present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2015.

DIRECTORS

The names and details of the Directors of Altech Chemicals Limited during the financial year and until the date of this report are:

Ignatius (Iggy) Tan Bsc MBA GAICD
Managing Director
Appointed: 25 August 2014

Mr Tan is a highly experienced mining and chemical executive with a number of significant achievements in commercial mining projects such as capital raisings, funding, construction, start-ups and operations. Mr Tan has over 30 years' chemical and mining experience and been an executive director of a number of ASX-listed companies. He holds a Master of Business Administration from the University of Southern Cross, a Bachelor of Science from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors.

Mr Iggy Tan became the Company's managing director in August 2014. He is responsible for managing and implementing the next stage of the Company's strategic business objectives, which includes the commercialisation of the high purity alumina (HPA) project. Having been involved in the commissioning and start-up of seven resource projects in Australia and overseas, including high purity technology projects, Mr Tan is an accomplished project builder and developer. Mr Tan previously held Managing Director positions at ASX listed Kogi Iron Limited (23-08-2013 to 1-5-2014) and Galaxy Resources Limited (11-11-2011 to 11-06-2013).

Luke Frederick Atkins – *LLB*
Non-Executive Chairman
Appointed: 8 May 2007

A highly qualified mining executive and a lawyer by profession, Mr Atkins has had extensive experience in capital raisings and has held a number of executive and non-executive directorships of private and publicly listed companies including a number of mining and exploration companies.

Mr Atkins is the co-founder and non-executive director of the successful ASX-listed mining company, Bauxite Resources Limited (ASX: BAU). Mr Atkins formerly held the role of executive chairman of Bauxite Resources Limited after co-founding the company in 2007 and is currently a non-executive director. Mr Atkins was a former director of Reclaim Industries Limited, he brings to the board extensive experience in the areas of mining, exploration, and corporate governance.

Peter Bailey
Independent Director
Appointed: 8 June 2012

Mr Peter Bailey is a highly experienced and qualified engineer with over 40 years' experience in the mining and industrial chemical production industry. Mr Bailey spent the majority of his career in the alumina chemicals and alumina refining industries. He was previously chief executive officer at Sherwin Alumina, an alumina refinery based in Texas, USA.

Prior to Sherwin, in 1998 Mr Bailey was president of Alcoa Worldwide Chemicals industrial chemicals department. He was responsible for managing the company's 13 alumina plants that were located in eight countries, with combined annual revenue of approximately $700 million. In 1996 Mr Bailey was president of Alcoa Bauxite and Alumina and was responsible for 8 alumina plants outside of Australia. He was also the chairman of the Alcoa Bauxite joint venture in Guinea, Africa. He has built a solid network amongst the global alumina industry and carries extensive experience in negotiating business terms and agreements with Chinese relations. He is also highly experienced in private equity, raising money and turning around under-performing assets. Mr Bailey has not held any other listed company directorships in the last 3 years.

Daniel Lewis Tenardi
Non-Executive Director

Appointed: 17 September 2009
Mr Dan Tenardi is a highly experienced global resource executive with over 40 years in the global mining and processing sectors. During his extensive career, Mr Tenardi spent 13 years at Alcoa's alumina refinery in Kwinana as well as the company's bauxite mines in the Darling Ranges of Western Australia.

He was the founding Managing Director of Bauxite Resources Limited (ASX: BAU) where he led the rapid growth of the company from its initial exploration phase, expansion of land holdings, to the commencement of trial shipments and securing supportive strategic partnerships with key Chinese partners. Having built up strong networks amongst the industry leaders in the alumina world, Mr Tenardi provides valuable alumina-specific industry experience. Mr Tenardi is currently non-executive independent director of Australian iron ore producer, Grange Resource Limited (ASX: GRR). He was previously CEO of Ngarda Civil & Mining and has also held senior executive and operational roles at CITIC Pacific, Alcoa, Roche Mining and Rio Tinto.

Former Director

Richard Morris Dawson – B.App.Sc(Geol). EMBA MAusIMM MAICD
Former Managing Director
Appointed: 10 January 2011; Ceased 9 July 2014

Mr Dawson served as the Managing Director of the Company from 10 January 2011 until 9 July 2014.

COMPANY SECRETARY

Shane Raymond Volk – *B.Bus (Accounting), Grad Dip (Applied Corp. Gov.), AGIA*
Company Secretary and Chief Financial Officer
Appointed: 12 November 2014

Mr Volk is an experienced Company Secretary and Chief Financial Officer having most recently served in these positions for ASX listed companies Kogi Iron Limited (2012 to present), African Iron Limited (2011-2012) and Emmerson Resources Limited (2007-2011). His experience also includes senior management roles with Kaltim Prima Coal (Indonesia) and Placer Dome (Indonesia and Papua New Guinea). Mr Volk is an active member of the Governance Institute of Australia and has in excess of 25 years of experience in the mining and resources industry.

Former Company Secretary

Piers Lewis – *B.Comm. CA.*
Company Secretary and Chief Financial Officer
Appointed: 10 January 2011; Ceased: 12 November 2014

Mr Lewis served as Company Secretary from 10 January 2011 until 12 November 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were research and development activities for the commercialisation of the Company's aluminous clay (kaolin) deposit at Meckering, Western Australia. The culmination of these efforts was the publication of a bankable feasibility study for the construction and operation of 4,000tpa high purity alumina (HPA) plant in Malaysia and development of a kaolin beneficiation plant and mine at Meckering, Western Australia. The Company conducted small amounts of other mineral exploration activities in Australia.

Aside from focussing on the commercialisation of the Company's kaolin deposit, there have been no other significant changes in the Company's activities during the financial year.

FINANCIAL POSITION & RESULTS OF OPERATIONS

The financial results of the Group for the financial year ended 30 June 2015 are:

	2015 **$**	**2014** (restated) **$**
Cash and cash equivalents	**574,810**	1,784,404
Net Assets	**2,736,385**	3,077,076
Revenue	**42,394**	95,347
Net profit/(loss) after tax	**(1,391,646)**	(3,738,427)
Net Profit/(loss) per share	**(0.01)**	(0.03)
Dividend	**-**	-

DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

REVIEW OF OPERATIONS AND ACTIVITIES

The Company appointed Mr Iggy Tan as Managing Director effective 25 August 2014. Mr Tan is an experienced chemicals and mining industry executive and project developer. During the financial year, under Mr Tan's leadership, the Company changed its name and rebranded into an industrial chemicals company. The Company became highly focussed on advancing the development opportunity for its aluminous clay (kaolin) deposit at Meckering, Western Australia. Specifically, the Company completed a bankable feasibility study (BFS) for the construction of a high purity alumina plant in Malaysia to extract alumina from aluminous clay (kaolin) for the production of 99.99% alumina (Al_2O_3) (high purity alumina (HPA)), with the associated development of a kaolin beneficiation plant and mining operation at Meckering. The Company announced the results of the bankable feasibility study on 29 June 2015, with the study determining the technical and commercial viability of the project. The Company is now proceeding to identify and advance funding opportunities that will enable the projects development.

The financial and technical outcomes from the BFS are particularly compelling and include:

- Total capital costs estimated at US$76.9 million (A$98.6 million), assuming a USD:AUD exchange rate of 0.78;
- Net Present Value (NPV) of the Project is US$326.1 million (A$362.4 million) at a discount rate of 10%;
- Internal Rate of Return (IRR) is ~30.3%;
- Payback of capital is 3.8 years;
- Earnings before interest, tax and depreciation (EBITDA) are expected to be US$59.4 million (A$66.0 million) per annum at full production;
- Annual revenues at full production (4,000tpa of HPA) are forecast at US$92.0 million (A$102.2 million), with an assumed long-term selling price of US$23,000 (A$25,560) per tonne of HPA, FOB Malaysia; and
- Total annual operating costs, including mining, beneficiation, shipping and processing are estimated at US$32.6 million (A$36.2 million) or US$8,140 (A$9,050) per tonne of final HPA product at full production, resulting in an impressive gross margin of ~65%.

The BFS was completed 3 months ahead of schedule and presents a robust and attractive business case that delivers high margins, strong cash flows and the rapid payback of a relatively modest capital investment.

A complete summary of the BFS was released to the Australian Securities Exchange on 29 June 2015 and is included in the Company's 2015 Annual Report to Shareholders.

Other noteworthy achievements of the Company during the year just past included:

- divestment of non-kaolin projects, including a farm-in and joint venture agreement over the South West Titanium Project;
- initiation of a bulk kaolin feasibility study, and option to mine with Dana Shipping;
- identification of Malaysia as the preferred site to the Company's proposed HPA plant, incorporation of a Malaysian subsidiary, identification of land for the plant at the Tanjung Langsat Industrial Complex, Johor, and optimising the HPA plant size at 4,000tpa;
- partnering with key service providers such as Seatram (transport and logistics), Atea (composites materials); Castle Equipment (mining and kaolin processing), M+W (EPCM – Malaysia); Melewar (construction – Malaysia); Simulus Engineering (EPCM – Meckering); SGL Group (HCL equipment) and Drytech (kiln providers);
- securing additional funding for the Company via an 1:4 entitlement offer in December 2014, a $815k loan facility against 2014/15 research and development rebate, and subsequent to year end a $1.13 million share placement; and
- approval of site assessment for the Tanjung Langsat HPA plant and commencement of permitting for the Meckering kaolin mine and beneficiation plant.

Other activities

Where possible, the Company has continued to rationalise mineral tenement holdings that are not prospective for kaolin (**non-core mineral tenements**) as it focuses on the HPA project, the Company has endeavoured to realise value from the non-core mineral tenements via joint development or other arrangements, an example of which was the Farm-In and Joint Venture Agreement for the South West Titanium Project (formerly the Glenarty Mineral Sands Project) with Midas Engineering Group Pty Ltd (**Midas**) that was executed in October 2014, however Midas withdrew following the completion of initial engineering studies in March 2015.

Risk Management

Due to its size and scope of operations the Company does not have a dedicated Risk Management Committee, rather the Board as a whole is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management is delegated to the appropriate level of management within the Company, with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

The Managing Director highlights areas of significant business risk and the Board has arrangements in place whereby it monitors risk management, including the periodic reporting to the Board in respect of operations and the financial position of the Company.

The Company does not have a dedicated internal audit function, however it works closely with its external auditors and management for the evaluation and continual improvement of the effectiveness of its risk management and internal control procedures.

EMPLOYEES

The Company has 3 permanent employees as at 30 June 2015 (2014: 5).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Company is now primarily focussed on the commercialisation of its Meckering kaolin deposit via the construction and operation of a high purity alumina plant for the production of 99.99% alumina (Al_2O_3) (high purity alumina (HPA)). The Company will continue to rationalise its non-core mineral tenements and does not anticipate incurring any significant exploration expenditure on the non-core mineral tenements in the foreseeable future.

In the opinion of the Directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years apart from:

On 10 August 2015, the Company announced the placement of $1,129,500 of fully paid ordinary shares at $0.059 per share to various investors, including a Malaysian investor, Melewar IIC Limited (**Melewar**). 19,144,068 new fully paid ordinary shares will be issued in the placement, which will be made in two tranches, an initial tranche of 8,974,576 shares ($0.530 million) was issued in accordance with the Company's placement capacity under ASX Listing Rule 7.1A; 8,474,576 shares to Melewar and 500,000 shares to a sophisticated investor on 12 August 2015. A second tranche of 10,169,492 shares ($0.600 million) will be issued subject to shareholder approval, which will be sought at the Company's Annual General Meeting planned for Friday 30 October 2015; 8,474,577 shares to Melewar ($0.500 million) and 1,694,915 shares ($0.100 million) to non-executive directly, Mr Tenardi.

On 25 August 2015, the Managing Director Performance Rights – Tranche 1 vested, following the attainment of the Tranche 1 vesting conditions (refer to details in the Remuneration Report). Consequently the 5,000,000 Performance Rights automatically converted to fully paid ordinary shares of the Company.

OPTIONS OVER UNISSUED CAPITAL

During the financial year the Company did not grant any options to directors or Key Management Personnel.

Since 30 June 2015 and up until the date of this report there have been no options issued.

