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26 September 2023

To Creditors

Dear Sir/Madam

**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")**

I refer to the appointment of Matthew Woods, Clint Joseph, and I, Martin Jones, as Joint and Several Voluntary Administrators of the Companies on Thursday, 3 August 2023 pursuant to Section 436A of the Corporations Act 2001 (**the Act**).

We are now in a position to convene the second meeting of creditors of the Companies in order to determine the Companies' future.

**For completeness, we note that the second meeting of creditors for Kalium Lakes Limited, the parent entity will be convened at a later date on or before 1 December 2023.**

Please find **enclosed** the Voluntary Administrator's Report pursuant to Insolvency Practice Rules (Corporations) 2016 75-225 and Section 438A of the Act.

The Voluntary Administrator's Report includes our opinion, with supporting reasons, on each of the following matters:

- Whether it would be in the creditors' interests for each individual company to execute a Deed of Company Arrangement (**DOCA**).
- Whether it would be in the creditors' interests for each individual company to be wound up.
- Whether it would be in the creditors' interests for the administration of each individual company to end.

**You will note that the Administrators' recommendation is that creditors of each individual company resolve to accept the DOCA as proposed.**

The following documents in respect of the second meeting of creditors of the Companies are **attached** to the report:

Report annexure	Document	Description
<b>B</b>	Notice of Concurrent Meeting of Creditors (Form 529)	<ul style="list-style-type: none"> <li>– Please note that the meeting will be on <b>4 October 2023, commencing at 10.00am (AWST)</b>.</li> <li>– You should arrive for registration at least 20 minutes prior to the meeting.</li> <li>– For creditors who are unable to attend the meeting, a conference call facility will be available.</li> <li>– Please contact KPMG by email at kaliumlakes@kpmg.com.au or via telephone on (08) 9263 7297 one business day prior to the meeting to advise that you will be using the conference facilities and you will be provided with the conference ID.</li> </ul>
<b>F1</b>	Appointment of proxy (Form 532)	<ul style="list-style-type: none"> <li>– This form enables you to appoint a person to act on your behalf at the meeting.</li> <li>– <b>Proxy forms submitted at the first meeting of creditors are <u>not</u> valid for this meeting.</b></li> </ul>
<b>E</b>	Short Guide to the Creditors' Portal	<ul style="list-style-type: none"> <li>– We are using the Creditors' Portal to manage creditor claims.</li> <li>– This document provides guidance on how to register and submit a claim.</li> <li>– A person is not entitled to vote at the meeting unless they provide particulars of their debt or claim electronically via the Creditors' Portal before the meeting.</li> <li>– All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Company or any lien over goods in their possession which are the property of the Company via the Creditors' Portal.</li> <li>– If you have previously lodged your claim on the Creditors' Portal for the purposes of the first meeting of creditors, you <u>do not</u> need to re-submit your claim for the second meeting of creditors unless you wish to amend your claim.</li> </ul>
<b>C</b>	Remuneration Approval Request	<ul style="list-style-type: none"> <li>– Details of time spent by category of staff at the rates applicable for such staff.</li> <li>– A summary of the work undertaken by the Administrators and their staff in the administration.</li> <li>– A summary of the likely tasks and estimated remuneration of the Deed Administrators should creditors resolve to accept the DOCA.</li> <li>– A summary of the likely tasks and estimated remuneration of the Liquidators, should creditors resolve that the Companies be wound up.</li> </ul>
<b>D</b>	Australian Restructuring, Insolvency and Turnaround Association (ARITA) Creditor Information Sheet	<ul style="list-style-type: none"> <li>– Contains information regarding offences, recoverable transactions and insolvent trading, which may be pursued if the Companies are placed into liquidation.</li> <li>– Creditors should review the ARITA information sheet in conjunction with section 9 of the Administrators' report.</li> </ul>

**Proofs of debt and proxy forms are to be lodged before the meeting and, in any event no later than 4.00pm on 3 October 2023.**

For further information concerning the Voluntary Administration process and KPMG, you may wish to visit our website at <https://kpmg.com/au/en/home/creditors/kalium-lakes.html>. In addition, you can access general information about external administrations and insolvency from ARITA's website at [www.arita.com.au](http://www.arita.com.au).

Should you have any questions regarding the administration or this report, please contact us on (08) 9263 7297 or email at [kaliumlakes@kpmg.com.au](mailto:kaliumlakes@kpmg.com.au).

Yours faithfully

**Kalium Lakes Potash Pty Ltd**  
**Kalium Lakes Infrastructure Pty Ltd**

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

**Martin Jones**  
Joint and Several Administrator



# Voluntary Administrators' Report

**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)**

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Please complete and return the forms at **Annexure H** by 4:00pm on Tuesday, 3 October to our office via:

Email: [kaliumlakes@kpmg.com.au](mailto:kaliumlakes@kpmg.com.au)

Post: Turnaround and Restructuring, KPMG, GPO Box A29, PERTH WA 6837

## Glossary of terms

Term	Description
ACN	Australian Company Number
Act	Corporations Act 2001
Administrators	Matthew Woods, Clint Joseph and Martin Jones
Agrimin	Agrimin Limited ACN 122 162 396
APAAP	All present and after-acquired property – no exceptions
ARITA	Australian Restructuring, Insolvency & Turnaround Association
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Companies	Kalium Lakes Limited ACN 613 656 643 Kalium Lakes Potash Pty Ltd ACN 601 436 060 Kalium Lakes Infrastructure Pty Ltd ACN 631 042 450
Creditors' Portal	The online platform used by the Administrators to communicate with creditors, manage creditor claims. Please refer to <b>Annexure F</b> for further information
Directors	Brent Smoothy Cheryl Edwardes Robert Adam Salvatore Lancuba Simon Wandke
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
First Meeting	First meeting of creditors held on 15 August 2023
FY	Financial year
KLL	Kalium Lakes Ltd ACN 613 656 643
KLP	Kalium Lakes Potash Pty Ltd ACN 601 436 060
KLI	Kalium Lakes Infrastructure Pty Ltd ACN 631 042 450
IPR	Insolvency Practice Rules (Corporations) 2016
PMSI	Purchase Money Security Interest

Term	Description
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR	Personal Property Securities Register
ROCAP	Report on Company Activities and Property
Report	This report, prepared pursuant to IPR 75-225 and Section 438A of the Act
ROT	Retention of Title
Second Meeting	Second meeting held pursuant to IPR 75-225 and Section 439A of the Act, where creditors determine the future of the Company
SOP	Sulphate of Potash
SSA	Share Sale Agreement between KLL and Agrimin dated 20 September 2023

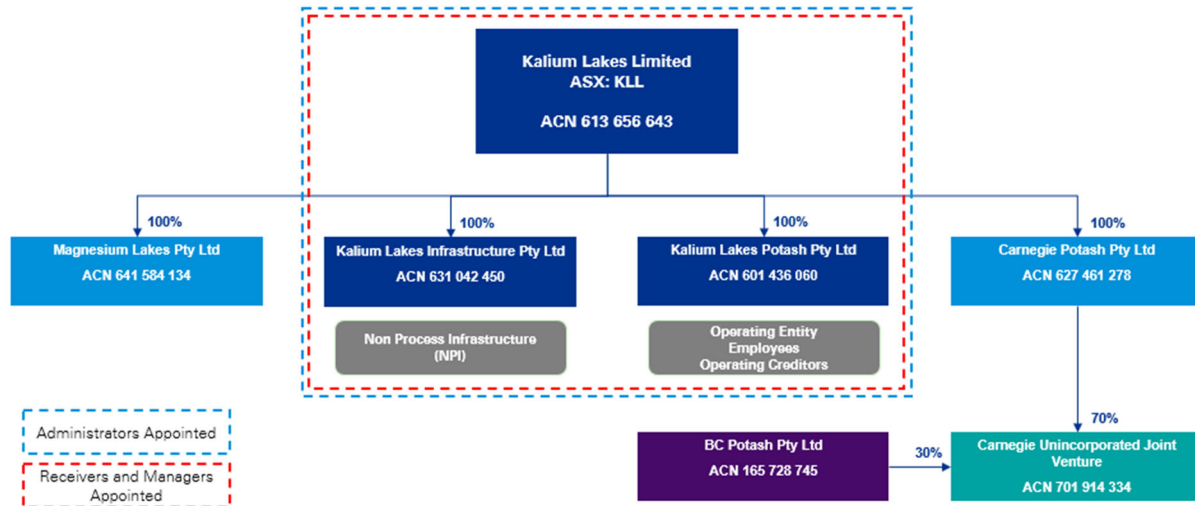


## 1. Executive summary

This section addresses frequently asked questions relating to the Administration of the Companies including a summary of the estimated outcome for creditors. Full details are available throughout this Report.

Question	
<b>What are the Companies?</b>	Kalium Lakes Limited (Administrators Appointed) (Receivers and Managers Appointed) and its subsidiaries (outlined below) owns and operates the Beyondie Sulphate of Potash Project, located 160km South East of Newman, Western Australia.
<b>What is the purpose of this Report?</b>	<p>The purpose of this Report is to table the findings of our investigations of the Companies' business, property, affairs and financial circumstances, as well as our opinion on the three options available to creditors in deciding the future of KLP and KLI at the Second Meeting.</p> <p>This Report is produced for the purposes of KLP and KLI creditors only. A separate Report will be produced and distributed to the creditors KLL at a later stage and on or before 1 December 2023 (unless extended by Court).</p>
<b>What is the current status of the Companies?</b>	<p>On 3 August 2023, Matthew Woods, Clint Joseph and Martin Jones, were appointed as joint and several Administrators of the Companies by the Directors under Section 436A of the Act.</p> <p>Immediately following our appointment, Robert Brauer, Robert Kirman and Jason Preston of McGrathNicol were appointed as Receivers and Managers of the Companies on 3 August 2023 by Westpac Administration Pty Limited (as Security Trustee) pursuant to a General Security Deed granted in its favour by the Company.</p> <p>The Receivers and Managers are now in control of the Companies and business operation.</p>
<b>Who is in control of the Companies?</b>	<p>The Receivers have responsibility for the day-to-day management of the Companies, with the security held in favour of their appointor enabling them to assume control of the business.</p> <p>The Administrators have undertaken preliminary investigations into the affairs of the Companies and the reasons for its failure.</p>
<b>What is the ownership structure of the Companies?</b>	KLL is an ASX listed entity and has controlling interests in four (4) wholly owned subsidiaries. The corporate structure is shown below:

## Question



### How did the Companies' business trade?

The Companies main asset, the Beyondie SOP Project was operated by KLP and KLI. The Companies had developed and constructed a commercial operation at the project site which is located approximately 160 km SE from Newman.

KLL was the parent entity and dealt with the corporate and administrative tasks, such as tasks associated with its listing on the ASX and shareholder related issues.

KLP was the employing entity and the majority of the suppliers to the project are contracted through KLP.

KLI held the non-process infrastructure assets for the project.

### Why do the Directors believe the Companies became insolvent?

The Directors have provided their views on the affairs of the Companies and attribute the following reasons to their failure:

- The secured lenders (Westpac as security trustee for secured lenders NAIF and KfW) to Kalium Lakes Potash Pty Ltd declined to provide the final \$5.0m liquidity facility or any further funding in order to continue with the strategic sale process under control of the Board.
- The Board was then left with no choice but to put the Companies into Administration following which the secured creditors appointed Receivers and Managers on 3 August 2023.

## Question

### **What do the Administrators consider were the underlying causes of the Companies' 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 secured lenders (Westpac as security trustee for secured lenders NAIF and KfW) to Kalium Lakes Potash Pty Ltd 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.

### **When do the Administrators consider the Companies became insolvent?**

Based upon our preliminary investigation into the affairs of the Companies, we consider that the Companies were not insolvent for any material time prior to our appointment on 3 August 2023.

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 (which may include conducting a public examination of the Companies directors and officers) to determine the actual date of insolvency.

Further details concerning the Companies insolvency is contained within Section 8 of this Report.

### **What was the outcome of the sale of business process?**

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.

The outcome of the sale process is that two (2) offers were received, only one of which was capable of completion in the time required which culminated in a SSA and DOCA proposal from Agrimin Limited for KLP and KLI.

The confirmation of the sale was announced on the ASX on 21 September 2023 and details of the SSA is discussed further in Section 6 of this report.

### **Have the Administrators explored the possibility of a DOCA?**

The Receivers and Managers have entered into a SSA with Agrimin for the acquisition of the shares of KLP and KLI from KLL. Under the terms of the SSA, DOCAs are being proposed for KLP and KLI.

The DOCA also provides for the establishment of a Creditors Trust allowing for a return to the creditors of those entitled to claim.

Further details of the DOCA proposals are included in section 7 of this Report.

## Question

### What is the purpose of the Second Meeting of Creditors?

To resolve the future of KLP and KLI. The options available include whether:

- the company execute a DOCA;
- the Administration should end; or
- the company be wound up.

In the event that creditors resolve that the Administration should end, control of the company will revert to the Directors.

For further details on how to attend and vote at the Second Meeting of Creditors please refer to section 2.8 of this Report.

**For completeness, we note that the second meeting of creditors for KLL (the parent / holding company) has not been convened yet but will done so at a later date and will be convened on or before 1 December 2023.**

### DOCA scenario

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)
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

### What is the estimated return to creditors?

### Liquidation scenario – shortfall to secured creditor

Any funds received from the sale of the Companies' assets will firstly be applied to secured creditors debt (approximately \$209M). Given the extent of the secured creditor's debt and the cost incurred to date, we estimate that there will insufficient proceeds from a sale to discharge the secured creditors debt in full, there will be no funds available to unsecured creditors.

We also do not expect that there will be any recoveries from the voidable and other transaction referred to in **Section 9** of this Report.

Priority creditors may benefit from a recovery from circulating assets of KLP and if the Company is placed into liquidation at the Second Meeting, priority creditors may also be able to recover their outstanding entitlements (excluding unpaid superannuation) through FEG.

The above dividend rates are estimates only. The final rate will be dependent on a number of factors. Please refer to **Section 10** for further information.

## Question

### What and when is the Meeting of Eligible Employee Creditors ?

The terms of the Agrimin DOCA at Clause 15 gives priority to eligible employee creditors by providing that each DOCA will contain a provision as contemplated Section 444DA of the Act. However, we note that clause 6(J) of the DOCA allows the Proponent to specify certain eligible employee creditors to be Continuing Employees, in which case their Claims will be excluded from the DOCA and is to be paid from the ordinary course of their continuing employment.

A 'Continuing Employee' is defined at clause 28 to be 'any eligible employee creditor whose employment with a Company is agreed by the Proponent to continue following SSA Completion'.

Pursuant to Section 444DA(3) of the Act, a meeting of eligible employee creditors of company has been called for 4 October 2023 at 9.00am (AWST) to consider a resolution agreeing to the non-inclusion of the claims of Continuing Employees from being paid as a priority distribution under the proposed DOCA of the Company.

For further details on the requirements and Administrators' Statement, please refer to the Administrators' Circular to Employees dated 26 September 2023, which has been sent to all known eligible employee creditor and also available on the KPMG website (<https://kpmg.com/au/en/home/creditors/kalium-lakes.html>).

***This meeting is to be held prior to the Second Meeting. The resolution pertaining to the exclusion of Continuing Employees from the DOCA must be approved by Eligible Employee Creditors (i.e. employees who had a claim against KLP prior to 3 August 2023), to enable the DOCA to be considered (and voted upon) at the Second Meeting (which is scheduled 1 hour later at 10:00am (AWST) on 4 October 2023).***

### What do the Administrators recommend creditors should do?

Agrimin 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 Agrimin;
- Priority employee claims will be paid 100 cents in the \$ and under the DOCA are afforded a priority claim over unsecured creditors.
- 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 \$.

**We are of the opinion that creditors of KLP and KLI should accept the proposed DOCA as it provides for a better return to priority employees and unsecured creditors than an immediate winding up of the KLP and KLI.**

The DOCA also allows for the continuation of the Beyondie SOP Project which may bring future economic benefits to its stakeholders and community.

## Question

### What claims will a liquidator investigate?

Whilst the Administrators have considered the underlying causes of the Companies' failure, our investigations into claims arising from those matters are at an early stage.

The preliminary investigations have not identified any potential claims or antecedent recoveries available in the Liquidation which would result in a return to creditors.

That said, a liquidator (if one is appointed) will conduct further investigations in addition to the preliminary investigations undertaken during the Administration.

The investigations undertaken to date in the Administration are detailed at **Section 8** of this report.

### What do creditors need to do next?

Creditors will vote on the future of KLP and KLI at the Second Meeting to be held at **10:00 am (AWST) on Wednesday, 4 October 2023, at the offices of KPMG, Level 8, 235 St Georges Terrace, PERTH WA 6000** and via teleconference.

All creditors of KLP and KLI are entitled to attend the Second Meeting.

Creditors should review the contents of this report and complete the following forms by **4:00pm** on 3 October 2023:

Form/ voting	Where to submit
Appointment of proxy - form 532 (Annexure H1)	<b>Email:</b> <a href="mailto:kaliumlakes@kpmg.com.au">kaliumlakes@kpmg.com.au</a> <b>Post:</b> GPO Box A29, PERTH WA 6837
Proof of debt - form 535	Via Creditors' Portal <a href="https://creditors.accountants/">https://creditors.accountants/</a>

Further guidance on how to register, submit a proof of debt form and vote at the meeting of creditors can be found at section 2.8 of this report.

### Where can I get more information?

If you require any further information, please see the KPMG website (<https://kpmg.com/au/en/home/creditors/kalium-lakes.html>) and/or contact us at [kaliumlakes@kpmg.com.au](mailto:kaliumlakes@kpmg.com.au)

## 2. Introduction

This section provides information on the entities subject to the Administration process, the objectives of the Administration, the purpose of this Report, details of meetings of creditors and a summary of the Administrators' remuneration.

Key takeaways		Ref.
1	On 3 August 2023, Matthew Woods, Clint Joseph and Martin Jones, were appointed as joint and several Voluntary Administrators of the Companies by the Directors under Section 436A of the Act.	2.1
2	Following the Companies being placed into Voluntary Administration on 3 August 2023, Robert Brauer, Robert Kirman and Jason Preston of McGrathNicol were appointed as Receivers and Managers (Receivers) of the Companies on 3 August 2023 by Westpac Administration Pty Limited (as Security Trustee) pursuant to a General Security Deed granted in its favour by the Company.	2.2
3	The Administrators have sought an extension to the convening period to 1 December 2023. The purpose of extending the convening period is to allow sufficient time for the Receivers and Managers to conduct a fulsome marketing and sale process for the Companies and or its assets, namely preserving the opportunity for interested parties to submit a DOCA proposal, which may provide a better return to creditors than a winding up of the Companies.	2.8

### 2.1. Appointment of Voluntary Administrators

On 3 August 2023, Matthew Woods, Clint Joseph and Bruce Jones, were appointed as joint and several Administrators of the Companies by the Directors under Section 436A of the Act.

### 2.2. Appointment of Receivers and Managers

Following the Companies being placed into Voluntary Administration, on 3 August 2023, Robert Brauer, Robert Michael and Jason Preston of McGrathNicol were appointed as Receivers and Managers (Receivers) of the Companies on 3 August 2023 by Westpac Administration Pty Limited (as Security Trustee) pursuant to a General Security Deed granted in its favour by the Company. The Receivers and Managers are now in control of the business.

The Receivers represent predominantly the interests of the Secured Creditors, with their primary role being to realise sufficient secured assets to repay the debt owed to the Secured Creditors. The Receivers have, under the terms of their appointment, the power to manage the assets and trading operations of the Companies.

### 2.3. Objective of voluntary administration

In a voluntary administration, Administrators are empowered by the Act to assume control of an insolvent company, superseding the powers of the directors and officers, to manage the company's affairs and deal with its assets in the interests of its creditors.

The intention of a voluntary administration is to maximise the prospects of a company continuing in existence or, if that is not possible, to achieve better returns to creditors than would be achieved by its immediate liquidation. During a voluntary administration there is a moratorium over most pre-administration creditor claims.

Administrators are also required to investigate a company's affairs and report to creditors on the Administrators' opinion as to which outcome of the voluntary administration process is in the creditors' best interest, informing the creditors prior to their voting at the Second Meeting (please see section 112.8 for further details).

## 2.4. Purpose and basis of this report

IPR 75-225 requires a voluntary administrator to provide a report (the **Voluntary Administrator's Report** or this **Report**) to all creditors ahead of the Second Meeting, outlining:

- Details regarding the business, property, affairs and financial circumstances of the entity under administration;
- The Administrator's opinion and recommendation on each of the options available to creditors; and
- If a DOCA is proposed, the details of the DOCA.

This Report also informs creditors about the preliminary investigations undertaken by the Administrators to date. Accordingly, the views formed in this Report are not final and may be subject to change. Any additional material issues that are identified after this Report may be subject to a further written report and/or tabled at the forthcoming Second Meeting.

This Report has been prepared primarily from information obtained from the Companies' books and records and discussions with the Directors. Although the Administrators have conducted certain investigations of the affairs of the Companies', there may be matters which we are unaware of as an audit of the Companies' has not been undertaken.

In order to complete our Report, we have utilised information from:

- ASIC;
- the PPSR;
- the Companies' book and records;
- discussions with the Directors and former directors of the Companies;
- discussions with key employees of the Companies;
- discussions with creditors of the Companies; and
- other public databases.

## 2.5. Context of this Report

This Report is based on our preliminary investigations to date. Any additional material issues that are identified subsequent to the issue of this Report may be the subject of a further written report and/or tabled at the Second Meeting.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. We reserve the right to alter any conclusions reached based on any changed or additional information which may be provided to us between the date of this Report and the date of the Second Meeting (except where otherwise stated).

In considering the options available to creditors and formulating our opinion and recommendation, we have necessarily made forecasts of asset realisations and total creditors' claims based on our best assessment in the circumstances. These forecasts and estimates may change as asset realisations progress and we receive creditor claims and consequently the outcome for creditors might differ from the information provided in this Report.

Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

## 2.6. Declaration of independence, relevant relationships and indemnities

In accordance with Section 436DA of the Act and the Code, a DIRRI was enclosed with the Administrators' first communication to creditors (and tabled at the First Meetings of Creditors).

The DIRRI disclosed information regarding the Administrators' independence, prior personal or professional relationships with the Company or related parties and any indemnities received in relation to the appointment. This assessment identified no real or potential risks to the Administrators' independence.

There has been no change in the declaration since that time.



## 2.7. First Meeting of Creditors and Committee of Inspection

Section 436E of the Act requires the Administrators to convene the first meeting of creditors within eight business days of being appointed. The First Meeting of Creditors of the Companies was held on 15 August 2023, at which the Administrators appointment was confirmed.

Creditors resolved at the First Meeting of Creditors to appoint a COI for KLL and KLP, but not for KLI. Details of the members of the COI's are shown below:

Committee member	Representing	KLL	KLP
Rob Brauer	McGrathNicol as Receivers and Managers	✓	✓
Brent Smoothy	Himself	✓	
Jason Shaw	Himself and Ms Tenielle Bray as employees		✓
Gavin McGavock	Alliance Autoparts & Mining Supplies		✓

The correspondences sent and matters discussed at the COI meetings, including any resolutions passed by the COI are summarised in the following table.

Date	Details	Resolution passed
22 August 2023	Correspondence sent to all COI members regarding notice of meeting for 23 August 2023.	
23 August 2023	COI meeting held. The Administrators discussed their applications to the Supreme Court of Western Australia, relating to the extension of the convening period for a further 3 months to 1 December 2023.	<p>"That the Committee of Inspection of Kalium Lakes Limited acknowledge and consent to the Administrators application pursuant to section 439A(6) of the Corporations Act 2001 to the Court to extend the convening period from 1 September 2023 to a period not exceeding 3 months."</p> <p>"That the Committee of Inspection of Kalium Lakes Potash Pty Limited acknowledge and consent to the Administrators application pursuant to section 439A(6) of the Corporations Act 2001 to the Court to extend the convening period from 1 September 2023 to a period not exceeding 3 months."</p>

## 2.8. Second Meeting of Creditors

Based on the statutory timetable of a voluntary administration, the Second Meeting was required to be held on or before 7 September 2023. As Administrators, we made an application to the Supreme Court of Western Australia for orders to extend the period of time within which to convene the second meeting of creditors of each of the Companies by a period of three (3) months, ending until 1 December 2023.

On 31 August 2023, the Court made orders that pursuant to section 439A(6) of the Corporations Act 2001, the convening period for the Companies is extended up to and including 1 December 2023 (the Orders). The Administrators also have the power to convene a meeting of creditors at an earlier date should they consider it to be appropriate.

Pursuant to Section 439A of the Act, the Second Meeting for KLI and KLP is convened for **Wednesday, 4 October 2023 at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth WA at 10:00 am (AWST)**. At the Second Meeting, creditors will decide the Company's future by voting on one of the following options:

- that the administration should end (in this case control of the Company will revert to its directors); or
- that the Company should be wound up; or
- that the Company execute a DOCA.

**For completeness, we note that the second meeting of creditors for KLL (the parent/head co) has not been convened yet but will be done so at a later date and will be convened on or before 1 December 2023.**

The Notice of Meeting of Creditors is attached (**Annexure D**) along with an appointment of proxy form (**Annexure H1**).

Creditors have the opportunity to adjourn the Second Meeting for up to a period of 45 business days to enable further investigations to be undertaken.

The Administrators intend to hold concurrent second meetings of creditors of the Companies. All creditors are entitled to attend the Second Meeting. Creditors who wish to participate in the Second Meeting must complete and submit the following forms to this office by **4:00pm on 3 October 2023**.

A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim to the Administrators before the meeting. All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Company or any lien over goods in their possession which are the property of the Company.

Form/ voting	Where to submit
Appointment of proxy - form 532 (Annexure H1)	<b>Email:</b> <a href="mailto:kaliumlakes@kpmg.com.au">kaliumlakes@kpmg.com.au</a> <b>Post:</b> GPO Box A29, PERTH WA 6837
Proof of debt - form 535	Via Creditors' Portal <a href="https://creditors.accountants/">https://creditors.accountants/</a>

For creditors who are unable to attend the meeting, a conference call facility will be available.

