

19 December 2016

- **Cancellation of Entitlement Issue**

ATC Alloys Limited (ATC or the Company) advises that it has received notice from the underwriter to the Entitlement Issue that it has terminated the underwriting pursuant to the terms of the Underwriting Agreement on the basis that Official Quotation of the Rights Shares had not been duly obtained by the Company by the Shortfall Notice Deadline Date, being 12 December 2016.

Accordingly, the Company has decided to cancel the Entitlement Issue on the basis that this termination amounts to a material adverse change. The Company will return funds to shareholders who subscribed under the Entitlement Issue as soon as possible.

The Company is in discussions with its secured lender, Siderian Resource Capital Limited, to extend the current forbearance beyond 20 December 2016 and is considering recapitalisation options.

For further information please contact:

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