As at the date of this report unissued ordinary shares of the Company under option are:

Number of Options on Issue	*Exercise Price*	*Expiry Date*	*Listed/Unlisted*
600,000	20 cents each	31 January 2017	Unlisted
1,000,000	20 cents each	18 December 2017	Unlisted
1,000,000	25 cents each	18 December 2017	Unlisted
1,000,000	30 cents each	18 December 2017	Unlisted
2,500,000	10 cents each	30 June 2016	Unlisted
4,027,735	10 cents each	15 December 2015	Listed

The above options represent unissued ordinary shares of the Company under option as at the date of this report. These options do not entitle the holder to participate in any share issue of the Company.

The holders of options are not entitled to any voting rights until the options are exercised into ordinary shares.

The names of all persons who currently hold options granted are entered in a register kept by the Company pursuant to Section 168(1) of the *Corporations Act 2001* and the register may be inspected free of charge.

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

PERFORMANCE RIGHTS OVER UNISSUED CAPITAL

As at the date of this report unissued ordinary shares of the Company subject to Performance Rights are:

Performance Right Series	*Rights outstanding*	*Exercise Price*	*Rights Vested*	*Rights not Vested*	*Expiry Date*
Managing Director	10,000,000	Nil	Nil	10,000,000	30-01-2020
Non-executive Directors	5,250,000	Nil	Nil	5,250,000	19-11-2022
Employees & Consultants	5,755,600	Nil	Nil	5,755,600	01-01-2018
Total	**21,005,600**		**Nil**	**21,005,600**	

Details of Performance Rights issued to the Directors and Key Management Personnel of the Company during the period of this report are contained in the Remuneration Report.

The above Performance Rights represent unissued ordinary shares of the Company under option as at the date of this report. These Performance Rights do not entitle the holder to participate in any share issue of the Company. The holders of Performance Rights are not entitled to any voting rights until the Performance Rights are exercised into ordinary shares, which is only possible if the vesting conditions attached to the Performance Rights have been attainted.

The names of all persons who currently hold Performance Rights granted are entered in a register kept by the Company pursuant to Section 168(1) of the *Corporations Act 2001* and the register may be inspected free of charge.

CORPORATE STRUCTURE

Altech Chemicals Limited (ACN 125 301 206) is a Company limited by shares that was incorporated on 8 May 2007 and is domiciled in Australia.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The near term focus for the Company is to secure the necessary debt and equity funding that will enable it to advance the proposed 4,000tpa HPA plant and associated kaolin mine and beneficiation plant, towards final permitting and construction.

Business Strategy and Reasoning

HPA is a high-value, high margin and highly demanded product because it is the critical ingredient required for the production of sapphire substrates which are used in the manufacture of light emitting diode (LED) lighting, for the manufacture of alumina semiconductors, and for the manufacture of scratch resistant artificial (sapphire) glass that is commonly used for scratch resistant watch faces, camera lenses and for various smartphone applications. There is no substitute for HPA in the manufacture of sapphire substrates, sapphire semiconductors or scratchproof sapphire glass.

Global HPA demand is approximately 19,040tpa (2014) and demand is growing at an annual rate of 28%, primarily driven by the growth in LED's as this energy efficient, longer lasting and lower operating cost lighting that is replacing traditional incandescent bulbs. HPA demand is expected to at least double over the coming decade.

The successful construction and operation of its proposed HPA plant will see the Company positioned as the worlds largest single producer of HPA in 2018 (based on 2014 annual HPA production), and with annual HPA demand expected to increase to approximately 48,230 tonnes by 2018 (from 19,040 tonnes in 2014) the HPA market is expected to more than fully absorb the anticipated 4,000tpa of additional HPA supply from the Company's plant. Current HPA producers use an expensive and highly processed feedstock material such as aluminium metal to produce HPA. The Company's proposed plant will produce HPA directly from kaolin clay via hydrogen chloride (HCl) leaching, and the production process will employ conventional "off-the-shelf" plant and equipment to extract HPA. Production costs are anticipated to be considerably lower than established HPA producers.

Development Risk

The proposed mining, beneficiation and HPA plant construction and operation are all high-risk undertakings. The Company is on a proposed development path and has completed a bankable feasibility study (BFS) that has determined the technical and commercial viability for the construction and operation of a 4,000tpa high purity alumina (HPA) processing plant at Tanjung Langsat, Johor, Malaysia and an associated kaolin beneficiation plant and mining operation at Meckering, Western Australia to provide feedstock for the HPA plant. However there is no certainty that the construction and operation of the facilities will be able to proceed as envisaged, and if they do proceed that the operations will function as expected in the BFS and deliver the results that were foreshadowed. Equity and debt financing at terms acceptable to the Company must be secured and various operational, processing, supply chain, market, regulatory, industrial and development risks, amongst others, will need to be identify and successfully managed to deliver the development and operating outcomes envisaged in the BFS. Unescapably, the BFS is a detailed study of what is possible based on a combination of detailed information on hand and a series of professional judgements and estimates at the time; inevitably situations and circumstances change, judgements and estimates are slightly different from what actually transpires, debt and equity markets constantly change and as a result actual outcomes will most likely vary from those contemplated in a BFS.

MINERAL RESOURCE STATEMENT AND MINERAL RESOURCE ORE RESERVE ESTIMATION GOVERNANCE STATEMENT

Altech Chemicals Limited ensures that its Mineral Resource and Ore Reserve estimates are subject to appropriate levels of governance and internal controls. Mineral Resource and Ore Reserve estimation procedures are well established and are subject to periodic systematic peer and technical review by competent and qualified professionals.

Altech reviews and reports its Mineral Resource and Ore Reserve estimates at a minimum on an annual basis and in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition. The most recent annual review for the year ended 30 June 2015 has not identified any material issues.

The tables below set out the Mineral Resources and Ore Reserves comparatives as at 30 June 2015 and 30 June 2014.

(a) Meckering Kaolin (Aluminous Clay) Deposit

	Mineral Resources (JORC 2004) as at 30 June 2015			Mineral Resources (JORC 2004) as at 30 June 2014		
Classification	**Tonnes**	**–45 micron (%)[1]**	**Brightness[2]**	**Tonnes**	**–45 micron (%)[1]**	**Brightness[2]**
Indicated	16,770,000	42.3	83.2	16,770,000	42.3	83.2
Inferred	48,280,000	41.8	83.5	48,280,000	41.8	83.5
Total Mineral Resources*	**65,000,000**	**41.9**	**83.4**	**65,000,000**	**41.9**	**83.4**

** rounded to the nearest one hundred thousand tonnes*

Notes: 1. The minus 45 micron percentage was measured by wet screening
2. Brightness is the ISO brightness of the minus 45 micron material

(b) South West Titanium Project (Rover Range & Miller's Mill Deposits)

	Mineral Resources (JORC 2004) as at 30 June 2015			Mineral Resources (JORC 2004) as at 30 June 2014		
Classification	**Tonnes** (millions)	**Heavy Mineral (%)**	**Ilmenite (%)**	**Tonnes (Mt)**	**Heavy Mineral (%)**	**Ilmenite (%)**
Inferred (Rover Range) [1]	701.1	3.75	2.61	701.1	3.75	2.61
Inferred (Miller's Mill) [2]	105.9	3.66	2.82	105.9	3.66	2.82
Total Mineral Resources	**807**	**3.74**	**2.64**	**807**	**3.74**	**2.64**

Notes: 1. Ilmenite cut-off grade 2%
2. Ilmenite cut-off grade 2.5%

Competent Persons Statement – Meckering Kaolin Deposit
The information in this report that relates to Mineral Resources for the Company's Meckering Kaolin (Aluminous Clay) Deposit is based on information compiled by Ms Sue Border, who is a Fellow the AusIMM and of AIG and is a consultant to the Company. Ms Border has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that she is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The information contained in this report is extracted from the ASX announcement entitled *"new exploration licence granted with JORC Kaolin Resource of 65Mt at AMMG's Meckering project"* dated 13 January 2011 and is available to view on the Company web site www.altechchemicals.com. Ms Border has reviewed this statement and can confirm the resource figures are current, and approves the inclusion in this 2015 directors report and context in which they appear.

Competent Persons Statement – South West Titanium Project
The information in this report that relates to Mineral Resources for the Company's South West Titanium Project is based on information compiled by Mr Michael O'Mara, B.Sc Geology who is a member of the Australasian Institute of Geoscientists and is employed as the Company's Chief Geologist. Mr O'Mara has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The information contained in this report is extracted from the ASX announcement entitled *"JORC inferred resource of 807 million tonnes at 3.7% heavy minerals at Glenarty Creek mineral sands project"* dated 18 June 2013 and is available to view on the Company web site www.altechchemicals.com. Mr O'Mara has reviewed this statement and can confirm the resource figures are current and approves the inclusion in this 2015 directors report and context in which they appear.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company holds various exploration licences that regulate its exploration activities in Western Australia and Queensland. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities. So far as the Directors are aware there has been no known breach of the Company's licence conditions and all exploration activities comply with relevant environmental regulations.

DIRECTORS SHARE HOLDINGS, OPTION HOLDINGS AND PERFORMANCE RIGHTS HOLDINGS

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

Director	Interest in Ordinary Shares	Interest in Listed options	Interest in Unlisted Options	Interest in Performance Rights
Ignatius Tan	5,376,000	250,000	-	10,000,000
Luke Atkins	6,943,055	500,000	-	1,500,000
Daniel Tenardi	7,000,000	-	-	1,500,000
Peter Bailey	1,797,437	359,488	3,000,000	2,250,000

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held in the period each Director held office during the financial year and the numbers of meetings attended by each Director were:

Director	Board of Director Meetings	
	Meetings Attended	Meetings held whilst a director
Ignatius Tan	5	5
Luke Atkins	5	5
Daniel Tenardi	4	5
Peter Bailey	5	5
Ric Dawson	-	-

REMUNERATION REPORT

Remuneration Committee

Recommendation 8.1 of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition)* states that the Board should establish a Remuneration Committee. The Board has formed the view that given the number of Directors on the Board, this function could be performed just as effectively with full Board participation. Accordingly it has been determined that there is no separate Board sub-committee for remuneration purposes.

Use of Remuneration Consultants

The Board did not engage a remuneration consultant to make any recommendations in relation to its remuneration policies or any of the key management personnel for the Company during the financial year covered by this report.

Voting and comments made at the company's 2014 Annual General Meeting

The Company received only 5,000 proxy votes (from the 35,354,993 proxy votes received) on its 2014 remuneration report tabled at the 2014 Annual General Meeting. The company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

This report details the amount and nature of remuneration of each Director of the Company and executive officers of the Company during the year.

Overview of Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and executive management. The broad remuneration policy is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide the non-executive directors, executive director and the executive management with a remuneration package consisting of both fixed and variable components that together reflects the positions responsibilities, duties and personal performance. An equity based remuneration arrangement for the Board and executive management is in place. The remuneration policy is to provide a fixed remuneration component and a specific equity related component, with appropriate vesting (performance) conditions. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities that it undertakes, and is appropriate in aligning director and executive objectives with shareholder and business objectives.

The remuneration policy in regard to setting the terms and conditions for the non-executive directors has been developed by the Board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

All remuneration paid to directors is valued at cost to the Company and expensed. Options (in the case of Mr Peter Bailey) and Performance Rights are valued using the Black-Scholes methodology. In accordance with current accounting policy the value of these options and Performance Rights are expensed over the relevant vesting period.

Non-Executive Directors

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting, and has been initially set not to exceed $200,000 per annum. Actual remuneration paid to the Company's non-executive directors is disclosed below. Remuneration fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and the non-executive directors are awarded Performance Rights, with the approval of Shareholders.

Board fees (per year)

Chairman	$20,000
Other non-executive directors	$20,000

The Chairman's board fees are paid monthly, other non-executive director board fees are paid quarterly, in arrears.

In addition to receiving non-executive director fees, Executive Resources Personnel Pty Ltd ("ERP"), a company controlled by non-executive chairman Mr Luke Atkins, is contracted by the Company to provide various services including research and development management and advice, process analysis and market research and technical services. The Agreement with ERP commenced on the day the Company listed on the Australian Securities Exchange, 27 January 2010, was for an initial term of 3 years, which was renewed for one year in January 2014 and subsequently renewed for an additional 1 year term in January 2015 whereby the monthly fee was reduced to $2,500 (2014: 20,516.67/month), reflecting a reduction in the amount of time and effort required of ERP.

