
ATC ALLOYS LTD

ACN 118 738 999

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am WST

DATE: Monday, 16 January 2017

PLACE: Level 1, 33 Ord Street, West Perth, WA

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on Saturday, 14 January 2017.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PATRICK BURKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution, and for all other purposes, Mr Patrick Burke, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR MICHAEL BOURNE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.4 of the Constitution and ASX Listing Rule 14.4, Mr Michael Bourne, a Director who was appointed casually on 31 March 2016, retires, and being eligible, is elected as a Director.”

5. **RESOLUTION 4 – ELECTION OF DIRECTOR – MR NATHAN FEATHERBY**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.4 of the Constitution and ASX Listing Rule 14.4, Mr Nathan Featherby, a Director who was appointed casually on 18 November 2016, retires, and being eligible, is elected as a Director.”

6. **RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. **RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES TO LENDERS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10 Convertible Notes with a face value of \$25,000 each on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. **RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES TO LENDERS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2 Convertible Notes with a face value of \$25,000 each on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. **RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES TO LENDERS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6 Convertible Notes with a face value of \$25,000 each on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. **RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES TO LENDERS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4 Convertible Notes with a face value of \$25,000 each on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. **RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES TO LENDERS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1 Convertible Note with a face value of \$50,000 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 300,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,107,928 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 13 – APPROVAL OF ISSUE OF CONVERTIBLE NOTES TO LENDERS OF NEW LOANS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1 Convertible Note with a face value of \$25,000, 1 Convertible Note with a face value of \$30,000 and 1 Convertible Note with a face value of \$85,000 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. **RESOLUTION 14 – APPROVAL OF ISSUE OF CONVERTIBLE NOTES TO LENDERS OF ADDITIONAL LOANS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue Convertible Notes with a combined face value of up to \$210,000 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

16. **RESOLUTION 15 – APPROVAL OF FUTURE ISSUES OF SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when multiplied by an issue price of not less than 80% of the five day VWAP, will raise up to \$1,000,000 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

17. **RESOLUTION 16 – APPROVAL OF ISSUE OF SHARES IN SATISFACTION OF OUTSTANDING DEBT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to compliance with the Section 606 of the Corporation Act, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 18,124,800 Shares to Somers and Partners Pty Ltd or its nominees on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

18. RESOLUTION 17 – APPROVAL OF ISSUE OF SHARES IN SATISFACTION OF UNDERWRITING FEES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to compliance with the Section 606 of the Corporation Act, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 7,404,639 Shares to Somers and Partners Pty Ltd or its nominees on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

19. RESOLUTION 18 – APPOINTMENT OF AUDITOR AT AGM TO FILL VACANCY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 327B of the Corporations Act and for all other purposes, Crowe Horwath having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting.”

Dated: 13 December 2016

By order of the Board

**Carol New
Company Secretary**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9320 5220.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.atcalloys.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PATRICK BURKE

3.1 General

Section 13.2 of the Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Patrick Burke, who has served as a director since 8 September 2014 and was last re-elected at the Company's 2014 Annual General Meeting of Shareholders held 26 November 2014, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Burke holds a Bachelor of Law Degree from the University of Western Australia and has extensive legal, commercial and corporate advisory experience for ASX listed companies. He has acted as a director for a number of ASX and AIM listed small to mid-cap resources companies over the past 10 years. His legal expertise is in corporate, commercial and securities law, with an emphasis on capital raisings and mergers and acquisitions. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, structuring and pricing, negotiation, funding, due diligence and management of process. He contributes general commercial and legal skills along with a strong knowledge of the ASX requirements.

During the last three years, Mr Burke has served as a director of ASX listed Pan Pacific Petroleum NL (ASX Code: PPP) (present), Triton Minerals Limited (ASX Code: TON) (present), Uranium Resources Inc. (ASX Code: URI) (present), Shareroot Ltd (ASX Code: SRO), xTV Networks Limited (ASX Code: XTV), Emergent Resources Limited (ASX Code: EMG), Sirocco Energy Ltd (ASX Code: SCY), Minerals Corporation Limited (ASX Code: MSC) and Anatolia Energy Limited (ASX Code: AEK).

3.3 Independence

If re-elected the board does not consider Mr Burke will be an independent director due to his executive role in the Company.

3.4 Board recommendation

The Board supports the re-election of Mr Burke and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR MICHAEL BOURNE

4.1 General

Section 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the

existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Bourne, having been appointed by other Directors on 31 March 2016 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

Mr Bourne is a long term member of management and has recently assumed the Company's senior management role at the production facility in Vinh Bao, Vietnam. He is carrying out a series of major reforms to greatly improve the operation and profitability of the facility.

4.3 Independence

If re-elected the board does not consider Mr Bourne will be an independent director due to his senior management role in the Company.

4.4 Board recommendation

The Board supports the re-election of Mr Bourne and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR NATHAN FEATHERBY

5.1 General

Section 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Featherby, having been appointed by other Directors on 18 November 2016 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

5.2 Qualifications and other material directorships

Mr Nathan Featherby has 9 years of investment banking and natural resource investment experience. Mr Featherby is currently the Executive Chairman of Ochre Group Holdings Limited and is a co-founder of Ochre Management Pty Ltd, a Western Australian merchant bank which focuses on advisory and investments in small to medium capitalisation mining and exploration companies. He holds a Bachelor of Commerce from Curtin University, and has spent most of his working career in stockbroking and merchant banking with a

focus on small-to-medium mining and exploration companies. Mr Featherby's appointment strengthens the corporate finance expertise of the Board.

