

21 AUGUST 2019

UPDATE ON OFFTAKE AGREEMENT AND SHIPMENTS

Alita Resources Limited (ASX: A40; SGX: 40F) (**Company** or **Alita**) advises that on 19 August 2019 it has completed a shipment to Jiangxi Bao Jiang Lithium Industrial Limited (**JBIL**) of approximately 10,500dmt of lithium concentrate.

Due to challenging market conditions for spodumene, and in order to continue monetising Alita's product stockpile, the price for this shipment was agreed at approximately 10% below the previously announced floor price of USD680/dmt (FOB 6%Li₂O) (refer to the Company's 14 January 2019 announcement), with approximately 14% of the price deferred for approximately 6 months from the shipment date. The price was set by reference to the contractual formula applied to on recent lithium carbonate pricing. The previous shipment to JBIL at the beginning of August 2019 was at the price determined in accordance with the contractual formula and within the previously announced price range, also had an approximately 6 months deferred payment component of approximately 11% of the price. Both deferrals may be set-off against the balance of the prepayment from JBIL under the offtake contracts, if not paid by JBIL by their respective due dates.

The Company continues the discussions with JBIL regarding the restructuring of the offtake agreement (including the terms of the prepayment) as part of the broader Company refinancing proposals. The Company will make further announcements on the above matters as and when there are material developments.

Alita Resources Ltd

Mark Calderwood
Managing Director