

Frequently Asked Questions

Alita Resources Limited (Subject to Deed of Company Arrangement) ACN 147 393 735

Section 444GA Application for Court approval for a transfer of your shares for nil consideration

4 February 2020

Unless otherwise specified, capitalised terms in this FAQ are defined in the glossary of defined terms set out at section 6.

This FAQ has been prepared by the Deed Administrators based on questions received from shareholders regarding the Section 444GA Application. This FAQ addresses questions received from shareholders at the Information Session and questions which have been received by correspondence from shareholders up to and including Thursday, 23 January 2020. Shareholders may continue to send queries by email and telephone, and the Deed Administrators will respond directly to shareholders regarding any future questions not covered by this document.

The next Court hearing in relation to the Section 444GA Application is the Directions Hearing, which will take place at 9.45 am on 11 February 2020.

If you wish to appear at the Directions Hearing to make submissions and/or if you intend to appear to oppose the Section 444GA Application at the Final Hearing, you may do so by filing with the Court and serving on the Deed Administrators an appearance in the prescribed Court form by **4.00 pm (AWST) on 6 February 2020**.

If you do not enter an appearance by the deadline of **4.00 pm (AWST) on 6 February 2020**, the Court may determine that you are not entitled to be heard at any subsequent hearings.

The Final Hearing for the Section 444GA Application is listed for hearing at the Court at 2.15 pm (AWST) on 4 March 2020.

Please note that:

- The information contained in this document is prepared for general information only and is not intended to be a full analysis of the points discussed. The content of this document is also not intended to constitute, and should not be taken as, advice by the Deed Administrators. If you are in any doubt about any of the contents of this document or as to the action you should take, you should seek independent professional advice.
- The Deed Administrators recommend that each shareholder obtain independent tax and legal advice in relation to the impact that each of the matters raised in this document has upon their specific circumstances.

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1 Court process

1.1 What happens to my objection to Section 444GA Application?

- If you do not wish to appear in Court, but have concerns or objections in relation to the Section 444GA Application, you have the right to provide the Deed Administrators with your views.
- The Deed Administrators will notify the Court of any submissions they receive from shareholders or nominees.
- If you wish the Deed Administrators to provide your views to the Court in this manner, please do so in writing by emailing alita@kordamentha.com no later than 5 business days before the Final Hearing (i.e. by no later than 24 February 2020) so that the Deed Administrators have time to notify the Court.

1.2 What should my objection contain?

- Your submissions should include details of the substantive basis for your concerns or objections.
- We recommend you seek independent legal advice regarding your objection.

1.3 If the Section 444GA Application is approved by the Court will shareholders be able to pursue a class action/take legal action against the board?

- Any claims you have against the Company in your capacity as a shareholder will be extinguished by the CHEL/Liatam DoCA upon effectuation of the CHEL/Liatam DoCA.
- This will not affect any claims you may have against third parties, including the former directors.
- We recommend that you seek independent legal advice regarding your rights as a shareholder.

1.4 How do shareholders make an appearance at the hearings?

- Shareholders or their legal representatives must submit an appearance directly to the Court on or before 4.00 pm (AWST) on 6 February 2020.
- Should you wish to file a formal notice of appearance, please refer to section 7.2 of the Explanatory Statement regarding the filing of appearances, noting that the deadline for filing an appearance has been extended to 6 February 2020.
- We recommend you seek independent legal advice for further advice regarding your rights as a shareholder.
- If you do not enter an appearance by the deadline of 6 February 2020, the Court may determine that you are not entitled to be heard at any subsequent hearings.

1.5 Do nominees or the nominees' client enter their objections or appearance?

- Section 444GA(2) of the Act provides that only members or creditors of a company, any other interested person or ASIC are entitled to be heard in an application for orders pursuant to section 444GA(1). A member of a company is defined in section 231 of the Act.
- The Deed Administrators would not oppose an application for leave to appear brought by a beneficial shareholder who is not a member, to appear as an interested person.
- The Deed Administrators will notify the Court of any submissions they receive from shareholders or nominees.
- If you wish the Deed Administrators to provide your views to the Court in this manner, please do so in writing by emailing alita@kordamentha.com no later than 5 business days before the Final Hearing (i.e. by no later than 24 February 2020) so that the Deed Administrators have time to notify the Court.
- Nominees and beneficial shareholders should seek independent legal advice regarding entering an appearance.

1.6 Has adequate time to prepare a case been given to those seeking to object/have the matter deferred?

- The Deed Administrators consider that parties seeking to object and appear have been granted sufficient time to do so.
- The Section 444GA Application was commenced on 18 December 2019 and orders were made by the Court on 19 December 2019 requiring (amongst other things) that any shareholders who wished to file an appearance should do so by 29 January 2020 and for the final hearing to be listed as soon as possible after 7 February 2020.

- We sought and were granted an extension for shareholders to file an appearance to 4.00 pm (AWST) on 6 February 2020.
- We also sought and were granted an extension by the Court for the final hearing date to 2.15 pm (AWST) on 4 March 2020.

1.7 What happens if the Court rejects the Section 444GA Application?

- As set out in section 7.7 of the Expert Report:
 - If the Section 444GA Application is not successful, the Proponent may, within 21 days, appeal the Court's decision or may give written notice to the Deed Administrators that it wishes instead to enter into an Alternate Transaction.
 - Should the Proponent elect not to appeal or put forward an Alternate Transaction or should an appeal fail, then the CHEL/Liatam DoCA will terminate and Alita will be placed into liquidation with the Deed Administrators becoming the liquidators of Alita to complete the winding up process.
 - As outlined in the Expert Report there would be no return to shareholders in a winding up of Alita.

1.8 Can the Deed Administrators advise or represent shareholders?

- The Deed Administrators cannot advise or represent shareholders. Likewise, the Deed Administrators' solicitors, King & Wood Mallesons, cannot advise or represent shareholders.
- We recommend that all shareholders should seek independent legal advice regarding your rights as a shareholder.

1.9 Does this mean I've lost all my money? Is there an avenue for shareholders to get their money back?

- In accordance with the priorities afforded to creditors by the Act, there is no return to shareholders until creditors are repaid in full.
- As a shortfall is expected to be experienced by creditors, shareholders will receive no distribution.
- Shareholders should seek their own independent legal advice as to their rights.

1.10 Is there any way for shareholders to have representation if they themselves will not be in Perth?

- Shareholders can engage legal advisors to represent them and appear on their behalf at the Court hearings.
- Refer to 1.4 above for information about entering an appearance.

1.11 Will there be minutes released after the hearings?

- The Deed Administrators will request a transcript of all hearings related to the Section 444GA Application, which will be provided to shareholders upon request.
- The Deed Administrators will upload any orders made by the Court to the Deed Administrators' website (www.kordamentha.com/creditors) as soon as they are available after any Court hearing.

2 Asset valuation

2.1 Why is there a difference between the SRK valuation for the 2018 merger and SRK's most recent valuation?

- Please refer to the letter from SRK dated 4 February 2020, which summarises the differences between SRK's two reports.

