



Atlas repays A\$20m in debt

29 January 2018

Atlas Iron Limited (ASX: AGO) advises that it is set to take another key step in the strategy to re-position its business by repaying a further A\$20 million of its debt. Atlas' lenders have also agreed to ease loan covenants, including reducing the minimum cash balance requirement at the end of each month from A\$35 million to A\$15 million.

Atlas Managing Director Cliff Lawrenson said the decision to reduce the debt was in line with the Company's strategy to re-position the business and the strong Australian dollar made the timing opportune.

"Following this A\$20 million repayment, we will have reduced our debt from more than A\$180 million in June 2016 to less than A\$85 million – cutting our interest cost by about A\$8 million a year," Mr Lawrenson said.

"After evaluating other financing alternatives, we concluded that a staged repayment of the Term Loan is the best option for the Company to preserve liquidity while strengthening our balance sheet. We will continue to evaluate financing alternatives on an ongoing basis.

"A stronger balance sheet will allow us to face volatility in the iron ore market with increased confidence.

"The decision reflects our commitment to re-position the business by reducing debt, growing our existing iron ore business through Utah Point and diversification beyond iron ore.

"We are also pleased that our lenders have demonstrated strong support for the business by reducing our minimum cash requirement."

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