
ATC Alloys Limited

ACN 118 738 999

Notice of General Meeting

TIME: 10:00 a.m. (AEST)

DATE: 20 April, 2017

PLACE: Level 11, 52 Phillip Street, Sydney NSW 2000 Australia

This notice 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.

Should you wish to discuss the matters in this notice please do not hesitate to contact the Company Secretary on +61 2 8316 3993.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

1. Venue

The General Meeting of the shareholders of ATC Alloys Limited (ASX:ATA) (**Company**) to which this notice relates, will be held at 10:00 a.m. (AEST) on 20 April, 2017 at Level 11, 52 Phillip Street, Sydney NSW 2000 Australia.

2. Voting in person

To vote in person, you will be required to attend the Meeting on the date and at the place set out above.

3. Voting by proxy

To vote by proxy, please complete and sign the enclosed proxy form and return by:

- (a) post, to GPO Box 225, Sydney NSW 2001 Australia; or
- (b) facsimile, to the Company on facsimile number +61 2 8316 3999,

so that it is received not later than 10:00 a.m. (AEST) on **18 April, 2017**.

Proxy Forms received later than this time will be invalid.

NOTICE OF MEETING

Notice is given that the Meeting of Shareholders will be held at 10:00 a.m. (AEST) on 20 April, 2017 at Level 11, 52 Phillip Street, Sydney NSW 2000 Australia.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form are part of this Notice.

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 of the Company at 10:00am (AEST) on 18 April, 2017.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – APPROVAL FOR SALE OF 35% OF JOINT VENTURE

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

“That approval is given for the Company to sell a 35% shareholding in Asia Tungsten Products Co Limited, a company incorporated in Hong Kong, to Mr Guangyu (George) Chen or his nominee, on the terms and Conditions specified in Section 1 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution 1 by Mr Guangyu Chen and any person who might obtain a benefit as a result of the passing of Resolution 1 (other than a benefit solely in the capacity as a security holder), and any Associate of any such persons.

However, the Company need not disregard a vote on this Resolution 1 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair 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.

2. OTHER BUSINESS

To transact any other business that may be validly brought before the Meeting.

DATED: 21 MARCH 2017

BY ORDER OF THE BOARD



TRENT FRANKLIN

COMPANY SECRETARY

ATC ALLOYS LIMITED

ENTITLEMENT TO VOTE

Who may vote?

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that for the purpose of the Meeting, all shares in the Company shall be taken to be held by the persons who held them as registered shareholders at 10:00 a.m. (AEST) on 18 April, 2017 (**Entitlement Time**).

All holders of ordinary shares in the Company as at the Entitlement Time are entitled to attend and vote at the Meeting.

Transactions registered after that time will be disregarded in determining a shareholder's entitlement to attend and vote at the Meeting.

PROXIES

Please note that:

- (a) a shareholder of the Company who is entitled to attend and cast a vote at the Meeting has a right to appoint a proxy;
- (b) the appointment may specify the proportion or number of votes that the proxy may exercise;
- (c) a shareholder who is entitled to cast two or more votes at the Meeting may appoint two proxies and must specify the proportional number of votes each proxy is appointed to exercise;
- (d) if the shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half the votes;
- (e) a proxy need not be a shareholder of the Company;
- (f) if a shareholder wishes to appoint two proxies, they should contact the Company for another proxy form; and
- (g) unless the shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.

If a shareholder wishes to appoint a proxy, they should complete the attached 'Appointment of Proxy' form and comply with details set out in that form for lodgement of the form with the Company.

The proxy form must be signed by the shareholder or his or her attorney duly authorised in writing or, if the shareholder is a corporation, either under the seal of the corporation (in accordance with its Constitution) or under the hand of an attorney duly authorised in writing or otherwise signed in accordance with the *Corporations Act*.

If any attorney or authorised officer signs the proxy form on behalf of a shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the proxy form.

The proxy form must be received **not less than 48 hours** before the time for holding the Meeting (i.e. by no later than 10:00 a.m. (AEST) on 18 April, 2017) by delivering the proxy form to one of the addresses as follows:

Registered Office:

Level 11, 52 Phillip Street
Sydney NSW 2000, Australia

Mailing Address:

GPO Box 225
Sydney NSW 2001
Australia

Facsimile transmission to:

Within Australia: 02 8316 3999
International: +61 2 8316 3999

A corporation may appoint a representative who may attend the Meeting and vote on behalf of the corporation. Such a representative will have to produce a corporate representative appointment letter from the corporation signed either under the common seal of the corporation (in accordance with its constitution), or by a duly authorised officer or otherwise signed in accordance with the Corporations Act before he or she will be permitted to vote.

