



Shareholder Update

Alita Resources Limited (In Liquidation) ACN 147 393 735 (Alita or the Company)

1 Introduction and background

As detailed in the Shareholder Update dated 2 October 2023, Alita entered into a share sale agreement (**SSA**) with MinRes for the disposal of its assets. Unless otherwise stated, all capitalised terms used herein shall have the same meanings ascribed in that update announcement.

2 Completion of SSA

The SSA completed on 1 November 2023. Following completion, the Purchaser is now the owner of the Relevant Assets, being:

- a. all of the issued share capital in Tawana Resources Pty Ltd (**Tawana**). Tawana owns all of the issued share capital in Litcho No.2 Pty Ltd (**Lithco**) which owns the Bald Hill mine;
- b. all the trade debts and other receivables owing to Alita as at completion of the Disposal; and
- c. all claims, suits and causes of action and any other rights of Alita arising out of, or related to (a) and (b) above.

3 Consideration paid

The consideration paid by the Purchaser at completion comprised:

- a. an amount sufficient to repay all of the secured debt owed by Alita (being approximately \$73.9 million); and
- b. \$50 million, being the minimum equity payment to Alita in consideration for the Tawana shares acquired under the SSA.

In addition to 3(a) and 3(b) above, a further amount may become payable by MinRes following completion of the Independent Expert Report (**IER**) which was commissioned for the purposes of agreeing the transaction value with MinRes. The IER is at a significantly advanced stage, and the Liquidators expect this will be finalised and confirmed within one week, at which time a further update will be provided to Shareholders.

The amount in 3(a) above has repaid all of Alita's secured debt after costs, and consequently, Alita no longer has any secured creditors.

As outlined in the Shareholder Update dated 2 October 2023, the SSA also provides for further consideration to be paid by the Purchaser in certain circumstances, these being:

- c. a mechanism for calculating a further amount payable depending upon whether the existing offtake agreement remains in place; and
- d. provision for further adjustments depending on the tax liabilities of Alita in connection with the transaction.

These further amounts are still to be calculated, in particular pending finalisation of any outstanding tax liabilities of the Alita Group.

The Liquidators have engaged PwC to complete the outstanding tax returns for the Alita Group up to and including the financial year ending 30 June 2023, and up to and including the date of completion under the SSA.



The Liquidators will provide further updates to Shareholders as and when any assessment of the tax liabilities of the Alita Group has occurred, and in relation to whether there is an obligation for the Purchaser to pay any further consideration under the SSA.

As stated in the Shareholder Update on 2 October 2023, other than the amount in 3(a) above which repaid the secured debt owing by Alita after costs, the amounts payable pursuant to 3(b) to 3(d) will be made available to satisfy any creditor liabilities (including tax liabilities) and other priority payments in a liquidation as required by the Australian Corporations Act before any residual amounts are distributed to Shareholders. Given the amount of any further consideration, and the amount of any actual tax liabilities of the Alita Group, are yet to be calculated, the Liquidators are not yet in a position to comment on the likelihood, the quantum, or timeframe of any residual payment to Shareholders.

The Liquidators will provide further updates to Shareholders as and when these can be shared by the Liquidators.

Dated: 1 November 2023

Yours faithfully

Alita Resources Ltd (In Liquidation)

Rob Kirman
Liquidator