5.3 Independence

If re-elected the board does not consider Mr Featherby will be an independent director by virtue of the relevant interest of Ochre Group Holdings Limited, a company of which he is the Executive Chairman and major shareholder, in the Company.

5.4 Other material information

Mr Featherby holds an interest of approximately 24% in Ochre Group Holdings Limited, which owns 100% of the issued capital of Ochre Capital Management Pty Limited (**Ochre Management**) and Ochre Pilbara Corporations Pty Ltd (**Ochre Pilbara**). Ochre Management is the holder of a number of Convertible Notes in the Company and Ochre Pilbara has agreed to sub-underwrite the Company's current entitlement issue to raise up to \$1,645,476 as per a prospectus dated 18 December 2016 (**Entitlement Issue**).

Mr Featherby has advised that he does not control Ochre Group Holdings Limited for the purposes of the Corporations Act and Ochre Management and Mr Featherby and Ochre Pilbara and Mr Featherby are not related parties for purposes of the Corporations Act. Therefore even following Mr Featherby's appointment (and continuing appointment following approval of Resolution 4) Ochre Management and the Company and Ochre Pilbara and the Company are not related parties for purposes of the Corporations Act.

5.5 Board recommendation

The Board supports the re-election of Mr Featherby and recommends that Shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$2,816,909 (based on the number of Shares on issue and the closing price of Shares on the ASX on 21 November 2016).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: ATA).

If Shareholders approve Resolution 5, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

6.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 6.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 21 November 2016.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0125 50% decrease in Issue Price	\$0.025 Issue Price	\$0.0375 50% increase in Issue Price
402,753,349 (Current Variable A)	Shares issued - 10% voting dilution	40,275,335 Shares	40,275,335 Shares	40,275,335 Shares
	Funds raised	\$503,442	\$1,006,883	\$1,510,325
604,130,024 (50% increase in Variable A)	Shares issued - 10% voting dilution	60,413,002 Shares	60,413,002 Shares	60,413,002 Shares
	Funds raised	\$755,163	\$1,510,325	\$2,265,488
805,506,698 (100% increase in Variable A)	Shares issued - 10% voting dilution	80,550,670 Shares	80,550,670 Shares	80,550,670 Shares
	Funds raised	\$1,006,883	\$2,013,767	\$3,020,650

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 402,753,349 Shares on issue comprising:
 - a. 112,676,372 existing Shares at the date of this Notice of Meeting;
 - b. 18,124,800 Shares which will be issued if Resolution 16 is passed at this Meeting;
 - c. 7,404,639 Shares which will be issued if Resolution 17 is passed at this Meeting;
 - d. 100,000,000 Shares which will be issued if Resolution 15 is passed at this Meeting (assuming an issue price of \$0.01); and
 - e. 164,547,538 Shares which will be issued pursuant to the Entitlement Issue (assuming full subscription).
2. The issue price set out above is the closing price of the Shares on the ASX on 21 November 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.

4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for general working capital or repayment of debts owed by the Company; or
- (ii) as non-cash consideration for the acquisition of new assets and investments or conversion of debt to equity and in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;

- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 16 December 2015 (**Previous Approval**).

The Company has issued 6,107,028 Shares pursuant to the Previous Approval. The Company is seeking Shareholder approval to ratify this issue pursuant to Resolution 12 of this Notice.

During the 12 month period preceding the date of the Meeting, being on and from 16 January 2016, the Company also issued a further 4,700,00 Shares and 23 convertible notes (convertible into a total of 17,700,000 Shares) which represents approximately 11.87% of the total diluted number of Equity Securities on issue in the Company on 16 January 2016, which was 149,122,778 (on a post-Consolidation basis).

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

6.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

7. RESOLUTIONS 6, 7, 8, 9 AND 10 – RATIFICATION OF PRIOR ISSUES OF CONVERTIBLE NOTES

7.1 Background to Resolution 6

On 22 March 2016, the Company issued 10 Convertible Notes with a face value of \$25,000 each to raise \$250,000. The Convertible Notes were issued without Shareholder approval under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

7.2 Background to Resolution 7

On 5 May 2016, the Company issued 2 Convertible Notes with a face value of \$25,000 each to raise \$50,000. The Convertible Notes were issued without Shareholder approval under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

7.3 Background to Resolution 8

On 10 May 2016, the Company issued 6 Convertible Notes with a face value of \$25,000 each to raise \$150,000. The Convertible Notes were issued without Shareholder approval under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

7.4 Background to Resolution 9

On 23 May 2016, the Company issued 4 Convertible Notes with a face value of \$25,000 each to raise \$100,000. The Convertible Notes were issued without Shareholder approval under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

7.5 Background to Resolution 10

On 30 September 2016, the Company issued 1 Convertible Note with a face value of \$50,000 to raise \$50,000. The Convertible Note was issued without Shareholder approval under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