Please contact KPMG by email at [kaliumlakes@kpmg.com.au](mailto:kaliumlakes@kpmg.com.au) or by telephone on (08) 9263 7297 at least one business day prior to the meeting to advise that you will be using the conference facilities and to be provided with the conference call code.

## 2.9. Remuneration

An Administrator's remuneration can only be fixed by resolution of a COI, the Company's creditors, or by application to the Court. In accordance with IPR 70-35 and the Code, an Initial Remuneration Notice was provided to creditors with our initial communication and tabled at the First Meeting of Creditors.

ARITA has issued an "Approving remuneration in external administrations" information sheet providing general information for creditors on the approval of an administrator's fees in a liquidation, a voluntary administration or a DOCA. This information sheet is available from the ARITA website ([www.arita.com.au](http://www.arita.com.au)).

A summary of the remuneration we will be seeking approval for at the Second Meeting of Creditors is as follows:

Remuneration period	KLP (\$ ex GST)	KLI (\$ ex GST)
<b>Remuneration to be approved at Second Meeting of Creditors</b>		
Voluntary Administration - 3 August 2023 to 15 September 2023	188,447	14,415
Voluntary Administration - 16 September 2023 to 4 October 2023	145,200	6,340
Future work from meeting to execution of DOCA	35,300	3,160
<b>Estimated total remuneration – Voluntary Administration</b>	<b>\$368,947</b>	<b>\$23,915</b>
Future work – DOCA - from commencement to completion	35,000	3,000
Future work – Creditors Trust - from commencement to completion	80,000	7,000
<b>Estimated total remuneration – DOCA / Creditors Trust</b>	<b>\$115,000</b>	<b>\$10,000</b>
Liquidation (if applicable) - 4 October 2023 to completion	200,000	40,000
<b>Estimated total remuneration – Liquidation (if applicable)</b>	<b>\$200,000</b>	<b>\$40,000</b>

Please refer to our Remuneration Approval Request at **Annexure G** for details of the key tasks undertaken throughout the course of the administration to date.

#### 2.10. Non-disclosure of certain information

There are sections of this Report where we have considered it inappropriate to disclose certain information to creditors. Such information includes:

- valuations of specific assets
- valuation of the business
- details of offers received during the sale process
- commercially sensitive prospective financial information (for example, projections / forecasts)

We recognise the need, so far as is possible, to provide creditors with complete disclosure of all necessary information relating to the Companies. However, we believe this information is commercially sensitive and it is not in creditors' interests for us to disclose the information publicly at this stage.

Where necessary in this Report, we provide a combined figure for potential realisations of assets when comparing estimated dividends under the relevant options.

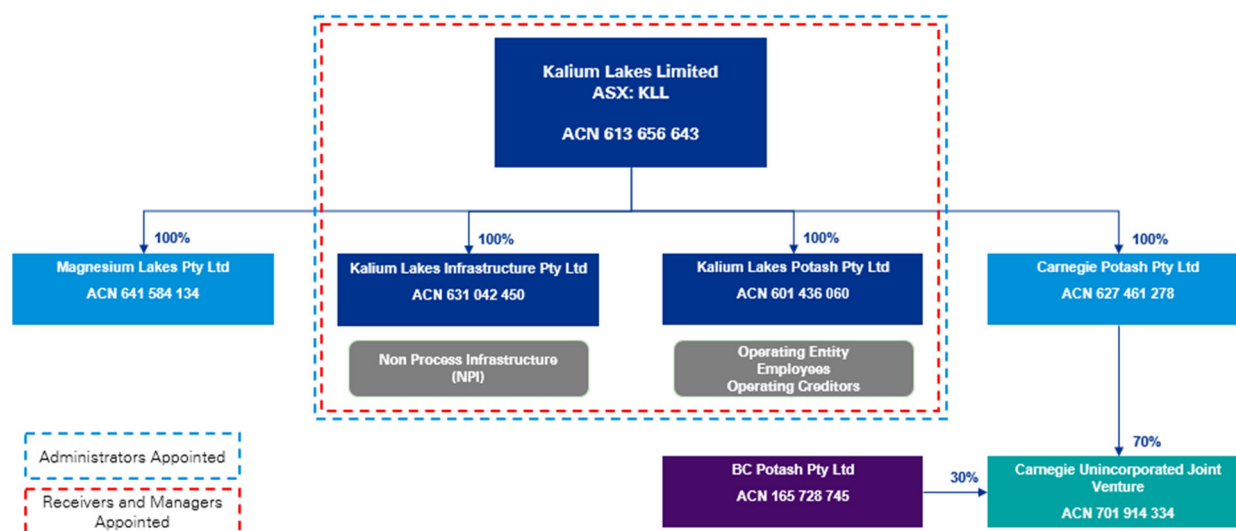
### 3. Company information

This section provides creditors with information on the history of the Companies and the circumstances leading up to the appointment of Administrators together with details of related entities including statutory information, and an overview of the operating businesses.

Key takeaways	Ref.
<b>1</b> The principal activity of the Companies prior to the appointment of Administrators was the development of a Sulphate of Potash mining operation at Beyondie which is located approximately 160 km SE from Newman, Western Australia.	3.1
<b>2</b> Voluntary Administrators and Receivers and Managers have only been appointed over Kalium Lakes Limited, Kalium Lakes Infrastructure Pty Ltd and Kalium Lakes Potash Pty Ltd, with Carnegie Potash Pty Ltd and Magnesium Lakes Pty Ltd not subject to Administration or Receivership.	3.1

#### 3.1. Corporate structure

A summary of the corporate structure and main business activities of the Companies and affiliated entities are outlined below:



A summary of the business operations of each entity within the wider Kalium Group is set out below:

Company name	Description of main business activities
<b>Entities subject to Administration and Receivership</b>	
Kalium Lakes Limited (ASX: KLL) ACN 613 656 643 <b>(KLL)</b>	KLL a public entity, listed on the ASX (ASX:KLL) and is the ultimate holding company for the Companies and the wider Kalium Group, with control over 4 wholly owned subsidiaries. There is no DXG in place between any of the Companies.

Company name	Description of main business activities
Kalium Lakes Potash ACN 601 436 060 (KLP)	<p>KLP is the operating entity within the group and holds the tenements which relate to the Beyondie Sulphate of Potash project which comprises 16 granted exploration licences, two mining leases and several miscellaneous licences in Western Australia</p> <p>Its principal activity was the development of a Sulphate of Potash mining operation at Beyondie which is located approximately 160 km SE from Newman, Western Australia.</p> <p>At the time of our appointment of Administrators it had approximately ninety-seven (97) employees.</p>
Kalium Lakes Infrastructure ACN 631 042 450 (KLI)	KLI is a wholly-owned subsidiary of KLL and owns all non-process infrastructure – such as the access road, airstrip, gas pipelines, power station and camp facilities.
<b>Other entities within the wider group (“Kalium Group”) (not subject to Administration or Receivership)</b>	
Carnegie Potash Pty Ltd	Wholly-owned subsidiary of KLL. Owns a 70% interest in Carnegie Unincorporated JV, which is being wound down and has no commercial value
Magnesium Lakes Pty Ltd	Wholly-owned subsidiary of KLL and dormant.

### 3.2. Company history and events leading up to the administration

A summary of events leading up to the Administrators' appointment (and specific subsequent events) is as follows:

Date	Event
20 September 2023	<b>Update on strategic process:</b> The Receivers and Managers announces that they have entered into a SSA with Agrimin for the sale of KLL's subsidiaries, KLP and KLI.
23 August 2023	Orders were made in the Supreme Court of Western Australia extending the convening period to 1 December 2023.
4 August 2023	<b>Resignation of Directors:</b> Hon Cheryl Edward (KLL, KLP, KLI Chairperson and Non-executive Director), Brent Smoothy (KLL, KLP, KLI Non-executive Director), Simon Wandke (KLL Non-executive Director), Robert Adam (KLL Non-executive Director), Salvatore Lancuba (KLL Non-executive Director).
3 August 2023	Appointment McGrathNicol as Receivers and Managers.
3 August 2023	Appointment of KPMG as Voluntary Administrators.
28 July 2023	Request for extension of voluntary suspension the Company is undergoing a strategic corporate process.
24 July 2023	<b>Revised Arrangements Agreed with Ebtec:</b> Kalium Lakes Limited announces that it has agreed on revised arrangements with engineering and design firm Ebtec GbR (Ebtec) in

Date	Event
	relation to the Company's Sulphate of Potash purification plant (SOP Plant) at its Beyondie SOP Mine (Beyondie).
14 June 2023	<p><b>Beyondie Operational and Corporate Update:</b> NAIF and KfW (the Lenders) have agreed to make available for drawdown the remaining \$10m of the \$20m Liquidity Facility. The continued access to the Liquidity Facility will be available for drawdown in two stages:</p> <p>The Initial \$5m provided by Lenders alongside commencement of a strategic process by Kalium Lakes in conjunction with Lenders</p> <p>The remaining \$5m is available at Lenders discretion and is subject to progress of strategic process and plants current ramp up performance.</p> <p>Indicative SOP production for the combined months of April and May 2023 was approximately 2,079 tonnes – KLL's best production quarter to date.</p> <p>Reduction in production rate to approximately 55ktpa for the December 2023 quarter.</p>
14 June 2023	Request for extension of voluntary suspension pending announcement regarding an update on Lake Way Project and response to an ASX query.
6 June 2023	Request for voluntary suspension pending announcement regarding Company operations.
5 June 2023	Resignation of Non-executive Director: Mr Mark Sawyer
5 April 2023	<b>Beyondie Operations Update:</b> SOP production for March 2023 was the highest production to date. Pond operations was progressing ahead of expectations or the current quarter.
4 April 2023	<b>Trading Halt:</b> Trading halt pending the release of an announcement.
29 March 2023	<b>Safe Harbour:</b> The Board approved the engagement of Cor Cordis to advise on the Safe Harbour process (refer to section 8.5 of this Report for further details).
27 March 2023	<b>Safe Harbour:</b> The Board approved the engagement of Peloton Legal to advise on the Safe Harbour process (refer to section 8.5 of this Report for further details).
27 February 2023	<b>Facility Amendments Executed with Senior Lenders:</b> The Facility amendments with its senior lenders NAIF and KfW make available for drawdown up to \$10m of the \$20m liquidity facility. The Facility amendment also defers interest payments due in CY2023. The availability of the second \$10m tranche will be subject to Lender discretion following the assessment of the ramp-up performance of the Company's Beyondie SOP mine.
30 November 2022	<b>Appointment of Company Secretary:</b> Appointment of Ms Loren King as Company Secretary
4 November 2022	<b>Appointed of New Chairperson:</b> Appointment of Hon. Cheryl Edwards AM as independent non-executive director and Chairperson
31 October 2022	<p><b>Beyondie SOP Plant Operations Update:</b></p> <p>Operational: Design-grade KTMS feed to the Beyondie SOP purification plant was conducted in October with the plant operating mechanically well, achieving the highest average KTMS feed rate to date, with significant performance improvement within the</p>

Date	Event
	<p>schoenite circuit. Flotation and solid / liquid separation were limiting factors which constrained overall plant operation. Month-to-date (as at 29 October), the plant has achieved KTMS feed throughput of 19,566 tonnes and SOP production of 502 tonnes.</p> <p>Financial: as at 28 October, A\$27.4m cash and A\$185.9m of drawn senior debt facilities with NAIF and KfW. Undrawn debt capacity is A\$2.4m under Facility A, provided by KfW, which is set aside for final commissioning payments, and \$20million under the Liquidity Facility provided by KfW and NAIF</p>
14 October 2022	<p><b>Beyondie SOP Mine Annual Resource &amp; Reserve Statement:</b></p> <p>Update on annual abstraction, Mineral Resources and Ore Reserves now incorporates 2.5 years of brine extraction history at Beyondie.</p> <p>Approximately 9 giga litres of brine has been extracted at a potassium grade of 9,140 mg/L as at the end of June 2022.</p> <p>Further drilling and sampling completed as part of the targeted expansion to the 120 ktpa SOP production target has yielded greater aquifer extent at Lake Sunshine and a marginal increase to overall potassium concentration</p> <p>This saw an overall increase in Beyondie Mineral Resources, including a 5.6% increase in Measured SOP Resources and 1.4% increase in Indicated SOP Resources as at 30 June 2022 (relative to the prior year and after abstraction depletion).</p> <p>Ore Reserves as at 30 June 2022 have decreased by 2.75% over the past year following incorporation of abstraction depletion.</p>
13 October 2022	<p><b>Appointed of Independent, Non-Executive Directors:</b> Appointment of Robert (Bob) Adam and Simon Wandke as independent non-executive directors of the Company.</p>
7 October 2022	<p><b>Cleansing Prospectus:</b></p> <p>On 18 August, the Company announced that it had received firm commitments for a two-tranche placement of 550 million Shares (Placement Shares) to institutional and sophisticated investors at A\$0.04 per Share to raise a total of A\$22 million (before costs) (Placement). The Placement comprises:</p> <p>Tranche 1: a placement of 177,256,832 Shares (Tranche 1 Placement Shares) to raise approximately A\$7.1 million utilising the Company's existing placement capacity pursuant to Listing Rule 7.1; and</p> <p>Tranche 2: a conditional placement of up to 372,743, 168 Shares (Tranche 2 Placement Shares) to raise approximately A\$14.9 million subject to shareholder approval which was obtained at the Company's general meeting on Monday, 3 October 2022.</p>
19 September 2023	<p><b>Supplementary Prospectus:</b> Kalium Lakes announced that it had received applications in excess of \$8 million under the 2022 SPP offer and, to accommodate the level of demand, the Company had determined to increase the size of the 2022 SPP offer to \$12 million. The 2022 SPP closed on 27 September 2022, with the Company announcing on 30 September 2022 that it had been oversubscribed, receiving eligible applications of \$16.2 million, which was scaled back to \$12 million (before costs).</p>
13 September 2022	<p><b>Beyondie SOP Plant Restarted:</b> SOP purification plant had restarted in-line with the targeted schedule, following an approximate four-week planned shutdown to perform key rectification and optimisation works. Further incremental plant optimisation was anticipated to occur alongside normal plant operations during coming months.</p>
18 August 2022	<p><b>Capital Raise:</b> Kalium Lakes announced that it had received firm commitments from investors for a two-tranche placement of fully paid ordinary shares to raise \$22 million</p>

Date	Event
	(before costs) (the "Placement") at a price of \$0.04 per share. The Company announced that its largest shareholder, Greenstone Resources and co-founder and director Brent Smoothy, respectively committed to subscribe for \$8 million and \$2 million under the Placement.
18 August 2022	<b>Debt Restructure:</b> The Company announced that it had entered into formal binding documentation with its senior lenders to restructure its existing debt arrangements including (but not limited to) a deferral of the commencement of all senior principal repayments under the project finance term facilities from March 2024 to March 2025, an extension to the final maturity date for the project finance term facilities to March 2040 and an extension to the maturity date for the existing and undrawn \$20 million liquidity facility to January 2026.

*Note: The above timeline is not inclusive of all Companies ASX announcements and board minutes. Its purpose is to provide creditors with a general overview of the timeline of events leading to our appointment as administrators.*

### 3.3. Statutory information

Statutory information in respect of each of the Companies extracted from ASIC's national database at the time of our appointment are contained in **Annexure A**:

- incorporation date
- registered office address
- principal place of business address
- company officers
- shareholders
- previous company name (if applicable)

Provided below is a list of the Top 10 largest registered ordinary shareholders of KLL as at the date of our appointment:

Registered Owner	Shares held	Description	Fully paid	% Issued Capital
Greenstone Resources II (Australia) Holdings L P	352,886,533	Ordinary Shares	Yes	17.4%
Greenstone Management (Delaware) II Llc	78,673,124	Ordinary Shares	Yes	3.9%
Kumarina Holdings Pty Ltd <Smoothy Investment A/C>	70,598,155	Ordinary Shares	Yes	3.5%
Hishenk Pty Ltd	41,000,000	Ordinary Shares	Yes	2.0%
Kumarina Holdings Pty Ltd <Vince Smoothy Family A/C>	39,839,800	Ordinary Shares	Yes	2.0%
Coola Station Pty Ltd <T C Ellis Family A/C>	33,783,179	Ordinary Shares	Yes	1.7%



Ps Super Nominee Pty Limited <Shadbolt Future Fund A/C>	32,245,278	Ordinary Shares	Yes	1.6%
Biga Nominees Pty Ltd <Executive Super Fund A/C>	22,009,226	Ordinary Shares	Yes	1.1%
Hsbc Custody Nominees (Australia) Limited	15,432,052	Ordinary Shares	Yes	0.8%
Citicorp Nominees Pty Limited	14,358,808	Ordinary Shares	Yes	0.7%
<b>Total</b>				<b>100%</b>

Source: Company Share Register

### 3.4. Registered security interests

A schedule of the registrations recorded against the Companies is provided at **Annexure B**.

The Companies entered into syndicated loan facilities involving Northern Australia Infrastructure Facility (NAIF) and KfW IPEX Bank. We understand that the loan is fully drawn and under the terms of the General Security Deed dated 14 November 2019 Westpac Administration Pty Ltd is the Security Trustee.

We note that each of the Companies have granted security over their assets in favour of Westpac Administration Pty Ltd on behalf of the syndicated lenders.

These securities are registered on the Personal Property Security Register in relation to each of the Companies. On 3 August 2023, Receivers and Managers have been appointed to the Companies pursuant to these securities.

As part of the Receivers and Managers role, they will undertake a detailed assessment of the registered security interests and any further PPSA claims received.

### 3.5. Winding up applications

At the date of our appointment, there was no outstanding winding up application against any of the Companies.

## 4. Historical financial position

This section provides a summary of the financial performance of the Companies on a consolidated basis during the period of FY20, FY21, FY22 and HY23.

Key takeaways		Ref.
1	The Companies prepared their accounts on a consolidated basis and appear to be in compliance with section 268 of the Act.	4.1
2	The Companies reported a loss for all periods under review from FY20 to HY23. This is not uncommon given that the Companies were in the development stage of their mine life and recorded its first commercial sales of Beyondie SOP in July 2022.	4.2
3	The Companies net asset position and working capital positions were positive as at 31 July 2023. This is primarily due to capitalisation of Capital works in progress to the balance sheet, and the Company retaining reasonable cash balances to satisfy short-term trade payables.	4.3

### 4.1. Preparation of financial statements

The Companies' financial statements were prepared up to 31 December 2022. RSM Australia audited the financial statements up to the half year ended 31 December 2022. At the time of our appointment, the financial accounts for FY23 had not yet been finalised. The Companies also prepared monthly management reports, weekly cash flows, budgets and various other reports to assist management with its reporting obligations and financial analysis.

At section 8.6 of this Report, we comment on the adequacy of the Companies' books and records.

## 4.2. Summary profit and loss

Set out below is a summary of the Companies' profit and loss statement for the period ending 30 June 2020, 30 June 2021, 30 June 2022 and half year ended 31 December 2022.

Consolidated Statement of Profit and Loss and Other Income				
	FY20(A)	FY21(A)	FY22(A)	HY23(A)
\$000s	30-Jun-20	30-Jun-21	30-Jun-22	31-Dec-23
<b>Revenue</b>				
Sales revenue	-	-	-	3,681
Other income	639	7,526	41	149
<b>Total revenue</b>	<b>639</b>	<b>7,526</b>	<b>41</b>	<b>3,830</b>
<b>Expenditure</b>				
Accounting and audit fees	(170)	(96)	(141)	(55)
Depreciation and amortisation expense	(746)	(922)	(2,693)	(1,382)
Directors and executive remuneration	(1,166)	(1,287)	(1,320)	(988)
Employee expenses	(3,227)	(1,038)	(1,424)	(860)
Finance costs	-	-	(9,520)	(8,280)
Foreign currency gain/(loss)	-	-	(8,756)	(1,966)
Legal fees	(4,617)	(1,002)	(604)	(339)
Operating expenses	-	-	(8,281)	(13,168)
Share based payment (credit)/expense	(244)	(94)	94	(60)
Other expenses	(1,923)	(3,710)	(3,945)	(3,104)
Site exploration expenditure	(6,798)	-	-	-
Asset impairments	-	-	-	(80,000)
Changes in inventory	-	-	-	4,099
Other expenditure	(641)	-	-	-
<b>Total expenditure</b>	<b>(19,531)</b>	<b>(8,149)</b>	<b>(36,589)</b>	<b>(106,103)</b>
<b>Net loss for the year from operations</b>	<b>(18,893)</b>	<b>(623)</b>	<b>(36,548)</b>	<b>(102,273)</b>
Basic and diluted loss per share (cents)	(4.71)	0.07	(3.45)	(6.32)

Source: Consolidated Companies Financial Statements

### Key observations:

- The Company incurred trading losses from FY20 to HY23, with the net losses mainly attributable to the Company recording no sales revenue between FY20 and FY22.
- The significant increase in sales revenue of \$3.7m in HY23 was a result of the Company recording its first commercial sales of Beyondie SOP in July 2022. Despite this, the Company still reported a net loss of \$102.3m in HY23 primarily due an \$80.0m asset impairment during the period (discussed further below).
- Operating expenses increased to \$8.3m in FY22 from \$0.0m the period prior, which can be directly related to the Company achieving its first SOP production in October 2021. In HY23, operating expenses of \$13.2m were recorded, primarily in relation to brine supply and evaporation pond assets that were considered installed and ready to use from 1 October 2021.
- In HY23, the Consolidated Entity determined that the carrying amount of a Cash Generating Unit (CGU) exceeded the fair value as at 31 December 2022 by \$80m and it was determined that it was appropriate to make an asset impairment adjustment of \$43.8m to capital work in progress and \$36.1m to mine properties - in production as at 31 December 2022. This worsened the net loss for the year, which would otherwise have been an improvement on FY22 by \$14.3m.

### 4.3. Summary balance sheet

Set out below is a summary of the Companies' consolidated balance sheets for the years ended 30 June 2020, 30 June 2021 and 30 June 2022, and half year ended 31 December 2022.

Consolidated Statement of Financial Position				
	FY20(A)	FY21(A)	FY22(A)	HY23(A)
\$000s	30-Jun-20	30-Jun-21	30-Jun-22	31-Dec-23
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	54,623	34,206	21,513	13,732
Trade and other receivables	1,595	1,034	358	181
Other assets	-	212	2,112	1,139
Inventory and raw materials	-	-	4,525	10,027
<b>Total Current Assets</b>	<b>56,218</b>	<b>35,452</b>	<b>28,508</b>	<b>25,079</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	6,828	15,957	3,373	5,243
Capital work in progress	118,958	258,757	168,065	139,904
Mine properties - in development	14,755	17,024	-	-
Mine properties - in production	-	-	165,027	130,595
Collateral for bank guarantees	-	610	610	685
Right-of-use assets	201	96	50	14
<b>Total Non-Current Assets</b>	<b>140,741</b>	<b>292,444</b>	<b>337,126</b>	<b>276,440</b>
<b>Total Assets</b>	<b>196,959</b>	<b>327,896</b>	<b>365,634</b>	<b>301,519</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and other payables	6,532	8,529	5,590	5,303
Lease liabilities	105	50	-	-
Borrowings	-	6,239	-	-
Provisions	209	338	606	567
<b>Total Current Liabilities</b>	<b>6,846</b>	<b>15,155</b>	<b>6,197</b>	<b>5,870</b>
<b>Non-Current Liabilities</b>				
Borrowings	50,473	159,153	179,080	180,849
Provisions	4,166	13,682	18,056	21,482
<b>Total Non-Current Liabilities</b>	<b>54,639</b>	<b>172,834</b>	<b>197,136</b>	<b>202,331</b>
<b>Total Liabilities</b>	<b>61,485</b>	<b>187,989</b>	<b>203,333</b>	<b>208,201</b>
<b>Net Assets</b>	<b>135,474</b>	<b>139,906</b>	<b>162,301</b>	<b>93,318</b>
<b>Equity</b>				
Contributed equity	179,615	184,671	243,613	276,843
Reserves	8,271	8,271	7,071	7,132
Accumulated losses	(52,412)	(53,036)	(88,383)	(190,656)
<b>Total equity</b>	<b>135,474</b>	<b>139,906</b>	<b>162,301</b>	<b>93,318</b>

Source: Consolidated Companies Financial Statements

#### Key observations:

- The Company's cash and cash equivalent declined year on year from \$54.6m (FY20) to \$13.7m (HY23) before declining further to \$3.2m and \$0.3m in June and July 2023 respectively (as per management accounts).
- Inventory consisted of Kainite Type Mixed Salt (KTMS), finished goods and consumables increased from \$4.5m as at 30 June 2022 to \$10.1m as at 31 December 2023 after successfully achieving first SOP production in October 2021.
- Despite the consolidated Companies maintaining a positive working capital balance from 30 June 2020 to 31 December 2023, the working capital balance deteriorated overall during this period. The decline in cash was the

primary driver of the deterioration in working capital, which was partially offset by the increase in inventory post October 2021. The Companies recorded a working capital ratio of 2.01 as at 31 December 2023.

- In FY21, the Companies recorded peak balances in both property, plant and equipment and Capital works in progress as result of large work undertaken on gas and pipeline & power station, purification plant, brine supply and ponds.
- The Companies reported its only current borrowings during the review period of \$6.2m in FY21, comprising of loans with KfW, KfW / Euler Hermes and NAIF. The Companies non-current borrowings have increased year-on-year from FY20 to HY23.
- As at 30 June 2022, Kalium Lakes had approximately \$21.5 million cash and \$179.1 million of drawn senior debt facilities with NAIF and KfW. Undrawn debt capacity is \$2.4 million under Facility A, provided by KfW, which is set aside for final commissioning payments.

#### 4.4. Summary – Cash Flow

Set out below is a summary of the Companies' consolidated statement of cash flows for the years ended 30 June 2020, 30 June 2021, 30 June 2022 and the half year ending 31 December 2023.

