

# KordaMentha

## Restructuring

### ASX/SGX Announcement

29 November 2019

**Alita Resources Limited (Administrators Appointed) (Receivers and Managers Appointed), formerly Alliance Mineral Assets Limited  
ACN 147 393 735 and its subsidiaries outlined in Schedule 1 ('the Group')  
ASX Code: A40  
SGX Code: 40F**

### Refinancing of Senior Secured Debt Facility and Retirement of Receivers

Further to the announcement of 8 October 2019, the Administrators (Richard Tucker and John Bumbak) have undertaken a process to identify a suitable party to purchase or recapitalise the Group.

We advise that Alita and certain of its subsidiaries have entered into a binding AUD\$70 million loan facility agreement ('Loan Facility Agreement') with China Hydrogen Energy Limited ('CHE') and related security arrangements.

The funds available under the Loan Facility Agreement will be applied by Alita to repay in full all amounts outstanding under the senior secured debt facility with its secured creditor, Galaxy Resources Limited ('Galaxy Facility'). The balance of the Loan Facility Agreement is available for draw down for working capital purposes, subject to the consent of CHE.

The Loan Facility Agreement contemplates that CHE or its nominee will submit a deed of company arrangement proposal ('CHE DoCA') for consideration by the Administrators and creditors of the Group. The Loan Facility Agreement provides short term bridging finance for the Group ahead of the proposed DoCA. Amounts outstanding under the Loan Facility Agreement will be repayable on the earlier of:

- two business days after the Administrators or Alita are funded to repay the amounts outstanding under the Loan Facility Agreement in accordance with the terms of the CHE DoCA
- 13 February 2020 (or such other date agreed in writing by the parties), or
- if the CHE DoCA proposal is not approved at the second meeting of creditors, seven business days after the date of the meeting.

In the event that the CHE DoCA proposal is not passed at the second meeting of creditors, provided that the CHE DoCA proposal was submitted on or before 5 January 2020, an early payment fee 15% will be payable to CHE.

The Administrators consider that the benefits of entering into the Loan Facility Agreement for the Group and its creditors include:

- an improved rate of 5% as compared to the variable interest rate under the Galaxy Facility of approximately 14% to 16%
- a reduction in costs as a result of the retirement of the Receivers and Managers, and
- the facilitation of a DoCA proposal which, based on discussions with CHE and an indicative non-binding term sheet, the Administrators believe will deliver a superior outcome for creditors of the Group compared to other proposals received by the Administrators or an insolvent winding up of the Group.

The Administrators will prepare their report to creditors in the coming days, which will contain the Administrators' detailed report on the DoCA process and the basis of the Administrators' recommendations in respect of the Group's future. That report will be released to the market in due course once the Administration process has progressed.

Following the repayment of the Galaxy Facility and the discharge of the related security, the Receivers and Managers (Martin Jones, Matthew Woods and Andrew Smith of KPMG) will retire as receivers and managers of the relevant Group companies. With effect from the Receivers and Managers' retirement, the Voluntary Administrators will remain in control of the Group and its operations.

The contact details of the Voluntary Administrators are:

KordaMentha  
Level 10, 40 St Georges Terrace  
Perth WA 6000

Tel: +61 8 9220 9333  
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For all media enquiries, please call Mike Smith 0411 055 306

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### **About KordaMentha Restructuring**

KordaMentha Restructuring is the distressed business division of KordaMentha, an advisory and investment firm that helps clients to grow, protect and recover value.

KordaMentha Restructuring works with companies in financial distress – to restructure and to stabilise the business or to recover value on behalf of stakeholders. They have over 170 professional staff with diverse backgrounds and deep experience from accounting and agriculture to mining and real estate.

## **Schedule 1**

<b>Company</b>	<b>ACN</b>
Lithco No.2 Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)	612 726 922
Tawana Resources Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) formerly Tawana Resources NL	085 166 721