7.6 General

Resolutions 6, 7, 8, 9 and 10 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issues of those Convertible Notes.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying these issues, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.7 Technical information required by ASX Listing Rule 7.4 – Resolutions 6, 7, 8 and 9

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in respect of Resolutions 6, 7, 8 and 9:

- (a) The number of Convertible Notes that were issued are:
 - (i) 10 Convertible Notes in respect of Resolution 6;
 - (ii) 2 Convertible Notes in respect of Resolution 7;
 - (iii) 6 Convertible Notes in respect of Resolution 8; and
 - (iv) 4 Convertible Notes in respect of Resolution 9;
- (b) the face value of each Convertible Note was \$25,000, accordingly,
 - (i) in respect of Resolution 6 a total of \$250,000 was received by the Company;
 - (ii) in respect of Resolution 7 a total of \$50,000 was received by the Company;
 - (iii) in respect of Resolution 8 a total of \$150,000 was received by the Company;
 - (iv) in respect of Resolution 9 a total of \$100,000 was received by the Company;;
- (c) the conversion price for the Convertible Notes is the lower of:
 - (i) in respect of the Convertible Notes the subject of Resolutions 6 and 8, \$0.05 and the lowest issue price of any Shares by the Company prior to 1 July 2018; and
 - (ii) in respect of the Convertible Notes the subject of Resolutions 7 and 9, \$0.05, the lowest issue price of any Shares by the Company prior to 1 July 2018 and the price implied by any corporate action,

and were otherwise issued on the terms and conditions contained in Schedule 2 to this Notice. Upon completion of the Company's Entitlement Issue which is presently open the conversion price will be adjusted to \$0.01;
- (d) any Shares issued on conversion of the Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (e) it is a specific term of the Convertibles Notes that a Noteholder is not entitled to convert (and the Company is entitled to refuse to convert) such number of Convertible Notes that would result in a person acquiring Voting Power in the Company in breach of section 606 of the Corporations Act (or any equivalent provision);
- (f) the Convertible Notes:

- (i) relating to Resolution 6 were issued to investors entitled to subscribe for securities pursuant to section 708 of the Corporations Act who have lent money to the Company and are not related parties of the Company;
 - (ii) relating to Resolution 7 were issued to Ochre Capital Management Pty Limited, who although is associated with Mr Nathan Featherby is not a related party of the Company as is set out in Section 5.4;
 - (iii) relating to Resolution 8 were issued as follows: 2 Convertible Notes were issued to Somers and 4 Convertible Notes were issued to HSBC Custody Nominees (Australia) Limited. Neither of these entities are related parties of the Company; and
 - (iv) relating to Resolution 9 the Convertible Notes were issued to investors entitled to subscribe for securities pursuant to section 708 of the Corporations Act who have lent money to the Company and are not related parties of the Company;
- (g) the terms and conditions of the Convertible Notes are set out in Schedule 2; and
- (h) the funds raised from these issue were used as follows:
- (i) in respect of the Convertible Notes issued under Resolution 6 and 7 to partly repay the Siderian Debt;
 - (ii) in respect of the Convertible Notes issued under Resolution 8 payment of outstanding fees owing to Somers and for general working capital; and
 - (iii) in respect of the Convertible Notes issued under Resolution 9 were used for working capital.

7.8 Technical information required by ASX Listing Rule 7.4 – Resolution 10

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in respect of Resolution 10:

- (a) 1 Convertible Note was issued;
- (b) the face value of the Convertible Note was \$50,000 and a total of \$50,000 was received by the Company;
- (c) the Convertible Note is convertible into Shares on or before 1 July 2018 at the lower of \$0.025 and the lowest issue price of any Shares by the Company prior to 1 July 2018, or the price implied by a corporate action and were otherwise issued on the terms and conditions contained in Schedule 2 to this Notice. Upon completion of the Company's Entitlement Issue which is presently open the conversion price will be adjusted to \$0.01;
- (d) any Shares issued on conversion of the Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;

- (e) it is a specific term of the Convertibles Notes that a Noteholder is not entitled to convert (and the Company is entitled to refuse to convert) such number of Convertible Notes that would result in a person acquiring Voting Power in the Company in breach of section 606 of the Corporations Act (or any equivalent provision);
- (f) the Convertible Notes were issued to Somers who is not a related party of the Company;
- (g) the terms and conditions of the Convertible Notes are set out in Schedule 2; and
- (h) the funds raised from this issue were used for working capital.

8. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE – SHARES

8.1 General

On 21 April 2016, the Company issued 300,000 Shares in settlement of fees due on the issue of Convertible Notes. The Shares were issued without Shareholder approval under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1.

Resolution 11 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 7.6 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided:

- (a) 300,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of fees due on the issue of Convertible Notes;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to holders of Convertible Notes, none of whom are related parties of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in satisfaction of fees due on the issue of Convertible Notes.

9. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE – SHARES

9.1 General

On 12 July 2016, the Company issued 6,107,928 Shares in settlement of interest on Convertible Notes. The Shares were issued without Shareholder approval under

the Company's existing placement capacity pursuant to ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 16 December 2016.

Resolution 12 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rule 7.1A is set out in section 6.1 above.

By ratifying the issue the subject of Resolution 10, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 5 being passed by the requisite majority.