EXPLANATORY STATEMENT

This Explanatory Statement is included in and forms part of the Notice of Meeting. It contains background information pertaining to the Resolution to be considered at the Meeting.

It is given to Shareholders to help them determine how to vote on the Resolution set out in the Notice of Meeting.

Shareholders should read this Explanatory Statement in full and in conjunction with the other sections of this Document, in order to gain a comprehensive understanding of the Resolution proposed in the Notice of Meeting.

If you are in doubt about what to do in relation to the Resolution, you should consult your financial or other professional adviser.

1. RESOLUTION 1 – APPROVAL FOR SALE OF 35% OF JOINT VENTURE

1.1 Background

The Company's business involves a 60% equity participation in Asia Tungsten Products Co Limited, a company incorporated in Hong Kong, which operates a ferro-tungsten production facility in Vietnam (**Joint Venture**). The remaining 40% in the Joint Venture is currently held by Mr Guangyu (George) Chen (**Chen**).

As announced on 19 January 2017, the Company has entered into a binding heads of agreement (**HOA**) with Chen to resolve its dispute with Chen and which will lead to a restructure of the Joint Venture (**Transaction**).

Under the terms of the HOA, Chen will acquire an additional 35% of the Joint Venture from the Company for consideration comprising US\$2,000,000 together with forgiveness of all loans, fees and other debts owed by the Joint Venture to Chen.

Upon Completion of the Transaction, Chen will hold a 75% interest in the Joint Venture and the Company will hold a 25% interest in the Joint Venture, respectively. The parties will enter into a new joint venture and shareholder's agreement.

The key terms of the HOA are summarised in Section 1.3 below.

1.2 Shareholder approval

Resolution 1 seeks the approval of Shareholders for the sale of 35% of its interest in the Joint Venture through the implementation and Completion of the Transaction.

Completion is conditional upon Shareholders passing Resolution 1. If Shareholder approval is not received in respect of Resolution 1, the Transaction will not proceed.

Set out in the remainder of this Section 1 are details regarding:

- (a) key terms of the Transaction;
- (b) effect of the Transaction on the operations of the Company;
- (c) financial effect of the Transaction on the Company;
- (d) information about any proposed capital raisings by the Company in connection with the Transaction;
- (e) Company's strategy after Completion of the Transaction;

- (f) the reasons as to why the Directors consider that Shareholders should vote for or against Resolution 1; and
- (g) the timetable for implementing the Transaction.

A pro-forma capital structure of the Company and a pro-forma statement of financial position of the Company after Completion of the Transaction are contained in Section 1.11 and Schedule 1, respectively.

1.3 Key terms of Transaction

The key terms of the Transaction as set out in the Sale Agreement are as follows:

- (a) Chen will acquire an additional 35% shareholding in the Joint Venture from the Company for consideration comprising:
 - (i) US\$2,000,000.00 and
 - (ii) forgiveness of all loans owed by the Joint Venture to Chen and all fees and other debts owed by the Joint Venture to Chen.

Accordingly, following Completion, Chen will hold a 75% shareholding in the Joint Venture and the Company will hold the remaining 25% shareholding.

- (b) Chen was obliged to pay a deposit of US\$500,000 to an escrow agent within 7 days after execution of the HOA. This has now occurred. The deposit shall be forfeited by Chen in the event that, following satisfaction of the Conditions, he fails to Complete. Upon Completion, the deposit shall form part of the US\$2,000,000 consideration.
- (c) Completion is subject to a number of conditions as set out below:
 - (i) each party releases the other from all claims;
 - (ii) forgiveness of all loans and other monies owed by the Joint Venture to the Company and Chen;
 - (iii) the parties entering into formal documentation including a new joint venture and shareholders agreement (**New JV Agreement**);
 - (iv) the Company obtaining all regulatory and shareholder approvals and the parties being satisfied that everything has been done under the terms of the existing joint venture agreement and under all applicable laws to give legal effect to the Transaction and other terms of the HOA, including, the Company making any public statement reasonably required by Chen;
 - (v) third parties subscribing for or acquiring not less than US\$2,000,000 in either equity or debt of the Company (through the issue of securities or the acquisition of existing securities on issue), of which, to date, US\$385,000 (A\$515,000) has already been received and a further A\$400,000 has been made available at call for the Company to draw-down as required (**Investment CP**);
 - (vi) the Company receiving written confirmation from ASX in respect of lifting the suspension from trading of the Shares on ASX, conditional only upon Completion of the Transaction; and
 - (vii) repayment of all outstanding debt owed by the Company to Siderian Resource Capital Limited (**Siderian**) currently in the amount of US\$1,812,128.52 (A\$2,388,022.96) (**Siderian Debt**), and a release of

