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29 November 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 reconvene the concurrent second meeting of creditors of the Companies in order to determine the Companies' future.

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

**You will note that the Administrators' recommendation is that creditors of each individual company resolve to execute a Deed of Company Arrangement.**

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

Report annexure	Document	Description
<b>B</b>	Notice of Concurrent Meeting of Creditors (Form 529)	– Please note that the meeting will be on <b>6 December 2023, commencing at 9.30am (AWST)</b> .
		– You should arrive for registration at least 15 minutes prior to the meeting.
		– 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 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.
<b>F1</b>	Appointment of proxy (Form 532)	– This form enables you to appoint a person to act on your behalf at the meeting.
		– <b>General (not special) proxy forms submitted for the second meeting are valid for the meeting and creditors do not need to re-submit another form for this reconvened meeting unless you seek to amend the proxyholder.</b>
<b>E</b>	Short Guide to the Creditors' Portal	– We are using the Creditors' Portal to manage creditor claims.
		– This document provides guidance on how to register and submit a claim.
		– 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.
		– 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 Companies or any lien over goods in their possession which are the property of the Companies via the Creditors' Portal.
		– If you have previously lodged your claim on the Creditors' Portal, you <u>do not</u> need to re-submit your claim for the forthcoming meetings of creditors unless you wish to amend your claim.
<b>C</b>	Remuneration Approval Request	– Details of time spent by category of staff at the rates applicable for such staff.
		– A summary of the work undertaken by the Administrators and their staff in the administration.
		– A summary of the likely tasks and estimated remuneration of the Deed Administrators should creditors resolve to accept the DOCA.
		– A summary of the likely tasks and estimated remuneration of the Liquidators, should creditors resolve that the Companies be wound up.

Report annexure	Document	Description
D	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 5 December 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**



**Martin Jones**  
Joint and Several Administrator



# Supplementary Voluntary Administrators' Report

29 November 2023

**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 E** by 4:00pm on Tuesday, 5 December 2023 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
Agrimin SSA	Share Sale Agreement between KLL and Agrimin dated 20 September 2023
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 C</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

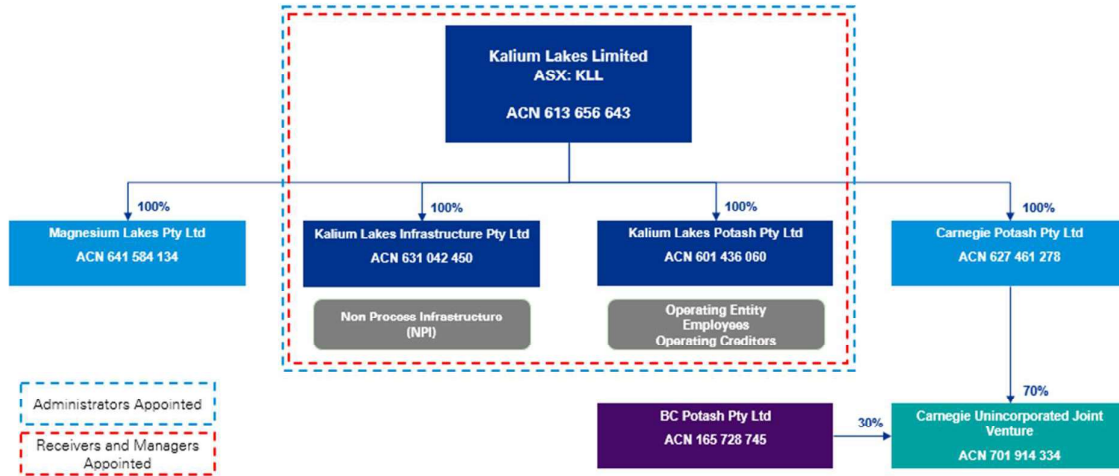
Term	Description
PMSI	Purchase Money Security Interest
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR	Personal Property Securities Register
Previous Report	Voluntary Administrators' Report for KLP and KLI dated 26 September 2023
ROCAP	Report on Company Activities and Property
1 <sup>st</sup> Reconvened Meeting	Reconvened Second meeting held on 1 November 2023 pursuant to IPR 75-225 and Section 439A of the Act, which was adjourned.
2 <sup>nd</sup> Reconvened Meeting	Reconvened Second meeting to be held on 6 December 2023 pursuant to IPR 75-225 and Section 439A of the Act, where creditors determine the future of KLP and KLI.
Report / Supplementary Report	This report, prepared pursuant to IPR 75-225 and Section 438A of the Act
Reward / RWD / Proponent	Reward Minerals Limited ACN 009 173 602
ROT	Retention of Title
Second Meeting	Second meeting held pursuant to IPR 75-225 and Section 439A of the Act on 4 October 2023, which was adjourned.
Administrators' Supplementary Report / this Report	The Supplementary Administrators report, prepared pursuant to IPR 75-225 and Section 438A of the Act and dated 29 November 2023.
SOP	Sulphate of Potash
SSA	Share Sale Agreement between KLL and Reward which remains unsigned and still under negotiation.

## 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 (3) options available to creditors in deciding the future of KLP and KLI at the 2<sup>nd</sup> Reconvened Meeting.</p> <p>This report should be read in conjunction with the Administrators' Report dated 26 September 2023 (Previous Report).</p> <p>A copy of this report and other previous correspondences to creditors are available from the KPMG website at <a href="https://kpmg.com/au/en/home/creditors/kalium-lakes.html">https://kpmg.com/au/en/home/creditors/kalium-lakes.html</a></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 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 in control of the Companies and their 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 the Previous Report.

## Question

### 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 initial sale process was an offer which culminated the Agrimin SSA and DOCA proposal from Agrimin Limited for KLP and KLI which was announced on the ASX on 21 September 2023 and was outlined in the Administrators Report dated 26 September 2023.

In the lead-up to the Second Meeting on 3 October 2023, Agrimin Limited gave notice of termination of the share sale agreement (which was detailed in our Previous Report) due to non-satisfaction of a condition precedent and hence the contract was terminated in accordance with its terms. Consequently, the DOCA which was proposed by Agrimin (and formed part of the Agrimin SSA) was no longer viable and therefore there was no resolution to put forward to creditors in the meeting.

At the Second Meeting held on 3 October 2023, the Chairman determined pursuant to Rule 75-140(1)(b) of the Insolvency Practice Rules (Corporations 2016), that the second meeting be adjourned for a period of four (4) weeks to 1 November 2023, to enable, amongst other things:

- Allows time for the Receivers and Managers to negotiate with interested parties to formulate and put forward a revised or new DOCA proposal to creditors; and
- Allows the Administrators to report back to creditors with sufficient information to accurately determine whether entering into a DOCA (if one is proposed) provides a better return to creditors as compared to an immediate winding-up of each of KLP and KLI.

At the 1<sup>st</sup> Reconvened Second Meetings of Creditors which was held on 1 November 2023, the Chairman advised that the terms of sale and DOCA proposals were still being negotiated and it is therefore unable to be summarised for creditors consideration. As a consequence, the meetings were further adjourned to 6 December 2023 to allow further time for the Receivers and Managers to complete their sale process and for the Proposals to be finalised.

On 16 November 2023, the Receivers and Managers announced that they have entered into an exclusivity deed with Rewards Mineral Limited (ASX: RWD) to negotiate the terms of sale agreement (and any associated documents) required to give effect to the sale of the Beyondie SOP Project.

This resulted in a SSA and DOCA proposal from Reward for KLP and KLI (detailed in Section 7).

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

As outlined above, the Receivers and Managers have announced that are in negotiations with Reward for the acquisition of shares of KLP and KLI from KLL. Under the terms of that agreement, DOCAs are being proposed for KLP and KLI.

The DOCAs also provides for the establishment of Creditor Trust/s 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 2nd Reconvened Meeting of Creditors?

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

- the companies execute a DOCA;
- the administrations should end; or
- the companies be wound up.

For further details on how to attend and vote at the 2<sup>nd</sup> Reconvened Meeting of Creditors please refer to section 2.10 of this Report.

**For completeness, we note that the second meeting of creditors for KLL (the parent / holding company) has not been convened 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 be 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 2nd Reconvened 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 Reward DOCA at Clause 16 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(l) 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 6 December 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 29 November 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 2<sup>nd</sup> Reconvened 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 2<sup>nd</sup> Reconvened Meeting (which is scheduled 30 minutes later at 9.30am (AWST) on 6 December 2023).***

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

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

- A compromise of all KLP and KLI creditor claims and debts through the execution of DOCAs and the establishment of separate Creditors Trusts, which will act as the vehicle to distribute any DOCA funds to the creditors of KLP and KLI;
- for funds to be allocated from the purchase price to satisfy the costs of the administration and enable a dividend to be paid to priority employee creditors in full and to unsecured creditors of KLP and KLI.
- KLP and KLI will continue to trade under the ownership of Reward;
- 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.

**This recommendation is subject to any material changes to the terms of the DOCA proposal between the date of this report and the 2<sup>nd</sup> Reconvened Meeting on 6 December 2023.**

## 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 7** of this report.

Creditors will vote on the future of KLP and KLI at the 2<sup>nd</sup> Reconvened Meeting to be held at **9:30 am (AWST) on Wednesday, 6 December 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 2<sup>nd</sup> Reconvened Meeting.