Consolidated Statement of Cash Flows				
	FY20(A)	FY21(A)	FY22(A)	HY23(A)
\$000s	30-Jun-20	30-Jun-21	30-Jun-22	31-Dec-23
<b>Operating activities</b>				
Receipts from customers/others	1,492	133	35	3,524
Interest received	-	65	11	149
Payments to suppliers and employees	(10,319)	(7,608)	(23,195)	(22,159)
Payments to site and exploration expenditure	(7,156)	-	-	-
Payment for mine development	(108,397)	-	-	-
Net cash used in operating activities	(124,381)	(7,409)	(23,150)	(18,485)
<b>Investing activities</b>				
Collateral given for bank guarantee	-	(610)	-	-
Payments for mine development	-	(132,785)	(37,758)	(11,527)
Interest paid	-	-	(5,316)	(4,204)
Interest received	363	-	-	-
Payment for site and exploration expenditure	-	(132)	(787)	(489)
Payments for property, plant and equipment	(1,791)	(431)	(1,914)	(2,521)
Net cash used in investing activities	(1,428)	(133,958)	(45,776)	(18,743)
<b>Financing activities</b>				
Proceeds from issue of shares	133,671	3,046	59,460	34,000
Share issue transaction costs	(7,416)	(79)	(2,350)	(771)
Proceeds from borrowings	49,671	118,645	4,526	-
Transaction costs related to borrowings	(10,898)	(195)	(5,221)	(3,698)
Repayment of borrowings	-	(411)	-	-
Repayment of lease liabilities	(64)	(55)	(50)	-
Collateral for bank guarantee	-	-	-	(75)
Net cash provided by financing activities	164,965	120,950	56,366	29,456
Net decrease in cash and cash equivalents	39,156	(20,417)	(12,560)	(7,772)
Cash and cash equivalents at beginning of the financial year	15,467	54,623	34,206	21,513
Effects of currency translation on cash and cash equivalent	-	-	(134)	(89)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>54,623</b>	<b>34,206</b>	<b>21,513</b>	<b>13,732</b>

Source: Consolidated Companies Financial Statements

Key observations:

- The Company recorded net cash outflows from FY21 to HY23 as a result of minimal receipts from customers with the company not recording its first sale of SOP until July 2023. Despite this, the decrease net cash declines year-on-year from FY21 to HY23.
- Despite recording net cash outflows from operating and investing activities in FY20, the Company recorded net cash inflows of \$39.2m primarily driven by a \$133.7m proceeds from the issue of shares.
- FY21's net cash outflow of \$134.0m used in investing activities was primarily a result of payments for mine development of \$132.8m.

## 5. Report on company activities and property and reasons for failure

This section provides a summary of the report on company activities and property (**ROCAP**) submitted by the Directors, together with the Director's explanation for failure of the Companies.

Key takeaways		Ref.
1	ROCAPs were received for all Companies and copies of the ROCAPs have been lodged with the ASIC.	5.1
2	Summaries of the ROCAPs for KLP and KLI are annexed to this Report.	Annexure C
4	The Administrators explanation of the failure of the Companies was challenges associated with the development of the Beyondie SOP Project, which resulted in additional costs being incurred.	5.4

### 5.1. Report on company activities and property

Section 438B of the Act requires directors to give an administrator a ROCAP about the business, property, affairs and financial circumstances for each company under Administration. A summary of the ROCAP's received from the Directors' is set out below:

Entity	Director	Received
Kalium Lakes Limited ACN 613 656 643	Cheryl Edwardes	14/08/2023
	Salvatore Lancuba	14/08/2023
	Robert Adam	14/08/2023
	Simon Wandke	14/08/2023
	Brent Smoothy	Not yet received
Kalium Lakes Potash Pty Ltd ACN 601 436 060	Cheryl Edwardes	14/08/2023
	Brent Smoothy	Not yet received
Kalium Lakes Infrastructure Pty Ltd ACN 631 042 450	Cheryl Edwardes	14/08/2023
	Brent Smoothy	Not yet received

We did not receive a signed ROCAP from Mr Smoothy, however on balance, if we received one, then the position outline will be the same and not materially different from the ROCAPs received from the other directors of the Companies.

A breakdown of assets and liabilities described in the Directors ROCAP's by company is shown below:

Entity within Group	KLL	KLP	KLI
<b>Assets</b>			
Bank accounts	✓	✓	✓
Crypto assets	-	-	-
Debtors	✓	✓	-
Motor vehicles	-	✓	-
Plant and equipment	-	✓	✓
Inventory	-	✓	-
Real property	-	-	-
Other assets	✓	✓	-
<b>Liabilities</b>			
Employees	-	✓	-
Creditors	✓	✓	✓

In the ROCAP, the Directors detailed each Companies' assets and liabilities at book value and ERV. This is summarised in Annexure C, along with the Administrators' ERV and comments.

The Administrators have not audited the Company's records or the book values. The ROCAPs and Administrators' ERVs should not be used to determine the likely return to creditors as a number of realisable values are based on the Company's records and remain subject to the review of the Administrators and, in particular:

- the Administrators are not in a position to confirm (or otherwise) certain asset values as they are commercially sensitive and are not disclosed in this report.
- the value of creditor claims remains subject to change as further claims may be received and require adjudication.
- the ROCAPs and Administrators' ERVs do not provide for possible trading income or expenditure incurred by Receivers and Managers, expenditure incurred by the Administrators in preserving, maintaining and realising the assets of the Companies or professional costs associated with the administration process.

Further detail on the estimated return to creditors from the administration is contained in **Section 10**.

## 5.2. Omissions from ROCAP

We have not identified any material omissions from the Directors' ROCAP.

## 5.3. Directors' opinions as to the reasons for failure

The Directors have provided their views on the affairs of the Companies and attribute the following reasons to their failure:

- The lenders (Westpac as security trustee for secured lenders NAIF and KfW) to Kalium Lakes Potash Pty Ltd declined to provide the final \$5.0m liquidity facility or any further funding in order to continue with the strategic sale process under control of the Board.
- The Board was then left with no choice but to put the Companies into Administration following which the secured creditors appointed Receivers and Managers on 3 August 2023.

## 5.4. Administrator's opinions as to the reasons for failure

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

1. 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 costs being incurred. This led to a funding shortfall and therefore a breach of existing debt covenants.



2. 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
3. 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. All of the EOIs indicated a DOCA would be involved in the sale execution, so on that basis the secured creditor determined to only provide additionally funding under a process ran by the Receivers and Managers and consequently without further funds being made available to the Companies, the Directors' appointed Voluntary Administrators.
4. The lenders (Westpac as security trustee for secured lenders NAIF and KfW) to Kalium Lakes Potash Pty Ltd declined to provide the final \$5.0m liquidity facility or any further funding in order to continue with the strategic sale process under control of the Board.

Consequently, the Directors resolved to appoint Administrators 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.

## 6. The Administration to date and sale of business process

This section provides an overview of the conduct of the Administration, including the trading of the business and the going concern sale process conducted by the Receivers and Managers.

Key takeaways		Ref.
1	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.	6.1
2	The Administrators have undertaken activities limited to their role; including preserving the Companies corporate structure whilst the Receivers and Managers conducted their marketing and sale process.	6.2
3	The outcome of the sale process is that two final (2) offers were received, only one of which was capable of completion in the time required which culminated in a SSA and DOCA proposal from Agrimin Limited for KLP and KLI (which is discussed further in Section 7).	6.2

### 6.1. The business at commencement of the Administration

Immediately after the appointment of Administrators, Receivers and Managers were appointed and they assumed control of the Companies business. The Receivers and Managers remain in control of the business and assets of the Companies as provided under the terms of the security provided by the Companies to the secured lender and have provided us with the following trading update:

- Since appointment of the Receivers and Managers, Kalium has continued to trade on a business as usual basis which has involved retaining all staff members to undertake their normal activities.
- Given the limited funds available to conduct the receivership, the Receivers explored third party funding arrangements and ultimately entered into a loan facility for \$14m to ensure adequate funds remained until the anticipated completion of a transaction.
- Operations during the receivership has included ongoing harvesting activities, plant processing of Sulphate of Potash (**SOP**), completion of process improvement works (such as the commissioning of the R10 heat exchanger to assist with sustained production), continued production and distribution of SOP to customers and other normal operational tasks.
- Approximately 896 tonnes of SOP have been produced throughout the receivership period.
- The Receivers and Managers implemented trading controls and worked with the Companies' employees and major suppliers to keep the business operating. The objective of continued trading was to preserve the business as a going concern whilst the Receivers continued with the marketing and sale process for the restructure or recapitalisation of the Companies previously commenced in June 2023.
- All insurance policies have been maintained throughout the receivership period.
- The Receivers have maintained a presence at the Beyondie site and head office in Balcatta to assist with ongoing trading throughout the receivership.
- Following the execution of the SSA with Agrimin (as detailed further below), they also commenced steps to transition the Beyondie operations to a state of care and maintenance, in preparation for a handover to Agrimin.

Given the Receiver and Managers appointment, the Administrators role has been limited to the following activities:

- liaised with the Receivers and Managers as to the status of the business and sale process;
- fielded enquiries from potential purchasers regarding their intention to submit a DOCA proposal for any (or all) of the Companies;
- obtained copies of the Companies books and records;

- liaised with the Directors and key management personnel as required;
- conducted investigations and sought Court Orders where appropriate in regard to the extension of the convening period;
- corresponded with employees (as applicable) and unsecured creditors including reviewing the claims submitted / creditor proofs of debts;
- communications with shareholders; and
- held the first meeting of creditors, preparing this report to creditors and convening the Second Meeting of Creditors to be held on 4 October 2023.

## 6.2. The sale of business process

### Process conducted by the Directors

A sale of business process was commenced on 20 June 2023 when the Companies engaged Argonaut to explore a sale or recapitalisation of Kalium. Kalium's senior lenders had provided a liquidity facility of \$20m, of which \$10m had been drawn by 20 June 2023. Kalium's agreement to commence a sale/recapitalisation process was a condition of lenders allowing a further drawdown of \$5m against the liquidity facility.

Argonaut commenced a campaign to identify and contact parties that might have an interest in a sale or investment. As part of that process, Argonaut engaged with the secured lenders and their advisors to supplement the list of interested parties.

An information memorandum (**IM**) was prepared and distributed to interested parties that executed a non-disclosure agreement. The secured lenders and their advisors also had some input into the content of the IM to ensure that a wide range of potential transactions (including equity injection, asset sale, debt acquisition, share sale effected by way of Deed of Company Arrangement etc) were expressly contemplated in the IM.

Interested parties were also provided access to a data room which contained details of recent and forecast operational and financial performance, key contracts and other information necessary to progress their due diligence enquiries. That process resulted in the following:

- Argonaut identified 116 prospective parties and sought to initiate contact via phone and email.
- Of these, 27 expressed an interest in considering an acquisition or investment in the project and 21 parties executed a non-disclosure agreement to gain access to the IM and data room.
- 19 parties actively engaged in accessing and downloading material from the data room and participated in discussions with Argonaut.
- 9 parties participated in management Q&A sessions.

Following the deadline for receipt of NBIOs elapsing, by 3 August 2023 (being the date that the Administrators and Receivers and Managers were appointed), the following expressions of interest had been received:

- 1 conforming NBIO subject to further due diligence; and
- 4 written expressions of interest or non-conforming offers that were subject to further consideration and due diligence.

At this stage (in July 2023), the Companies had exhausted the \$5m of liquidity funding advanced by the secured lenders and required additional funding to progress the sale process (and to continue to trade).

All the expressions of interest made it clear that the pathway to executing a transaction would likely involve a DOCA and therefore a voluntary administration appointment.

On that basis, the secured lenders determined to provide any further funding seeking to complete a transaction only via a process led by Receivers and Managers rather than a continuation of the company led process. Without further funds being made available to the company, the directors appointed voluntary administrators.

### Process conducted by the Receivers and Managers

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 original timetable for the sale process undertaken by the Receivers and Managers is summarised below:

Item	Dates
Commencement of the Receivership Sale process and Shortlisted Parties notified	Week beginning 7 August 2023
Shortlisted Party Site Visits	Week beginning 14 August 2023
Due dates for final offers	5pm (AWST), Friday 25 August 2023
Selection of exclusive party	Week beginning 28 August 2023
Transaction completion (likely via a DOCA)	15 days post creditor approval expended mid to late October 2023.

The Receivers and Managers have also provided us with the following update in relation to the sale process:

- Following on from the sale process commenced in June 2023, shortlisted parties were notified of the receivership sale process and the revised timetable.
- The Receivers and Managers facilitated a number of site visits by six (6) shortlisted parties to progress their due diligence.
- One (1) bidder lodged a compliant bid by the due date, with a further two parties continuing their due diligence. The remaining parties withdrew from the process.
- Noting the ongoing material trading losses being incurred and the limited funding position of the Receivers, no additional time could be reasonably granted to other parties to complete their due diligence in circumstances where they were not prepared to pay a deposit or commit to a timetable and hence there was no certainty of an outcome even if this time was granted.
- Accordingly, and having undertaken an exhaustive, worldwide process with the assistance of expert corporate advisors, the Receivers and Managers nominated Agrimin Ltd as the preferred party and ultimately entered into an exclusivity period with them to facilitate the finalisation and execution of all transaction documents.
- The process ended with an SSA which was executed with the successful bidder, Agrimin on 20 September 2023.

The key elements of the SSA is summarised for creditor's benefit:

Key element	Detail
Date of document	20 September 2023
Purpose of the SSA	To acquire the shares of KLP and KLI from KLL
Parties to the SSA	Agrimin, The Receivers and Managers and KLL
Consideration	\$15m at completion; plus \$5m when Agrimin undertakes a capital raising for the purpose of restarting the Beyondie operations; plus pass through to the Receivers of all R&D tax refunds for FY22 and FY23 (estimated to be valued at up to \$25m)

Key element	Detail
Key operational terms	The SSA provides for (amongst other things):
	<ul style="list-style-type: none"> <li>– The removal of certain encumbrances including PPSR registrations</li> <li>– The assignment of all material contracts as required.</li> <li>– The secured creditors releasing their security over KLP and KLI in exchange of the Consideration</li> <li>– It also incorporates a DOCA, which permits 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</li> <li>– With effect on and from 2 October 2023 (Funding Commencement Date) and until the first to occur of Completion or termination of this Agreement, the Purchaser shall pay the pre-completion costs and expenses of the care and maintenance of the Project in accordance with the C&amp;M Budget.</li> </ul>
Completion	On or around 2 November 2023

## 7. Proposal for DOCA

On 20 September 2023, a DOCA proposal was received from Agrimin Limited. The terms of the DOCA proposal are summarised herein.

Key takeaways		Ref.								
1	We have received from Agrimin a proposal for DOCAs to be entered into for KLP and KLI.	7.1								
2	The purpose of the DOCA is to provide a fund which will enable a distribution to KLP and KLI creditors and will facilitate a cleansing of the entities respective balance sheets, allowing KLP and KLI to continue as a going concern under a new board of directors under the direction of Agrimin.	7.2								
	Following execution of the proposed DOCA, 2 Creditors Trusts will be established. The creditors (including terminated employee claims) of KLP and KLI will be transferred to the respective Creditors' Trust, along with the Deed fund which is 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.									
	Priority employee claim will be paid in 100 cents in the \$ and under the DOCA, they are afforded a priority claim over unsecured creditors.									
	Combined funds of up to \$250k will be available to meet the claims of unsecured creditors of KLP and KLI and it is estimated that unsecured creditors will therefore receive a dividend of approximately 5 cents in the \$.									
3	The anticipated return to creditors/beneficiaries under the DOCA will be:	7.2								
	<table><tr><th>Creditor class</th><th>Estimated dividend rate (cents in the \$)</th></tr><tr><td>Secured Creditor</td><td>Payment under the SSA</td></tr><tr><td>Employees</td><td>100c/\$</td></tr><tr><td>Unsecured Creditors</td><td>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</td></tr></table>		Creditor class	Estimated dividend rate (cents in the \$)	Secured Creditor	Payment under the SSA	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
	Creditor class	Estimated dividend rate (cents in the \$)								
	Secured Creditor	Payment under the SSA								
	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									

### 7.1. Proposal received

We received a DOCA proposal for KLP and KLI from Agrimin on 20 September 2023. In summary, the DOCA proposal provides for:

- 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;
- The DOCA allows 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 Agrimin;

- Priority employee claim will be paid in 100 cents in the \$ and under the DOCA, they are afforded a priority claim over unsecured creditors.
- 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 \$.

We consider that the proposed DOCA complies with section 25.6.6 of the Code.

At the date of this Report, we have been provided with the proposed DOCA term sheet. Should copies of the full draft DOCAs and the full draft Creditors Trust Deeds be available prior to the Second Meeting, they will be made available for inspection from the KPMG website (<https://kpmg.com/au/en/home/creditors/kalium-lakes.html>).

## 7.2. Key features of the proposal

The proposed DOCA term sheet as received from Agrimin is shown below:

1.	<b>Companies</b>	Kalium Lakes Potash Pty Ltd (receivers and managers appointed) (administrators appointed) ACN 601 436 060 and Kalium Lakes Infrastructure Pty Ltd (receivers and managers appointed) (administrators appointed) (ACN 631 042 450) (each a <b>Company</b> and together the <b>Companies</b> ) are the entities that are proposed to each be the subject of a DOCA.
2.	<b>Administrators</b>	Matthew Woods, Clint Joseph and Martin Jones of KPMG.
3.	<b>Appointment Date</b>	3 August 2023.
4.	<b>Proponent</b>	The proponent of each DOCA is Agrimin Limited ( <b>Proponent</b> ).
5.	<b>Purpose of proposal</b>	<p>The purpose of this proposal is to articulate the material terms of the DOCA that the Proponent proposes in respect of each Company and which the Proponent requires the Administrators to present to meetings of Creditors of the Companies that are scheduled to be held pursuant to section 439A of Act.</p> <p>The proposed DOCA for each Company is intended to satisfy the objects of Part 5.3A of the Act, including to achieve better outcomes for the respective creditors of the Companies, compared to the expected outcome were the Companies to be wound up.</p> <p>The proposal for each DOCA is inter-dependent on the other DOCA – each Company must accept and execute its relevant DOCA, failing which, the proposal in respect of each other DOCA falls away.</p>
6.	<b>Key terms of the Deeds of Company Arrangement</b>	<p>In accordance with this proposal, each DOCA will contain the following key terms:</p> <p>(A) Simultaneously with SSA Completion the Proponent will pay to the Deed Administrators a portion of the purchase price payable by the Proponent under the SSA, which KLL (as vendor under the SSA) (acting by its Receivers) has irrevocably directed the Proponent to pay to the Deed Administrators of each DOCA in two separate parts (one for each Company and DOCA) (each a <b>Contribution</b> and together the <b>Contributions</b>), so that such Contribution is available for distribution to Creditors under the relevant DOCA (each a <b>Deed Fund</b>). The amount of each Contribution is to be specified by the Receivers prior to this</p>

		<p>proposal being put to the relevant Creditors for their consideration and will comprise for each Company (i) an amount to enable priority creditors of that Company under sections 556, 560 and 561 of the Act to be paid in full and (ii) a fixed amount (which when added to the fixed amount for the other Company does not exceed \$250,000), to be distributed to other Admitted Creditors and paid on a pro-rata basis, which is estimated to be the equivalent of approximately 5% of known Claims (to not exceed \$250,000 across the Companies), provided always that the amount of each Contribution is to be an amount that enables the Administrators to recommend the proposal be accepted by the relevant Creditors.</p> <p>(B) At the direction of the Receivers, each Company will contribute the Receivers Contribution to the relevant Creditors' Trust Fund upon commencement of that Creditors' Trust.</p> <p>(C) The Receivers will retain an amount of each Company's money for the purposes of paying outstanding costs, expenses and liabilities in relation to the receivership of that Company.</p> <p>(D) No other assets of the Companies or otherwise will be available for distribution to Creditors under the DOCAs or the Creditors' Trusts.</p> <p>(E) Each Creditors' Trust Fund will be available for distribution to the Admitted Creditors of the applicable Company under that Creditors' Trust in accordance with a priority waterfall which mirrors the statutory priority waterfall, as set out in item 13 below.</p> <p>(F) The DOCAs will be interdependent with the SSA to be entered into between the Proponent (or related body corporate) as purchaser and KLL as seller, in respect of the shares in KPL and KPI.</p> <p>(G) The DOCAs will each be effectuated upon compliance with the condition in clause 8(ii) below and payment of the Contributions to the Deed Administrators at SSA Completion. At that time, each Creditors' Trust will be formed (with the Creditors' Trust Fund paid to the trustees of that trust) and Admitted Creditors will have rights to receive distributions as beneficiaries under that trust (in the same order of priority as applies under each DOCA).</p> <p>(H) Each Company will cease to comply with and will not perform any Pre-Administration Contracts (other than Excluded Contracts), and will treat all Pre-Administration Contracts (other than Excluded Contracts) as coming to an end.</p> <p>(I) All Claims against each Company will be released upon the DOCAs being effectuated and the Creditors' Trusts being established, including any Claims relating to Pre-Administration Contracts.</p>
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		(J) The Proponent may specify certain eligible employee creditors to be Continuing Employees, in which case their Claims will be Excluded Claims, such that those Excluded Claims will continue against the relevant Company and will not be released by the DOCAs.
7.	<b>Proposed Deed Administrators</b>	Matthew Woods, Clint Joseph and Martin Jones of KPMG.  The Proposed Deed Administrators are also the proposed Trustees of each Creditors' Trust ( <b>Trustees</b> ).
8.	<b>Commencement date for the DOCA and condition to effectuation regarding Pre-Administration Contracts</b>	(i) The commencement date is the date of execution of the DOCAs contemplated by this proposal.  (ii) At least three business days prior to the Tranche 2 Meeting Date (or such shorter period as is agreed by the Proponent), the Administrators must (a) give written notice to the counterparties to all Pre-Administration Contracts (other than the Excluded Contracts) that those contracts are terminated and/or that the relevant Company will cease to comply with, and will not perform its obligations under and treat such Pre-Administration Contracts at an end and all related Claims will be released and extinguished by the relevant DOCA, and (b) deliver to the Proponent a notice in the terms set out in Schedule 2 to this proposal.
9.	<b>Property of the Companies available for distribution</b>	The property of each Company available for distribution to Creditors pursuant to each Creditors' Trust, to pay the relevant Admitted Claims, will constitute each Creditors' Trust Fund (being, in each case, the sum of the relevant Contribution and Receivers Contribution).
10.	<b>Moratorium under the DOCA</b>	During the period of operation of each DOCA, the moratoria in sections 440A, 440D, 440F and 444E of the Act will apply to all Creditors and members of each Company.
11.	<b>Release of Claims</b>	Upon and subject to effectuation of each DOCA, all Claims against each Company will be released and extinguished in full, in consideration for the Admitted Creditors becoming beneficiaries under the relevant Creditors' Trust.
12.	<b>Termination of DOCAs</b>	Each DOCA will continue in operation until it is terminated: <ul style="list-style-type: none"> <li>• upon its effectuation as set out in this proposal (see clause 19 below);</li> <li>• by an order of the Court under section 445D of the Act;</li> <li>• by a resolution of the Creditors at a meeting convened under Division 75 of Schedule 2 to the Act; or</li> <li>• if the SSA is terminated in accordance with its terms.</li> </ul> <p>In addition, the DOCAs being inter-dependent, if one DOCA is terminated then the remaining DOCA will be deemed to terminate at the same time and in the same manner.</p>

13.	<b>Order of distribution of the Creditors' Trust Fund</b>	<p>Subject to the below provisions, distributions from each Creditors' Trust Fund (under the Creditors' Trust, once formed) are to be made to the respective Creditors of each Company:</p> <p>(A) in accordance with the priorities set out in section 556, 560 and 561 of the Act;</p> <p>(B) then otherwise equally and rateably to all Admitted Creditors who do not enjoy priority under section 556, in accordance with section 555 of the Act.</p> <p>The Proponent, KLL and the Companies (in respect of any Claim against the other Company) will not receive any distributions from any DOCA or any Creditors' Trust Fund (or from any Creditors' Trust).</p>
14.	<b>Prescribed Provisions</b>	Except to the extent that they are inconsistent with the terms of the DOCAs, the provisions of Schedule 8A of the Regulations will apply to each DOCA.
15.	<b>Priority to eligible employee creditors</b>	Each DOCA will contain a provision as contemplated by s444DA of the Act.
16.	<b>Superannuation contribution debts</b>	<p>Pursuant to section 444DB of the Act, for each DOCA (and the related Creditors' Trust), the Deed Administrators (and trustees of the Creditors' Trust) must determine that the whole, or any particular part, of a debt by way of superannuation contribution is not admissible to proof if a debt by way of superannuation guarantee charge:</p> <p>(1) has been paid;</p> <p>(2) is, or is to be, admissible to proof; and</p> <p>(3) the Deed Administrators (or trustees of the Creditors' Trust, as applicable) are satisfied that the superannuation guarantee charge is attributable to the whole, or that part, of the first-mentioned debt.</p>
17.	<b>Secured creditors, and owners/ lessors of property</b>	<p>The DOCAs will not release:</p> <p>(1) any security held by a Creditor of a Company in respect of any Claim,</p> <p>(2) any security interest validly and effectively held by an owner or lessor in property of any Company,</p> <p>(3) without limiting (1) or (2), any Excluded Claims.</p>
18.	<b>Control of the Company</b>	<p>(1) Prior to effectuation of the DOCA:</p> <ul style="list-style-type: none"> <li>the Proponent will advise the Deed Administrators of the names of the persons to be appointed directors of KLP and KLI (<b>New Directors</b>); and</li> <li>the Deed Administrators will remove the existing directors of KLP and KLI and appoint the New Directors.</li> </ul>