2.2 How was the Company determined to be worth zero (despite its ownership of the Bald Hill Project and other assets)?

- As detailed in Section 9.1 of the Expert Report, Deloitte and SRK were engaged to provide a valuation of Alita's material assets, being the Bald Hill Project and the stockpiles (spodumene and tantalum). The Independent Valuation Report regarding the value of Alita's assets dated 17 December 2019 can be found as Appendix 7 to the Expert Report.
- The Deed Administrators then aggregated the valuation of assets performed by Deloitte (with the assistance of SRK) with the work the Administrators undertook in their normal course. This included the Administrators valuing cash and other immaterial assets (such as debtors) and then comparing the aggregate value of the total assets of Alita to the liabilities of Alita as at the date of appointment and as obtained by the Deed Administrators from the books and records of Alita and from proofs of debts lodged by certain creditors.
- In accordance with the standard accounting formula that equity = assets less liabilities, by taking the total value of the assets and deducting the outstanding liabilities, the equity is negative/nil value.
- The balance of the answer to this question (shown below) has been provided by Deloitte, who prepared the Independent Valuation Report valuing the assets of Alita.

Deloitte Response #1 – specifically in response to a statement from a shareholder who contends that “the Alita shares are of positive value...” for a number of reasons “...centering [sic] on prices of lithium, which Alita mines and holds stockpiles of”

“It is important to note that we have not prepared a valuation of Alita's shares. The scope of our work was to prepare a report expressing our opinion on the fair market value of certain of Alita's assets.

As described in Section 4.3 of our Report, our initial preferred valuation approach for the Bald Hill Project was to perform a Discounted Cash Flow (“DCF”) valuation based on the Bald Hill Financial Model provided by the Management of Alita (Management). This methodology discounts projected cash flows of the ore reserves of the project and therefore implicitly considers future market expectations such as those detailed in queries received (demand surge and increase in price of lithium, trends also point the way for commodities to have a better outlook in 2020).

For example, in selecting our preferred forecast lithium and tantalum price assumptions used in our DCF analysis, we had regard to the following:

- *spot lithium and tantalum prices*
- *broker forecast lithium and tantalum price estimates*
- *other publicly available industry estimates and commentary.*

The outcome of the DCF methodology depends not only on future market factors that drive lithium and tantalum prices, but also on the expected future costs of extracting and processing the ore. We relied on SRK to provide advice on the appropriate cost assumptions to include in the DCF, based on their assessment of the mining operation.

The DCF valuation on this basis using our preferred economic assumptions and SRK's advice on cost and other technical mining assumptions, yielded a negative value for the ore reserves of the project. We therefore modified our approach and extended the resource multiple approach to cover the ore reserves as well as the residual resources. Refer to Appendix E of our Report for details of our DCF analysis and forecast economic assumptions.

In addition, in Section 5.1.1. of our Report we considered various factors to assess whether any potential real option value may exist for the Bald Hill Project above our valuation range. Our conclusion was that this was not likely.

The residual resources and the exploration assets were valued by SRK using market based (multiples) and cost-based valuation approaches, which are common approaches for such assets.”

Deloitte Response #2 – specifically in response to the following shareholder query: “...please explain how an asset value for Bald Hill of ~\$30M be considered as reasonable when:

- **A40 was trading with a market cap of \$250M+ earlier in 2019 when lithium sentiment and pricing was not much better than it is now.**
- **The offer from CHEL and GXY, even when suspected as predatory, imply a far greater value.**
- **The market valued A40 prior to suspension (market cap) at ~\$120M, including the debt implies a value of A40's assets by the market of ~\$160M. How do the VA accept the large difference in valuation from the market compared to”**

“Market capitalisation is a measure of the value of equity. We have not prepared a valuation of Alita’s equity. The scope of our work was to prepare a report expressing our opinion on the fair market value of certain of the assets of Alita.

The prior trading price of Alita is not considered a relevant benchmark of value for the underlying assets given this trading occurred before the company was placed in administration and the Bald Hill Project was placed on care and maintenance. These actions fundamentally changed the company and its operations. Our analysis therefore appropriately did not include consideration of the prior market capitalisation of Alita.

Given the negative DCF value, we considered the resource multiple approach to be the most appropriate in the circumstances. This approach explicitly considers recent transactions and makes appropriate adjustments for differences in asset quality. SRK has detailed these considerations and adjustments in their report.”

2.3 How was the value of Bald Hill Project determined and why is it different to the asset position and positive outlook reported in early/mid 2019?

- Detailed in Section 9 of the Expert Report is a discussion around the valuation of the Company's assets. It was concluded the valuation of the Company's total assets to be between \$43.24 million to \$69.61 million. The valuation methodologies used to arrive at this range are discussed at Section 9.1 of the Expert Report and were selected by considering ASIC Regulatory Guide 111. We note (as discussed at Section 9.2 of the Expert Report) no forced sale discount has been applied to the valuation range.
- The Administrators engaged Deloitte and SRK to value the assets of Alita. The Independent Valuation Report prepared by Deloitte and the Independent Specialist Report prepared by SRK are appended to the Expert Report.
- The Bald Hill Project and the Resources and Reserves (as defined in the Independent Specialist Report) valuations were prepared using a multiples approach. The valuations were prepared on a going concern basis and did not include a discount for a forced sale in liquidation. If a discount was applied the valuation would have been lower.
- Deloitte and SRK also prepared a valuation of the Bald Hill Project using the DCF method. However, the DCF method showed a negative NPV and was therefore not included in the valuation report.
- Alita recorded net losses in January, February, March, May and June 2019.
- June 2019 net loss was \$12.4 million, on zero spodumene sales.
- The Deed Administrators are aware of the previous valuation undertaken for the merger, and other reporting on asset values. There has been a fundamental change in:
 - Alita’s operations – its offtake counterparty ceased taking shipments in line with the Offtake Agreements, this meant that Alita could not keep operating as discussed at length in the Section 439A Report.
 - The underlying lithium market, and spot prices available. There appears to be significant oversupply which is depressing investment in the sector. Supply forecast is discussed in the Expert Report at 3.1.6.
 - The Expert Report discusses price forecasts at 3.1.6 and suggests prices will remain at current levels through to 2023.
 - In Australia, recently reported mine closures, reductions and delays are shown below:

Company	Mine	Action
Mineral Resources	Wodgina Lithium Project	Has been placed on care and maintenance
Talison Lithium	Greenbushes	Expansion delayed
Pilbara Minerals	Pilgangoora	Production ceased

Galaxy Resources	Mt Cattlin	Reduced production by 60%, there has been no production for the past few months
Alita	Bald Hill	Has been placed on care and maintenance
Wesfarmers	Mt Holland	An investment decision has been delayed

- The balance of the answer to this question (shown below) has been provided by Deloitte, who prepared the Independent Valuation Report valuing the assets of Alita.

Deloitte Response – specifically to the following shareholder statement: “The valuation methodology seems designed to minimize the price of the assets by valuing them to current market conditions for Lithium. Merely one year ago they were considerably more valuable and will be again by the end of the year”

“...our initial preferred valuation approach for the Bald Hill Project was to perform a DCF analysis based on the Bald Hill Financial Model provided by the Management. This methodology considers not just the current market conditions, but also takes into account future market expectations. However, under our preferred assumptions, including forecast pricing, the estimated costs of bringing the mine back into operation and the estimated costs of extracting and processing the ore, the DCF yielded a negative value for the ore reserves.

We therefore modified our approach and extended the resource multiple approach to cover the ore reserves as well as the residual resources. This methodology is a well-established methodology for valuing reserves and resources. We also undertook further DCF analysis to test whether any potential real option value may exist for the Bald Hill Project above the valuation range determined using the resource multiple approach. Our conclusion was that this was not likely.