every security held by Siderian over the Company and its related bodies corporate including the Joint Venture.

- (d) If any of the Conditions are not satisfied (or waived) on or before 5.00 p.m. (Hong Kong time) on 20 April 2017 (**End Date**), the HOA will terminate with immediate effect, and the parties will be released from their obligations under the HOA.
- (e) The HOA is governed by the Law of Hong Kong.

1.4 Effect of Transaction on operations of the Company

The Company currently holds a 60% shareholding in the Joint Venture Asia Tungsten Products Co Limited, a company incorporated in Hong Kong (**ATPHK**), which in turn is the 100% owner of Vietnam Registered Asia Tungsten Products Vietnam Limited (**ATPV**). ATPV is the owner and operator of a ferro-tungsten production facility in Vietnam (**Ferro-Tungsten Plant**). Chen as the other joint venture partner currently holds the remaining 40% shareholding in the Joint Venture.

Following the Transaction, the Company will hold a 25% shareholding in the Joint Venture and Chen will hold the remaining 75% shareholding.

The Company and Chen are parties to a 2010 Joint Venture Agreement (**JV Agreement**) which sets out the parties' rights and obligations with respect to ATPHK, ATPV and the Ferro-Tungsten Plant.

Under the JV Agreement, Chen is the Operator of the Ferro-Tungsten Plant. The Joint Venture, under Chen's operatorship has produced Ferro-Tungsten since 2013. The nature of the operation is that production occurs in periodic "campaigns" when the Joint Venture has in place orders from clients for Ferro-Tungsten at an agreed price and is able to procure supply of Ferro-Tungsten at a price which ensures that the campaign will generate a sufficient level of profit for the Joint Venture partners.

A dispute between the Company and Chen has resulted in the suspension of production at the Ferro-Tungsten Plant (**Dispute**). It is expected that Completion of the Transaction will resolve the Dispute and it is anticipated that as a result, the Joint Venture will resume producing Ferro-Tungsten in the near term and the Company will have access to the Ferro-Tungsten Plant and to all financial and operational information associated with the Ferro-Tungsten Plant.

Additionally, as a Condition to Completion of the Transaction, Chen and the Company will enter into the New JV Agreement. Pursuant to the terms of the New JV Agreement, the Company will retain its ongoing involvement in the operation of the Joint Venture.

The Company's role under the terms of the New JV Agreement will be substantially, if not entirely, the same as under the JV Agreement. Chen will continue as operator with conduct of day to day operational matters but the Company will have input into the larger operational decisions of the Ferro-Tungsten Plant including the timing of the periodic campaigns, sourcing and pricing of concentrate and securing and pricing of sales.

1.5 Effect of Transaction on financial position of the Company

In connection with the Transaction:

- (a) the Company will be paid US\$2,000,000 from Chen as consideration;
- (b) the Company will raise up to US\$2,000,000 in new capital subject to satisfaction of the Investment CP (further information is set out in Section 1.6 below);
- (c) all loan amounts payable to Chen by the Company will be cancelled; and

- (d) the Siderian Debt will be repaid by the Company, and the related security over the assets of the Company and the Joint Venture will be released upon full repayment of the Siderian Debt.

As announced on 23 December 2016, Siderian has agreed not to issue any notice or exercise any of its rights to call an event of default with respect to the Siderian Debt until 20 April 2017 in consideration for the payment of A\$500,000 against the outstanding amount of the Siderian Debt (**Forbearance**).

Schedule 1 contains a pro-forma statement of financial position of the Company that has been prepared to enable the Shareholders to make an assessment of the likely effect Completion of the Transaction will have on the financial position of the Company.