Creditors should review the contents of this report and complete the following forms by **4:00pm** on 6 December 2023:

### What do creditors need to do next?

Form/ voting	Where to submit
Appointment of proxy - form 532 (Annexure E)	<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 2.8.10 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 4 October 2023, the Second Meetings of Creditors was adjourned by the Chairman pursuant to Rule 75-140(1)(b) of the IPR for four (4) weeks.	2.8
2	<p>At the 1<sup>st</sup> Reconvened Second Meetings of Creditors which was held on 1 November 2023, the Chairman advised that the terms of sale and DOCA proposals are still being negotiated and it is therefore unable to be summarised for creditors consideration.</p> <p>As a consequence, the meetings were further adjourned to 6 December 2023 to allow further time for the Receivers and Managers to complete their sale process and for the Proposals to be finalised.</p>	2.9
2	<p>At the 2nd Reconvened Meeting to be held on 6 December 2023, creditors will decide KLP and KLI's future by voting on one of the following options:</p> <ul style="list-style-type: none"><li>– that the administrations should end (in this case control of the Company will revert to its directors); or</li><li>– that the companies should be wound up; or</li><li>– that the companies execute a DOCA.</li></ul>	2.10

### 2.1. Appointment of Voluntary Administrators

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.

### 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 2<sup>nd</sup> Reconvened Meeting (please see section 11 for further details).

## 2.4. Purpose and basis of this report

IPR 75-225 requires a voluntary administrator to provide a report (the **Voluntary Administrators 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 2<sup>nd</sup> Reconvened Meeting.

As the Second Meeting was adjourned and is now being reconvened, the Administrators are required to provide a supplementary report (this Report) to all creditors ahead of the 2<sup>nd</sup> Reconvened Second Meeting. This Report is to outline the above specified items and any updates to them since the issuance of the Previous Report dated 26 September 2023 and the circular to creditors dated 24 October 2023.

These reports have 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 Reconvened 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 Reconvened 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 2<sup>nd</sup> Reconvened 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 Meetings of Creditors and Committee of Inspection

Please refer to Section 2.7 of the Administrators' report dated 26 September 2023 for details regarding the First Meeting of Creditors and details of the Committee of Inspection.

## 2.8. Second Meetings of Creditors

The Second Meetings of Creditors of the Companies were held concurrently on Wednesday, 4 October 2023.

On 3 October 2023, in the lead-up to the Second Meetings of Creditors, Agrimin Limited (ACN 122 162 396) (**Agrimin Limited**) gave notice of termination of the Agrimin SSA (which was detailed in Administrators' Report) due to non-satisfaction of a condition precedent, hence the contract was terminated by Agrimin Limited in accordance with its terms. Consequently, the DOCA proposed by Agrimin Limited (which incorporated the Agrimin SSA) was no longer viable and therefore there was no resolution to put forward to creditors at the Second Meetings of Creditors.

On 4 October 2023, the Chairman adjourned the Second Meetings of Creditors pursuant to Rule 75-140(1)(b) of the Insolvency Practice Rules (Corporations) 2016 (Cth), for a period of four (4) weeks to 1 November 2023, by reason of the DOCA proposal being incapable of proceeding.

The adjournment was to (amongst other things):

- allow time for the Receivers and Managers to negotiate with interested parties to formulate and put forward a revised or new DOCA proposal to creditors of the Companies; and
- allow the Administrators to report back to creditors of the Companies with sufficient information to accurately determine whether entering into a DOCA (if one is proposed) provides a better return to creditors as compared to an immediate winding-up of each of KLP and KLI.

At that meeting, the Chairman determined pursuant to Rule 75-140(1)(b) of the Insolvency Practice Rules

- Allows time for the Receivers and Managers to negotiate with interested parties to formulate and put forward a revised or new DOCA proposal to creditors; and
- Allows the Administrators to report back to creditors with sufficient information to accurately determine whether entering into a DOCA (if one is proposed) provides a better return to creditors as compared to an immediate winding-up of each of KLP and KLI.

## 2.9. 1st Reconvened Second Meetings of Creditors

The Second Meetings of Creditors of the Companies was reconvened on 1 November 2023. At the meeting, the Chairman advised that non-binding Deed of Company Arrangement (DOCA) termsheets have been received by the Receivers (Proposals). At the time of writing, the Proposals are not sufficiently progressed to a form that may be considered by the creditors of the Companies, as the terms of the Proposals are still being negotiated and it is therefore unable to be summarised for creditors consideration.

Having regard to the above, it is not appropriate in the Administrators' view for creditors to vote on the future of the Companies at the Reconvened Second Meetings of Creditors, as the Administrators believe that there is a reasonable possibility that a DOCA proposal may be received that may provide a better outcome to creditors than an immediate winding up of the Companies.

Accordingly, at the Meeting, the Chairman determined pursuant to Rule 75-140(1)(b) of the Insolvency Practice Rules (Corporations 2016), that the Meeting be adjourned for a period for a period not exceeding forty-five (45) business days, after the first day on which the Second Meetings of Creditors was held (being 4 October 2023) to allow further time for the Receivers and Managers to complete their sale process and for the Proposals to be finalised.

## 2.10. 2<sup>nd</sup> Reconvened Second Meetings of Creditors

The 2<sup>nd</sup> Reconvened Second Meetings of Creditors for KLI and KLP has now been reconvened for **Wednesday, 6 December 2023 at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth WA at 9:30 am (AWST)**.

At the 2<sup>nd</sup> Reconvened Meeting, creditors will decide KLP and KLI's future by voting on one of the following options:

- that the administrations should end (in this case control of the individual company will revert to its directors); or
- that the companies should be wound up; or
- that the companies 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 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 A**) along with an appointment of proxy form (**Annexure E**).

The Administrators intend to hold concurrent second meetings of creditors of KLP and KLI. All creditors are entitled to attend the 2<sup>nd</sup> Reconvened Meeting. Creditors who wish to participate in the 2<sup>nd</sup> Reconvened Meeting must complete and submit the following forms to this office by **4:00pm on 5 December 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 ( <b>Annexure E</b> )	<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.

## 2.11. 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 forthcoming meeting is as follows:

Remuneration period	KLP (\$ ex GST)	KLI (\$ ex GST)
<b>Remuneration to be approved at 2<sup>nd</sup> Reconvened Meeting of Creditors</b>		
Voluntary Administration - 3 August 2023 to 15 September 2023	188,447	14,415
Voluntary Administration - 16 September 2023 to 6 October 2023	154,915	18,882
Voluntary Administration - 7 October 2023 to 17 November 2023	114,650	18,948
Work to be completed from 18 November 2023 to the end of the Voluntary Administration	80,000	20,000
<b>Estimated total remuneration – Voluntary Administration</b>	<b>538,012</b>	<b>72,245</b>
Future work – DOCA - from commencement to completion	45,000	5,000
Future work – Creditors Trust - from commencement to completion	90,000	5,000
<b>Estimated total remuneration – DOCA / Creditors Trust</b>	<b>135,000</b>	<b>10,000</b>
Liquidator - Commencement to completion of liquidation (if applicable)	200,000	40,000
<b>Estimated total remuneration – Liquidation</b>	<b>200,000</b>	<b>40,000</b>

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

## 2.12. 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

Please refer to the Administrators' Report dated 26 September 2023 for details regarding the Companies' history, statutory information and the Directors' decision to appoint the Administrators.

### 4. Historical financial position

Please refer to the Administrators' Report dated 26 September 2023 for details regarding the Companies' historical financial information which incorporates historical profit and loss result and balance sheets.

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

Please refer to the Administrators' Report dated 26 September 2023 for our detailed summary in respect to the statement about each company's business property, affairs and financial circumstances and Administrators' estimated realisable values of each individual companies' assets and liabilities.

Details as to the ROCAP and Administrators estimated realisable values of assets and liabilities of the Companies are presented in **Annexure C** of the aforementioned report. The following updates are also to be read in conjunction with that report

#### 5.1. KLP - Employee entitlements

In late September 2023, the Beyondie Sulphate of Potash Project transition into a state of care and maintenance and as a result the majority of employees were made redundant, in late September / early October 2023.

The table below summarises the updated estimated amount owed by KLP to priority employees.