Remuneration report *(continued)*

Executive Management

The remuneration of the Executive Management is dictated by individual services agreements.

The Company aims to reward executives with a level of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- Reward executives in line with the strategic goals and performance of the Company; and
- Ensure that total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed remuneration;
- Short Term Incentive Scheme; and
- Performance Rights

Fixed Remuneration

Fixed remuneration consists of a fixed monthly fee, and in the case of the Company Secretary a fixed daily rate for tasks additional to that of Company Secretary.

The level of the fee is set so as to provide a base level of remuneration that is both appropriate to the position and is competitive in the market.

Remuneration packages for the staff that report directly to the Managing Director are based on the recommendation of the Managing Director, subject to the approval of the Board.

Short Term Incentive Scheme

Executives and employees of the Company participate in a short-term incentive scheme that makes available an annual cash incentive (bonus) to individuals based on the attainment of overall Company and group objectives, which are set annually. The scheme is structured to encourage executives and employees to work as a team for the attainment of the Company's overall objectives, as opposed to prescriptive individual performance objectives. Under the scheme, executives and employees can be awarded a cash bonus up to a maximum of between 40% and 10% of individual annual base salary, depending upon their role in the Company.

The Board, on the recommendation of the managing director, sets annual bonus objectives and the Board, also on the recommendation of the managing director, approves annual bonus awards. The Board has complete discretion over the short-term incentive scheme.

No short-term incentives were awarded to KMP's during the period covered by this report.

Performance Rights

The Board considers equity based incentive compensation to be an integral component of the Company's remuneration platform enabling it to offer market-competitive remuneration arrangements, the award of Performance Right is intended to enable recipients to share in any increase in the Company's value (as measured by share price) beyond the date of allocation of the Performance Rights, provided the specific performance conditions (milestones) are met.

The performance conditions that were chosen for the Performance Rights issued to the directors, executive management, employees and key consultants of the Company are on the basis that the achievement of each milestone will represent a significant and challenging performance outcome which will require the Performance Rights recipients to devote effort, time and skill above and beyond what would normally be expected for their respective fixed compensation. The attainment of each vesting condition (milestone) is not certain, but if achieved could be expected to see an increase in the value of the Company (as measured by share price), enabling the individuals to participate in this increase in value. Each milestone is transparently measureable, with the vesting condition either achieved or not achieved, with the achievement publicly announced to the ASX. The respective Recipients must be employed or otherwise retained by the Company at the time of vesting, for the Performance Rights to vest, subject to a milestone being achieved.

Remuneration report *(continued)*

During the financial year the Company granted the following Performance Rights to directors and Key Management Personnel (KMP).

Name	*Position*	*Number of Rights awarded*	*Exercise Price*	*Expiry Date*
Ignatius Tan	Managing Director	15,000,000	Nil	30-01-2020
Luke Atkins	Chairman	1,500,000	Nil	19-11-2022
Dan Tenardi	Non-executive director	1,500,000	Nil	19-11-2022
Peter Bailey	Non-executive director	2,250,000	Nil	19-11-2022
Shane Volk	Chief Financial Officer & Company Secretary	1,500,000	Nil	01-01-2018
Total		**21,750,000**		

Each Performance Right entitles the holder to one fully paid ordinary share of the Company, upon exercise of the Performance Right. Each Performance Right is exercisable subject to the attainment of the vesting conditions attached to the Performance Right, the vesting conditions are set by the Company's Board at the time the Performance Rights are offered.

The objectives of the award of Performance Rights are to provide a remuneration mechanism, through share ownership, to motivate, retain and reward the performance of employees, key consultants and its directors. All Performance Rights vest based on pre-determined vesting conditions and at the date of this report 5,000,000 Managing Director Performance Rights (tranche 1) have vested and converted to fully paid ordinary shares of the Company.

Since 30 June 2015 and up until the date of this report there have been no further Performance Rights offered.

(a) Non-Executive Directors

On 18 March 2015 the Company awarded 5,250,000 Performance Rights to non-executive directors (1,500,000 Performance Rights to Messrs Atkins and Tenardi, 2,250,000 Performance Rights to Mr Bailey) on terms and conditions identical to those of the Company's Performance Rights Plan, shareholder approval for the award of the Performance Rights was received at a General Meeting held on 18 March 2015.

The Performance Rights were issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the achievement of the specified performance criteria. The Performance Rights are considered performance based incentive remuneration and the Performance Rights do not vest until the following performance conditions (milestones) are achieved; the vesting conditions attributable to the Performance Rights are as follows:

Tranche 1: 1/3rd of the Performance Rights issued to each non-executive director will vest upon completion of $1.9 million capital raising, delivery of a bankable feasibility study and the first anniversary date of the issue of the Performance Rights.
Tranche 2: 1/3rd of the Performance Rights issued to each non-executive director will vest upon successful funding of the HPA project and the second anniversary of the issue of the Performance Rights.
Tranche 3: 1/3rd of the Performance Rights issued to each non-executive director will vest upon the first tonne of HPA product sold and plant is at a steady state of production (plant is stable and producing at a constant and consistent rate) and the third anniversary of the issue of the Performance Rights.

Each Performance Right will convert to a fully paid ordinary share in the capital of the Company upon attainment of the vesting conditions.

(b) Managing Director

On 18 November 2014 the Company awarded 15,000,000 Performance Rights to Managing Director Mr Iggy Tan on terms and conditions identical to those of the Company's Performance Rights Plan, shareholder approval for the award of the Performance Rights was received at the Company's Annual General Meeting on 5 November 2014.

The Performance Rights were issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the achievement of the specified performance criteria. The Performance Rights are considered performance based incentive remuneration and the Performance Rights do not vest until the following performance conditions (milestones) are achieved; the vesting conditions attributable to the Performance Rights are as follows:

Tranche 1: 5,000,000 Performance Rights vest upon completion of $1.9 million capital raising, delivery of a bankable feasibility study and 1 year continuous service.
Tranche 2: 5,000,000 Performance Rights vest upon successful funding of the HPA project and 2 years of continuous service.
Tranche 3: 5,000,000 Performance Rights vest upon first tonne of HPA product sold and plant is at a steady state of production (plant is stable and producing at a constant and consistent rate) within specification quality and 3 years of continuous service.

Each Performance Right will convert to a fully paid ordinary share in the capital of the Company upon attainment of the vesting conditions.

Remuneration report *(continued)*

(c) Executive Management

Mr Shane Volk was awarded 1,500,000 Performance Rights on 30 April 2015 pursuant to the Company Performance Rights. The Performance Rights were issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the achievement of the specified performance criteria. The Performance Rights are considered performance based incentive remuneration and the Performance Rights do not vest until the following performance conditions (milestones) are achieved; the vesting conditions attributable to the Performance Rights are as follows:

Tranche 1: 1/3rd of the Performance Rights will vest on 1 January 2016, provided Mr Volk is still engaged as a consultant to the Company on this date, or is an employee of the Company.

Tranche 2: 1/3rd of the Performance Rights will vest on 1 January 2017, provided Mr Volk is still engaged as a consultant to the Company on this date, or is an employee of the Company.

Tranche 3: 1/3rd of the Performance Rights will vest on 1 January 2018, provided Mr Volk is still engaged as a consultant to the Company on this date, or is an employee of the Company.

Each Performance Right will convert to a fully paid ordinary share in the capital of the Company upon attainment of the vesting conditions.

Details of Remuneration

The following tables show details of the remuneration received by Altech Chemicals Limited key management personnel for the current and previous financial year.

	Primary Compensation		Post-Employment		Equity Compensation	
2014/15	**Base Salary/Fees $**	**Motor Vehicle $**	**Superannuation Contributions $**	**Short Term Incentive $**	**Performance (Note) Rights/Options $**	**Total $**
Directors						
I Tan – Managing Director (i)	332,500	-	-	-	455,740	**788,240**
L Atkins – Non-Executive Chairman (ii)	165,835	10,150	1,900	-	12,434	**190,319**
D Tenardi – Non-Executive (iii)	20,000	-	-	-	12,434	**32,434**
P Bailey – Non-Executive (iv) **	20,500	-	-	-	29,196	**49,696**
R Dawson – Managing Director (v)	49,544	-	-	-	-	**49,544**
Executives						
S Volk – CFO & Company Secretary (vi)	43,000	-	-	-	34,011	**77,011**
P Lewis – CFO & Company Secretary (vii)	25,245	-	-	-	-	**25,245**
TOTAL	**656,624**	**10,150**	**1,900**	**-**	**543,815**	**1,212,489**

(i) Service fees were paid to Lofthouse One Pty Ltd.
(ii) Service fees were paid to Executive Resource Personnel Pty Ltd and the $20,000 p.a. (plus superannuation) Chairman fee paid directly to Luke Atkins.
(iii) Directors' fees were all paid to Tenardi Daniel Lewis Pty Ltd.
(iv) Directors' fees were all paid to Waylen Bay Capital Pty Ltd.
(v) Ceased 9 July 2014. Remuneration consisted of a termination benefit of 2 months salary ($43,264) and remuneration from 1 to 9 July 2014 ($6,280).
(vi) Service fees were paid to Hamersley Consulting Pty Ltd.
(vii) Company Secretary fees were paid to Smallcap Corporate Pty Ltd.

** For Mr Baily, the amount of $29,196 relating to the fair value of Performance Rights/Options comprises $18,651 for the fair value of Performance Rights awarded during the period and $10,5454 for the fair value of unlisted options awarded in December 2012.

Note: The fair value of Performance Rights is estimated at each balance date taking into account, amongst other factors, the likelihood that the various tranches of Performance Rights will vest to the respective participants by the vesting date. At 30 June 2015, in the case of all participants, it was deemed likely that the vesting conditions pertaining to the three tranches of Performance Rights be achieved by the vesting dates and accordingly a pro-rata portion of the deemed value of the Performance Rights has been expensed to the Profit and Loss account and accordingly has been disclosed as deemed income for each key management personnel.

Remuneration report *(continued)*

Details of Remuneration *(continued)*

2013/14	Primary Compensation		Post-Employment	Equity Compensation	
	Base Salary/Fees	Motor Vehicle	Superannuation Contributions	Options	Total
	$	$	$	$	$
Directors					
R Dawson – Managing Director	214,310	-	19,832	-	**234,142**
L Atkins – Non-Executive Chairman (i)	261,595	17,400	1,696	-	**280,691**
D Tenardi – Non-Executive (ii)	20,000	-	-	-	**20,000**
P Bailey – Non-Executive (iii)	20,000	-	-	30,572	**50,572**
J Coote – Non-Executive	6,000	-	-	-	**6,000**
Executives					
P Lewis – CFO & Company Secretary (iv)	49,500	-	-	-	**49,500**
TOTAL	**571,405**	**17,400**	**21,528**	**30,572**	**640,905**

(i) Service fees were paid to Executive Resource Personnel Pty Ltd and $40,000 Chairman fee paid to Luke Atkins.
(ii) Directors' fees were all paid to Tenardi Daniel Lewis Pty Ltd.
(iii) Directors' fees were all paid to Waylen Bay Capital Pty Ltd.
(iv) Company Secretary fees were all paid to Smallcap Corporate Pty Ltd.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2015	Fixed remuneration 2014	At risk remuneration 2015	At risk remuneration 2014
Directors				
I Tan – Managing Director^	42%	n/a	58%	n/a
L Atkins – Non-Executive Chairman	92%	100%	8%	0%
D Tenardi – Non-Executive	62%	100%	38%	0%
P Bailey – Non-Executive	41%	40%	59%	60%
R Dawson – Managing Director^^	100%	100%	0%	0%
Executives				
S Volk – CFO & Company Secretary *	56%	n/a	44%	n/a
P Lewis – CFO & Company Secretary **	100%	100%	0%	0%

^ In 2015, represents from 25 August 2014 to 30 June 2015
^^ In 2015, represents from 1 July 2014 to 9 July 2014
* In 2015, represents from 12 November 2014 until 30 June 2015
** In 2015, represents from 1 July 2014 to 12 November 2014

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in the STI and LTI plans is subject to the Board's discretion. Other major provisions of the services agreements are set out below.

