



## Update for shareholders and further Frequently Asked Questions

### **Alita Resources Limited (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) ACN 147 393 735 (Alita)**

We refer to the previous announcements released on SGXNet in relation to the application for relief under section 444GA of the Corporations Act 2001 (Cth) (**444GA Application**).

The 444GA Application has been filed by the Deed Administrators in the Supreme Court of Western Australia (**Court**) (proceeding number COR 112 of 2021) and contemplates the transfer of 100% of the shares in Alita to the proponent of the Deed of Company Arrangement (**DOCA**) for nil consideration.

This is required by and in accordance with the terms of the DOCA executed in respect of Alita on 23 December 2020.

#### **Update on 444GA Application**

At a directions hearing held on 12 August 2021, the Court made orders programming this matter through to the final hearing.

It is at this final hearing that the Court will determine the 444GA Application (**Final Hearing**), including orders for the exchange of evidence and submissions by the Deed Administrators and any other interested parties which have sought and obtained leave to appear and be heard in relation to the 444GA Application.

**The Final Hearing for the 444GA Application is listed for hearing at the Court at 10:30 am (AWST) on 1 September 2021.**

The Deed Administrators have released the Explanatory Statement (**ES**) and Independent Expert Report (**IER**) to shareholders on 20 August 2021, copies of which can be downloaded from the McGrathNicol website at the following link <https://www.mcgrathnicol.com/creditors/alita-group/> or in the SGXNet announcement section of the SGX-ST website at <https://www.sgx.com>.

If you have any questions in relation to the 444GA Application, please contact the Deed Administrators as soon as possible by emailing [alita@mcgrathnicol.com](mailto:alita@mcgrathnicol.com).

#### **Publication of Frequently Asked Questions**

On request from the SGX-ST the Deed Administrators have prepared a further Frequently Asked Questions (**FAQ**) document based on questions regarding the 444GA Application that the SGX-ST have received from shareholders. A copy of the FAQ is attached to this announcement and included below.

**The Deed Administrators have agreed to extend the date for shareholders to provide objections to the 444GA Application to 27 August 2021 being seven days after release of the ES and IER.** All objections received by this date will be provided to the Court.

For the avoidance of doubt, the date for shareholders to have filed a notice to appear in the Court proceedings remains the same and has passed (4 August 2021).

Shareholders may also 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. Queries

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should be emailed to [alita@mcgrathnicol.com](mailto:alita@mcgrathnicol.com) or should be directed to McGrathNicol's Perth office at +61 8 6363 7600.

## Frequently Asked Questions

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.
- This FAQ refers to previous announcements released on the SGX and in particular the Administrators' Report to creditors dated 16 December 2020 (**Report**) and to the Former Administrators' report to creditors dated 9 December 2019 (**First Report**).
- The Deed Administrators have endeavoured to fully address questions but are unable to answer questions which are not specific to Alita and/or the external administration.
- 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

### 1. Profit and loss account for Alita for 2019, 2020 and 2021

Please refer to section 4 of the Report which outlines the financial performance (profit and loss) and position (balance sheet) of Alita in FY17, FY18 and FY19.

Profit and loss accounts for FY20 and FY21 have not been prepared noting Alita remains under external administration and the mine has been on care and maintenance. This means there has been no mining activity at Bald Hill and activities have been focused on the care and preservation of the infrastructure and tenements at the Bald Hill Mine.

### 2. Production capacity of the mine to date

Please refer to section 3 of the Report, which sets out the history of Alita, and the circumstances which lead to the appointment of the Deed Administrators and the 444GA Application.

Alita has previously published announcements on the SGXNet in relation to production at the mine, including an update on 7 February 2019. A capacity assessment of the mine has not been undertaken by the Deed Administrators.

### 3. The current lithium market price

The current market lithium price is public information. This will be considered as part of the valuation of the mining assets being obtained by the Deed Administrators.

Section 2.5 of the IER which is included at Annexure A of the ES provides commentary on the price of lithium.

### 4. The revenue projection for the next 5 years

The Bald Hill Mine (which Alita indirectly owns through its investment in Tawana Resources Pty Ltd (**Tawana**) and Lithco No.2 Pty Ltd (**Lithco**)) has been in care and maintenance since September 2019 whilst Alita has been under the control of external administrators.



Noting the Bald Hill Mine remains on care and maintenance and the Deed Administrators will not be responsible for returning Bald Hill to production, the Deed Administrators have not prepared any revenue projections.

**5. List of customer and sales revenue of each customer from 2019 to 2021**

The Bald Hill Mine (which Alita owns through its investment in Tawana and Lithco) has been in care and maintenance since September 2019 whilst the company has been under external administration.

Other than stockpiles sold to settle claims with creditors during the previous external administration, the Receivers and Managers confirm no sales occurred since the mine was placed in care and maintenance in September 2019.

**6. Report on the settlement status with the creditors**

Upon establishment of the Stockpile Trust and Cash Trust (as detailed in the First Report), all creditor claims against Alita were extinguished. Instead, those creditors had an equivalent claim against their relevant trust as beneficiary.

That is, assets were realised and proceeds applied to the trusts, and according to the rules of the trust (which was approved by creditors at a creditors meeting) creditors participated in a distribution of those funds.

The only remaining creditor of Alita is Austroid Corporation.

**7. Revenue of the stockpile stock and how is the revenue of these stockpile distributed?**

As approved by creditors at a creditors meeting, Alita's stockpile was sold and proceeds were paid to the Stockpile Trust. Funds from the proceeds have been distributed to creditors in the Stockpile Trust, as described in the First Report.

**8. Pipeline and order book for the next 5 years**

The Bald Hill Mine (which Alita indirectly owns through its investment in Tawana and Lithco) has been in care and maintenance since September 2019 whilst the company has been under external administration. As such, the Deed Administrators have not maintained a pipeline or order book.

**9. Cashflow from 2019 to 2023**

The Bald Hill Mine (which Alita owns through its investment in Lithco and Tawana) has been in care and maintenance since September 2019 whilst Alita has been under external administration. A cash flow for the period has not been prepared by the Deed Administrators for the reasons outlined at question 4 above.

**10. Comparison of shares prices of other lithium mine operators in the world**

The share price of lithium mine operators is public information.