KLP - Employees							
	No.	Annual Leave	Time in lieu	PILN	Super on PILN	Redundancy	Total \$
Terminated	97	410,990	14,113	417,673	45,944	342,957	1,231,676
Retained	10	99,398	17,557	n/a	n/a	n/a	116,955
<b>Total</b>	<b>107</b>	<b>510,388</b>	<b>31,670</b>	<b>417,673</b>	<b>45,944</b>	<b>342,957</b>	<b>1,348,631</b>



## 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	On 3 October 2023, Agrimin Limited gave notice of termination of the Agrimin SSA (which was detailed in our Previous Report) due to non-satisfaction of a condition precedent and hence the contract was terminated in accordance with its terms. Consequently, the DOCA which was proposed by Agrimin (and formed part of the Agrimin SSA) was no longer viable and therefore was not considered at the Second Meeting held on 4 October 2023.	6.1
2	Since then, the Receivers and Managers engaged with alternate parties and also re-engaged with the interested parties who had previously been shortlisted and progress their due diligence during the marketing period between June 2023 to mid-September 2023.	6.1
3	On 16 November 2023, the Receivers and Managers announced that they have entered into an exclusivity deed with Rewards Mineral Limited (ASX: RWD) to negotiate the terms of sale agreement (and any associated documents) required to give effect to the sale of the Beyondie SOP Project.  This resulted in a SSA and DOCA proposal from Reward for KLP and KLI (detailed in Section 7)	6.1

### 6.1. The sale of business process

#### Background

Please refer to the Administrators' Report dated 26 September 2023 for further background information regarding the sale process. In summary, 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 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.

#### Agrimin DOCA Proposal

In the lead-up to the Second Meeting on 3 October 2023, Agrimin Limited gave notice of termination of the Share Sale Agreement (Agrimin SSA) (which was detailed in our Previous Report) due to non-satisfaction of a condition precedent and hence the contract was terminated in accordance with its terms.

Consequently, the DOCA which was proposed by Agrimin (and formed part of the Agrimin SSA) was no longer viable and therefore was not considered at the Second Meeting held on 4 October 2023.

The Second Meeting was adjourned for a period of four (4) weeks to 1 November 2023, to enable, amongst other things:

- Allows time for the Receivers and Managers to negotiate with interested parties to formulate and put forward a revised or new DOCA proposal to creditors; and
- Allows the Administrators to report back to creditors with sufficient information to accurately determine whether entering into a DOCA (if one is proposed) provides a better return to creditors as compared to an immediate winding-up of each of KLP and KLI.

#### Update from the Receivers and Managers on the Sale Process and trading

The Receivers and Managers remain in control of the Companies and their assets. Following the termination of the Agrimin SSA with Agrimin Limited, the Receivers and Managers engaged with alternate parties and also re-engaged

with the interested parties who had previously been shortlisted and progressed their due diligence that was conducted during the marketing period between June 2023 to mid-September 2023.

On 19 October 2023, the Administrators received a draft unsigned, non-binding DOCA term sheet for KLI (Proposal). At that time:

- the Proposal was not sufficiently progressed to a form that may be considered by the creditors of the Companies
- the terms of the Proposal were still being negotiated and it is therefore unable to be summarised for creditors consideration; and
- the Receivers and Managers have also confirmed that they are in negotiations with other parties for the sale of the Companies' assets and require further time to progress the proposed transaction to a form which would be able to be presented to creditors.

For those reasons, at the 1<sup>st</sup> Reconvened Second Meeting of Creditors, the Chairman adjourned the meeting to on or before 6 December 2023.

Since then, the Receivers and Managers have also provided us with the following update:

- The Beyondie SOP project has been fully transition into a state of care and maintenance in accordance with a care and maintenance programme prepared by the Receivers and Managers to reduce the cash outflow in respect of the project.
- Whilst there has been a number of parties who have expressed an interest in the Beyondie SOP Project, following an exhaustive process, on 16 November 2023, the Receivers and Managers announced that they have entered into an exclusivity deed with Rewards Mineral Limited (ASX: RWD) to negotiate the terms of sale agreement (and any associated documents) required to give effect to the sale of the Beyondie SOP Project.

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

Key element	Detail
Date of document	Still under negotiation
Purpose of the SSA	To acquire the shares of KLP and KLI from KLL
Parties to the SSA	Reward, The Receivers and Managers and KLL
Consideration	<ul style="list-style-type: none"> <li>– an exclusivity payment of \$250,000;</li> <li>– total upfront consideration of \$14.75m at completion (subject to a capital raise) plus any applicable insurance premium refund;</li> <li>– A further deferred payment of \$5m by 30 June 2025; and</li> <li>– pass through to the Receivers and Managers of all R&amp;D tax refunds for FY22 and FY23 (estimated to be valued at up to \$25m).</li> </ul>
Key operational terms	<p>The SSA provides for (amongst other things):</p> <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 1 January 2024 (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	The end date for completion is 25 January 2024 (which may be extended by agreement of the parties, subject to certain conditions)

## 7. Proposal for DOCA

A DOCA proposal was received from Reward Mineral Limited which formed part of the SSA. The terms of the DOCA proposal are summarised herein.

Key takeaways		Ref.								
1	We have received from Reward a proposal for DOCAs to be entered into for KLP and KLI.	7.1								
2	<p>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 Reward.</p> <p>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.</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>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 \$.</p>	7.2 & 7.3								
	<p>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	7.2 & 7.3
	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 draft DOCA proposal for KLP and KLI from Reward on 29 November 2023 which 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 Reward;
- 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 only been provided with the draft proposed DOCA term sheet and a number of commercial clauses remains to be resolved. That said, we do not anticipate that this will alter the commercial bargain for the creditors in the sense that we expect the amount of Contribution to remain the same. It is our expectation that these final few matters will be resolved on the next couple of days. In circumstances where the changes materially alter the terms of the DOCA and change our recommendation then is our intention to issue a further report to creditors.***

We also note that should copies of the full draft DOCAs and the full draft Creditors Trust Deeds be available prior to the 2<sup>nd</sup> Reconvened 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 Reward 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 Reward Minerals 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</p>

		<p>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 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>
	(B)	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.
	(C)	No other assets of the Companies or otherwise will be available for distribution to Creditors under the DOCAs or the Creditors' Trusts.
	(D)	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.
	(E)	The DOCAs will be interdependent with completion of 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.
	(F)	The DOCAs will each be effectuated upon compliance with the condition in clause 8(b) 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).
	(G)	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.
	(H)	All Claims (including, for the avoidance of doubt, Claims under an Excluded Contract that arise out of facts, matters, circumstances or events which occurred on or before the Appointment Date) against each

		<p>Company will be released upon the DOCAs being effectuated and the Creditors' Trusts being established, including any Claims relating to Pre-Administration Contracts.</p> <p>(l) 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.</p>
7.	<b>Proposed Deed Administrators</b>	<p>Matthew Woods, Clint Joseph and Martin Jones of KPMG.</p> <p>The Proposed Deed Administrators are also the proposed Trustees of each Creditors' Trust (<b>Trustees</b>).</p>
8.	<b>Commencement date for the DOCA and condition to effectuation regarding Pre-Administration Contracts</b>	<p>(a) The commencement date is the date of execution of the DOCAs contemplated by this proposal.</p> <p>(b) At least three business days prior to the SSA Completion (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 listed in Schedule 2 and any other Pre-Administration Contracts known to the Administrators (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 3 to this proposal.</p>
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 relevant 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 Admitted 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>Royalty extinguishment or reduction</b>	<p>The Royalty Holders will either:</p> <p>(a) have their contingent claims under the Royalty Deed released and extinguished; or</p> <p>(b) have their aggregate royalty entitlement under the Royalty Deed reduced from 1.9% of Gross Revenue (as defined in the Royalty Deed) from Potash and other minerals from the Tenements (as defined in the Royalty Deed) to 0.4% of Gross Revenue from Potash</p>

		and other minerals from the Tenements, on such terms to be agreed between the Proponent and the Royalty Holders.
<b>13.</b>	<b>Termination of DOCAs</b>	<p>Each DOCA will continue in operation until it is terminated:</p> <ul style="list-style-type: none"> <li>• upon its effectuation as set out in this proposal (see clause 20 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>
<b>14.</b>	<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 each not receive any distributions from any DOCA or any Creditors' Trust Fund (or from any Creditors' Trust).</p> <p>Any person who has an Excluded Claim against a Company (<b>Excluded Creditor</b>) is not entitled to participate in or receive any distribution from and will not prove to recover any Excluded Claim for the purposes of, or in relation to, the Creditors' Trust Fund, in respect of an Excluded Claim. For the avoidance of doubt, the Excluded Creditors will be entitled to make a claim against the Creditors' Trust Fund for any Claim that is not an Excluded Claim.</p>
<b>15.</b>	<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.
<b>16.</b>	<b>Priority to eligible employee creditors</b>	Each DOCA will contain a provision as contemplated by s444DA of the Act.
<b>17.</b>	<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>(c) has been paid;</p>

		<p>(d) is, or is to be, admissible to proof; and</p> <p>(e) 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>
18.	<b>Secured creditors, owners/ lessors of property, Excluded Claims</b>	<p>The DOCAs will not release:</p> <p>(a) any security held by a Creditor of a Company in respect of any Claim,</p> <p>(b) any security interest validly and effectively held by an owner or lessor in property of any Company,</p> <p>(c) without limiting (1) or (2), any Excluded Claims.</p>
19.	<b>Control of the Company</b>	<p>(a) 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> <p>(b) Stewardship of each Company will pass to the New Directors upon effectuation of the DOCAs.</p>
20.	<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(b) above, concerning Pre-Administration Contracts; and</p> <p>(b) GCI confirming in writing the repayment in full of all amounts owing under or in connection with the GCI Facility Agreement simultaneously with the SSA Completion; and</p> <p>(c) 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>(d) the Deed Administrators and the Companies will create the Creditors' Trusts;</p> <p>(e) 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>(f) the DOCAs will then be fully effectuated and the Deed Administrators will publish notices to that effect under s445FA of the Act; and</p>