9.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided:

- (a) 6,107,928 Shares were issued;
- (b) the Shares were issued for nil cash consideration in settlement of interest on Convertible Notes;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to holders of Convertible Notes, none of whom are related parties of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in satisfaction of interest on Convertible Notes.

10. RESOLUTIONS 13 AND 14 – APPROVAL OF ISSUE OF CONVERTIBLE NOTES TO LENDERS

10.1 General

As disclosed in the Company's Entitlement Issue prospectus dated 18 December 2016, the Company has secured \$140,000 in debt funding (**New Loans**) and is seeking further loan funds for up to \$210,000 (**Additional Loans**) which will amount to a total of \$350,000 (**Total New Loans**). Subject to obtaining Shareholder approval and compliance with the Corporations Act and the Listing Rules, the Company intends to convert the Total Additional Loans into Convertible Notes on the terms that are contained at Schedule 2 at a price of \$0.01. This would amount to a further issue of up to 35,000,000 Shares.

Resolution 13 seeks Shareholder approval in accordance with Listing Rule 7.1 for the issue of 1 Convertible Note with a face value of \$30,000, 1 Convertible Note with a face value of \$25,000 and 1 Convertible Note with a face value of \$85,000 to parties who have provided debt funding to the Company.

Resolution 14 seeks Shareholder approval in accordance with Listing Rule 7.1 for the issue of Convertible Notes with a combined face value of up to \$210,000,

representing the balance of the Total Additional Loans after deducting the New Loans amount, the subject of Resolution 13.

The Convertible Notes the subject of Resolutions 13 and 14 will be issued on the terms and conditions outlined in Schedule 2. In the event Shareholder approval is not obtained, the lenders of the New Loans have the right to require repayment of their loans subject to the repayment of the Siderian Debt. The Company may not be in a position to obtain the Additional Loans in this circumstance.

A summary of ASX Listing Rule 7.1 is set out in section 7.6 above.

The effect of Resolutions 13 and 14 will be to allow the Company to issue the Convertible Notes the subject of Resolutions 13 and 14 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) and the Shares issued on conversion of the relevant Convertible Notes, without using the Company's 15% annual placement capacity.

10.2 Technical information required by ASX Listing Rule 7.1 – Resolution 13

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 13:

- (a) the maximum number of Convertible Notes to be issued is 1 Convertible Note with a face value of \$30,000, 1 Convertible Note with a face value of \$25,000 and 1 Convertible Note with a face value of \$85,000;
- (b) the Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Convertible Notes will occur as soon as possible after the Meeting on a progressive basis;
- (c) the Company will issue 1 Convertible Note with a face value of \$30,000, 1 Convertible Note with a face value of \$25,000 and 1 Convertible Note with a face value of \$85,000 and each Convertible Note will be convertible into Shares at a conversion price of \$0.01 per Share, accordingly the maximum number of Shares which would be issued on the conversion of the Convertible Notes will be 14,000,000 Shares;
- (d) any Shares issued on conversion of the Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (e) the Convertible Notes will be issued to the lenders of the New Loans as follows:
 - (i) the Convertible Note with a face value of \$85,000 to Ochre Capital Management Pty Limited, who although is associated with Mr Nathan Featherby is not a related party of the Company as is set out in Section 5.4;
 - (ii) the Convertible Note with a face value of \$25,000 to Somers, which is not a related party of the Company;
 - (iii) the Convertible Note with a face value of \$30,000 to other investors entitled to subscribe for securities pursuant to section

708 of the Corporations Act, all of whom are not related parties of the Company;

- (f) the terms and conditions of the Convertible Notes are set out in Schedule 2. It is a specific term of the Convertibles Notes that a Noteholder is not entitled to convert (and the Company is entitled to refuse to convert) such number of Convertible Notes that would result in a person acquiring Voting Power in the Company in breach of section 606 of the Corporations Act (or any equivalent provision); and
- (g) the proceeds from the New Loans will be used for working capital as well as repayment of additional debts owed by the Company.

10.3 Technical information required by ASX Listing Rule 7.1 – Resolution 14

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 14:

- (a) the Convertible Notes will have a face value of \$10,000 each;
- (b) the maximum number of Convertible Notes to be issued is 21 amounting to a combined face value of up to \$210,000;
- (c) the Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Convertible Notes will occur progressively as soon as the relevant funds are received by the Company;
- (d) each Convertible Note will be convertible into Shares at a conversion price of \$0.01 per Share, accordingly the maximum number of Shares which would be issued on the conversion of the Convertible Notes will be 21,000,000 Shares;
- (e) any Shares issued on conversion of the Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (f) the Convertible Notes issued will be issued to lenders of the Additional Loans, which is anticipated as follows:
 - (i) \$60,000 by Ochre Pilbara, who although is associated with Mr Nathan Featherby is not a related party of the Company as is set out in Section 5.4;
 - (ii) \$150,000 by Somers or through third parties introduced by Somers who will be investors entitled to subscribe for securities pursuant to section 708 of the Corporations Act who are not related parties of the Company;
- (g) the terms and conditions of the Convertible Notes are set out in Schedule 2. It is a specific term of the Convertibles Notes that a Noteholder is not entitled to convert (and the Company is entitled to refuse to convert) such number of Convertible Notes that would result in a person acquiring Voting Power in the Company in breach of section 606 of the Corporations Act (or any equivalent provision); and

- (h) the proceeds from the Additional Loans will be used for working capital as well as repayment of additional debts owed by the Company.