1.6 Proposed capital raisings by the Company

The Company proposes to conduct various capital raisings in connection with the Transaction (**Proposed Capital Raisings**).

In particular, the Company proposes to raise up to A\$5,000,000 under a fully underwritten non-renounceable pro-rata rights issue (**Rights Issue**), which will cover the Investment CP requirement, and which will be announced after Completion.

Shareholders will be informed of the terms and conditions of the Rights Issue at that time.

The completion of the Rights Issue will be conditional on the Company receiving written confirmation from ASX in respect of lifting the suspension from trading of the Company's shares on ASX.

1.7 Company's strategy after Completion of the Transaction

The Company's strategy going forward is to continue to be involved in the operation of the Ferro-Tungsten Plant in the manner set out above as well as being entitled to receive profits of the Ferro-Tungsten Plant, which itself is a highly valuable asset capable of generating significant returns for the benefit of the Shareholders. The Company will be actively involved, with Chen, in determining all matters relating to the Joint Venture, other than day-to-day operations. The Company will be involved in all matters relating to:

- (a) corporate strategy,
- (b) macro-tungsten market analysis,
- (c) identification of, negotiations with and securing financiers for campaign runs;
- (d) identification of, negotiations with and securing suppliers of concentrate for campaign runs;
- (e) identification of, negotiations with and securing buyers for Ferro-Tungsten produced in campaign runs;
- (f) identification of, negotiations with and securing of long term contracts/offtake agreements for Ferro-Tungsten;
- (g) determination of timing of campaign runs; and
- (h) assessment and securing of complimentary acquisitions.

In addition, the Company intends to review and assess opportunities consistent with its overall acquisition and growth opportunities.

1.8 Reasons to vote IN FAVOUR OF Resolution 1 - Advantages of the Transaction

The Company considers the advantages of the Transaction are as follows:

- (a) resolution of the Dispute that will permit and facilitate the Ferro-Tungsten Plant re-commencing operation;
- (b) clarity in respect of the operation of the Ferro-Tungsten Plant going forward through the entry into a New JV Agreement;
- (c) the Company will be able to maintain its involvement in the operation of the Joint Venture and exposure to the profits of the Ferro-Tungsten Plant;
- (d) full repayment of the Siderian Debt and removal of the security Siderian holds over the Company and the assets of the Company and the Joint Venture;
- (e) the Company becoming more attractive to investors, shareholders and other third parties; and
- (f) strengthening the ability of the Company to continue to review and assess opportunities consistent with its overall acquisition and growth opportunities.

Accordingly, it is important to the future of the Company and the Shareholders that the Transaction completes. The Directors are of the view that the Company will not be able to continue trading, if the Transaction does not proceed.

1.9 Reasons to vote **AGAINST** Resolution 1 - Disadvantages of the Transaction

The Company considers that the disadvantages of the Transaction are as follows:

- (a) reduced exposure to the production and profits of the Ferro-Tungsten Plant; and
- (b) reduced control in relation to the Ferro-Tungsten Plant.

1.10 Proposed timetable

Date	Event
20 April 2017	Extraordinary General Meeting
On or prior to 27 April 2017	Completion, including receipt of US\$2,000,000 from Chen
On or prior to 27 April 2017	Repayment of Siderian Debt

1.11 Pro-forma capital structure

The effect of the issue of Equity Securities by the Company pursuant to the proposed rights issue, on the capital structure of the Company, will be as follows:

Particulars	Prior to Transaction - Total	Proposed Rights Issue	Total on issue post Transaction
Total No of shares	140,891,481	5,000,000,000	5,140,891,481
Total No of options	300,000	0	300,000

Convertible notes:

Convertible Notes	Number
Notes with a Face Value of \$50,000 convertible at \$0.25 per share on or before 01/07/2018	35
Notes with a Face Value of \$25,000 convertible at \$0.25 per share on or before 01/07/2018	2
Notes with a Face Value of \$50,000 convertible at \$0.05 per share on or before 01/07/2018	23
Notes with a Face Value of \$20,000 convertible at \$0.05 per share on or before 01/07/2018	6
Notes with a Face Value of \$10,000 convertible at \$0.05 per share on or before 01/07/2018	2
Notes with a Face Value of \$25,000 convertible at \$0.05 per share or the lowest issue price of any shares of the Company prior to the Maturity Date	12
Notes with a Face Value of \$25,000 convertible at \$0.05 per share or the lowest issue price of any shares of the Company prior to the Maturity Date, or the price implied by any corporate action.	10
Notes with a Face Value of \$50,000 convertible at \$0.025 per share or the lowest issue price of any shares of the Company prior to the Maturity Date, or the price implied by any corporate action.	1
Notes with a Face Value \$85,000 convertible at \$0.01 per share on or before 01/07/2018	1

