



McGrathNicol

ABN 41 945 982 761

Level 19, 2 The Esplanade
Perth WA 6000

GPO Box 9986
Perth WA 6848

T +61 8 6363 7600

F +61 8 6363 7699

mcgrathnicol.com

Update to Shareholders – ASIC Reporting Relief

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

I refer to:

- the appointment of Rob Brauer and I as Administrators of Alita on 4 December 2020 and our subsequent appointment as Deed Administrators on 23 December 2020;
- the relief from financial reporting and annual general meeting obligations granted by ASIC pursuant to subsections 340(1) and 250PAB(4) of the *Corporations Act 2001* (Cth) (**Act**) (**Relief**); and
- my previous update to the Shareholders in relation to the Relief dated 5 March 2023 and my subsequent shareholder announcements providing updates on developments (**Previous Updates**). This update should be read in conjunction with the Previous Updates.

Defined terms have the same definitions as used in the Previous Updates unless otherwise specified.

The deferral period for the Relief ended on 4 June 2023. Accordingly, the Deed Administrators submitted a new application to ASIC for further financial reporting and annual general meeting relief. ASIC granted this relief on 1 June 2023 (**Third Relief**).

This notice provides shareholders with:

- an outline of the terms and conditions of the Third Relief; and
- an update on Alita generally, given the deferral period for the Relief ended on 4 June 2023.

1 Third Relief

1.1 Subsection 340(1) of the Act

ASIC granted further orders under subsection 340(1) of the Act on 1 June 2023.

The exemptions and relief provided in these orders are outlined below:

- Alita does not have to comply with any of the following obligations under Part 2M.3 of the Act:
 - report to members of Alita under section 314 within the time required by section 315;
 - send reports to a member of Alita in accordance with a request under subsection 316(1) within the time required by subsection 316(2);



- lodge reports with ASIC under subsection 319(1) within the time required by subsection 319(3);
- lodge half year reports with ASIC under section 320(1) within the time required by that subsection;

in relation to:

- any financial year or half-year of Alita that ends during the period between 30 June 2019 and 31 December 2023, but only to the extent that Part 2M.3 of the Act would have imposed, but for these orders, a continuing obligation on Alita in relation to that financial year and half year; and
- any financial year or half-year of Alita that ends during the deferral period.

These orders apply until the last day of the deferral period.

- The deferral period is the period starting on 1 June 2023 and ending on the earlier of 4 June 2024 or alternative dates on which certain events occur.

1.2 ***Subsection 250PAB(4) of the Act***

ASIC granted further orders under subsection 250PAB(4) of the Act on 1 June 2023.

The exemptions and relief provided in these orders are that Alita does not have to comply with the obligation to hold an annual general meeting under section 250N of the Act in relation to the 2023 calendar year and Alita's financial year ending 30 June 2023.

1.3 ***Conditions***

The orders are subject to the following conditions:

- the Deed Administrators must arrange for a notice explaining the relief granted by the orders to be published (i.e. this notice) both:
 - in a prominent place on Alita's website;
 - in a place that is readily accessible on a website maintained by the Deed Administrators (i.e. McGrathNicol's website); and
 - a website maintained by the operator of the financial market on which Alita is listed.
- the Deed Administrators must have adequate arrangements in place to answer, within a reasonable period of time and without charge, any reasonable questions asked by a member of Alita about the Deed of Company Arrangement;
- the Deed Administrators must prepare reports at the prescribed intervals covering:
 - the actions taken during the period;
 - the actions required to complete the external administration;
 - the actions proposed to be taken in the next 12 months; and
 - the expected time to complete the external administration.

The first reporting period ends on 1 September 2023, with subsequent periods being in 6 month intervals from this date. The report is due to be provided on Alita's website, McGrathNicol's website and the Singapore Exchange (**SGX**) (if Alita remains listed on the SGX at the time) within 14 days of the end of each of the reporting period.



