

ATC ALLOYS LTD
ACN 118 738 999

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of thirty-six (36) Shares for every one (1) Share held by Eligible Shareholders at an issue price of \$0.001 per Share, to raise up to A\$5,072,093 before expenses (**Entitlement Offer**).

This Prospectus also includes an offer to Eligible Shareholders to subscribe for any Shortfall Shares (**Shortfall Offer**).

The Entitlement Offer is partially conditionally underwritten by Pinnacle Corporate Finance Pty Ltd. Refer to Section 8.4(a) of this Prospectus for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as highly speculative.

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1. CORPORATE DIRECTORY

Directors

Imants Kins (Non-Executive Chairman)

Nathan Featherby (Executive Director)

Saxon Ball (Non-Executive Director)

Company Secretary

Trent Franklin

Share Registry*

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace,
Perth WA 6000

Telephone (Australia): 1300 850 505
Telephone (overseas): +61 3 9415 4000

Auditors*

Crowe Horwath Sydney
Level 15
1 O'Connell Street
Sydney NSW 2000

Company's Registered Office

Level 11
52 Phillip Street
Sydney NSW 2000
Telephone: +61 2 8316 3993
Facsimile: +61 2 8316 3999

Email: info@atcalloys.com
Website: <http://www.atcalloys.com/>

Solicitors in respect of the Offers

Lavan
The Quadrant
1 William Street
Perth WA 6000

Underwriter

Pinnacle Corporate Finance Pty Ltd
Level 9, 190 St Georges Terrace
Perth WA 6000

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

2. 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
Trading of Shares commences on a normal basis (deferred settlement trading ends)	14 September 2018
Holding statements issued for Entitlement Shares	21 September 2018
Last date on which Shortfall Shares may be issued	7 December 2018

* These dates are determined based upon the current expectations of the Directors. The Company may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. The date of commencement of deferred settlement trading, issue and quotation of Shares issued under the Entitlement Offer may therefore vary accordingly.

3. IMPORTANT NOTES

This Prospectus is dated 10 August 2018 and was lodged with ASIC on that date.

The expiry date of this Prospectus is the date that is 13 months from the date of this Prospectus (**Expiry Date**). No Shares will be issued on the basis of this Prospectus later than the Expiry Date.

No person is authorised to give information or to make any representation in connection with this Prospectus or the Offers, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus or the Offers. No document or information included on our website is incorporated by reference into this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of Shares which has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as a prospectus for an initial public offering. As the Company is a disclosing entity for the purposes of the Corporations Act and is subject to regular reporting obligations and the continuous disclosure requirements of the ASX Listing Rules, certain information is reasonably expected to be known to investors and their professional advisers. This Prospectus should be read in conjunction with the Company's other periodic and continuous disclosure announcements given to ASX, which are available at www.asx.com.au.

Neither ASIC nor ASX take any responsibility for the contents of this Prospectus, nor do either of them make any statement regarding the merits of the Offers the subject of this Prospectus.

It is important that investors read this Prospectus in its entirety and in particular the Risk Factors as set out in Section 7 of this Prospectus and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for the Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form.

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any investor. You are encouraged to read this Prospectus fully before deciding whether to invest in the Company. You should consider the Risk Factors set out in Section 7 of this Prospectus having regard to your financial objectives, situation and needs and seek professional advice from your accountant, financial adviser, stockbroker or other professional adviser before deciding whether to invest in the Company.

3.1 Definitions and interpretation

A number of words or terms used throughout this Prospectus are capitalised and have the meanings given to them in Section 11 of this Prospectus.

References to currency, including A\$, \$ or AUD, are references to Australian currency unless otherwise stated. References to time are to time in New South Wales, Australia.

3.2 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus. Key risk factors are set out below. Please refer to Section 7 of this Prospectus for further risk factors.

- (a) reinstatement to trading on ASX;
- (b) secured debt and requirement for further funding;
- (c) going concern risk;
- (d) issues with joint venture partner;
- (e) production risks
- (f) viability and condition of Ferro Tungsten Plant;
- (g) ferro tungsten marketing and ferro tungsten prices;
- (h) exchange rate volatility;
- (i) risks associated with operations in Vietnam;
- (j) environment;
- (k) reliance on key personnel;
- (l) trading price of ATC Shares;
- (m) dilution by the Offers, conversion of the Convertible Securities and/or the issue of the AGM Shares;
- (n) financing; and
- (o) other risks.

3.3 Rounding

A number of figures, amounts, percentages, prices, estimates in this Prospectus have been subject to rounding. The actual calculations of these figures may differ from the figures set out in this Prospectus.

3.4 Disclaimer

Neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

3.5 Directors Interests in Securities

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Convertible Notes	Entitlement (Shares)	Entitlement (A\$)
Nathan Featherby ¹	69,000	Nil	Nil	2,484,000	\$2,484.00
Saxon Ball ¹	187,080	Nil	Nil	6,734,880	\$6,735.00
Imants Kins	Nil	Nil	Nil	Nil	Nil

Note

1. Mr Featherby and Mr Ball are also directors of Ochre Group Holdings Limited (**Ochre**) and its wholly owned subsidiary, Ochre Capital Management Pty Limited (**OCM**). OCM holds 312,781 Shares, two Convertible Notes with face value of \$25,000 which are convertible at the lower of \$0.05 or the lowest issue price prior to the maturity date, and one convertible note with a face value of \$85,000 which is convertible at \$0.01 per share. Mr Ball holds an interest of 0.4% in Ochre, and Mr Featherby holds an interest of approximately 27% in Ochre, which owns 100% of the issued capital of OCM. Accordingly, Mr Featherby has a deemed relevant interest in OCM's and Ochre's holding in the Company.

Additionally, the Company notes that in connection with the Entitlement Offer and the associated transactions, including in respect of the Siderian Facility, the Company proposes to issue to Ochre 2,750,000,000 ordinary shares in the Company, subject to receipt of Shareholder approval. Refer to the Notice of Meeting.

Nathan Featherby and Saxon Ball each advise that they intend to take up each of their Entitlements to the full extent of each of their direct interests.

OCM has advised the Company that it intends to take up its full Entitlement.

3.6 Substantial Holders

Based on the Company's share register as at the date of this Prospectus, those persons which (together with their Associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Name of substantial holder	Number	Percentage (%)
Pinnacle Corporate Finance Pty Ltd (formerly Somers & Partners Pty Ltd)	26,441,813	18.77
Jemaya Pty Ltd	9,055,440	6.42
HSBC Custody Nominees (Australia) Ltd (SG Hiscock)	7,729,773	5.49

3.7 Underwriting

The Entitlement Offer is partially conditionally underwritten by Pinnacle Corporate Finance Pty Ltd (formerly Somers & Partners Pty Ltd) (**Pinnacle** or the **Underwriter**) to the value of A\$1,000,000 (**Underwritten Amount**). Refer to Section 8.4(a) of this Prospectus for details of the terms of the underwriting.

3.8 Effect of the Offers on the Control of the Company

Pursuant to the terms of the Offers and the Underwriting Agreement, the Company and the Underwriter will ensure that no person (including the Underwriter and its Associates) will acquire, either through participation in the Entitlement Offer or the Shortfall Offer, a relevant interest in, or increase their holding of relevant interests to, an amount in excess of 19.99% of all Shares on issue on completion of the Offers. Refer to Section 4.5 of this Prospectus for details of how the Shortfall Shares will be allocated.

The Company considers it is unlikely that no Shareholders will take-up Entitlements under the Entitlement Offer or apply for additional Shortfall Shares under the Shortfall Offer. The voting power of the Underwriter and its Associates will reduce by a corresponding amount for the amount of Entitlements taken up under the Entitlement Offer and number of Shortfall Shares issued. The Directors believe that the Entitlement Offer has been priced to encourage Shareholders to participate in the Entitlement Offer and the Shortfall Offer, which in turn will enable the Company to achieve the objectives stated in Section 5.1 of this Prospectus.

The Company considered alternative options for raising capital and resolved that the Offers on the terms detailed in this Prospectus were the most favourable course open to the Company and its Shareholders, given the Company's strategic objectives and having regard to the circumstances existing at the date of this Prospectus.

The Directors consider, having regard to all available options, that entering into the Underwriting Agreement with the Underwriter provides the Company and the Shareholders with a higher degree of certainty in the time available that the Entitlement Offer will be successful, when compared with other available options.

3.9 Dilution

The Entitlement Offer (and therefore the issue of Shares under the Offers) is subject to Shareholder approval at the 2017 AGM. The maximum number of Shares which will be issued pursuant to the Offers is 5,072,093,316. This will equate to approximately 97.3% of all the issued Shares following completion of the Offers. Subject to the extent to which current Shareholders exercise their respective Entitlement, it is possible that the relevant percentage of Shares held by Shareholders will be reduced as a result of the dilutionary effect of the proposed issue of Shares.

Applicants should note that in addition to the Shares to be issued under the Offers that the Company also proposes to issue a number of other Shares which are also subject to Shareholder approval at the 2017 AGM, as outlined in the Notice of Meeting (**AGM Shares**), please refer to Section 3.10 of the Prospectus for further details. The issue of Shares under the Offers and the issue of the AGM Shares are both conditional upon Shareholders voting in favour of both issuances. This means that no Shares will be issued under the Offers if Shareholders do not vote in favour of issuing the AGM Shares and vice-versa.

By way of example, the Company provides below an analysis of the possible dilutionary effect that the Offers may have, on both an undiluted and fully diluted basis and based on the assumption that none of the Shareholders exercise any of their respective Entitlements.

(a) **On an undiluted basis**

Shareholder	Shareholding as at Record Date	% holding at Record Date	% holding post Offers
Shareholder 1	10,000,000	7.10%	0.19%
Shareholder 2	5,000,000	3.55%	0.096%
Shareholder 3	1,500,000	1.06%	0.029%
Shareholder 4	400,000	0.28%	0.0077%
Shareholder 5	50,000	0.04%	0.00096%

Notes:

1. The dilutionary effect shown in the table above are shown as the maximum percentage on the assumption that Entitlements not accepted by Eligible Shareholders will be placed under the Shortfall Offer and that no other Shares are issued or Convertible Notes converted prior to the Record Date.
2. This table does not consider the issue of any AGM Shares, the issue of which is subject to Shareholder approval at the 2017 AGM. Further details of the AGM Shares is set out in Section 3.11 of this Prospectus. The AGM Shares, if issued, will result in further dilution of Shareholders' holdings (other than Shares to whom they are issued).

(b) **On a fully diluted basis**

Shareholder	Shareholding as at Record Date	% holding at Record Date	% holding post Offers
Shareholder 1	10,000,000	7.10%	0.054%
Shareholder 2	5,000,000	3.55%	0.027%
Shareholder 3	1,500,000	1.06%	0.008%
Shareholder 4	400,000	0.28%	0.002%
Shareholder 5	50,000	0.04%	0.0003%

Notes:

1. The dilutionary effect shown in the table above is shown as the maximum percentage on the assumption that Entitlements not accepted by Eligible Shareholders will be placed under the Shortfall Offer and also considers the issue of AGM Shares, the issue of which is subject to Shareholder approval at the 2017 AGM. Further details of the AGM Shares is set out in Section 3.10 of this Prospectus.
2. The recipients of AGM Shares (Section 3.10 of this Prospectus) will not be entitled to any Entitlement (in respect of AGM Shares) under the Entitlement Offer (and accordingly none under the Shortfall Offer) as the AGM Shares will be issued after the Record Date. Recipients of AGM Shares will have Entitlements only for Shareholdings they hold at the Record Date.
3. Applicants should note that the Company is also seeking Shareholder approval at the 2017 AGM for the issue of up to a maximum of 12 additional convertible notes, each with a face value of A\$25,000, and an additional six convertible notes each with a face value of A\$50,000 (to be issued to the nominated noteholders as set out in the Notice of Meeting)(**Additional Notes**). The issue of the Additional Notes is not conditional upon Shareholder approval of either the Entitlement Offer or the AGM Shares.

3.10 Proposed other Share issues

In addition to the Offers, which are subject to Shareholder approval, the Company has proposed a number of other Share issuances which are intended to take place on or about the same time as or shortly after the issue of the Entitlement Shares (the **AGM Shares**).