		(2) Stewardship of each Company will return to its directors upon effectuation of the DOCAs.
19.	<b>Effectuation of DOCA – Contribution of Creditors' Trust Fund and creation of Creditors' Trust</b>	<p>Upon:</p> <p>(a) compliance with the condition in clause 8(ii) above, concerning Pre-Administration Contracts; and</p> <p>(b) payment of the Contributions by the Proponent, simultaneously with SSA Completion;</p> <p>the following will immediately and automatically occur (and each DOCA will provide accordingly) (with these events to be interdependent):</p> <p>(1) the Deed Administrators and the Companies will create the Creditors' Trusts;</p> <p>(2) the Deed Administrators will transfer the Contribution in respect of each Company to the trustees of the relevant Creditors' Trust (on trust for the beneficiaries of that trust);</p> <p>(3) the Receivers will transfer the balance of the Receivers Contribution in respect of each Company to the trustees of the relevant Creditors' Trust (on trust for the beneficiaries of that trust);</p> <p>(4) the DOCAs will then be fully effectuated and the Deed Administrators will publish notices to that effect under s445FA of the Act; and</p> <p>(5) the shares in KLP and KLI will be transferred to the Proponent free of any encumbrances in accordance with the SSA.</p>
20.	<b>Release of Finance Parties</b>	<p>Under the DOCAs, the Companies will release all or any Claims against:</p> <p>(1) KLL;</p> <p>(2) the Agent;</p> <p>(3) the Security Trustee;</p> <p>(4) the Lenders and each other Finance Party (each as defined in the Facility Agreements),</p> <p>arising from or in connection with any event that occurred prior to the Commencement Date.</p>
23.	<b>Receivers</b>	<p>(1) For the avoidance of doubt, Receivers have power to deal with stockpile, cash and receivables of each Company until the earlier of such time as the Security Trustee Claims are satisfied in full or their retirement or (in the case of KLP and KLI), SSA Completion.</p> <p>(2) The Receivers' rights are to be expressly preserved under each DOCA pending SSA Completion.</p>
24.	<b>Administrators' and Deed Administrators' remuneration</b>	The Administrators and Deed Administrators (and the trustees of the Creditors' Trusts) will be remunerated out of the relevant Contribution and to the extent necessary the relevant Creditors' Trust Fund for their services at their usual

		hourly rates in accordance with Division 60 of Schedule 2 to the Act, subject to a total maximum for the Administrators and Deed Administrators (combined) to be agreed by the Receivers, Administrators and Proponent (prior to this Proposal being put to Creditors).
25.	<b>Administrators' lien</b>	For the avoidance of doubt, the Administrators' lien is subject to the Security Trustee Claims and the Receivers' lien. The Administrators' rights are limited to the DOCA Fund, the Creditors' Trust and the administration of claims in respect of both.
26.	<b>Variation of DOCAs</b>	Each DOCA may only be varied by a resolution passed at a meeting of the Creditors of the relevant Company convened in accordance with Division 75 of Schedule 2 to the Act, but only if: (a) the variation is not materially different from a proposed variation set out in a notice of meeting and (b) the same variation is made by resolution to the other DOCA .
27.	<b>Governing law</b>	This proposal and any DOCA (together with any Creditors' Trust) are governed by the laws of Western Australia.
28.	<b>Dictionary</b>	<p>In this proposal:</p> <p><b>Act</b> means the <i>Corporations Act 2001</i> (Cth).</p> <p><b>Admitted Claim</b> means, in relation to each Company, a Claim against that Company that is admissible to proof by the Deed Administrators under the relevant DOCA (or by the trustees of the relevant Creditors' Trust).</p> <p><b>Admitted Creditor</b> means a Creditor who has (or who is entitled to have) an Admitted Claim.</p> <p><b>Agent</b> means Westpac Banking Corporation ABN 33 007 457 141.</p> <p><b>Appointment Date</b> has the same meaning as defined in clause 3 of this proposal.</p> <p><b>Claim</b> means any claim, cost, damages, debt, income, expense, tax, royalty, liability, loss, obligation, allegation, suit, action, demand, cause of action, proceedings, or judgment of any kind however calculated or caused, howsoever arising in law or equity and whether direct or indirect, future, contingent, consequential, incidental or economic, the circumstances giving rise to which occurred or arose before the Appointment Date, or which would be admissible to proof in a winding up, and includes (without limitation):</p> <ol style="list-style-type: none"> <li>(1) any claim of any kind whatsoever under or relating to a Pre-Administration Contract including without limitation any claim for damages or loss in connection with a Company's failure to comply with or perform, or termination or repudiation of, a Pre-Administration Contract (whether or not any such failure, termination or repudiation occurred before or after the Appointment Date);</li> <li>(2) any residual unsecured claim held by a Secured Creditor following realisation of its security;</li> </ol>

		<p>(3) any Claim arising from the carrying on of the business and operations of a Company or from any “care and maintenance” program implemented by the Receivers in relation to a Company's mining operations at the Project,</p> <p>but does not include any Excluded Claim.</p> <p><b>Continuing Employee</b> means any eligible employee creditor whose employment with a Company is agreed by the Proponent to continue following SSA Completion.</p> <p><b>Contribution</b> has the meaning given in clause 6.</p> <p><b>Creditor</b> means in relation to each Company, a person who has a Claim against that Company.</p> <p><b>Creditors’ Trust</b> means, in relation to each Company, a trust to be entitled the “Kalium Lakes Trust” (or another title agreed by the Deed Administrators and the Proponent), pursuant to which:</p> <p>(1) the Deed Administrators as trustees for each Creditors' Trust Fund will hold that Creditors' Trust Fund as the trust estate, on trust for the beneficiaries described below;</p> <p>(2) persons who were, or were entitled to be, (immediately prior to the effectuation of the relevant DOCA) Admitted Creditors under that DOCA will be beneficiaries under the corresponding Creditors' Trust;</p> <p>(3) the beneficiaries will have interests in the relevant trust estate commensurate with their entitlements to participate as Admitted Creditors under the corresponding DOCA.</p> <p><b>Creditors' Trust Fund</b> is, for each Company, the sum of the Deed Fund and the Receivers Contribution in respect of that Company.</p> <p><b>Deed Fund</b> is, for each Company, the amount of the Contribution paid by the Proponent in respect of that Company.</p> <p><b>DOCA</b> means in relation to each Company, a Deed of Company Arrangement for that Company in accordance with Part 5.3A of the Act.</p> <p><b>eligible employee creditor</b> has the meaning given to that term in the Act.</p> <p><b>Excluded Contract</b> means any contract entered into by a Company as described in (or specified by the Proponent in accordance with) Schedule 1 to this proposal.</p> <p><b>Excluded Claim</b> means any Security Trustee Claim or any Claim of a Continuing Employee.</p> <p><b>Facility Agreements</b> means the:</p> <p>(1) the Syndicated Facility Agreement between, amongst others, KLP as borrower, KLL, KLI, the Agent and the Security Trustee originally dated 14 November 2019 and amended and restated from time to time including most recently on 24 February 2023;</p>
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		<p>(2) the Facility Agreement between, amongst others, KLI as borrower, KLL, KLP, the Agent and the Security Trustee originally dated 14 November 2019 and amended and restated from time to time including most recently on 24 February 2023; and</p> <p>(3) the Liquidity Facility Agreement between, amongst others, KLP as borrower, KLL, KLI, the Agent and the Security Trustee originally dated 14 November 2019 and amended and restated from time to time including most recently on 24 February 2023.</p> <p><b>Group</b> means KLL, KLP and KLI.</p> <p><b>KLI</b> means Kalium Lakes Infrastructure Pty Ltd ACN 631 042 450 (Receivers and Managers Appointed) (Administrators Appointed).</p> <p><b>KLL</b> means Kalium Lakes Ltd ACN 613 656 643 (Receivers and Managers Appointed) (Administrators Appointed)</p> <p><b>KLP</b> means Kalium Lakes Potash Pty Ltd ACN 601 436 060 (Receivers and Managers Appointed) (Administrators Appointed).</p> <p><b>Project</b> means Beyondie Sulphate of Potash project developed and operated by the Group in Western Australia.</p> <p><b>Pre-Administration Contract</b> means any contract (written or unwritten) (executed or executory) of any kind whatsoever entered into by a Company before the appointment of the Administrators.</p> <p><b>Receivers</b> means Robert Conry Brauer, Robert Michael Kirman and Jason Preston in their capacity as joint and several receivers and managers of (and agents of) the Companies.</p> <p><b>Receivers Contribution</b> means, in respect of each Company, the following amounts of property of that Company held by the Receivers (as agents for that Company) in the course of their receivership of that Company:</p> <p>(1) surplus cash;</p> <p>(2) proceeds of sale from any shipments of product from the Project;</p> <p>(3) proceeds of sale of any stockpiles at the Project,</p> <p>after payment in full of:</p> <p>(4) any outstanding remuneration, costs, expenses and liabilities of the Receivers (and, if applicable, the Administrators).</p> <p><b>Regulations</b> means <i>Corporations Regulations 2001</i> (Cth).</p> <p><b>related body corporate</b> has the meaning given to that term in the Act.</p> <p><b>Secured Creditor</b> means any Creditor who has valid and effective security from one or more of the Companies for its Claim against one or more of the Companies.</p> <p><b>security</b> means any security interest or encumbrance of any kind whatsoever, howsoever arising, and includes (without limitation) a security interest registrable under the <i>Personal Property Securities Act 2009</i> (Cth).</p>
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		<p><b>Security Trustee</b> means Westpac Administration Pty Limited ABN 67 008 617 203 in its capacity as trustee of the Beyondie SOP Security Trust as security trustee.</p> <p><b>Security Trustee Claims</b> means all Claims made by the Security Trustee under the Facility Agreements and the subject of the notice of demand to the Companies dated 3 August 2023, together with all costs, interest and other accumulations pursuant to the Facility Agreements and related finance documents.</p> <p><b>SSA</b> means the Share Sale Agreement entered into between the Proponent as purchaser and KLL as seller (acting by its Receivers and Managers), in respect of all of the shares in KLP and KLI and any other assets of KLL relevant to the Project (as may be agreed by the parties to the SSA).</p> <p><b>SSA Completion</b> means completion of the sale and purchase of shares and any other assets under the SSA.</p> <p><b>Tranche 2 Meeting Date</b> means the date on which the shareholders of the Proponent are to meet to consider a resolution to approve a share placement in accordance with the ASX Listing Rules as contemplated by the SSA.</p>
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The DOCA proposal provides for the creation of two (2) separate Creditors' Trust to be named the 'Kalium Lakes Trust', (or another title agreed by the Deed Administrators and the Proponent). The key features of the proposed Creditors' Trusts are as follows:

Item	Information for creditors
Reason	<p>The purpose of the Creditors' Trust will be to enable certain tasks ordinarily undertaken by deed administrators (including but not limited to, the calling for and adjudication upon the claims of unsecured creditors) to be performed by the Trustees of the Creditors' Trust</p> <p>This is done to facilitate the early termination of the DOCAs, so that the KLP and KLI avoid having to trade 'subject to DOCA', which may adversely impact upon their ability to acquire goods and services and obtain credit.</p> <p>This would also be consistent with the expectations of Proponent for the potential trading resumption with viable business assets.</p> <p>The DOCA allows 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.</p>

Item	Information for creditors								
Key events	<p>Under the terms of the DOCA proposal, a number of key events will occur, including:</p> <ul style="list-style-type: none"> <li>(a) A concurrent Second Meeting of Creditors of KLP and KLI has been convened for Wednesday, 4 October 2023 to consider the DOCA proposal for the restructure of the KLP and KLI;</li> <li>(b) Assuming creditors approve the DOCA proposal, execution of the DOCA is ordinarily required to take place within 15 business days (by statute) of approval by creditors, i.e. by Wednesday, 25 October 2023;</li> <li>(c) The DOCA contemplates that completion of the conditions precedent and payment of the DOCA Contribution on or around end October 2023 / early November 2023.</li> <li>(d) The Effectuation of the DOCA is expected to be completed on or around the same time as the completion of the SSA, which is scheduled for early November 2023.</li> </ul> <p>Creditors must note that if either creditors do not approve the proposed restructure or the conditions precedent under the DOCA are not met then the Deed Administrators may elect to convene a meeting of creditors to vary or terminate the DOCA.</p>								
Return	<p>The DOCA allows 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.</p> <p>Priority employee claim will be paid in 100 cents in the \$ and under the DOCA, they are afforded a priority claim over unsecured creditors.</p> <p>A combined fund of up to \$250k will be available to meet the claims of unsecured creditors of KLP and KLI and it is estimated that unsecured creditors will receive a dividend of approximately 5 cents in the \$.</p> <p>As a result, the anticipated return to creditors/beneficiaries under the DOCA will be:</p> <table> <tr> <th>Creditor class</th><th>Estimated dividend rate (cents in the \$)</th></tr> <tr> <td>Secured Creditor</td><td>Payment under the SSA</td></tr> <tr> <td>Employees</td><td>100c/\$</td></tr> <tr> <td>Unsecured Creditors</td><td>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</td></tr> </table>	Creditor class	Estimated dividend rate (cents in the \$)	Secured Creditor	Payment under the SSA	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
Creditor class	Estimated dividend rate (cents in the \$)								
Secured Creditor	Payment under the SSA								
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								
Trustee particulars	<p>The Trustees of the Creditors' Trust are proposed to be Martin Jones, Clint Joseph and Matthew Woods of KPMG. Details of their skills and experience are available on the KPMG website. KPMG has in place appropriate insurance coverage for the proposed work to be performed.</p>								



Item	Information for creditors
Remuneration	<p>The Administrators and Deed Administrators (and the trustees of the Creditors' Trusts) will be remunerated out of the relevant Contribution and to the extent necessary the relevant Creditors' Trust Fund for their services on a time incurred basis calculated at rates set down by KPMG Restructuring from time to time. A scale of our current hourly rates is included in the Remuneration Approval Request Report (<b>Annexure G</b>)</p> <p>This amount is subject to a total maximum for the Administrators and Deed Administrators (combined) to be agreed by the Receivers, Administrators and Proponent</p> <p>The estimated fees likely to be incurred under the DOCA and a Creditors' Trust are estimated at \$115,000 (plus GST) for KLP and \$10,000 (plus GST) for KLI</p>
Indemnities	<p>It is expected that the Trustees of the Creditors' Trust will be entitled to be indemnified out of, and will have a lien over, the funds in the Creditors' Trust for their remuneration, costs and expenses incurred in adjudicating upon proofs of debt of creditors and distributing the funds in the Creditors' Trust.</p> <p>For the avoidance of doubt, the Administrators' lien is subject to the Security Trustee Claims and the Receivers' lien. The Administrators' rights are limited to the DOCA Fund, the Creditors' Trust and the administration of claims in respect of both.</p>
Powers	<p>The powers of a deed administrator are as set out in the DOCA and also sections of the Act, to the extent that they are applicable.</p> <p>Trusts are not governed by the Act and therefore the powers of trustees are also outside of the Act. Their powers are provided by the general law and the Trustees Act of Western Australia.</p>
Claims	<p>Distributions from each Creditors' Trust Fund (under the Creditors' Trust, once formed) are to be made to the respective Creditors of each Company in the following manner</p> <ul style="list-style-type: none"> <li>• in accordance with the priorities set out in section 556, 560 and 561 of the Act;</li> <li>• then otherwise equally and rateably to all Admitted Creditors who do not enjoy priority under section 556, in accordance with section 555 of the Act.</li> </ul> <p>Payments out of the Creditors' Trust Fund to pay Admitted Claims will be made in the manner and at the time determined by the Trustees in their absolute discretion.</p>
Other creditor/ beneficiary differences	<p>Creditors rights in an external administration are provided under the Act.</p> <p>Should creditors vote in favour of the DOCA proposal and the Creditors' Trust is formed, the creditors will transition to becoming beneficiaries under the trust. As such, their rights will not be specified under the Act but rather their rights as beneficiaries will arise under the terms of the Creditors' Trust deed and the WA Trustee's Act.</p>

Item	Information for creditors
FEG/ Employees	<p>Should the DOCA be accepted, then priority employee creditors will <b>not</b> be eligible to claim their entitlements under FEG, as FEG is only available in a liquidation scenario.</p> <p>That said, under the DOCA, the position for eligible employee creditors are as follows:</p> <ul style="list-style-type: none"> <li>• Priority employee creditors (other than Continuing Employees) will be allocated a sum from the purchase consideration from the Share Sale Agreements (to be directed by the Receivers and Managers) to enable a payment of 100 cents in the \$ for their entitlements.</li> <li>• Continuing Employees are being offered the continuity of employment with KLP (under the ownership of Agrimin and the direction of directors nominated by Agrimin), whereby their employee entitlements (such as annual leave or long service leave accrued) will be preserved and continued as is. No other entitlements will have been crystallised for payment.</li> </ul>
Compliance opinion	We are of the opinion that the Proponent is capable of complying with the terms of the DOCA and their obligations to the Trustees, if the DOCA proposal is accepted by creditors.
Solvency statement	<p>At the time the DOCA will be wholly effectuated, both KLP and KLI will be solvent. This will occur as a result of:</p> <ol style="list-style-type: none"> <li>1. the effect on the DOCA on claims against the Companies, i.e. pre-administration claims being transferred to the Creditors' Trust and as such the Companies will have no liabilities other than those incurred by the re-capitalised entities moving forward; and</li> <li>2. the support of the Proponent who will ensure that the Companies has sufficient working capital moving forward.</li> </ol>
Tax (company / trust)	<p>Creditors should note that there may be income tax and stamp duty implications for the companies and the Trust associated with the abovementioned proposal.</p> <p>The Trust may be required to register for GST purposes and apply for a new Tax File Number. In addition, the Trustees may also be responsible for lodging income tax returns for the Trust with the Australian Taxation Office.</p> <p>It should be noted that any carry forward income or capital losses in the Companies' will not be available for offset against any assessable income made by the Trust.</p>
Tax (creditor/ beneficiary)	<p>Our preliminary view is that by assigning creditors' claims to the Trust any dividend paid to creditors would be treated the same as if creditors had received the dividend from the individual debtor company under Administration. That is, we do not foresee any tax disadvantages to creditors with the proposed DOCA and Creditors' Trust.</p> <p>The proposed DOCAs and Creditors' Trust also enables the Trustee to make distributions to the beneficiaries of the Trust (as opposed to the repayment of creditors' claims outlined above). Under this scenario however, the Trustee may be required to withhold tax from distributions to non-resident beneficiaries at the applicable tax rates.</p> <p>Creditors are encouraged to seek their own independent legal advice in relation to the possible taxation consequences of receiving a distribution from the proposed Creditors' Trust.</p>

### 7.3. Payments from third parties

The DOCA allows for funds to be allocated from the purchase price (to be received from Agrimin pursuant to the SSA) 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

Agrimin is a Western Australian based minerals company and is listed on the Australian Stock Exchange (ASX: AMN). The Company has 100% ownership of the Mackay Potash Project located in Western Australia.

Whilst the SSA remains subject to several conditions and events being satisfied before the transaction completed, including a capital raise by Agrimin, we do not envisage Agrimin will experience issues in making payment of the ultimate purchase price to the Receivers and Managers and then for a portion of that to be ultimately allocated to the Creditors Trusts, under the terms of the DOCA.

### 7.4. Position of Intercompany Creditors

The proposed DOCA provides that intercompany creditors will not claim for dividend purposes under the DOCA.

### 7.5. Position of excluded claims

The terms of the Agrimin DOCA at Clause 15 gives priority to eligible employee creditors by providing that each DOCA will contain a provision as contemplated Section 444DA of the Act. However, we note that clause 6(J) of the DOCA allows the Proponent to specify certain eligible employee creditors to be Continuing Employees, in which case their Claims will be excluded from the DOCA and is to be paid from the ordinary course of their continuing employment.

A 'Continuing Employee' is defined at clause 28 to be 'any eligible employee creditor whose employment with a Company is agreed by the Proponent to continue following SSA Completion'.

In deciding whether to approve the non-inclusion of the Priority Provision in a DOCA, the Court in *Re TLC Marketing Worldwide Pty Ltd (Subject to a Deed of Company Arrangement)* [2018] NSWSC 454 at [17] found that the issue of excluding continuing employees from the deed fund and instead paying their entitlements through the ordinary course by the company, is a matter that 'could readily have been addressed, by a meeting of eligible employees conducted under s 444DA(2) of the Act'.

Pursuant to Section 444DA(3) of the Act, a meeting of eligible employee creditors of company has been called for 4 October 2023 at 9.00am (AWST) to consider a resolution agreeing to the non-inclusion of the claims of Continuing Employees from being paid as a priority distribution under the proposed DOCA of the Company.

### 7.6. Further information for creditors

Creditors should seek their own legal advice as to their rights and the effects of their position in entering into the DOCA.

Creditors can obtain further information from the ASIC website at [www.asic.gov.au](http://www.asic.gov.au) under Regulatory Resources – Insolvency – Insolvency for Creditors.

## 8. Statutory investigations

This section provides creditors with information on the preliminary investigations undertaken by the Administrators to date, and whether there have been any potential actions identified that may be pursued by a liquidator, if appointed.

Key takeaways		Ref.
1	The Companies, KLP and KLI were not insolvent for any material time prior to our appointment on 3 August 2023.	8.4
2	The Company's books and records were maintained in accordance with Section 286 of the Act.	8.6

### 8.1. Nature and scope of review

The Act requires an administrator to carry out preliminary investigations into a company's business, property, affairs and financial circumstances.

Generally, investigations centre on transactions entered into by an individual company that a liquidator might seek to have declared void (together with orders for repayment or compensation) if the Companies are wound up. Investigations allow an administrator to advise creditors what funds might become available to a liquidator such that creditors can properly assess whether to accept a DOCA proposal or resolve to wind up the Companies. We investigated matters to the extent possible in the time available.

A liquidator may recover funds from certain voidable transactions or through other avenues; for example, through action seeking compensation for insolvent trading or breach of director duties. Funds recovered would be available to the general body of unsecured creditors including secured creditors but only to the extent of any shortfall incurred after realising their security.

A deed administrator does not have recourse in relation to voidable transactions.

The Administrators' knowledge of the Companies' affairs comes principally from the following sources:

- discussions with the Directors, their advisors and key staff members
- the Directors' ROCAP (submitted for each separate entity)
- management accounts, books and records, board reports and financial statements
- the Companies' internal accounting system
- correspondence and discussions with the Company's creditors
- searches obtained from relevant statutory authorities
- records maintained by the ATO
- publicly available information

### 8.2. Directors' and officers' responsibilities

Sections 180 to 184 of the Act set out the duties, obligations and responsibilities imposed on Directors which are designed to promote good governance and ensure that Directors act in the interests of the Companies. These duties include:

- duty of care and diligence;
- duty of good faith;
- duty not to make improper use of position; and
- duty not to make improper use of information.

Based on our investigations to date, we have not identified any offences the directors may have committed under the provisions of the Act. Although we note that our investigations at this stage with respect of any breaches committed by the directors are preliminary in nature.

### 8.3. The Company's solvency

Some actions available to a liquidator to recover funds through the voiding of certain transactions or through other legal action, such as seeking compensation from directors for insolvent trading, require the Company's insolvency to be established at the relevant time.

There are two primary tests used in determining a company's solvency, at a particular date, namely:

- balance sheet test; and
- cash flow or commercial test.

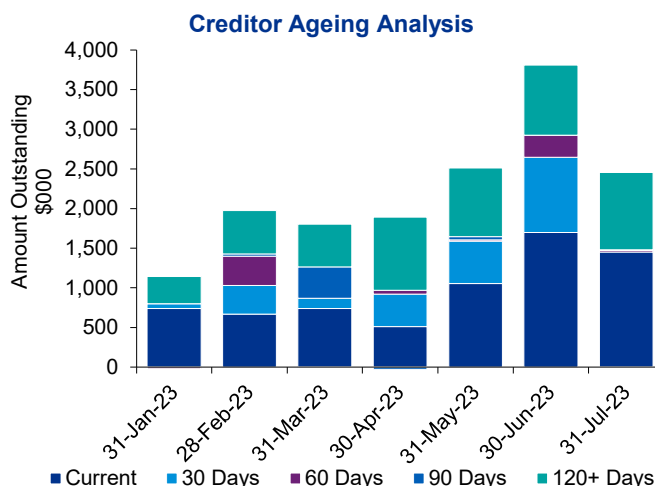
The Courts have widely used the cash flow or commercial test in determining a company's solvency at a particular date along with several other indicators.

In relation to the Companies, we note that their affairs were closely linked and the accounts were prepared on a consolidated basis. The following table summarising the key insolvency indicators and our comments on those indicators where relevant to each individual company:

Insolvency indicator	Present	Date relevant to insolvency	Administrators' comments												
<b>Endemic shortage of working capital - balance sheet test</b>															
			Based on the Audited Financial Accounts, the Companies working capital ratios are summarised in the table below:												
			<table> <tr> <th>FY20</th><th>FY21</th><th>FY22</th><th>HY23</th></tr> <tr> <td>\$49.4m</td><td>\$20.3m</td><td>\$22.3m</td><td>\$8.5m</td></tr> <tr> <td>8.21x</td><td>2.34x</td><td>4.60x</td><td>2.01x</td></tr> </table>	FY20	FY21	FY22	HY23	\$49.4m	\$20.3m	\$22.3m	\$8.5m	8.21x	2.34x	4.60x	2.01x
FY20	FY21	FY22	HY23												
\$49.4m	\$20.3m	\$22.3m	\$8.5m												
8.21x	2.34x	4.60x	2.01x												
Working capital deficiency	x	N/A	<p>The consolidated Companies recorded a positive working capital balance from \$49.9m.3m as at 30 June 2020 to \$8.5m as at 31 December 2023.</p> <p>The Companies recorded a working capital ratio of 2.01 as at 31 December 2023.</p> <p>The consolidated financial accounts for the Companies show a working capital ratio above 1 for all periods reviewed. Working capital deficiency is not an indicator for KLP and KLI.</p>												
			Based on the Audited Financial Accounts, the Company recorded the following net asset position:												
			<table> <tr> <th>FY20</th><th>FY21</th><th>FY22</th><th>HY23</th></tr> <tr> <td>\$135.5m</td><td>\$139.9m</td><td>\$162.3m</td><td>\$60.1m</td></tr> </table>	FY20	FY21	FY22	HY23	\$135.5m	\$139.9m	\$162.3m	\$60.1m				
FY20	FY21	FY22	HY23												
\$135.5m	\$139.9m	\$162.3m	\$60.1m												
Net asset deficiency	x	N/A	<p>The Companies had a positive net asset position from at least FY20 onwards. Therefore, we do not consider net asset deficiency as an indicator of insolvency.</p>												
Ageing of creditors	x	N/A	<p>We have analysed the aged creditor position for KLP as at month end from January 2023 to July 2023, however, the analysis does not present any clear indications of insolvency.</p>												

Insolvency indicator	Present	Date relevant to insolvency	Administrators' comments
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Our preliminary of aged payables over the period analysed is shown in the chart below:



From January 2023 to June 2023, there is a trend of accumulation of aged payables. However, we do not think this analysis is sufficient to constitute evidence for ageing of creditors, given the corresponding uplift in sales and operational costs over the same period.