Refer to Appendix E of our Report for details of our DCF analysis and forecast economic assumptions.”

2.4 Were the drilling results completed (as announced 25 July 2019)?

- A 60,000 metre drilling program was announced and commenced by the company for 2019. At appointment c. 17,000 metres of that program had been completed. The program was not finished, and the drilling outputs were at various stages of processing from drill core logging, to assay, to processing by the Alita geological team. All results available at the date of our appointment were provided to Deloitte and SRK and taken into account for the purposes of the valuation.
- To go from individual drill results to a report/announcement involves a lot of work by the Company, interpretation of the results, and having the responsible person satisfy themselves of the accuracy of the report. While we understand that the processing of results was ongoing, the drill program had not been completed, there was no funding available to complete this workstream, and with the termination of the majority of the Alita employees by the Receivers and Managers on their appointment, completing this reporting was no longer possible.
- The balance of the answer to this question (shown below) have been provided by SRK, who was engaged as technical expert for the purpose of valuation of Alita’s assets.

SRK Response (specifically in relation to whether 2019 drilling was included)

“SRK has considered the results of the drilling programs outlined in Alita’s Quarterly Activity Report as per ASX announcement dated 25 July 2019 in forming its overall view of value drivers and in its estimation of the market value of the Bald Hill Project (Project) and the Project’s related tenure. The assays confirm, support and provide more transparent substantiation to the previously stated Exploration Target (as announced on 10 May 2019) which was considered by SRK for valuation purposes (see Section 3.3.1 of the Report).

“Following the issuing of SRK’s final Report to KordaMentha on 13 January 2020, SRK has been notified that Alita has made some additional assay results available to KordaMentha. These assay results remain to be publicly disclosed. SRK has assessed these assay results on behalf of KordaMentha and has notified KordaMentha that, in SRK’s opinion, the assay results do not provide any additional information which is material to its Report and that an update to the ISR is not warranted. These assay results confirm, support and provide additional transparent substantiation to the previously stated Exploration Target, but do not materially change the quantum of the stated tonnage or grade ranges such that it required further value consideration by SRK”.

2.5 How was the Kidman/Wesfarmers Earl Grey transaction taken into account in the valuation?

- The answer to this question (shown below) has been provided by SRK, who was engaged to prepare the independent specialist report on the Mineral Assets of Alita.

SRK Response – specifically to a shareholder query around whether the Kidman transaction was properly considered

“The Kidman transaction is a corporate level (i.e. company) transaction as opposed to an asset level (i.e. single mineral project) transaction. As such, the consideration paid was for the corporate entity, Kidman Resources Limited, not the Earl Grey Project on a standalone basis. The consideration paid for Kidman Resources included a portfolio of mineral assets (with a combined contained metal tonnage as detailed below) in addition to approximately A\$30 million in cash (net), but also liabilities. Arguably, the consideration also included a component attributable to a premium for control of the company.”

Element	Metric	Contained tonnes / ounces
Li	tonnes	1,421,350
Ta	tonnes	2,300
Ni	tonnes	355,474
Au	ounces	940,100
Zn	tonnes	450,000
Pb	tonnes	247,500
Cu	tonnes	65,200
Ag	ounces	8,627,000
Co	tonnes	540

For valuation purposes only, SRK then converted these contained metal tonnages to a lithium metal tonne equivalent (100% lithium basis). Based on industry expected metal recoveries and metal prices at the time of the Kidman transaction, this portfolio equates to 1,481,279 tonnes of lithium metal equivalent (100% basis) at the time of the transaction and accommodating the 50% equity in Early Grey, thus resulting in the estimated A\$524 per contained tonne adopted by SRK for valuation purposes.

As outlined previously in this response letter, the assay results as announced to the ASX on 25 July 2019 were considered by SRK in its estimation of the market value of the Bald Hill Project (Project) and the Project’s related tenure. In SRK’s opinion, the assay results confirm, support and provide more transparent substantiation to the previously stated Exploration Target, but do not materially alter the stated tonnage or grade range outlined for this Exploration Target which was considered by SRK (see Section 3.3.1 of the Report).

Following the issuing of SRK’s final Report to KordaMentha on 13 January 2020, SRK has been notified that Alita has made some additional assay results available to KordaMentha. These assay results remain to be publicly disclosed. SRK has assessed these assay results on behalf of KordaMentha and has notified KordaMentha that, in SRK’s opinion, the assay results do not provide any additional information which is material to its Report and that an update to the ISR is not warranted. These assay results confirm, support and provide additional transparent substantiation to the previously stated Exploration Target, but do not materially change the quantum of the stated tonnage or grade ranges such that it required further value consideration by SRK.”

2.6 Does the valuation reflect a potential improvement in Lithium market?

- Supply, demand and price assumptions and forecasts are detailed at:
 - Section 3.1 of the Expert Report
 - Appendix C of the Independent Valuation Report.

2.7 If the Company is worthless why would someone purchase it?

Refer to Questions 2.2 and 2.3 for comprehensive answer to ‘valuation approach’

- Despite the Company's total assets' value range of between \$43.24 million to \$69.61 million, the Company's total indebtedness (as detailed in Section 5 of the Expert Report) was estimated to be in the range of \$86.86 million to \$110.66 million, implying a shortfall to creditors and therefore no return to shareholders.
- The assets are not worthless, but when liabilities exceed assets, then equity is negative/worth nil.
- Under the CHEL/Liatam DoCA, those liabilities will be compromised at a cents in the dollar basis, and will not go forward with the Company.
- The total consideration offered is not greater than the creditor pool and therefore does not provide any residual value for shareholders.

2.8 If the Company is worthless, why did major stakeholders invest further into the Company in mid-2019?

- The Deed Administrators were not involved in the decision making of major stakeholders to invest further into the Company in mid-2019.

2.9 If the Company is worthless, why did it have a market capitalisation of c. \$120 million at the date of last trade?

- Alita's shares entered a trading halt on 12 August 2019 and have been in suspension since 14 August 2019.
- Alita's market capitalisation as of 12 August 2019 was determined by the market.
- Since Alita's shares last traded on 12 August 2019:
 - Alita's board formed the view that the Alita was insolvent or likely to become insolvent and appointed voluntary administrators.
 - The Bald Hill Project was put on care and maintenance.
 - The Administrators conducted a sale process and received two proposals to enter into a deed of company arrangement. Both proposals resulted in a nil return to shareholders.
 - Creditors voted to approve the CHEL/Liatam DoCA which does not repay creditors in full.
 - The Expert Report released on 14 January 2020 concludes that in liquidation Alita's total indebtedness is materially greater than Alita's assets and therefore Alita's shares have nil value.

2.10 If the Company is worthless, why did Canaccord give it a 'tick' in July 2019?

- We understand that shareholders are referring to this article: <https://www.proactiveinvestors.com.au/companies/news/224232/alita-resources-june-quarter-gets-tick-from-canaccord-224232.html>
- The Deed Administrators were not involved in preparing Canaccord reports.
- Since the date of that article:
 - Alita's board formed the view that the Alita was insolvent or likely to become insolvent and appointed Administrators.
 - The Bald Hill Project was put on care and maintenance.
 - The Administrators conducted a sale process and received two proposals for deeds of company arrangement. Both proposals resulted in a nil return to shareholders.
 - Creditors voted to approve the CHEL/Liatam DoCA which does not repay creditors in full.
 - The Expert Report released on 14 January 2020 concludes that in liquidation Alita's total indebtedness is materially greater than Alita's assets and therefore Alita's shares have nil value.

