

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

ATC Alloys Limited

ABN

88 118 738 999

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued

Convertible Notes (**Notes**)

2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

18 Notes

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)
- a) 12 Notes with a face value of A\$25,000 convertible at \$0.01 per share with a maturity date of 1 July 2018 and coupon rate of 10% per annum.
 - b) 2 Notes with a face value of A\$50,000 convertible at the lowest share price at which the Company issues shares in the course of its impending non-renounceable entitlements issue with a maturity date of 2 March 2019 and coupon rate of 10% per annum.
 - c) 2 Notes with a face value of A\$50,000 convertible at the lowest share price at which the Company issues shares in the course of its impending non-renounceable entitlements issue with a maturity date of 6 March 2019 and coupon rate of 10% per annum.
 - d) 2 Notes with a face value of A\$50,000 convertible at the lowest share price at which the Company issues shares in the course of its impending non-renounceable entitlements issue with a maturity date of 12 March 2019 and coupon rate of 10% per annum.

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The Notes do not rank equally with an existing class of security. The Notes do not carry any entitlement to participate in any dividends. All shares issued upon their exercise will rank equally with all other fully paid ordinary shares on issue.</p>
<p>5 Issue price or consideration</p>	<p>a) 12 Notes with Face value of \$25,000 per note b) 6 Notes with Face Value of \$50,000 per note</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a) 12 Notes with a Face Value of \$25,000 per note issued to lenders b) 6 Notes with a Face Value of \$50,000 per notes issued to lenders</p>
<p>6 Is the entity an +eligible entity a that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No.</p>
<p>6 The date the security holder b resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6 Number of +securities issued c without security holder approval under rule 7.1</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

6 Number of +securities issued with security holder approval under rule 7.1A	Nil
6 Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	18 Notes 5 September 2018
6 Number of +securities issued under an exception in rule 7.2	Nil
6 If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Nil
6 If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Nil
6 Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1: 21,133,722 7.1A: N/A
7 +Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	18 September 2018

+ See chapter 19 for defined terms.

Number	+Class
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+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

8 Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	140,891,481	Ordinary shares
	35	Notes with face value of \$50,000 convertible at \$0.25 per Share on or before 01/07/2018
	2	Notes with face value of \$25,000 convertible at \$0.25 per Share on or before 01/07/2018
	23	Notes with face value of \$50,000 convertible at \$0.05 per Share on or before 01/07/2018
	6	Notes with face value of \$20,000 convertible at \$0.05 per Share on or before 01/07/2018
	2	Notes with face value of \$10,000 convertible at \$0.05 per Share on or before 01/07/2018
	12	Notes with face value of \$25,000 convertible at \$0.05 per Share or the lowest issue price of any Shares prior to the Maturity Date.
	10	Notes with 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.
	1	Notes with 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	Notes with face value of \$85,000 convertible at \$0.01 per Share on or before 01/07/2018
	1	Notes with face value of \$30,000 convertible at \$0.01 per Share on or before 01/07/2018
	1	Notes with face value of \$25,000 convertible at \$0.01 per Share on or before 01/07/2018
	12	Notes with a face value of \$25,000 convertible at \$0.01 per Share on or before 01/07/2018
	2	Notes with a face value of A\$50,000 convertible at the lowest share price at which the Company issues shares in the course of its impending non-renounceable entitlements issue with a maturity date of 2 March 2019 and coupon rate of 10% per annum.
	2	Notes with a face value of A\$50,000 convertible at the lowest share price at which the Company issues shares in the course of its impending non-renounceable entitlements issue with a maturity date of 6 March 2019 and coupon rate of 10% per annum.
2	Notes with a face value of A\$50,000 convertible at the lowest share price at which the Company issues shares in the course of its impending non-renounceable entitlements issue with a maturity date of 12 March 2019 and coupon rate of 10% per annum.	

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	N/A	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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|----|---|--|
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a | |

+ See chapter 19 for defined terms.

	broker and accept for the balance?	<input style="width: 95%; height: 25px;" type="text"/>
32	How do security holders dispose of their entitlements (except by sale through a broker)?	<input style="width: 95%; height: 40px;" type="text"/>
33	+Issue date	<input style="width: 95%; height: 40px;" type="text"/>

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	140,891,481
<i>Add</i> the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	140,891,481

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	21,133,722
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	0
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	21,133,722
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
<p>Total [“A” x 0.15] – “C”</p>	<p>21,133,722</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	N/A
Step 2: Calculate 10% of “A”	
“D”	N/A <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	N/A
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	N/A
“E”	N/A

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	N/A
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	N/A
Total [“A” x 0.10] – “E”	N/A <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.