		(g) the shares held by KLL in KLP and KLI will be transferred by KLL to the Proponent free of any encumbrances in accordance with the SSA.
21.	<b>Release of Finance Parties and KLL and GCI</b>	<p>Under the DOCAs, the Companies will release all or any Claims against:</p> <ul style="list-style-type: none"> <li>(a) KLL;</li> <li>(b) the Agent;</li> <li>(c) the Security Trustee;</li> <li>(d) the Lenders and each other Finance Party (each as defined in the Facility Agreements); and</li> <li>(e) GCI,</li> </ul> <p>arising from or in connection with any event that occurred prior to the Commencement Date.</p>
23.	<b>Receivers</b>	<ul style="list-style-type: none"> <li>(a) For the avoidance of doubt, Receivers have the power to deal with the 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.</li> <li>(b) The Receivers' rights are to be expressly preserved under each DOCA pending SSA Completion.</li> </ul>
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> <ul style="list-style-type: none"> <li>(a) 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>(b) any residual unsecured claim held by a Secured Creditor following realisation of its security;</li> <li>(c) 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,</li> </ul> <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>
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		<p>(a) 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>(b) 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>(c) 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 Deed Fund 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 Claim</b> means:</p> <p>(a) any Security Trustee Claim; or</p> <p>(b) any Claim under an Excluded Contract arising out of facts, matters, circumstances or events occurring after the date of effectuation of each DOCA; or</p> <p>(c) any Claim of a Continuing Employee; or</p> <p>(d) any GCI Claim.</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>Facility Agreements</b> means the:</p> <p>(a) 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> <p>(b) 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>
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		<p>(c) 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>GCI</b> means Global Credit Investments Pty Ltd ACN 604 417 647 as trustee for the GCI Special Opportunities Fund 10 ABN 91 759 309 688.</p> <p><b>GCI Claim</b> means all Claims of GCI under the GCI Facility Agreement, together with all costs, interest and other accumulations pursuant to the GCI Facility Agreement and related finance documents.</p> <p><b>GCI Facility Agreement</b> means the document entitled 'Facility Agreement' dated 12 September 2023 between, amongst others, KLL and GCI, as amended and supplemented from time to time.</p> <p><b>Greenstone</b> means Greenstone Resources II (Australia) Holdings LP.</p> <p><b>Group</b> means KLL, KLP and KLI.</p> <p><b>Kalium Corporate</b> means Kalium Corporate Pty Ltd ACN 603 911 271 as trustee for Kalium Founders Unit Trust.</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>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>Royalty Deed</b> means the Royalty deed entered into on or about 29 July 2016 between KLP and Kalium Corporate, as amended, supplemented and assigned from time to time, including by a deed of accession dated 21 January 2021 between KLP, Kalium Corporate and Greenstone and amendment deeds dated 11 October 2021 and 15 August 2022, each between KLP, Kalium Corporate and Greenstone, (as amended from time to time).</p> <p><b>Royalty Holders</b> means Kalium Corporate and Greenstone.</p> <p><b>Secured Creditor</b> means any Creditor who has valid and effective security</p>
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		<p>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> <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>
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*\*Schedule 1: Excluded Contracts and Schedule 2: Pre-Administration Contracts to be notified under clause 8(b) are included in Annexure F of this report.*

### 7.3. Creation of Creditors Trusts

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	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
	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.
	This would also be consistent with the expectations of Proponent for the potential trading resumption with viable business assets.
	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.
Key events	Under the terms of the DOCA proposal, a number of key events will occur, including:
	(a) A concurrent Second Meeting of Creditors of KLP and KLI has been reconvened for Wednesday, 6 December 2023 to consider the DOCA proposal for the restructure of the KLP and KLI;
	(b) Assuming creditors approve the DOCA proposals, execution of the DOCA is ordinarily required to take place within 15 business days (by statute) of approval by creditors, i.e. by Friday, 29 December 2023;
	(c) The DOCA contemplates that completion of the conditions precedent and payment of the DOCA Contribution on or around end January 2024.
	(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 late January 2024.
	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.

Item	Information for creditors								
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	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.								
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 D</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 \$135,000 (plus GST) for KLP and \$10,000 (plus GST) for KLI.</p>								

Item	Information for creditors
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>
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 who are being offered the continuity of employment with KLP (under the ownership of Reward and the direction of directors nominated by Reward), 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 crystalised for payment.</li> </ul>
Compliance opinion	<p>We are of the opinion that the Proponent, Reward is capable of complying with the terms of the DOCA and their obligations to the Trustees, if the DOCA proposal is accepted by creditors.</p>



Item	Information for 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>

#### 7.4. Payments from third parties

The DOCA allows for funds to be allocated from the purchase price (to be received from Reward 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.

Reward is an ASX-listed (ASX: RWD) advanced-staged SOP exploration and development company. It's flagship project is its 100% owned Kumpupintil Lake Potash Project, located east of Newman in north-western Western Australia.

Whilst the SSA remains subject to several conditions and events being satisfied before the transaction completed, including a capital raise by Reward, we do not envisage Reward 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.

#### 7.5. Position of Intercompany Creditors

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

#### 7.6. Position of excluded claims

The terms of the Reward DOCA at Clause 16 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(l) 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 **6 December 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.

#### 7.7. 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

Please refer to the Administrators' Report dated 26 September 2023 for details regarding the statutory investigations into the Companies affairs.

### 8.1. Preliminary Investigations

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.

### 8.2. Preliminary conclusion as to solvency

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.

### 8.3. 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 KLL 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

## 9. Voidable transactions

Please refer to the Administrators' Report dated 26 September 2023 for details regarding voidable transactions.

### 9.1. Voidable transactions

We have not identified any potential voidable transactions for KLP or KLI. A table of the potential recoveries items investigated are below:

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

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.

## 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> .	10.1
	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 \$.	10.2
2	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.	10.3

### 10.1. Return to creditors

Based upon the information detailed in section 5 of the Previous 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 DOCA and Liquidation 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 Reward 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	(188,447)	(188,447)
KLP Administrators fees 16/9/23 - 6/10/23	(154,915)	(154,915)
KLP Administrators fees 7/10/23 - 17/11/23	(114,650)	(114,650)
KLP Estimated Administrators fees 18/11/23 to end of VA	(80,000)	(80,000)
KLP Administrators disbursements and legal fees	(87,500)	(87,500)
Estimated future disbursements and legal fees	(55,000)	(35,000)
Estimated Liquidators' fees and costs	(200,000)	(200,000)
<b>Total Priority Payments</b>	<b>(880,512)</b>	<b>(860,512)</b>
<b>Balance Available for Priority Creditors</b>	<b>Nil</b>	<b>Unknown</b>
KLP estimated employee entitlements	(1,348,631)	(1,348,631)
<b>Total owed to employees</b>	<b>(1,348,631)</b>	<b>(1,348,631)</b>
<b>Balance Available for Unsecured Creditors</b>	<b>Nil</b>	<b>Unknown</b>
<b>Liquidation Returns</b>		
KLP Unsecured creditors	(10,000,000)	(5,040,515)
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>(248,630,500)</b>
Dividend c/\$	Nil	Nil
Dividend available to KLP	Nil	Nil
<b>Estimated surplus / deficiency</b>	<b>(465,819,128)</b>	<b>(460,252,345)</b>

Kalium Lakes Infrastructure Pty Ltd (KLI)	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	(14,415)	(14,433)
KLP Administrators fees 16/9/23 - 6/10/23	(18,882)	(18,882)
KLP Administrators fees 7/10/23 - 17/11/23	(18,948)	(18,948)
KLP Estimated Administrators fees 18/11/23 to end of VA	(20,000)	(20,000)
KLI Administrators disbursements	(150)	(150)
Estimated Liquidators' fees and costs	(40,000)	(40,000)
<b>Total Priority Payments</b>	<b>(112,395)</b>	<b>(112,413)</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>(223,646,827)</b>	<b>(223,059,548)</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 completion of the DOCA, firstly to priority employees (March 2024) and then to ordinary unsecured creditors (on or around April/May 2024).

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 Reward 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 Reward 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. **This recommendation is subject to any material changes to the terms of the DOCA proposal between the date of this report and the 2<sup>nd</sup> Reconvened Meeting on 6 December 2023.**

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 Reward, which would otherwise not be available in a liquidation;
- The removal of intercompany debts in the DOCA removes approximately 98% of the claims of unsecured creditors in KLP and 100% of claims in KLI.
- The lower costs associated with the DOCA over liquidation;
- Any realisation the assets held by KLP and KLI in a liquidation scenario will likely be insufficient to discharge the lender's secured debt and therefore there is no prospect of a return to ordinary unsecured creditors from the realisation of KLP and KLI's assets; and
- In a liquidation, recoveries from the voidable and other transactions referred to in Section 8 & 9 of 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 29th day of November 2023.