2.11 How come only one expert report was used? Should there be more expert reports used to eliminate chances of bias?

- The Deed Administrators engaged appropriate, qualified and competent independent experts to prepare the Independent Valuation Report and Independent Specialist Report which are annexed to the Expert Report, and those reports set out the assumptions and instructions upon which they are based.
- The Expert Report was prepared for Alita stakeholders to rely on for the Section 444GA Application, including shareholders, regulators and the Court.

2.12 Did the valuation consider the stockpiles and the plant and equipment?

- The valuation of the Bald Hill Project implicitly includes the value of the processing plant and equipment, refer to Section 4 of the Independent Specialist Report.
- A valuation of the spodumene and tantalum stockpiles has been conducted by Deloitte. The fair market value has been estimated using the net realisable value approach by considering the estimated selling prices, less the remaining transport, port and storage costs and royalty payments.
- The valuations of spodumene and tantalum stockpiles are presented in the table below.

AUD (million)	Low	High	Mid
Spodumene stockpiles			
Product at mine	4.3	5.6	4.9
Product at port	9.7	12.4	11.1
Total spodumene stockpiles	14.0	18.0	16.0
Tantalum stockpiles			
Product at mine	0.9	1.0	0.9
Product at Nagrom	1.4	3.2	2.3
Total tantalum stockpiles	2.3	4.1	3.2
Spodumene stockpiles in China	-	-	-
Total stockpile value	16.3	22.1	19.2

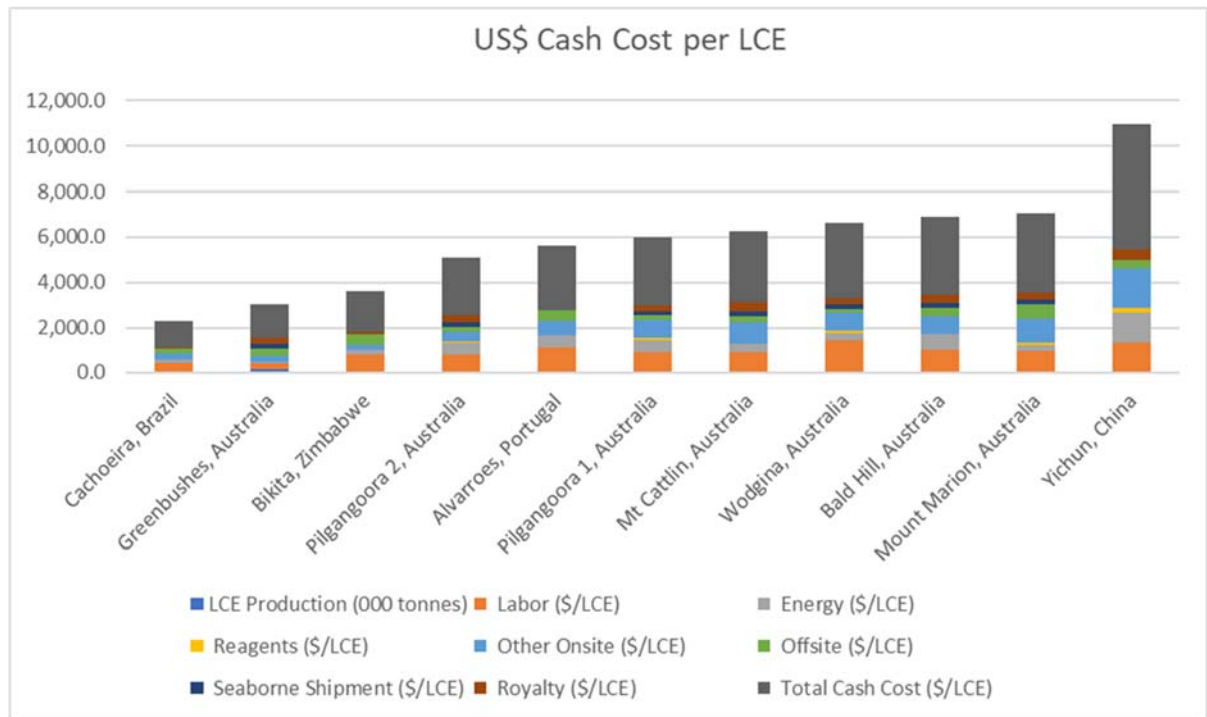
2.13 Did the valuation consider the tantalum located at the Bald Hill Project?

- Yes, refer to Section 5.2 of the Independent Valuation Report.

2.14 Where does the known production cost for the Bald Hill Project (when it was operating) fall on a 'cost of production curve' showing other Australian and global producers of lithium (especially as spodumene with >6% Li₂O)?

The answer to this question (shown below) has been provided by SRK, who was engaged to prepare the independent specialist report on the Mineral Assets of Alita.

- *"Similar to other Australian hard rock lithium mines (data sourced from S&P Market Intelligence), assuming steady state operating costs (per March and June 2019 quarters)"*



2.15 Was geological mapping carried out during mining of Bald Hill and how did this information reconcile with 3D models of the geology as part of the mineral resource modelling?

The answer to this question (shown below) has been provided by SRK, who was engaged to prepare the independent specialist report on the Mineral Assets of Alita.

- “SRK was not provided with any geological mapping to review or assess and is not aware of any in-pit mapping.”

2.16 Are there appropriate metallurgical and geometallurgical studies or reports that compare the quality and value of Bald Hill Project mineralisation to other mines and developing deposits? Do such reports indicate a quality premium or penalty for Bald Hill ore?

The answer to this question (shown below) has been provided by SRK, who was engaged to prepare the independent specialist report on the Mineral Assets of Alita.

- “To SRK’s knowledge no comparative reports exist. The lithium market is not transparent in that each offtake contract is privately negotiated. In this regard, there are no standardised penalty element limits. The test work reports suggest that the concentrates from the Bald Hill mine are low in deleterious elements and are unlikely to attract any discounts.”

2.17 Is there further information about the deficiencies of the September 2018 resource model? Why are the assumed parameters and the estimated tonnes and grades not provided for the information of the shareholders?

- The JORC Code is a professional code of practice that sets minimum standards for Public Reporting of Minerals Exploration Results, Mineral Resources and Ore Reserves (as those terms are defined in the JORC Code).
- The JORC Code provides a mandatory system for the classification of Minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports.
- SRK identified that the September 2018 estimates had not been prepared, reported or compiled in accordance with JORC Code requirements.

- The balance of the answer to this question (shown below) has been provided by SRK, who was engaged to prepare the independent specialist report on the Mineral Assets of Alita.
 - *“SRK was not engaged to prepare a detailed report or assessment of the September 2018 resource model and did not independently verify the estimate by means of re-calculation. The assumed parameters used to prepare the September 2018 resource model were reported to the ASX on 6 June 2018 by Tawana and are available on the ASX market platform. The estimated tonnes and grades of the September 2018 resource model are presented on page 21 of SRK’s report.”*

2.18 Is there further detail about the assumptions in the 2019 – 2027 Tribeca LOM model? Why has the life of mine (LOM) been shortened considerably compared to the original mine plan?

