

**Kalium Lakes Potash Pty Ltd**  
**ACN 601 436 060**  
**Kalium Lakes Infrastructure Pty Ltd**  
**ACN 631 042 450**  
**(All Administrators Appointed) (All Receivers and Managers Appointed)**  
**(Collectively referred to as "the Companies")**

**Minutes of Reconvened Second Concurrent Meetings of Creditors of the Companies held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth WA 6000 on 6 December 2023 at 9.30am AWST.**

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**1 Present**

See **Annexure "A"** for the relevant attendance and observer registers for the Companies.

**2 Chairperson**

Martin Jones, one of the Joint and Several Voluntary Administrators of the Companies, reopened the meetings and advised that he would act as Chairperson of the meetings in accordance with Insolvency Practice Rules (Corporations) 2016 (IPR) 75-50.

**3 Notice of Meeting**

The Chairperson advised that the meetings have been called in accordance with the combined notice of meetings dated 29 November 2023, the meetings having been advertised on the ASIC Insolvency Notices on that same date in accordance with IPR 75-40.

The combined notice accompanied the Administrators' Supplementary Report to Creditors dated 29 November 2023 which was sent to all known creditors.

**4 Convening the meeting**

The Chairperson advised that, in accordance with IPR 75-30, the meetings were being held at a date, time and place convenient to the majority of persons entitled to receive notice of the meeting.

The Chairperson noted that the meetings followed the Second Meeting of Creditors as held on 4 October 2023, which was adjourned given the potential DOCA proponent, Agrimin Limited, had withdrawn their DOCA proposal and the Receivers had requested more time be allowed to re-connect with interested parties to determine if a fresh DOCA was able to be presented.

**5 Attendance register**

The Chairperson tabled the attendance registers and proxies for the meetings and advised that these would be made available for inspection after the meeting if any creditors so desired.

**6 Quorum**

The Chairperson advised that given that there are two or more creditors participating on this meeting, he declared that a quorum is present in accordance with IPR 75-10 for the following companies:

Company name	ACN
Kalium Lakes Potash Pty Ltd	601 436 060
Kalium Lakes Infrastructure ty Ltd	631 042 450

**7 Voluntary Administrators Update**

The Chairperson tabled the following Voluntary Administrators' reports:

— Administrators' Report to Creditors dated 26 September 2023

- Administrators' Report to Creditors dated 24 October 2023
- Supplementary Report to Creditors dated 29 November 2023.
- Circular to Creditors dated 4 December 2023.

He then discussed PowerPoint slides, page numbers 5 to 11 as attached in **Annexure B**.

## 8 Questions from creditors

The Chairperson asked whether there were any questions which creditors wished to raise.

Gavin McGavock: Under the Reward's DOCA, the Contribution Sum is up to \$250k to enable a return of approximately 5 cents in the dollar for unsecured creditor claims. Why can't the sum be a specific number to make it easier for creditors to understand.

The Chairperson: I do get your point. However, the Contribution Sum of up to \$250k is to provide for a situation where total unsecured claims are less than \$5M, then the Contribution Sum will be reduced accordingly to only provide a return of 5 cents in the dollar.

If the DOCA's are accepted by creditors and is fully effectuated on its terms, then the Trustees of the Creditors Trust will then begin a dividend process which involved calling for proofs of debts to be submitted and a formal adjudication of claims will occur to determine the ultimate quantum of claims.

There were no further questions from creditors in attendance.

## 9 Amendment on Reward's DOCA

The Chairperson noted that there has been an amendment to the Reward's DOCA and he has been asked by the solicitors acting for Reward to inform the meeting of that amendment.

