



# Atlas repays A\$54M in debt

5 January, 2017

## Highlights

- **Cash on hand of A\$134M at 31 December 2016, up from A\$95M at 30 September 2016**
- **A\$54M of this cash has been used to reduce debt under the cash sweeping arrangement with lenders, cutting US term loan debt to A\$118M**
- **Atlas set to be in a net cash position by the middle of CY2017**

Atlas Iron Limited (ASX: AGO) is pleased to advise that it finished the December 2016 Quarter with cash on hand of A\$134 million as a result of the strong cash flow generated during the quarter. This is up from A\$95 million at September 30, 2016.

The significant increase in cash came after making principal and interest payments of A\$20 million during the December 2016 Quarter and A\$3 million in repayments to the WA Government in relation to the royalty relief program.

Under the cash sweep requirements of the Company's term loan debt facility, any cash on hand at the end of each quarter in excess of \$80 million is paid to the lenders. As a result, Atlas has repaid A\$54 million, reducing its US term loan debt to A\$118 million (using a 31 December 2016 FX rate of A\$1=US\$0.7236) from the A\$180 million owed in May 2016 following the restructure.

Atlas' financial performance in the December 2016 Quarter reflected the strength of the realised iron ore price, offset in part by the impact of the lower Australian dollar on the balance of its US-dollar denominated debt.

Atlas is well-positioned to continue this performance in the March 2017 Quarter due to hedging contracts in place for many of this quarter's shipments

Atlas Interim Managing Director Daniel Harris said the Company had enjoyed a remarkable financial turnaround from its position prior to the restructure early last year.

"Atlas is now on track to be in a net cash position by the middle of this year," Mr Harris said.

"This markedly stronger balance sheet will help make Atlas more resilient and better-placed to capitalise on its opportunities, including the development of the Corunna Downs project."

Full details of Atlas' December 2016 Quarter performance will be provided in Atlas' December 2016 Quarterly report expected to be released later in January 2017.

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## Cliff Lawrenson's start date

Further to Atlas' announcement dated 14 December 2016 concerning the appointment of Cliff Lawrenson as CEO and Managing Director, Atlas is pleased to advise that Mr Lawrenson's start date has been brought forward from 1 February 2017 to Monday, 16 January 2017. With Mr Lawrenson's appointment to the Atlas Board, Tony Walsh will resign as a Director but remains as Company Secretary.

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