The answer to this question (shown below) has been provided by SRK, who was engaged to prepare the independent specialist report on the Mineral Assets of Alita.

- *“Table 4.3 on page 35 of SRK’s report presents the material technical assumptions contained in the Tribeca LOM model. On 25 July 2019, Alita reported a corporate and operations update to the ASX. This announcement is available on the ASX market platform and notes a change to the mine plan based on its, “Strategic Review Scope”.*

2.19 How do the predicted and reconciled grades relate to the actual product specification sold (which is +1 mm sized spodumene with grade >6% Li₂O, total iron <8% and moisture <8%, i.e. meeting chemical grade spodumene specifications)?

The answer to this question (shown below) has been provided by SRK, who was engaged to prepare the independent specialist report on the Mineral Assets of Alita.

- *“SRK was not engaged to prepare a reconciliation assessment with respect to an assessment of the mine-mill-export value chain or compliance to the mine plan. It can be assumed that Alita fed high grade material through the plant and stockpiled the low grade material although SRK cannot substantiate this assumption with the information it has assessed.”*

2.20 What is the basis for the assumed 1.5% moisture content of stockpiles used to convert wet metric tonnes to dry metric tonnes?

The answer to this question (shown below) has been provided by Deloitte, who prepared the Independent Valuation Report valuing the assets of Alita.

- *“This assumption was based on estimates provided by Management of Alita (Management), which are in line with the assumptions included in the financial projections for the Bald Hill Project provided by Management entitled “20190730 Forecast 2019-2027 – Tribeca” (the Bald Hill Model). We also discussed this assumption with Management and confirmed it to be reasonable.”*

2.21 What was the process of blending used at Nagrom to overcome the tantalite stockpile there being below specification? After blending was it saleable? How much above specification material is required to make it saleable? What is the cost of such blending at Nagrom?

The answer to this question (shown below) has been provided by Deloitte, who prepared the Independent Valuation Report valuing the assets of Alita.

- *“At the low end of our valuation we assumed that the tantalite stockpile below specification was not saleable. For this reason we did not consider any revenues for the processed offspec material located in Nagrom (refer to Table 11 of our Report).*
- *Having regard to the processing costs, these were based on the information included in the Bald Hill Model provided by Management. At the high end of our tantalite stockpile valuation, we assumed that no further processing was needed therefore no additional costs were deducted.”*

2.22 What are the error estimates on the stockpile product grades for Li and Ta?

The answer to this question (shown below) has been provided by Deloitte, who prepared the Independent Valuation Report valuing the assets of Alita.

- *“We did not consider error estimates in our analysis. The stockpile product grades used in our valuation were based on the information provided by Management.”*

2.23 Were drones used to map the stockpiles and mined out pit and what error do they indicate in the estimates of volumes and tonnes?

The answer to this question (shown below) has been provided by Deloitte, who prepared the Independent Valuation Report valuing the assets of Alita.

- *“No drones were used to map the stockpiles. The estimates of volumes and tonnes were based on the information provided by the Company.”*

2.24 What are the Li₂O grades of the spodumene stockpiles at the mine, Esperance port and Chinese (Zhenjiang) port?

The answer to this question (shown below) has been provided by Deloitte, who prepared the Independent Valuation Report valuing the assets of Alita.

- *“We have assumed a 6% spodumene concentrate grade for all the stockpiles based on the assumptions included in the Bald Hill Model. We discussed this assumption with Management and confirmed it to be reasonable.”*

2.25 Has ‘restart value’ in the context of SRK’s summary of costs and estimation of costs been correctly considered in the DCF analysis by Deloitte where a total Capex over the life of mine of only \$3.0 M is noted, although the report states ‘that c. A\$21 M has been included in the Model’?

The answer to this question (shown below) has been provided by Deloitte, who prepared the Independent Valuation Report valuing the assets of Alita.

- *“Restart costs of c. A\$21 million have been considered in our DCF analysis but not as part of the Capex. Restart and care and maintenance costs have been considered as a separate expense as noted in the page 40 of our Report.”*

2.26 There is mention of an application to forfeit tenements made by CCS Equipment Pty Ltd. What was the outcome?

- The forfeiture application is ongoing.
- CCS is required to submit particulars to the Court by 14 February 2020.
- We note however that the Expert Report assumed that the forfeiture application would be unsuccessful and that the Group would retain the tenements subject to the forfeiture application. Should this assumption be incorrect (i.e. the tenements are forfeited), this would be expected to reduce the value of the Group.

3 The CHEL/Liatam DoCA and Recapitalisation

3.1 What other alternatives to the CHEL/Liatam DoCA were available and why weren't they chosen/could another option have delivered a better outcome for creditors?

- The Section 439A Report details the administration process, and alternatives available to creditors.
- Creditors determine the future of the Company by voting at the second meeting of creditors for one of following three options:
 - Liquidation.
 - Deed of Company Arrangement.
 - Handing the company back to the directors.
- The CHEL/Liatam DoCA was recommended by the Administrators, as it provided a superior estimated return to creditors than the Galaxy deed of company arrangement proposal, or liquidation.
- Creditors voted to approve the CHEL/Liatam DoCA at the Second Meeting of Creditors on 17 December 2019.

Vote	Number	Value (\$)
For	9	32,493,847.83
Against	1	1.00
Abstain	-	-
Total	10	32,493,848.83

3.2 What assets are being realised for the benefit of creditors and what assets are staying with the Company as part of the proposed transfer?

- The Section 439A Report details the CHEL/Liatam DoCA proposal as accepted.
- The CHEL/Liatam DoCA provides for all of the shares in Alita to be transferred to Liatam.
- Under the CHEL/Liatam DoCA, two creditors' trusts will be established.
- **Cash Creditors' Trust:**
 - For Class A, B, D and E Creditors.
 - A cash contribution of \$3.01 million has been made to the Cash Creditors' Trust, which will be used to fund the payment to creditors.
- **Stockpile Creditors' Trust:**
 - For Class C Creditors. The contribution to the Stockpile Creditors' Trust will either be cash or the physical spodumene stockpile plus cash to take the total stockpile value up to \$3.22 million (10% of the total Class C Creditor claim).
 - The Stockpile Creditors' Trust will commence on completion under the CHEL/Liatam DoCA, and is dependent on the conditions precedent to completion under the CHEL/Liatam DoCA being achieved.
 - The cash component of any contribution is to be funded from Alita's cash at bank (which, along with the stockpile, is an asset subject to the security of CHEL).

3.3 Why was an equity raise not pursued by the Administrators/why have shareholders not had the opportunity to recapitalise?

- The Administrators sought proposals from the market to recapitalise Alita (as announced on 8 October 2019).
- No proposals were received from shareholders/shareholder groups.
- Two proposals were received as detailed in the Section 439A Report dated 9 December 2019.
- A capital raise outside of a deed of company arrangement proposal was not practical having regard to the pre-appointment process already conducted as well as additional factors:
 - A process was conducted pre-appointment by Canaccord and an investment bank, who were in detailed discussions with management, key creditors and other stakeholders to fund a convertible note and agree a debt for equity swap with a potential further capital raising. However, they were unable to secure sufficient support pre-appointment of the Administrators.

