

4 MARCH 2020

(1) CLARIFICATION OF RELATIONSHIP BETWEEN CHEL, THE DOCA PROPONENT AND THE COMPANY

(2) INVESTIGATIONS BY SGX REGCO ON COMPLAINTS RECEIVED

(3) FAQ DATED 4 FEBRUARY 2020

1. Introduction

We, Richard Scott Tucker and John Allan Bumbak of KordaMentha, in our capacity as joint and several deed administrators ('**Deed Administrators**') of Alita Resources Limited (subject to Deed of Company Arrangement ('**DOCA**')) (the '**Company**') wish to update shareholders on certain matters as set out below.

2. Deed Administrators' Responses to Queries by SGX RegCo- on 24 February 2020 and 28 February 2020

a. Query

The Deed Administrators received the following queries from Singapore Exchange Regulation Private Limited ('**SGX RegCo**') in relation to the DOCA on 24 and 28 February 2020:

Please disclose background information on CHEL and Liatam, as well as details of relationships, if any, between China Hydrogen / Liatam and the Alita Group, its controlling shareholders, its directors, its key management, its creditors, its off-taker group (including but not limited to, Burwill Lithium Co. Ltd; Burwill Holdings; Jiangte Special Electric Motor; Jiangxi Bao Jiang Lithium Industrial Ltd).

b. Deed Administrators' Responses

(a) **Background Information on China Hydrogen Energy Limited ('CHEL') and Liatam Mining Pty Ltd ACN 637 907 503 ('DOCA Proponent')**

We refer to the previous announcement made via SGXNET on 4 February 2020 ('**Previous Announcement**') in relation to the Deed Administrators' publication of responses to the questions commonly received from a number of shareholders of the Company and SGX RegCo ('**FAQ**')

- (i) CHEL is a special purpose vehicle incorporated in the Cayman Islands, the sole director of which is Mr Mike Que, a US citizen, and the sole shareholder of which is Buxton W. Fitzmaurice Christian, of Antigua and Barbuda.
- (ii) The DOCA Proponent is an Australian proprietary limited company, incorporated for the purpose of the DOCA, and will own 100% (or a majority) of the Company on effectuation of the DOCA. The DOCA Proponent is ultimately controlled by Chee Hon Lee.

(b) **Details on relationship between the parties identified above**

- (i) Save as identified below, the Deed Administrators have not identified any such relationship. CHEL is a Cayman Islands registered company which limits the Deed Administrators' ability to make investigations on the basis of public records. The Deed Administrators are not familiar with the other affairs of the directors of CHEL/Liatam. In the absence of any evidence of matters of interest or concern (including the example of collusion between parties), the affairs of the directors unrelated to the DoCA are generally not a relevant consideration for voluntary administrators. The Deed

Administrators confirm that they have not identified, through discussions with officers of CHEL/Liatam or otherwise, any relationship with Alita, its controlling shareholders, its directors, its management or offtake counterparties.

The Deed Administrators also note that a condition precedent of the CHEL/Liatam DOCA is foreign investment approval from the Australian Federal Treasurer (known as '**FIRB Approval**'). The Foreign Investment Review Board is conducting its usual process in relation to CHEL/Liatam and the DOCA in determining whether the proposal is contrary to the Australian national interest which, amongst other things, takes account of the identity of the proponent, beneficial ownership and governance / control arrangements.

- (ii) As disclosed in the FAQ at item 3.11, the Deed Administrators understand that Jiangxi Bao Jiang Lithium Industrial Limited and the DOCA Proponent are not related parties.
- (iii) The Deed Administrators further wish to highlight for shareholders' information its responses disclosed in the FAQ at item 3.17 in relation to its knowledge on CHEL's relationship to Galaxy and Cowan Lithium:
 - (1) 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.
 - (2) The Administrators are not otherwise aware of any relationship between CHEL, Galaxy and/or Cowan Lithium.
 - (3) Pursuant to their security over the Group, Galaxy appointed receivers and managers over Alita on 29 August 2019.
 - (4) The receivers and managers did not sell any assets to CHEL during their appointment.
 - (5) Galaxy retain their pre-appointment shareholding in Alita of c. 12%.

3. INVESTIGATIONS BY SGX REGCO

The Deed Administrators are further informed by SGX RegCo that SGX RegCo is investigating into potential Listing Rule breaches arising from complaints received and has referred the matters outside of SGX RegCo's regulatory ambit to the relevant regulatory authorities. The Australian Securities and Investments Commission has also received complaints from Alita shareholders, to which the Deed Administrators have responded. The Deed Administrators will bring these matters to the attention of the Court.

4. FAQ uploaded via SGXNET

The FAQ dated 4 February 2020 which had been uploaded and accessible on the Deed Administrators' website (www.kordamentha.com/creditors) and Alita's website (www.allianceminerals.com.au) have also been uploaded via SGXNET today.

Authorised by:

Richard Tucker

Deed Administrator

Alita Resources Limited (Subject to Deed of Company Arrangement)