Name	Term of agreement and notice period *	Base salary (including superannuation)	Termination payments **
Ignatius Tan *Managing Director (Appointed 25 August 2014)*	3 year fixed term 3 months	$32,500/mnth ($390,000 p.a.)	3 months
Shane Volk *Chief Financial Officer & Company Secretary (Appointed 12 November 2014)*	No fixed term 30 days notice	$4,500/mnth for Company Secretarial services. $1,000/day for other services	None

Non-executive director service arrangements are detailed on the first page of the remuneration report .

* The notice period applies equally to either party
** Termination benefit is payable if the company terminates employees with notice, and without cause (e.g. for reasons other than unsatisfactory performance or gross misconduct).

Remuneration report *(continued)*

Details of share based compensation

Details of Performance Rights, subject to vesting conditions, issued to directors and other key management personnel as part of remuneration during the year ended 30 June 2015 are set out below:

Name	Record Date	No. of Performance Rights	Issue price	Fair Value at issue date ($)	Vested 30/06/15	Un-vested 30/06/14	Final date for vesting
Directors							
I Tan – Managing Director^	18/11/14	15,000,000	Nil	1,500,000	Nil	15,000,000	19/11/22
L Atkins – Non-Executive Chairman	18/03/15	1,500,000	Nil	105,000	Nil	1,500,000	31/01/20
D Tenardi – Non-Executive	18/03/15	1,500,000	Nil	105,000	Nil	1,500,000	31/01/20
P Bailey – Non-Executive	18/03/15	2,250,000	Nil	157,500	Nil	2,250,000	31/01/20
Executives							
S Volk – CFO & Company Secretary *	30/04/15	1,500,000	Nil	135,000	Nil	1,500,000	1/01/18

^ From 25 August 2014 to 30 June 2015
* From 12 November 2014 until 30 June 2015

The assessed fair value of the Performance Rights at issue date to the recipients is allocated equally over the period from the grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at issue date and at each subsequent reporting date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free rate for the term of the option.

Equity Instruments held by key management personnel (KMP)

The tables on the following page show the number of:
(i) shares in the Company;
(ii) options over ordinary shares in the Company (both listed and unlisted options); and
(iii) rights over ordinary shares in the Company

that were held during the financial year by key management personnel of the Company directly, indirectly or beneficially.

KMP Holdings of Ordinary Shares

30 June 2015	Balance at Beginning of year	Granted as Remuneration during the year	Acquired during the year	Other changes during the year	Balance at End of Year
Directors					
I Tan	**-**	-	367,000	-	**367,000**
L Atkins	**6,443,055**	-	500,000	-	**6,943,055**
D Tenardi	**7,000,000**	-	-	-	**7,000,000**
P Bailey	**1,437,949**	-	359,488	-	**1,797,437**
Executives					
S Volk	**-**	-	100,000	-	**100,000**

30 June 2014	Balance at Beginning of year	Granted as Remuneration during the year	Acquired during the year	Other changes during the year	Balance at End of Year
Directors					
L Atkins	**6,443,055**	-	-	-	**6,443,055**
D Tenardi	**8,400,000**	-	-	(1,400,000)	**7,000,000**
P Bailey	**1,437,949**	-	-	-	**1,437,949**

Remuneration report *(continued)*

KMP Holdings of Options

30 June 2015	Balance at beginning of year	Acquired during the year	Expired unexercised during the year	Exercised during the year	Balance at end of Year	Vested and exercisable at year end	Unvested and unexercisable at year end
Directors							
I Tan	**-**	250,000	-	-	**250,000**	250,000	-
L Atkins	**6,000,000**	500,000	(6,000,000)	-	**500,000**	500,000	-
D Tenardi	**-**	-	-	-	**-**	-	-
P Bailey	**3,000,000**	359,000	-	-	**3,359,000**	3,359,000	-
Executives							
S Volk	**-**	100,000	-	-	**100,000**	100,000	-

30 June 2014	Balance at beginning of year	Acquired during the year	Expired unexercised during the year	Exercised during the year	Balance at end of Year	Vested and exercisable at year end	Unvested and unexercisable at year end
Directors							
L Atkins	**6,000,000**	-	-	-	**6,000,000**	6,000,000	-
D Tenardi	**-**	-	-	-	**-**	-	-
P Bailey	**3,000,000**	-	-	-	**3,000,000**	3,000,000	-

KMP Holdings of Performance Rights

30 June 2015	Balance at beginning of year	Acquired during the year	Expired unexercised during the year	Exercised during the year	Balance at end of Year	Vested and exercisable at year end	Unvested and unexercisable at year end
Directors							
I Tan ^	**-**	15,000,000	-	-	**15,000,000**	-	15,000,000
L Atkins	**-**	1,500,000	-	-	**1,500,000**	-	1,500,000
D Tenardi	**-**	1,500,000	-	-	**1,500,000**	-	1,500,000
P Bailey	**-**	2,250,000	-	-	**2,250,000**	-	2,250,000
Executives							
S Volk	**-**	1,500,000	-	-	**1,500,000**	-	1,500,000

^ *On 25 August 2015, the managing director Performance Rights – Tranche 1 vested, following the attainment of the Tranche 1 vesting conditions, consequently the 5,000,000 Tranche 1 Performance Rights automatically converted to fully paid ordinary shares of the Company.*

30 June 2014	Balance at beginning of year	Acquired during the year	Expired unexercised during the year	Exercised during the year	Balance at end of Year	Vested and exercisable at year end	Unvested and unexercisable at year end
Directors							
L Atkins	**-**	-	-	-	**-**	-	-
D Tenardi	**-**	-	-	-	**-**	-	-
P Bailey	**-**	-	-	-	**-**	-	-

This concludes the remuneration report, which has been audited

INDEMNIFYING OFFICERS AND AUDITOR

During the year, the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. The premium paid during the year for the insurance policy was $16,632 (2014:$16,934).

The Company has not provided any insurance for an auditor of the Company.

AUDITORS' INDEPENDENCE DECLARATION

Section 370C of the *Corporations Act 2001* requires the Company's auditors Moore Stephens, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is attached and forms part of this Directors' Report.

NON-AUDIT SERVICES

There were no non-audit services provided by the external auditors during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance for a Company of the current size. The Company's corporate governance statement is contained in the Annual Report.

Signed in accordance with a resolution of the Directors.

Iggy Tan
Managing Director
DATED at Perth this 31st day of August 2015

MOORE STEPHENS

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WA 6831

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER S307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF ALTECH CHEMICALS LIMITED & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Suan-Lee Tan	**Moore Stephens**
Partner	**Chartered Accountants**

Signed at Perth this 31st day of August 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Notes	30-Jun-15 $	(Restated) 30-Jun-14 $
Revenue from ordinary activities			
Interest Income		37,267	86,993
Other income		5,127	8,354
Total Income	3	**42,394**	**95,347**
Expenses			
Accounting and audit fees		(32,476)	(26,683)
ASX and share registry fees		(44,400)	(53,531)
Borrowing Costs		(65,575)	-
Corporate & Consulting		(95,903)	(55,158)
Directors' fees		(20,250)	(11,556)
Depreciation		(8,397)	(15,892)
Employee benefit expense		(20,236)	(71,828)
Exploration & Evaluation expenditure	9	(67,072)	(3,332,642)
Insurance expense		(24,385)	(31,187)
Occupancy		(87,048)	(49,695)
Office & Administration		(290,357)	(134,549)
Share-based payments	13(e)	(677,941)	(51,053)
Profit/(loss) before income tax expense		**(1,391,646)**	**(3,738,427)**
Income tax expense	4	-	-
Net profit/(loss) from continuing operations		**(1,391,646)**	**(3,738,427)**
Other comprehensive loss			
Items that will not be reclassified to profit and loss		-	-
Items that may be reclassified subsequently to profit and loss		-	-
Total comprehensive loss attributable to members of the parent entity		**(1,391,646)**	**(3,738,427)**
Basic profit (loss) per share ($'s per share)	5	(0.012)	(0.035)
Diluted profit (loss) loss per share ($'s per share)	5	(0.012)	(0.035)

Refer to note 2(i) for detailed information on restatement of comparatives

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

ALTECH CHEMICALS LIMITED
(formerly Australian Minerals and Mining Group Limited)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Notes	30-Jun-15 $	(Restated) 30-Jun-14 $
Current Assets			
Cash and cash equivalents	6	574,810	1,784,404
Trade and other receivables	7	974,061	182,800
Total Current Assets		**1,548,871**	**1,967,204**
Non-Current Assets			
Property, plant and equipment	8	26,589	6,830
Exploration and evaluation expenditure	9	424,365	234,222
Development expenditure	10	1,779,876	1,103,876
Total Non-Current Assets		**2,230,830**	**1,344,928**
TOTAL ASSETS		**3,779,701**	**3,312,132**
Current Liabilities			
Trade and other payables	11	215,967	213,832
Loan	14	815,000	-
Provisions	12	12,349	21,224
TOTAL CURRENT LIABILITIES		**1,043,316**	**235,056**
TOTAL LIABILITIES		**1,043,316**	**235,056**
NET ASSETS		**2,736,385**	**3,077,076**
Equity			
Contributed equity	13	9,795,585	9,422,571
Reserves	16	1,900,830	1,480,474
Accumulated losses	17	(8,960,030)	(7,825,969)
TOTAL EQUITY		**2,736,385**	**3,077,076**

Refer to note 2(ii) for detailed information on restatement of comparatives

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

ALTECH CHEMICALS LIMITED

(formerly Australian Minerals and Mining Group Limited)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Contributed Equity $	Accumulated losses $	Reserves $	Total $
At 1 July 2014 (restated)	**9,422,571**	**(7,825,969)**	**1,480,474**	**3,077,076**
Profit (Loss) after income tax for the year	-	(1,391,646)	-	**(1,391,646)**
Total comprehensive profit (loss) for the year	**-**	**(1,391,646)**	**-**	**(1,391,646)**
Transactions with owners in their capacity as owners:				
Issue of share capital (net of issue costs)	373,014	**-**	**-**	**373,014**
Share based payments	-	-	677,941	**677,941**
Transferred to accumulated losses	-	257,585	(257,585)	**-**
At 30 June 2015	**9,795,585**	**(8,960,030)**	**1,900,830**	**2,736,385**

	Contributed Equity $	Accumulated losses $	Reserves $	Total $
At 1 July 2013 (restated)	**9,403,181**	**(4,087,542)**	**1,405,881**	**6,721,520**
Profit (Loss) after income tax for the year	-	(3,738,427)	-	**(3,738,427)**
Total comprehensive profit (loss) for the year	**-**	**(3,738,427)**	**-**	**(3,738,427)**
Transactions with owners in their capacity as owners:				
Employee rights converted into shares	19,390	-	(19,390)	**-**
Options to shareholders	-	-	42,930	**42,930**
Share based payments	-	-	51,053	**51,053**
At 30 June 2014 (restated)	**9,422,571**	**(7,825,969)**	**1,480,474**	**3,077,076**

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 30 June 2015

	Notes	30-Jun-15 $	(Restated) 30-Jun-14 $
Cash Flows from Operating Activities			
Miscellaneous Receipts		3,127	7,500
Payments to suppliers, contractors and employees		(643,553)	(460,027)
Payments for exploration and evaluation		(182,394)	(202,497)
Interest received		37,267	86,993
Net cash flows used in operating activities	6(b)	**(785,553)**	**(568,031)**
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(28,161)	-
Sale of property, plant and equipment		5,000	-
Payments for research and development		(1,985,492)	(924,629)
Research and development tax refund		462,173	406,936
Net cash used in investing activities		**(1,546,480)**	**(517,693)**
Cash Flows from Financing Activities			
Proceeds from Loan funds		815,000	-
Interest paid Loan funds		(65,575)	-
Proceeds from issue of shares		373,014	-
Proceeds from issue of options		-	42,930
Net cash flows from financing activities		**1,122,439**	**42,930**
Net decrease in cash and cash equivalents		**(1,209,594)**	**(1,042,794)**
Cash and cash equivalents at the beginning of the financial period		1,784,404	2,827,198
Cash and cash equivalents at the end of the financial period	6(a)	**574,810**	**1,784,404**

Refer to note 2 for detailed information on restatement of comparatives

The above statement of cash flows should be read in conjunction with the accompanying notes.