The Chairperson note that following agreement between Reward and the Royalty Holders (as that term is defined in the Rewards DOCA) overnight, the Chairperson noted that clause 12 of the DOCA Proposal be replaced with the following:

12	<b>Royalty reduction</b>	<i>The Royalty Holders will have their aggregate royalty entitlement under the Royalty Deed reduced from 1.9% of Gross Revenue (as defined in the Royalty Deed) from Potash and other minerals from the Tenements (as defined in the Royalty Deed) to 0.75% of Gross Revenue from Potash and other minerals from the Tenements, subject to the Proponent issuing 5,000,000 ordinary shares in the capital of the Proponent (<b>Proponent Shares</b>) to the Royalty Holders (in aggregate) and the granting of a mining mortgage in favour of the Royalty Holders in respect of the Tenements and on such other terms to be agreed between the Proponent, the Royalty Holders and the Security Trustee.</i>
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## 10 Resolutions

The Chairperson advised that a resolution put to the vote of the meeting must be decided on the voices unless a poll is demanded (IPR 75-110):

- (a) By the Chairperson; or
- (b) By person participating and entitled to vote at the meeting.

The Chairperson advised that if a poll is demanded, a resolution is carried if:

- A majority of creditors voting (whether in person, by attorney or by proxy) vote in favour; and
- The value of the debts owed by the corporation to those voting in favour is more than half the total debts owed to all creditors voting (IPR 75-115).

The Chairperson advised that pursuant to IPR 75-110(1) and IPR 75-75(3), votes taken at virtual meetings must be taken:

- on a poll if:
  - (a) The notice of meeting specifies that votes taken at the meeting must be taken on a poll; or
  - (b) A poll is requested by the person presiding at the meeting or by a person participating and entitled to vote at the meeting; or
- otherwise, on a show of hands using electronic mechanisms (including clicking a raise hand or similar button on a virtual meeting computer program as well as verbally indicating how a creditor wishes to vote if dialling in to the meeting on the telephone)

The Chairperson advised that a resolution by poll is carried if:

- A majority of creditors voting (whether in person, by attorney or by proxy) vote in favour; and
- The value of the debts owed by the corporation to those voting in favour is more than half the total debts owed to all creditors voting (IPR 75-115).

## 11 Voting and use of casting vote

- in accordance with IPR 75-115, the Chairperson may exercise a casting vote if no result is reached for or against. The Chairperson's decision to exercise this vote is subject to review by the Court upon application by a creditor (Sections 75-42 and 75-43 of Schedule 2 to the Act).
- a secured creditor may vote with respect to the whole of its debt or claim, without being required to estimate the value of its security (IPR 75-87).
- the Chairman noted that general proxies lodged for the previous reconvened meeting were valid for this meeting as well.
- the Chairperson will abstain from exercising any general proxies in his favour to vote on any resolutions where the Chairperson has any financial interest in the outcome of the resolution.
- a related party is permitted to vote as a creditor at the meeting, provided its claim has been admitted by the Administrators for the purposes of voting (IPR 75-100).
- where a debt claimed by a related creditor (within the meaning of Section 75-41(4) of Schedule 2 to the Act) has been assigned to that related creditor, the value for the purposes of voting is to be determined by taking the value of the assigned debt to be equal to the value of the consideration given by the related creditor for the assignment of the debt (IPR 75-110(7)).

- proofs of debt have been admitted in full for voting purposes where the amounts claimed agree to the Company's records, or where additional documentation was provided by the creditor to support their claim.

## 12 Future of the Companies – Execution of a Deed of Company Arrangement

The Chairperson sought the following resolutions regarding whether a Deed of Company Arrangement should be entered into by each of the following companies:

### Resolution 1 – DOCA Proposal

#### Kalium Lakes Infrastructure Pty Ltd

It was proposed by the Chairperson:

"That, pursuant to Section 439C of the Corporations Act 2001 (the Act), Kalium Lakes Infrastructure Pty Ltd execute the Reward's Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting)."

**Moved by:** Rob Brauer – Kalium Lakes Limited

The resolution was declared *passed*.

#### Kalium Lakes Potash Pty Ltd

It was proposed by the Chairperson:

"That, pursuant to Section 439C of the Corporations Act 2001 (the Act), Kalium Lakes Potash Pty Ltd execute the Reward's Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting)."

**Moved by:** Rodney Bentley

**Seconded by:** Tenielle Bray

The resolution was declared *passed*.