- The Administrators engaged with Canaccord and the investment bank as part of the sale/recapitalisation process, but they did not submit a proposal. Key stakeholders were engaged with (including the largest shareholder), however, a deal was unable to be reached.
- The largest shareholder declined to participate in a shareholder-led recapitalisation and alternatively acquired the secured debt to drive a recapitalisation through a DoCA, in which their proposal provided a nil cent return to shareholders.
- The quantum required to discharge all outstanding debts (being c. \$101 million) to return Alita to solvency.
- The expected discount and amount of dilution that would have been required to raise sufficient funds.
- Expected difficulties in obtaining regulator consent to a raising while Alita was insolvent and suspended.
- Fundamentally, Alita was insolvent, and required immediate proposals to submit to creditors. The time required to complete a capital raising against the backdrop of the expedited timeframe provided by the voluntary administration regime. Coupled with the absence of funding available to the Administrators to pursue an equity solution.

3.4 Why wasn't a partial sale of the project pursued?

- The outcome of the recapitalisation process, as supported by the independent valuation, indicates that even 100% of the project had insufficient value to discharge creditor claims in full. A partial sale of the project would have provided a lower return to creditors than a full sale.

3.5 Why was a scheme of arrangement to Galaxy not considered by the Administrator?

- When a company enters into voluntary administration the future of the company is determined by creditors and not shareholders under the Act.
- A scheme of arrangement is a shareholder driven mechanism.
- Under administration, the administrators pursue a Deed of Company Arrangement to affect the sale or recapitalisation of a Company.

3.6 Have Galaxy objected to the transfer as a major shareholder?

- We have not received any objections to the Section 444GA Application from Galaxy.
- We note that the Galaxy deed of company arrangement proposal also required orders to be sought pursuant to section 444GA(1) of the Act as a condition, which would have also provided a nil return to shareholders.

3.7 Was there transparency with shareholders with regards to the CHEL/Liatam DoCA when it was proposed?

- The Administrators released announcements, including the Section 439A Report, to the ASX and SGX regarding the CHEL/Liatam DoCA during the Administration.

3.8 Why wasn't a longer convening period requested to allow interested parties to conduct longer due diligence before submitting a proposed deed of company arrangement?

- Under the Act, administration is intended to provide a quick resolution process taking approximately six weeks until the second meeting of creditors when the creditors will meet to decide the fate of the company.
- The extension to the convening period sought from the Court was based on the Administrators' prior experience in administrations of a similar scale and was supported by the Receivers and Managers. It was unlikely the Receivers and Managers would have supported a longer extension to the convening period.
- As evidenced by the two proposals received, interested parties had sufficient time to conduct due diligence and submit a deed of company arrangement proposal.

3.9 Why did the secured loan increase from \$40 million to \$70 million in 3 months?

- On 27 August 2019, Galaxy acquired the senior secured debt from Tribeca for c. USD31.1 million (c. AUD45.7 million).
- On 28 November 2019, the Administrators entered into a loan facility with a limit of AUD70 million with CHEL.

- The Administrators drew down c. USD32.5 (c. AUD47.8 million) million from the facility on 29 November 2019 to facilitate repayment of the Galaxy senior secured debt in full for c. USD32.5 million (c. AUD47.8 million).
- The increase in the Galaxy loan amount from 27 August 2019 to 29 November 2019 is a result of interest accruing and the secured creditor's costs of managing the loan.
- The balance of the CHEL loan facility remains undrawn and the Administrators do not currently expect to make any further drawdowns.

Note, USD:AUD conversion estimated at 0.68 for indicative purposes.

3.10 Why was an early repayment fee included in the CHEL loan?

- The early repayment fee was a commercial requirement of CHEL.
- The CHEL facility was entered into by the Administrators to provide:
 - An improved rate of 5% as compared to the variable interest rate under the Galaxy facility of approximately 14% to 16%.
 - A reduction in costs as a result of the retirement of the Receiver and Managers.
 - The facilitation of a deed of company arrangement proposal to deliver a superior return for creditors compared to the Galaxy deed of company arrangement proposal or liquidation.
- The CHEL/Liatam DoCA provided a superior return to creditors than the proposed Galaxy deed of company arrangement or liquidation (excluding the early repayment fee).
- The Administrators sought directions from the Court to enter into the facility on 25 November 2019. The Court approved the Administrator loan with CHEL on 27 November 2019.
- The early repayment fee in liquidation does not prejudice shareholders as shareholders would not have received a distribution under either the Galaxy deed of company arrangement proposal or in a liquidation scenario without the early repayment fee.

3.11 Are Jiangte and the Proponent related parties?

- We understand that Jiangte and Proponent are not related parties.

3.12 How can Jiangte be a creditor?

- JBJL (which is an incorporated joint venture between Jiangte and Burwill) paid a prepayment of c. USD9 million under the offtake agreement to be offset against future spodumene concentrate sales.
- Not enough sales were made under the offtake agreement to reduce the prepayment to nil prior to the appointment of the Administrators on the Appointment Date.
- The Administrators believe that JBJL is a net debtor, however, this is subject to ongoing discussion with JBJL.

3.13 Was there collusion between Jiangte, Alita board and management and the Proponent to “steal” the company?

- We have no evidence of any relationship, collusion or otherwise between Jiangte and the Proponent.

3.14 Was there a recapitalisation plan prior to appointment? Why wasn't this pursued?

- See response to question 3.3 above.

3.15 Are there any FIRB considerations or legal issues regarding the Company being sold to a Chinese company?

- FIRB approval is a condition precedent of the CHEL/Liatam DoCA. We understand that a FIRB application has been made by Liatam.

3.16 Can you tell us more about CHEL/Liatam? Who are they, what do they do?

- CHEL is a special purpose vehicle incorporated in the Cayman Islands and controlled by a Chinese national/individual.

- Liatam is an Australian entity (linked to CHEL), recently incorporated we understand for the purpose of this transaction, and will own 100% of Alita on effectuation of the CHEL/Liatam DoCA.

3.17 What is CHEL's relationship to Galaxy and Cowan Lithium? Was the transfer of assets from Galaxy to CHEL based on a consideration?

- Galaxy was the secured lender to Alita. On or around 28 November 2019 the Administrators entered into a loan agreement with CHEL to refinance the Galaxy loan. The Galaxy loan was repaid in full by Alita on or around 28 November 2019.
- We are not otherwise aware of any relationship between CHEL, Galaxy and/or Cowan Lithium.
- There was no transfer of assets from Galaxy to CHEL as Galaxy never owned/had possession of any of Alita assets.
- Pursuant to their security over the Group, Galaxy appointed receivers and managers over Alita on 29 August 2019. The receivers and managers did not sell any assets to CHEL during their appointment.
- Galaxy retain their pre-appointment shareholding in Alita of c. 12%.

3.18 What is the relationship between past parties and current control of Cowan Lithium Limited and is there any indication that a conflict of interest led to the solvency issue of the Group?

- We do not have the material shareholders of Cowan post the September 2019 equity raising, however we are not aware of any link between Cowan and/or its stakeholders and the ultimate insolvency of the Group.

3.19 The reasons for the insolvency of the Group are set out in the Section 439A Report. The Group owns 11.3% of Cowan Lithium. Who are the other substantial/major/controlling shareholders of Cowan Lithium? Do shareholders of Cowan Lithium include previous directors/key management of the Company/the Group; or entities related to/owned by previous directors/key management of the Company/the Group and Cowan Lithium? What guarantee is there that the beneficiaries of the DoCA will not sell the Company's assets (the tenements with a Probable Mineral Resource, other tenements, and the process plant) to Cowan Lithium, who may then be able to receive a financial benefit? What safeguards/agreements have been put in place?