**Martin Jones**

Joint and Several Administrator

## Annexures

# Annexure A – Notice of meeting of creditors

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## Notice of Concurrent Reconvened Second Meetings of Creditors of the 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 concurrent reconvened second meetings of creditors of the Companies will be held at KPMG, Level 8, 235 St Georges Terrace, Perth WA 6000 on Wednesday, 6 December 2023 at 9:30am (AWST).

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

### Agenda

1. To consider a supplementary report from the Administrators
2. To consider details of the proposed Deed of Company Arrangement and the various options available to creditors.
3. To receive a statement of Administrators opinion and reasons for the opinion:
  - whether it would be in the creditors' interests for the individual companies to execute a deed of company arrangement; or
  - whether it would be in the creditors' interests for the administration to end; or
  - whether it would be in the creditors' interests for the company to be wound up
4. 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.
5. To fix the remuneration of the Administrators.
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 either of the meetings, who will not be attending in person or which 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 meetings 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 meetings in person, 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 meetings unless they lodge particulars of their debt or claim via the Creditors' Portal before the meetings.

Should you wish to attend the meetings 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 meetings to advise that you will be using the conference facilities and to be provided with the conference call code.

Dated this 29<sup>th</sup> day of November 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 B – 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.

## Annexure C – Short guide to the Creditors' Portal

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### Short guide to the Creditors' Portal

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 D – Remuneration approval requests**

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# D1 – 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 6 October 2023 (retrospective)	154,915.00
Voluntary administration – 7 October 2023 to 17 November 2023 (retrospective)	114,650.00
Voluntary administration – 18 November 2023 to completion of the Administration	80,000.00
Deed administration – work from execution to completion of DOCA	40,000.00
Trustees for the Creditors Trust – future work from commencement to completion	90,000.00
If company is placed into liquidation – from commencement to completion of liquidation	200,000.00

Details of remuneration can be found in section 3 of this report.

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at the concurrent reconvened meeting of creditors on 6 December 2023.
- Refer to section 2 of the report to creditors dated 29 November 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 KLP and KLI will be approximately \$610,255.50 (excluding GST). The time cost of the administration to 17 November 2023 for KLL totals \$78,721.00 (excluding GST), noting that the Second Meeting of Creditors for KLL has not yet been held. 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. The extension was necessary to enable the Receivers and Managers to progress their sale and marketing process for the Companies' business and assets.
- In addition, time costs associated with preparing further supplementary report and reconvening the Second Meeting has also added additional costs to the external administration.

## 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
	3 Aug 2023 to 15 Sept 2023	188,446.50		
Work already completed	16 Sept 2023 to 6 Oct 2023	154,915.00	Please refer to the Initial Remuneration Notice (IRN) sent to creditors on 4 August 2023	When funds are available
	7 Oct 2023 to 17 Nov 2023	114,650.00		
Work to be completed	18 Nov 2023 to completion of VA	80,000.00		
<b>Voluntary administration total</b>		<b>\$538,011.50</b>		
Future work – DOCA	Execution of DOCA to finalisation of DOCA	45,000.00	Please refer to IRN sent to creditors on 4 August 2023	When funds are available
Future work – Creditors Trust	Commencement to completion	90,000.00		
<b>DOCA total</b>		<b>\$135,000.00</b>		
Future work – liquidation	Commencement to completion 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 29 November 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 the Company's 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 29 November 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 29<sup>th</sup> day of November 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 4 to 6 set out in **Schedule C**.

		Tasks						
		Work already done	Work already done	Work already done	Future work to end of the VA	DOCA	Creditors Trust	If coy wound up
								Liquidation work
Period		4 August 2023 to 15 September 2023	16 September 2023 to 6 October 2023	7 October 2023 to 17 November 2023	18 November 2023 to end of the Voluntary Administration	From execution to completion of DOCA	Commencement to completion of Creditors Trust	Commencement to finalisation of liquidation
Amount (ex GST)		\$188,446.50	\$154,915.00	\$114,650.00	\$80,000.00	\$45,000.00	\$90,000.00	\$ 200,000.00
Task Area	General Description							
Assets		0.4 hours \$248.00	0.2 hours \$166.00	1.2 hours \$996.00	10.0 hours \$5,540.35	22.0 hours \$13,359.64	20.0 hours \$12,145.13	
	Sale of business as a going concern	<ul style="list-style-type: none"> <li>Review correspondence on sale process</li> </ul>	<ul style="list-style-type: none"> <li>Liaising with Receivers and Managers regarding ongoing sale process</li> <li>Reviewing DOCA term sheet</li> </ul>	<ul style="list-style-type: none"> <li>Liaising with Receivers and Managers regarding ongoing sale process</li> <li>Reviewing DOCA term sheet and consideration of the same</li> <li>Updating estimated statement of position</li> </ul>	<ul style="list-style-type: none"> <li>Liaising with Receivers and Managers regarding ongoing sale process</li> <li>Reviewing DOCA term sheet and consideration of the same</li> <li>Updating estimated statement of position</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		218.3 hours \$118,605.00	191.7 hours \$114,122.50	141.6 hours \$85,263.00	98.0 hours \$54,295.00	30.0 hours \$18,217.69	35.0 hours \$21,253.97	50.0 hours \$28,400.00
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> <li>General updates and responses to creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>General updates and responses to creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>General updates and responses to creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>General updates and responses to creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>General updates and responses to creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>General updates and responses to creditor enquiries</li> </ul>	<ul style="list-style-type: none"> <li>General updates and responses to creditor enquiries</li> </ul>
	Security interest claims	<ul style="list-style-type: none"> <li>Search the PPSR register</li> <li>Notify PMSI creditors identified from PPSR register</li> </ul>						
	Reports to creditors	<ul style="list-style-type: none"> <li>Prepare initial circular to creditors dated 4 August 2023</li> </ul>	<ul style="list-style-type: none"> <li>Prepare circulars to creditors dated 5 October 2023, 1</li> </ul>	<ul style="list-style-type: none"> <li>Prepare circulars to creditors dated 1 November 2023 and 24 October 2023</li> </ul>	<ul style="list-style-type: none"> <li>Prepare Voluntary Administrators' supplementary 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>

[illegible]

	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> <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> <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>
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		Tasks						
		Work already done	Work already done	Work already done	Future work to end of the VA	DOCA	Creditors Trust	If coy wound up
								Liquidation work
Employees		18.9 hours \$9,209.00	14.6 hours \$8,444.50	4.5 hours \$2,567.50	5.0 hours \$2,770.18	7.0 hour \$4,250.79	13.0 hours \$7,894.33	40.0 hours \$22,000.00
	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	– 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 as sent by the Receivers regarding employees who have been terminated	– Review employee entitlements as sent by the Receivers regarding employees who have been terminated			
	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		0.2 hours \$166.00				
	Trade on management	<ul style="list-style-type: none"> <li>– Liaising with Receivers and Managers on status</li> </ul>						
Investigation		8.1 hours \$5,454.00	40.2 hours \$27,264.00	4.3 hours \$3,827.00	2.0 hours \$1,108.07			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>– Finalisation of Administrators investigations for the purpose of the Voluntary Administrators' supplementary report to creditors dated 29 November 2023</li> </ul>	<ul style="list-style-type: none"> <li>– Finalisation of Administrators investigations for the purpose of the Voluntary Administrators' supplementary report to creditors dated 29 November 2023</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 \$30,362.82	
	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> <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>	

[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 4 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>
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

The below table sets out time charged to each major task area performed by the Administrators and their staff for the period 16 September 2023 to 6 October 2023, which is the basis of the Resolution 5 claim referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

KPMG WIP (16/09/23 to 06/10/2023)																
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	25.0	22,250	5.8	5,162.00	-	-	1.2	1,068.00	-	-	18.0	16,020.00	-	-
Matthew Woods	Partner	890	0.9	801	-	-	-	-	-	-	0.9	801.00	-	-	-	-
Clint Joseph	Director (Appointee)	830	5.2	4,316	4.8	3,984.00	0.2	166.00	-	-	0.2	166.00	-	-	-	-
Kieran Chu	Associate Director	675	53.8	36,315	47.5	32,062.50	-	-	6.3	4,252.50	-	-	-	-	-	-
Yvonne Liew	Associate Director	675	37.0	24,975	36.0	24,300.00	-	-	-	-	1.0	675.00	-	-	-	-
Veronica Del Borrello	Manager	620	43.3	26,846	31.5	19,530.00	-	-	-	-	3.6	2,232.00	8.2	5,084.00	-	-
Hendrik De Wet	Executive	525	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Jacob Carger	Analyst	440	1.3	572	1.3	572.00	-	-	-	-	-	-	-	-	-	-
Lachlan Wharton	Analyst	440	88.2	38,808	64.8	28,512.00	-	-	7.1	3,124.00	2.3	1,012.00	14.0	6,160.00	-	-
Lisa Brandt	Team Administrator	320	0.1	32	-	-	-	-	-	-	0.1	32.00	-	-	-	-
<b>Total (\$) (excl GST)</b>			<b>254.8</b>	<b>154,915.00</b>	<b>191.7</b>	<b>114,122.50</b>	<b>0.2</b>	<b>166.00</b>	<b>14.6</b>	<b>8,444.50</b>	<b>8.1</b>	<b>4,918.00</b>	<b>40.2</b>	<b>27,264.00</b>	<b>-</b>	<b>-</b>
GST (\$)				15,491.50		11,412.25		16.60		844.45		491.80		2,726.40		-
<b>Total (\$) (incl GST)</b>				<b>170,406.50</b>		<b>125,534.75</b>		<b>182.60</b>		<b>9,288.95</b>		<b>5,409.80</b>		<b>29,990.40</b>		<b>-</b>
Average hourly rate				607.99		595		830		578		607		678		-