2 Update in the Deed Administration

2.1 *Actions taken during the relevant period (i.e. subsequent to Previous Updates)*

The Deed Administrators highlight the following key developments and updates in respect of Alita during the relevant period, being from circa 5 March 2023 (i.e. the date of the last ASIC Relief update) to 6 June 2023:

Conditions Precedent

There are three remaining conditions precedent which must be satisfied or waived before the Parent DOCA can effectuate. An update on the position for each of these is below:

- FIRB – Austroid has advised the Deed Administrators that the statutory timeframe for FIRB to respond to Austroid’s revised FIRB application (submitted on 19 April 2023) has been extended to 16 June 2023.
- ASIC – As outlined in Previous Updates, ASIC requires the Deed Administrators to obtain an updated independent expert report (**IER**) on the value of Alita’s shares for the purposes of any future section 606 relief application. The Deed Administrators are liaising with their appointed expert in order to facilitate preparation of the IER.
- SGX – Given SGX’s position that it will not consider the Deed Administrators’ delisting application until the ASIC and FIRB conditions precedents have been satisfied, no further progress has been made in relation to this condition precedent. The Deed Administrators will resubmit a delisting application to the SGX once the ASIC and FIRB conditions have been satisfied.

Sunset Date

- On 6 April 2023, the Deed Administrators and Austroid agreed to extend the Sunset Date to 30 June 2023 to allow time for the Deed Administrators to obtain the IER.

445D Application

- As outlined in Previous Updates, on 1 February 2023, Canaccord filed an Originating Process with the WA Supreme Court under sections 445D and 447A of the Act seeking to terminate the Parent DOCA (**445D Application**).
- The following orders were made on 6 April 2023 which set out the next steps for the 445D Application:
 - On 20 April 2023, Canaccord files and serves any amended originating process and points of claim (Canaccord filed this on or about 20 April 2023).
 - On 4 May 2023, Austroid and the Deed Administrators file and serve their points of defence.
 - By 13 April 2023, Austroid and the Deed Administrators provide to Canaccord all information and documents provided to any expert engaged by Austroid and the Deed Administrators for the purpose of preparing valuation evidence.
 - A directions hearing be listed on 12 May 2023.
- The Court has since made orders to extend the deadline for Austroid and the Deed Administrators to file their points of defence to 15 June 2023 and to relist the directions hearing for 9.15am (AWST) on Friday, 30 June 2023.



The Deed Administrators have provided regular detailed updates to shareholders on each of the above developments in a timely manner. These can be found at McGrathNicol's website, (www.mcgrathnicol.com/creditors/alita-group), which shareholders can access for further information.

2.2 *Actions required to complete the Deed Administration and actions proposed to be taken in the next 12 months*

For the Parent DOCA to effectuate, the following steps must be completed:

- Appearing and responding to the 445D Application commenced by Canaccord and complying with any Orders made by the Court.
- Applying to ASIC for section 606 relief (including obtaining an updated IER for ASIC's consideration).
- Monitoring Austroid's progress with the FIRB approval condition.
- Liaising with SGX in seeking issuance of waivers or relief from the Singapore Code as are necessary or convenient in connection with the transfer of shares to Austroid (or its nominee or as it directs), or the parties being satisfied that the Singapore Code does not apply to Alita, including by reason of Alita being de-listed.

If ASIC Relief, FIRB Approval and Singapore Approval are received, all conditions precedent to the Parent DOCA will have been satisfied and the Parent DOCA will effectuate.

Upon effectuation:

- All creditor claims against Alita (except any claim by Austroid) will be discharged, satisfied, released and extinguished.
- Control of Alita will revert to the Directors and the Deed Administrators will not have any obligation or responsibility for the affairs of Alita.
- The Deed Administrators will transfer all issued shares of Alita to Austroid (or its nominee or as it directs) in accordance with the 444GA Orders.
- Austroid will fully release and discharge the Deed Administrators personally from all claims, debts and liabilities in relation to the Administrators' Loan Agreement, being the funding advanced to the Administrators by Austroid to fund the Administrators and Deed Administrators.
- The Parent DOCA will terminate.
- The Deed Administrators will lodge written notice with ASIC.

2.3 *Expected timeframe to complete the Deed Administration*

It is difficult for the Deed Administrators to estimate the expected timeframe to complete the Parent DOCA for the following reasons:

- The 445D Application is on foot and it is unclear how long it will take to be resolved.
- It is unclear at this stage if the Deed Administrators will require any directions from the Court.
- The Deed Administrators have not yet received the IER.

Further updates will continue to be issued to shareholders when appropriate.



If you have any queries, please contact Amber Kirkbright of my staff on (08) 6363 7665.

Dated: 13 June 2023

Yours faithfully

A handwritten signature in black ink, appearing to read 'Rob Kirman', written over a horizontal line.

Rob Kirman
Deed Administrator