It appears that from April the creditor payments outstanding for over 120 days remain outstanding until July 2023.

Inability to extend  
finance facilities and  
breaches of covenants



August  
2023

Kalium's secured lenders (Westpac as security trustee for secured lenders NAIF and KfW) to Kalium Lakes Potash Pty Ltd, had provided a liquidity facility of \$20m, of which \$10m had been drawn by 20 June 2023.

Given its precarious position, from time to time, cashflow forecasts prepared on a weekly basis indicates that KLP may not meet the financial covenants minimum cash balance requirement as set out in the special conditions to drawdown of the liquidity facility agreement, which constituted an event of default under the suspension of rights clauses. This was communicated to the secured lenders and from time to time, waivers of the relevant covenants were sought and obtained. On or around June 2023, the secured lenders allowed a further \$5m drawdown against the facility as a condition of Kalium's agreement to commence a sale / recapitalisation process. The deadline for receipt of NBIOs was 3 August 2023, at this stage Kalium had exhausted the additional \$5m of liquidity funding advanced by the secured lenders and required additional funding to progress the sale process.

On this date (3 August 2023) the secured lenders effectively declined to provide the final \$5.0m liquidity facility or any further

Insolvency indicator	Present	Date relevant to insolvency	Administrators' comments								
			<p>funding in order to continue with the strategic sale process under control of the Board, and as there were no further funds made available to the company, the directors appointed Voluntary Administrators.</p> <p>Aside from the above, we are not aware of any other default notice being issued to the Companies.</p>								
Inability to meet other financial commitments / default on finance agreements			We are not aware of any other inability to meet other financial commitments.								
<b>Availability of other cash resources – cash flow test</b>											
Profitability / trading losses	✓	Unknown	<p>Based on the financial and management accounts, the Companies recorded the below net losses before income tax:</p> <table border="1"> <thead> <tr> <th>FY20</th><th>FY21</th><th>FY22</th><th>HY23</th></tr> </thead> <tbody> <tr> <td>(\$18.9m)</td><td>(\$0.6m)</td><td>(\$36.5m)</td><td>(\$102.3m)</td></tr> </tbody> </table> <p>The Company incurred trading losses from FY20 to HY23, with the net losses mainly attributable to the Company recording no sales revenue between FY20 and FY22.</p> <p>Despite recording the Company's first commercial sales in July 2022, the Company still reported a net loss of \$102.3m.</p>	FY20	FY21	FY22	HY23	(\$18.9m)	(\$0.6m)	(\$36.5m)	(\$102.3m)
FY20	FY21	FY22	HY23								
(\$18.9m)	(\$0.6m)	(\$36.5m)	(\$102.3m)								
Cash flow difficulties	✓	Unknown	<p>The Company recorded positive cash flows of \$39.2m in FY20, primarily driven by proceeds from the issue of shares of \$133.7m.</p> <p>The Company first recorded negative flows between FY21 and HY23, primarily driven by payments for mine development.</p> <p>The Companies sought further funding from NAIF and KfW (the secured lenders), however, the secured lenders effectively declined the second \$5m drawdown of the Liquidity Facility on the morning of 3<sup>rd</sup> of August 2023.</p>								
Access to alternative sources of finance (including equity capital)	✗	N/A	<p>The Companies have illustrated a number of successful equity raises over recent years, including:</p> <ul style="list-style-type: none"> <li>– 2021 Successful Completion of \$50 Million Capital Raising</li> <li>– 2022 Successful Completion of Debt Restructure and \$34 Million Capital Raising</li> </ul> <p>We therefore note that shareholders were willing to continue to contribute to the companies and appear to have had the financial capacity to do so.</p>								
Inability to dispose non-core assets	✗	N/A	<p>There is no indication that the Companies could have disposed of any non-core assets to free up working capital, as we do not believe there were any none-core assets to dispose of.</p>								

Insolvency indicator	Present	Date relevant to insolvency	Administrators' comments
Dishonoured payments	✗	N/A	There is no evidence reviewed to date that indicates any dishonoured payments were made to creditors.
Overdue Commonwealth and State taxes	✗	N/A	<p>There are no amount outstanding to the ATO, as the Companies were trading losses and have yet to incur income tax and all PAYG and GST amounts payable are up to date.</p> <p>There was no payment arrangement in place between the Companies and the ATO.</p> <p>We are yet to receive evidence that PAYG, GST or are outstanding as at the date of our appointment.</p> <p>Payroll tax outstanding to the office of state revenue is estimated to be \$778,250 as at the date of our appointment, however, we note that this amount pertains to period from 1 July 2021 to 30 June 2023 and is not yet due and payable.</p>
No forbearance from creditors / legal action threatened or commenced by creditors	✗	N/A	<p>Westpac as the security trustee for the secured lenders NAIF and KfW enforced a notice of default, secured monies due and payable and appointed Receivers and Managers on 3 August 2023 over secured entities KLP, KLI and KL, following the appointment of Administrators.</p> <p>We are not aware of any outstanding winding up applications against KLP or KLI as at the date of our appointment.</p> <p>We have no other evidence that indicates forbearance from creditors.</p>

#### 8.4. Preliminary conclusion as to solvency

Having regard to the above analysis, **it is our preliminary view that KLP and KLI were not insolvent for any material time prior to our appointment on 3 August 2023.**

A liquidator, if appointed, would need to conduct further investigations, and possibly conduct a public examination of relevant parties, to ultimately determine whether or not the Company became insolvent at that time or earlier.

#### 8.5. Potential liquidator recoveries – insolvent trading

##### Falsification of books

Pursuant to Section 1307(1) of the Act, it is an offence for a person to engage in conduct that results in the concealment, destruction, mutilation or falsification of any securities of or belonging to the company or any books affecting or relating to affairs of the company.

If an offence is proven, there are criminal penalties only. However, similar or related conduct also could give rise to a contravention of Section 1307(2) of the Act and that contravention could give rise to a claim for damages. Further, conduct falling within either Section 1307(1) or Section 1307(2) may amount to breaches of directors' statutory and/or general law duties and/or provisions proscribing misleading conduct which could give rise to a recovery of funds.

The Administrators' preliminary investigations do not reveal any evidence of falsification of books.

##### Directors' liability

Section 588G of the Act imposes a positive duty upon company directors to prevent insolvent trading. If a director is found to have committed an offence under Section 588G, the Court may order him or her to pay compensation to the company equal to the amount of loss or damage suffered by its creditors.



The Court may also impose upon the directors one of two types of civil penalty orders, the first can include a fine or an order prohibiting the directors from participating in the management of a company. The second, where there is criminal intent and conviction, exposes a director to imprisonment for up to five years and/or a fine.

This action is not a right that is available to an administrator or a deed administrator. Applications for compensation payable to the company are usually made by a liquidator, or in specified circumstances, a creditor.

The substantive elements of Section 588G are:

- a person is a director of a company at the time when the company incurs a debt;
- the company is insolvent at that time, or becomes insolvent by incurring that debt (or by incurring, at that time, debts including that debt); and
- at that time, there are reasonable grounds for suspecting that the company is insolvent or would so become insolvent (as the case may be).

## Directors' defences

### Section 588H defences

The defences available to directors contained in Section 588H are:

- at the time when the debt was incurred, the person had reasonable grounds to expect, and did expect, that the company was solvent and would remain solvent even if it incurred that debt or any other debts that it incurred at that time;
- at the time that the debt was incurred, the person had reasonable grounds to believe, and did believe, that a competent and reliable person (the **other person**) was responsible for providing to the first-mentioned person adequate information about whether the company was solvent, and that the other person was fulfilling that responsibility, and expected, on the basis of information provided to the first-mentioned person by the other person, that the company was solvent at that time and would remain solvent even if it incurred that debt and any other debts that it incurred at that time;
- because of illness or for some other good reason, the person did not take part in the management of the company;
- the person took all reasonable steps to prevent the company from incurring the debt.

### Safe harbour defences

Section 588GA gives directors a safe harbour from the insolvent trading provisions contained in Section 588G whilst attempting to restructure or turnaround the business.

Safe harbour provisions apply if (and subject to certain conditions being met) after the person starts to suspect the company may become or is insolvent, the person starts developing one or more courses of action that are reasonably likely to lead to a better outcome for the company.

The period of safe harbour continues from the time at which the person starts developing the course of action and ends at the earliest of any of the following times:

- if the person fails to take any such course of action within a reasonable period after that time – the end of that reasonable period;
- when the person ceases to take any such course of action;
- when any such course of action ceases to be reasonably likely to lead to a better outcome for the company; or
- the appointment of an administrator or liquidator to the company.

During the period of safe harbour, the following conditions must be met:

- the debt must be incurred directly or indirectly in connection with the course of action reasonably likely to lead to a better outcome for the company;

- the company must continue to pay all employee entitlements (including superannuation) by the time they fall due; and
- the company must continue to comply with all tax reporting obligations.

The Board had meetings to discuss (amongst other matters) the solvency of the Companies and the establishment of a Safe Harbour Committee. On 27 March 2023 the Board engaged Peloton Legal and shortly thereafter on 29 March 2023, Cor Cordis were engaged to provide advice and track the Safe Harbour process.

A summary of the Safe Harbour Committee meetings, including dates held and the advisors present is set out below:

Safe Harbour Committee Meetings		Advisors Present			
Meeting	Date	Cor Cordis	Peloton Legal	Thomson Geer	Argonaut
Board Meeting	Thursday, 23 March 2023				
SHC Meeting 1	Wednesday, 5 April 2023	✓	✓	✓	
SHC Meeting 2	Wednesday, 12 April 2023	✓	✓	✓	
SHC Meeting 3	Thursday, 20 April 2023	✓	✓	✓	
SHC Meeting 4	Wednesday, 3 May 2023	✓	✓	✓	
SHC Meeting 5	Wednesday, 10 May 2023	✓	✓	✓	
SHC Meeting 6	Thursday, 18 May 2023	✓	✓	✓	
SHC Meeting 7	Thursday, 1 June 2023	✓	✓	✓	
SHC Meeting 8	Wednesday, 14 June 2023	✓			
SHC Meeting 9	Wednesday, 21 June 2023	✓			
SHC Meeting 10	Thursday, 29 June 2023	✓	✓		✓
SHC Meeting 11	Thursday, 6 July 2023	✓	✓		✓
SHC Meeting 12	Thursday, 13 July 2023	✓	✓		✓
SHC Meeting 13	Thursday, 20 July 2023	✓	✓		✓
SHC Meeting 14	Thursday, 27 July 2023	✓	✓		✓
SHC Meeting 15	Thursday, 3 August 2023	✓	✓		

Based on our preliminary investigations, we are of the view that the Directors will likely rely on the safe harbour defence up to the date of our appointment, should an insolvent trading claim be considered.

#### Pursuing an insolvent trading claim

A liquidator must form an opinion as to the date of insolvency and determine the debts incurred from that date; thereby quantifying the loss to the company.

The costs of proceeding with an insolvent trading action, which are usually considerable, particularly given the need for expert evidence as to insolvency, must be considered.

Any decision to commence an action against the Director or Former Director for insolvent trading must have regard to the following:

- the costs of litigation and the uncertainty of success inherent in any complex litigation; and
- the Director's/Formal Director's capacity to meet a claim for compensation.

The Administrators do not believe that there is a claim against the directors for insolvent trading as the Companies were not insolvent for a substantial period prior to our appointment.

#### Holding company liability

Section 588V of the Act provides that a holding company may be held liable for the debts of a subsidiary in certain circumstances.

The substantive elements of Section 588V are:

- the corporation is the holding company of the subsidiary at the time when the company incurs a debt;
- the subsidiary is insolvent at that time, or becomes insolvent by incurring that debt;
- at the time, there are reasonable grounds for suspecting that the subsidiary is insolvent, or would so become insolvent (as the case may be);
- one or both of the following subparagraphs applies:
  - the holding company, or one or more of its directors, is or are aware at that time that there are grounds for suspecting the subsidiary is insolvent; or
  - having regard to the nature and extent of the holding company's control over the subsidiary's affairs, and to any other relevant circumstances, it is reasonable to expect that:
    - a holding company in the corporation's position would be so aware; or
    - one or more of such a holding company's directors would be so aware.

The defences the holding company may rely upon are set out in Section 588X and are essentially the same as those a director may rely upon under Section 588H.

Furthermore, the Courts have held that, as a defence to such proceedings, a holding company can off-set any claim by a liquidator under Section 588W against monies owing under an intercompany loan account. In this regard, we note that according to the records of the Companies as at the date of our appointment, the holding company KLL is owed \$243.6m from KLP and \$11.4m from KLI, so any potential claims against the holding company by KLP or KLI will need to take this into consideration.

Any future appointed liquidator would need to complete their further investigations to quantify any potential claim.

## 8.6. Adequacy of books and records

Section 286 of the Act requires a company to keep written financial records that correctly record and explain the company's transactions, financial position and performance and would enable true and fair financial statements to be prepared. The financial records must be retained for a period of seven years after the transactions covered by the records are completed.

The failure to maintain books and records in accordance with Section 286 provides a rebuttable presumption of insolvency which might be relied upon by a liquidator in an application for compensation for insolvent trading.

Based on my review of the books and records received, we are of the opinion that the Company's books and records were maintained in accordance with Section 286 of the Act to 3 August 2023.

## 8.7. Other matters arising from investigations

### False or misleading statements

Pursuant to Section 1308 of the Act, a company must not advertise or publish a misleading statement regarding the amount of its capital. It is an offence for a person to make or authorise a statement that, to the person's knowledge is false or misleading in a material particular.

The Administrators' preliminary investigations do not reveal any evidence of any false or misleading statements.

### False information

Pursuant to Section 1309 of the Act, it is an offence for an officer or employee to make available or give information to a director, auditor, member, debenture holder, or trustee for debenture holders of the company that to the knowledge of the officer or employee:

- is false or misleading in a material particular; or
- has omitted from it a matter or thing the omission of which renders the information misleading in a material respect.

The Administrators' preliminary investigations do not reveal any evidence of any false information.

## 9. Voidable transactions

This section informs creditors about potential voidable transactions that occurred prior to the appointment of the Administrators, and where the property of the Company was disposed of or dealt with, may be recovered by a liquidator.

Key takeaways		Ref.
1	We have not identified any potential voidable transactions for KLP or KLI.	
2	We identified a number of related party transactions between director related entities of Brent Smoothy and the Companies. However we do not believe the related party transactions identified constitute unreasonable director-related transactions to be recoverable by a liquidator.	

A liquidator has the power to take steps to have declared void certain transactions which are either not beneficial, or are detrimental, to a company. An administrator must identify any transactions that appear to be voidable by a liquidator. Apart from seeking to have a voidable transaction declared void, a liquidator may seek related orders, including the payment of compensation.

Enclosed at **Annexure E** is a creditor information sheet published by ARITA. This information sheet details the types of transactions which a liquidator can seek to have declared void, which include:

- unfair preference payments;
- uncommercial transactions;
- unfair loans;
- unreasonable director-related transactions;
- inappropriate related party transactions;
- creation of circulating security interests within 6 months of commencement of liquidation; and
- transactions for the purpose of defeating creditors

For the purposes of examining voidable transactions, the Liquidator would review transactions that occurred during the relevant time period (as prescribed under the Act), taking into consideration the “relation back day”.

The relation back day for the Companies is 3 August 2023 being the date the directors resolved to appoint the Voluntary Administrators as determined by Section 91 of the Act.

### 9.1. Summary of potential antecedent transactions

At this stage, the Administrators do not consider that there will be any potential recoveries by a liquidator in the event that either KLP or KLI be wound up.

Set out below is a summary of transactions that a liquidator would be very likely to investigate further if KLP or KLI is placed into liquidation.

Potential recovery item	Value \$
Unfair preferences	None identified
Uncommercial transactions	None identified
Unfair loans	None identified
Unreasonable director-related transactions	None identified

### 9.2. Unfair preferences – section 588FA

An unfair preference payment is a transaction, generally occurring in the six months prior to the relation back day, between the company and a creditor, resulting in the creditor receiving from the company, in respect of an unsecured debt that the company owes to the creditor, more than the creditor would receive from the company in respect of the debt if the transaction were set aside and the creditor were to prove for the debt in a winding up of the company. This period is extended up to four years for transactions entered into with a related entity.

A transaction can only be considered an unfair preference if the company was insolvent at the time the transaction took place, or the company became insolvent as a result of the transaction.

Unfair preference payments are voidable against a liquidator, and further investigations will be undertaken in the liquidation to determine the likelihood of action for the recovery of unfair preference payments being successful. We note that successful action for unfair preference payments includes establishing the date of insolvency, and the costs of pursuing an unfair preference payment can sometimes outweigh the potential returns.

There are various defences under the Act that may be available to a party that may have received the benefit of a voidable transaction.

#### **Unfair preferences – defences**

The creditor may defend an unfair preference claim brought by a liquidator if it proves that it became a party to the transaction in good faith and, at the time when the person became a party to the transaction:

- the creditor had no reasonable grounds for suspecting that the company was insolvent at that time or would become insolvent because of entering into the transaction or a person doing an, or making an omission, for the purpose of giving effect to the transaction; and
- a reasonable person in the creditor's circumstances would have had no such grounds for so suspecting,

and the creditor provided valuable consideration under the transaction or has changed his, her or its position in reliance on the transaction.

#### **9.3. Uncommercial transactions – section 588FB**

An uncommercial transaction is a transaction which a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefits (if any) to the company entering into the transaction
- the detriment to the company of entering into the transactions
- the respective benefits to other parties to the transaction of entering into it
- any other relevant matters

A liquidator will investigate transactions to determine if they are uncommercial, where those transactions have occurred in the period two years prior to the date of liquidation.

Based on the books and records in our possession we have not identified any transactions which would constitute uncommercial transactions.

#### **9.4. Unfair loans – section 588FD**

A liquidator will investigate any loans to the company which may be considered unfair due to extortionate interest rates or charges.

Based on the books and records in our possession we have not identified any transactions which would constitute unfair loans to the Company.

#### **9.5. Unreasonable director-related transactions – section 588FDA**

Section 588FDA of the Act refers to "unreasonable director-related transactions" and requires the liquidator to investigate such transactions, having regard to the detriment to the Company (if any) suffered as a consequence of the transaction.

The transaction must satisfy the criteria set out in section 588FDA, and have been entered into, or an act was done for the purpose of giving effect to it, during the four years prior to the relation back day, regardless of the solvency at the time the transaction occurred. Unreasonable director-related transactions can potentially include payments by the company to, dispositions of property by the company to, issuances of securities by the company to and incurrence of obligations by the company in favour of:

- a director of the company;
- a close associate of a director of the company; or
- a person on behalf of, or for the benefit of, a director of the company or a close associate of a director of the company.

An unreasonable director related transaction must be a transaction which a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefits (if any) to the company of entering into the transaction;
- the detriment to the company of entering into the transaction;
- the respective benefits to other parties to the transaction of entering into it; and
- any other relevant matter.

We have identified a number of related party transactions (from the Companies' Annual Reports) between director related entities of Brent Smoothy and the Companies over the past five years, summarised below.

<b>\$000s</b>					
<b>Related party</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
K19 Mining Pty Ltd	-	727	4,465	8,090	6,618
Smoothy Cattle Co Pty Ltd	509	2,964	87	-	-
Firm Construction Pty Ltd	-	4,351	-	-	-
<b>Total related party amounts</b>	<b>509</b>	<b>8,042</b>	<b>4,552</b>	<b>8,090</b>	<b>6,618</b>

- Between 21 October 2020 and 3 August 2023, payments totalling \$19.9m for services provided on site by K19 Mining Pty Ltd, being haulage of waste salt and plant feed, harvesting activities, road maintenance, waste ponds activities, ROM pad activities, maintenance of equipment, dayworks.
- Payments made from 8 August 2019 and 18 August 2021 to Smoothy Cattle Co Pty Ltd for services provided on site including infrastructural earthworks, road maintenance, equipment hire and operators, helicopter hire for environmental surveys, to a total of \$3.6m.
- Payment of \$4.4m for the pioneering and general earthworks and pond earthworks services provided on site by Firm Construction Pty Ltd, between 19 August 2019 and 29 May 2020.

The total amount for related party transactions identified between the Companies over the past four years is \$27.8m. We note that the above related party transactions were reported in the consolidated annual reports for KLL and we believe them to be arm's length transactions.

Therefore, based on the investigations undertaken to date and information available to us, we do not believe the related party transactions identified constitute unreasonable director-related transactions which would be recoverable by a liquidator.

A liquidator, if appointed, would need to undertake further investigations in order to confirm whether any related-party transactions were unreasonable and if there were any recoveries available from pursuing any such claim.

## 9.6. Voidable charges

A circulating security interest is void, as against the company's liquidator, if the security interest was created during the six months ending on the relation back day except so far as it secures:

- an advance paid to the company, or at its direction, at or after the it was created and as consideration for the creation of the circulating security interest;

- interest on such an advance;
- the amount of a liability under a guarantee or other obligation undertaken at or after that time on behalf of, or for the benefit of, the company;
- an amount payable for property or services supplied to the company undertaken at or after that time on behalf of, or for the benefit of, the company; or
- interest on an amount so payable.

Based on our PPSR search and the proof of debts received to date, we have not identified any potential voidable security interests.

#### 9.7. Arrangements to avoid employee entitlements

Part 5.8A of the Act aims to protect the entitlements of a company's employees from agreements that deliberately defeat the recovery of those entitlements upon insolvency. Under Section 596AB(1) of the Act, it is an offence for a person to enter into a transaction or relevant agreement with the intention of, or with intentions that include the intention of:

- avoiding or preventing the recovery the entitlements of employees of a company; or
- significantly reducing the entitlements of employees of a company that can be recovered.

Based on the books and records in our possession, we have not identified any arrangements to avoid employee entitlements.

#### 9.8. Directors' ability to pay a liquidator's claims

Given the Administrators do not consider there will be any potential recoveries from the Directors by a liquidator, they have not made any assessment as to the financial capacity of the Directors to meet any potential liquidator action.

A future appointed liquidator would likely conduct further investigations into this matter.

#### 9.9. Reports to the ASIC

Section 438D of the Act requires an administrator of a company to lodge a report with ASIC (and give ASIC such information, and access to and facilities for inspecting and taking copies of documents, as ASIC requires) should it appear to the administrator that:

- a past or present officer or employee, or a member, of the company may have been guilty of an offence in relation to the company; or
- a person who has taken part in the formation, promotion, administration, management or winding up of the company:
  - may have misapplied or retained, or may have become liable or accountable for, money or property (in Australia or elsewhere) of the company; or
  - may have been guilty of negligence, default, breach of duty or breach of trust in relation to the company.

We have not identified any offences that require reporting to the ASIC pursuant to Section 438D of the Act.

Creditors should be aware that any report lodged pursuant to Section 438D (or an investigative report lodged by a liquidator pursuant to Section 533 of the Act) is not available to the public.

## 10. Return to creditors

This section provides creditors with information on the estimated financial outcome to creditors together with the anticipated timing of any dividend.

Key takeaway	Ref.
1	The tables below outline the estimated low and high return for creditors in a liquidation. The estimated outcome presented incorporates many assumptions which may be <b>subject to significant change</b> .
2	Under a DOCA scenario, priority employee creditors will receive a return of 100 cents in the \$. Unsecured creditors may receive a return of approximately 5 cents in the \$.
3	The return to unsecured creditors in a liquidation scenario for both KLP and KLI is nil. To the extent there are no realisations available for priority employee creditors, in a liquidation, employees may be eligible for payment of their outstanding employee entitlements (excluding unpaid superannuation) under FEG.

### 10.1. Return to creditors

Based upon the information in this report, particularly as detailed in section 5 of the Report, in the event that each of the companies were to be wound up, we are unable to determine with certainty whether a dividend will be payable to creditors, other than note that there will be a return to the secured lender from the sale of the Beyondie SOP Project.