11. RESOLUTION 15 – APPROVAL OF FUTURE ISSUES OF SHARES

11.1 General

The Company is seeking Shareholder approval to issue up to that number of Shares, when multiplied by an issue price of not less than 80% of the five day VWAP, will raise up to \$1,000,000.

A summary of ASX Listing Rule 7.1 is set out in section 7.6 above.

The effect of Resolution 15 will be to allow the Company to issue the Shares the subject of Resolution 15 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

11.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 15:

- (a) the maximum number of Shares to be issued is up to that number of Shares, when multiplied by an issue price of not less than 80% of the five day VWAP, will raise up to \$1,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be not less than 80% of the five day VWAP calculated over the last 5 days on which sales were recorded before the day on which the issue was made;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the issue of the Shares towards repayment of debts owed by the Company, general working capital.

12. RESOLUTION 16 – APPROVAL OF ISSUE OF SHARES IN SATISFACTION OF OUTSTANDING DEBT

12.1 General

The Company is seeking Shareholder approval to issue Shares at \$0.01 to Somers and Partners Pty Ltd (**Somers**) in satisfaction of the Company's outstanding debt owed to Somers for services provided to the Company in the amount of \$181,248 (**Debt**), being up to 18,124,800 Shares. Somers and the Company have agreed that the conversion of the Debt will be subject to Somers' relevant interest in the total number of Shares on issue not exceeding 19.9% or increasing

from a starting point that is above 20% and below 90% at the time of issue of the Shares. This issue will occur following completion of the Company's current Entitlement Issue.

It is noted that Somers is the underwriter for the Company's current Entitlement Issue. For further detail on the potential control effect of the Entitlement Issue Shareholders should refer to the prospectus dated 18 December 2016.

A summary of ASX Listing Rule 7.1 is set out in section 7.6 above.

The effect of Resolution 16 will be to allow the Company to issue the Shares the subject of Resolution 16 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

12.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 16:

- (a) the maximum number of Shares to be issued is 18,124,800;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration in satisfaction of the Debt owing to Somers;
- (d) the Shares will be issued to Somers (or their nominees) who is not a related party of the Company, the conversion of the Debt to Shares will be subject to section 606 of the Corporations Act and Somers' acquiring Voting Power in the Company in breach of section 606 of the Corporations Act as a result of the issue (i.e Voting Power not exceeding 19.9% or increasing from a starting point that is above 20% and below 90% as a result of the issue);
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Shares the subject of Resolution 16 as the Shares are being issued in satisfaction of the Debt owing to Somers.

13. RESOLUTION 17 – APPROVAL OF ISSUE OF SHARES IN SATISFACTION OF UNDERWRITER'S FEE

13.1 General

As stated above the Company is currently undertaking the Entitlement Issue. Somers has agreed to fully underwrite the Entitlement Issue. Pursuant to the underwriting agreement Somers will be paid 6.0% of the amount raised under the Entitlement Issue, being \$98,729 (**Underwriting Fee**).

Somers and the Company have agreed that subject to obtaining shareholder approval and complying with section 606 of the Corporations Act, part of the

Underwriting Fee may be paid in Shares at a deemed issue price of \$0.01. The Company and Somers have agreed that a maximum of three quarters of the Underwriting Fee can be paid in Shares, which amounts to a total of 7,404,675 Shares.

Subject to agreements with sub-underwriters, the Underwriter will pass on part of the Underwriting Fee, in either Shares or cash, to sub-underwriters.

In order to comply with section 606 of the Corporations Act, the issue of Shares in respect of the Underwriting Fee is subject to Somers' or any sub-underwriter (or their nominees') relevant interest in the total number of Shares on issue not exceeding 19.9% or increasing from a starting point that is above 20% and below 90% as a result of the Underwriting Fee being issued in Shares.

For further detail on the potential control effect of the Entitlement Issue, Shareholders should refer to the prospectus dated 18 December 2016.

A summary of ASX Listing Rule 7.1 is set out in section 7.6 above.

The effect of Resolution 17 will be to allow the Company to issue the Shares the subject of Resolution 17 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

13.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 17:

- (a) the maximum number of Shares to be issued is 7,404,639;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration in satisfaction of the Debt owing to Somers;
- (d) the Shares will be issued to Somers who is not a related party of the Company. The number of Shares issued in respect of the Underwriting Fee will be subject to a person (Somers' or any sub-underwriter (or their nominees')) acquiring Voting Power in the Company in breach of section 606 of the Corporations Act as a result of the issue;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Shares the subject of Resolution 17 as the Shares are being issued for underwriting services provided to the Company.

14. RESOLUTION 18 – APPOINTMENT OF AUDITOR AT AGM TO FILL VACANCY

Bentleys which is the Company's current auditor, has given notice of its intention to resign as auditor of the Company to ASIC (under section 329(5) of the Corporations Act).

Upon receipt of ASIC's consent to their resignation, Bentleys has advised that it will submit a notice of resignation to the Company in accordance with section 329(5) of the Corporations Act, such resignation to take effect from the date of the Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for Crowe Horwath to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

Crowe Horwath has given its written consent to act as the Company's auditor, subject to Shareholder approval and the resignation of Bentleys.