## 13 Voluntary Administrators / Deed Administrators / Creditors Trust - Trustees Remuneration

#### Kalium Lakes Infrastructure Pty Ltd ("KLI")

### KLI - Resolution 4 – Voluntary Administrators fees from 3 August 2023 to 15 September 2023

It was proposed by the Chairperson:

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 3 August 2023 to 15 September 2023 be fixed in the amount of \$14,414.50, plus any applicable GST, and may be paid."*

**Moved by:** Rob Brauer – Kalium Lakes Limited

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders) abstained from voting.

**KLI - Resolution 5 – Voluntary Administrators fees from 16 September 2023 to 6 October 2023**

It was proposed by the Chairperson:

"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 16 September 2023 to 6 October 2023 be fixed in the amount of \$18,881.50, plus any applicable GST, and may be paid."

**Moved by:** Rob Brauer – Kalium Lakes Limited

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders) abstained from voting.

**KLI - Resolution 6 – Voluntary Administrators fees from 7 October 2023 to 17 November 2023**

It was proposed by the Chairperson:

"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 7 October 2023 to 17 November 2023 be fixed in the amount of \$18,948 plus any applicable GST and may be paid."

**Moved by:** Rob Brauer – Kalium Lakes Limited

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders) abstained from voting.

**KLI - Resolution 7 – Voluntary Administrators fees from 18 November 2023 to completion**

It was proposed by the Chairperson:

"That the further remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 18 November 2023 to completion of the Voluntary Administration be fixed up to a maximum amount of \$20,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

**Moved by:** Rob Brauer – Kalium Lakes Limited

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders) abstained from voting.

**KLI - Resolution 8 – Deed Administrators fees from commencement to completion**

It was proposed by the Chairperson:

"That the remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from commencement to completion be fixed up to a maximum amount of \$5,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

**Moved by:** Rob Brauer – Kalium Lakes Limited

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders) abstained from voting.

#### **KLI - Resolution 9 – Creditors Trust – Trustees' fees from commencement to completion**

It was proposed by the Chairperson:

"That the remuneration of the Trustees of the Creditors Trust for Kalium Lakes Infrastructure Pty Ltd, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from commencement to completion be fixed up to a maximum amount of \$5,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred."

**Moved by:** Rob Brauer – Kalium Lakes Limited

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders) abstained from voting.

#### **Kalium Lakes Potash Pty Ltd ("KLP")**

#### **KLP - Resolution 4 – Voluntary Administrators fees from 3 August 2023 to 15 September 2023**

It was proposed by the Chairperson:

"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 3 August 2023 to 15 September 2023 be fixed in the amount of \$188,446.50, plus any applicable GST, and may be paid."

**Moved by:** Rodney Bentley

**Seconded by:** Tenielle Bray

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders), Westpac Banking Group Limited abstained from voting. The Chairperson also noted that he abstained from voting in relation to the general proxies held in his favour.

#### **KLP - Resolution 5 – Voluntary Administrators fees from 16 September 2023 to 6 October 2023**

It was proposed by the Chairperson:

"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 16 September 2023 to 6 October 2023 be fixed in the amount of \$154,915.00, plus any applicable GST, and may be paid."

**Moved by:** Rodney Bentley

**Seconded by:** Tenielle Bray

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders), Westpac Banking Group Limited abstained from voting. The Chairperson also noted that he abstained from voting in relation to the general proxies held in his favour.

#### **KLP - Resolution 6 – Voluntary Administrators fees from 7 October 2023 to 17 November 2023**

It was proposed by the Chairperson:

"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 7 October 2023 to 17 November 2023 be fixed in the amount of \$114,650.00 plus any applicable GST and may be paid."

**Moved by:** Rodney Bentley

**Seconded by:** Tenielle Bray

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders), Westpac Banking Group Limited abstained from voting. The Chairperson also noted that he abstained from voting in relation to the general proxies held in his favour.

#### **KLP - Resolution 7 – Voluntary Administrators fees from 18 November 2023 to completion**

It was proposed by the Chairperson:

"That the further remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 18 November 2023 to completion of the Voluntary Administration be fixed up to a maximum amount of \$80,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

**Moved by:** Rodney Bentley

**Seconded by:** Tenielle Bray

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders) abstained from voting.