GENERAL INFORMATION

The financial statements cover Altech Chemicals Limited as a consolidated entity consisting of Altech Chemicals Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Altech Chemicals Limited's functional and presentation currency.

Altech Chemicals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 8, 295 Rokeby Road
Subiaco
Western Australia 6008

The financial statements were authorised for issue, in accordance with the resolution of directors, on 31 August 2015. The directors have the power to amend and reissue the financial statements.

RESTATEMENT OF COMPARATIVE FINANCIAL STATEMENTS (2014 & 2013) (Note 2)

Errors were made in both the 2014 and the 2013 financial statements in relation to the accounting for the Research and Development taxation incentive rebate that the Company received in relation to its development expenditure. With effect from 1 July 2012 the Company has retrospectively applied a new accounting policy in accordance with AASB120 – Accounting for Government Grants and Disclosure of Government Assistance. Under this new policy any Research and Development incentive rebates received are now being offset against the carrying value of the development expenditure asset. This change in policy has resulted in a reduction in the carrying value of the assets.

Refer to Note 2 for details of restatements made to comparative information.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the financial report of the Company, Altech Chemicals Limited ("ATC" or "Company"), are stated to assist in a general understanding of the financial report. These policies have been consistently applied to all the years presented, unless otherwise indicated.

Altech Chemicals Limited is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the official list of the Australian Securities Exchange. The financial statements are presented in Australian dollars which is the Company's functional currency.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial report is presented in Australian dollars. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred asset or liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and future tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(e) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

(f) Plant and equipment and motor vehicles

Each class of plant and equipment and motor vehicles is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment and motor vehicles

Plant and equipment and motor vehicles are stated at cost less accumulated depreciation and any impairment in value.

The carrying values of plant and equipment and motor vehicles are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Depreciation

Depreciable non-current assets are depreciated over their expected economic life using either the straight line or the diminishing value method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

- Plant & equipment 33%
- Motor vehicles 22.5%

(g) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(h) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(i) Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.
Development costs have a finite life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development costs will be amortised over their expected useful life once commercial sales commence.

The value of research and development tax incentives received in relation to research and development assets is recognised by deducting the actual rebate/incentive received from the carrying value of the asset.

(j) Going Concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company has incurred net cash outflow from operating and investing activities for the year ended 30 June 2015 of $2,332,033 (2014: $1,085,724). As at 30 June 2015, the Company had net current assets of $505,555 (30 June 2014: $1,732,148).

The Directors believe that there are sufficient funds to meet the Company's immediate working capital requirements. However, the Directors recognise that the ability of the Company to continue as a going concern is dependent on the Company being able to secure additional funding through either the issue of further shares and/or options or convertible notes or a combination thereof as required to fund ongoing development, exploration and for working capital.

Based on the above, the Company believes that it will successfully raise additional funds, if required, to meet its financial obligations in future periods. As a result the financial report has been prepared on a going concern basis. However should the Company be unsuccessful in securing future funding the Company may not be able to continue as a going concern.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. GST incurred is claimed from the ATO when a valid tax invoice is provided. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a net basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Contributed Equity

Issued capital is recognised as the fair value of the consideration received by the Company.
Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(n) Earnings per Share

Basic earnings per share ("EPS") are calculated based upon the net loss divided by the weighted average number of shares. Diluted EPS are calculated as the net loss divided by the weighted average number of shares and dilutive potential shares.

(o) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

The minimum lease payments of operating leases, where the lesser effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight- line basis over the term of the lease.

(p) Share-based payment transactions

The Company currently operates a Performance Rights Plan and also awards Performance Right to its directors outside of the plan but on the same terms and conditions, which provides benefits to directors, consultants, executives and employees. The Company may also award Performance Rights or other equity instruments outside of the Performance Rights Plan to directors, consultants, executives and employees.

The Company measures the cost of equity-settled transactions with employee by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settles share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Any underlying assumptions are detailed in note 13(e)

The cost of equity-settled transactions are recognised as a share based payment expense in the profit and loss account with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Where the Company grants equity instruments (i.e. fully paid ordinary shares, or options to acquire fully paid ordinary shares of the Company) to service providers' as consideration for services provided to the Company, the consideration is classified as a share-based payment transaction, and the fair value of the equity instruments granted is measured at grant date by using a Black-Scholes valuation model. The value of equity securities (as measured by the Black-Scholes model) is taken to the profit and loss account as a share based payment expense, together with a corresponding increase in equity.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework, to identify and analyse the risks faced by the Company. These risks include credit risk, liquidity risk and market risk from the use of financial instruments. The Company has only limited use of financial instruments through its cash holdings being invested in short term interest bearing securities. The primary goal of this strategy is to maximise returns while minimising risk through the use of accredited Banks with a minimum credit rating of A1 from Standard & Poors. The Company has a current loan of $815,000 (due on 27 October 2015) that is more than offset by a Research and Development offset receivable of $849,038 (refer note 14), and working capital is maintained at its highest level possible and regularly reviewed by the full board.

(s) Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(t) Critical accounting estimates and judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in note 13 (e).

Exploration and evaluation assets

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Company's accounting policy (refer Note 1(h)), requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. The Company applies the principles of AASB 6 and recognises exploration and evaluation assets when the rights of tenure of the area of interest are current, and the exploration and evaluation expenditures incurred are expected to be recouped through successful development and exploitation of the area. If, after having capitalised the expenditure under the Company's accounting policy in Note 1(h), a judgment is made that recovery of the carrying amount is unlikely, an impairment loss is recorded in profit or loss in accordance with the Company's accounting policy in Note 1(s). The carrying amounts of exploration and evaluation assets are set out in Note 9.

Development expenditure

Judgment is applied by management in determining when development expenditure relating to a project is commercially viable and technically feasible. Any judgments may change as new information becomes available. If, after having commenced the development activity, a judgment is made that a development asset is impaired, the appropriate amount will be written off to the Statement of Profit or Loss & Other Comprehensive Income.

(u) New and Amended Accounting Policies Adopted by the Company

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The Company has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

(u) New and Amended Accounting Policies Adopted by the Company (continued)

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The Company has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The Company has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

(v) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2015. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

(i) AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Company.

(ii) AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Company will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the Company.

(w) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Altech Chemicals Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 27.

(w) Principles of Consolidation (continued)

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Company from the date on which control is obtained by the Company. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Company.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Company are presented as "non-controlling interests". The Company initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(x) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(x) Financial Instruments *(continued)*

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The Company designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Company's risk management objective and strategy for undertaking various hedge transactions, is documented.

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognised in profit or loss, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in the hedge reserve in equity are transferred to profit or loss in the periods when the hedged item affects profit or loss.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised in accordance with AASB 118.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

2. Restatement of comparatives

Errors were made in both the 2014 and the 2013 financial statements in relation to the accounting for the R & D tax incentive offset that the consolidated entity received in relation to its (HPA) development expenditure. With effect from 1 July 2012, the consolidated entity has retrospectively applied AASB 120 – Accounting for Government Grants and Disclosure of Government Assistance. Under this policy, any R & D Tax Incentive Offsets received are now being offset against the carrying value of the relevant development assets. The change in policy has resulted in a reduction in the carrying value of this asset.

In addition, the R & D Tax Incentive Offset received has been recognised as cash from investing and not from operating activities.

(i) Adjustments made to consolidated statement of profit or loss and other comprehensive income

	Year ended 30 June 2014		
	As Reported	**Adjustment**	**Restated**
	$	**$**	**$**
Revenue from ordinary activities	213,086	(117,739)	95,347
Expenses			
Accounting and audit fees	(26,683)		(26,683)
ASX and share registry fees	(53,531)		(53,531)
Corporate & Consulting	(55,158)		(55,158)
Directors' fees	(11,556)		(11,556)
Depreciation	(15,892)		(15,892)
Employee benefit expense	(71,828)		(71,828)
Exploration & Evaluation expenditure	(3,332,642)		(3,332,642)
Insurance expense	(31,187)		(31,187)
Occupancy	(49,695)		(49,695)
Office & Administration	(134,549)		(134,549)
Share-based payments	(51,053)		(51,053)
Profit/(loss) before income tax expense	**(3,620,688)**	**(117,739)**	**(3,738,427)**
Income tax expense	-		-
Net profit/(loss) from continuing operations	**(3,620,688)**	**(117,739)**	**(3,738,427)**
Other comprehensive loss			
Items that will not be reclassified to profit and loss	-		-
Items that may be reclassified subsequently to profit and loss	-		-
Total comprehensive loss attributable to members of the parent entity	**(3,620,688)**	**(117,739)**	**(3,738,427)**
Basic profit (loss) per share ($ per share)	(0.034)		(0.035)
Diluted profit (loss) loss per share ($ per share)	(0.034)		(0.035)

(ii) Adjustments made to the consolidated statement of financial position

When there is a restatement of comparative, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 July 2013

	Reported 30-Jun-14 $	Adjustment $	Restated 30-Jun-14 $	Restated 30-Jun-13 $
Current Assets				
Cash and cash equivalents	1,784,404	-	1,784,404	2,827,198
Trade and other receivables	182,800	-	182,800	689,698
Total Current Assets	**1,967,204**	**-**	**1,967,204**	**3,516,896**
Non-Current Assets				
Property, plant and equipment	6,830	-	6,830	22,753
Exploration and evaluation expenditure	234,222	-	234,222	3,160,887
Development expenditure	1,660,604	(556,728)	1,103,876	281,034
Total Non-Current Assets	**1,901,656**	**(556,728)**	**1,344,928**	**3,464,674**
TOTAL ASSETS	**3,868,860**	**(556,728)**	**3,312,132**	**6,981,570**
Current Liabilities				
Trade and other payables	213,832	-	213,832	260,051
Provisions	21,224	-	21,224	-
TOTAL CURRENT LIABILITIES	**235,056**	**-**	**235,056**	**260,051**
TOTAL LIABILITIES	**235,056**	**-**	**235,056**	**260,051**
NET ASSETS	**3,633,804**	**(556,728)**	**3,077,076**	**6,721,519**
Equity				
Contributed equity	9,422,571	-	9,422,571	9,403,181
Reserves	1,480,474	-	1,480,474	1,405,881
Accumulated losses	(7,269,241)	(556,728)	(7,825,969)	(4,087,543)
TOTAL EQUITY	**3,633,804**	**(556,728)**	**3,077,076**	**6,721,519**

3. Revenue from ordinary activities

	2015	2014
	$	$
Interest revenue	37,267	86,993
Other	5,127	8,354
	42,394	**95,347**

4. Income Tax

	2015	2014
	$	$
Income tax expense		
Current income tax expense	-	-
Deferred income tax expense	-	-
Total income tax expense	-	-
Tax reconciliation		
Accounting profit (loss) before tax from continuing operations	**(1,391,646)**	**(3,738,427)**
At statutory tax rate of 30%	(417,494)	(1,121,528)
Adjustment for:		
Non-deductible Expenses	362,501	15,826
Temporary differences	-	859,197
Deferred tax asset not brought to account	54,462	246,505
Tax rate difference	531	-
Income tax expense	-	-
Unrecognised deferred tax assets and liabilities		
Unrecognised deferred tax assets		
Provisions, accruals and other	11,057	(823,875)
Tax losses	2,048,716	1,508,106
	2,059,773	684,231
Unrecognised deferred tax liabilities		
Capitalised exploration and evaluation expenditure	(127,310)	(78,074)
Capitalised development expenditure	(1,027,714)	(498,181)
	(1,155,023)	(576,255)
Net unrecognised deferred tax assets/liabilities	**904,749**	**107,976**

5. Earnings per share

	30-Jun-15	30-Jun-14
	$	$
Basic profit (loss) per share	(0.012)	(0.035)
Diluted profit (loss) per share	(0.012)	(0.035)
	Number	**Number**
The weighted average number of ordinary shares used in the calculation of basic earnings per share was:	111,752,785	107,620,002

Options or rights to purchase ordinary shares not exercised at 30 June 2015 have not been included in the determination of basic earnings per share.