If Resolution 18 is passed, the appointment of Crowe Horwath as the Company's auditors will take effect from the close of the Annual General Meeting.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 5.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means ATC Alloys Ltd (ACN 118 738 999).

Consolidation means the consolidation of the capital of the Company on a 1:50 basis, approved by Shareholders at the general meeting of Shareholders held 10 March 2016.

Constitution means the Company's constitution.

Convertible Note means a convertible note with the terms and conditions set out in Schedule 2.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Entitlement Issue has the meaning as set out in Section 5.4 of this Notice and means the entitlement issue to raise up to \$1,645,476 as per the prospectus lodged with ASIC on 18 December 2016.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Noteholders means holders of the Convertible Notes.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Siderian means Siderian Resource Capital Limited, CR No. 1986529.

Siderian Debt means the Company's \$2.45 million secured debt facility with Siderian, which has a balance of approximately US\$1.812 million (plus interest and other costs that capitalise monthly) outstanding, as at 30 September 2016.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Somers means Somers and Partners Pty Ltd (**Somers**)

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

Voting Power means a percentage calculated in accordance with the formula below:

$$\frac{\text{person's and associate's votes in the Company}}{\text{total votes in the Company}} \times 100$$

where the “person’s and associate’s votes” is the total number of votes attached to all voting shares in the Company (if any) that the person or an associate has a relevant interest, and “total votes in Company” is the total number of votes attached to all voting shares in the Company.

VWAP means the volume weighted average price of the Company’s Shares as traded on the ASX.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 16 JANUARY 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 5 February 2016 Appendix 3B – 30 October 2015	95,000,000 ¹¹	Shares ²	Placement of Rights Issue shortfall to sophisticated and professional investors at the discretion of the Directors. Issued without Shareholder approval pursuant to Exception 3 of ASX Listing Rule 7.2.	\$0.001 (issued at market price).	Amount raised = \$95,000 Amount spent = \$95,000 Use of funds As detailed in section 3.3 of the Company's prospectus dated 30 October 2015.
Issue – 1 March 2016 Appendix 3B – 30 October 2015	125,000,000 ¹¹	Shares ²	Placement of Rights Issue shortfall to sophisticated and professional investors at the discretion of the Directors. Issued without Shareholder approval pursuant to Exception 3 of ASX Listing Rule 7.2.	\$0.001 (discount of 98%).	Amount raised = \$125,000 Amount spent = \$125,000 Use of funds As detailed in section 3.3 of the Company's prospectus dated 30 October 2015.
Issue – 22 March 2016 Appendix 3B – 22 March 2016	10	convertible notes ⁸	Investors entitled to subscribe for securities pursuant to section 708 of the Corporations Act who have lent money to the Company and are not related parties of the Company. Issued without Shareholder approval under existing placement capacity pursuant to ASX Listing Rule 7.1.	10 convertible notes with a face value of \$25,000. ⁶	Amount raised = \$250,000 Amount spent = \$250,000 Use of funds To reduce the Siderian Debt.
Issue – 21 April 2016 Appendix 3B – 26 April 2016	300,000	Shares ²	GMP. Issued without Shareholder approval under existing	No issue price (non-cash consideration)	Consideration: Issued in settlement of fees due on the issue of convertible notes. Current value ⁴ = \$7,500

			placement capacity pursuant to ASX Listing Rule 7.1.		
Issue – 5 May 2016 Appendix 3B – 5 May 2016	2	convertible notes ⁹	Ochre Capital Management Pty Limited. Issued without Shareholder approval under existing placement capacity pursuant to ASX Listing Rule 7.1.	2 convertible notes with a face value of \$25,000. ⁶	Amount raised = \$50,000 Amount spent = \$50,000 Use of funds Working capital
Issue – 10 May 2016 Appendix 3B – 10 May 2016	2	convertible notes ⁸	Somers and Partners Pty Ltd. Issued without Shareholder approval under existing placement capacity pursuant to ASX Listing Rule 7.1.	No issue price (non-cash consideration)	Consideration: Issued in settlement of professional fees owing to Somers and Partners Pty Ltd. Current value ⁴ = \$38,343
Issue – 10 May 2016 Appendix 3B – 10 May 2016	4	convertible notes ⁸	HSBC Custody Nominees (Australia) Limited. Issued without Shareholder approval under existing placement capacity pursuant to ASX Listing Rule 7.1.	4 convertible notes with a face value of \$25,000. ⁶	Amount raised = \$100,000 Amount spent = \$100,000 Use of funds Working capital
Issue – 23 May 2016 Appendix 3B – 23 May 2016	4	convertible notes ⁹	Investors entitled to subscribe for securities pursuant to section 708 of the Corporations Act who have lent money to the Company and are not related parties of the Company. Issued without Shareholder approval under existing placement capacity pursuant to ASX Listing Rule 7.1.	4 convertible notes with a face value of \$25,000. ⁶	Amount raised = \$100,000 Amount spent = \$100,000 Use of funds Working capital
Issue – 12 July 2016 Appendix 3B – 12 July 2016	6,107,928	Shares ²	Issued to holders of convertible notes for payment of interest on convertible notes. Issued without	No issue price (non-cash consideration)	Consideration: Issued as settlement of interest on convertible notes to 30 June 2016. Current value ⁴ = \$152,698