#### **KLP - Resolution 8 – Deed Administrators fees from commencement to completion**

It was proposed by the Chairperson:

"That the remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from commencement to completion be fixed up to a maximum amount of \$45,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

**Moved by:** Rodney Bentley

**Seconded by:** Tenielle Bray

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders), Westpac Banking Group Limited abstained from voting. The Chairperson also noted that he abstained from voting in relation to the general proxies held in his favour.

#### **KLP - Resolution 9 – Creditors Trust – Trustees' fees from commencement to completion**

It was proposed by the Chairperson:

"That the remuneration of the Trustees of the Creditors Trust for Kalium Lakes Potash Pty Ltd, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from commencement to completion be fixed up to a maximum amount of \$90,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred."

**Moved by:** Rodney Bentley

**Seconded by:** Tenielle Bray

The resolution was declared *passed*. Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders), Westpac Banking Group Limited abstained from voting. The Chairperson also noted that he abstained from voting in relation to the general proxies held in his favour.

#### **14 Other business**

The Chairperson inquired whether there was any other business to be properly conducted, or if there were any further questions regarding the Administration of the Companies before close of the meeting.

No other business was discussed.

15      **Closure**

There being no further business, the Chairman declared the meeting closed at 10.28 AM.

Dated this 19<sup>th</sup> day of December 2023.

Signed as a correct record.

A handwritten signature in black ink, appearing to read 'Martin Jones', with a stylized flourish at the end.

**Martin Jones**  
Chairperson



**ANNEXURE "A"**  
**Attendance Register**

**Kalium Lakes Potash Pty Ltd – List of Attendees**

Creditor	Name of Proxyholder	Proxy Type	Amount admitted to vote for (\$)
Martin Jones (Chairperson)	N/A	N/A	N/A
Kieran Chu (assisting Mr Jones)	N/A	N/A	N/A
Lachlan Wharton (assisting Mr Jones)	N/A	N/A	N/A
Kalium Lakes Limited	Rob Brauer	General	241,474,862.00
Westpac Banking Corporation	Doug Moore (via teleconference)	General	640,000.00
Complete Aviation Services	Stuart Burns (via teleconference)	General	100,264.48
Complete Aviation Freight	Stuart Burns (via teleconference)	General	4,581.50
Alliance Autoparts and Mining Supplies	Gavin McGavock	General	67,927.78
Westpac Administration Pty Ltd (as Security Trustee for the Senior Lenders)	Rob Brauer	General	209,412,703.00
Statewide Oil	Chairperson	General	35,407.88
Rodney Bentley	n/a	n/a	18,941.23
Scout Aerial Media and Surveying Pty Ltd	Mike Weeden	General	109,872.40
Tenielle Bray	Herself (via teleconference)	General	10,196.48

**Kalium Lakes Potash Pty Ltd – List of Observers**

Observer	Company
Jason Shaw	Former employee
Michelle Hurba (via teleconference)	Current employee
Janelle Klymovich (via teleconference)	Former employee
Jaymane Burke (via teleconference)	Former employee
Brittany Lawrence (via teleconference)	McGrathNicol
Zac Sharp (via teleconference)	King & Wood Mallesons
Mandee de Rues (via teleconference)	Lavan Legal
Leanne Bate (via teleconference)	APA Group
Gavin Healy (via teleconference)	Complete Aviation Freight & Complete Aviation Services
Peter Wilkes	Allen & Overy
Kenneth Chen	Allen & Overy
Brent Smoothy	Former Director

**Kalium Lakes Infrastructure Pty Ltd – List of Attendees**

Creditor	Name of Proxyholder	Proxy Type	Amount admitted to vote for (\$)
Martin Jones (Chairperson)	N/A	N/A	N/A
Kieran Chu (assisting Mr Jones)	N/A	N/A	N/A
Lachlan Wharton (assisting Mr Jones)	N/A	N/A	N/A
Westpac Administration Pty Ltd as Security Trustee for the Senior Lenders	Rob Brauer	General	209,412,703.00
Kalium Lakes Potash Pty Ltd	Rob Brauer	General	2,115,123.00
Kalium Lakes Limited	Rob Brauer	General	11,419,308.57



