

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Alita Resources Limited (previously Alliance Mineral Assets Limited)

ABN

54 147 393 735

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows*	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	33,736	88,449
1.2 Payments for		
(a) exploration & evaluation	(2,100)	(2,335)
(b) development – deferred waste asset	(1,339)	(11,856)
(c) production	(35,672)	(86,996)
(d) staff costs	(633)	(3,110)
(e) administration and corporate costs	(973)	(3,382)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	45	180
1.5 Interest and other costs of finance paid	(2,321)	(4,999)
1.6 Income taxes paid	-	-
1.7 Other – Merger and demerger costs	(214)	(1,458)
1.8 Net cash from / (used in) operating activities	(9,471)	(25,507)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8,567)	(14,647)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) Other - R&D refund	-	321

Consolidated statement of cash flows*		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	8
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Contributions received from Joint Operation Partner not expended	-	(1,991)
	– Cash acquired through business combination	-	8,945
2.6	Net cash from / (used in) investing activities	(8,567)	(7,364)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	22,500	22,500
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(41)	(75)
3.5	Proceeds from borrowings	-	39,936
3.6	Repayment of borrowings	-	(18,000)
3.7	Transaction costs related to loans and borrowings	-	(2,858)
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	22,459	41,503

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,620	11,404
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(9,471)	(25,507)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,567)	(7,364)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	22,459	41,503

Consolidated statement of cash flows*		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
4.5	Effect of movement in exchange rates on cash held	11	16
4.6	Cash and cash equivalents at end of period	20,052	20,052

* Alita Resources Limited (previously Alliance Mineral Assets Limited) was admitted to the ASX official list on 5 December 2018, and as such 31 December 2018 represented the first quarter of reported numbers for the Company and 30 June 2019 represents the third quarter. The Company completed the acquisition of all the issued share capital in Tawana Resources NL on 14 December 2018. Alita Resources Limited is the legal parent company of the merged group, however, after assessing the guidance set out in Australian Accounting Standard AASB 3: *Business Combinations* and in particular the Board and management composition of the merged group, Tawana Resources NL has been assessed to be the accounting acquirer. Therefore, the consolidated numbers reported for the merged group represent a continuation of the operations of the accounting acquirer, Tawana Resources NL for the nine months ended 30 June 2019, with the results of Alita Resources Limited included from 14 December 2018.

5. Reconciliation of cash and cash equivalents	Current quarter	Previous quarter	
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000	
5.1	Bank balances	20,052	15,620
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20,052	15,620

6. Payments to directors of the entity and their associates

- | | | Current quarter |
|-----|--|------------------------|
| | | \$A'000 |
| 6.1 | Aggregate amount of payments to these parties included in item 1.2 | 480 |
| 6.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

Directors' salaries, directors' fees and superannuation

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	41,850	41,850
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	11,437	11,437
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.1 The total loan facilities of the Company at 30 June 2019 are comprised of the following:

Tribeca Investment Partners Consortium – A\$41.018m (US\$28.76m)

Insurance Premium Funding – A\$437k

Leased Asset Facility – A\$395k

Tribeca Investment Partners Consortium

In October 2018 Tawana Resources NL, currently a wholly owned subsidiary of the Company, announced it had executed a secured USD funding package equivalent to A\$40 million with a consortium of lenders led by Tribeca Investment Partners. During October and November 2018, Lithco No.2 Pty Ltd, a wholly owned subsidiary of Tawana Resources NL, drew down the first A\$20 million tranche (US\$14.38 million payable) of the funding package which was in part used to repay the existing A\$5 million loan from Red Coast Investment Limited. In March 2019 Lithco No.2 Pty Ltd (now also a wholly owned subsidiary of the Company) drew down the second A\$20 million tranche (US\$14.38 million payable) of the funding package which was in part used to repay the Group's existing A\$13 million secured syndicated loan. Interest is payable quarterly in arrears at a rate of 3 month USD LIBOR plus 13% pa with a maturity and single repayment date of 1 July 2020.

8.3 In April 2017, Alita Resources Limited and the Tawana Resources NL Group entered into prepayment agreements with a 100% owned subsidiary of Burwill Holdings Ltd (Burwill), a company listed on the main Board of The Stock Exchange of Hong Kong Limited (stock code 0024). No interest is payable in respect of the prepayment and it is unsecured. The Group shall repay the outstanding prepayment through 15% of the value of each shipment of lithium concentrate until such time as Burwill has been reimbursed in full for the aggregate amount of the prepayment. In January 2019 the Company announced that repayments of the outstanding offtake prepayments would be frozen until 1 January 2021.

9. Estimated cash outflows for next quarter*	\$A'000
9.1 Exploration and evaluation	1,200
9.2 Development – Deferred waste asset additions	800
9.3 Production costs	42,100
9.4 Staff expenses	600
9.5 Administration, corporate and merger costs	3,100
9.6 Other – Property, plant and equipment additions	6,600
9.7 Other – Loan facility interest payments	1,600
9.8 Other – Sales royalty expenses	1,700
9.9 Total estimated cash outflows	57,700

* This table includes the Company's forecast cash outflows associated with the production and sale of lithium concentrate and tantalum pentoxide during the quarter ending 30 September 2019. Therefore, it excludes forecast cash inflows from the sale of these products and the A\$10 million Equity Placement to Weier Antriebe und Energietechnik GmbH, a wholly owned subsidiary of Jiangxi Special Electric Motor Co., Ltd completed subsequent to 30 June 2019.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Company Secretary

Date: 25 July 2019

Print name: Alexei Fedotov

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.