Notes with a Face Value \$30,000 convertible at \$0.01 per share on or before 01/07/2018	1
Notes with a Face Value \$25,000 convertible at \$0.01 per share on or before 01/07/2018	1
Convertible Notes - Subject to Approval	
Notes with a Face Value \$25,000 convertible at \$0.01 per share on or before 01/07/2018	28
Notes with a Face Value \$20,000 convertible at \$0.01 per share on or before 01/07/2018	1
Total Convertible Notes*	123

1.12 Pro-forma statement of financial position

An unaudited pro-forma statement of financial position of the Company following completion of the Transaction is set out in Schedule 1 to this Notice.

1.13 Voting Exclusion Statement

Particulars as to the persons not permitted to vote on Resolution 1, and whose votes will be disregarded if cast on Resolution 1, are set out in the Voting Exclusion Statement after and regarding Resolution 1, as set out in the Notice.

1.14 Recommendation of Directors

Each Director recommends that Shareholders vote **in favour** of Resolution 1.

Each Director confirms that he has no personal interest in the outcome of Resolution 1.

2. ENQUIRIES

Shareholders are advised to contact Trent Franklin, the Company Secretary, on +61 2 8316 3993 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

For the purposes of this Document, the following terms have the meanings prescribed below:

\$	Australian dollars.
AEST	Australian Eastern Standard Time.
Associate	has the meaning given in Listing Rule 19.12.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the securities exchange market operated by it, as the context requires.
Board	the board of directors of the Company as constituted from time to time.
Business Day	a day which is not a Saturday, Sunday, a bank holiday or a public holiday in Sydney, and any other day that ASX declares is not a business day.
Chair	the person chairing the Meeting.
Chen	Mr Guangyu (George) Chen.
Company	ATC Alloys Limited ACN 118 738 999
Completion	completion of the Transaction in accordance with the provisions of the HOA.
Completion Date	the date on which Completion occurs.
Condition	a condition referred to in Section 1.3(c) of the Explanatory Statement
Constitution	the constitution of the Company as amended from time to time.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company as at the date of this Document.
Document	this document entitled “Notice of General Meeting”, including any annexures or schedules to or of this document.
Equity Security	has the meaning given in Listing Rule 19.12.
Explanatory Statement	the section entitled “Explanatory Statement” of this Document, forming part of the Notice.
HOA	the Binding Heads of Agreement between the Company and Chen dated on or around 18 January 2017, a high level summary of which is contained in the Company’s announcement to the ASX on 18 January 2017 and Section 1.3 of the Explanatory Statement.
Listing Rules	the listing rules of the ASX as amended from time to time.
Meeting	the general meeting of the Company convened pursuant to in the Notice.
Notice or Notice of Meeting	the notice convening this Meeting as set out in this Document.

ordinary resolution	a resolution of Shareholders that is approved by a simple majority of the votes cast by Shareholders present at the Meeting (whether in person or by proxy) and entitled to vote on that resolution.
Transaction	the proposed sale of a 35% interest in Asia Tungsten Products Co Limited held by the Company to Chen in accordance with the HOA, a high level summary of which is contained in Section 1.3 of the Explanatory Statement.
Proxy Form	the 'Appointment of Proxy' form attached to this Document.
Resolution	a resolution set out in the Notice.
Share	a fully paid ordinary share in the issued share capital of the Company.
Share Registry	Computershare Investor Services Pty Limited.
Shareholder	a person recorded on the register of members maintained by the Company pursuant to sections 168 and 169 of the Corporations Act as a holder of one or more Shares.