# Reconvened Second Meeting Of Creditors

Kalium Lakes Potash Pty Ltd  
Kalium Lakes Infrastructure Pty Ltd  
(Administrators Appointed)  
(Receivers and Managers Appointed)

6 December 2023



# Procedural Matters

Matthew Woods, Clint Joseph and Martin Jones were appointed as Joint and Several Voluntary Administrators of the Companies on Thursday, 3 August 2023 pursuant to Section 436A of the Corporations Act.

Conduct of the reconvened concurrent second meetings:

1. Notice of meetings
2. Purpose of meetings
3. Supplementary Voluntary Administrators' Report
4. Questions
5. Voting and resolutions

# Notice of Meetings

The meeting has been called in accordance with the notice of meeting dated 29 November 2023, the meeting having been advertised on the ASIC Insolvency Notices on that same date in accordance with IPR 75-40.

# Purpose of Meeting

## The purpose of today's meeting is:

- To provide an update on the Administration and Receivership
- To consider a DOCA proposal from Reward Minerals Limited (**Reward**), including the potential returns that the DOCA proposal may achieve for creditors compared to that under a winding up of the Companies
- To consider resolutions to approve the remuneration of the Administrators



# Voluntary Administrators' Report

## Receivership and Sale Process

- Following the appointment of the Receivers and Managers, they continued with the sale and marketing program, being led by Argonaut seeking binding expressions of interest in the sale of the business.
- The Receivers and Managers are in control of the Companies and their assets. They continued with the marketing and sale process for the restructure or recapitalisation of the Companies previously commenced in June 2023.
- On 16 November 2023 the Receivers and Managers entered into an exclusivity deed with Reward Minerals Limited to negotiate the terms of sale of the Beyondie SOP Project which culminated in a Share Sale Agreement and DOCA proposal for KLP and KLI.
- On 4 December 2023, the Administrators issued a further report to creditors outlining an alternate DOCA proposal for KLP and KLI from Shandong Nayu Energy Technologies Co. Ltd (**Nayu**). The proposal was also forwarded to the Receivers and Managers and secured creditors for consideration on the same day.
- On 5 December 2023, the Receivers and Managers announced that it has entered into a binding Share Sale Agreement (SSA) with Reward Minerals Ltd (Reward).
- The Receivers and Managers advised that the exclusivity deed entered with Reward prohibits dealing with any competing proposal. Further, we have also received confirmation from the Secured Lenders (NAIF and KfW) that they do not support the Nayu proposal and GCI has also confirmed that it is unwilling to extend the maturity of its loan facility.

# Voluntary Administrators' Report

## Share Sale Agreement (SSA)

The Receivers and Managers has entered into a Share Sale Agreement with Reward for the acquisition of 100% of the issued shares of KLP and KLI from KLL. This was announced on the ASX on 5 December 2023.

The SSA provides for (amongst other things):

- **Consideration:** in addition to the \$250k exclusivity payment already made (as announced on 16 Nov 2023), Reward will pay \$14.75m cash on completion of the shares transfer to Reward (which is to occur following satisfaction of all conditions to effectuation of the DOCA) and a final payment of \$5m cash by 30 June 2025.
- **Timing of completion:** 30 January 2024 (or such later date as agreed by the parties)
- **Care and maintenance:** from 1 January 2024, Reward will pay the reasonable operational costs incurred by KLP and KLI until the earlier of completion or termination of the SSA up to a maximum of \$75k per week.
- **R&D refund:** all rights and entitlements of KLP and KLI to any such refunds and the proceeds of any such refunds are to be retained by KLL.
- **Conditions precedent:** approval and execution of DOCAs for KLP and KLI, Reward obtaining shareholder approval and completing an equity capital raising.



