

## Highlights

- **A thirty-six (36) for one (1) non-renounceable entitlement offer to raise up to approximately \$5 million.**
- **Pinnacle Corporate Finance Pty Ltd acting as partial conditional Underwriter to the Offer.**
- **Waiver granted by ASX for Listing Rule 7.11.3 and 7.15.**

ATC Alloys Limited (ASX:ATA) (“ATC” or “the Company”) is pleased to announce it has launched an entitlements issue to raise up to \$5,072,093 (before costs) (“Entitlement Issue” or “Offer”).

The Company intends to use the funds raised under the Offer for the purposes of:

- funding the cash consideration payable in respect of the recently announced transaction with its joint venture partner Mr George Chen (see the Company’s announcement dated 4 July 2018)
- partial repayment (or, depending on the amount raised, full repayment) of its secured creditor Siderian Resource Capital Limited
- current operations
- procurement of tungsten feedstock, and
- general working capital.

## **Entitlements Issue Details**

The terms of the Offer are as follows:

Eligible shareholders will be offered the ability to subscribe for thirty six (36) fully paid ordinary shares at an issue price of \$0.001 per share (“New Share”) for every one (1) existing share they hold in the Company as at the record date (16 August 2018).

Based on the capital structure of the Company as at the date of this announcement, a maximum of 5,072,093,316 New Shares will be issued pursuant to this Offer, to raise up to \$5,072,093 (before expenses).

Eligible shareholders comprise shareholders who are noted in the share registry as having an address in Australia or New Zealand as at the record date (“Eligible Shareholders”).

Eligible Shareholders will also be given the opportunity to apply for additional new shares in excess of their entitlement. Further details of the Offer including how to apply for entitlement and additional shares will be set out in a prospectus to be dated 10 August 2018 (“Prospectus”) which will be lodged shortly with the ASIC and ASX and which will be made available to all Eligible Shareholders in accordance with the indicative timetable set out below.

The Entitlement Offer is partially conditionally underwritten by Pinnacle Corporate Finance Pty Ltd (“Underwriter”) to the amount of \$1,000,000 (“Underwritten Amount”). In consideration for that commitment, the Company has agreed to provide to the Underwriter the following consideration:

- a management fee of 1.0% of the total amount raised by the Underwriter in the Entitlement Issue;
- an underwriting fee of 5.0% of the Underwritten Amount; and
- a capital raising fee of 5.0% of the amount of shortfall placed (in excess of the Underwritten Amount) by the Underwriter.

The underwriting is subject to the satisfaction of various conditions, as described more fully in the Prospectus, including in particular the receipt of applications from Eligible Shareholders in respect of their entitlements and shares in excess of their entitlements of at least \$3 million in aggregate.

## Indicative Timetable

The Offer is intended to be conducted in accordance with the following timetable\*:

Lodgement of Notice of Meeting with ASX	23 July 2018
Notice of Meeting sent to Shareholders	23 July 2018
Announcement of Offers	10 August 2018
Lodgement of Prospectus with ASIC	10 August 2018
Lodgement of Prospectus and Appendix 3B with ASX	10 August 2018
Notice sent to Shareholders	13 August 2018
Ex Date	15 August 2018
Record Date for determining Entitlements	16 August 2018
Dispatch of Offer documents to eligible Shareholders	20 August 2018
Opening Date for Entitlement Offer	20 August 2018
Shareholder Meeting	22 August 2018
Last day to extend Offer Period	4 September 2018
Closing Date for Entitlement Offer	7 September 2018
Shares quoted on a deferred settlement basis	10 September 2018
ASX notified of under subscriptions	12 September 2018
Issue Date of Entitlement Offer	14 September 2018
Last date on which Shortfall Shares may be issued	4 December 2018

\*These dates are determined based upon the current expectations of the Directors. The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. Such extensions would have a consequential effect on subsequent dates.

## Waiver

### 7.11.3 Waiver

The Company has obtained a waiver from ASX Listing Rule 7.11.3 to enable the Company to undertake the Offer. Listing Rule 7.11.3 broadly provides that the ratio of securities offered under an entitlements issue must not be greater than one for one unless the offer is renounceable and the issue price is not more than the market price of shares at the time the issue is announced.

The Company's shares are currently suspended from trading, and accordingly the Company is unable to undertake a renounceable entitlements issue. ASX has granted a waiver from Listing Rule 7.11.3 to enable the Company to undertake a non-renounceable rights issue on the following conditions:

- shareholders of the Company approve the Entitlements Issue;
- the notice of meeting seeking shareholder approval for the Entitlements Issue contains a voting exclusion statement that excludes the votes of any substantial shareholders, any proposed underwriter or sub-underwriter of the Entitlements Issue, any brokers or managers of the Entitlements Issue, and any of their respective associates; and
- the Company releases details of this waiver at the time that full details of the Entitlements Issue are announced to the market.

A notice of meeting was sent to shareholders of the Company and announced to the market on 23 July 2018 (**NOM**). The NOM included a resolution to approve the Entitlements Issue and voting exclusion statement that excludes the votes of any substantial shareholders, any proposed underwriter or sub-underwriter of the Entitlements Issue, any brokers or managers of the Entitlements Issue, and any of their respective associates.

#### **7.11.5 Waiver**

The Company has also obtained a waiver from ASX Listing Rule 7.15 to enable the Offer to have a record date which is prior to the date of the shareholders meeting. ASX has granted a waiver from 7.15 on the following conditions:

- The Company's securities are not reinstated to official quotation at any time prior to the shareholder's meeting to approve the Entitlements Issue nor before ASX gives notice that it is satisfied that the financial condition and level of operations of the Company is adequate to warrant the quotation of the Company's securities; and
- The Company releases details of this waiver at the time that full details of the Entitlements Issue are announced to the market.

The Company's securities are currently suspended from trading and will remain so until after the Offer is completed which will occur after the shareholder meeting and after the Company satisfies Listing Rule 12.2.

Yours faithfully,

Nathan Featherby  
Executive Director