The estimated Low and High return for each class of creditor in both a Liquidation and a DOCA scenario are below:

Estimated Returns	Low Return c/\$	High Return c/\$
<b>DOCA</b>		
KLP - Priority employee creditors	100	100.0
KLP Creditors	Minimal	5.0
KLP Creditors	Minimal	5.0
<b>Liquidation</b>		
KLP - Priority employee creditors	Will require FEG assistance	
KLP Creditors	Nil	Unknown
KLP Creditors	Nil	Unknown

### 10.2. Returns under the proposed DOCA

Under the terms of the DOCA being proposed the estimated returns are as follows:

Creditor class	Estimated dividend rate (cents in the \$)
Secured Creditor	Payment under the SSA as detailed in section 6 of this report
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



### 10.3. Winding up of KLP and KLI

For illustrative purposes, the tables below outline the estimated return in a liquidation scenario under a low and high case for both KLP and KLI:

Kalium Lakes Potash Pty Ltd (KLP)	Liquidation	
	Low Return	High Return
Estimated Return	\$	\$
<b>Assets subject to Non-Circulating Charge</b>		
Property, plant and equipment	Commercially sensitive	
<i>Less: Amount owed to Secured Creditor</i>	(210,000,000)	(209,412,703)
<b>Amounts available to unsecured creditors</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
<i>Less: Litigation funding (40% fee)</i>	Nil	Unknown
<i>Less: Legal fees related to recoveries</i>	Nil	Unknown
<b>Total Estimated Recoveries</b>	<b>Nil</b>	<b>Unknown</b>
KLP Administrators fees 3/8/23 - 15/9/23	(188,545)	(188,545)
KLP Administrators fees 16/9/23 - 4/10/23	(180,500)	(180,500)
KLP Administrators disbursements and legal fees	(50,000)	(50,000)
Estimated Liquidators' fees and costs	(200,000)	(200,000)
<b>Total Priority Payments</b>	<b>(619,045)</b>	<b>(619,045)</b>
<b>Balance Available for Priority Creditors</b>	<b>Nil</b>	<b>Unknown</b>
KLP estimated employee entitlements	(1,814,055)	(1,814,055)
<b>Total owed to employees</b>	<b>(1,814,055)</b>	<b>(1,814,055)</b>
<b>Balance Available for Unsecured Creditors</b>	<b>Nil</b>	<b>Unknown</b>
<b>Liquidation Returns</b>		
KLP Unsecured creditors	(10,000,000)	(5,000,000)
KLP Intercompany debt	(243,589,985)	(243,589,985)
KLP Secured Creditor residual claim	TBD	TBD
<b>Total Unsecured Claims</b>	<b>(253,589,985)</b>	<b>(248,589,985)</b>
Dividend c/\$	Nil	Nil
Dividend available to KLP	Nil	Nil
<b>Estimated surplus / deficiency</b>	<b>(466,023,085)</b>	<b>(460,435,788)</b>

Kalium Lakes Infrastructure Pty Ltd (KLI)	Liquidation	
	Low Return	High Return
	\$	\$
<b>Assets subject to Non-Circulating Charge</b>		
Property, plant and equipment	Commercially sensitive	
<i>Less: Amount owed to Secured Creditor</i>	(210,000,000)	(209,412,703)
<b>Amounts available to unsecured creditors</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
<i>Less: Litigation funding (40% fee)</i>	Nil	Unknown
<i>Less: Legal fees related to recoveries</i>	Nil	Unknown
<b>Total Estimated Recoveries</b>	<b>Nil</b>	<b>Unknown</b>
KLI Administrators fees 3/8/23 - 15/9/23	(14,433)	(14,433)
KLI Administrators fees 16/9/23 - 4/10/23	(9,500)	(9,500)
Estimated Liquidators' fees and costs	(40,000)	(40,000)
<b>Total Priority Payments</b>	<b>(63,933)</b>	<b>(63,933)</b>
<b>Balance Available for Unsecured Creditors</b>	<b>Nil</b>	<b>Unknown</b>
<b>Liquidation Returns</b>		
KLI Unsecured creditors	Nil	Unknown
KLI Intercompany debt	(13,534,432)	(13,534,432)
KLI Secured Creditor residual claim	TBD	TBD
<b>Total Unsecured Claims</b>	<b>(13,534,432)</b>	<b>(13,534,432)</b>
Dividend c/\$	Nil	Nil
Dividend available to KLI	Nil	Nil
<b>Estimated surplus / deficiency</b>	<b>(223,598,365)</b>	<b>(223,011,068)</b>

We recognise the need, so far as is possible, to provide creditors the estimated reliable values for the mine assets (Property, plant and equipment), however, we believe this information is commercially sensitive and it is not in creditors' interests for us to disclose the information publicly at this stage.

Creditors should also note that any funds received from the sale of the Companies' assets will firstly be applied to secured creditors debt (approximately \$209M). Given the extent of the secured creditor's debt and the cost incurred to date, we estimate that there will insufficient proceeds from a sale to discharge the secured creditors debt in full, there will be no funds available to unsecured creditors.

We also do not expect that there will be any recoveries from the voidable and other transaction referred to in **Sections 8 and 9** of this Report. The cost of winding up for KLP is \$200k and for KLI is \$40k, though these costs would be considerably higher in the event that the potential claims referred to in Section 8 & 9 of this report are pursued.

For completeness, we note that if KLP (being the employing entity) is placed into liquidation, employees may be eligible for payment of their outstanding employee entitlements (excluding unpaid superannuation) under FEG, a scheme operated by the Department of Employment. Employees can obtain further information on the eligibility requirements of FEG at <https://docs.jobs.gov.au/documents/eligibility-feg-assistance-fact-sheet>.

#### 10.4. Timing of dividend

Under a DOCA scenario, the timing of a dividend to the unsecured creditors is subject to the successful completion of the SSA, DOCA and establishment of the Creditors Trust.

It is estimated that a dividend will be paid within 2-3 months from the execution of the DOCA, firstly to priority employees and then to ordinary unsecured creditors (i.e. on or around December 2023).

A dividend to unsecured creditors under a liquidation scenario will be dependent upon the successful recoveries from any insolvent trading claims or antecedent transactions. As discussed previously in this Report, the likelihood of recoveries is nil or unknown.

## 11. Statement by Administrators

We are of the opinion that the DOCA proposal put forward by Agrimin should be accepted by creditors as it provides a more certain and potentially higher return to employees and unsecured creditors than an orderly liquidation of KLP and KLI's assets.

Pursuant to IPR 75-225(3)(b), we are required to provide creditors with a statement setting out our opinion on whether it is in creditors' interests for the:

- administration to end;
- company to be wound up; and
- company to execute a DOCA.

Each of these options is considered below. In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect and the likely costs under each option however in the current circumstances such estimates are not available or may be difficult to predict with accuracy.

### 11.1. Administration to end

Creditors may resolve that the administration should end if it appears a company is solvent, or for some other reason, control of a company should revert to its directors.

From our preliminary investigations and analysis of the individual companies' financial position, KLP and KLI are insolvent and unable to pay their debts as and when they fall due.

If the administration were to end, there is no mechanism controlling an orderly realisation of assets and distribution to creditors. In those circumstances, we are unable to say what either KLP or KLI may ultimately pay creditors or what costs it might incur.

Accordingly, returning control of any of these companies to its directors would be inappropriate and is not recommended.

### 11.2. Winding up of the Company

In the event that creditors resolve that both or either KLP or KLI are to be wound up then our estimate of the costs of winding up KLP (\$200k plus GST) and KLI (\$40k plus GST) affairs are estimated collectively cost in excess \$240,000 plus GST and may potentially be higher.

It is unclear whether there will be any remaining assets available to meet these costs or to enable a return/dividend to creditors.

We also do not expect that there will be any recoveries from the voidable and other transaction referred to in **Sections 8 and 9** of this Report. A future appointed liquidator will need to conduct further detailed investigations to ascertain if there are any potential recoveries to pursue and with any potential legal issues, these recoveries are uncertain and it may not be commercial to pursue.

Further, KLP and KLI's main asset is its interest in the Beyondie SOP Project, which are all subject to the security of secured creditor. Accordingly, any funds from the sale of these assets will be applied to the secured creditor debt (c.\$209.4m). It is expected there will be a significant shortfall to secured creditor from the sale and therefore we do not anticipate any funds available for unsecured creditors from these realisations.

A liquidator would be in a position to conduct detailed investigations into the conduct of directors and the financial affairs of the Company. A liquidator will also be empowered to:

- complete the sale of assets in an orderly manner (subject to the Receiver and Managers' appointment);
- assist employees in applying for FEG for the payment of certain employee entitlements that cannot otherwise be funded by KLP;
- pursue various potential recoveries under the Act;
- distribute recoveries made in accordance with the priority provisions of the Act; and
- report to the ASIC on the results of investigations into KLP and KLI's affairs.

### 11.3. DOCA

We are of the opinion **that the DOCA proposal put forward by Agrimin should be accepted by creditors** as it provides a more certain and potentially higher return to unsecured creditors than an immediate winding up of KLP and KLI's assets.

For completeness, we note that any antecedent recoveries that may potentially be recovered in a liquidation scenario will not be able to be recovered under DOCA.

As stated in Section 11.1 above, the option of the administration ending is clearly not viable. The only remaining option available to creditors are to wind up of KLP and KLI or accept the proposed DOCA.

Further to our comments set out in Section 11.2 above, we believe the return to creditors under the proposed DOCA will exceed the estimated return under a winding up of the company. The proposed DOCA is likely to provide a better return to creditors than an immediate winding up because:

- The DOCA makes available funds from Agrimin, 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 this report are uncertain or unlikely.

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

## 12. Further information and enquiries

ASIC has released several insolvency information sheets to assist creditors, employees and shareholders with their understanding of the insolvency process. You can access the relevant ASIC information sheets at [www.asic.gov.au](http://www.asic.gov.au).

We will advise creditors in writing of any additional matter that comes to our attention after the release of this Report, which in our view is material to creditors' consideration.

Should you have any enquiries, please contact us on +61 (08) 9263 7297 or by email at [kaliumlakes@kpmg.com.au](mailto:kaliumlakes@kpmg.com.au).

Dated this 26th day of September 2023.



**Martin Jones**  
Joint and Several Administrator

# Annexures

## Annexure A – Statutory Information

Company Name	ACN	Incorporation Date	Registered Office	Company Officers	Appointment Date	Resignation Date	Shareholders*	Shares Held
Kalium Lakes Potash Pty Ltd  (formerly Mount Adams Pty Ltd – 26 October 2014)	601 436 060	25 August 2014	Unit 1 152 Balcatta Road BALCATTA WA 6021	Brent Ronald Smoothy	30 September 2022	3 August 2023	Kalium Lakes Limited	91,494,740
				Cheryl Lynn Edwardes	25 November 2022	3 August 2023		
				Jason Shaw (Company Secretary)	1 October 2021	N/A		
				Loren Anne King (Company Secretary)	30 November 2022	31 August 2023		
Kalium Lakes Infrastructure Pty Ltd	631 042 450	16 January 2019	Unit 1 152 Balcatta Road BALCATTA WA 6021	Brent Ronald Smoothy	30 September 2022	3 August 2023	Kalium Lakes Limited	1
				Cheryl Lynn Edwardes	25 November 2022	3 August 2023		
				Jason Shaw (Company Secretary)	1 October 2021	N/A		
				Loren Anne King (Company Secretary)	30 November 2022	31 August 2023		



## Annexure B – Schedule of PPSR Registrations

Kalium Lakes Potash			
Secured Party Group	PPSR Number	Collateral Class	Registration End Time
FUJIFILM LEASING AUSTRALIA LTD ACN 001 419 807; FUJIFILM BUSINESS INNOVATION AUSTRALIA PTY LTD ACN 000 341 819	201907020033524	Other Goods	30/06/2026 23:59:59
COATES HIRE OPERATIONS PTY LIMITED ACN 074 126 971	201703270003986	Other Goods	27/03/2024 23:59:59
	201703270004015	Motor Vehicle	27/03/2024 23:59:59
ILHA PTY LTD AS TRUSTEE FOR OSBORNE TRUCK RENTALS UNIT TRUST ABN 28 356 747 284; ILHA PTY LTD ACN 008 961 340	201705290021206	Motor Vehicle	29/05/2024 23:59:59
PLASCORP PTY LTD ACN 096 078 527	201706140040041	Other Goods	14/06/2024 23:59:59
AUTOMOTIVE HOLDINGS GROUP PTY LTD ACN 111 470 038	201803200069605	Other Goods	19/03/2025 23:59:59
WALLIS DRILLING PTY LTD ACN 009 091 070	201805090043485	Motor Vehicle	09/05/2025 23:59:59
	201805090043590	Other Goods	09/05/2025 23:59:59
HP FINANCIAL SERVICES (AUSTRALIA) PTY LIMITED ACN 082 062 413	201902070040161	Other Goods	07/02/2026 23:59:59
	201902070040174	Other Goods	07/02/2026 23:59:59
GENELITE PTY LTD ACN 095 032 385	201905290019024	Other Goods	29/05/2024 23:59:59
GOODYEAR & DUNLOP TYRES (AUST) PTY LTD ACN 004 098 346	201906270028696	Other Goods	27/06/2026 23:59:59
UNITED RENTALS AUSTRALIA PTY LTD ACN 069 244 417	201908150065278	Other Goods	15/08/2026 23:59:59
ACU-TECH PTY LTD ACN 626 756 223; ULTRAPLAST PTY LTD ACN 120 168 238	201909170041624	Other Goods	17/09/2026 23:59:59
KINGSPAN WATER & ENERGY PTY LIMITED ACN 108 491 881	201911130056747	Other Goods	13/11/2026 23:59:59
AUTOMOTIVE HOLDINGS GROUP PTY LTD ACN 111 470 038	201911190039479	Other Goods	19/11/2026 23:59:59
WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203	201911220073013	Motor Vehicle	22/11/2026 23:59:59
	201911220073225	Motor Vehicle	22/11/2026 23:59:59
	201911220073717	General Intangible	
	201911220073793	All PAP with Exception	
WESTRAC PTY LTD ACN 009 342 572	202001130011015	Other Goods	13/01/2027 23:59:59
LIFT EQUIPT PTY LTD ACN 125 331 848	202001290039526	Motor Vehicle	29/01/2027 23:59:59
	202001290039640	Other Goods	29/01/2027 23:59:59
METAL MANUFACTURES PTY LIMITED ACN 003 762 641	202002060035486	Other Goods	06/02/2027 23:59:59
GERALDTON FUEL COMPANY PTY LTD ACN 002 844 162	202003030055242	Other Goods	03/03/2024 23:59:59
TRISTAR WATER SOLUTIONS PTY LTD ACN 130 253 280	202003040067614	Other Goods	04/03/2027 23:59:59
FUELCO AUSTRALIA PTY LTD ACN 615 177 930	202003100044739	Other Goods	10/03/2027 23:59:59
RBH MECHANICAL SERVICES PTY LTD ACN 055 556 557	202009010044372	Other Goods	31/08/2027 23:59:59
	202009010044386	Motor Vehicle	31/08/2027 23:59:59
BRONSON & JACOBS PTY LTD ACN 000 063 249	202011060006355	Other Goods	06/11/2027 23:59:59
IXOM OPERATIONS PTY LTD ACN 600 546 512			
FUELFIX PTY LTD ACN 104 305 991	202011100053155	Other Goods	10/11/2027 23:59:59
BOC LIMITED ACN 000 029 729	202011230054886	Other Goods	23/11/2027 23:59:59
PLANTMAN EQUIPMENT PTY LTD ACN 611 064 432	202101050038504	Motor Vehicle	05/01/2028 23:59:59
	202101050038515	Other Goods	05/01/2028 23:59:59
	202101050038527	Chattel Paper	05/01/2028 23:59:59

GERALDTON FUEL COMPANY PTY LTD ACN 002 844 162	202101220042419	Other Goods	21/01/2028 23:59:59
	202101220042426	Other Goods	21/01/2028 23:59:59
PERKAL PTY LTD ACN 009 283 363	202104190060402	Other Goods	19/04/2046 23:59:59
METSO OUTOTEC AUSTRALIA LIMITED ACN 000 197 428	202106290077664	Other Goods	30/06/2028 23:59:59
COMPLETE TYRE SOLUTIONS PTY LTD ACN 164 179 542	202108180092885	Other Goods	18/08/2028 23:59:59
HOLLIS INDUSTRIES PTY LTD ACN 631 036 783	202111110042104	Other Goods	11/11/2028 23:59:59
MAS AUSTRALASIA PTY LTD ACN 129 312 590	202201310037908	Motor Vehicle	31/01/2029 23:59:59
	202201310037912	Other Goods	31/01/2029 23:59:59
MM PLASTICS PTY LIMITED ACN 115 022 592	202202180066872	Other Goods	18/02/2029 23:59:59
AQUA TERRA OIL AND MINERAL SERVICE AND SUPPLY COMPANY PTY. LTD. ACN 009 347 399;	202202180084182	Other Goods	18/02/2029 23:59:59
ATOM SUPPLY GROUP PTY LIMITED ACN 118 879 806			
BROOKS HIRE SERVICE PTY LTD ACN 008 975 988	202205030047181	Motor Vehicle	03/05/2047 23:59:59
	202205030047199	Other Goods	03/05/2047 23:59:59
WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203	202205170032547	Motor Vehicle	17/05/2029 23:59:59
	202205170033266	Motor Vehicle	17/05/2029 23:59:59
	202205170033590	Motor Vehicle	17/05/2029 23:59:59
RAW HIRE PTY LTD ACN 102 326 983	202205240031534	Motor Vehicle	24/05/2029 23:59:59
	202205240031547	Other Goods	24/05/2029 23:59:59
SIMMCAL PTY LTD ACN 113 203 777; WYNDCORP PTY LTD ACN 629 511 119	202206100016568	Motor Vehicle	10/06/2029 23:59:59
J. BLACKWOOD & SON PTY LTD ACN 000 010 300	202206140027631	Other Goods	14/06/2029 23:59:59
ROWE SCIENTIFIC PTY LTD ACN 009 437 790	202206230062628	Other Goods	23/06/2029 23:59:59
M & Q EQUIPMENT PTY LTD ACN 091 500 499	202207080014927	Other Goods	08/07/2029 23:59:59
FREO GROUP PTY LTD ACN 00 009 325 124	202207190023717	Motor Vehicle	19/07/2029 23:59:59
	202207190023738	Other Goods	19/07/2029 23:59:59
STIRLINGS PERFORMANCE STEELS PTY LTD ACN 625 765 200	202207250035060	Other Goods	25/07/2029 23:59:59
W.A. TRUCK AND MACHINERY REPAIRS PTY LTD ACN 008 831 589	202208080035173	Other Goods	07/08/2029 23:59:59
	202208080035187	Motor Vehicle	07/08/2029 23:59:59
WIRTGEN AUSTRALIA PTY LTD ACN 002 968 167	202209060042721	All PAP	06/09/2029 23:59:59
CAPS AUSTRALIA PTY LTD ACN 008 877 790	202210280074931	Other Goods	28/10/2029 23:59:59
HOLLIS INDUSTRIES PTY LTD ACN 631 036 783	202211030096965	Other Goods	03/11/2029 23:59:59
	202301100023450	Other Goods	10/01/2030 23:59:59
BEARING SERVICE PROPRIETARY LIMITED ACN 004 112 887; BSC INDUSTRIAL PTY LTD ACN 154 303 152; CBC AUSTRALIA PTY LIMITED ACN 000 143 608; HS COMPANY PTY LIMITED ACN 099 707 856; MOTION ASIA PACIFIC PTY LTD ACN 007 595 977; MOTION ASIA PACIFIC WHOLESALE PTY LTD ACN 000 191 257; SEAL INNOVATIONS PTY LTD ACN 004 483 256; NTN-CBC (AUSTRALIA) PTY LTD ACN 000 936 667	202303210058283	Other Goods	21/03/2030 23:59:59
MAS AUSTRALASIA PTY LTD ACN 129 312 590	202303240063792	Motor Vehicle	24/03/2030 23:59:59
	202303240063825	Other Goods	24/03/2030 23:59:59
	202303240063839	Chattel Paper	24/03/2030 23:59:59
DAVID CAMPBELL TRANSPORT PTY LTD ACN 151 523 090; The Trustee for THE DAVID CAMPBELL TRUST ABN 46 216 918 631	202306070024767	Motor Vehicle	07/06/2030 23:59:59
BIDFOOD AUSTRALIA LIMITED ACN 000 228 231	202307060045719	Other Goods	06/07/2030 23:59:59

Kalium Lakes Infrastructure			
Secured Party Group	PPSR Number	Collateral Class	Registration End Time
ACU-TECH PTY LTD ACN 626 756 223; ULTRAPLAST PTY LTD ACN 120 168 238	201908120044870	Other Goods	12/08/2026 23:59:59
WESTPAC ADMINISTRATION PTY. LIMITED ACN 008 617 203	201911220073475	General Intangible	
	201911220073651	All PAP with Exception	

## **Annexure C – Summary of ROCAPs**

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## C1 – Kalium Lakes Potash Pty Ltd (KLP)

The following table summarises the assets and liabilities disclosed in the Directors' ROCAP for KLP:

\$'000	Book Value	Administrators' ERV (Low)	Administrators' ERV (High)
<b>Assets</b>			
Cash at bank	178	Controlled by R&M	
Debtors	3,102	Controlled by R&M	
Inventory	12,807	Controlled by R&M	
Plant and equipment	4,360	Controlled by R&M	
Other assets	208,447	Controlled by R&M	
<b>Total assets</b>	<b>228,895</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>			
Secured creditors	(209,413)	(209,413)	(209,413)
Employees claims	(491)	(1,811)	(1,299)
Related party creditors	(244,169)	(244,169)	(244,169)
Unsecured creditors	(5,884)	(5,879)	(4,727)
<b>Total liabilities</b>	<b>(459,957)</b>	<b>(461,272)</b>	<b>(459,608)</b>
<b>Estimated surplus / deficiency</b>	<b>(231,061)</b>	<b>(461,272)</b>	<b>(459,608)</b>

### Notes

#### Cash at bank

There are 10 bank accounts held in the name of KLP, two of which are foreign currency accounts (USD and EUR). On the date of our appointment, the closing balances totalled \$178,457.

The credit balances in the bank accounts are subject to secured lender's security and following the Receivers and Managers' appointment they have taken control of the cash balances. As such, there is unlikely to be any cash at bank available to ordinary unsecured creditors.

#### Debtors

The Directors have recorded 9 Debtors totalling \$3.1m for KLP. Of these, there was one related party (KLL). The debtor balances (mainly for KLP) are expected to be recovered as we have no evidence to suggest otherwise.

#### Inventory

KLP is the only company holding inventory, totalling \$12.8m as at the date of our appointment. The Receivers and Managers are in control of these assets and continue to trade the company's business. As such, it is likely that the value of inventory for KLP would be either converted or sold during the course of trading the business.

#### Plant and equipment

The Directors' ROCAP's outlined a total value of c.\$4.4m in plant and equipment, held by KLP. This includes various motor vehicles, mobile equipment and other plant and equipment related to the Beyondie project.

All assets included within property, plant and equipment are subject to security held by Westpac as security trustee for secured lenders NAIF and KfW and also subject of the ongoing sale process managed by the Receivers and Managers. As such, it is unlikely that any proceeds from the realisation of this asset class would be available to unsecured creditors.

#### Other assets

Other assets relates to capital work in progress and mine properties in production assets, including a purification plant, axillary assets, 120ktpa expansion, brine supply and ponds.

The Directors' ROCAP indicates that an estimated value for investment in subsidiary companies cannot be determined, however we note that the nature of these related party loans make it unlikely to be recoverable.

The recovery of any further other assets is the subject of the ongoing sales and marketing campaign, accordingly, the Administrators' ERV will be subject to any offers received.

### Secured creditors

Security over all the Group's assets was granted security over their assets in favour of Westpac Administration Pty Ltd on behalf of the syndicated lenders (Northern Australia Infrastructure Facility (NAIF) and KfW IPEX Bank).

These securities are registered on the Personal Property Security Register in relation to each of the Companies. On 3 August 2023, Receivers and Managers have been appointed to the Companies pursuant to these securities.

### Employee claims

A breakdown of outstanding employee entitlements is detailed below:

\$	Book Value	Administrators' ERV (Low)	Administrators' ERV (High)
Unpaid wages	2,522	-	-
Unpaid superannuation	206	-	-
Annual leave	487,519	487,519	341,097
Long service leave	-	-	-
Redundancy / PILN	Unascertained	1,323,807	957,405
<b>Total employees claims</b>	<b>490,247</b>	<b>1,811,326</b>	<b>1,298,502</b>

Employee claims are afforded priority of repayment pursuant to Section 556 of the Act, ahead of any return to unsecured creditors. The Act also provides that excluded employees (including Company directors and their spouses) are each restricted to a total maximum priority claim of \$2,000 for unpaid wages and superannuation entitlements and \$1,500 for leave entitlements. Amounts owed to excluded employees that exceed the statutory limit, and all payments owing in respect of redundancy and payment in lieu of notice will rank as ordinary unsecured claims.

The notice (payment in lieu) and redundancy entitlements crystallise upon the termination of the employment of the employees, and, in the case of the notice entitlement, the amount of the obligation depends to what extent that notice period is worked out by the relevant employee prior to their cessation.

We understand from discussions with the Receivers and Managers that all unpaid wages and superannuation obligations as at the date of our appointment has been paid during the Receivership. Further, under the terms of the SSA which was entered into by KLP and KLI with Agrimin on 20 September 2023, a number of current employees (approximately 20) are being offered the continuity of employment with KLP. In this circumstance, this will potentially reduce KLP's liability for these continuing employees.

For non-continuing (terminated employees), the DOCA provides for payments in full from funds being made available from the proceeds from the SSA.

Should the Company be placed into liquidation at the Second Meeting, employees may be eligible for financial assistance under the Fair Entitlements Guarantee Act 2012. Further information on FEG including eligibility for assistance can be found at [www.employment.gov.au/feg](http://www.employment.gov.au/feg).

### Related party creditors

The related party creditors are intercompany loans between KLL (\$243.6m), founder royalties owed to director-related trust entities (\$152k) and related party transactions with director-related companies (\$427k) totalling \$244.2m.

### Unsecured creditors

In their ROCAP, the Directors have recorded unsecured creditor claims totalling \$5,884,169 (excluding related party amounts). Accounting for proofs of debts received to date and KLP's records, we estimate KLP's liability to unsecured creditors to be approximately \$250.0m (including related party amounts), broken down as follows:

<b>\$000</b>	<b>Book Value</b>	<b>Administrators' ERV (Low)</b>	<b>Administrators' ERV (High)</b>
Trade creditors	5,106	5,100	3,949
Statutory creditors	778	778	778
Estimated shortfall to hire purchase creditors		Unascertained	
<b>Total unsecured creditors (excl related party)</b>	<b>5,884</b>	<b>5,879</b>	<b>4,727</b>
Related party amounts	244,169	244,169	244,169
<b>Total unsecured creditors (incl related party)</b>	<b>250,053</b>	<b>250,048</b>	<b>248,897</b>

The Administrators are unable to determine the exact quantum of the unsecured debt at this stage as certain proofs of debt are:

- Claimed against a different Companies entity than what is reported in the ROCAP; and
- Insufficient supporting documentation has been received.