These Share issuances are outlined in the Notice of Meeting, and are summarised in the table below, which includes the conditions applicable to the relevant Shareholder resolutions approving the issue of the various categories of AGM Shares and the conditions to the issue of the AGM Shares themselves:

No	AGM Share issue details	The issue of these AGM Shares is conditional upon Shareholder approval of:	The issue of these AGM Shares is conditional upon completion of the:
1	Issue of 98,250,000 Shares to Patrick Burke (previous director) in lieu of payment of director's remuneration (AGM Resolution 6)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer
2	Issue of 250,000,000 Shares to Enrizen Capital Pty Ltd in lieu of payment of fees for legal services provided to the Company (AGM Resolution 7)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer; and • Chen Transaction.
3	Issue of 2,750,000,000 Shares to Ochre Group Holdings Limited in consideration of facilitating the completion of the Entitlement Issue, repayment of the Siderian Facility and resolution of the Chen Dispute (AGM Resolution 8)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer; and • Chen Transaction.
4	Issue of 1,335,405,720 Shares to Somers & Partners Pty Ltd in lieu of payment for corporate advisory services provided to the Company (AGM Resolution 9) (Note Somers & Partners Pty Ltd changed their name to Pinnacle Corporate Finance Pty Ltd on 8 August 2018)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer; and • Chen Transaction.
5	Issue of 28,000,000 Shares to Nicholas Halliday (previous director) in lieu of payment of director's remuneration (AGM Resolution 10)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer; and • Chen Transaction.
6	Issue of 34,000,000 Shares to Saxon Ball in lieu of payment of director's remuneration (AGM Resolution 11)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer; and • Chen Transaction.

No	AGM Share issue details	The issue of these AGM Shares is conditional upon Shareholder approval of:	The issue of these AGM Shares is conditional upon completion of the:
7	Issue of 85,000,000 Shares to Nathan Featherby in lieu of payment of director's remuneration (AGM Resolution 12)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer; and • Chen Transaction.
8	Issue of up to 4,430,000,000 Shares to the Convertible Noteholders at a reduced conversion price of \$0.001, being the same price as the price of the Entitlement Offer (AGM Resolution 13)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer; and • Chen Transaction.
9	Issue of 3,000,000,000 Shares to Guangyu (George) Chen as consideration for the acquisition of Chen's ATPHK shares (AGM Resolution 14)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer
10	Issue of 150,000,000 Shares to John Chegwidan, a proposed director, as consideration for consultancy services (AGM Resolution 15)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer; and • Chen Transaction.
11	Issue of 438,138,890 Shares to unrelated creditors in lieu of repayment of debts owed by the Company (AGM Resolution 16)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer
12	Issue of 800,000,000 Shares to Siderian Resources Capital Limited as a facilitation fee for the repayment of the Siderian Facility (AGM Resolution 17)	The AGM Share issues under AGM Resolutions 6 to 18.	<ul style="list-style-type: none"> • Entitlement Offer
13	Issue of 40,000,000 Shares to Imants Kins, director, as a signing bonus on his appointment to the board as Non-executive Chairman (AGM Resolution 18)	The AGM Share issues under AGM Resolutions 6 to 17.	<ul style="list-style-type: none"> • Entitlement Offer; and • Chen Transaction.

Assuming that the Offers proceed and are fully subscribed, the effect of the issue of the AGM Shares on the Company's share structure will be as follows:

Item	Number
Shares on issue as at date of Prospectus	140,891,481
Shares to be offered pursuant to the Offers (subject to shareholder approval)	5,072,093,316
AGM Shares	13,438,794,610
Total Shares on issue will be:	18,651,779,407

3.11 Suspension from ASX and Reinstatement to Quotation

The Shares of the Company have been in voluntary suspension from trading on the ASX since 1 September 2016 and remain suspended as at the date of this Prospectus.

The ASX has not, as at the date of this Prospectus, indicated the conditions, which the Company will need to satisfy in order to be reinstated to trading on the ASX. The Company intends to make submissions to ASX as soon as reasonably practicable with a view to obtaining approval for reinstatement to trading, and the conditions to which that approval might be subject.

The Company intends to satisfy the requirements of ASX and while every endeavour will be made to comply with the requirements as generally set down by the ASX Listing Rules and any specific conditions that ASX may impose, there can be no guarantee that the Company can satisfy the ASX's requirements within three months, or at all. If the Company is unable to comply with the requirements of ASX for reinstatement then the Shares will remain suspended from trading on ASX and there will be no market for the Shares.

It is a condition of the Offers, and the Company therefore will not issue any Shares under the Offers until ASX has approved the reinstatement to trading of the Shares subject to conditions acceptable to the Company. Please refer to Section 7.2(a) of this Prospectus for further detail.

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 2 of this Prospectus.

If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as permitted by law), the Company will not issue any Shares under either Offer and the Company will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.12 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The last recorded closing sale price of the Shares on ASX prior to the voluntary suspension (1 September 2016) and lodgement of this Prospectus was \$0.025. The Offers for Shares under this Prospectus, at \$0.001 per Share, is at a substantial discount to the last recorded closing sale price of the Shares.

The highest, lowest and last market sale prices of the Shares on ASX during the three

months immediately preceding the Company's suspension and the respective last dates of those sales were:

Highest	\$0.040	29 July 2016
Lowest	\$0.025	30 August 2016
Last	\$0.025	30 August 2016

3.13 Non-renounceable

The Entitlement Offer is non-renounceable. Where an Eligible Shareholder does not take up their Entitlement under a non-renounceable entitlement offer, their shareholding will be diluted with no compensating cash payment. Shares not subscribed for by Eligible Shareholders will form part of the Shortfall. Eligible Shareholders may apply for Shortfall Shares under the Shortfall Offer.

3.14 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company, the Directors and the Company's management cannot and do not:

- give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements; and
- intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required under the Corporations Act and the ASX Listing Rules.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Please refer to the risk factors set out in Section 7 of this Prospectus.

3.15 Enquiries

Before making a decision about investing in the Entitlement Offer, investors may consider it prudent to seek advice from their stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether making such investment meets their objectives, financial situation and needs.

If an Eligible Shareholder has any questions on how to complete the personalised Entitlement and Acceptance Form accompanying this Prospectus which Eligible Shareholders may use to apply for:

- Entitlement Shares under the Entitlement Offer; or
- Shortfall Shares offered under the Shortfall Offer,

please call the Share Registry between 9:00 a.m. and 5:00 p.m. (AEST) Monday to Friday during the period on and from and including the date on which the Entitlement Offer opens up to and including the Closing Date:

Within Australia: 1300 850 505

Outside Australia: +61 3 9415 4000

If you have lost or destroyed your Entitlement and Acceptance Form and would like a replacement form, please call the applicable number above.

4. DETAILS OF THE OFFERS

4.1 The Offers

There are two offers being made under this Prospectus:

- (a) The Entitlement Offer (see Section 4.2 of this Prospectus); and
- (b) The Shortfall Offer (see Section 4.5 of this Prospectus).

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Convertible Notes are converted prior to the Record Date), a maximum of 5,072,093,316 Shares will be issued pursuant to the Offers to raise approximately A\$5,072,093 (before the costs of the Offers).

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offers and the intended use of funds raised are set out in Section 5 of this Prospectus.

4.2 The Entitlement Offer

The Entitlement Offer is being made as a non-renounceable entitlement issue of thirty-six (36) Shares for every one (1) Share held by Eligible Shareholders at the Record Date, at an issue price of \$0.001 per Share, a substantial discount to the last closing price of \$0.025 prior to the Company's suspension on 1 September 2016.

The Entitlement Offer is conditional on the passing of a resolution of the Company's Shareholders, at the 2017 annual general meeting of Shareholders to be held on 22 August 2018 pursuant to the Notice of Meeting (**2017 AGM**), approving the Entitlement Offer, and the passing of all other resolutions the passage of which that resolution is expressed to be subject. Please refer to Section 4.4 of this Prospectus for details of the conditionality that applies to the Entitlement Offer.

4.3 Minimum subscription amount

The minimum subscription amount of the Offers is A\$3,000,000 (**Minimum Subscription Amount**) and the Underwritten Amount is in addition to that the Minimum Subscription Amount.

4.4 Conditions of Offer

No Shares will be issued under this Prospectus until the Shareholder approvals as referred to in Section 4.2 of this Prospectus have been obtained, the Minimum Subscription Amount has been raised, certain SPA Conditions Precedent as specified in Section 5.1(c) of this Prospectus have been satisfied or waived in accordance with the SPA and the ASX has given approval for the reinstatement of the Company's Shares to trading, on conditions acceptable to the Company. If the Minimum Subscription Amount has not been raised within four months after the date of issue of this Prospectus, the Company will either repay the Application Monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and to be repaid their Application Monies which will be done within the time limit in the Corporations Act and will be repaid without interest.

4.5 Shortfall Offer

Any Entitlement Shares not taken up pursuant to the Entitlement Offer will form the Shortfall Shares which are offered under the Shortfall Offer.

The Shortfall Offer is a separate offer pursuant to this Prospectus and will remain open during the Shortfall Offer Period (up to and including the Shortfall Offer Closing Date). The issue price of each Share to be issued pursuant to the Shortfall Offer is \$0.001 being the price at which the Entitlement Shares have been offered under the Entitlement Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for additional Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shares using BPAY® (refer to Section 4.8 of this Prospectus).

Pursuant to the terms of the Offers and the Underwriting Agreement, the Company and the Underwriter will ensure that no person (including the Underwriter and its Associates) will acquire, either through participation in the Entitlement Offer or the Shortfall Offer, a relevant interest in, or increase their holding of relevant interests to, an amount in excess of 19.99% of all Shares on issue on completion of the Offers.

Subject to the limitation stated in the immediately preceding paragraph, the Company, in consultation with the Underwriter, intends to allocate the Shortfall Shares under the Shortfall Offer in accordance with the following order of priorities:

- (a) To the extent there is a Shortfall (**First Shortfall**) then, subject to paragraph (d) below, each Eligible Shareholder who has validly applied for Shortfall Shares will be allocated their proportionate share of the First Shortfall in proportion to their shareholdings as at the Record Date. If an Eligible Shareholder has made a valid application for Shortfall Shares but has applied for a lower number of Shortfall Shares than the amount of new Shares which that Shareholder would otherwise be allocated under this process, that Shareholder will be allocated the lower amount.
- (b) If, following allocation of the First Shortfall, there remains a shortfall between the allocated new Shares and the total number of new Shares proposed to be issued under the Shortfall Offer (**Second Shortfall**), the above allocation process will be repeated in respect of the Second Shortfall and any subsequent shortfalls under either all the new Shares proposed to be issued under the Shortfall Offer have been allocated or all valid applications from Eligible Shareholders for Shortfall Shares have been satisfied in full.
- (c) If, following allocation of the Second Shortfall and any subsequent shortfalls in accordance with the above, there remains a shortfall between the allocated new Shares and the total number of new Shares proposed to be issued under the Shortfall Offer the Directors may, subject to paragraph (d) below, place that remaining shortfall with the Underwriter or any sub-underwriter of the Underwriter subject to and in accordance with the terms of the Underwriting Agreement.
- (d) No Shortfall Shares will be allocated or issued to any related party of the Company (including Directors and their Associates) or to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations Act, the ASX Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.

Subject to the preceding provisions, the Directors reserve the right to make allocations of Shares and Shortfall Shares, as, after consultation with the Underwriter, they determine (in their absolute discretion) from time to time during the three month period after the close of the Entitlement Offer.

The Company would like to advise that ALL Eligible Shareholders have the ability to not only participate in the Entitlement Offer, but to also apply for Shortfall Shares. **The above allocation mechanism does not restrict the number of Shortfall Shares for which any particular Eligible Shareholder may apply.**

If the number of Shortfall Shares issued to an Applicant is less than the number applied for by the Applicant, surplus Application Monies will be refunded to the Applicant in full as soon as practicable after the Shortfall Offer Closing Date. Interest will not be paid on Application Monies refunded.

The Company notes that no Entitlement Shares will be issued under the Entitlement Offer or Shortfall Shares under the Shortfall Offer if the issue of those Shares would contravene the takeover provisions in section 606 of the Corporations Act. Similarly, no Shortfall Shares will be issued under the Shortfall Offer to any related parties of the Company, as the term “related party” is defined in section 228 of the Corporations Act.