Interpretation

In this Notice, headings are for convenience only and do not affect interpretation and except where the context otherwise requires:

- (a) the singular includes the plural and vice versa and a gender includes other genders;
- (b) other grammatical forms of a defined word or expression have a corresponding meaning;
- (c) a reference to a section, paragraph, schedule or annexure is to a section or paragraph of or schedule or annexure to this Notice and a reference to this Notice includes any schedule and annexure;
- (d) a reference to a document or agreement includes the document or agreement as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, \$A, dollar or \$ is to Australian currency;
- (f) a reference to time is to Australian Eastern Standard Time;
- (g) a reference to a year (other than a financial year) or a month means a calendar year or calendar month respectively;
- (h) a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (i) a reference to a person includes a natural person, partnership, firm, body corporate, trust, joint venture, association, governmental or local authority or agency or other entity;
- (j) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (k) any authorities, associations, bodies and entities, whether statutory or otherwise, will, in the event of such authority, association, body or entity ceasing to exist or being reconstituted, replaced or the powers or functions thereof being transferred to or taken over by any other authority, association, body or entity, be deemed to refer respectively to the authority, association, body or entity established, constituted or substituted in lieu thereof which exercises substantially the same powers or functions; and

- (l) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions.

SCHEDULE 1 – PRO FORMA STATEMENT OF FINANCIAL POSITION

	AUDITED as at 30 June 2016	PROFORMA as at 30 June 2016
CURRENT ASSETS		
Cash	212,650	6,710,769
Trade and other receivables	588,589	88,589
Other current assets	252,918	252,918
TOTAL CURRENT ASSETS	1,054,157	7,052,276
NON-CURRENT ASSETS		
Investments	200,000	200,000
Property, plant and equipment	27,703	2,694,370
TOTAL NON-CURRENT ASSETS	227,703	2,894,370
TOTAL ASSETS	1,281,860	9,946,646
CURRENT LIABILITIES		
Trade and other payables	5,339,707	929,998
Provisions	1,991,938	-
Financial liabilities	9,329,318	-
TOTAL CURRENT LIABILITIES	16,660,963	929,998
NON CURRENT LIABILITIES		
Financial liabilities	-	3,097,914
TOTAL NON CURRENT LIABILITIES	-	3,097,914
TOTAL LIABILITIES	16,660,963	4,027,912
NET ASSETS (LIABILITIES)	(15,379,103)	5,918,734
EQUITY		
Share capital	66,550,183	75,539,632
Reserves	4,190,616	4,190,616
Retained loss	(73,046,939)	(60,738,551)
Parent Interest	(2,306,140)	18,991,697
Non-controlling interests	(13,072,963)	(13,072,963)
TOTAL EQUITY	(15,379,103)	5,918,734

Notes: The pro-forma Balance Sheet has been prepared based on the audited Balance Sheet as at 30 June 2016 and adjusted for financial effects of the Transaction and associated capital raising.

ANNEXURE A – PROXY FORM – ATC ALLOYS LIMITED

GENERAL MEETING

I/We

of

being a member of ATC Alloys Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Meeting to be held at 10:00 a.m. (AEST) on 20 April, 2017 at Level 11, 52 Phillip Street Sydney NSW 2000 Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of the resolution.

If the Chair of the Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 1** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Meeting may exercise your proxy even if he has an interest in the outcome of resolution 1 and that votes cast by the Chair of the Meeting for resolution 1, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on resolution 1.

OR

Voting on Business of the Meeting

Resolution 1 – Approval for Sale of 35% of Joint Venture

FOR**AGAINST****ABSTAIN**

Please note: If you mark the abstain box, 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.

Signature of Member(s):**Date:** _____**Individual or Member 1****Sole Director/Company Secretary****Member 2****Director****Member 3****Director/Company Secretary****Contact Name:** _____ **Contact Ph (daytime):** _____

ATC ALLOYS LIMITED ACN 118 738 999

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. 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 member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members must 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 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.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member 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 GPO Box 225, Sydney NSW 2001, Australia;
 - (b) facsimile to the Company on facsimile number (+61 2) 8316 3999; or
 - (c) email to the Company at info@atcalloys.com,

so that it is received not later than 10:00 a.m. (AEST) on 18 April, 2017.

Proxy Forms received later than this time will be invalid.

CORPORATE DIRECTORY

Board of Directors

Patrick Burke, Executive Chairman
Nathan Featherby, Non-Executive Director
Saxon Ball, Non-Executive Director
Nicholas Halliday, Non-Executive Director

Company Secretary

Trent Franklin

Registered Office

Level 11, 52 Phillip Street
Sydney NSW 2000
Australia

Company Website

<http://www.atcalloys.com/>

Share Registry

Computershare Investor Services Pty Limited

Phone: 1300 787 272