For completeness, we note that the amounts above are subject to the adjudication and admission of proofs of debt.

## C2 – Kalium Lakes Infrastructure Pty Ltd (KLI)

The following table summarises the assets and liabilities disclosed in the Directors' ROCAP for KLI:

\$000	Book Value	Administrators' ERV (Low)	Administrators' ERV (High)
<b>Assets</b>			
Cash at bank	6	Controlled by R&M	
Debtors	-	Controlled by R&M	
Inventory	-	Controlled by R&M	
Plant and equipment	-	Controlled by R&M	
Other assets	43,825	Controlled by R&M	
<b>Total assets</b>	<b>43,831</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>			
Secured creditors	(209,413)	-	(209,413)
Employees claims	-	-	-
Related party creditors	(13,534)	(13,534)	(13,534)
Unsecured creditors	-	-	Unknown
<b>Total liabilities</b>	<b>(222,947)</b>	<b>(13,534)</b>	<b>(222,947)</b>
<b>Estimated surplus / deficiency</b>	<b>(179,116)</b>	<b>(13,534)</b>	<b>(222,947)</b>

### Notes

#### Cash at bank

There are 6 bank accounts held in the name of KLI, the closing balances totalled \$5,909 as at the date of our appointment.

The credit balances in the bank accounts are subject to secured lender's security and following the Receivers and Managers' appointment they have taken control of the cash balances. As such, there is unlikely to be any cash at bank available to ordinary unsecured creditors.

#### Other assets

Other assets included in the Directors' ROCAP include an airstrip, access road, camp facilities, gas pipelines and power stations, with a book value estimated of \$43.8m as at 30 June 2023.

The Directors' ROCAP indicates that an estimated value for investment in subsidiary companies cannot be determined, however we note that the nature of these related party loans make it unlikely to be recoverable.

The recovery of any further other assets is the subject of the ongoing sales and marketing campaign, accordingly, the Administrators' ERV will be subject to any offers received.

#### Secured creditors

Security over all the Group's assets was granted security over their assets in favour of Westpac Administration Pty Ltd on behalf of the syndicated lenders (Northern Australia Infrastructure Facility (NAIF) and KfW IPEX Bank).

These securities are registered on the Personal Property Security Register in relation to each of the Companies. On 3 August 2023, Receivers and Managers have been appointed to the Companies pursuant to these securities.

#### Related party creditors

The related party creditors are intercompany loans between KLP (\$2.1m) and KLL (\$11.4m), totalling \$13.5m.

#### Unsecured Creditors (other than related party creditors)

In their ROCAP's, the Directors did not disclose a debt owed to unsecured creditors, similarly the Administrators have not yet received any proof of debts in the Administration to date.



# Annexure D – Notice of meeting of creditors

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## Notice of Concurrent Second Meeting of Creditors of Companies

*Insolvency Practice Rules (Corporations) 2016 (IPR), Section 75-15*

**Kalium Lakes Potash Pty Ltd**  
**ACN 601 436 060 (KLP)**

**Kalium Lakes Infrastructure Pty Ltd**  
**ACN 631 042 450 (KLI)**

**(All Administrators Appointed) (All Receivers and Managers Appointed)**  
**(Collectively referred to as “the Companies”)**

NOTICE is given that a concurrent meeting of creditors of KLP and KLI will be held at KPMG, Level 8, 235 St Georges Terrace, Perth WA 6000 on Wednesday, 4 October 2023 at 10:00am (AWST).

Although, legally, the meetings will be treated as separate, we intend to conduct each of the meetings of the Companies at the same time and location in order to save costs and allow for an efficient Administration process for all stakeholders, without prejudicing their respective interests.

### Agenda

1. To consider a statement by the Directors about the Companies' business, property, affairs and financial circumstances.
2. To consider the circumstances leading to the appointment of the Administrators to KLP and KLI, details of the proposed Deed of Company Arrangement and the various options available to creditors.
3. To consider the report of the Administrators.
4. To fix the remuneration of the Administrators.
5. To resolve that in respect of each of the individual companies whether:
  - The Company execute a Deed of Company Arrangement; or
  - The Administration should end; or
  - The Company be wound up.
6. If it is resolved that a company execute a Deed of Company Arrangement, to fix the remuneration of the Deed Administrators.
7. If it is resolved that a Creditors Trust be formed, to fix the remuneration of the Trustee(s) of the Creditors Trust.
8. If it is resolved that a company be wound up, and an alternate Liquidator is proposed, consider whether creditors wish to appoint the alternate Liquidator.
9. If it is resolved that a company be wound up, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee.
10. If it is resolved that a company be wound up, to fix the remuneration of the Liquidators.
11. Any other business that may be lawfully brought forward.

Creditors wishing to vote at the meeting, who will not be attending in person or are a company, must complete and return a Proxy Form (and lodge a Proof of Debt form electronically via the Creditors' Portal if one has not already been lodged) by no later than 4:00pm on the last business day prior to the meeting by email to [kaliumlakes@kpmg.com.au](mailto:kaliumlakes@kpmg.com.au), by post to GPO Box A29, PERTH WA 6837 or by facsimile to +61 8 9263 7129. A Proxy Form is enclosed.

For creditors who are unable to attend the meeting, a conference call facility will be available.

If you wish to vote or participate, you must attend in person or by proxy. Creditors are not entitled to vote at the meeting unless they lodge particulars of the debt or claim via the Creditors' Portal before the meeting.

Should you wish to attend the meeting via teleconference facilities, please contact KPMG by email at [kaliumlakes@kpmg.com.au](mailto:kaliumlakes@kpmg.com.au) or by telephone to 08 9263 7297 at least one (1) business day prior to the meeting to advise that you will be using the conference facilities and to be provided with the conference call code.

Dated this 26<sup>th</sup> day of September 2023.



**Martin Jones**  
Joint and Several Administrator

KPMG  
Tel: +61 8 9263 7297  
Fax: +61 8 9263 7129  
Email: [kaliumlakes@kpmg.com.au](mailto:kaliumlakes@kpmg.com.au)

Note: In accordance with IPR Section 75-15(1)(c) please see effect of IPR Section 75-85 Entitlement to vote at meetings of creditors on the following page.

## Annexure E – ARITA creditor information sheet

# Creditor Rights in Voluntary Administrations

As a creditor, you have rights to request meetings and information or take certain actions:



### Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the Companies's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

Creditors have the right to request information at any time. A voluntary administrator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the voluntary administration, and the provision of the information would not cause the voluntary administrator to breach their duties.

A voluntary administrator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed.

If, due to the nature of the information requested, the voluntary administrator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

#### Requests must be reasonable.

##### They are not reasonable if:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

## Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions.

If a voluntary administrator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons for not complying.

An individual creditor cannot provide a direction to a voluntary administrator.

## Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the voluntary administration, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the voluntary administrator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

## Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the Companies into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator. These additional costs of appointing another registered liquidator are paid from the assets of the deed of company arrangement or liquidation, in priority to creditor claims.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

# Annexure F – Short guide to the Creditors' Portal

## Short guide to the Creditors' Portal

arita

We are using the Creditors' Portal as the primary tool for communicating with creditors and managing claims.

We have prepared this short guide to assist you as a creditor to understand the process that you must undertake to ensure you are appropriately registered as a creditor of the Companies.

Please note, the email registered on the Creditors' Portal will receive all notifications including circulars and reports issued by the Administrators.

Please refer to the following link for further guidance on how to register, submit and manage a claim:  
<https://creditors.accountants/Help>

### Step 1: Register



- ☐ Register as a user at the following link: <https://creditors.accountants/> (use chrome, edge or firefox).
- ☐ You will receive a confirmation email to verify your account (verify your email address within 24 hours of registering as a user).
- ☐ Once verified, you will be redirected to the Portal.
- ☐ If you are already a registered user, please skip to "Login" below.

### Step 2: Log in



- ☐ Log into the Portal using your username and password.
- ☐ You will be redirected to a screen where you need to input the following details:
  - Company creditor – an ABN; or
  - Individual creditor – first and last name.
- ☐ You will be prompted to make a declaration to confirm that you are authorised to act on behalf of the Companies or individual and agree on how you wish to receive future correspondence.

### Step 3: Link creditor



- ☐ Once you have completed your declaration, you will be redirected to the Portal landing page where you can view the Companies under "*Recent Interactions*".
- ☐ If you cannot view the Companies listed on the landing page you may need a creditor code to link your profile to the Companies.
- ☐ Please contact the External Administrators for a unique code to register your claim.
- ☐ Once you receive your creditor code, log in and click on your user name in the top right hand side and click on "*Creditor Admin*" and input your code and click "*Link*".
- ☐ There will be an option to provide an ABN (if relevant) for company creditors, click "*I do not have an ABN*" (individuals) and then click "continue"

#### Step 4: View company and documents



- ☐ You will be able to view the Companies on the landing page or under the “Debtors” tab and click “My debtors” or “My claims”. Click on “Details” to be directed to the Companies.
- ☐ You will be able to view any documents uploaded under the “Documents” tab that relate to the Companies.
- ☐ There are additional resources that you can also access under the “Resources” tab.

#### Step 5: Submit a Formal Proof of Debt Form (POD)



- ☐ You will be able to view the Companies on the landing page or under the “Debtors” tab and click “My debtors” or “My claims”. Click on “Details” to be directed to the Companies.
- ☐ Click on the “Proof of Debt” tab.
- ☐ Click on the “Submit” button and start completing the POD form.
- ☐ Tick “No” to the question “Is your proof of debt informal”. If you are an employee creditor, this will not be an option.
- ☐ Upload any supporting documentation for consideration.
- ☐ Press “Next” and “Submit”.

#### Step 6: Be admitted for voting (performed by the External Administrators)



- ☐ Once you have submitted a POD with supporting documentation, we will evaluate your claim to admit for voting purposes at the online meeting .
- ☐ If necessary, the External Administrators will request further information with respect to your claim.
- ☐ The External Administrators will announce your admission status once the online meeting commences.

#### Step 7: Appoint a proxy (required for company creditors, optional for individuals)



- ☐ If you are a company creditor or individual that is appointing the Chairperson or an alternative person to vote (alternate email to the email registered initially) please complete a proxy form attached to the report to creditors and submit **via email** to the External Administrators.
- ☐ The External Administrators will provide the nominated proxy holder with a unique creditor code prior to the meeting for voting purposes only.
- ☐ The nominated proxy holder will need to register on the Portal (**Step 1 to Step 3**) to be provided with access to vote at the online meeting on behalf of the creditor.

#### Step 8: Voting at the online meeting



- ☐ You will only be able to vote from the time the online meeting commences (one hour before).
- ☐ Log into the Portal and click on “Open for voting” on the landing page or the “Debtors” tab and “My debtors” and click on the relevant company.
- ☐ You will be able to view the online meeting under the “Polls” tab.
- ☐ You will be able to view the resolutions on the screen with the option to vote “in favour, against or abstain”.
- ☐ If you are a nominated proxy holder, you will be able to view the resolutions and the creditor that you are acting on behalf of.
- ☐ The chairperson will read the resolutions, allow you to vote prior to locking the resolutions.
- ☐ Please ensure you click “Submit” after placing your votes.

## **Annexure G – Remuneration approval requests**

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# G1 – Remuneration approval request for KLP

*Schedule 2 to the Corporations Act 2001, Section 70-50*  
*Insolvency Practice Rules (Corporations) 2016, Section 70-45*

**Kalium Lakes Potash Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)**  
**ACN 601 436 060 (the Company or KLP)**

## 1 Summary

We are asking creditors to approve the following remuneration:

	Remuneration \$(ex GST)
Voluntary administration – work completed to 15 September 2023 (retrospective)	188,446.50
Voluntary administration – 16 September 2023 to date of meeting (prospective)	145,200.00
If DOCA is accepted – 4 October 2023 to execution of DOCA	35,300.00
Deed administration – work from execution to completion of DOCA	35,000.00
Trustees for the Creditors Trust – future work from commencement to completion	80,000.00
If company is placed into liquidation – 4 October 2023 to completion of liquidation	200,000.00

Details of remuneration can be found in sections 3 and 4 of this report.

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at the concurrent meeting of creditors on 4 October 2023.
- Refer to section 2 of the report to creditors dated 26 September 2023 for details as to how you can attend the concurrent meeting of creditors in person or by proxy in order to vote on the resolutions contained in this report.

We estimate that the total combined cost of the administration for the three (3) entities, i.e. KLL, KLP and KLI will be approximately \$392,978 (excluding GST). This differs from the estimate of costs provided to creditors in the Initial Circular to Creditors dated 4 August 2023, which estimated a combined cost to completion of the administration of between \$200,000 and \$250,000 (excluding GST).

The reason for our current total cost estimate being greater than the amount previously advised to creditors is due to the extension of the administration period, which was done via application to the Supreme Court of WA for an extension of the convening period by three (3) months, ending on 1 December 2023. This extension was necessary to enable the Receivers and Managers to complete their sale and marketing process for the sale of the Companies business and assets.

## 2 Declaration

We, Martin Jones, Matthew Woods and Clint Joseph of KPMG, have undertaken an assessment of this remuneration claim for our appointment as Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is necessary and proper.

We have reviewed the work in progress report for the administration to ensure that remuneration is only being claimed for necessary and proper work performed.

## 3 Remuneration sought

The remuneration we are asking creditors to approve is as follows. We will only seek approval of resolutions for the DOCA if creditors agree to the proposal offered. Similarly, we will only seek approval of the resolution for the liquidation if creditors vote to place the company into liquidation.

For	Period	Amount (ex GST) \$	Rates to apply	When it will be drawn
Work already completed	3 Aug 2023 to 15 Sept 2023	188,446.50	Please refer to the Initial Remuneration Notice (IRN) sent	When funds are available
Work to be completed to meeting date	16 Sept 2023 to 4 Oct 2023	145,200.00		



For	Period	Amount (ex GST) \$	Rates to apply	When it will be drawn
Future work from meeting to execution of DOCA	4 Oct 2023 to execution of DOCA	35,300.00	to creditors on 4 August 2023	
<b>Voluntary administration total</b>		<b>\$368,946.50</b>		
Future work – DOCA	Execution of DOCA to finalisation of DOCA	35,000.00	Please refer to IRN sent to creditors on 4 August 2023	When funds are available
Future work – Creditors Trust	Commencement to completion	80,000.00		
<b>DOCA total</b>		<b>\$115,000.00</b>		
Future work – liquidation	4 Oct 2023 to finalisation of liquidation	200,000.00	Please refer to IRN sent to creditors on 4 August 2023	When funds are available
<b>Liquidation total</b>		<b>\$200,000.00</b>		

Details of the work already completed and work to be completed in the future are included at **Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already completed.

Actual resolutions to be put to the meeting are set out at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting that have been provided to you.

#### 4 Likely impact on dividends

The Corporations Act sets the order for payment of claims against the Company and it provides for remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

We are unable to provide a dividend estimate of any certainty at this stage. If we do declare a dividend, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt.

#### 5 Report on progress of administration

This Remuneration Approval Request must be read in conjunction with the report to creditors dated 26 September 2023 which outlines the progress of the administration.

#### 6 Summary of receipts and payments

There were no receipts and payments for the Company during the administration period as the Company did not have any funds. In addition, the control of assets vests with the Receivers and Managers.

#### 7 Approval of remuneration

For information about how approval of the resolutions for remuneration will be sought, refer to Section 2 of the report to creditors dated 26 September 2023.

## **8 Questions**

If you require further information in relation to the information in this report, please contact Lachlan Wharton of this office on 08 9263 7297.

You can also access information which may assist you on the following websites:

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for INFO 85)

Dated this 26<sup>th</sup> day of September 2023



**Martin Jones**  
Administrator

### **Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task already completed

Schedule C – Resolutions

## Schedule A – Details of work

The below table contains more detailed descriptions of the tasks performed within each task area by the Administrators and their staff, which is referred to in Part 3 and supports remuneration Resolutions 1 to 6 set out in **Schedule C**.

		Tasks					
		Work already done	Future work to meeting date	If DOCA approved		Creditors Trust work	If coy wound up
				Future work from meeting to execution of DOCA	DOCA work		Liquidation work
Period		4 August 2023 to 15 September 2023	16 September 2023 to 4 October 2023	4 October 2023 to execution of DOCA	From execution to completion of DOCA	Commencement to completion of Creditors Trust	Commencement to finalisation of liquidation
Amount (ex GST)		\$188,446.50	\$145,200.00	\$35,300.00	\$35,000.00	\$80,000.00	\$ 200,000.00
Task Area	General Description						
Assets		0.4 hours \$248.00	12.7 hours \$7,200.00	4.7 hours \$2,300.00	18.0 hours \$11,000.00	25.0 hours \$14,200.00	
	Sale of business as a going concern	– Review correspondence on sale process	– Liaising with Receivers and Managers regarding ongoing sale process – Reviewing DOCA term sheet	– Liaising with Receivers and Managers regarding ongoing sale process – Reviewing DOCA term sheet and finalising DOCA	– Tasks associated with complying with DOCA terms	– Tasks associated with complying terms of the Creditors Trust	
Creditors		218.3 hours \$118,605.00	184.0 hours \$104,400.00	40.0 hours \$23,000.00	22.0 hours \$12,500.00	37.5 hours \$21,300.00	50.0 hours \$28,400.00
	Creditor enquiries, requests and directions	– General updates and responses to creditor enquiries	– General updates and responses to creditor enquiries	– General updates and responses to creditor enquiries	– General updates and responses to creditor enquiries	– General updates and responses to creditor enquiries	– General updates and responses to creditor enquiries
	Security interest claims	– Search the PPSR register – Notify PMSI creditors identified from PPSR register					

		Tasks					
		Work already done	Future work to meeting date	If DOCA approved		Creditors Trust work	If coy wound up
				Future work from meeting to execution of DOCA	DOCA work		Liquidation work
		<ul style="list-style-type: none"> <li>– Receive initial notification of creditors' intention to claim</li> </ul>					
	Secured creditor	<ul style="list-style-type: none"> <li>– Consideration of DOCA and/or recap options</li> </ul>	<ul style="list-style-type: none"> <li>– Consideration of DOCA and/or recap options</li> </ul>	<ul style="list-style-type: none"> <li>– Consideration of DOCA and/or recap options</li> </ul>	<ul style="list-style-type: none"> <li>– Consideration of DOCA and/or recap options</li> </ul>		
	Reports to creditors	<ul style="list-style-type: none"> <li>– Prepare initial circular to creditors dated 4 August 2023</li> <li>– Prepare Voluntary Administrators' report to creditors</li> </ul>	<ul style="list-style-type: none"> <li>– Prepare correspondence to creditors</li> <li>– Prepare Voluntary Administrators' report to creditors</li> </ul>	<ul style="list-style-type: none"> <li>– Prepare correspondence to creditors</li> </ul>	<ul style="list-style-type: none"> <li>– Prepare correspondence to creditors</li> </ul>	<ul style="list-style-type: none"> <li>– Prepare correspondence to creditors</li> </ul>	<ul style="list-style-type: none"> <li>– Prepare correspondence to creditors</li> <li>– Prepare statutory report to creditors</li> </ul>
	Dealing with proofs of debt (POD)	<ul style="list-style-type: none"> <li>– Receipting and filing POD when not related to a dividend</li> </ul>	<ul style="list-style-type: none"> <li>– Receipting and filing POD when not related to a dividend</li> </ul>	<ul style="list-style-type: none"> <li>– Receipting and filing POD when not related to a dividend</li> </ul>	<ul style="list-style-type: none"> <li>– Receipting and filing POD when not related to a dividend</li> </ul>	<ul style="list-style-type: none"> <li>– Receipting and filing POD when not related to a dividend</li> </ul>	<ul style="list-style-type: none"> <li>– Receipting and filing POD when not related to a dividend</li> </ul>
	Meeting of creditors	<ul style="list-style-type: none"> <li>– Preparation of meeting notices, proxies and advertisements</li> <li>– Forward notice of meeting to all known creditors</li> <li>– Preparation of meeting file</li> <li>– Preparation and lodgement of minutes of meetings with ASIC</li> </ul>	<ul style="list-style-type: none"> <li>– Preparation of meeting notices, proxies and advertisements</li> <li>– Forward notice of meeting to all known creditors</li> <li>– Preparation of meeting file</li> <li>– Preparation and lodgement of minutes of meetings with ASIC</li> <li>– Tasks associated with organising eligible employees meeting</li> </ul>				<ul style="list-style-type: none"> <li>– Preparation of meeting notices, proxies and advertisements</li> <li>– Forward notice of meeting to all known creditors</li> <li>– Preparation of meeting file</li> <li>– Preparation and lodgement of minutes of meetings with ASIC</li> </ul>
Employees		18.9 hours \$9,209.00	20.0 hours \$11,000.00	5.7 hours \$3,250.00	2.0 hour \$1,000.00	10.4 hours \$5,900.00	40.0 hours \$22,000.00

		Tasks					
		Work already done	Future work to meeting date	If DOCA approved		Creditors Trust work	If coy wound up
				Future work from meeting to execution of DOCA	DOCA work		Liquidation work
	Employee enquiries	– Attend to employee enquiries	– Attend to employee enquiries	– Attend to employee enquiries	– Attend to employee enquiries	– Attend to employee enquiries	– Attend to employee enquiries
	Fair Entitlements Guarantee (FEG)						<ul style="list-style-type: none"> <li>– Correspondence with FEG</li> <li>– Preparing notification spreadsheet</li> <li>– Preparing FEG quotations</li> <li>– Preparing FEG verifications</li> <li>– Completing FEG questionnaires</li> </ul>
	Calculation of entitlements	<ul style="list-style-type: none"> <li>– Review employee entitlements</li> <li>– Liaising with management regarding entitlements</li> </ul>	– Review employee entitlements	– Review employee entitlements			
	Employee dividend distribution					<ul style="list-style-type: none"> <li>– Correspondence with employees regarding dividend</li> <li>– Correspondence with ATO regarding SGC POD</li> <li>– Receipting POD</li> <li>– Adjudicating POD</li> <li>– Calculating dividend rate</li> <li>– Preparing distribution</li> <li>– Ensuring PAYG is remitted to ATO</li> </ul>	
Trade on		0.7 hours \$623.00					
	Trade on management	– Liaising with Receivers and Managers on status					

		Tasks					
		Work already done	Future work to meeting date	If DOCA approved		Creditors Trust work	If coy wound up
				Future work from meeting to execution of DOCA	DOCA work		Liquidation work
Investigation		8.1 hours \$5,454.00	10.0 hours \$5,600.00		4.8 hours \$2,700.00		40.00 hours \$22,700.00
	Conducting investigation	<ul style="list-style-type: none"> <li>Collection and review of Company books and records</li> <li>Review and preparation of Company nature and history</li> <li>Conducting and summarising statutory searches</li> <li>Preparation of comparative financial statements</li> <li>Review of specific transactions and liaising with directors regarding certain transactions</li> </ul>	<ul style="list-style-type: none"> <li>Review of electronic records</li> <li>Preparation of comparative financial statements</li> <li>Review of specific transactions</li> </ul>		<ul style="list-style-type: none"> <li>Collection and review of Company books and records</li> <li>Review and preparation of Company nature and history</li> <li>Conducting and summarising statutory searches</li> <li>Preparation of comparative financial statements</li> <li>Review of specific transactions and liaising with directors regarding certain transactions</li> </ul>		<ul style="list-style-type: none"> <li>Collection and review of Company books and records</li> <li>Review and preparation of Company nature and history</li> <li>Conducting and summarising statutory searches</li> <li>Preparation of comparative financial statements</li> <li>Review of specific transactions and liaising with directors regarding certain transactions</li> <li>Lodgement of investigation with ASIC</li> <li>Preparation and lodgement of supplementary report if required</li> </ul>
Dividend						50.0 hours \$28,400.00	
	Processing proofs of debt (POD)					<ul style="list-style-type: none"> <li>Preparation of correspondence to potential creditors inviting lodgement of POD</li> <li>Receipt of POD</li> <li>Maintain POD register</li> </ul>	

		Tasks					
		Work already done	Future work to meeting date	If DOCA approved			If coy wound up
				Future work from meeting to execution of DOCA	DOCA work	Creditors Trust work	Liquidation work
						<ul style="list-style-type: none"> <li>– Adjudicating POD</li> <li>– Request further information from claimants regarding POD</li> <li>– Preparation of correspondence to claimant advising outcome of adjudication</li> </ul>	
	Dividend procedures					<ul style="list-style-type: none"> <li>– Preparation of correspondence to creditors advising of intention to declare dividend</li> <li>– Advertisement of intention to declare dividend</li> <li>– Obtain clearance from ATO</li> <li>– Preparation of dividend calculations</li> <li>– Preparation of payment vouchers to pay dividend</li> <li>– Preparation of correspondence to creditors enclosing payment of dividend</li> </ul>	
Administration		85.4 hours \$54,307.50	30.0 hours \$17,000.00	12.0 hours \$6,750.00	14.0 hours \$7,800.00	18.0 hours \$10,200.00	223.00 hours \$126,900.00
	Correspondence	– General correspondence	–	–	–	–	–
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> </ul>	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> </ul>	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> </ul>	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> </ul>	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> </ul>	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>

[illegible]



## Schedule B: Time spent by staff on each major task already completed

The below table sets out time charged to each major task area performed by the Administrators and their staff for the period 3 August 2023 to 15 September 2023, which is the basis of the Resolution 1 claim referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