4.6 Acceptance

Your acceptance of the Entitlement Offer and/or your application under the Shortfall Offer must be made on the original Entitlement and Acceptance Form accompanying this Prospectus.

You may participate in the Offers as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) fill in the full number of your Entitlement Shares you wish to accept in the space provided on the Entitlement and Acceptance Form;
 - (ii) complete the Entitlement and Acceptance Form; and
 - (iii) attach your cheque drawn on an Australian bank or bank draft or arrange payment via BPAY®, for the full amount indicated on the Entitlement and Acceptance Form (at \$0.001 per Share); or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Entitlement Shares that you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque drawn on an Australian bank or bank draft or arrange payment via BPAY®, for the appropriate Application Monies (at \$0.001 per Entitlement Share); or
- (c) if you wish to subscribe for **more** than your Entitlement:
 - (i) fill in the number of Shortfall Shares you wish to accept in addition to your Entitlement Shares in the relevant space allocated to the Shortfall Offer on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft or arrange payment via BPAY®, for the appropriate Application Monies (at \$0.001 per Shortfall Share); or
- (d) if you do not wish to accept any part of your Entitlement, you do not have to do anything.

4.7 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “ATC Alloys Ltd – Right Issue Account” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Share Registry no later than 5:00 pm (AEST) on the Closing Date.

4.8 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 4:00 pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any Application Monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.9 Underwritten

The Offer is partially conditionally underwritten by Pinnacle, refer to Sections 3.7, 3.8 and 8.4(a) of this Prospectus for further details.

4.10 Issue of Shares

Shares issued pursuant to the Entitlement Offer will be issued in accordance with the ASX Listing Rules and the timetable set out in Section 2 of this Prospectus. Where, under the Entitlement Offer the number of Entitlement Shares issued to an Applicant is less than the number of Entitlement Shares applied for by that Applicant or where no issue of Entitlement Shares is made to the Applicant, any surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Entitlement Offer Closing Date.

Shares issued pursuant to the Shortfall Offer may be issued on a progressive basis during the Shortfall Offer Period. Where, under the Shortfall Offer, the number of Shortfall Shares issued to an Applicant is less than the number of Shortfall Shares applied for by that Applicant, or where no issue of Shortfall Shares is made to that Applicant, any surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the end of the Shortfall Offer Closing Date.

Pending the later of the issue of the Shares, payment of refunds pursuant to this Prospectus and ASX granting Official Quotation of the Shares offered under this

Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on that bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Entitlement Offer will be mailed in accordance with the ASX Listing Rules and timetable set out in Section 2 of this Prospectus and for any Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

4.11 Overseas shareholders

This Prospectus and the Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Company has determined that it is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand, to whom the offer of these Shares is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Shares under the Offers does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

No action has been taken to register or qualify the Shares or the Offers, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Prospectus have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act of 1933 and applicable US state securities law.

4.12 Withdrawal of the Offers

The Company reserves the right to withdraw all or part of the Offers, and this Prospectus, at any time, subject to applicable laws. In that case, the Company will refund Application Monies relating to any Shares not already issued in accordance with the Corporations Act and without payment of interest.

4.13 Enquiries

Any questions concerning the Offers should be directed to the Company Secretary, Trent Franklin on + 61 2 8316 3993.

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Background

On 23 September 2016, the Company announced that following a review of the operation and performance of its incorporated joint venture between the Company as 60% owner and Guangyu (George) Chen as 40% owner of ATPHK (**Joint Venture**) under the operatorship of its 40% Joint Venture partner, Mr Guangyu (George) Chen (**Mr Chen**), the Company and Mr Chen had commenced a dispute in relation to the management of the Joint Venture (**Chen Dispute**). Since this time, the Company and Mr Chen have explored a range of options in pursuit of a resolution of the Dispute.

As recently announced, the Company has entered into a Share Sale and Purchase Agreement dated 3 July 2018 (**SPA**), with Mr Chen, in order to resolve the Chen Dispute.

Under the terms of the SPA, the Company has agreed to purchase Mr Chen's 40% shareholding in ATPHK resulting in the Company owning 100% of ATPHK and its Vietnamese subsidiary (Asia Tungsten Products Vietnam Limited or **ATPV**), which owns the Ferro Tungsten Plant (**Chen Transaction**). As a result of the Chen Transaction, ATPHK (and ATPV) will become a wholly owned subsidiary of the Company.

(a) The Company will provide to Mr Chen, as consideration:

- (i) A\$800,000 in cash, payable upon completion of the Chen Transaction under the SPA (**SPA Completion**);
- (ii) A\$3,000,000 in Shares, issued upon SPA Completion, at an issue price of A\$0.001 per Share; and
- (iii) A\$2,400,000 deferred consideration, to be paid twenty four (24) months following SPA Completion by way of an issue of Shares subject to Mr Chen's fulfilment of certain post SPA Completion obligations under the SPA. However, if one or more specified material adverse events occurs in respect of the Company, Mr Chen has the right to demand payment of the A\$2,400,000 deferred consideration in cash.

(b) The Chen Transaction will be subject to the following conditions precedent which must be satisfied prior to SPA Completion:

- (i) the Company obtaining all relevant approvals in order to give effect to the SPA and the Chen Transaction;
- (ii) the Company completing the capital raising and raising a minimum of A\$3,000,000 under this Prospectus;
- (iii) the Company receiving written confirmation from ASX in respect of lifting the suspension from trading of the Company's Shares;
- (iv) the Company having paid a sum of A\$1,500,000 to its secured lender Siderian, and Siderian agreeing to enter into a deed releasing the Company, Mr Chen, ATPHK, ATPV and Bighill Resources Limited (a subsidiary of the Company) with respect to any claims against them (**Siderian Release**); and
- (v) the legal representatives of Mr Chen and the Company having signed and filed a consent summons to discontinue the current proceedings before the High Court of Hong Kong,

(together, the **SPA Conditions Precedent**).

Applicants should note the interconditionality between the SPA and the Entitlement Offer. The Entitlement Offer is conditional upon the satisfaction or waiver (in accordance with the SPA) of the SPA Conditions Precedent set out in paragraphs (b)(i) and (b)(iii) above. Applicants should therefore note that the Entitlement Offer may become unconditional and complete in circumstances where the Siderian Release referred to in paragraph (b)(iv) above is not provided and consequently (unless that condition to the SPA is waived) SPA Completion does not occur.

Applicants should also note the interconditionality between the SPA and the Entitlement Offer and satisfaction of the SPA Condition Precedent set out in paragraph (b)(v) above, whereby the Entitlement Offer may become unconditional and complete in circumstances where the consent summons referred to in paragraph (b)(v) above is not executed by Mr Chen and consequently (and unless that condition to the SPA is waived) SPA Completion does not occur.

Completion under the SPA is intended to occur five (5) business days after the SPA Conditions Precedent are satisfied, or such other date as Mr Chen and the Company may agree. Both parties have interconditional completion obligations, which are standard for a transaction of this size and nature.

Upon SPA Completion, the Company will release Mr Chen in respect of any money, liabilities or obligations owing to the Company or any claims made before SPA Completion (the cause of action for which accrues before SPA Completion) by the Company in respect of the Joint Venture.

Upon SPA Completion, Mr Chen will release the Company in respect of any money, liabilities or obligations owing to Mr Chen before completion or any claims made before SPA Completion (the cause of action for which accrues before SPA Completion) by Mr Chen in respect of the Joint Venture.

Upon SPA Completion, the Company and Mr Chen will release ATPHK and its subsidiaries in respect of any money, liabilities or obligations owing to the Company and Mr Chen (as the case may be) or any claims made before SPA Completion (the cause of action for which accrues before SPA Completion) by the Company or Mr Chen in respect of the various agreements between the Company, Chen, ATPHK and its subsidiaries.

The SPA also includes a number of terms relating to warranties, covenants and conditions as are customary for a SPA of this nature.

Upon SPA Completion, the Company will:

- (a) procure the appointment of Mr Chen as a non-executive director of the Company; and
- (b) enter an executive services agreement with Mr Chen personally, on mutually agreed terms under which Mr Chen will become the President of ATPHK and ATPV.

In an ASX announcement dated 2 May 2018, the Company stated that as part of the terms in respect of the SPA arrangements, that upon SPA Completion, the Company will procure the appointment of Mr John Chegwiddden (a previous director of the Company) as a non-executive director of the Company.

5.2 Purpose of the Offers

The purpose of the Offers is to raise up to A\$5,072,093 (before costs associated with the Offers) to allow the Company to complete the Chen Transaction, substantially repay the Siderian Facility and recommence operations at the Ferro Tungsten Plant. If the Company raises less than A\$5,072,093 (but raises the Minimum Subscription Amount such the Offers will, subject to satisfaction of the offer conditions of the Offers, proceed) then the

Company will not be in a position to substantially repay the Siderian Facility and will have to negotiate with Siderian in respect of terms of repayment of the Siderian Facility. Please refer to Section 7.2(d) of this Prospectus for further detail.

The funds raised from the Offers are planned to be used in accordance with the table set out below. The Company has provided details of its intended use of funds for the Minimum Subscription Amount and the full amount under the Offers (A\$5.072 million):

Item	Proceeds of the Offers	Minimum Subscription Amount A\$3 million	Subscription to A\$5.072 million
1	Current operations, repayment of creditors, procurement of tungsten feedstock, general working capital and administration costs	300,000	1,472,093
2	Resolution of Chen Transaction & associated legal costs	200,000	200,000
3	Chen Transaction (as consideration)	800,000	800,000
4	Expenses of the Offer and associated transactions ¹	200,000	400,000
5	Repayment of Siderian Facility	1,500,000 ²	2,200,000 ³
	Total	\$3,000,000	\$5,072,093

Notes:

1. Refer to Section 8.11 of this Prospectus for further details relating to the estimated expenses of the Offers. Assumes that the full underwriting fees are paid in cash.
2. If the Company raises less than A\$5,072,093 (but raises the Minimum Subscription Amount such the Offers will, subject to satisfaction of the offer conditions of the Offers, proceed) then the Company will only be able to repay A\$1,500,000 (in cash) of the Siderian Facility and will have to negotiate with Siderian in respect of terms of repayment of the Siderian Facility.
3. If the Offers raise up to A\$5,072,093 (before costs associated with the Offers) then the Company anticipates that it will be able to substantially repay the Siderian Facility (in cash).

The above table is a statement of the Company's current intentions as at the date of this Prospectus. 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 in which the funds raised are applied on this basis.

5.3 Effect of the Offers

The principal effect of the Offers, assuming all Shares offered under the Prospectus are issued and no Convertible Notes are converted prior to the Record Date, will be to:

- (a) increase the Company's cash reserves by A\$5,072,093 (before the costs of the Offers are deducted) immediately after completion of the Offers; and
- (b) increase the number of Shares on issue from 140,891,481 as at the date of this Prospectus to 5,212,984,787 Shares.

Shareholders should also consider any further dilution that may occur as a result of the issue of the AGM Shares and/or the issue of any additional convertible notes, if approved by Shareholders, as set out in Sections 3.9(b) and 3.10 of this Prospectus.

5.4 Pro-forma balance sheet

The reviewed balance sheet as at 31 December 2017 and the unaudited pro-forma balance sheet as at 31 December 2017 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet below has been prepared both on the basis that the Minimum Subscription Amount is raised and the Offers are fully subscribed, and assumes all the AGM Shares are issued and no Convertible Securities are converted prior to the Record Date. The pro-forma balance sheet also includes expenses of the Offers, repayment to the Company's secured lender Siderian and the consideration payment as part of the Chen Transaction.

The Company prepares its financial statements in accordance with the requirements of the Corporations Act, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). The accounting policies upon which the pro-forma information has been prepared are set out in the Company's financial statements for the half-yearly period ended 31 December 2017. A copy of the Company's financial statements for the half-year period ended 31 December 2017 can be viewed on the ASX platform (ticker: ATA). The information is not represented as being indicative of the Company's views of its future financial condition and/or performance.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Table 5.4.1 – Pro-Forma Balance Sheet

Notes: The pro-forma Balance Sheet has been prepared based on the reviewed Balance Sheet as at 31 December 2017 and adjusted for financial effects of the Offers.