			Shareholder approval under existing placement capacity pursuant to ASX Listing Rule 7.1A.		
Issue – 30 September 2016 Appendix 3B – 30 September 2016	1	convertible notes ¹⁰	Somers and Partners Pty Ltd. Issued without Shareholder approval under existing placement capacity pursuant to ASX Listing Rule 7.1A.	1 convertible note with a face value of \$50,000. ⁶	<p>Amount raised = \$50,000</p> <p>Amount spent = \$29,474</p> <p>Use of funds Working capital</p> <p>Amount remaining = \$20,526</p> <p>Proposed use of remaining funds³: Working capital</p>

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: ATA (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.025) as the context requires on the ASX on 21 November 2016.

The value of Convertible Notes is based on the closing price of the underlying Shares (\$0.025) as the context requires on the ASX on 21 November 2016 and assumes all Convertible Notes were converted into Shares at their relevant conversion price, in accordance with their terms.
5. Comprising 17 convertible notes with a face value of \$50,000, 6 convertible notes with a face value of \$20,000 and 2 convertible notes with a face value of \$10,000, each convertible into Shares at a conversion price of \$0.05 (post Consolidation). Terms and conditions of the convertible notes are detailed in Schedule 2 of the Company's Notice of Annual General Meeting dated 16 November 2015.
6. Convertible notes are unlisted therefore no market price.
7. With a face value of \$50,000, each convertible into Shares at a conversion price of \$0.05 (post Consolidation). Terms and conditions of the convertible notes are detailed in Schedule 2 of the Company's Notice of Annual General Meeting dated 16 November 2015.
8. With a face value of \$25,000, each convertible into Shares on or before 1 July 2018 at the lower of \$0.05 (post Consolidation) and the lowest issue price of any Shares by the Company prior to 1 July 2018 and a coupon rate of 12% per annum.
9. With a face value of \$25,000, each convertible into Shares on or before 1 July 2018 at the lower of \$0.05 (post Consolidation) and the lowest issue price of any Shares by the Company prior to 1 July 2018, or the price implied by a corporate action and a coupon rate of 12% per annum.
10. With a face value of \$50,000, each convertible into Shares on or before 1 July 2018 at the lower of \$0.025 (post Consolidation) and the lowest issue price of any Shares by the Company prior to 1 July 2018, or the price implied by a corporate action and a coupon rate of 12% per annum.
11. On a pre-Consolidation basis.

SCHEDULE 2 – TERMS AND CONDITIONS OF CONVERTIBLE NOTES

The Convertible Notes were issued on the following terms and conditions:

- (a) **(Face Value):** the face value of the Convertible Notes is as follows:
- (i) in respect of the Convertible Notes the Subject of Resolutions 6, 7, 8 and 9, each Convertible Note has a face value of \$25,000;
 - (ii) in respect of the Convertible Note the Subject of Resolution 10, the Convertible Note has a face value of \$50,000;
 - (iii) in respect of the Convertible Notes the subject of Resolution 13, 1 Convertible Note with a face value of \$30,000, 1 Convertible Note with a face value of \$25,000 and 1 Convertible Note with a face value of \$85,000; and
 - (iv) in respect of the Convertible Notes the subject of Resolution 14, Convertible Notes with up to a combined face value of \$210,000.
- (b) **(Conversion Price):** The conversion price of each Convertible Note is:
- (i) in respect of the Convertible Notes the Subject of Resolutions 6 and 8, the lower of:
 - (A) \$0.05 per Share; and
 - (B) the lowest issue price of any Shares by the Company prior to the Maturity Date.
 - (ii) in respect of the Convertible Notes the Subject of Resolutions 7 and 9, the lower of:
 - (A) \$0.05 per Share;
 - (B) the lowest issue price of any Shares by the Company prior to the Maturity Date; and
 - (C) the price implied by any corporate action (e.g. a takeover of the Company, change in control in the Company, or sale of main undertaking of the Company).
 - (iii) in respect of the Convertible Note the Subject of Resolution 10, the lower of:
 - (A) \$0.025 per Share;
 - (B) the lowest issue price of any Shares by the Company prior to the Maturity Date; and
 - (C) the price implied by any corporate action (e.g. a takeover of the Company, change in control in the Company, or sale of main undertaking of the Company).
 - (iv) in respect of the Convertible Notes the Subject of Resolutions 13 and 14, \$0.01 per Share,
(Conversion Price).

