

21 March 2018

ISSUE OF CONVERTIBLE NOTES

ATC Alloys Limited (**ATA** or the **Company**) is pleased to announce that it has undertaken to issue convertible notes to raise up to A\$500,000. Convertible notes will be issued to institutional and sophisticated investors on the following terms:

- Conversion price: Convertible into fully paid ordinary shares in ATA at the price of the Company's impending rights issue capital raising (**Capital Raising**).
- Interest rate of 10% per annum, payable semi-annually via the issue of shares at the 5 trading day volume weighted average price prior to issue.
- Maturity: 12 months from the date of issue.
- Any conversion of the convertible notes will be subject to ATA shareholders first providing approval to the issue of Shares.

The funds raised following the issue of the convertible notes will be used for progression of the Company's purchase of the remaining 40% of ATCHK and a partial repayment of the Company's secured loan from Siderian Resource Capital Limited.

Further to the proposed financing, the Company intends to seek shareholder approval to undertake the Capital Raising and to allow for conversion of the convertible notes into shares. Additional details will be available in a Notice of Meeting expected to be distributed to shareholders in the coming weeks.

Yours faithfully,



Nathan Featherby
Executive Chairman