# Voluntary Administrators' Report

## DOCA and Creditors Trust

Reward has proposed a DOCA which provides for (amongst other things):

- A compromise of all KLP and KLI creditor claims and debts through the execution of DOCAs and the establishment of separate Creditors Trusts, which will act as the vehicle to distribute any DOCA funds to the creditors of KLP and KLI.
- For funds to be allocated from the purchase price to satisfy the costs of the administration and enable a dividend to be paid to priority employee creditors in full and to unsecured creditors of KLP and KLI.
- KLP and KLI will continue under the ownership of Reward.
- Priority employee claims will be paid 100 cents in the \$ under the DOCA.
- A combined fund of up to \$250k will be available to meet the claims of unsecured creditors of KLP and KLI and it is therefore estimated that unsecured creditors will receive a dividend of approximately 5 cents in the \$.

# Voluntary Administrators Report

## Causes of Failure

The Administrators preliminary view is that, in addition to the reasons identified by the Directors, the Companies failed as a result of:

- Challenges associated with the development of the Beyondie SOP Project, which resulted in the Companies not meeting their production targets and consequently resulted in additional cost being incurred. This led to a funding shortfall and therefore a breach of existing debt covenants.
- The status of current production capacity and challenge from evaporation rate estimation based on long term averages and distant weather stations, with the company then being impacted by significant rain events over the past two years, insufficient surge capacity in pond design, etc.
- On 3 August 2023, being the deadline for the receipt of NBIOs elapsing for the sale process, and consequently the date of appointment of Administrators and Receivers, Kalium had exhausted the \$5m of liquidity funding advanced by the secured lenders and required additional funding to progress the sale process further.
- The secured lenders (Westpac as security trustee for secured lenders NAIF and KfW) to KLP declined to provide the final \$5.0m liquidity facility or any further funding for them to pursue their strategic initiatives.
- Consequently, the Directors resolved to appoint Administrators on 3 August 2023 given that it was likely that the Companies were insolvent or likely to become insolvent in the near future.

For completeness, we note that the above analysis is based upon our preliminary view only, any future appointed Liquidator would need to conduct further investigations to determine the actual causes of failure.

# Voluntary Administrators Report

## DOCA KLP & KLI - Estimated Returns

The potential return to creditors of KLP and KLI under the terms of the DOCA are as follows:

Creditor Class	Estimated dividend rate (cents in the \$)
Secured Creditor	Payment under the SSA as detailed in section 6 of our report dated 29 November 2023
Employees	100c/\$
Unsecured Creditors	A cash contribution of up to \$250,000 which is estimated to result in a dividend payment of approximately 5c/\$ to satisfy claims of ordinary unsecured creditors