- See above in relation to shareholders of Cowan Lithium.
- Based on documentation we have reviewed, in our opinion, CHEL/Liatam are completely independent and unrelated to the stakeholders of Cowan Lithium.
- We have seen no evidence to suggest there is any relationship past or present between the Cowan Lithium stakeholders and CHEL/Liatam who will own 100% of Alita post-effectuation of the DoCA.
- Alita will retain its 11.3% shareholding in Cowan Lithium post effectuation of the DoCA.

3.20 What will happen to my Cowan Lithium shares?

- There will be no change to your direct Cowan Lithium shareholdings if the Alita Section 444GA Application is approved by the Court.
- Alita shareholders have an indirect shareholding in Cowan Lithium through Alita, which holds approximately 11% to 13% of shares in Cowan Lithium. Alita's shares in Cowan Lithium will remain with Alita if the Section 444GA Application is approved and Alita shareholders will cease to have an indirect interest in these shares.

3.21 What documents will be provided so that shareholders can claim the capital loss?

- If the Section 444GA Application is successful, shares will be transferred to the Proponent for nil consideration.
- We expect that confirmation of this transfer will be sufficient to claim a capital loss, however we suggest you should seek professional tax and/or legal advice in relation to the impact of the transfer on their specific circumstances.

3.22 Why do creditors get priority over shareholders?

- Pursuant to sections 556 and 563A of the Act, shareholder claims are subordinate to creditor claims. As there is a shortfall to creditors, there are no funds available for a distribution to shareholders.

3.23 Given that the ordinary shareholders will get no benefit, who else will get a benefit?

- Is there a saleable interest of such a benefit to CHEL by restarting the operation on the basis that all previous capital investment in the mine (e.g. stripping of overburden and waste; construction of process plant; rehabilitation bonds, etc) is now a sunk cost, i.e. no cost to them, and that there is a recently completed TSF pond?
 - Based on the sale/recapitalisation process and the independent valuation, the shares have nil value and are worthless. This is the reason why there is no benefit nor any prejudice to shareholders as at this point in time the shares have no value.
 - The CHEL/Liatam DoCA provides for approximately \$70 million total consideration (cash and non-cash) for the benefit of creditors who are owed approximately \$110 million (pre-claim adjudication), who will need to forgive the remaining balance of the amounts that they are owed – i.e. based on the DoCA proposal, the vast majority of unsecured creditors will need to forgive/write-off between 63% and 90% of all amounts owed to them. It therefore stands to reason that if creditors are forgiving such material amounts that the shares have no value.
 - CHEL/Liatam will need to fund the ongoing costs of the business, including but not limited to the care and maintenance program, employee costs, exploration work and, if they decide, the restart of the operations. They will benefit from any future cash flows (if they materialise) or if they subsequently sell the asset.
- Is there a saleable interest of such a benefit to other parties, such as Cowan Lithium?
 - There is no benefit to Cowan Lithium from the CHEL/Liatam DoCA.
 - Cowan Lithium is not a party to and will not obtain any beneficial ownership of Alita upon effectuation of the CHEL/Liatam DoCA.
- Is there a saleable interest of such a benefit to other parties including the previous directors or senior management of the Group?
 - New directors will be appointed by CHEL before effectuation of the CHEL/Liatam DoCA and the new directors will assume control of Alita on effectuation.
 - Previous directors are not a party to the CHEL/Liatam DoCA.
 - Senior management are not a party to the CHEL/Liatam DoCA, however, it is at CHEL's discretion to retain various employees to assist with continuing Alita's operations (as employees).

4 Administration

4.1 Were the Administrators' investigations sufficient?

- Details of the Administrators' investigations are contained in the Section 439A Report.

4.2 Is there evidence of non-disclosure, late disclosure and/or inaccurate disclosure of material events which led to the Group being insolvent and the need to appoint Administrators?

- Details of the Administrators' investigations are contained in the Section 439A Report.

4.3 Is there evidence of non-disclosure, late disclosure and/or inaccurate disclosure of the state of affairs in the Group?

- Details of the Administrators' investigations are contained in the Section 439A Report.

4.4 Is there evidence of negligence in the preparation of the Offtake Agreements or other contracts?

- The Offtake Agreements were initially entered into on or around 20 April 2017 and most recently varied, amended and restated on or around 14 January 2019.
- The Deed Administrators have not discovered evidence of negligence in the preparation of offtake agreements, however, we have not specifically investigated the preparation of these contracts as, on the face of it, prior to the alleged force majeure claim (as discussed in the Section 439A Report), these contracts were at or above commercial spot prices available in the market.

4.5 How do the Administrators get paid? (queries relating to the Administrators fees being too high)

- The Administrators/Deed Administrators/Trustees charge fees on the basis of hourly rates for necessary work performed.
- The Administrators'/Deed Administrators'/Trustees' work is conducted as required under the Act, and details of remuneration were provided in the Section 439A Report.
- Remuneration reports were prepared for creditors to inform their decision in voting on the Administrators fees.
- Creditors voted in favour to approve the Administrators', Deed Administrators' and Trustees' fees.

4.6 Why are Administrators fees higher than initially advised?

- The initial estimate assumed expeditious progress of the Administration and that the Receivers and Managers would attend to all operational/trading considerations.
- Material variations in the scope of the Administration included:
 - CHEL refinance of Galaxy
 - Retirement of the Receivers and Managers.

4.7 Was the Bald Hill Project put on care and maintenance?

- The Receivers and Managers transitioned the Bald Hill Project to care and maintenance in September 2019.
- The Bald Hill Project remains on care and maintenance and the Deed Administrators continue to incur costs in order to preserve Alita's assets.

4.8 Have the Administrators/Deed Administrators protected/acted in the interests of shareholders?

- Administrators have general officers' duties under the Act.
- The Administrators have preserved the assets of Alita and conducted a sale/recapitalisation process to repay creditors of Alita.

- If creditors are paid in full, any residual assets would be available to shareholders.
- The administration process does not prejudice shareholders as creditors and shareholder interests are aligned (i.e. to maximise returns from the Company's assets).

4.9 What relationship (if any) do the Administrators have with the stakeholders of this deal?

- The Administrators have no prior relationship with the Proponent.

4.10 How did the insolvency of the Group arise, who was involved in the decision making, who was responsible and will they have any material benefit??

- On the Appointment Date, the directors of Alita formed the view that Alita was insolvent or likely to become insolvent and that Richard Tucker and John Bumbak be appointed voluntary administrators of Alita.
- The reasons for the insolvency of the Group are set out in the Section 439A Report.
- The directors are not obtaining any material benefit under the CHEL/Liatam DoCA. The directors are "excluded employees" under the Act and will receive payment as per their statutory priority under the Act.
- Under the Act, directors are entitled to a cap of up to \$3,500 for employee entitlements with any balance becoming an unsecured claim.
- The balance of a directors' claim ranks as an ordinary unsecured creditors and will receive up to 10 c/\$ under the CHEL/Liatam DoCA.

5 Directors

5.1 Will any board and/or management be re-employed by Alita in the future?

- New directors will be appointed by Liatam before effectuation of the DoCA and the new directors will assume control of Alita on effectuation.
- Previous directors are not a party to the DoCA.
- Senior management are not a party to the DoCA, however, it is at Liatam's discretion to retain various employees to assist with continuing Alita's operations (as employees).

