

26 AUGUST 2019

CLARIFICATION OF NEWS ARTICLE AND UPDATE ON OFFTAKE AGREEMENTS WITH JBJLIL

Alita Resources Limited (ASX: A40; SGX: 40F) (**Company** or **Alita**) refers to the article in the Australian Financial Review published on 20 August 2019 and entitled "OCP, Keshik in lithium play" (**Article**), and its announcements dated 14 August 2019, 18 August 2019, 20 August 2019 and 21 August 2019 (**Announcements**).

As disclosed in the Announcements, the Company is considering various refinancing options and recapitalisation proposals. Discussions with a range of stakeholders and parties continue (including with the parties mentioned in the Article), and no definitive arrangements have been entered into at this time, other than the standstill with the Company's secured Lenders (as defined in the Announcement on 18 August 2019).

Further, with reference to other assertions in the Article concerning offtake partners, the Company continues discussions with multiple parties (including from Korea and Japan) regarding offtake arrangements for uncommitted production of spodumene from the Bald Hill Mine to diversify its customer base.

The Company also notes that on 21 August 2019, Burwill Holdings Limited (**Burwill**) announced on the Hong Kong Stock Exchange, among other things, that Burwill has defaulted under its loan facility from Haitong International Financial Products (Singapore) Pte. Ltd and its "*business operations are mostly suspended*". To the best of the Company's knowledge, Burwill, through its wholly-owned subsidiary, holds a 50% interest in Jiangxi Bao Jiang Lithium Industrial Limited (**JBJLIL**) which is the buyer under the spodumene offtake agreements with the Company and its subsidiary (**JBJLIL Offtake Agreements**). Burwill is a several guarantor of 50% of JBJLIL's obligations under the JBJLIL Offtake Agreements. The Company is presently assessing the impact of Burwill's financial situation on the JBJLIL Offtake Agreements. As announced on 21 August 2019, the Company is in discussions with JBJLIL regarding the restructuring of the offtake agreement.

The Company will make further announcements on the above matters as and when there are material developments.

Alita Resources Ltd

Mark Calderwood
Managing Director