	Subscription - \$3 Million			Subscription - \$5.072 Million	
	Reviewed	Pro Forma	Pro Forma	Pro Forma	Pro Forma
	31-Dec-17	Adjustments	Reviewed	Adjustments	Reviewed
	\$	\$	\$	\$	\$
Current assets					
Cash and cash equivalents	445	300,000	300,445	1,472,093	1,472,538
Trade and other receivables	1,874	-	1,874	-	1,874
Other assets	4,000	-	4,000	-	4,000
Total current assets	6,319	300,000	306,319	1,472,093	1,478,412
Non-current assets					
Property, plant and equipment	683	-	683	-	683
Investments	-	4,000,000	4,000,000	4,000,000	4,000,000
Total non-current assets	683	4,000,000	4,000,683	4,000,000	4,000,683
Total assets	7,002	4,300,000	4,307,002	5,472,093	5,479,095
Current liabilities					
Trade and other payables	1,835,882	(659,548)	1,176,334	(659,548)	1,176,334
Subscription deposits advanced	720,000	(720,000)	-	(720,000)	-
Financial liabilities	6,721,431	(5,570,763)	1,150,668	(6,721,431)	-
Total current liabilities	9,277,313	(6,950,311)	2,327,002	(8,100,979)	1,176,334
Total liabilities	9,277,313	(6,950,311)	2,327,002	(8,100,979)	1,176,334
Net assets	(9,270,311)	11,250,311	1,980,000	13,573,072	4,302,761
Equity					
Issued capital	67,154,632	15,738,795	82,893,427	18,110,888	85,265,520
Reserves	30,600	-	30,600	-	30,600
Accumulated losses	(76,455,543)	(4,488,484)	(80,944,027)	(4,537,816)	(80,993,359)
Net equity	(9,270,311)	11,250,311	1,980,000	13,573,072	4,302,761

Table 5.4.2: Pro Forma Adjustments under the minimum subscription to A\$3 million.

	PF # 1 - Entitlement Issue \$	PF # 2 - Use of Fund \$	PF # 3 - AGM Shares \$	Total Pro Forma Adjustments \$
Current assets				
Cash and cash equivalents	2,800,000	(2,500,000)		300,000
Trade and other receivables				-
Other assets				-
Total current assets	2,800,000	(2,500,000)	-	300,000
Non-current assets				
Property, plant and equipment				-
Investments		1,000,000	3,000,000	4,000,000
Total non-current assets	-	1,000,000	3,000,000	4,000,000
Total assets	2,800,000	(1,500,000)	3,000,000	4,300,000
Current liabilities				
Trade and other payables		-	(659,548)	(659,548)
Subscription deposits advanced			(720,000)	(720,000)
Financial liabilities		(1,500,000)	(4,070,763)	(5,570,763)
Total current liabilities	-	(1,500,000)	(5,450,311)	(6,950,311)
Total liabilities	-	(1,500,000)	(5,450,311)	(6,950,311)
Net assets	2,800,000	-	8,450,311	11,250,311
Equity				
Issued capital	2,800,000		12,938,795	15,738,795
Reserves				-
Accumulated losses			(4,488,484)	(4,488,484)
Net Equity	2,800,000	-	8,450,311	11,250,311

PF # 1 - Reflects the \$3 million capital raise under the Entitlement Offer net of \$200,000 transaction costs relating directly to the Offers.

PF # 2 - Reflects the proposed use of funds for the Minimum Subscription Amount (A\$3 million) including:

- Resolution of Chen Transaction & associated legal costs - \$200,000
- Cash Consideration for Chen Transaction - \$800,000
- Repayment of Siderian Facility - \$1,500,000

PF # 3 - Reflects the proposed other Share issues as set out in Section 3.10 of this Prospectus, including:

- Issue of 98,250,000 Shares to Patrick Burke (previous director) in lieu of payment of director's remuneration (AGM Resolution 6)
- Issue of 250,000,000 Shares to Enrizen Capital Pty Ltd in lieu of payment of fees for legal services provided to the Company (AGM Resolution 7)
- Issue of 2,750,000,000 Shares to Ochre Group Holdings Limited in consideration of facilitating the completion of the Entitlement Issue, repayment of the Siderian Facility and resolution of the Chen Dispute (AGM Resolution 8)
- Issue of 1,335,405,720 Shares to Somers & Partners Pty Ltd in lieu of payment for corporate advisory services provided to the Company (AGM Resolution 9)

- Issue of 28,000,000 Shares to Nicholas Halliday (previous director) in lieu of payment of director's remuneration (AGM Resolution 10)
- Issue of 34,000,000 Shares to Saxon Ball in lieu of payment of director's remuneration (AGM Resolution 11)
- Issue of 85,000,000 Shares to Nathan Featherby in lieu of payment of director's remuneration (AGM Resolution 12)
- Issue of up to 4,430,000,000 Shares to the Convertible Noteholders at a reduced conversion price of \$0.001, being the same price as the price of the Entitlement Offer (AGM Resolution 13). This table assumes conversion of all convertible notes.
- Issue of 3,000,000,000 Shares to Guangyu (George) Chen as consideration for the acquisition of Chen's ATPHK shares (AGM Resolution 14)
- Issue of 150,000,000 Shares to John Chegwidan, a proposed director, as consideration for consultancy services (AGM Resolution 15)
- Issue of 438,138,890 Shares to unrelated creditors in lieu of repayment of debts owed by the Company (AGM Resolution 16)
- Issue of 300,000,000 Shares to Siderian Resources Capital Limited in partial repayment of the Siderian Facility and as consideration for the continued forbearance of the Siderian Facility (AGM Resolution 17)
- Issue of 40,000,000 Shares to Imants Kins, director, as a signing bonus on his appointment to the board as Non-executive Chairman (AGM Resolution 18)

Table 5.4.3 - Pro Forma Adjustments under subscription to A\$5.072 million.

	PF # 1 - Entitlement Issue \$	PF # 2 - Use of Fund \$	PF # 3 - AGM Shares \$	Total Pro Forma Adjustments \$
Current assets				
Cash and cash equivalents	4,672,093	(3,200,000)		1,472,093
Trade and other receivables				-
Other assets				-
Total current assets	4,672,093	(3,200,000)	-	1,472,093
Non-current assets				
Property, plant and equipment				-
Investments		1,000,000	3,000,000	4,000,000
Total non-current assets	-	1,000,000	3,000,000	4,000,000
Total assets	4,672,093	(2,200,000)	3,000,000	5,472,093
Current liabilities				
Trade and other payables		-	(659,548)	(659,548)
Subscription deposits advanced			(720,000)	(720,000)
Financial liabilities		(2,150,668)	(4,570,763)	(6,721,431)
Total current liabilities	-	(2,150,668)	(5,950,311)	(8,100,979)
Total liabilities	-	(2,150,668)	(5,950,311)	(8,100,979)
Net assets	4,672,093	(49,332)	8,950,311	13,573,072
Equity				
Issued capital	4,672,093		13,438,795	18,110,888
Reserves				-
Accumulated losses		(49,332)	(4,488,484)	(4,537,816)

Net Equity	4,672,093	(49,332)	8,950,311	13,573,072
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PF # 1 - Reflects the \$5.072 million capital raise under the Offers net of \$400,000 transaction costs relating directly to the capital raise.

PF # 2 - Reflects the proposed use of funds for the Minimum Subscription Amount (A\$5 million) including:

- Resolution of Chen Transaction & associated legal costs - \$200,000
- Cash Consideration for Chen Transaction - \$800,000
- Repayment of Siderian Facility - \$2,200,000

PF # 3 - Reflects the proposed other Share issues as set out in Section 3.10 of this Prospectus, including:

- Issue of 98,250,000 Shares to Patrick Burke (previous director) in lieu of payment of director's remuneration (AGM Resolution 6)
- Issue of 250,000,000 Shares to Enrizen Capital Pty Ltd in lieu of payment of fees for legal services provided to the Company (AGM Resolution 7)
- Issue of 2,750,000,000 Shares to Ochre Group Holdings Limited in consideration of facilitating the completion of the Entitlement Issue, repayment of the Siderian Facility and resolution of the Chen Dispute (AGM Resolution 8)
- Issue of 1,335,405,720 Shares to Somers & Partners Pty Ltd in lieu of payment for corporate advisory services provided to the Company (AGM Resolution 9)
- Issue of 28,000,000 Shares to Nicholas Halliday (previous director) in lieu of payment of director's remuneration (AGM Resolution 10)
- Issue of 34,000,000 Shares to Saxon Ball in lieu of payment of director's remuneration (AGM Resolution 11)
- Issue of 85,000,000 Shares to Nathan Featherby in lieu of payment of director's remuneration (AGM Resolution 12)
- Issue of up to 4,430,000,000 Shares to the Convertible Noteholders at a reduced conversion price of \$0.001, being the same price as the price of the Entitlement Offer (AGM Resolution 13). This table assumes conversion of all convertible notes.
- Issue of 3,000,000,000 Shares to Guangyu (George) Chen as consideration for the acquisition of Chen's ATPHK shares (AGM Resolution 14)
- Issue of 150,000,000 Shares to John Chegwiddden, a proposed director, as consideration for consultancy services (AGM Resolution 15)
- Issue of 438,138,890 Shares to unrelated creditors in lieu of repayment of debts owed by the Company (AGM Resolution 16)
- Issue of 800,000,000 Shares to Siderian Resources Capital Limited in partial repayment of the Siderian Facility and as consideration for the continued forbearance of the Siderian Facility (AGM Resolution 17)
- Issue of 40,000,000 Shares to Imants Kins, director, as a signing bonus on his appointment to the board as Non-executive Chairman (AGM Resolution 18)

5.5 Effect on capital structure

The effect of the Offers on the capital structure of the Company is set out below.

Shares

	Number
Shares on issue as at the date of this Prospectus	140,891,481
Shares to be offered pursuant to the Offers ¹	5,072,093,316
AGM Shares ²	13,438,794,610
Total Shares on issue after completion of the Offers¹	18,651,779,407

Notes

1. This assumes that no Convertible Notes are converted prior to the Record Date.
2. The Company proposes to issue these further Shares as set out in Section 3.7 of this Prospectus. These Share issuances are each subject to Shareholder approval.

Convertible Notes

Convertible Notes	Number
Notes currently on issue:	
Notes with a face value of \$50,000 convertible at \$0.25 per Share on or before 01/07/2018	35 ¹
Notes with a face value of \$25,000 convertible at \$0.25 per Share on or before 01/07/2018	2 ²
Notes with a face value of \$50,000 convertible at \$0.05 per Share on or before 01/07/2018	23 ³
Notes with a face value of \$20,000 convertible at \$0.05 per Share on or before 01/07/2018	6 ⁴
Notes with a face value of \$10,000 convertible at \$0.05 per Share on or before 01/07/2018	2 ⁵
Notes with a face value of \$25,000 convertible at \$0.05 per Share or the lowest issue price of any Shares prior to the Maturity Date	12 ⁶
Notes with a face value of \$25,000 convertible at \$0.05 per share or the lowest issue price of any Shares prior to the Maturity Date, or the price implied by any corporate action.	10 ⁷
Notes with a face value of \$50,000 convertible at \$0.025 per Share or the lowest issue price of any Shares prior to the Maturity Date, or the price implied by any corporate action.	1 ⁸
Notes with a face value of \$85,000 convertible at \$0.01 per Share on or before 01/07/2018	1 ⁹
Notes with a face value of \$30,000 convertible at \$0.01 per Share on or before 01/07/2018	1 ¹⁰
Notes with a face value of \$25,000 convertible at \$0.01 per Share on or before 01/07/2018	1 ¹¹
Convertible Notes – Subject to Approval	
Notes with a face value of \$25,000 convertible at \$0.01 per Share on or before 01/07/2018	12 ¹²
Notes with a face value of \$50,000 convertible at \$0.001 per Share on or before 02/03/2019	2 ¹³
Notes with a face value of \$50,000 convertible at \$0.001 per Share on or about 06/03/2019	2 ¹⁴
Notes with a face value of \$50,000 convertible at \$0.001 per Share on or about 12/03/2019	2 ¹⁵
Total Convertible Notes*	112

Note

* Assumes no Convertible Notes are converted prior to completion of the Entitlement Offer.