The below table sets out time charged to each major task area performed by the Administrators and their staff for the period 7 October 2023 to 17 November 2023, which is the basis of the Resolution 6 claim referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

KPMG WIP (07/10/23 to 17/11/2023)																
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	5.1	4,539	0.8	712.00	-	-	-	-	-	-	4.3	3,827.00	-	-
Matthew Woods	Partner	890	0.4	356	-	-	-	-	-	-	0.4	356.00	-	-	-	-
Clint Joseph	Director (Appointee)	830	1.6	1,328	0.1	83.00	1.2	996.00	-	-	0.1	83.00	-	-	0.2	166.00
Kieran Chu	Associate Director	675	73.6	49,680	52.7	35,572.50	-	-	-	-	20.9	14,107.50	-	-	-	-
Yvonne Liew	Associate Director	675	9.8	6,615	6.1	4,117.50	-	-	2.5	1,687.50	1.2	810.00	-	-	-	-
Michael Flower	Associate Director	675	37.2	25,110	37.2	25,110.00	-	-	-	-	-	-	-	-	-	-
Veronica Del Borrello	Manager	620	0.9	558	-	-	-	-	-	-	0.9	558.00	-	-	-	-
Jacob Carger	Analyst	440	0.3	132	0.3	132.00	-	-	-	-	-	-	-	-	-	-
Lachlan Wharton	Analyst	440	59.7	26,268	44.4	19,536.00	-	-	2.0	880.00	13.3	5,852.00	-	-	-	-
Lisa Brandt	Team Administrator	320	0.2	64	-	-	-	-	-	-	0.2	64.00	-	-	-	-
<b>Total (\$) (excl GST)</b>			<b>188.8</b>	<b>114,650.00</b>	<b>141.6</b>	<b>85,263.00</b>	<b>1.2</b>	<b>996.00</b>	<b>4.5</b>	<b>2,567.50</b>	<b>37.0</b>	<b>21,830.50</b>	<b>4.3</b>	<b>3,827.00</b>	<b>0.2</b>	<b>166.00</b>
GST (\$)				11,465.00		8,526.30		99.60		256.75		2,183.05		382.70		16.60
<b>Total (\$) (incl GST)</b>				<b>126,115.00</b>		<b>93,789.30</b>		<b>1,095.60</b>		<b>2,824.25</b>		<b>24,013.55</b>		<b>4,209.70</b>		<b>182.60</b>
Average hourly rate				607.26		602		830		571		590		890		830

## **Schedule C – Resolutions**

### **Remuneration**

#### **Resolution 4 – for work already completed:**

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

#### **Resolution 5 – for work already completed:**

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

#### **Resolution 6 – for work already completed :**

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

#### **Resolution 7 – for work to be completed up to the end of the VA:**

*"That the further remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 18 November 2023 to the completion of Voluntary Administration 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 Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

#### **Resolution 8 – for work to be completed during the DOCA:**

*"That the remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from the execution to completion of the DOCA be fixed up to a maximum amount of \$45,000.00, 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 9 – for work to be completed during the Creditors Trust:**

*"That the remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from commencement to completion be fixed up to a maximum amount of \$90,000.00, 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 10 – for work to be completed during the liquidation (if applicable):**

*"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 29 November 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."*



# D2 – 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 6 October 2023 (retrospective)	18,881.50
Voluntary administration – 7 October 2023 to 17 November 2023 (retrospective)	18,948.00
Voluntary administration – 18 November 2023 to completion of Administration	20,000.00
Deed administration – work from execution to completion of DOCA	5,000.00
Trustees for the Creditors Trust – future work from commencement to completion	5,000.00
If company is placed into liquidation – from commencement to completion of liquidation	40,000.00

Details of remuneration can be found in section 3 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 6 December 2023.
- Refer to section 2 of the report to creditors dated 29 November 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 KLP and KLI will be approximately \$610,255.50 (excluding GST). The time cost of the administration to 17 November 2023 for KLL totals \$78,721.00 (excluding GST), noting that the Second Meeting of Creditors for KLL has not yet been held. 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. The extension was necessary to enable the Receivers and Managers to progress their sale and marketing process for the Companies' business and assets.
- In addition, time costs associated with preparing further supplementary report and reconvening the Second Meeting has also added additional costs to the external administration.

## 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 the Initial Remuneration Notice (IRN) sent to creditors on 4 August 2023	When funds are available
	16 Sept 2023 to 6 Oct 2023	18,881.50		
	7 Oct 2023 to 17 Nov 2023	18,948.00		
Work to be completed	18 November 2023 to completion of VA	20,000.00		
<b>Voluntary administration total</b>		<b>\$72,244.00</b>		
Future work – DOCA	Execution of DOCA to finalisation of DOCA	5,000.00	Please refer to IRN sent to creditors on 4 August 2023	When funds are available
Future work – Creditors Trust	Commencement to completion	5,000.00		
<b>DOCA total</b>		<b>\$10,000.00</b>		
Future work – liquidation	Commencement to completion 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 29 November 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 the Company's 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 29 November 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 29<sup>th</sup> day of November 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 4 to 6 set out in **Schedule D**.

Period	Amount (ex GST)	Tasks						
		Work already done	Work already done	Work already done	Future work to end of the VA	DOCA	Creditors Trust	If coy wound up
		4 August 2023 to 15 September 2023	16 September 2023 to 6 October 2023	7 October 2023 to 17 November 2023	18 November 2023 to end of the Voluntary Administration	From execution to completion of DOCA	Commencement to completion of Creditors Trust	Liquidation work
		\$14,414.50	\$18,881.50	\$18,948.00	\$20,000.00	\$5,000.00	\$5,000.00	\$40,000.00
Task Area	General Description							
Assets				0.2 hours \$166.00	5.0 hours \$2,770.18	4.0 hours \$2,216.14	3.0 hours \$1,662.11	
	Sale of business as a going concern			– Reviewing DOCA term sheet and consideration of the same	– Liaising with Receivers and Managers regarding ongoing sale process – Reviewing DOCA term sheet and consideration of the same – Updating estimated statement of position	– Tasks associated with complying with DOCA terms	– Tasks associated with complying terms of the Creditors Trust	
Creditors		15.5 hours \$9,195.50	28.3 Hours \$16,795.00	26.7 hours \$15,555.00	25.0 hours \$13,850.88			9.0 hours \$5,100.00
	Security interest claims	– Search the PPSR register – Notify PMSI creditors identified from PPSR register						
	Reports to creditors	– Prepare initial circular to creditors dated 4 August 2023 – Prepare Voluntary Administrators' report to creditors dated 26 September 2023	– Prepare circulars to creditors dated 5 October 2023, 1 September 2023 and 29 August 2023 – Prepare Voluntary Administrators' report to creditors dated 26 September 2023	– Prepare circulars to creditors dated 1 November 2023 and 24 October 2023 – Prepare Voluntary Administrators' supplementary report to creditors dated 29 November 2023	– Prepare Voluntary Administrators' supplementary report to creditors dated 29 November 2023	– Prepare correspondence to creditors	– Prepare correspondence to creditors / beneficiaries in relation to dividend	– Prepare statutory report

		Tasks						
		Work already done	Work already done	Work already done	Future work to end of the VA	DOCA	Creditors Trust	If coy wound up
								Liquidation work
	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> </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>			<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>
Investigation			1.5 hours \$930.00					12.00 hours \$6,800.00
	Conducting investigation		<ul style="list-style-type: none"> <li>– 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> </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>





**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 4 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	-	-	-	-
Total (\$) (excl GST)			24.7	14,414.50	15.5	9,195.50	-	-	-	-	9.2	5,219.00	-	-	-	-
				14,414.50												
GST (\$)				1,441.45		919.55	-	-	-	-		521.90	-	-	-	-
Total (\$) (incl GST)				15,855.95		10,115.05	-	-	-	-		5,740.90	-	-	-	-
Average hourly rate				583.58		593						567				



## 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 16 September 2023 to 6 October 2023, which is the basis of the Resolution 5 claim referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

