

30 June 2017

COMPANY UPDATE

ATC Alloys Limited (**Company**) advises that in relation to its proposed sale of 35% of its shareholding in its ferro-tungsten joint venture, Asia Tungsten Products Co Limited (**ATC-HK**) to its joint venture partner, Mr Guangyu (George) Chen (**Buyer**) (**Sale Transaction**):

- the Sale Transaction was approved by shareholders in the Company's extraordinary general meeting on 20 April 2017; and
- the Company has completed the majority of the requirements for completion of the Sale Transaction (**Settlement**).

The Company has subsequently received notice from the Buyer that Settlement will be delayed.

The Company is looking forward to the progression and resolution of the Sale Transaction with the Buyer. However, in the event that the Sale Transaction cannot be completed in the near future, the Company will terminate any further consideration of the Sale Transaction, proceed to renegotiate its debt with the Company's secured lender, Siderian Resource Capital Limited and consider alternative corporate strategies in relation to its majority shareholding in ATC-HK in order to maximise the value of that assets for all shareholders.

The Company will update the market upon receiving a response from the Buyer in respect of the abovementioned delay.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Trent Franklin', written in a cursive style.

Trent Franklin
Company Secretary