Additionally, it is expected that a number of other Convertible Notes may be converted to Shares and in such circumstances the number of Convertible Notes on issue will be reduced. The Company has offered all Convertible Noteholders the right to convert their Notes into shares at \$0.001 per share

(New Conversion Price) (subject to Shareholder approval at the 2017 AGM) or to have their Convertible Notes redeemed by the Company for 20% of their face value. At the date of this Prospectus the Company has only received indications from a number of Noteholders willing to convert their Convertible Notes in full and the total face value of these intentions is A\$2,320,000 where the Company has issued Convertible Notes with a face value of A\$4,500,000 as at the date of this Prospectus. Please refer to Section 7.2(d) of this Prospectus for further detail.

1. If all Convertible Notes are converted for the New Conversion Price a total of 1,750,000,000 Shares will be issued.
2. If all Convertible Notes are converted for the New Conversion Price a total of 50,000,000 Shares will be issued.
3. If all Convertible Notes are converted for the New Conversion Price a total of 1,150,000,000 Shares will be issued.
4. If all Convertible Notes are converted for the New Conversion Price a total of 120,000,000 Shares will be issued.
5. If all Convertible Notes are converted for the New Conversion Price a total of 20,000,000 Shares will be issued.
6. If all Convertible Notes are converted for the New Conversion Price a total of 300,000,000 Shares will be issued.
7. If all Convertible Notes are converted for the New Conversion Price a total of 250,000,000 Shares will be issued.
8. If all Convertible Notes are converted for the New Conversion Price a total of 50,000,000 Shares will be issued.
9. If all Convertible Notes are converted for the New Conversion Price a total of 85,000,000 Shares will be issued.
10. If all Convertible Notes are converted for the New Conversion Price a total of 30,000,000 Shares will be issued.
11. If all Convertible Notes are converted for the New Conversion Price a total of 25,000,000 Shares will be issued.
12. If all Convertible Notes are converted for the New Conversion Price a total of 300,000,000 Shares will be issued.
13. If all Convertible Notes are converted, a total of 100,000,000 Shares will be issued.
14. If all Convertible Notes are converted, a total of 100,000,000 Shares will be issued.
15. If all Convertible Notes are converted, a total of 100,000,000 Shares will be issued.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should obtain a copy of the Constitution, a copy of which is available to inspect during business hours at the registered office of the Company and, if required, seek independent legal advice.

The Shares are all fully paid ordinary shares in the issued capital of the Company, and that is the only class of shares in that issued capital. Any Shares issued under the Offers will rank equally with, and have the same rights and entitlements, in all other respects as the existing Shares, including for any dividend issued after the date of this Prospectus. The Company is registered in Australia under the Corporations Act.

The rights and liabilities attaching to Shares are:

- set out in the Constitution; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, ASX Settlement Operating Rules and the general law.

(a) **General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with the provisions of the Corporations Act and the Constitution of the Company.

(b) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend Rights**

The Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. The dividend shall (subject to dividend reinvestment mechanisms set out in the Company's Constitution and to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be

payable on all shares in accordance with the Corporations Act. The Directors may from time to time pay to the shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits.

(d) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares offered under this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Changes to Capital Structure**

The Company may by resolution of the directors and subject to the Corporations Act and the ASX Listing Rules increase its share capital by the issue of new shares.

(h) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alter Constitution**

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders entitled to vote on that special resolution. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given to Shareholders.

7. RISK FACTORS

7.1 Introduction

There are a number of risks, both specific to the Company and of a general nature which may, either individually or in combination, affect the future operational and financial performance of the Company and the resources industry in which it operates, and the value of the Shares under the Offers.

The Shares offered under this Prospectus should be considered highly speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, however many risks that may affect the Company are outside the Company's control and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Shares will trade.

The risks summarised below are not exhaustive and do not take into account the individual circumstances of investors. The Company does not give any assurances or guarantees of the future performance or profitability of the Company or the value of the Shares offered under this Prospectus. Additionally, the Company does not give any assurances or guarantees that the risks set out in this Prospectus will not change. The future dividends, the value of the Company's assets and the market value or price of its Shares (quoted on ASX) may be influenced by these and other risk factors.

Every investor should:

- (a) rely on their own knowledge of the Company;
- (b) refer to disclosures made by the Company on ASX; and
- (c) consult their professional advisers before deciding whether to apply for Shares under the Offers.

7.2 Company specific

(a) Reinstatement to Trading on ASX

The Shares of the Company have been in voluntary suspension from trading on the ASX since 1 September 2016 and remain suspended as at the date of this Prospectus.

The ASX has not, as at the date of this Prospectus, indicated the conditions, which the Company will need to satisfy in order to be reinstated to trading on the ASX. The Company intends to make submissions to ASX as soon as reasonably practicable with a view to obtaining approval for reinstatement to trading, and the conditions to which that approval might be subject.

The Company intends to satisfy the requirements of ASX and while every endeavour will be made to comply with the requirements as generally set down by the ASX Listing Rules and any specific conditions that ASX may impose, there can be no guarantee that the Company can satisfy the ASX's requirements within three months, or at all. If the Company is unable to comply with the requirements of ASX for reinstatement then the Shares will remain suspended from trading on ASX and there will be no market for the Shares.

It is a condition of the Offers, and the Company therefore will not issue any Shares under the Offers until ASX has approved the reinstatement to trading of the Shares subject to conditions acceptable to the Company.

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 2 of this Prospectus.

If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as permitted by law), the Company will not issue any Shares under either Offer and the Company will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

(b) **Secured debt**

Siderian Facility

As at 30 June 2018, the Siderian Facility had a balance of approximately US\$2,017,129 outstanding. The Siderian Facility is secured by way of first ranking security over the Company's assets and Siderian also has a right to receive from ATPHK and ATPV any funds that either of ATPHK and ATPV have to pay to the Company in respect of amounts owing under the Liner Loan Agreement (See Sections 8.4(c)(i) and (ii) of this Prospectus).

Investors should note that if the Company raises the maximum of A\$5,072,093 (before costs associated with the Offers) under the Offers this will allow the Company to fully repay the Siderian Facility (in cash) but if the Company raises less than A\$5,072,093 (but raises the Minimum Subscription Amount such the Offers will proceed) then the Company will not be in a position to substantially repay the Siderian Facility (in cash) and will have to negotiate with Siderian in respect of terms of repayment of the Siderian Facility. If the parties cannot agree on such terms there is a risk that the Siderian Facility may not be extended further and that the Company may not be able to fund repayment of the Siderian Facility without raising further capital. Similarly, if the Offers do not complete (and the Siderian Facility is not extended further), there is a risk that the Company may not be able to fund repayment of the Siderian Facility without raising further capital.

Convertible Notes

Additionally, the Company has issued secured Convertible Notes with a face value of A\$3,830,000 that were due for conversion or repayment on or before 1 July 2018. The Convertible Notes are secured by way of subordinated second ranking security over the Company's assets. The Company is seeking Shareholder approval at its 2017 AGM to reduce the conversion price of these Convertible Notes to \$0.001 per Share, in line with the issue price of \$0.001 per Share under the Offers. A number of Noteholders have accepted an offer by the Company to convert their Convertible Notes in full, on this basis (**Converting Noteholders**). As at the date of this Prospectus, the total face value of the Convertible Notes held by the Converting Noteholders is A\$2,320,000.

There are therefore Convertible Notes with a face value of A\$1,510,000 in respect of which, as at the date of this Prospectus, the Company's offer in respect of conversion as set out above has not been accepted.

There is no guarantee that:

- (i) Shareholder approval will be obtained for the reduction of the conversion price of these Convertible Notes;
- (ii) the conditions for conversion of the Convertible Notes held by the Converting Noteholders will be satisfied; and
- (iii) the holders of Convertible Notes other than the Converting Noteholders will: (i) agree to so convert their Convertible Notes at the conversion price and on the terms offered; (ii) that the conditions for such conversion are or can be met,

and in all cases there is a risk that if any or all of the outstanding Convertible Notes are not converted and instead are liable to be redeemed then the Company will not be able to fund repayment of such Convertible Notes without raising further capital. Further, as the Convertible Notes are secured there is an additional risk that any Convertible Notes that are not converted (and therefore do not have their maturity date extended), the holders may elect to enforce their security under those Convertible Notes, which may in turn impact the Company's ability to raise further capital.

If either of these situations eventuate, and either Siderian or any Convertible Noteholders are able to exercise their security over the Company's assets this may lead to the Company's assets being disposed of for less than their carrying value in the accounts of the Company and the process of realisation may not be sufficient to repay the secured debts or the Company may not be able to comply with other obligations under the Siderian Facility or the terms of issue of the Convertible Notes.

(c) **Financing**

There is also a risk that if the Entitlement Offer does not complete, the Company may need to seek additional alternative financing to provide short-term working capital. The Company's ability to raise funds affects its ability to effectively implement its business strategy. There is no assurance that such equity and debt funding will be available to the Company on favourable terms, or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or respond to competitive pressures. Failure to raise capital could have a material adverse effect on the Company's activities. The Company is likely to incur ongoing operating losses until it realises value from its projects.

(d) **Going concern risk**

The financial reports of the Company for the half year ended 31 December 2017 notes that:

"... the Consolidated Entity incurred an operating loss of \$945,379 for the half-year ended 31 December 2017 (31 December 2016: loss of \$7,763,974, this was due to the deconsolidation of two subsidiaries) ... the net current liabilities of the Consolidated Entity at 31 December 2017 was \$9,270,994 (30 June 2017: \$8,336,438) and the net cash outflows from operating activities during the year was \$51,302 (31 December 2016: \$907,616).

As stated in Note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern."

The Auditor did not modify its opinion in respect of this matter. The Directors believe that upon the successful completion of the Offers and subject as set out above, the Company will have sufficient funds to adequately meet the Company's debts as and when they fall due. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

In the event that the Offers are not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern, and which is likely to have a material adverse effect on the Company's activities.

(e) **Further unsecured creditors**

In the event that the Shareholders do not approve the Entitlement Offer and the issue of the AGM Shares and specifically the issue of 438,138,890 Shares to unrelated creditors in lieu of repayment of debts owed by the Company (refer to Section 3.10(item 8 in the table) of this Prospectus)(**Almonty Shares**), there is significant uncertainty as to what, if any, actions may be taken by Almonty Industries Inc. (as the unrelated creditor noted above) (**Almonty**) in enforcing their rights as the lender against the Company under the two promissory notes for A\$400,000 (at an interest rate of 5%) (**Almonty Loans**) and what impact, if any, such actions may have in respect of the Company's ability to continue as a going concern, and which in turn may have a material adverse effect on the Company's activities.

Further, the Company and Almonty have not entered into formal settlement terms for the Company's repayment of the Almonty Loans. There is a risk that that the issue of the Almonty Shares may be approved by Shareholders at the 2017 AGM but that the Company and Almonty may not be able to agree and execute formal terms of release for the Company from the Almonty Loans in exchange for the issue of the Almonty Shares to Almonty and that the terms of the Almonty Loans may not be extended further.

(f) **Issues with Joint Venture partner**

On 23 September 2016, the Company announced that following a review of the operation and performance of its Vietnam ferro tungsten Joint Venture under the operatorship of its 40% Joint Venture partner, Mr Chen, the Company and Mr Chen engaged in a dispute in relation to the management of the Joint Venture (i.e the Chen Dispute). As at the date of this Prospectus, the Company is endeavouring to resolve the Chen Dispute via the purchase of Mr Chen's 40% interest in ATPHK under the SPA Transaction as further outlined in Section 5.1 of this Prospectus.

Additionally, there is a risk that the value of the Ferro Tungsten Plant has been adversely affected as a result of the Chen Dispute. In addition, the Company may not be able to generate revenue to support its day to day operations or otherwise realise value from the Ferro Tungsten Plant.

(g) **Production risks**

In the event that the Joint Venture recommences production, there are risks associated with production from the Ferro Tungsten Plant including an inability to source spare parts and materials, industrial accidents, technical failures, labour disputes, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. A failure of the Ferro Tungsten Plant would lead to direct costs being incurred to repair the plant and loss of revenue as a consequence of any period in which the plant is not operational.