KPMG WIP ( 16/09/23 to 06/10/2023)																
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 (\$)
Clint Joseph	Director (Appointee)	830	0.6	498	0.5	415.00	-	-	-	-	0.1	83.00	-	-	-	-
Kieran Chu	Associate Director	675	9.6	6,480	9.6	6,480.00	-	-	-	-	-	-	-	-	-	-
Yvonne Liew	Associate Director	675	6.1	4,118	5.6	3,780.00	-	-	-	-	0.5	337.50	-	-	-	-
Veronica Del Borrello	Manager	620	4.7	2,914	3.2	1,984.00	-	-	-	-	-	-	1.5	930.00	-	-
Lachlan Wharton	Analyst	440	11.0	4,840	9.4	4,136.00	-	-	-	-	1.6	704.00	-	-	-	-
Lisa Brandt	Team Administrator	320	0.1	32	-	-	-	-	-	-	0.1	32.00	-	-	-	-
<b>Total (\$) (excl GST)</b>			<b>32.1</b>	<b>18,881.50</b>	<b>28.3</b>	<b>16,795.00</b>	-	-	-	-	<b>2.3</b>	<b>1,156.50</b>	<b>1.5</b>	<b>930.00</b>	-	-
				<b>18,881.50</b>												
GST (\$)				1,888.15		1,679.50		-		-		115.65		93.00		-
<b>Total (\$) (incl GST)</b>				<b>20,769.65</b>		<b>18,474.50</b>		-		-		<b>1,272.15</b>		<b>1,023.00</b>		-
Average hourly rate				588.21		593		-		-		503		620		-

## 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 7 October 2023 to 17 November 2023, which is the basis of the Resolution 5 claim referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

KPMG WIP (07/10/23 to 17/11/2023)																
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 (\$)
Clint Joseph	Director (Appointee)	830	0.3	249	-	-	0.2	166.00	-	-	0.1	83.00	-	-	-	-
Kieran Chu	Associate Director	675	13.7	9,248	13.7	9,247.50	-	-	-	-	-	-	-	-	-	-
Yvonne Liew	Associate Director	675	0.2	135	0.2	135.00	-	-	-	-	-	-	-	-	-	-
Michael Flower	Associate Director	675	2.3	1,553	2.3	1,552.50	-	-	-	-	-	-	-	-	-	-
Lachlan Wharton	Analyst	440	17.5	7,700	10.5	4,620.00	-	-	-	-	7.0	3,080.00	-	-	-	-
Lisa Brandt	Team Administrator	320	0.2	64	-	-	-	-	-	-	0.2	64.00	-	-	-	-
<b>Total (\$) (excl GST)</b>			<b>34.2</b>	<b>18,948.00</b>	<b>26.7</b>	<b>15,555.00</b>	<b>0.2</b>	<b>166.00</b>	<b>-</b>	<b>-</b>	<b>7.3</b>	<b>3,227.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
GST (\$)				<b>1,894.80</b>		1,555.50		16.60		-		322.70		-		-
<b>Total (\$) (incl GST)</b>				<b>20,842.80</b>		<b>17,110.50</b>		<b>182.60</b>		<b>-</b>		<b>3,549.70</b>		<b>-</b>		<b>-</b>
Average hourly rate				<b>554.04</b>		583		830		-		442				-

## **Schedule C – Resolutions**

### **Remuneration**

#### **Resolution 4 – for work already completed:**

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

#### **Resolution 5 – for work already completed:**

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

#### **Resolution 6 – for work already completed:**

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 7 October 2023 to 17 November 2023 be fixed up to a maximum amount of 18,948.00, plus any applicable GST, and may be paid"*

#### **Resolution 7 – for work to be completed up to end of VA:**

*"That the further remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 18 November 2023 to the completion of the Voluntary Administration be fixed up to a maximum amount of \$20,000.00, 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 8 – for work to be completed during the DOCA:**

*"That the remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from the execution to completion of the DOCA be fixed up to a maximum amount of \$5,000.00, 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 9 – for work to be completed during the Creditors Trust:**

*"That the remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from commencement to completion be fixed up to a maximum amount of \$5,000.00, 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 10 – for work to be completed during the liquidation (if applicable):**

*"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 29 November 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 E – Forms to Complete

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# E1 – Appointment of Proxy Form for KLP

## Form 532 - Appointment of Proxy

Insolvency Practice Rules (Corporations) 2016, Section 75-25

Return no later than 4pm, 5 December 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 6 December 2023 at 9:30AM (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 29 November 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 remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 16 September 2023 to 6 October 2023 be fixed in the amount of \$154,915.00, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 7 October 2023 to 17 November 2023 be fixed up to a maximum amount of \$114,650.00, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	That the further remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 18 November 2023 to completion of the Voluntary Administration 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 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 remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from the execution to completion of the DOCA be fixed up to a maximum amount of \$45,000.00, 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	That the remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from commencement to completion be fixed up to a maximum amount of \$90,000.00, 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"/>
10	That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from commencement to completion be fixed up to a maximum amount of \$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 office 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”]

## E2 – Appointment of Proxy Form for KLI

### Form 532 - Appointment of Proxy

Insolvency Practice Rules (Corporations) 2016, Section 75-25

Return no later than 4pm, 5 December 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

<sup>1</sup>

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

<sup>2</sup> of

(address)

<sup>3</sup> Tel:

<sup>4</sup> 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).

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

<sup>2</sup>

(name of person appointed as proxy)

<sup>3</sup>

<sup>4</sup> or in his / her absence

(address of person appointed as proxy)

<sup>5</sup>

(name of person appointed as alternate proxy)

<sup>6</sup>

<sup>7</sup> as \*my / \*our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on 6 December 2023 at 9:30AM (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

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

☐

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

☐

<sup>3</sup> **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 29 November 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 \$14,414.50, plus any applicable GST, and may be paid.			
5. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 16 September 2023 to 6 October 2023 be fixed in the amount of \$18,881.50 plus any applicable GST, and may be paid."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 7 October 2023 to 17 November 2023 be fixed up to a maximum amount of 18,948.00, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. That the further remuneration of the Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from 18 November 2023 to end of the Voluntary Administration be fixed up to a maximum amount of \$20,000.00, 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. That the remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from the execution to completion of the DOCA be fixed up to a maximum amount of \$5,000.00, 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. That the remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 29 November 2023, for the period from commencement to completion be fixed up to a maximum amount of \$5,000.00, 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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 29 November 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.	<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 office 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”]

## Annexure F – Reward DOCA proposal

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**Proposal for Deeds of Company Arrangement in relation to**  
**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)**  
**Made by Reward Minerals Limited (ACN 009 173 602)**

The terms of this proposal must be read in conjunction with certain defined terms as set out in the Dictionary at the end of the proposal. This proposal is non-binding and indicative only (and subject to the terms of an executed Deed of Company Arrangement).

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 Reward Minerals 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</p>

		<p>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 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) 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>(C) No other assets of the Companies or otherwise will be available for distribution to Creditors under the DOCAs or the Creditors' Trusts.</p> <p>(D) 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>(E) The DOCAs will be interdependent with completion of 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>(F) The DOCAs will each be effectuated upon compliance with the condition in clause 8(b) 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>(G) 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>
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		<p>(H) All Claims (including, for the avoidance of doubt, Claims under an Excluded Contract that arise out of facts, matters, circumstances or events which occurred on or before the Appointment Date) 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> <p>(I) 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.</p>
7.	<b>Proposed Deed Administrators</b>	<p>Matthew Woods, Clint Joseph and Martin Jones of KPMG.</p> <p>The Proposed Deed Administrators are also the proposed Trustees of each Creditors' Trust (<b>Trustees</b>).</p>
8.	<b>Commencement date for the DOCA and condition to effectuation regarding Pre-Administration Contracts</b>	<p>(a) The commencement date is the date of execution of the DOCAs contemplated by this proposal.</p> <p>(b) At least three business days prior to the SSA Completion (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 listed in Schedule 2 and any other Pre-Administration Contracts known to the Administrators (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 3 to this proposal.</p>
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 relevant 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 Admitted 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>Royalty extinguishment or reduction</b>	<p>The Royalty Holders will either:</p> <p>(a) have their contingent claims under the Royalty Deed released and extinguished; or</p>

		<p>(b) have their aggregate royalty entitlement under the Royalty Deed reduced from 1.9% of Gross Revenue (as defined in the Royalty Deed) from Potash and other minerals from the Tenements (as defined in the Royalty Deed) to 0.4% of Gross Revenue from Potash and other minerals from the Tenements, on such terms to be agreed between the Proponent and the Royalty Holders.</p>
13.	<b>Termination of DOCAs</b>	<p>Each DOCA will continue in operation until it is terminated:</p> <ul style="list-style-type: none"> <li>• upon its effectuation as set out in this proposal (see clause 20 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>
14.	<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 each not receive any distributions from any DOCA or any Creditors' Trust Fund (or from any Creditors' Trust).</p> <p>Any person who has an Excluded Claim against a Company (<b>Excluded Creditor</b>) is not entitled to participate in or receive any distribution from and will not prove to recover any Excluded Claim for the purposes of, or in relation to, the Creditors' Trust Fund, in respect of an Excluded Claim. For the avoidance of doubt, the Excluded Creditors will be entitled to make a claim against the Creditors' Trust Fund for any Claim that is not an Excluded Claim.</p>
15.	<b>Prescribed Provisions</b>	<p>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.</p>
16.	<b>Priority to eligible employee creditors</b>	<p>Each DOCA will contain a provision as contemplated by s444DA of the Act.</p>
17.	<b>Superannuation</b>	<p>Pursuant to section 444DB of the Act, for each DOCA (and the related Creditors' Trust), the Deed Administrators (and trustees of</p>