6. Cash and cash equivalents

(a) Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30-Jun-15	30-Jun-14
	$	$
Cash at bank and on hand	574,810	272,404
Deposits at call	-	1,512,000
	574,810	**1,784,404**

(b) Reconciliation of the loss from ordinary activities after income tax to the net cash flows used in operating activities:

	2015	2014
	$	$
Loss from ordinary activities after income tax	(1,391,646)	(3,738,427)
Non-cash items:		
- Depreciation expense	8,397	15,892
- Share based payment	677,941	51,053
Change in operating assets and liabilities:		
- (Increase) / decrease in exploration and evaluation expenditure	(190,143)	2,926,665
- (Increase) / decrease in development expenditure	(676,000)	(305,148)
- (Increase) / decrease in trade and other receivables	791,261	506,898
- Increase / (decrease) in trade and other payables	(5,363)	(24,964)
Net cash outflows from Operating Activities	**(785,553)**	**(568,031)**

7. Trade and other receivables

	30-Jun-15	30-Jun-14
	$	$
CURRENT RECEIVABLES		
Sundry debtors	32,741	148,961
GST Receivable	91,346	30,839
2014/15 Research and Development Taxation rebate	849,068	-
Other receivable	906	3,000
	974,061	**182,800**

8. Property, Plant and Equipment

	30-Jun-15	30-Jun-14
	$	$
PLANT AND OFFICE EQUIPMENT		
At cost	**87,088**	**86,386**
Less: accumulated depreciation	(60,499)	(79,764)
Total plant and office equipment	**26,589**	**6,622**
MOTOR VEHICLES		
At cost	**33,182**	**33,182**
Less: accumulated depreciation	(33,182)	(32,974)
Total motor vehicles	**-**	**208**
Total property, plant and equipment	**26,589**	**6,830**

8. Property, Plant and Equipment (continued)

Reconciliation

Reconciliation of the carrying amounts for each class of plant and equipment and motor vehicles are set out below:

	30-Jun-15	30-Jun-14
	$	$
PLANT AND OFFICE EQUIPMENT		
Carrying amount at the beginning of the year	**6,622**	**15,079**
Additions	28,161	-
Disposals	(5)	(31)
Depreciation expense	(8,189)	(8,426)
Carrying amount at the end of the year	**26,589**	**6,622**
MOTOR VEHICLES		
Carrying amount at the beginning of the year	**208**	**7,674**
Additions	-	-
Depreciation expense	(208)	(7,466)
Carrying amount at the end of the year	**-**	**208**

9. Exploration and Evaluation expenditure

	30-Jun-15	30-Jun-14
	$	$
Carrying amount at the beginning of period	**234,222**	**3,160,887**
Exploration and evaluation expenditure incurred during the period (at cost)	257,215	405,977
Exploration expenditure impaired to profit and loss during the period	(67,072)	(3,332,642)
Carrying amount at the end of the year	**424,365**	**234,222**

The recoupment of costs carried forward is dependent on the successful development and/or commercial exploitation or alternatively sale of the respective areas of interest.

10. Development expenditure

	30-Jun-15	(Restated) 30-Jun-14
	$	$
Carrying amount at the beginning of the period	**1,103,876**	**281,034**
Development expenditure incurred during the period (at cost)	1,987,241	940,581
Less: Research and Development tax offset received/receivable	(1,311,241)	(117,739)
Carrying amount at the end of the year	**1,779,876**	**1,103,876**

The recoupment of costs carried forward is dependent on the successful development and commercial exploitation of processes developed.

11. Trade and other payables

	30-Jun-15	30-Jun-14
	$	$
CURRENT PAYABLES (Unsecured)		
Trade creditors	181,345	168,872
PAYG payable	15,317	26,199
Other creditors and accruals	19,305	18,761
Total trade and other payables	**215,967**	**213,832**

12. Provisions

	30-Jun-15	30-Jun-14
	$	$
CURRENT		
Provision for annual leave	12,349	21,224
Total provisions	**12,349**	**21,224**

13. Contributed Equity

(a) Ordinary shares	30-Jun-15 $	30-Jun-14 $
Contributed equity at the beginning of the period	**9,422,571**	**9,403,181**
shares issued during the period	402,774	19,390
transaction costs relating to shares issued	(29,760)	-
Contributed Equity at the end of the reporting period	**9,795,585**	**9,422,571**

Movements in ordinary share capital	30-Jun-15	30-Jun-14
Ordinary shares on issue at the beginning of reporting period	**107,758,502**	**107,620,002**
Shares issued during the period:		
26-Aug-2013 at $0.14 per share	-	105,200
3-Dec-2013 at $0.14 per share	-	33,300
29-Dec-2014 at $0.10 per share (Entitlement Offer)	3,777,735	-
23-Feb-2015 at Nil per share (Employee rights converted into shares)	226,880	-
18-Mar-2015 at $0.10 per share (Entitlement Offer participation - I Tan)	250,000	-
Ordinary shares on issue at the end of the reporting period	**112,013,117**	**107,758,502**

(b) Employee Performance Rights

The Company issued 15,000,000 Performance Rights to Managing Director Mr Iggy Tan during the period (refer Remuneration Report for details).
The Company issued 5,700,000 Performance Rights to various employees and consultants during the period (refer Remuneration Report for details).

The Company issued 5,250,000 Performance Rights to Non-Executive Directors during the period (refer Remuneration Report for details).

At 30 June 2015 the Company had the following unlisted Performance Rights on issue:	
Performance Rights - Managing Director (exercise price Nil)	15,000,000
Performance Rights - Employee's & Consultants (exercise price Nil)	5,857,700
Performance Rights - Non-Executive Directors (exercise price Nil)	5,250,000
Total Performance Rights on issue at 30 June 2015	**26,107,700**

Each performance Right converts to one fully paid ordinary share of the Company and the conversion of each Performance Right is subject to the holder attaining certain vesting conditions.

30 June 2014

The Company issued 157,700 performance rights to employees on 1 May 2014. These rights convert to ordinary shares automatically upon the employees completing 24 months' employment service to the Company from the employee's respective anniversary date.

(c) Listed Options

The Company issued 4,027,735 listed options (exercise price $0.10 expiry date 15 December 2015) during the period at part of its 1:4 entitlement offer, which closed on 19 December 2014.

21,465,000 listed options expired, unexercised, during the reporting period.

At 30 June 2015 the Company had the following listed options on issue:	
ATCOA: Exercised price $0.10, expiry date 15 December 2015	4,027,735

(d) Unlisted Options

The Company issued 2,500,000 unlisted options (exercise price $0.10 expiry date 30 June 2016) during the period (refer Note 13(e) for details).

During the period 8,833,333 unlisted options expired.

At 30 June 2015 the Company had the following unlisted options on issue:	
Exercise price $0.20, expiry date 18-12-2017	1,000,000
Exercise price $0.25, expiry date 18-12-2017	1,000,000
Exercise price $0.30, expiry date 18-12-2017	1,000,000
Exercise price $0.20, expiry date 31-01-2017	600,000
Exercise price $0.10, expiry date 30-06-2016	2,500,000
Total unlisted options on issue at 30 June 2015	**6,100,000**

13. Issued Capital (continued)

(e) Share Based Payments

The total share based payments expense during the current financial year was $677,941 (2014:$51,053)

Details of the share based payments are set out below:	30-Jun-15		30-Jun-14	
	Value recognised during year	Value to be recognised in future years	Value recognised during year	Value to be recognised in future years
	$	$	$	$
Consultant Options	38,895	-	6,918	-
Director Options	10,545	-	30,572	10,545
Performance Rights*	628,501	1,213,649	13,562	-
	677,941	1,213,649	51,052	10,545

The fair value of equity settled options and Performance Rights is estimated at the date of grant using a Black-Scholes valuation model taking into account the terms and conditions upon which the options or Performance Rights were awarded.

* The fair value of Performance Rights is re-assessed each balance date by reference to the fair value of the Performance Rights at the time of award, adjusted for the probability of achieving the vesting conditions, which may change from balance date to balance day and consequently impact the amount to be expensed via profit and loss in future periods.

Consultant Options

Year ended 30 June 2015

On 31 March 2015 the Company issued 2,500,000 options (exercise price $0.10, expiry 30 June 2016) to independent service providers, as consideration for assistance provided in arranging the Research and Development advance loan facility.

Year ended 30 June 2014

Nil.

Fair Value of the Options and Performance Rights issued

The fair value of the Options and the Performance Rights at the issue date was calculated using the Black Scholes pricing model that took into account the term, the underlying value of the shares, the exercise price, the expected dividend yield, the impact of dilution and the risk-free interest rate.

Inputs used for each series granted included:

Variable	Assumptions			
	Performance Rights			Consultant Options
	Managing Director	Non-Executive Directors	Employees and Consultants	
Exercise price for the Performance Rights/Options	$0.00	$0.00	$0.00	$0.10
Market price for the shares at date of issue	$0.10	$0.07	$0.14	$0.07
Volatility of company share price	81.8%	75.6%	75.6%	75.6%
Dividend yield	0%	0%	0%	0%
Risk free rate	2.57%	1.85%	2.19%	1.71%
Expiry from date of grant (number of years)	7.00	5.00	3.00	1.25
Probability of vesting @ 30 June 2015: Tranche 1	50%	50%	90%	n/a
Tranche 2	90%	90%	80%	n/a
Tranche 3	90%	90%	70%	n/a

The expected volatility during the term of the shares is based around assessments of the historical volatility of the company share price and the dividend yield of 0% is on the basis that the company does not anticipate paying dividends in the period between the issue date and the final vesting date for the shares.

The value of the Performance Rights has been expensed on a proportionate basis for each period from grant date to vesting date. The proportion of the value of the Performance Rights that has been expensed during the year to 30 June 2015 and accounted for in the share based payments reserve is $628,501 (2014: Nil). Vesting of the Performance Rights are subject to the attainment of the applicable performance milestones.

13. Issued Capital (continued)

Key Management Personnel: Share based payment expense – Performance Rights

2015 Name	Issue date	Fair Value of Performance Rights at reporting date $	Expense during current period $	Life to date expense at 30/06/2015 $
Directors				
I Tan – Managing Director	18/11/14	1,150,000	(455,740)	455,740
L Atkins – Non-Executive Chairman	18/03/15	80,500	(12,434)	12,434
D Tenardi – Non-Executive	18/03/15	80,500	(12,434)	12,434
P Bailey – Non-Executive	18/03/15	120,750	(18,652)	18,652
Executives				
S Volk – CFO & Company Secretary	30/04/15	108,000	(34,011)	34,011
Total		**1,539,750**	**(533,271)**	**533,271**

14. Loan

	30-Jun-15 $	30-Jun-14 $
CURRENT		
Loan Amount (Research and Development Finance Facility)	815,000	-
Total provisions	**815,000**	**-**

The loan of $815,000 (8.75% interest rate) is repayable on 27 October 2015 and is secured against the Company's future entitlement to Research and Development Taxation rebates and credits. As at the date of this report, the Company has estimated that it is entitled to a rebate of $849,068 for the 2014/15 financial year.

Lenders right to convert Loan Amount to fully paid ordinary shares

The terms of the loan agreements stipulate that the Lenders are entitled to convert the Loan Amount (or part thereof in minimum increments of $10,000 each) to fully paid ordinary shares of the Company at the lesser amount of $0.10 per share, or the issue price of any Shares issued by the Company at any time between until the repayment date of the Loan Amount.

15. Performance Rights Plan

The establishment of the Altech Chemicals Limited Employee Incentive Rights Plan ("the Plan") was approved by ordinary resolution at a General Meeting of shareholders on 5 November 2014. All eligible Directors, executive officers, employees and consultants of Altech Chemicals Limited who have been continuously employed by the Company are eligible to participate in the Plan.

The Plan allows the Company to issue free rights to eligible persons. The rights can be granted free of charge and are exercisable at a fixed price calculated in accordance with the Plan.

Details of all Performance Rights issued by the Company during the current financial year are detailed in Note 13(e) along with the basis for the valuation of the Performance Rights. Details of Performance Rights awarded to key management personnel during the financial year, including the vesting conditions attached to the Performance Rights, are detailed in the Remuneration Report that accompanies these financial statements.