# Voluntary Administrators Report

## Liquidation KLP - Estimated Returns

Kalium Lakes Potash Pty Ltd (KLP)		Liquidation	
Estimated Return		Low Return	High Return
		\$	\$
<b>Assets subject to Non-Circulating Charge</b>			
Property, plant and equipment		Commercially sensitive	
Less: Amount owed to Secured Creditor	(210,000,000)	(209,412,703)	
<b>Amounts available to unsecured creditors</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>
<b>Add: Potential returns from antecedent transactions</b>			
Insolvent trading / holding company liability		Nil	Unknown
Unfair preference payments (if any)		Nil	Unknown
Less: Litigation funding (40% fee)		Nil	Unknown
Less: Legal fees related to recoveries		Nil	Unknown
<b>Total Estimated Recoveries</b>	<b>Nil</b>	<b>Nil</b>	<b>Unknown</b>
KLP Administrators fees 3/8/23 - 15/9/23	(188,447)	(188,447)	(188,447)
KLP Administrators fees 16/9/23 - 6/10/23	(154,915)	(154,915)	(154,915)
KLP Administrators fees 7/10/23 - 17/11/23	(114,650)	(114,650)	(114,650)
KLP Estimated Administrators fees 18/11/23 to end of VA	(80,000)	(80,000)	(80,000)
KLP Administrators disbursements and legal fees	(87,500)	(87,500)	(87,500)
Estimated future disbursements and legal fees	(55,000)	(55,000)	(35,000)
Estimated Liquidators' fees and costs	(200,000)	(200,000)	(200,000)
<b>Total Priority Payments</b>	<b>(880,512)</b>	<b>(880,512)</b>	<b>(860,512)</b>
<b>Balance Available for Priority Creditors</b>	<b>Nil</b>	<b>Nil</b>	<b>Unknown</b>
KLP estimated employee entitlements	(1,348,631)	(1,348,631)	(1,348,631)
<b>Total owed to employees</b>	<b>(1,348,631)</b>	<b>(1,348,631)</b>	<b>(1,348,631)</b>
<b>Balance Available for Unsecured Creditors</b>	<b>Nil</b>	<b>Nil</b>	<b>Unknown</b>
<b>Liquidation Returns</b>			
KLP Unsecured creditors	(10,000,000)	(10,000,000)	(5,040,515)
KLP Intercompany debt	(243,589,985)	(243,589,985)	(243,589,985)
KLP Secured Creditor residual claim	TBD	TBD	TBD
<b>Total Unsecured Claims</b>	<b>(253,589,985)</b>	<b>(253,589,985)</b>	<b>(248,630,500)</b>
Dividend c/\$	Nil	Nil	Nil
Dividend available to KLP	Nil	Nil	Nil
<b>Estimated surplus / deficiency</b>	<b>(465,819,128)</b>	<b>(465,819,128)</b>	<b>(460,252,345)</b>

## Liquidation KLI - Estimated Returns

Kalium Lakes Infrastructure Pty Ltd (KLI)		Liquidation	
Estimated Return		Low Return	High Return
		\$	\$
<b>Assets subject to Non-Circulating Charge</b>			
Property, plant and equipment		Commercially sensitive	
Less: Amount owed to Secured Creditor	(210,000,000)	(209,412,703)	
<b>Amounts available to unsecured creditors</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>
<b>Add: Potential returns from antecedent transactions</b>			
Insolvent trading / holding company liability		Nil	Unknown
Unfair preference payments (if any)		Nil	Unknown
Less: Litigation funding (40% fee)		Nil	Unknown
Less: Legal fees related to recoveries		Nil	Unknown
<b>Total Estimated Recoveries</b>	<b>Nil</b>	<b>Nil</b>	<b>Unknown</b>
KLP Administrators fees 3/8/23 - 15/9/23	(14,415)	(14,415)	(14,433)
KLP Administrators fees 16/9/23 - 6/10/23	(18,882)	(18,882)	(18,882)
KLP Administrators fees 7/10/23 - 17/11/23	(18,948)	(18,948)	(18,948)
KLP Estimated Administrators fees 18/11/23 to end of VA	(20,000)	(20,000)	(20,000)
KLI Administrators disbursements	(150)	(150)	(150)
Estimated Liquidators' fees and costs	(40,000)	(40,000)	(40,000)
<b>Total Priority Payments</b>	<b>(112,395)</b>	<b>(112,395)</b>	<b>(112,413)</b>
<b>Balance Available for Unsecured Creditors</b>	<b>Nil</b>	<b>Nil</b>	<b>Unknown</b>
<b>Liquidation Returns</b>			
KLI Unsecured creditors	Nil	Nil	Unknown
KLI Intercompany debt	(13,534,432)	(13,534,432)	(13,534,432)
KLI Secured Creditor residual claim	TBD	TBD	TBD
<b>Total Unsecured Claims</b>	<b>(13,534,432)</b>	<b>(13,534,432)</b>	<b>(13,534,432)</b>
Dividend c/\$	Nil	Nil	Nil
Dividend available to KLI	Nil	Nil	Nil
<b>Estimated surplus / deficiency</b>	<b>(223,646,827)</b>	<b>(223,646,827)</b>	<b>(223,059,548)</b>

# Voluntary Administrators Report

## Administrators Recommendation

We are of the opinion that creditors of KLP and KLI should accept the DOCA proposal put forward by Reward as it provides for a more certain and potentially higher return to priority employees and unsecured creditors than an immediate winding up of the KLP and KLI.