Raw materials required in the production of ferro tungsten are planned to be sourced from external sources, both domestically in Vietnam and internationally. The quality and quantity of the available raw materials and fluctuations in the market price for such raw materials represents a significant risk to the viability of the Ferro Tungsten Plant.

(h) **Viability and condition of Ferro Tungsten Plant**

The Company has identified a need for funding to repay its current debts, but also to manage its working capital position, particularly in periods of high volatility in the price of tungsten concentrate and ferro tungsten. If the margin between the cost of tungsten concentrate to the Company and the price received by the Company for the sale of ferro tungsten reduces for a sustained period below that level that is profitable for the Company and the Company is unable to lower its cost base further, the Company's ferro tungsten operations may not remain viable, which could ultimately impact on the Company's ability to operate as a going concern.

In the event that the Joint Venture recommences production, there is also risk that the Company may resolve to suspend operations at the Ferro Tungsten Plant in the event that the operation was unable to generate positive cash flow. Suspension of operations would result in loss of revenues and additional expenses may be incurred including expenses for termination of contracts, redundancies and putting the Ferro Tungsten Plant into care and maintenance.

(i) **Ferro tungsten marketing and ferro tungsten prices**

The marketability of the ferro tungsten production depends upon the quality and tonnage demand from the international and domestic marketplace and the supply of ferro tungsten including from new entrants to the market.

Customers may default on their contractual obligations with the Company. Potential contractual defaults may include non-payment for ferro tungsten or failure to take delivery of contracted volumes. Should such a default occur, the Company may find it difficult to access other customers, particularly in the short term.

Depressed ferro tungsten prices would affect the Company. Future revenues, profitability, rate of growth and the carrying value of the assets of the Company depend heavily on prevailing market prices for ferro tungsten. Any substantial or extended decline in the price of ferro tungsten could have a material adverse effect on the financial condition and results of operations of the Ferro Tungsten Plant.

Increases in ferro tungsten prices could encourage new or existing international ferro tungsten producers to expand their production capacity. Any oversupply of ferro tungsten in the world market could reduce world ferro tungsten prices in the future and the prices the Company could negotiate under new ferro tungsten supply agreements, which could have a material adverse effect on the financial condition and results of operations of the Ferro Tungsten Plant.

(j) **Exchange rate volatility**

Exchange rate volatility may adversely impact the Company, particularly volatility in relation to the repayment of the Siderian Facility which is denominated in United States Dollars, where the cash repayment obligation in respect of the Siderian Facility is not satisfied in full by the amount raised under the Offers.

(k) **Risks associated with operations in Vietnam**

The Ferro Tungsten Plant is located in Vietnam, which is a developing nation with all of the associated political, economic and social risks to which the Company is exposed.

These risks and uncertainties include, but are not limited to, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, mining licensing, export and excise duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Changes, if any, in industrial or investment policies or shifts in political attitude in Vietnam may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and occupational health and safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to the operation of the plant, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Outcomes in courts in Vietnam may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or any subsidiaries in Vietnam.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have a material adverse effect on the operations or profitability of the Company. The Company has made its investment and strategic decisions based on the information currently available to the Directors, however should there be any material change in the political, economic, legal and social environments in Vietnam, the Directors may reassess investment decisions and commitments to assets in Vietnam.

(l) **Environment**

The operations and proposed activities of the Company are subject to laws and regulation concerning the environment applicable in Vietnam. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(m) **Reliance on key personnel**

The Company's activities require personnel with appropriate industry experience and qualifications and the loss of such key personnel may have an adverse impact on the activities of the Company.

(n) **Trading Price of the Shares**

Trading on the ASX in the Company has been suspended since September 2016. If the Company is successful in having the suspension of trading lifted by the ASX (in their discretion), it will not be possible to predict the value of the Company or its Shares. Accordingly, following the completion of the Offers the

Directors do not make any representation as to the value of the Company or its Shares. See also section 7.2(a) of this Prospectus.

The Company's operating results, economic and financial prospects and other factors will affect the future trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the Australian dollar performance on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general or Australian mining and industrial stocks in particular, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(o) **Dilution by the Offers, the conversion of any Convertible Securities and/or the issue of the AGM Shares**

Upon implementation of the Offers and assuming Shareholder approval of all resolutions put to them at the 2017 AGM, the number of Shares in the Company will increase from 140,891,481 currently on issue to 18,651,779,407 Shares (assuming all Underwriting Fees are paid in cash). This means existing Shareholders may have their existing Shareholdings in the Company diluted by up to approximately 13,238% as a result of the Offers and the issue of the AGM Shares.

(p) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by its Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company.

7.3 General Risks

(a) **Market Conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) domestic and international economic outlook;
- (ii) interest rates and inflation rates;

- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) government taxation or other policy changes.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) **Risk of international operations generally**

International activities and operations are subject to a number of risks, including, without limitation:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

(c) **Litigation and commercial risks**

In addition to the Chen Dispute as set out in Section 7.2(f) of this Prospectus the Company is also exposed to possible litigation risks including, without limitation, title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties (including existing and future commercial and contracting counterparties) in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company and its subsidiaries are not currently aware of or engaged in any litigation other than in respect of the Chen Dispute outlined in Section 7.2(f) of this Prospectus.

(d) **Competition risk**

The industry in which the Company is involved is subject to domestic and global competition. The Company has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(e) **Acts of terrorism and outbreak of international hostilities**

An act of terrorism or an outbreak of international hostilities may occur, adversely affecting market confidence and share market performance. This may have an adverse impact on the Company's operating, financial and share price performance.

(f) **Economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. The Company's future possible revenue and share price can be affected by these conditions all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

(g) **Regulation**

Government legislation and policy, within Australia and Vietnam and in other jurisdictions, including changes to relevant taxation systems, may have an adverse effect on the Company's activities, financial position and financial performance.

(h) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including, without limitation, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(i) **Taxation**

The holding or disposal of Shares will have tax consequences which may differ depending on the individual financial affairs of each Shareholder. All Shareholders are urged to obtain independent financial advice about the consequences of holding or disposing of Shares from a taxation viewpoint and generally.

(j) **Insurance risks**

The Company carries insurance policies relevant to its current level of operation and in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining and associated processing and production is not always available and where available the costs can be prohibitive.

(k) **Cyber risks**

The Company's operations at the Ferro Tungsten Plant are and will continue to be reliant on various computer systems, data repositories and interfaces with networks and other systems. Failures or breaches of these systems (including by way of virus and hacking attacks) have the potential to materially and negatively impact the Company's operations. Whilst the Company has barriers, continuity plans and risk management systems in place, there are inherent limits to such plans and systems. Further, the Company has no control over the cyber security plans and systems of third parties with which it may interface or upon whose services the Company's operations are reliant.

7.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially negatively affect the Company's financial performance and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Currency of Information

The information in this Prospectus is dated 10 August 2018. There may be additional announcements made by the Company after the date of this Prospectus and prior to the Closing Date that may be relevant to your consideration of whether or not to apply for Shares. Therefore, you are encouraged to check whether any further announcements have been made by the Company on the Company's ASX Announcements platform or website, before submitting any application under the Entitlement Offer or Shortfall Offer. Please refer to ASX's website (Company ticker: ATA).

No party other than the Company has authorised or caused the issue of the information in this Prospectus, or takes any responsibility for, or makes any statements, representations or undertakings in this Prospectus.

8.2 Litigation

As at the date of this Prospectus, the Company is involved in litigation with its Joint Venture partner, Mr George Chen, as described in Section 7.2(f) of this Prospectus. The Company is attempting to resolve the Chen Dispute via the recently proposed Chen Transaction as detailed in Section 5.1 of this Prospectus.

Other than as disclosed in this Prospectus, as far as the Directors are aware, the Company is not involved in any ongoing or potential litigation which is material in the context of the Company and its related bodies corporate.

8.3 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus" for the purposes of section 713 of the Corporations Act. In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is not required to, and does not, include all of the information that would be included in a prospectus for an initial public offering of securities in an entity not already listed on the ASX. The Company has, since listing, continuously disclosed to the market any information it has and which a reasonable person would expect to have a material effect on the price or the value of the Company's securities, and that information is publicly available from the ASX platform at www.asx.com.au. All Applicants should therefore have regard to the publicly available information regarding the Company prior to making a decision whether to participate in the Offer.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of Announcement
10 August 2018	Appendix 3B – Entitlement Issue
10 August 2018	Non-Renounceable Entitlements Issue
9 August 2018	Half Yearly Report and Accounts
9 August 2018	Quarterly Activities and Cash Flow Report - 30 June 2018
9 August 2018	Quarterly Activities and Cash Flow Report - 31 March 2018
9 August 2018	Quarter Activities and Cash Flow Report - 31 December 2017
6 August 2018	Suspension Announcement – System Upgrade
31 July 2018	Addendum to Notice of Meeting
31 July 2018	Expiry of unquoted options
23 July 2018	Notice of Annual General Meeting/Proxy Form
4 July 2018	Acquisition Update
1 June 2018	Final Director's Interest Notice
1 June 2018	Resignation of Director
24 May 2018	Initial Director's Interest Notice
24 May 2018	Appointment of Non-Executive Chairman
24 May 2018	Final Director's Interest Notice
2 May 2018	Update on Chen Transaction

Date	Description of Announcement
21 March 2018	Issue of Convertible Notes
26 February 2018	Heads of Agreement signed with Joint Venture partner
11 December 2017	Quarterly Activities & Cash Flow Report – 30 September 2017
11 December 2017	Quarterly Activities & Cash Flow Report – 30 June 2017
11 December 2017	Quarterly Activities & Cash Flow Report – 31 March 2017
8 December 2017	Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours. The announcements publicly available from the ASX platform at www.asx.com.au (ticker: ASX).

8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company and the Offer:

(a) Underwriting Agreement

By an agreement between Pinnacle Corporate Finance Pty Ltd (formerly Somers & Partners Pty Ltd) and the Company (**Pinnacle Underwriting Agreement**), Pinnacle has agreed to conditionally underwrite the Offer for A\$1,000,000.

The material terms of the Underwriting Agreement are summarised below.

Conditions:

The underwriting set out above is subject to satisfaction of various conditions considered to be standard for agreements of this nature, together with:

- (i) The Company raising a minimum of \$3.0 million under the Entitlement Offer and the Shortfall Offer (excluding the underwritten amount); and
- (ii) the following conditions precedent to the SPA Transaction being satisfied or waived in accordance with the SPA:
 - (A) the Company obtaining all relevant approvals in order to give effect to the SPA Transaction; and
 - (B) the Company receiving written confirmation from the ASX in respect of lifting the suspension from trading of the Company's Shares.

Fees:

The Underwriter will receive the following fees:

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

This amount will be paid from the proceeds of the Offer.

Any sub underwriting fees will be paid by the Underwriter from the Underwriting Fees.