16. Reserves

	30-Jun-15 $	30-Jun-14 $
Share based payments reserve	1,900,830	1,222,889
Option issue reserve	-	257,585
Carrying amount at the end of the year	**1,900,830**	**1,480,474**
Movements:		
Share based payments reserve		
Balance at the beginning of the period	**1,222,889**	**1,179,959**
Fair value of Performance Rights issued	628,501	42,930
Fair value expense of unlisted options issued	49,440	-
Balance at end of period	**1,900,830**	**1,222,889**
Options reserve		
Balance at the beginning of the period	**257,585**	**225,922**
Cash consideration received for listed options	-	31,663
Transferred to accumulated losses	(257,585)	-
Balance at end of period	**-**	**257,585**

17. Financial Instruments

The Company's activities expose it to a variety of financial risks and market risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

(a) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market, interest rates and the effective weighted average interest rates on those financial assets, is as follows:

2015	Notes	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate $	Fixed Interest Rate $	Assets/ (Liabilities) Non Interest Bearing $	Total $
Financial Assets						
Cash and cash equivalents	6(a)	4.13%	574,810	-	-	**574,810**
Other receivables	7		-	-	974,061	**974,061**
Total Financial Assets			**574,810**	**-**	**974,061**	**1,548,871**
Financial Liabilities						
Payables	11		-	-	215,967	**215,967**
Loan	14	8.75%	-	815,000	-	**815,000**
Total Financial Liabilities			**-**	**815,000**	**215,967**	**1,030,967**
Net Financial Assets/Liabilities			**574,810**	**(815,000)**	**758,094**	**517,904**

2014	Notes	Weighted Average Effective Interest %	Funds Available at a Floating Interest Rate $	Fixed Interest Rate $	Assets/ (Liabilities) Non Interest Bearing $	Total $
Financial Assets						
Cash and cash equivalents	6(a)	4.13%	272,404	1,512,000	-	**1,784,404**
Other receivables	7		-	-	182,800	**182,800**
Total Financial Assets			**272,404**	**1,512,000**	**182,800**	**1,967,204**
Financial Liabilities						
Payables	11		-	-	213,832	**(235,056)**
Total Financial Liabilities			-	**-**	**(235,056)**	**(235,056)**
Net Financial Assets			**272,404**	**1,512,000**	**(52,256)**	**1,732,148**

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and in the notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors, under financial instruments entered into by it.

(c) Commodity Price Risk & Liquidity Risk

At the present state of the Company's operations it has minimal commodity price risk and limited liquidity risk due to the level of payables and cash reserves held. The Company's objective is to maintain a balance between continuity of development funding and flexibility through the use of available cash reserves. The interest bearing loan of $815,000 is more than offset by the Research and Development off-set receivable of $849,068, as detailed in Note 7.

(d) Net Fair Values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Company has no financial assets where the carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

18. Accumulated losses

	30-Jun-15	(Restated) 30-Jun-14
	$	$
Carrying amount at the beginning of the period	**(7,825,969)**	**(4,087,542)**
Profit (loss) for the period	(1,391,646)	(3,738,427)
Transferred from Options Reserve	257,585	-
Carrying amount at the end of the year	**(8,960,030)**	**(7,825,969)**

19. Auditors' remuneration

	2015	2014
	$	$
Audit - Moore Stephens		
Audit and review of the financial reports	24,455	24,083

20. Related Parties

	2015	2014
Key management personnel compensation	$	$
Short-term employee benefits	666,774	588,805
Post-employment benefits	1,900	21,528
Share-based payments	543,815	30,572
	1,212,489	**640,905**

During the financial year there were no loans made or outstanding at year end (2014:Nil)

Other transactions with key management personnel

The parents of Luke Atkins (non-executive chairman) are the owners of the office premises that the Company rents for its registered office and principal place of business, During the year the Company paid $72,785 (2014:$43,333) rent and outgoings on normal commercial terms and conditions.

21. Expenditure commitments

(a) Exploration

The Company has certain obligations to perform minimum exploration work on the various mineral leases that it holds. These obligations may vary over time, depending on the Company's exploration programs and priorities. As at 30 June 2015, total exploration expenditure commitments on tenements held by the Company have not been provided for in the financial statements and those which cover the following twelve month period amount to $375,500 (2014:$354,500). These obligations are also subject to variations, may be subject to farm-out arrangements, sale of relevant tenements or via application for expenditure exemptions from prior-year commitments from the relevant government department.

(b) Capital commitments

The Company had no capital commitments at 30 June 2015 (2014:Nil).

(c) Operating Lease commitments

The Company had no operating lease commitments at 30 June 2015 (2014:Nil). The leased office premises is on a month to month leasing arrangement.

22. Segment Information

The Company has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The financial statements presented above are the same as the reports the directors review. The Company operates predominantly in one segment, which is the development of high purity alumina (HPA) manufacturing, and mineral exploration. Although the Company recently established a wholly owned subsidiary in Malaysia, the operations of the Company for the year ended 30 June 2015 were largely centred in one geographic segment, being Australia. The board of directors anticipate including a second geographic segment (being Malaysia) when the proposed construction of the HPA plant in Malaysia is at a more advanced stage.

23. Employee entitlements and superannuation commitments

Employee Entitlements

There are the following employee entitlements at 30 June 2015: Annual Leave Provision $12,349 (2014:$21,224).

Directors, officers, employees and other permitted persons Performance Rights Plan

Details of the Company's Performance Rights Plan are disclosed in the Remuneration Report.

Superannuation commitments

The Company contributes to individual employee accumulation superannuation plans at the statutory rate of the employees' wages and salaries, in accordance with statutory requirements, to provide benefits to employees on retirement, death or disability.

Accordingly no actuarial assessment of the plans is required.

Funds are available for the purposes of the plans to satisfy all benefits that would have been vested under the plans in the event of:

- termination of the plans;
- voluntary termination by all employees of their employment; and
- compulsory termination by the employer of the employment of each employee.

During the year employer contributions (including salary sacrifice amounts) to superannuation plans totalled $33,322 (2014: $54,320).

24. Contingent liabilities

There were no material contingent liabilities not provided for in the financial statements of the Company as at 30 June 2015 other than:

Native Title and Aboriginal Heritage

Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

25. Events subsequent to balance date

There has not arisen, since the end of the financial year, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years apart from:

On 10 August 2015 the Company announced the placement of $1,129,500 of fully paid ordinary shares at $0.059 per share to various professional and sophisticated investors, including a Malaysian investor, Melewar IIC Limited (Melewar). 19,144,068 new fully paid ordinary shares will be issued in the placement, which will be made in two tranches, an initial tranche of 8,974,576 shares ($0.530 million) was issued in accordance with the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A ; 8,474,576 shares to Melewar and 500,000 shares to the professional investor on 12 August 2015. A second tranche of 10,169,492 shares ($0.600 million) will be issued subject to shareholder approval, which will be sought at the Company's Annual General Meeting planned for Friday 30 October 2015; 8,474,577 shares to Melewar ($0.500 million) and 1,694,915 shares ($0.100 million) to Mr Tenardi.

On 25 August 2015, the Managing Director Performance Rights - Tranche 1 vested following the attainment of the Tranche 1 vesting conditions (for details refer to the Remuneration Report). Consequently, the 5,000,00 Performance Rights automatically converted to fully paid ordinary shares of the Company.

26. Parent entity disclosure

	2015 $	2014 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	1,548,871	1,967,204
Non-Current assets	2,241,453	1,344,928
TOTAL ASSETS	**3,790,324**	**3,312,132**
LIABILITIES		
Current liabilities	1,043,316	235,056
TOTAL LIABILITIES	**1,043,316**	**235,056**
NET ASSETS	**2,747,008**	**3,077,076**
EQUITY		
Issued capital	9,795,585	9,422,571
Accumulated losses	(8,949,407)	(7,825,969)
Option reserve	1,900,830	1,480,474
TOTAL EQUITY	**2,747,008**	**3,077,076**
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Net profit (loss)	(1,381,023)	(3,738,427)
Total comprehensive loss for the year	**(1,381,023)**	**(3,738,427)**

27. Controlled entities

Investments in controlled entities comprise:

Name	Beneficial percentage held by economic entity		Principal activities
	2015 %	2014 %	
Altech Chemicals Ltd			Parent entity
Wholly owned controlled entities:			
Altech Chemicals Sdn Bhd	100	-	HPA plant
Altech Meckering Pty Ltd	100	100	Mineral exploration
Yilgarn Iron Pty Ltd	100	100	Mineral exploration
Canning Coal Pty Ltd	100	100	Energy exploration
East Pilbara Pty Ltd	100	100	Mineral exploration
Australia Mineral Sands Pty Ltd	100	100	Mineral exploration
Musselbrook Iron Pty Ltd	100	100	Mineral exploration
Altech Chemicals Australia Pty Ltd	100	100	Intellectual Property/Patent Holder

Altech Chemicals Sdn Bhd is incorporated in Malaysia, all other controlled entities are incorporated in Australia. Altech Chemicals Limited is the head entity of the consolidated group, which includes all of the controlled entities.

DIRECTORS' DECLARATION

For the year ended 30 June 2015

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 45-68, are in accordance with the Corporations Act 2001:

   (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated group.

2. The Managing Director and Chief Financial Officer have given the declaration required by s295A of the Corporations Act 2001.

3. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed by authority for and on behalf of the Directors by:

Iggy Tan
Managing Director
DATED at Perth this 31st day of August 2015

MOORE STEPHENS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTECH CHEMICALS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Altech Chemicals Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Altech Chemicals Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

MOORE STEPHENS

Auditor's Opinion

In our opinion:

a. the financial report of Altech Chemicals Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report as included in the Directors' Report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Altech Chemicals Limited for the year ended 30 June 2015 complies with s300A of the *Corporations Act 2001*.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1(j) to the financial statements, which indicate that the consolidated entity is dependent upon various funding alternatives in order to fund its working capital and discharge its liabilities in the ordinary course of business. This condition, along with other matters as set forth in Note 1(j), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

MOORE STEPHENS

Suan-Lee Tan	**Moore Stephens**
Partner	**Chartered Accountants**

Signed at Perth this 31st day of August 2015

The Board of Directors of Altech Chemicals Limited ("ATC") is committed to conducting the Company's business in accordance with the highest standards of corporate governance. The Board is responsible for the Company's Corporate Governance and the governance framework, policy and procedures, and charters that underpin this commitment. The Board ensures that the Company complies with the corporate governance requirements stipulated in the Corporations Act 2001 (Cth), the ASX Listing Rules, the constitution of the Company and any other applicable laws and regulations.

The table below summarises the Company's compliance with the ASX Corporate Governance Councils Corporate Governance Principles and Recommendations (3rd Edition), in accordance with ASX Listing Rule 4.10.3.

Principles and Recommendations		Disclosure	Comply
Principle 1 – Lay solid foundations for management and oversight			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management	These matters are disclosed in the Company's Board Charter, which is available on the Company's website	Complies
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (c) provide security holders with all material information in its possession relevant to a decision on whether to not to elect or re-elect a director	When a requirement arises for the selection, nomination and appointment of a new directs, the Board forms a sub-committee that is tasked with this process, and includes undertaking appropriate checks and any potential candidates. When directors retire and nominate for re-election, the Board does not endorse a director who has not satisfactorily performed their role.	Complies Complies
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The company executes a letter of appointment with each director and services agreements with senior executives.	Complies
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair; on all matters to do with the proper functioning of the board.	The Company Secretary reports to the chair of the board on all matters to do with the proper function of the board.	Complies
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objective for achieving gender diversity set by the boards or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: 1. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.	Due to its size and limited scope of operations, the Company does not currently have a diversity policy. As the Company's activities increase in size, scope and/or nature, the board will consider the appropriateness of adopting a diversity policy.	Does not comply

	Principles and Recommendations	Compliance	Comply
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Currently, the Board does not formally evaluate the performance of the Board and individual directors, however the Board Chairman provides informal feedback to individual Board members on their performance and contribution to Board meetings, on an ongoing basis.	Does not comply
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The current Managing Director, Mr Iggy Tan was appointed on 25 August 2014 and there is provision for the evaluation of his performance on the anniversary date of his appointment.	Complies

Principle 2 – Structure the board to add value			
2.1	A listed entity should: (a) have a nomination committee which; (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director; and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate skills, knowledge, experience, independence and diversity to enable it to discharge it duties and responsibilities effectively.	Due to its size and limited scope of operations, the Company does not currently have a nomination committee, however board sub-committees are formed, as required, to manage matters that would normally be dealt with by a formally constituted nomination committee, as was the case with the search and appointment of the current Managing Director. As the Company's activities increase in size, scope and/or nature, the board will consider the appropriateness of a nomination committee.	Does not comply
2.2	A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	A copy of the board skill matrix is appended to this Corporate Governance Statement.	Complies
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; and (b) if a director has an interest, position, association or relationship of the type described in Box .2.3 but the board is of the opinion that it does no compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Mr Peter Bailey is considered by the board to be an independent director and this is disclosed on the Company web site and in its annual and half-yearly director reports. The length of service of each director is disclosed in the Company's annual and half yearly director reports and in notices of meetings when directors are nominated for re-election.	Complies

	Principles and Recommendations	Compliance	Comply
2.4	A majority of the board of a listed entity should be independent directors.	Mr Peter Baily is the only independent member of the Company's board.	Does not comply however the board is of the view that the skills and experience of the directors allow the board to act in the best interests of shareholders and is appropriate for the size of the Company.
2.5	The chair of the board of a listed entity should be an independent director and, in particular; should not be the same person as the CEO of the entity.	Mr Luke Atkins is the Chairman and is not an independent non-executive director.	Does not comply, however the board is of the view that this is appropriate for the Company, considering its size and stage of development.

