



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

(Alita)

**together with the entities listed at Annexure A
(Alita Group)**

Update to shareholders

The Deed Administrators of the Alita Group provide the update below to shareholders regarding the progress of the Deeds of Company Arrangement.

Effectuation of Subsidiary DOCA and retirement of Receivers and Managers

As announced on 23 December 2020, the Administrators executed a Deed of Company Arrangement (**DOCA**) for Alita's wholly owned subsidiaries, Tawana Resources Pty Ltd and Lithco No.2 Pty Ltd (**Subsidiaries**), on 23 December 2020 (**Subsidiary DOCA**).

Shortly after execution of the Subsidiary DOCA, the Deed Administrators, the Receivers & Managers and the proponent, Austroid Corporation (**Austroid**), satisfied the various conditions precedents to the Subsidiary DOCA.

As announced by the Deed Administrators on 17 February 2021, following an application by Lithium WA Investments Pty Ltd, the Supreme Court of Western Australia ordered an interim injunction preventing the effectuation of the Subsidiary DOCA.

On 19 March 2021, the parties to that proceeding executed a confidential deed of settlement in relation to the matters in dispute. The Court made orders on 19 March 2021 that the proceeding be dismissed, the injunction preventing effectuation of the Subsidiary DOCA be set aside and, pursuant to section 447A(1) of the Corporations Act, clause 7.2 of the Subsidiary DOCA be amended such that the Effectuation Date shall be the date on which the Deed Administrators give written notice of effectuation of the Subsidiary DOCA to creditors of the Subsidiaries.

The Deed Administrators gave that notice on 19 March 2021 such that the Subsidiary DOCA effectuated.

The Receivers and Managers and the Deed Administrators finalised their appointment over the Subsidiaries on 19 March 2021 with control passing to the board of directors of the Subsidiaries.

Following effectuation of the Subsidiary DOCA, the board of directors of the Subsidiaries executed a new secured loan agreement with Austroid providing the Subsidiaries up to \$20m of new funding for ongoing expenditure and working capital requirements.

Update on Parent DOCA

As announced on 23 December 2020, the Administrators also executed a separate but related DOCA for Alita on 23 December 2020 (**Parent DOCA**).

Whilst certain conditions precedents of the Parent DOCA have been satisfied following the effectuation of the Subsidiary DOCA, the Deed Administrators expect the Parent DOCA may take further time to complete.

The Deed Administrators note specifically the following conditions precedents of the Parent DOCA:

- confirmation from ASIC of relief for the purposes of section 606 of the Act;
- leave from the Court pursuant to section 444GA of the Act to transfer all shares of Alita to the proponent; and
- approval for the acquisition of all the issued shares of Alita by the proponent from the Foreign Investment Review Board.



As announced on 23 December 2020, an application will be made to the Court seeking leave under section 444GA of the Act in due course and shareholders can expect further announcements in relation to the application.

Dated: 24 March 2021

Rob Kirman
Deed Administrator

Enclosures:

1 Annexure A – Alita Group entities



Annexure A: the Alita Group – entities over which Deed Administrators are appointed

Alita Group (Receivers & Managers Appointed)(Subject to Deed of Company Arrangement)			
Company name	Receivers and Managers Appointed	Subject to Deed of Company Arrangement	ACN
Alita Resources Limited	Yes	Yes	147 393 735
Lithco No.2 Pty Ltd	No	No	612 726 922
Tawana Resources Pty Ltd	No	No	085 166 721

Annexure A - DOCA group summary - post subsid effectutation

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with



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