



Implementation of Term Loan B amendment

Loan amendment now in place, enabling Corunna Downs Project to be funded from cashflow

Atlas Iron Limited (ASX: AGO) is pleased to advise that it has implemented an amendment to its Term Loan B Facility to allow construction of its Corunna Downs Project to be funded from operating cash flow.

Atlas announced last month that its lenders had agreed to the amendment (see ASX announcement dated 16 February 2017). Completion of the amendment was subject to standard conditions precedent which have now been satisfied.

The amendment will allow Atlas to accumulate up to a further A\$45m in cash generated to provide greater flexibility and security to the Company and to fund the Corunna Downs Project.

As a result of the agreement:

- Atlas has issued 107,991,355 ordinary shares to its Term Loan B lenders.
- Atlas will now pay all of its Term Loan B interest in cash.
- Term Loan B principal will be increased by US\$2.3M unless the facility is refinanced or repaid within 120 days.

Investor Enquiries:

Atlas Iron Limited

Company Secretary +61 8 6228 8000

Media Enquiries:

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Paul Armstrong +61 421 619 084

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This ASX Announcement does not constitute an offer to acquire or sell or a solicitation of an offer to sell or purchase any securities in any jurisdiction. In particular, this ASX Announcement does not constitute an offer, solicitation or sale to any U.S. person or in the United States or any state or jurisdiction in which such an offer, tender offer, solicitation or sale would be unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and neither such securities nor any interest or participation therein may not be offered, or sold, pledged or otherwise transferred, directly or indirectly, in the United States or to any U.S. person absent registration or an available exemption from, or a transaction not subject to, registration under the United States Securities Act of 1933.

30 March 2017



CLEANSING NOTICE

On 29 March 2017, Atlas Iron Limited (ASX:AGO) (**Company**) issued 107,991,355 fully paid ordinary shares (**Securities**) to certain lenders as consideration for an amendment to its Term Loan B Facility described in the Company's ASX announcement dated 16 February 2017.

The Company hereby notifies the ASX under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Act**), and in accordance with section 708A(6) of the Act, that:

- (a) the Company issued the Securities without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is being given under section 708A(5)(e) of the Act;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act; and
- (d) as at the date of this notice, there is no "excluded information" within the meaning of sections 708A(7) and 708A(8) of the Act which is required to be disclosed under section 708A(6)(e) of the Act.

Yours faithfully

Bronwyn Kerr
Company Secretary

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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

Name of entity

Atlas Iron Limited (Atlas)

ABN

63 110 396 168

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 | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 108,991,355 |
| 3 | Principal terms of the +securities (eg, 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) | The fully paid ordinary shares rank equally with the existing fully paid ordinary shares currently on issue. |

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? 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 fully paid ordinary shares rank equally with the existing fully paid ordinary shares currently on issue.</p>
<p>5 Issue price or consideration</p>	<ol style="list-style-type: none"> 1. 1,000,000 at Zero issue price per terms of ESOP options 2. 107,991,355 at \$0.0463
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ol style="list-style-type: none"> 1. 1,000,000 issued pursuant to exercise of Zero Priced Options that vested on 6 May 2016. 2. 107,991,355 issued to certain lenders pursuant to an amendment to the Term Loan B Syndicated Facility Agreement
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<ol style="list-style-type: none"> 1. In relation to 1,000,000 issued pursuant to exercise of Zero Priced Options that vested on 6 May 2016 - Yes, the ESOP Plan was approved by shareholders on 28 October 2015 and ESOP Options issued on 16 Nov 2015 and these options have been issued pursuant to ASX exception in Listing Rule 7.2. 2. In relation to 107,991,355 issued to certain lenders as pursuant to an amendment to the Term Loan B Syndicated Facility Agreement - Issued out of the Company's 15% capacity (see Annexure 2 for calculation).
<p>6b to 6i</p>	<p>Not applicable</p>
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<ol style="list-style-type: none"> 1. 30 March 2017. 2. 29 March 2017.
<p>Number</p>	<p>+Class</p>

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in section 2 if applicable)	9,261,133,336	Fully paid ordinary shares.
		1,744,762,043	Options (AGOO)
		4,513,986,260	Options (AGOOA)
		Number	⁺ Class
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in section 2 if applicable)	See Annexure 1.	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

Not applicable

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 **Not applicable**

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

Not applicable

37 A copy of any trust deed for the additional +securities **Not applicable**

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

--

39 +Class of +securities for which quotation is sought

--

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

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)

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

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date: 30 March 2017
Company Secretary

Print name: Bronwyn Kerr

Annexure 1 – Unquoted securities

Number	Class
UNLISTED OPTIONS	
27,500,370	Nil cash exercise unlisted ESOP options expiring 13/11/2020 - vested on 6 May 2016
138,341,188	Nil cash exercise unlisted ESOP options expiring 23/11/2021 subject to vesting conditions Vesting Conditions (i) 30% of the Option will vest in thirds on the first 3 anniversaries of grant (10% each year) on condition the employee remains in the employment of the Company at the vesting date; (ii) 30% of the Option will vest at the end of FY2019 on the basis of improvement in Atlas' return on invested capital (ROIC) for FY2019 equal to or greater than 15% over ROIC for FY2016; (iii) 40% of the Option will vest at the end of FY2019 on the basis of an absolute improvement in Atlas' total shareholder return (TSR) in FY2019 over FY2016

Appendix 3B – Annexure 2

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	2,669,787,052
<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> 	<p>155,847,342 shares issued on exercise of ESOP Options under an exception in rule 7.2. The ESOP Plan was approved by shareholders on 28 October 2015.</p> <p>6,229,503,087 shares issued on 6 May 2016 following shareholder approval.</p>
<i>Subtract</i> the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	9,055,137,481

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	1,358,270,622
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert 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> 	<p>94,670,301 issued to Gondwana Resources Limited on 1 August 2016.</p> <p>107,991,355 issued to certain lenders on 29 March 2017 pursuant to an amendment to the Term Loan B Syndicated Facility Agreement</p>
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.15] – “C”	1,155,608,966 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

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>	9,055,137,481
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	905,513,748
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> 	Nil
“E”	

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>	
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	
Total ["A" x 0.10] – "E"	905,513,748 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.