

4 September 2023

Implementation Agreement – Alita Resources

Mineral Resources Limited (**ASX: MIN**) (**MinRes**) confirms it has entered into an Implementation Agreement with the Deed Administrators of Alita Resources Limited (**Alita**) regarding the proposed acquisition of the Bald Hill lithium mine in Western Australia.

A wholly owned subsidiary of Alita owns and operates the Bald Hill mine.

McGrathNicol was appointed the administrators of Alita in December 2020. Alita is subject to a Deed of Company Arrangement under which Austroid Corporation (**Austroid**) proposed to acquire the Bald Hill mine. This transaction was blocked by the Foreign Investment Review Board (**FIRB**) in July 2023.

Austroid is also the secured creditor of Alita and appointed KordaMentha as receivers and managers in December 2020. KordaMentha acts in the interest of foreign-owned Austroid, not the shareholders of Alita.

The Deed Administrators have commenced an application in the Supreme Court of Western Australia seeking various orders, including for Alita to be placed into liquidation to allow for the implementation of the proposed MinRes acquisition.

If the court orders the liquidator to be appointed, MinRes will pay out the secured debt and acquire Alita's interest in the Bald Hill mine, which will provide a material return to Alita. The consideration that MinRes will pay under the transaction is subject to a number of factors, including an independent expert valuation.

The outcome of applications in the Supreme Court is currently uncertain with no guarantee that the transaction will be able to proceed, and details are currently subject to commercial confidentiality between transaction parties.

MinRes expects to fund the potential transaction from existing resources and does not intend to raise equity.

Notwithstanding the FIRB rejection, it has been reported that the Bald Hill lithium mine operates under effective foreign control through a complex corporate structure.

It is reported that the lithium mine operates at a loss under these arrangements, with profits transferred overseas via an offtake agreement with a Hong Kong-registered entity, Yihe Cleantech Material Limited. It has been alleged that this offtake agreement has also led to an under-payment of state royalties.

MinRes' successful acquisition of the Bald Hill mine will ensure that the mine is being operated by an experienced Australian ASX listed lithium miner, and any profits are generated and taxes and royalties paid in Australia to the benefit of Australian taxpayers.

MinRes is the largest lithium miner in the Goldfields region of Western Australia, operating the world-class Mt Marion lithium mine, and is one of Australia's largest diversified resources companies.

If the Treasurer's decision-making power under the *Foreign Acquisitions and Takeovers Act 1975* (**FATA**) has been circumvented, and there is a risk the mine remains in the effective control of foreign entities whose proposed acquisition has been rejected by FIRB, MinRes believes the Australian Government should use their powers under FATA to intervene.

ENDS

This announcement dated 4 September 2023 has been authorised for release to the ASX by Mark Wilson, Chief Financial Officer and Company Secretary. For further information, please contact:

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About Mineral Resources

Mineral Resources Limited (ASX: MIN) (MinRes) is a leading diversified resources company, with extensive operations in lithium, iron ore, energy and mining services across Western Australia. With a focus on people and innovation, MinRes has become one of the ASX's best-performing companies since listing in 2006. For more information, visit www.mineralresources.com.au.