Principle 3 – A listed entity should act ethically and responsibly			
3.1	A listed entity should: (a) have a code of conduct of its directors, senior executives and employees; and (b) disclose that code or a summary of it.	The Company code of conduct is available on the Company web site.	Complies

Principle 4 – Safeguard integrity in corporate reporting			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director; who is not the chair of the board, and disclose (3) the relevant qualifications and experience of the members of the committee; and (4) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotations of the engagement partner.	Due to its size and limited scope of operations, the Company does not currently have an audit committee, however the auditors do meet with the full board, without management present to its audit report and any other matters that have arisen during its audit work. As the Company's activities increase in size, scope and/or nature, the board will consider the appropriateness of an audit committee.	Does not comply, however the auditors do meet with the full board without management present.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management, and internal control which is operating effectively.	The Board does receive a statement signed by the Managing Director and the Chief Financial Officer.	Complies

	Principles and Recommendations	Compliance	Comply
4.3	A listed entity that has an Annual General Meeting (AGM) should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit,	The Company's auditors are present at the Annual General Meeting.	Complies
Principle 5 – Make timely and balanced disclosure			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	The Company does have a Continuous Disclosure policy, which is available on the Company web site.	Complies
Principle 6 – Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investor via its website.		Complies
6.2	A Listed entity should design and implement an investor relations program to facilitate effective tow-way communication with investors.	The Company has implemented an investor relations program targeting retail investors and encourages all investors or potential investors to communicate with the Company via its web site.	Complies
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company Shareholder Communication Policy is available on the Company web site.	Complies
6.4	A listed entity should give security holder the option to receive communications from, and send communication to the entity and is security registry electronically.	Security holder can elect to receive communications from the Company electronically either by contacting the Company's share registrar, or the Company directly.	Complies
Principal 7 – Recognise and manage risk			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which:: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director and disclose (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Due to its size and limited scope of operations, the Company does not currently have a risk committee, however management does present and discuss risk with the full board. As the Company's activities increase in size, scope and/or nature, the board will consider the appropriateness of a risk committee.	Does not Comply
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The board reviews the company's risk management framework at least annually and disclose this in each periodic report.	Complies

Principles and Recommendations		Principles and Recommendations	Principles and Recommendations
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company does not have an internal audit function.	Does not comply
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Company does make these disclosures.	Complies
Principle 8 – Remunerate fairly and responsibly			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director and disclose (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Due to its size and limited scope of operations, the Company does not currently have a remuneration committee. As the Company's activities increase in size, scope and/or nature, the board will consider the appropriateness of a remuneration committee.	Does not Comply
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive director and other senior executive.	The Company discloses its practices in relation to the remuneration of non-executive directors and senior executives in its annual remuneration report.	Complies
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The company's Security Trading Policy obliges all directors, officers and employees of the Company to advise the Company, via the Company Secretary, or any securitisation of Company securities. A copy of the policy is available on the Company's web site. As at the date of this statement the Company Secretary has not been advised by an officer or employee of the Company of any securitisation of Company securities that they own.	Complies

As the Company's activities increase in size, scope and/or nature, the Company's corporate governance principles will be reviewed by the Board and amended as appropriate.

Further details of the Company's corporate governance policies and practices are available on the Company's website at www.altechchemicals.com.

Board experience, skills and attributes matrix

Experience, skills and attributes	Altech Chemicals Limited Board
Total directors	*4*
Experience	
Corporate leadership	4
International experience	3
Resources Industry experience	4
Other board level experience	3
Capital projects experience	3
Equity and debt raising / capital markets	3
Aluminium and/or chemicals industry experience	3
Knowledge and skills	
Legal	1
Minerals and/or chemicals processing	3
Engineering and project development	3
Finance and Accounting	1
Tertiary qualifications	
Law	1
Engineering	1
Commerce/Business	1

The shareholder information set out below was applicable as at 28 August 2015.

TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Shares

Name	No of Ordinary Shares Held	Percentage % of Issued Shares
LAKE MCLEOD GYPSUM PTY LTD	24,883,752	19.73%
MELEWAR INTERNATIONAL INVESTMENT COMPANY LIMITED	8,474,576	6.72%
MR DANIEL LEWIS TENARDI	7,000,000	5.55%
MRS JUDITH MELISSA TAN	5,367,000	4.26%
AUSTRALIAN MINERAL INVESTMENT	4,250,000	3.37%
CALCAT RESOURCES PTY LTD	3,050,000	2.42%
DILKARA NOMINEES PTY LTD	3,000,000	2.38%
EAGLE RIVER HOLDINGS PTY LTD	2,900,000	2.30%
MR BRUNO CIMINATA	2,400,000	1.90%
MR LUKE FREDERICK ATKINS	2,000,000	1.59%
STEVSAND HOLDINGS PTY LTD	2,000,000	1.59%
ALBATROSS PASS PTY LTD	1,656,666	1.31%
WAYLEN BAY CAPITAL PTY LTD	1,562,500	1.24%
MR PAUL GABRIEL SHARBANEE	1,500,000	1.19%
MR ANTHONY RAYMOND CUNNINGHAM	1,343,334	1.07%
AUSTRALIAN GLOBAL CAPITAL	1,208,000	0.96%
MR ZHAOHUA WANG	1,046,153	0.83%
MR SYED ABDULLAH BIN SYED OMAR	971,291	0.77%
MR RODNEY JAMES CAPLE & MRS FANCIS MARGARET CAMERON	812,500	0.64%
ARREDO PTY LTD	800,000	0.63%
CHENG WING RESOURCES LIMITED	800,000	0.63%
Total Top 20	**77,025,772**	**61.09%**
Others	49,064,021	38.91%
Total Ordinary Shares on Issue	**126,089,793**	**100.00%**

Listed Options (Ex $0.10, expiry 15 December 2015)

Name	No of $0.10 Listed Options Held	Percentage of $0.10 Listed Options
LAKE MCLEOD GYPSUM PTY LTD	983,750	24.42%
AUSTRALIAN MINERAL INVESTMENT	500,000	12.41%
WAYLEN BAY CAPITAL PTY LTD	312,500	7.76%
MRS JUDITH MELISSA TAN	250,000	6.21%
NATIONAL NOMINEES LIMITED	200,000	4.97%
CALCAT RESOURCES PTY LTD	200,000	4.97%
MR DAVID REGINALD THOMAS &	149,750	3.72%
TSE MANAGEMENT PTY LTD	131,275	3.26%
STONE COLD INDUSTRIES PTY LTD	98,120	2.44%
MR DIRK KEIZER &	75,000	1.86%
MR SHANE RAYMOND VOLK &	70,000	1.74%
MR CRAIG BARNETT	62,500	1.55%
MR BARRY WILLIAM BIRD	61,250	1.52%
MR DANIEL JOHN QUINLAN	60,000	1.49%
WAYLEN BAY CAPITAL PTY LTD	46,988	1.17%
MR BARRY WILLIAM BIRD	45,000	1.12%
BELLEFUE INVESTMENTS NSW PTY LTD	43,100	1.07%
MR HAN PIN KHEW &	40,000	0.99%
SABEGEHA PTY LTD	40,000	0.99%
MR REX ANTHONY GALLOWAY &	28,000	0.70%
Total Top 20	**3,397,233**	**84.35%**
Others	630,502	15.65%
Total $0.10 Listed Options on Issue	**4,027,735**	**100.00%**

DISTRIBUTION OF EQUITY SECURITIES
Analysis of numbers of security holders by size of holding as at 28 August 2015:

Distribution			Ordinary Shares		$0.10 Listed Options	
			Number of Shareholders	Number of Shares	Number of Option holders	Number of Options
1	–	1,000	17	2,871	4	3,406
1,001	–	5,000	30	115,232	26	74,298
5,001	–	10,000	120	1,123,128	15	134,973
10,001	–	100,000	365	15,151,122	38	959,663
100,001	–	and over	136	109,697,440	6	2,855,395
Totals			**668**	**126,089,793**	**89**	**4,027,735**

There were 33 holders of less than a marketable parcel of ordinary shares.

SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the holding Company's register as at 28 August 2015 are:

Substantial Shareholder	Number of Shares
LAKE MCLEOD GYPSUM PTY LTD	24,883,752
MELEWAR INTERNATIONAL INVESTMENT COMPANY LIMITED	8,474,576
MR DANIEL LEWIS TENARDI	7,000,000

UNQUOTED SECURITIES

The names of the holders holding more than 20% of each class of unlisted securities are listed below:

1 Performance Rights

Holder	Number
Employee Performance Rights	
Jane Carew-Reid	1,500,000
Jingyuan Liu	1,500,000
Shane Volk	1,500,000
Summer Qi	600,000
Mike O'Mara	600,000
Total	**5,700,000**

Managing Director Performance Rights	
Iggy Tan	10,000,000
Total	**10,000,000**

Non-Executive Director Performance Rights	
Peter Bailey	2,250,000
Luke Atkins	1,500,000
Dan Tenardi	1,500,000
Total	**5,250,000**

2 Unlisted Options

Holder	Number
$0.10 Options Expiring 30 June 2016	
Empire Equity Capital Partners Pty Ltd	1,250,000
Platinum Road Pty Ltd	500,000
Menzies Super Pty Ltd	500,000
PA Shakespeare Investing Pty Ltd	250,000
Total	**2,500,000**
$0.20 Options Expiring 31 January 2017	
Piers Lewis	600,000
$0.20 Options Expiring 18 December 2017	
Peter Bailey	1,000,000
$0.25 Options Expiring 18 December 2017	
Peter Bailey	1,000,000
$0.30 Options Expiring 18 December 2017	
Peter Bailey	1,000,000

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

ON-MARKET BUY BACK

There is currently no on-market buyback program for any of Altech Chemicals Limited's listed securities.

EXPLORATION INTERESTS

As at 30 June 2015, the Company has an interest in the following tenements:

Tenement ID	Registered Holder	Location	Project	ATC Interest	Grant Date
E70/3923	Altech Meckering Pty Ltd	WA Australia	Meckering	100%	30/11/10
EMP183575	Altech Chemicals Ltd	Qld Australia	Constance Range	100%	27/04/12
E70/4341	Australian Mineral Sands	WA Australia	Beenup	100%	16/01/13
E70/4643	Australian Mineral Sands	WA Australia	SW Titanium	100%	25/03/15
E70/4713	Altech Chemicals Ltd	WA Australia	Southdown	100%	9/06/15
E70/4706	Yilgarn Iron Pty Ltd	WA Australia	Green Range	100%	Application
E70/4707	Canning Coal Pty Ltd	WA Australia	Green Range	100%	Application
E70/4708	Canning Coal Pty Ltd	WA Australia	Meckering	100%	Application
E70/4716	Altech Meckering Pty Ltd	WA Australia	Meckering	100%	Application
E70/4717	Altech Meckering Pty Ltd	WA Australia	Meckering	100%	Application
M70/1334	Altech Meckering Pty Ltd	WA Australia	Meckering	100%	Application
E70/4737	Yilgarn Iron Pty Ltd	WA Australia	Kerrigan	100%	Application
E70/4718	Canning Coal Pty Ltd	WA Australia	Kerrigan	100%	Application