The proposed DOCA is likely to provide a better return to creditors than an immediate winding up because:

- The DOCA makes available funds from Reward, which would otherwise not be available in a liquidation;
- The removal of intercompany debts in the DOCA removes approximately 98% of the claims of unsecured creditors in KLP and 100% of claims in KLI.
- The lower costs associated with the DOCA over liquidation;
- Any realisation the assets held by KLP and KLI in a liquidation scenario will likely be insufficient to discharge the lender's secured debt and therefore there is no prospect of a return to ordinary unsecured creditors from the realisation of KLP and KLI's assets; and
- In a liquidation, recoveries from the voidable and other transactions referred to in Section 8 & 9 of our report are uncertain or unlikely.

**Based on the above, it is our opinion that creditors should resolve that both KLP and KLL should enter into the proposed Reward DOCA.**



# Questions and Discussions

- We will now open for questions.
- Please note only creditors may ask questions
- Before asking your question, can you please identify yourself and the creditor you represent
- Are there any questions which creditors wish to raise?

# Resolutions – DOCA for KLP and KLI

## Resolution 1

*That, pursuant to Section 439C of the Corporations Act 2001 (the Act), "**Company name**" execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting).*

Company Name
Kalium Lakes Potash Pty Ltd
Kalium Lakes Infrastructure Pty Ltd

# Resolutions – VA Remuneration 3 Aug 23 – 15 Sep 23

Resolution			
No.		Kalium Lakes Potash Pty Ltd “Amount”	Kalium Lakes Infrastructure Pty Ltd “Amount”
4	That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 3 August 2023 to 15 September 2023 be fixed in the amount of “Amount”, plus any applicable GST, and may be paid.	\$188,446.50	\$14,414.50



# Resolutions – VA Remuneration 16 Sep 23 – 6 Oct 23

Kalium Lakes Kalium Lakes Potash Pty Infrastructure Ltd Pty Ltd “Amount” “Amount”		
No.	Resolution	
5	<p>That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 16 September 2023 to 6 October 2023 be fixed up to a maximum amount of <b>"Amount"</b>, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.</p>	<p>\$154,915.00 \$18,881.50</p>

# Resolutions - VA Remuneration 7 Oct 23 - 17 Nov 23

Kalium Lakes Kalium Lakes Potash Pty Infrastructure Ltd Pty Ltd "Amount" "Amount"			
No.	Resolution		
6	That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 7 October 2023 to 17 November 2023 be fixed up to a maximum amount of "Amount", plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	\$114,650.00	\$18,948.00

# Resolutions - VA Remuneration 18 Nov 23 - Completion

Resolution		Kalium Lakes Potash Pty Ltd "Amount"	Kalium Lakes Infrastructure Pty Ltd "Amount"
No.			
7	That the further remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 18 November 2023 to completion of Voluntary Administration be fixed up to a maximum amount of <b>"Amount"</b> , plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	\$80,000.00	\$20,000.00

# Resolutions - Deed Administrators Remuneration

		Kalium Lakes Potash Pty Ltd	Kalium Lakes Infrastructure Pty Ltd
		"Amount"	"Amount"
No.	Resolution		
8	That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from execution to completion of the DOCA be fixed up to a maximum amount of <b>"Amount"</b> , plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	\$45,000.00	\$5,000.00

# Resolutions – Creditors Trust Remuneration

No.	Resolution	Kalium Lakes Infrastructure Pty Ltd		Kalium Lakes Infrastructure Pty Ltd	
		"Amount"	"Amount"	"Amount"	"Amount"
9	That the future remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from commencement to completion be fixed up to a maximum amount of <b>"Amount"</b> , plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred.	\$90,000.00	\$5,000.00		

# Next steps

## **If DOCA accepted**

- Execution of the formal DOCAs for each of the Companies;
- Meeting all other conditions precedent (CPs) as outlined in the DOCA proposal ; and
- To receive the CT/DOCA contribution following satisfaction of the CPs;
- Any other matters that may arise.



# Thank you





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