



22 November 2016

Dear Convertible Noteholder

## **ATC ALLOYS LTD – NON-RENOUNCEABLE ENTITLEMENTS ISSUE**

ATC Alloys Ltd (ACN 118 738 999) (**Company**) has announced a 1:1 pro rata non-renounceable entitlement issue (**Entitlement Issue** or **Offer**) of up to approximately 164,547,538 fully paid ordinary shares in the capital of the Company (**Shares**) to raise approximately \$1,645,475 before costs. The price of Shares issued under the Offer (**New Shares**) is \$0.01 each. The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 18 November 2016.

The Offer is being made to all shareholders (**Shareholders**) and convertible noteholders (**Convertible Noteholders**) of the Company named on its register of members at 5:00pm on 24 November 2016 (**Record Date**), whose registered address is in Australia or New Zealand.

Under the Offer eligible Shareholders will be offered one (1) New Share for every one (1) Share held at the Record Date and eligible Convertible Noteholders will be offered one (1) New Share for every one (1) Share that would be held by Convertible Noteholders if the face value of their convertible notes had been converted at its relevant conversion price, with any fractional entitlements being rounded up.

Each New Share will rank equally with all Shares already on issue. The Offer can be accepted any time up to the closing date of 8 December 2016.

The Entitlement Issue is fully underwritten by Somers and Partners Pty Ltd (**Underwriter**). The Company must pay the Underwriter an underwriting fee of 6% of the total value of the underwritten securities. Subject to agreements with sub-underwriters, the Underwriter will pass on a fee, in either Shares or cash, to sub-underwriters however this will be limited so that no person or entity will increase their holding in the Company to an amount in excess of 19.99% of all the Shares on issue as a result of the underwriting fee.

Funds raised under the Offer are proposed to be used for part payment of outstanding monies under loan arrangements with Siderian Resources Capital Limited, expenses to be incurred in resolving its dispute with the Company's Vietnamese Ferro Tungsten Joint Venture partner, expenses of the Offer and general working capital and administration costs.

Following completion of the Offer, the Company will have issued approximately 164,547,538 New Shares resulting in total Shares on issue of approximately 277,223,910.

As an eligible Convertible Noteholder, we look forward to extending the Offer to you. We expect to dispatch the Prospectus and Entitlement and Acceptance Form to Eligible Convertible Noteholders on or around 29 November 2016.

As an Eligible Convertible Noteholder, you have a number of alternatives in relation to the Offer as set out in detail in the Prospectus including subscribing for your rights in whole or in part or allowing your rights

to lapse. You should read the Prospectus carefully and seek professional investment advice before deciding what course of action to take.

A copy of the Prospectus is available on the ASX website (ASX:ATA) and the Prospectus is also available on the Company's website, [www.atcalloys.com](http://www.atcalloys.com).

Existing optionholders may participate in the Offer upon exercise of their options. The Company sent a notice to its optionholders on 21 November 2016 to notify them of their right to participate in the Offer upon exercise of their options.

#### Key Dates and Rights Issue Timetable

Event	Date
Lodgement of Prospectus with the ASIC	18 November 2016
Lodgement of Prospectus & Appendix 3b with ASX	18 November 2016
Notice sent to Optionholders	21 November 2016
Notice sent to Shareholders and Convertible Noteholders	22 November 2016
Ex Date	23 November 2016
Record Date for determining Entitlements	24 November 2016
Prospectus sent out to Shareholders and Convertible Noteholder & Company announces this has been completed	29 November 2016
Last day to extend offer closing date	5 December 2016
Closing date *	8 December 2016
ASX Notified of under-subscriptions (if any)	12 December 2016
Issue date	15 December 2016

\* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlement Issue at their discretion. Should this occur, the extension will have a consequential effect on the subsequent dates in the timetable.

If you have any queries regarding the Entitlement Issue, please contact your financial adviser or Ms Carol New, the Company Secretary, on +61 8 9320 5220 or via email at: [info@atcalloys.com.au](mailto:info@atcalloys.com.au).

Yours sincerely



**Carol New**  
Company Secretary

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