

31 October 2016

- **Extension of Forbearance**

ATA Alloys Limited (**ATA** or the **Company**) (ASX:ATA) is pleased to advise that it has reached agreement to further extend the forbearance under its loan arrangements with Siderian Resource Capital Limited (**Siderian**) to 29 September 2017 (**Forbearance**).

Under the terms of the Forbearance, ATA shall be required to make payment of not less than US\$906,064 to Siderian on or before 13 December 2016, being half the outstanding amount under the loan arrangements as at 30 September 2016. It is ATA's intention to raise funds to meet this payment obligation by way of a fully underwritten entitlement issue (**Entitlement Issue**), details of which shall be provided shortly. ATA is presently finalising terms with the underwriter for the Entitlement Issue.

The Forbearance shall be subject to ATA's ongoing obligations under the loan arrangements; its carrying out of the Entitlement Issue and making the payment referred to above; and ATA making progress, to the satisfaction of Siderian, in its dispute with its joint venture partner at its Vietnamese Ferro Tungsten processing facility so as to enable value realisation from the facility to enable payment of the amount owed to Siderian at the end of the Forbearance.

The Company has also successfully renegotiated the interest payment on the outstanding amount of the loan from Siderian down from the default rate of 17.5% to 12.5%, which amount will be capitalised along with professional fees incurred by Siderian.

Until ATA finalises the terms of the Entitlement Issue, trading in the Company's securities will remain suspended. The Company is unaware of any reason why its securities should not remain suspended. The Company is not aware of any other information necessary to inform the market about the suspension.

For further information please contact:

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