

The Manager Companies - ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Announcement
1 November 2023
(2 pages)

\$30M QCMBTF FACILITY AGREEMENTS COMPLETE



Alpha **SAPPHIRE**

The Board of Alpha HPA Limited (**Alpha** or **the Company**) is pleased to announce it has now executed the binding transaction documentation for the provision of up to \$30 million of project funding from the QIC Critical Minerals and Battery Technology Fund (**QCMBTF**) for the Company's 100% owned subsidiary, Alpha Sapphire Pty Ltd (**Alpha Sapphire**).

As announced to the ASX on 28 September 2023, proceeds from the QCMBTF project funding will be applied to accelerate the roll-out of the initial 50 sapphire growth units (Phases A and B) contemplated in the LOI announced with Austrian technology partner Ebner Industrieofenbau GmbH (**Ebner**) and Ebner subsidiary Fametec GmbH (**Fametec**) (refer ASX releases: 23 March 2023 and 5 June 2023).

Summary of key terms

Financier	Trustee of the QIC Critical Minerals and Battery Technology Fund (QCMBTF).
Commitment	\$30 million.
1st Financial Close	\$3 million – expected week commencing 6 November
2nd Financial Close	\$27 million.
Availability	Up to 31 December 2024.
Key Conditions Precedent to 1st Financial Close	Definitive documentation and other customary conditions, including final due diligence and internal investor approvals. (NOW COMPLETE)
Key Conditions Precedent to 2nd Financial Close	Final Investment Decision (FID) by Alpha Sapphire on Phase B (48 growth units) and matched funding from Alpha. Other customary conditions, including final due diligence and internal investor approvals.
Repayment Amount	4.35% of gross revenue (less power costs) generated from Alpha Sapphire from sapphire product sales, on the first 2,500 tonnes of sapphire product sales. Greater of full repayment amount and the full commitment becomes repayable in prescribed circumstances (including events of default).
Security	First ranking security over shares in Alpha Sapphire and its assets, subject to agreed exceptions.
Special Conditions relating to Facility	Phase B and Phase C (100 growth units) sapphire growth facility to be located within the state of Queensland.

Alpha Sapphire was advised by McGrathNicol and Ashurst. QIC was advised by BurnVoor Corporate Finance and Allens.

Commenting on the execution of the QIC transaction documentation, Alpha's Managing Director Rimas Kairaitis said:

"We are delighted to have satisfied the conditions precent to QIC's investment and to have now executed all binding transaction documentation. This investment marks a milestone achievement for our Alpha Sapphire business and will help facilitate the roll-out of the initial 50 sapphire growth units contemplated in our collaboration with Ebner. We welcome the support of QIC and look forward to advancing this exciting business opportunity."

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