5.2 Does ASIC know about the potential wrong-doing by directors as identified in the Administrators' report? Does it impact the 444GA application?

- A copy of the report has been lodged with ASIC.
- ASIC have also reviewed our January 2020 Expert Report and Explanatory Statement.

5.3 Can/will further action be taken against the board by the Administrators/shareholders/ASIC?

- The Deed Administrators have not identified any recovery action against the board that can be pursued for the benefit of creditors.
- It is up to shareholders or ASIC to decide if there is a cause of action against the board.

5.4 Are company records available to shareholders to inform court action?

- Unless the company's constitution provides for it (which Alita's does not) or shareholders obtain a court order, shareholders do not have a general right to inspect the corporate information and records of the company (other than the statutory registers kept by the company).
- For the purposes of objecting to the Section 444GA Application, the Deed Administrators consider that there is sufficient information contained in the publicly available documents, including the Explanatory Statement and Expert Report. The Deed Administrators engaged appropriate, qualified and competent independent experts to prepare the Independent Valuation Report and Independent Specialist which are both annexed to the Expert Report. These reports set out the assumptions and instructions upon which they are based.

5.5 Why wasn't the alleged force majeure disclosed?

- Refer to section 4.6.1 of the Section 439A Report.

6 Glossary

Terms	Definition
\$	Australian Dollars
Act	<i>Corporations Act 2001</i> (Cth)
Administration	voluntary administration pursuant to the Act
Administrators	Richard Scott Tucker and John Allan Bumbak of KordaMentha in their capacities as voluntary administrators of the companies of the Group
Alita	Alita Resources Limited (Subject to Deed of Company Arrangement) ACN 147 393 735
Alternate Transaction	an alternate transaction involving CHEL and Liatam regarding the recapitalisation of Alita
Appointment Date	28 August 2019
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Bald Hill Project	Bald Hill Lithium and Tantalum mine (including associated tenements and plant)
Burwill	Burwill Lithium Company Limited (formerly known as Burwill Commodity Ltd) (a wholly owned subsidiary of Burwill Holdings)
Burwill Holdings	Burwill Holdings Limited
Cash Creditors' Trust	creditors' trust to be established for Class A, B, D, and E creditors
Canaccord	Canaccord Genuity
CCS	CCS Equipment Pty Ltd ACN 169 265 436
CHEL	China Hydrogen Energy Limited, now the secured creditor of the Company
CHEL/Liatam DoCA	deed of company arrangement entered into by Alita, Tawana, Lithco, CHEL and Liatam on 17 December 2019
Class A Creditors	those creditors of the group with claims in respect of outstanding employee entitlements (excluding the Continuing Employees) and who would be priority creditors pursuant to sections 556 and 560 of the Act if the Companies were placed into liquidation
Class B Creditors	Shire of Coolgardie
Class C Creditors	SMS Innovative Mining Pty Ltd, Primero Group Pty Ltd, Cape Crushing and Earthmoving Contractors Pty Ltd, and Qube Bulk Pty Ltd
Class D Creditors	creditors of the Group with admitted claims not exceeding \$10,000 in aggregate each
Class E Creditors	creditors of the Group other than Class A, B, C, and D creditors
Continuing Employees	any employees of the Group who continues in his or her employment after the execution of the CHEL/Liatam DoCA
Company	Alita Resources Limited (Subject to Deed of Company Arrangement) ACN 147 393 735
Court	Supreme Court of Western Australia
Cowan Lithium	Cowan Lithium Limited ACN 625 128 770
Deed Administrators	Richard Tucker and John Bumbak of KordaMentha in their capacities as deed administrators of the CHEL/Liatam DoCA
Deloitte	Deloitte Financial Advisory Pty Ltd ACN 611 749 841
DCF	discounted cash flow
Directions Hearing	the directions hearing in the Court listed at 9.45am on Tuesday 11 February 2020.
Expert Report	the expert report prepared by KordaMentha announced on the ASX and SGXNet on 14 January 2020
Explanatory Statement	the explanatory statement that sets out an overview of the CHEL/Liatam DoCA and the Section 444GA Application released by the Deed Administrators on 14 January 2020
FAQ	this Frequently Asked Questions document prepared by the Deed Administrators
Final Hearing	the final hearing of the Section 444GA Application at which the substantive arguments will be made, listed before the Court at 2.15pm on Wednesday 4 March 2020
FIRB	Foreign Investment Review Board
Galaxy	Galaxy Resources Limited ACN 071 976 442, the former secured creditor of the Group

Terms	Definition
Group	Alita, Lithco and Tawana collectively
Independent Specialists' Report	the independent specialists report prepared by SRK in valuing the Mineral Assets of Alita as set out in appendix 8 to the Expert Report
Independent Valuation Report	the independent valuation report prepared by Deloitte in valuing the assets of the Group, as set out in appendix 7 to the Expert Report
Information Session	the information session for shareholders that was held by the Deed Administrators on 28 January 2020
JBJL	Jiangxi Bao Jiang Lithium Industrial Limited
Jiangte/Jiangxi	Jiangxi Special Electric Motor Co., Ltd
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
KordaMentha	KordaMentha Pty Ltd ACN 100 169 391
Liatam	Liatam Mining Pty Ltd ACN 637 907 503
Lithco	Lithco No. 2 Pty Ltd (Subject to Deed of Company Arrangement) ACN 612 726 922
Mineral Assets	Includes: <ul style="list-style-type: none"> • Bald Hill Project • Bald Hill – Exploration Assets • Residual Resources • The Group's 11.3% interest in Cowan Lithium
NPV	net present value
Offtake Agreements	Bald Hill Project Long-term Exclusive Lithium Concentrate Offtake Contracts originally signed with Lithco, Tawana, Alita, Burwill and Burwill Holdings and most recently amended and restated on 14 January 2019
Proponent	Liatam
Receivers and Managers	Martin Jones, Matthew Woods and Andrew Smith of KPMG in their capacity as Receivers and Managers of each of the entities in the Group from 29 August 2019 to 29 November 2019
Residual Resources	the resources located at the Bald Hill Project but not included in the Group's resource model
Second Meetings of Creditors	meetings of creditors of the Group held on 17 December 2019 pursuant to Section 439A of the Act
Section 439A Report	the Administrators' report to creditors for the purposes of section 439A of the Act dated 9 December 2019
Section 444GA Application	the application to the Court made by the Deed Administrators on 18 December 2019 seeking, among other things, leave to transfer all of the shares of Alita to the Proponent pursuant to section 444GA(1) of the Act
SGX	the securities market operated by Singapore Exchange Securities Trading Limited and when the context requires includes references to the SGXNet platform for the publication of company announcements
SRK	SRK Consulting (Australasia) Pty Ltd ACN 074 271 720
Stockpile Creditors Trust	the creditors' trust to be established for Class C Creditors
Tribeca	consortium of secured lenders led by Equity Trustees Limited ABN 46 994 931 298 in its capacity as the trustee of the Tribeca Global Natural Resources Credit Fund ABN 92 233 562 005 from whom Galaxy acquired the senior secured loan facility pursuant to a Sale and Purchase Agreement and a Transfer Certificate dated 27 August 2019
Tawana	Tawana Resources Pty Ltd (Subject to Deed of Company Arrangement) ACN 085 166 721
USD	United States Dollars