



Shareholder Update – status of Bald Hill Mine

Alita Resources Limited (Subject to Deed of Company Arrangement)

(Receivers and Managers Appointed)

ACN 147 393 735

(Alita)

Reference is made to Alita's explanatory statement dated 20 August 2021. All capitalised terms used in this announcement shall have the same meanings ascribed to them in the explanatory statement.

Status update – Bald Hill Mine

As stated in the Explanatory Statement, Alita is the direct parent company of Tawana through its 100% shareholding and the indirect parent company of Lithco which is 100% owned by Tawana, and Lithco is the owner of the Bald Hill Mine, a lithium and tantalum mine located in the Eastern Goldfields WA, which has been under care and maintenance since August 2019.

On 2 March 2022, Lithco and Yihe Cleantech Material Limited ("Yihe") entered into agreements to facilitate the future resumption of operations of the Bald Hill Mine, namely (i) a US\$30 million loan agreement, (ii) an offtake agreement, and (iii) a security deed under which Lithco has granted security to Yihe for payment of outstanding monies and performance of its obligations under the aforementioned documents.

The Deed Administrators have been advised by Austroid there is no relationship between Yihe and Austroid.

The Deed Administrators are advised that as at the date of this announcement, Lithco has commenced preconditioning operations at the Bald Hill Mine in preparation for a resumption of mining activities.

Lithco is also presently (i) engaged in negotiations with the Ngadju Native Title Aboriginal Corporation in relation to the grant of mining leases, and (ii) preparing a new mining proposal which will be submitted to the Department of Mines, Industry Regulation and Safety for approval in due course.

2020 Deed of Company Arrangement

Alita remains subject to receivership and management and the terms and conditions of the 2020 Deed of Company Arrangement.

As last announced on 10 February 2022, Alita is still in the process of seeking (i) confirmation from ASIC that it has granted relief for the purpose of section 606 of the Corporations Act; (ii) approval to delist from the Catalist Board of the SGX-ST; and (iii) FIRB approval.

Alita will provide further updates as and when there are further material developments in relation to the 2020 Deed of Company Arrangement.



McGrathNicol

If you have any further queries, these should be emailed to alita@mcgrathnicol.com or should be directed to McGrathNicol's Perth office at +61 8 6363 7600.

Dated: 25 March 2022

Yours faithfully

Alita Resources Limited (Receivers & Managers Appointed) (Subject to Deed of Company Arrangement)

Rob Kirman

Deed Administrator