Termination rights:

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (i) **(Indices fall):** at any time the S&P ASX 200 Index or the S&P ASX 300 Metals and Mining Index falls to a level that is 10% or more below the respective levels as at the close of business on 9 August 2018 and remains at that level for 3 or more Business Days; or
- (ii) **(Prospectus):** this Prospectus or the Entitlement Offer is withdrawn by the Company; or
- (iii) **(Supplementary prospectus):**
 - (A) the Underwriter, having elected not to exercise its right to terminate the Underwriting Agreement as a result of an event occurring which has a material adverse effect on the Company (see paragraph xiv below), forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (B) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter; or
- (iv) **(Non-compliance with disclosure requirements):** it transpires that this Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (B) the rights and liabilities attaching to the Shares; or
- (v) **(Misleading Prospectus):** it transpires that there is a statement in this Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from this Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in this Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of this Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (vi) **(proceedings):** ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Entitlement Offer or this Prospectus, or publicly foreshadows that it may do so;

- (vii) **(Unable to Issue Shares):** the Company is prevented from issuing Shares pursuant to the Offers within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (viii) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in this Prospectus or to be named in this Prospectus, withdraws that consent; or
- (ix) **(No Quotation Approval):** the Company fails to lodge an Appendix 3B in relation to the Shares offered pursuant to the Offers by the time required by the ASX Listing Rules, the Corporations Act or any other regulations; or
- (x) **(ASIC application):** an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to this Prospectus, the date for notification to the ASX of undersubscriptions has arrived, and that application has not been dismissed or withdrawn; or
- (xi) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to this Prospectus to determine if it should make a stop order in relation to this Prospectus or ASIC makes an interim or final stop order in relation to this Prospectus under Section 739 of the Corporations Act; or
- (xii) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a material adverse effect on either the outcome of the Offers or on the Company's financial, trading or operating position; or
- (xiii) **(Authorisation):** any authorisation which is material to anything referred to in this Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably; or
- (xiv) **(Indictable offence):** a director or senior manager of the Company is charged with an indictable offence; or
- (xv) **(Termination Events):** if any of the following events occurs and either cause or are likely to cause a material adverse effect or if they could cause the Underwriter to be in breach under the Corporations Act, then the Underwriter has the right to terminate the Underwriting Agreement. These termination event are considered to be standard for agreements of this nature and include: outbreak or escalation of hostilities; material breach of the Underwriting Agreement by the Company; the Company materially contravening its constitution or applicable legislation; occurrence of a material adverse event; any of the results of the due diligence enquiries undertaken in respect of this Prospectus are found to be materially false or misleading (including by material omission); a significant "new circumstance" (as defined in Section 719(1) of the Corporations Act) arises which is materially adverse from the point of view of an investor; if the Company issues a public statement in relation to the Offers or this Prospectus other than to comply with its disclosure obligations without the prior written consent of the Underwriter;

provision of misleading or deceptive information to the Underwriter by the Company; conditions to the quotation of the Entitlement Shares having a material adverse effect; the Company making alterations to its share capital, disposing of or giving security over its assets or suffering an insolvency event; introduction or proposal of a major change in law or policy; commencement of dispute proceedings against the Company; change in the Board and/or senior management of the Company; material change in the major shareholdings in the Company (other than as a result of the Offers or as disclosed in this Prospectus) or a takeover offer or scheme of arrangement is publicly announced; any specified date in the Timetable is delayed for 5 or more Business Days; an event of force majeure adversely affecting the Company or its obligations under the Underwriting Agreement persists in excess of 7 days; the Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution; alteration of capital structure other than as set out in this Prospectus; termination or substantial modification of any material contract; or a suspension or material trading limitation occurs on the ASX generally or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement is otherwise made on terms considered standard for an agreement of this nature.

(b) **Siderian Facility**

The Company entered into a US\$4 million 'Secured Loan Agreement' with Hong Kong-based Siderian Resource Capital Limited (**Siderian**) on 8 May 2014 (**Siderian Facility**). The Siderian Facility has been amended and restated, most recently on 19 January 2017.

- (i) The Siderian Facility states that the Company would apply the \$US4 million facility towards the purchase of tungsten feedstock for the Ferro Tungsten Plant and/or for direct operational expenditure associated with the Company's operations in Vietnam.
- (ii) As at 30 June 2018, the Siderian Facility had a balance of approximately US\$2,017,129 outstanding (**Outstanding Amount**).
- (iii) Under the terms of the Siderian Facility Siderian holds security under:
 - (A) A guarantee dated 10 May 2014 between ATPHK (as guarantor) and Siderian (as Chargee) under which ATPHK fully guarantees and indemnifies Siderian against the full and complete compliance of the Company (as principal debtor) under the Siderian Facility (and all ancillary documents);
 - (B) A general security deed between Siderian and the Company over all of the assets of the Company; and
 - (C) A fixed and floating charge between the Company, ATPHK and Siderian dated 31 March 2015,(together the **Security**).
- (iv) A condition of the Siderian Facility was the execution of an agreement whereby ATPHK agreed to make the payments due to the Company under

the Liner Loan Agreement directly to an account nominated by Siderian. Please refer to paragraph (g) below for details of the Liner Loan Agreement.

- (v) Continuing discussions are being held with Siderian, in relation to the repayment of the Outstanding Amount. Whilst there are no formal forbearance arrangements currently in place with Siderian, the Company takes the view that the Outstanding Amount is not due and payable, however the Company is working closely with Siderian to give effect to the arrangements as outlined below.

Depending on the amount raised under the Offers, the Company intends to fully or partially repay the Siderian Facility and (in the case of partial repayment subject to formal agreement with Siderian) the issue of further Shares to Siderian as set out in the Notice of Meeting. However, there can be no guarantee that any agreement will be able to be reached with Siderian in this regard. See further Section 7.2(b) of this Prospectus.

(c) **Related agreements to the Siderian Facility**

2014 Deed

- (i) On 10 May 2014, Siderian, the Company, ATPHK and Mr Chen entered into an agreement whereby ATPHK's repayment obligations under the Liner Loan Agreement were to be paid to an account exclusively controlled by Siderian (**2014 Deed**).

2015 Deed

- (ii) Under an agreement dated 15 January 2015, Siderian, the Company, ATPHK and Mr Chen agreed to amend the Liner Loan Agreement (**2015 Deed**) such that ATPHK must prepay the Asset purchase price (A\$2,725,765.82) immediately on occurrence of one or more of the following:
 - (A) failure by the Company to repay all amounts owing under the Siderian Facility to Siderian by 28 February 2015;
 - (B) breach by the Company or ATPHK of any provisions of the Side Deed (a side deed dated on or about 19 December 2014); and
 - (C) a representation or warranty under the 2014 Deed or the Side Deed being false or misleading.

The 2015 Deed amends the Floating Charge to acknowledge that the Company, as Chargee, has granted step-in rights to Siderian in its place.

(d) **Executive Service Agreement of Mr Chen**

Under the terms of the Chen Transaction (as detailed in Section 5.1 of this Prospectus) the Company has an obligation at SPA Completion to appoint Mr Chen as the President of ATPHK and ATPV and to enter into an executive service agreement with Mr Chen setting out the terms of such appointment (**Chen ESA**).

Under the Chen ESA the Company also undertakes to appoint Mr. Chen as a non-executive director of the Company within 14 days from the date of execution of the agreement (**Company ESA**).

Key terms of the Chen ESA

- (i) Mr Chen's employment under the Chen ESA starts on the date of execution and continues until terminated in accordance with the Chen ESA;
- (ii) ATPHK will pay Mr Chen HKD80,000 per month;
- (iii) the Company will provide Mr Chen with a remuneration package no less favorable than that of other non-executive directors of the Company;
- (iv) ATPHK may terminate the Chen ESA immediately by giving written notice to Mr Chen in circumstance including: if Mr Chen becomes bankrupt, is guilty of willful and gross neglect or gross serious misconduct and/or is convicted of an offence involving fraud or dishonesty;
- (v) ATPHK may terminate the Chen ESA at any time by giving Mr Chen 3 months written notice; and
- (vi) Mr Chen may terminate the Chen ESA at any time by giving ATPHK 1 months written notice.

(e) Joint Venture and Shareholder Agreement

Mr Chen, the Company and ATPHK entered into an incorporated joint venture and shareholder agreement which would regulate the operation and management of a **JV Group** (ATPHK and ATPV) (each a **JV Company**) (**JV Agreement**).

Under the terms of the Chen Transaction (as detailed in Section 5.1 of this Prospectus) following SPA Completion, Mr Chen, the Company and ATPHK have agreed to terminate the JV Agreement.

(f) Loan Agreement

- (i) Under a loan agreement between ATPHK (as borrower) and the Company (as lender), the Company agreed to provide a working capital facility to ATPHK for working capital as necessary from time to time in order to maintain and operate the Plant (**Loan Agreement**).
- (ii) Each advance made under the Loan Agreement is repayable on the date specified in the loan notice provided by the Company, and repayment commences as soon as ATPHK begins to generate revenue.
- (iii) ATPHK must repay all money advanced by the Company made under the Loan Agreement in full immediately on demand by the Company, together with accrued interest and all other amounts accrued or outstanding under the Loan Agreement.

(g) Liner Loan Agreement

- (i) Under an agreement dated 18 January 2013, the Company (as Seller) agreed to sell 80 tonnes of ferro tungsten at a value of A\$2,725,765.82 (**Asset**) to ATPHK (as Buyer) to be paid on or before 31 December 2017. The Asset was to be used in lining a furnace containment vessel at a facility at the Ferro Tungsten Plant.
- (ii) As security for the Liner Loan Agreement, ATPHK (as chargor) and the Company (as chargee) entered into an agreement dated 18 January 2013 whereby ATPHK agreed to pledge the Asset and granted to the

Company a floating charge over all of its present and future assets and rights of any kind in respect of:

(A) ATPHK's obligations to repay the purchase price of the Asset under the Liner Loan Agreement; and

(B) ATPV's obligations under the Liner Lease Agreement,

(Floating Charge).

(h) **Lease of Tungsten liner**

By an agreement dated 18 January 2013, ATPHK leased the Asset to ATPV for completion of the ferro tungsten lining (**Liner Lease Agreement**). In consideration, ATPV was to pay total charges of US\$50,000 for the grant of the lease and possession and use of the Asset (**Charges**). The Charges must be paid by ATPV to ATPHK at the end of the Term, or upon termination of the lease. ATPHK agreed it would not grant further security over the Asset, save for the Floating Charge, which is summarised at paragraph (f)(b) above.

(i) **Almonty Loans**

The Company has entered into two grid promissory notes with Almonty Industries Inc. (as the unrelated creditor noted in section 7.2(e) of this Prospectus) (**Almonty**) dated 29 July 2016 and 18 August 2016 for loans of up to A\$400,000 at an interest rate of 5% (**Almonty Loans**) The Almonty Loans are not secured but are repayable within 12 months or on the date on which the Company and Almonty complete a business combination (as set out in each note) or if they become repayable under the terms of each respective note including if specified events of default occur. Each Almonty Loan is governed by the laws of Canada.

While the Company and Almonty have not entered into formal settlement terms for the Company's repayment of the Almonty Loans, there is an informal agreement between the two parties as to the Company issuing Almonty with 438,138,890 Shares in lieu of repayment of debt owed by the Company. However, the issue of the Almonty Shares is subject to Shareholder approval at the 2017 AGM and further the Company and Almonty may not be able to agree and execute formal terms of release for the Company from the Almonty Loans in exchange for the issue of the Almonty Shares.

8.5 Proposed Directors

The Company has agreed to procure the appointment of Mr Chen as a non-executive director of the Company within 14 days of SPA Completion.

In an ASX announcement dated 2 May 2018, the Company stated that as part of the terms in respect of the SPA arrangements, that upon SPA Completion, the Company will procure the appointment of Mr John Chegwiddden (a previous director of the Company) as a non-executive director of the Company.

8.6 Interests of Directors and proposed directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

The relevant direct and indirect interests of each of the Directors (and proposed directors) in the securities of the Company as at the date of this Prospectus, together with their respective Entitlements, are set out in the table below.

Director	Shares	Convertible Notes	Entitlements
Nathan Featherby ^{1,2}	69,000	Nil	2,484,000
Saxon Ball ^{1,3}	187,080	Nil	6,734,880
Imants Kins ⁴	Nil	Nil	Nil
George Chen ⁵	Nil	Nil	Nil
John Chegwidden ⁶ (personal capacity)	1	Nil	36
John Chegwidden (held by related entities)	1,821,254 ⁷	1 ⁸	65,565,144 ⁷

Note

1. Mr Featherby and Mr Ball are also directors of Ochre Group Holdings Limited (**Ochre**) and its wholly owned subsidiary, Ochre Capital Management Pty Limited (**OCM**). OCM holds 312,781 Shares, two Convertible Notes with face value of \$25,000 convertible at the lower of \$0.05 or the lowest issue price prior to the maturity date, and one convertible note with a face value of \$85,000 which is convertible at \$0.01 per share. Mr Ball holds an interest of 0.4% in Ochre, and Mr Featherby holds an interest of approximately 27% in Ochre, which owns 100% of the issued capital of OCM. Accordingly, Mr Featherby has a deemed relevant interest in OCM's and Ochre's holding in the Company.
2. As contemplated by AGM resolution number 12 to be voted on by Shareholders at the 2017 AGM the Company proposes that 85,000,000 Shares be issued to Mr Featherby in lieu of payment of director's remuneration.
3. As contemplated by AGM resolution number 11 to be voted on by Shareholders at the 2017 AGM the Company proposes that 34,000,000 Shares be issued to Mr Ball in lieu of payment of director's remuneration.
4. As contemplated by AGM resolution number 18 to be voted on by Shareholders at the 2017 AGM the Company proposes that Shares be issued to Mr Kins equivalent to the amount of A\$40,000 as a signing on bonus as the non-executive Chair of the Company.

