



## Atlas lenders waive loan default

Atlas Iron Limited (**Atlas**) (ASX: AGO) refers to the off-market takeover bid for all the issued shares of Atlas by Hancock Prospecting Pty Ltd ACN 008 676 417 through its wholly-owned subsidiary, Redstone Corporation Pty Ltd ACN 625 680 159 (**Redstone**) (**Hancock Offer**).

As previously advised to the market, the change in control caused by Redstone's voting power in Atlas exceeding 50% is an event of default which gives lenders under the Term Loan B Facility the option to accelerate repayment of the debt.

The Term Loan B lenders have agreed to immediately waive this event of default on the following terms:

- Redstone has granted the lenders a 60-day put option commencing on 3 October 2018.
- During the put option period, a majority of lenders can require Redstone (or an associate or nominee of Redstone) to purchase all Term Loan B debt at face value.
- If the lenders exercise the put option, Redstone or its associate or nominee will step in as the lender under the Term Loan B facility and have the benefit of the existing Term Loan B security package.
- The lenders also waive any future default in connection with the potential unwind of Alliance Agreement arrangements between Atlas and Mineral Resources Limited which would require Atlas to purchase Mineral Resources Limited's 10% interest in Atlas Pty Ltd for A\$4 million.

ASX has confirmed that any purchase of the Term Loan B debt by Redstone on exercise of the put option does not require approval of Atlas shareholders under ASX Listing Rule 10.1. The Atlas Board is satisfied that shareholder approval is not required under Chapter 2E of the Corporations Act because the terms of the transaction are no more favourable to Redstone than arms' length terms.

The Hancock Offer has been extended until 5.00pm (Perth time) on 2 October 2018. Atlas lodged its Target's Statement in relation to the Hancock Offer with ASX on 16 July 2018. The Target's Statement includes a report from an independent expert, which concludes that the Hancock Offer is fair and reasonable to Atlas shareholders. The Atlas Board unanimously recommends that shareholders ACCEPT the Hancock Offer in the absence of a superior proposal. As at the date of this announcement, no superior proposal has emerged.

To accept the Hancock Offer, shareholders must follow the instructions in section 8.3 of the Bidder's Statement. Acceptances must be received by 2 October 2018, subject to any further extension. Redstone advises that it will pay shareholders who accept the Hancock Offer within seven days of their acceptance (see section 8.16 of the Bidder's Statement for further information).

Redstone has opened an information line to assist Atlas shareholders with queries about how to accept the Hancock Offer which can be contacted on 1300 853 598 for Australian callers or +61 1300 853 598 for international callers.

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