- (c) **(Interest):** Interest is payable half yearly on each Convertible Note at an interest rate of 12% per annum.
- (d) **(Redemption):** A Convertible Note will be redeemed on the first to occur of the following:
- (i) if the noteholder has not converted the Convertible Note prior to 1 July 2018 (**Maturity Date**), the Maturity Date;
 - (ii) at the election of the Company if, in the event of a takeover, change of control or sale of the Company's main undertaking the noteholder has not elected to convert their respective Convertible Notes into Shares (**Convert**);
 - (iii) on the receipt by the Company of a redemption notice from the noteholder in the event of a default by the Company incurred after the Priority Encumbrance (as defined below) has been satisfied;
 - (iv) at the election of the Company by written notice to each noteholder, provided that the noteholder may elect, within 5 Business Days after the notice is sent to noteholders, to Convert all of the Convertible Notes held by that noteholder.
- (e) **(Conversion):** A Convertible Note holder will be entitled to Convert each Convertible Note at the Conversion Price by delivering a conversion notice to the Company at any time prior to the Maturity Date.
- (f) **(Subordination):** The noteholder's right to receive any payment in the event of redemption is subordinated to and ranks in priority after the rights of Siderian with respect to all encumbrances granted by the Company and its subsidiaries in favour of Siderian on or before the date the face value of the Convertible Note (**Principal**) is advanced (**Priority Encumbrance**).
- (g) **(Security):** The Convertible Notes are secured by a general security deed ranking behind and subordinated to the Priority Encumbrance over the assets and undertakings of the Company securing the repayment of the Principal and any other monies that may become payable to the noteholder in relation to the Convertible Notes or as a consequence of enforcement of the noteholder's rights pursuant to the terms and conditions of the Convertible Notes.
- (h) **(Reconstruction):** If there is a reconstruction (including, consolidation, subdivision, reduction or return) of the issued capital of the Company, the basis for conversion of the Convertible Notes will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the noteholder which are not conferred on the shareholders of the Company, (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Convertible Notes will remain unchanged.
- (i) **(Bonus Share allotment):** If a bonus share allotment is made by the Company to its ordinary shareholders, at any time during the period subsequent to the issue of a Convertible Note to a noteholder and prior to conversion, and if the noteholder issues a conversion notice the Company will issue that Noteholder:
- (i) shares in the capital of the Company of the same class as the shares the subject of the bonus share allotment; and

- (ii) the number of shares so issued will be equal to the number of shares in the capital of the Company to which that noteholder would have been entitled, if the face value of the Convertible Notes held by that noteholder in respect of which the conversion notice is issued, had been converted immediately prior to the making of the bonus share allotment,

on terms and conditions that are the same as or correspond with or are no more favourable to the noteholder than the terms and conditions on which such shares are allotted to any ordinary shareholder of the Company.

- (j) **(Pro Rata Issues):** If a pro rata issue is made by the Company to its Shareholders, at any time during the period subsequent to the issue of a Convertible Note to a noteholder and prior to conversion, the noteholder shall be entitled to participate in the pro rata issue for the number of Shares or other securities to which that Noteholder would have been entitled, if the face value of the Convertible Notes held by that noteholder had been converted immediately prior to the record date, on terms and conditions that are the same as or correspond with or are no more favourable to the noteholder than the terms and conditions on which such shares or other securities are offered to any ordinary shareholder of the Company.
- (k) **(Compliance with laws-restrictions on conversion):** Notwithstanding any other term, a Noteholder is not entitled to convert (and the Company is entitled to refuse to convert) such number of Convertible Notes that would result in:
 - (i) a person acquiring Voting Power in the Company in breach of section 606 of the Corporations Act (or any equivalent provision); or
 - (ii) a person acquiring Shares where a notification or consent is required under any legislation by which the Company and its Related Bodies Corporate are bound that has not been sent or obtained.

ANNEXURE A – NOMINATION OF AUDITOR LETTER

12 December 2016

Mr Patrick Burke
ATC Alloys Ltd
PO Box 670
West Perth WA 6872

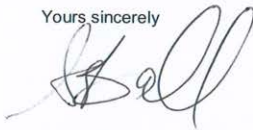
Dear Sir

Nomination of Auditors

We wish to notify you of our decision to appoint Crowe Horwath Sydney as auditors of ATC Alloys Ltd (Company) and its subsidiaries BigHill Resources Limited and Asia Tungsten Products Co. Limited (Hong Kong).

In accordance with the provision of Section 328B of the Corporations Act 2001, I, Saxon Ball a Director of Balmoral Dreams Pty Ltd <Chestnut Ventures S/F A/C>, being a member of ATC Alloys Ltd has nominated Crowe Horwath Sydney for appointment as auditor of the Company and its subsidiaries.

Yours sincerely



Saxon Ball
Director

PROXY FORM

**ATC ALLOYS LTD
ACN 118 738 999**

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Level 1, 33 Ord Street, West Perth on Monday, 16 January 2017 at 10:00am (WST), and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Patrick Burke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr Michael Bourne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director – Mr Nathan Featherby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue of Convertible Notes to Lenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue of Convertible Notes to Lenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Ratification of Prior Issue of Convertible Notes to Lenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Ratification of Prior Issue of Convertible Notes to Lenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Ratification of Prior Issue of Convertible Notes to Lenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Approval of Issue of Convertible Notes to Lenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Approval of Issue of Convertible Notes to Lenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Approval of Future Issues of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16	Approval of Issue of Shares in Satisfaction of Outstanding Debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17	Approval of Issue of Shares in Satisfaction of Underwriting Fee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 18	Appointment of Auditor at AGM to Fill Vacancy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail

in relation to this Proxy Form: YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to ATC Alloys Ltd, Level 1, 33 Ord Street, West Perth WA 6005; or
 - (b) facsimile to the Company on facsimile number +61 8 9420 9399; or
 - (c) email to the Company at info@atcalloys.com,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.