KLP (03/08/23 to 15/09/23)																
Employee	Title	Rate \$ / hour (excl GST)	Total actual hours	Amount (\$) (excl GST)												
					Creditors		Assets		Employee		Admin		Investigation		Trade	
					Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)
Martin Jones	Partner	890	8.7	7,743.00	1.9	1,691.00	-	-	-	-	1.9	1,691.00	4.2	3,738.00	0.7	623.00
Matthew Woods	Partner	890	1.3	1,157.00							1.3	1,157.00				
Lauren McCann	Director	780	12.3	9,594.00	1.3	1,014.00		-		-	11.0	8,580.00		-		-
Kieran Chu	Associate Director	675	131.0	88,425.00	80.7	54,472.50	-	-	3.8	2,565.00	46.5	31,387.50		-	-	-
Yvonne Liew	Associate Director	675	4.0	2,700.00	4.0	2,700.00		-		-		-	-	-		-
Veronica Del Borrello	Manager	620	11.6	7,192.00	6.8	4,216.00	0.4	248.00			4.4	2,728.00				
Hendrik De Wet	Executive	525	1.5	787.50	1.5	787.50		-	-	-		-	-	-		-
Jacob Carger	Analyst	440	25.6	11,264.00	21.3	9,372.00	-	-	-	-	4.3	1,892.00	-	-		-
Lachlan Wharton	Analyst	440	134.4	59,136.00	100.8	44,352.00			15.1	6,644.00	14.6	6,424.00	3.9	1,716.00		
Lisa Brandt	Team Administrator	320	1.4	448.00	-	-	-	-	-	-	1.4	448.00	-	-	-	-
<b>Total (\$) (excl GST)</b>			<b>331.8</b>	<b>188,446.50</b>	<b>218.3</b>	<b>118,605.00</b>	<b>0.4</b>	<b>248.00</b>	<b>18.9</b>	<b>9,209.00</b>	<b>85.4</b>	<b>54,307.50</b>	<b>8.1</b>	<b>5,454.00</b>	<b>0.7</b>	<b>623.00</b>
				<b>188,446.50</b>												
GST (\$)				18,844.65		11,860.50		24.80		920.90		5,430.75		545.40		62.30
<b>Total (\$) (incl GST)</b>				<b>207,291.15</b>		<b>130,465.50</b>		<b>272.80</b>		<b>10,129.90</b>		<b>59,738.25</b>		<b>5,999.40</b>		<b>685.30</b>
Average hourly rate				567.95		543		620		487		636		673		890

## **Schedule C – Resolutions**

### **Remuneration**

#### **Resolution 1 – for work already completed:**

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 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."*

#### **Resolution 2 – for work to be completed up to the date of the meeting:**

*"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from 16 September 2023 to 4 October 2023 be fixed up to a maximum amount of \$145,200.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

#### **Resolution 3 – for work to be completed from the date of the meeting to the execution of the DOCA (if applicable):**

*"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from 4 October 2023 to the execution of the DOCA be fixed up to a maximum amount of \$35,300.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

#### **Resolution 4 – for work to be completed during the DOCA (if applicable):**

*"That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from the execution to completion of the DOCA be fixed up to a maximum amount of \$35,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

#### **Resolution 5 – for work to be completed during the Creditors Trust (if applicable):**

*"That the future remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from commencement to completion be fixed up to a maximum amount of \$80,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred."*

#### **Resolution 6 – for work to be completed during the liquidation (if applicable):**

*"That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from commencement to completion of the liquidation be fixed up to a maximum amount of \$200,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

# G2 – Remuneration approval request for KLI

*Schedule 2 to the Corporations Act 2001, Section 70-50*  
*Insolvency Practice Rules (Corporations) 2016, Section 70-45*

**Kalium Lakes Infrastructure Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)**  
**ACN 631 042 450 (the Company or KLI)**

## 1 Summary

We are asking creditors to approve the following remuneration:

	Remuneration \$(ex GST)
Voluntary administration – work completed to 15 September 2023 (retrospective)	14,414.50
Voluntary administration – 16 September 2023 to date of meeting (prospective)	6,340.00
If DOCA is accepted – 4 October 2023 to execution of DOCA	3,160.00
Deed administration – work from execution to completion of DOCA	3,000.00
Trustees for the Creditors Trust – future work from commencement to completion	7,000.00
If company is placed into liquidation – 4 October 2023 to completion of liquidation	40,000.00

Details of remuneration can be found in sections 3 and 4 of this report.

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at the concurrent meeting of creditors on 4 October 2023.
- Refer to section 2 of the report to creditors dated 26 September 2023 for details as to how you can attend the concurrent meeting of creditors in person or by proxy in order to vote on the resolutions contained in this report.

We estimate that the total combined cost of the administration for the three (3) entities, i.e. KLL, KLP and KLI will be approximately \$392,978 (excluding GST). This differs from the estimate of costs provided to creditors in the Initial Circular to Creditors dated 4 August 2023, which estimated a combined cost to completion of the administration of between \$200,000 and \$250,000 (excluding GST).

The reason for our current total cost estimate being greater than the amount previously advised to creditors is due to the extension of the administration period, which was done via application to the Supreme Court of WA for an extension of the convening period by three (3) months, ending on 1 December 2023. This extension was necessary to enable the Receivers and Managers to complete their sale and marketing process for the sale of the Companies business and assets.

## 2 Declaration

We, Martin Jones, Matthew Woods and Clint Joseph of KPMG, have undertaken an assessment of this remuneration claim for our appointment as Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is necessary and proper.

We have reviewed the work in progress report for the administration to ensure that remuneration is only being claimed for necessary and proper work performed.

## 3 Remuneration sought

The remuneration we are asking creditors to approve is as follows. We will only seek approval of resolutions for the DOCA if creditors agree to the proposal offered. Similarly, we will only seek approval of the resolution for the liquidation if creditors vote to place the company into liquidation.

For	Period	Amount (ex GST) \$	Rates to apply	When it will be drawn
Work already completed	3 Aug 2023 to 15 Sept 2023	14,414.50	Please refer to Initial	When funds are available
Work to be completed to meeting date	16 Sept 2023 to 4 Oct 2023	6,340.00	Remuneration Notice (IRN) sent	When funds are available

For	Period	Amount (ex GST) \$	Rates to apply	When it will be drawn
Future work from meeting to execution of DOCA	4 Oct 2023 to execution of DOCA	3,160.00	to creditors on 4 August 2023	
<b>Voluntary administration total</b>		<b>\$23,914.50</b>		
Future work – DOCA	Commencement to completion	3,000.00	Please refer to IRN sent to creditors on 4 August 2023	When funds are available
Future work – Creditors Trust	Commencement to completion	7,000.00		
<b>DOCA / Creditors Trust total</b>		<b>\$10,000.00</b>		
Future work – liquidation	4 October 2023 to finalisation of liquidation	40,000.00	Please refer to IRN sent to creditors on 4 August 2023	When funds are available
<b>Liquidation total</b>		<b>\$40,000.00</b>		

Details of the work already completed and work to be completed in the future are included at **Schedule A**.

**Schedule B** includes a breakdown of time spent by staff members on each major task for work we have already completed.

Actual resolutions to be put to the meeting are set out at **Schedule C** for your information. These resolutions also appear in the proxy form for the meeting that have been provided to you.

#### 4 Likely impact on dividends

The Corporations Act sets the order for payment of claims against the company and it provides for remuneration of the Administrators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Administrators receives payment for the work done to recover assets, investigate the company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

We are unable to provide a dividend estimate of any certainty at this stage of the liquidation. If we do declare a dividend, any creditor whose claim has not yet been admitted will be contacted and asked to submit a proof of debt.

#### 5 Report on progress of administration

This Remuneration Approval Request must be read in conjunction with the report to creditors dated 26 September 2023 which outlines the progress of the administration.

#### 6 Summary of receipts and payments

There were no receipts and payments for the Company during the administration period as the Company did not have any funds. In addition, the control of assets vests with the Receivers and Managers.

#### 7 Approval of remuneration

For information about how approval of the resolutions for remuneration will be sought, refer to Section 2 of the report to creditors dated 26 September 2023.

## **8 Questions**

If you require further information in relation to the information in this report, please contact Lachlan Wharton of this office on 08 9263 7297.

You can also access information which may assist you on the following websites:

- ARITA at [www.arita.com.au/creditors](http://www.arita.com.au/creditors)
- ASIC at [www.asic.gov.au](http://www.asic.gov.au) (search for INFO 85)

Dated this 26<sup>th</sup> day of September 2023



**Martin Jones**  
Administrator

### **Attachments:**

Schedule A – Details of work

Schedule B – Time spent by staff on each major task already completed

Schedule C – Resolutions

## Schedule A – Details of work

The below table contains more detailed descriptions of the tasks performed within each task area by the Administrators and their staff, which is referred to in Part 3 and supports remuneration Resolutions 1 to 6 set out in **Schedule D**.

		Tasks					
		Work already done	Future work to meeting date	If DOCA approved		Creditors Trust work	If coy wound up
				Future work from meeting to execution of DOCA	DOCA work		Liquidation work
Period		4 August 2023 to 15 September 2023	16 September 2023 to 4 October 2023	4 October 2023 to execution of DOCA	From execution to completion of DOCA	Commencement to completion of Creditors Trust	Commencement to finalisation of liquidation
Amount (ex GST)		\$14,414.50	\$6,340.00	\$3,160.00	\$3,000.00	\$7,000.00	\$ 40,000.00
Task Area	General Description						
Assets			0.6 hours \$340.00	0.3 hours \$160.00	1.0 hours \$560.00	5.0 hours \$2,800.00	
	Sale of business as a going concern		<ul style="list-style-type: none"> <li>– Liaising with Receivers and Managers regarding ongoing sale process</li> <li>– Review DOCA term sheet</li> </ul>	<ul style="list-style-type: none"> <li>– Liaising with Receivers and Managers regarding ongoing sale process</li> <li>– Review DOCA term sheet</li> </ul>	<ul style="list-style-type: none"> <li>– Tasks associated with complying with DOCA terms</li> </ul>	<ul style="list-style-type: none"> <li>– Tasks associated with complying terms of the Creditors Trust</li> </ul>	
Creditors		15.5 hours \$9,195.50	8.4 hours \$4,750.00	4.8 hours \$2,500.00			9.0 hours \$5,100.00
	Reports to creditors	<ul style="list-style-type: none"> <li>– Prepare initial circular to creditors dated 4 August 2023</li> <li>– Prepare Voluntary Administrators' report to creditors</li> </ul>	<ul style="list-style-type: none"> <li>– Prepare Voluntary Administrators' report to creditors</li> </ul>				<ul style="list-style-type: none"> <li>– Prepare statutory report</li> </ul>
	Meeting of creditors		<ul style="list-style-type: none"> <li>– Preparation of meeting notices, proxies and advertisements</li> </ul>	<ul style="list-style-type: none"> <li>– Prepare minutes of meeting</li> </ul>			<ul style="list-style-type: none"> <li>– Preparation of meeting notices, proxies and advertisements</li> <li>– Forward notice of meeting to all known creditors</li> </ul>

		Tasks					
		Work already done	Future work to meeting date	If DOCA approved		Creditors Trust work	If coy wound up
				Future work from meeting to execution of DOCA	DOCA work		Liquidation work
			<ul style="list-style-type: none"> <li>– Forward notice of meeting to all known creditors</li> <li>– Preparation of meeting file</li> <li>– Preparation and lodgement of minutes of meetings with ASIC</li> </ul>				<ul style="list-style-type: none"> <li>– Preparation of meeting file</li> <li>– Preparation and lodgement of minutes of meetings with ASIC</li> </ul>
Investigation			0.8 hours \$500.00				12.00 hours \$6,800.00
	Conducting investigation		<ul style="list-style-type: none"> <li>– Collection and review of Company books and records</li> <li>– Review and preparation of Company nature and history</li> <li>– Conducting and summarising statutory searches</li> <li>– Preparation of comparative financial statements</li> <li>– Review of specific transactions and liaising with directors regarding certain transactions</li> </ul>				<ul style="list-style-type: none"> <li>– Collection and review of Company books and records</li> <li>– Review and preparation of Company nature and history</li> <li>– Conducting and summarising statutory searches</li> <li>– Preparation of comparative financial statements</li> <li>– Review of specific transactions and liaising with directors regarding certain transactions</li> <li>– Lodgement of investigation with ASIC</li> <li>– Preparation and lodgement of supplementary report if required</li> </ul>
Dividend						1.0 hours \$560.00	

		Tasks					
		Work already done	Future work to meeting date	If DOCA approved		Creditors Trust work	If coy wound up
				Future work from meeting to execution of DOCA	DOCA work		
	Processing proofs of debt ( <b>POD</b> )					<ul style="list-style-type: none"> <li>– Preparation of correspondence to potential creditors inviting lodgement of POD</li> <li>– Receipt of POD</li> <li>– Maintain POD register</li> <li>– Adjudicating POD</li> <li>– Request further information from claimants regarding POD</li> <li>– Preparation of correspondence to claimant advising outcome of adjudication</li> </ul>	
	Dividend procedures					<ul style="list-style-type: none"> <li>– Preparation of correspondence to creditors advising of intention to declare dividend</li> <li>– Advertisement of intention to declare dividend</li> <li>– Obtain clearance from ATO</li> <li>– Preparation of dividend calculations</li> <li>– Preparation of payment vouchers to pay dividend</li> <li>– Preparation of correspondence to creditors enclosing payment of dividend</li> </ul>	





## Schedule B: Time spent by staff on each major task already completed

The below table sets out time charged to each major task area performed by the Administrators and their staff for the period 3 August 2023 to 15 September 2023, which is the basis of the Resolution 1 claim referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

KLI (03/08/23 to 15/09/23)																
Employee	Title	Rate \$ / hour (excl GST)	Total actual hours	Amount (\$) (excl GST)												
					Creditors		Assets		Employee		Admin		Investigation		Trade	
					Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)	Hours	Amount (\$)
Martin Jones	Partner	890	0.5	445.00	0.5	445.00	-	-	-	-	-	-	-	-	-	-
Lauren McCann	Director	780	0.7	546.00	-	-	-	-	-	-	0.7	546.00	-	-	-	-
Kieran Chu	Associate Director	675	10.8	7,290.00	6.7	4,522.50	-	-	-	-	4.1	2,767.50	-	-	-	-
Veronica Del Borrello	Manager	620	3.7	2,294.00	3.2	1,984.00	-	-	-	-	0.5	310.00	-	-	-	-
Hendrik De Wet	Executive	525	0.7	367.50	-	-	-	-	-	-	0.7	367.50	-	-	-	-
Lachlan Wharton	Analyst	440	6.8	2,992.00	5.1	2,244.00	-	-	-	-	1.7	748.00	-	-	-	-
Lisa Brandt	Team Administrator	320	1.5	480.00	-	-	-	-	-	-	1.5	480.00	-	-	-	-
<b>Total (\$) (excl GST)</b>			<b>24.7</b>	<b>14,414.50</b>	<b>15.5</b>	<b>9,195.50</b>	-	-	-	-	<b>9.2</b>	<b>5,219.00</b>	-	-	-	-
				<b>14,414.50</b>												
GST (\$)				1,441.45		919.55	-	-	-	-		521.90	-	-	-	-
<b>Total (\$) (incl GST)</b>				<b>15,855.95</b>		<b>10,115.05</b>	-	-	-	-		<b>5,740.90</b>	-	-	-	-
Average hourly rate				583.58		593						567				

## **Schedule C – Resolutions**

### **Remuneration**

#### **Resolution 1 – for work already completed:**

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 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."*

#### **Resolution 2 – for work to be completed up to the date of the meeting:**

*"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from 16 September 2023 to 4 October 2023 be fixed up to a maximum amount of \$6,340.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

#### **Resolution 3 – for work to be completed from the date of the meeting to the execution of the DOCA (if applicable):**

*"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from 4 October 2023 to the execution of the DOCA be fixed up to a maximum amount of \$3,160.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

#### **Resolution 4 – for work to be completed during the DOCA (if applicable):**

*"That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from the execution to completion of the DOCA be fixed up to a maximum amount of \$3,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

#### **Resolution 5 – for work to be completed during the Creditors Trust (if applicable):**

*"That the future remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from commencement to completion be fixed up to a maximum amount of \$7,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred."*

#### **Resolution 6 – for work to be completed during the liquidation (if applicable):**

*"That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from commencement to completion of the liquidation be fixed up to a maximum amount of \$40,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

## **Annexure H – Forms to Complete**

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# H1 – Appointment of Proxy Form for KLP

**Form 532 - Appointment of Proxy**  
*Insolvency Practice Rules (Corporations) 2016, Section 75-25*

Return no later than 4pm, 3 October 2023 to:  
KPMG GPO Box A29, PERTH WA 6837  
Tel: +61 8 9263 7297  
Fax: +61 8 9263 7129  
Email: [kaliumlakes@kpmg.com.au](mailto:kaliumlakes@kpmg.com.au)

**Indebted Company: Kalium Lakes Potash Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 601 436 060**  
**Date of Appointment: 3/08/2023**

## A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

1

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

2 of

(address)

3 Tel:

4 Email:

## B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

1 I/We, as named in Section A above, a creditor/employee/contributory/member of the Company, appoint

2

(name of person appointed as proxy)

3

4 or in his / her absence

(address of person appointed as proxy)

5

(name of person appointed as alternate proxy)

6

7 as \*my / \*our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on 4 October 2023 at 10:00AM (AWST) at KPMG, Level 8, 235 St Georges Terrace, Perth WA 6000 or at any adjournment of that meeting in accordance with the instructions in Section C below.

## C. Voting Instructions

1 \*My / \*Our proxy, as named in Section B above, is entitled to act as \*my / \*our :

☐

2 **general proxy**, to vote on \*my / \*our behalf **and / or**

☐

3 **special proxy**, to vote on \*my / \*our behalf specifically as follows:

Resolution	For	Against	Abstain
1 That, pursuant to Section 439C of the Corporations Act 2001 (the Act), Kalium Lakes Potash Pty Ltd 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).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 That Kalium Lakes Potash Pty Ltd be wound up and that Matthew Woods, Martin Jones and Clint Joseph be appointed as Joint and Several Liquidators of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 That the administration of Kalium Lakes Potash Pty Ltd should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	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.			
5	That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from 16 September 2023 to 4 October 2023 be fixed up to a maximum amount of \$145,200.00, 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..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from 4 October 2023 to the execution of the DOCA be fixed up to a maximum amount of \$35,300.00, 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..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from execution to completion of the DOCA be fixed up to a maximum amount of \$35,000.00, 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	That the future remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from commencement to completion be fixed up to a maximum amount of \$80,000.00, 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from commencement to completion be fixed up to a maximum amount of \$200,000.00, 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**D. Signature**

<sup>1</sup> Dated:

<sup>2</sup> Signature:

<sup>3</sup> Name / Capacity:

## Creditor Assistance Sheet: Completing a Proxy Form

### Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

### Section B – Appointment of Person to Act as Proxy

1. Cross out any wording that is **not** applicable. For example, if the employee/individual/sole trader/partnership/company is a creditor, cross out '\*eligible employee creditor', '\*contributory', '\*debenture holder' and '\*member'.
2. Insert the name of the person who will be exercising the creditor's vote at the meeting. If someone is attending the meeting in person, that person's name should be inserted. Alternatively, if someone is unable to attend, but you still want to cast a vote at the meeting, then you can appoint the Chairperson of the meeting to vote on your behalf by inserting the words 'the Chairperson' here.
3. Insert the address of the person nominated at (2) that will be attending the meeting as proxy. If you have elected 'the Chairperson' because no one is attending in person, leave this row blank.
4. Cross out any wording that is **not** applicable.
5. If the person you have elected to attend is unavailable on the day, you may nominate a second person to attend in their absence. Alternatively, you can appoint the Chairperson of the meeting to vote on your behalf by inserting 'the Chairperson'.
6. Insert the address of the second person here. If you have elected 'the Chairperson', leave this row blank.
7. Cross out any wording that is not applicable.

### Section C – Voting Instructions

1. Cross out any wording that is not applicable.
2. Insert an 'X' in this box if you want the person who is attending the meeting to vote as they see fit on each of the resolutions in the 'Resolution' table. If you select this option, proceed to Section D, **unless** you wish to vote specifically on certain resolutions, in which case you also insert an 'X' in the special proxy box and select 'For', 'Against' or 'Abstain' on the resolutions. The person voting at the meeting will have discretion to vote as they see fit on any resolutions where you have **not** selected 'For', 'Against' or 'Abstain'.
3. Insert an 'X' in this box if you want the person who is attending the meeting, to vote exactly in accordance with your instructions. If you select this option, you must select 'For', 'Against' or 'Abstain' for each of the resolutions in the 'Resolution' table. Do not tick more than one box for each resolution.

### Section D – Signature Instructions

1. Insert the date that the proxy form is being signed.
2. The form should be signed by **one** of the following persons:
  - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
  - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
  - If the debt is owed to a partnership, then one of the partners of the partnership; or
  - If the debt is owed to a company, then a duly authorised officer of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
  - If the debt is owed to a sole trader, note their capacity as proprietor, eg: "[Full name], proprietor"; or
  - If the debt is owed to a partnership, note their capacity as partner, eg: "[Full name], partner of the firm named in Section A above"; or
  - If the debt is owed to a company, note their capacity as director or secretary, eg: "[Full name], director/secretary of the company named in Section A above"]

## H2 – Appointment of Proxy Form for KLI

**Form 532 - Appointment of Proxy**  
*Insolvency Practice Rules (Corporations) 2016, Section 75-25*

Return no later than 4pm, 3 October 2023 to:  
KPMG GPO Box A29, PERTH WA 6837  
Tel: +61 8 9263 7297  
Fax: +61 8 9263 7129  
Email: [kaliumlakes@kpmg.com.au](mailto:kaliumlakes@kpmg.com.au)

**Indebted Company: Kalium Lakes Infrastructure Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed) ACN 631 042 450**  
**Date of Appointment: 3/08/2023**

### A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

1

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

2 of

(address)

3 Tel:

4 Email:

### B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

1 I/We, as named in Section A above, a creditor/employee/contributory/member of the Company, appoint

2

(name of person appointed as proxy)

3

4 or in his / her absence

(address of person appointed as proxy)

5

(name of person appointed as alternate proxy)

6

7 as \*my / \*our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on 4 October 2023 at 10:00AM (AWST) at KPMG, Level 8, 235 St Georges Terrace, Perth WA 6000 or at any adjournment of that meeting in accordance with the instructions in Section C below.

### C. Voting Instructions

1 \*My / \*Our proxy, as named in Section B above, is entitled to act as \*my / \*our :

☐

2 **general proxy**, to vote on \*my / \*our behalf **and / or**

☐

3 **special proxy**, to vote on \*my / \*our behalf specifically as follows:

Resolution	For	Against	Abstain
1. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), Kalium Lakes Infrastructure Pty Ltd 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).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. That Kalium Lakes Infrastructure Pty Ltd be wound up and that Matthew Woods, Martin Jones and Clint Joseph be appointed as Joint and Several Liquidators of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That the administration of Kalium Lakes Infrastructure Pty Ltd should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



4. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from 16 September 2023 to 4 October 2023 be fixed up to a maximum amount of \$6,340.00, 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..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from 4 October 2023 to the execution of the DOCA be fixed up to a maximum amount of \$3,160.00, 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..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from execution to completion of the DOCA be fixed up to a maximum amount of \$3,000.00, 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. That the future remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from commencement to completion be fixed up to a maximum amount of \$7,000.00, 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. That the future remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 26 September 2023, for the period from commencement to completion be fixed up to a maximum amount of \$40,000.00, 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### **D. Signature**

<sup>1</sup> Dated:

<sup>2</sup> Signature:

<sup>3</sup> Name / Capacity:

## Creditor Assistance Sheet: Completing a Proxy Form

### Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

### Section B – Appointment of Person to Act as Proxy

1. Cross out any wording that is **not** applicable. For example, if the employee/individual/sole trader/partnership/company is a creditor, cross out '\*eligible employee creditor', '\*contributory', '\*debenture holder' and '\*member'.
2. Insert the name of the person who will be exercising the creditor's vote at the meeting. If someone is attending the meeting in person, that person's name should be inserted. Alternatively, if someone is unable to attend, but you still want to cast a vote at the meeting, then you can appoint the Chairperson of the meeting to vote on your behalf by inserting the words 'the Chairperson' here.
3. Insert the address of the person nominated at (2) that will be attending the meeting as proxy. If you have elected 'the Chairperson' because no one is attending in person, leave this row blank.
4. Cross out any wording that is **not** applicable.
5. If the person you have elected to attend is unavailable on the day, you may nominate a second person to attend in their absence. Alternatively, you can appoint the Chairperson of the meeting to vote on your behalf by inserting 'the Chairperson'.
6. Insert the address of the second person here. If you have elected 'the Chairperson', leave this row blank.
7. Cross out any wording that is not applicable.

### Section C – Voting Instructions

1. Cross out any wording that is not applicable.
2. Insert an 'X' in this box if you want the person who is attending the meeting to vote as they see fit on each of the resolutions in the 'Resolution' table. If you select this option, proceed to Section D, **unless** you wish to vote specifically on certain resolutions, in which case you also insert an 'X' in the special proxy box and select 'For', 'Against' or 'Abstain' on the resolutions. The person voting at the meeting will have discretion to vote as they see fit on any resolutions where you have **not** selected 'For', 'Against' or 'Abstain'.
3. Insert an 'X' in this box if you want the person who is attending the meeting, to vote exactly in accordance with your instructions. If you select this option, you must select 'For', 'Against' or 'Abstain' for each of the resolutions in the 'Resolution' table. Do not tick more than one box for each resolution.

### Section D – Signature Instructions

1. Insert the date that the proxy form is being signed.
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  - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
  - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
  - If the debt is owed to a partnership, then one of the partners of the partnership; or
  - If the debt is owed to a company, then a duly authorised officer of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
  - If the debt is owed to a sole trader, note their capacity as proprietor, eg: "[Full name], proprietor"; or
  - If the debt is owed to a partnership, note their capacity as partner, eg: "[Full name], partner of the firm named in Section A above"; or
  - If the debt is owed to a company, note their capacity as director or secretary, eg: "[Full name], director/secretary of the company named in Section A above"]