5. As contemplated by AGM resolution number 14 to be voted on by Shareholders at the 2017 AGM the Company proposes that 3,000,000,000 Shares be issued to Mr Chen as consideration for the acquisition of Mr Chen's ATPHK shares (under the SPA Transaction).
6. As contemplated by AGM resolution number 15 to be voted on by Shareholders at the 2017 AGM the Company proposes that 150,000,000 Shares be issued to Mr Chegwidden as consideration for consultancy services.
7. John Chegwidden holds Shares under two related entities: (i) Ausnom Pty Ltd which holds 1,741,054 Shares; and (ii) Chegs Assets Pty Ltd which holds 80,200 Shares.
8. Ausnom Pty Ltd holds 1 convertible note with a face value of \$50,000, a conversion price of \$0.25 per share and its expiry date was 1 July 2018.

8.7 Director's remuneration

The Constitution provides that the remuneration of Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate annual remuneration for Directors is currently capped at A\$150,000.

The Company may also pay the Directors' travelling, hotel and other expenses that they properly incur in or about the performance of their duties. Under the terms of the Constitution, a Director may also be paid a separate fee for special exertions.

The remuneration paid to Directors for the financial years ended 30 June 2017 and 30 June 2018, is set out in the following table:

Director	Year	Fees and salary (incl. super) (\$)¹	Total (\$)
Current Directors			
Imants Kins (Chair)	FY 2017	Nil	\$40,000
	FY 2018	\$40,000²	
Nathan Featherby	FY 2017	Nil	\$85,000
	FY 2018	\$85,000	
Saxon Ball	FY 2017	Nil	\$34,000
	FY 2018	\$34,000	
Previous Directors			
Nicholas Halliday³	FY2017	Nil	\$28,000
	FY2018	\$28,000	
Patrick Burke⁴	FY2017	\$85,000	\$140,000
	FY2018	\$55,000	

Note

1. Directors have accepted payment of outstanding fees in shares to preserve the Company's cash reserves.
2. As contemplated by AGM Resolution 18 to be voted on by Shareholders at the 2017 AGM, the Company proposes that Shares be issued to Mr Kins equivalent to the amount of A\$40,000 as a signing on bonus as the non-executive Chair of the Company.
3. Nicholas Halliday resigned as a director of the Company on 24 May 2018.
4. Patrick Burke resigned as a director of the Company on 1 June 2018.

8.8 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

8.9 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Pinnacle will be paid a 5.0% underwriting/capital raising fee on the amount underwritten and shortfall placed in excess of the amount underwritten (if any) from the Offers plus a management fee of 1% of the total raised by Pinnacle under the Entitlement Offer. As outlined in Section 3.10 of the Prospectus, subject to Shareholder approval, it is proposed to issue to Pinnacle 1,335,405,720 Shares in lieu of repayment for corporate advisory services provided to the Company. Pursuant to Resolutions 16 and 17 at the Company's annual general meeting held on 16 January 2017, Pinnacle was issued 18,124,800 Shares in the Company. Other than the aforementioned, During the 24 months preceding the date of this Prospectus, Pinnacle has not been paid any other fees in the form of either cash, Shares or Convertible Notes for corporate advisory services provided to the Company.

Pinnacle (including its Associates) is a Shareholder of the Company and currently holds in 26,441,813 Shares (a relevant interest of 18.77%). Pinnacle has confirmed, in accordance with the terms of the Underwriting Agreement that it will not, through

participation in underwriting of (or otherwise connected with) the Offers, increase its holding in the Company to a relevant interest in excess of 19.99% of all the Shares on issue on completion of the Offers.

Lavan has also acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Lavan approximately A\$45,000 (excluding GST and disbursements) for these services. Lavan has not provided any services to the Company during the 24 months preceding the date of this Prospectus.

In connection with the successful completion of the Entitlement Offer and the repayment of the Siderian Facility (the **Ochre Transactions**), Ochre Group Holdings Limited (**Ochre**) will, subject to Shareholder approval, receive 2,750,000,000 Shares, to be issued at \$0.001 per Share; as a success fee for the successful completion of the Ochre Transactions. This issue is subject to Shareholder approval, which is being sought at the Company's 2017 AGM.

In connection with corporate advisory services provided to the Company, its ongoing corporate strategy requirements and lifting the suspension from trading of the Shares, Enrizen Capital Pty Ltd will receive 250,000,000 Shares, to be issued at A\$0.001 per Share. This issue is subject to Shareholder approval, which is being sought at the Company's 2017 AGM.

8.10 Consents

Each of the parties referred to in this Section:

- (a) has not caused or authorised the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus other than those (if any) referred to in this Section; and
- (c) in light of the above, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section (if any).

Pinnacle Corporate Finance Pty Ltd has given its written consent to being named as Underwriter to the Offer in this Prospectus, in the form and context in which it is named and in which it appears in this Prospectus. Pinnacle has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Crowe Horwath has given its written consent to being named as the auditor of the Company in this Prospectus and the inclusion of the 31 December 2017 audited balance sheet of the Company as extracted from the Company's 31 December 2017 Annual Report in Section 5.4 of this Prospectus. Crowe Horwath has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Lavan has given its written consent to being named in this Prospectus as the solicitors to the Company in respect of the Offers. Lavan has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

8.11 Expenses of the offer

In the event that all Offers are accepted, the total expenses of the Offers are estimated to be approximately A\$392,206.00 (excluding GST) and are expected to be applied towards the items set out in the table below:

ASIC fees	\$3,206
ASX fees	\$29,000
Underwriting/Capital Raising Fees	\$300,000
Legal fees	\$45,000
Printing and distribution	\$15,000
Total	\$392,206

8.12 Electronic prospectus

This Prospectus and the Entitlement and Acceptance Form will be issued to Eligible Shareholders in paper form or electronically where Eligible Shareholders have requested to receive notices by email. The Offers pursuant to the electronic Prospectus are only available to persons receiving an electronic version of this Prospectus in Australia and New Zealand (if already a Shareholder in the Company).

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms.

If you have not, please phone the Company on +61 2 8316 3993 and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.13 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.14 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the Company's sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.15 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, ASX, ASIC, authorised securities brokers, related bodies corporate of the Company, third party service providers (including print service providers and mailing houses) and the Company's Share Registry.

If an Applicant becomes a holder of Shares, the Corporations Act requires the Company to include information about the holder (name, address and details of the securities held) in its public registers. This information must remain in the registers even if that person ceases to be a holder. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its investors) and compliance by the Company with legal and regulatory requirements. Successful Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

You can access, correct and update the personal information that we hold about you. Please contact the Company Secretary or the Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your Application.

8.16 Governing Law

This Prospectus, the Offers and any transactions created or entered into under the provisions of or as contemplated under this Prospectus or the Offer are subject to the laws of New South Wales, Australia. Any person who partakes in an Offer or any transactions created or entered into under the provisions of or as contemplated under this Prospectus submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

8.17 Cooling Off

There are no cooling-off rights applicable to a subscription for Shares under the Offers. Applications for Shares may not be withdrawn once they have been accepted.

8.18 Disclaimer of representations

No person is authorised to give any information, or make any representation, in connection with the Offers which is not contained in this Prospectus. Any information which is not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with the Offers. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants the future performance of the Company or the return on any investment made under this Prospectus.

8.19 Modification and withdrawal

The Company reserves the right to modify or withdraw the Offers or any one of them at any time after the publishing of this Prospectus. If the Company withdraws the Offers, any Application Monies received will be refunded (without interest) if the Shares have not already been issued in accordance with the Corporations Act.

8.20 ASIC declarations and Listing Rule Waivers

The Company has been granted a waiver from Listing Rule 7.11.3 by the ASX to allow it to undertake the Entitlement Issue with a ratio greater than one for one (**7.11.3 Waiver**). ASX has granted the 7.11.3 Waiver, provided the Company obtains Shareholder approval to conduct the Offers.

The Company has also been granted a waiver by ASX from Listing Rule 7.15 to allow it to conduct the Entitlement Issue with a record date which is prior to the date of the meeting (**7.15 Waiver**). ASX has granted the 7.15 Waiver on the condition that the Company's securities are not reinstated to official quotation at any time prior to the Meeting.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



**Nathan Featherby
Executive Director
For and on behalf of
ATC ALLOYS LTD**

10. **GLOSSARY**

A\$ means the lawful currency of the Commonwealth of Australia.

2017 AGM or Meeting has the meaning given in Section 4.2 of this Prospectus.

AEST means Australian Eastern Standard Time.

AGM Shares has the meaning given in Section 3.10 of this Prospectus.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application means an application to subscribe for Shares under this Prospectus under the Entitlement Offer or under the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in section 12(2) of the Corporations Act.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

ATPHK means Asia Tungsten Products Co Limited, a company registered in Hong Kong.

ATPV means Asia Tungsten Products Vietnam Limited, a company registered in Vietnam, a wholly owned subsidiary of ATPHK, and the owner, with ATPHK, of the Ferro Tungsten Plant.

Board means the board of Directors of the Company unless the context indicates otherwise.

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.

Chen Dispute has the meaning given to that term in Section 5.1 of this Prospectus.

Chen Transaction has the meaning given in Section 5.1 of this Prospectus.

Closing Date means the date specified in the timetable set out in Section 2 of this Prospectus (unless extended).

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

Constitution means the constitution of the Company as at the date of this Prospectus.

Convertible Notes means a convertible note issued in the capital of the Company.

Convertible Noteholders holders of Convertible Notes.

Convertible Securities means securities or loans issued by the Company which may give the holder the right to be issued Shares on valid conversion, for avoidance of doubt this includes the Convertible Notes.

Conversion Price means the price at which Convertible Notes can be converted into Shares in accordance with the terms of the relevant Convertibles Notes.

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

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholders means a Shareholder of the Company as at the Record Date, other than an Ineligible Shareholder and includes Noteholders.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the non-renounceable entitlement issue of the Entitlement Shares on the terms and conditions set out in Section 4 of this Prospectus.

Entitlement Shares means those Shares issued pursuant to the Entitlement Offer.

Ferro Tungsten Plant means the processing facility for the production of ferro tungsten owned by the Joint Venture and located in Vinh Bao Province, Vietnam.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

Joint Venture has the meaning given in Section 5.1 of this Prospectus.

Minimum Subscription Amount means A\$3,000,000.

Notice of Meeting means the Company's notice of meeting lodged with the ASX on 23 July 2018 in respect of the 2017 AGM, and as subsequently amended by an "*Addendum to the Notice of Meeting*" lodged with the ASX on 31 July 2018.

Ochre means Ochre Group Holdings Limited, ACN 008 877 745.

OCM means Ochre Capital Management Pty Limited, ACN 163 066 635, a wholly owned subsidiary of Ochre.

Offers means the Entitlement Offer and the Shortfall Offer.

Official Quotation means official quotation on ASX.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Related Party has the mean given to that term in section 228 of the Corporations Act.

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

Share Registry means Computer Share Investor Services Pty Limited, ACN 078 279 277.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Entitlement Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Shares on the terms and conditions set out in Section 4.5 of this Prospectus.

Shortfall Offer Closing Date means the date which is 3 months after the actual date upon which the Entitlement Offer closes.

Shortfall Offer Period means the period of three (3) calendar months following the Closing Date.

Shortfall Shares means those Shares issued pursuant to the Shortfall Offer.

Siderian Facility means the Company's secured debt facility with Siderian.

Siderian means Siderian Resource Capital Limited.

Pinnacle or the **Underwriter** means Pinnacle Corporate Finance Pty Ltd, ACN 149 263 543.

Underwritten Amount means the A\$1,000,000 under the Offer which is to be underwritten by Pinnacle, subject to the terms of the Underwriting Agreement.

Underwriting Agreement means the underwriting agreement entered between the Company and the Underwriter as summarised in Section 8.4(a) of this Prospectus.

US\$ means the lawful currency of the United States of America.