	<b>contribution debts</b>	<p>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> <ul style="list-style-type: none"> <li>(a) has been paid;</li> <li>(b) is, or is to be, admissible to proof; and</li> <li>(c) 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.</li> </ul>
<b>18.</b>	<b>Secured creditors, owners/ lessors of property, Excluded Claims</b>	<p>The DOCAs will not release:</p> <ul style="list-style-type: none"> <li>(a) any security held by a Creditor of a Company in respect of any Claim,</li> <li>(b) any security interest validly and effectively held by an owner or lessor in property of any Company,</li> <li>(c) without limiting (1) or (2), any Excluded Claims.</li> </ul>
<b>19.</b>	<b>Control of the Company</b>	<ul style="list-style-type: none"> <li>(a) Prior to effectuation of the DOCA: <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 (<i>New Directors</i>); and</li> <li>• the Deed Administrators will remove the existing directors of KLP and KLI and appoint the New Directors.</li> </ul> </li> <li>(b) Stewardship of each Company will pass to the New Directors upon effectuation of the DOCAs.</li> </ul>
<b>20.</b>	<b>Effectuation of DOCA – Contribution of Creditors' Trust Fund and creation of Creditors' Trust</b>	<p>Upon:</p> <ul style="list-style-type: none"> <li>(a) compliance with the condition in clause 8(b) above, concerning Pre-Administration Contracts; and</li> <li>(b) GCI confirming in writing the repayment in full of all amounts owing under or in connection with the GCI Facility Agreement simultaneously with the SSA Completion; and</li> <li>(c) payment of the Contributions by the Proponent, simultaneously with SSA Completion;</li> </ul> <p>the following will immediately and automatically occur (and each DOCA will provide accordingly) (with these events to be interdependent):</p> <ul style="list-style-type: none"> <li>(d) the Deed Administrators and the Companies will create the Creditors' Trusts;</li> </ul>

		<p>(e) 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>(f) 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>(g) the shares held by KLL in KLP and KLI will be transferred by KLL to the Proponent free of any encumbrances in accordance with the SSA.</p>
21.	<b>Release of Finance Parties and KLL and GCI</b>	<p>Under the DOCAs, the Companies will release all or any Claims against:</p> <p>(a) KLL;</p> <p>(b) the Agent;</p> <p>(c) the Security Trustee;</p> <p>(d) the Lenders and each other Finance Party (each as defined in the Facility Agreements); and</p> <p>(e) GCI,</p> <p>arising from or in connection with any event that occurred prior to the Commencement Date.</p>
23.	<b>Receivers</b>	<p>(a) For the avoidance of doubt, Receivers have the power to deal with the 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>(b) The Receivers' rights are to be expressly preserved under each DOCA pending SSA Completion.</p>
24.	<b>Administrators' and Deed Administrators' remuneration</b>	<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 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).</p>
25.	<b>Administrators' lien</b>	<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>
26.	<b>Variation of DOCAs</b>	<p>Each DOCA may only be varied by a resolution passed at a meeting of the Creditors of the relevant Company convened in accordance</p>



		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> <ul style="list-style-type: none"> <li>(a) 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>(b) any residual unsecured claim held by a Secured Creditor following realisation of its security;</li> <li>(c) 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,</li> </ul> <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> <ul style="list-style-type: none"> <li>(a) 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;</li> <li>(b) 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;</li> <li>(c) the beneficiaries will have interests in the relevant trust estate commensurate with their entitlements to participate as Admitted Creditors under the corresponding DOCA.</li> </ul> <p><b>Creditors' Trust Fund</b> is, for each Company, the Deed Fund 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 Claim</b> means:</p> <ul style="list-style-type: none"> <li>(a) any Security Trustee Claim; or</li> <li>(b) any Claim under an Excluded Contract arising out of facts, matters, circumstances or events occurring after the date of effectuation of each DOCA; or</li> <li>(c) any Claim of a Continuing Employee; or</li> <li>(d) any GCI Claim.</li> </ul> <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>Facility Agreements</b> means the:</p> <ul style="list-style-type: none"> <li>(a) 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;</li> </ul>
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	<p>(b) 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>(c) 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>GCI</b> means Global Credit Investments Pty Ltd ACN 604 417 647 as trustee for the GCI Special Opportunities Fund 10 ABN 91 759 309 688.</p> <p><b>GCI Claim</b> means all Claims of GCI under the GCI Facility Agreement, together with all costs, interest and other accumulations pursuant to the GCI Facility Agreement and related finance documents.</p> <p><b>GCI Facility Agreement</b> means the document entitled ‘Facility Agreement’ dated 12 September 2023 between, amongst others, KLL and GCI, as amended and supplemented from time to time.</p> <p><b>Greenstone</b> means Greenstone Resources II (Australia) Holdings LP.</p> <p><b>Group</b> means KLL, KLP and KLI.</p> <p><b>Kalium Corporate</b> means Kalium Corporate Pty Ltd ACN 603 911 271 as trustee for Kalium Founders Unit Trust.</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>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>Royalty Deed</b> means the Royalty deed entered into on or about 29 July 2016 between KLP and Kalium Corporate, as amended,</p>
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		<p>supplemented and assigned from time to time, including by a deed of accession dated 21 January 2021 between KLP, Kalium Corporate and Greenstone and amendment deeds dated 11 October 2021 and 15 August 2022, each between KLP, Kalium Corporate and Greenstone, (as amended from time to time).</p> <p><b>Royalty Holders</b> means Kalium Corporate and Greenstone.</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> <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>
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Dated: [●]

**Schedule 1**  
**Excluded Contracts**

1. Infrastructure Access Agreement dated 18 October 2019, as amended and restated from time to time between KLP and KLI.
2. Infrastructure Management Services Deed between KLP and KLI.
3. Infrastructure Asset Sale Agreement dated 16 August 2019 between KLP and KLI.
4. Cooperation Deed dated 16 August 2019 between KLP and KLI.
5. Access agreement dated 23 April 2018 between KLP and AIC Resources Limited
6. Access agreement dated 6 August 2018 between KLP and AIC Resources Limited.
7. Access agreement dated 21 March 2019 between KLP and Brent Ronald Smoothy and Rachel Mary Burn.
8. Access agreement dated 21 March 2019 between KLP and Victor James Gleeson.
9. Land Access & Mineral Exploration Agreement dated 10 March 2015 originally entered into between Rachlan Holdings Pty Ltd (ACN 121 876 202) and Mungarlu Ngurrarankatja Rirraunkaja (Aboriginal Corporation) RNTBC (ICN 7321) on behalf of the Birriliburu People and to which KLP became a party pursuant to deeds of assumption between Rachlan Holdings Pty Ltd and KLP dated 24 April 2015, 4 December 2015 and 25 February 2016.
10. Exploration and Prospecting Deed of Agreement dated 11 March 2015 originally entered into between Rachlan Holdings Pty Ltd and the Gingirana People and to which KLP became a party pursuant to deeds of assumption between Rachlan Holdings Pty Ltd and KLP dated 24 April 2015 and 4 December 2015.
11. Birriliburu Land Access Agreement dated 17 January 2018 between KLP and Mungarlu Ngurrarankatja Rirraunkaja (Aboriginal Corporation) RNTBC ICN 7321 on behalf of the Birriliburu People.
12. Gingirana Land Access Agreement dated 22 March 2016 originally entered into between KLP and the Gingirana People and to which Marputu Aboriginal Corporation RNTBC (ICN 8085) became a party pursuant to the RNTBC Accession Deed Beyondie Potash Project Gingirana Land Access Agreement dated 18 July 2018.
13. Gas Supply Agreement dated 26 June 2019 between KLP and the Shell Energy Australia Pty Ltd ACN 085 757 446.
14. Gas Transportation Agreement dated 6 May 2019 between KLP and APA Operations Pty Ltd ACN 123 090 933.
15. GGP Contribution Agreement between KLP, DBNGP (WA) Transmission Pty Limited and DBNGP (WA) Nominees Pty Limited as trustee of the DBNGP WA Pipeline Trust.
16. Inlet Sale Agreement between KLP and DBNGP (WA) Transmission Pty Ltd.
17. Backhaul Gas Contract between KLP and DBNG Holdings Pty Ltd.
18. Operating and maintenance agreement dated 8 March 2021 between KLP and APT Goldfields Pty Ltd ACN 084 545 344.
19. Interruptible Shipper Contract dated 18 March 2020 between KLI, DBNGP (WA) Nominees Pty Ltd and DBNGP (WA) Transmission Pty Ltd.

20. Platform Trading Membership Deed dated 12 January 2021 and Amending Deed dated 24 June 2021 between KLP and Energy Access Services Pty Ltd.
21. APA Licence Agreement Goldfields Gas Transmission Pipeline – Beyondie Road Offtake and Meter Station dated 27 March 2020 between KLI and APA - Southern Cross Pipelines Australia Pty Ltd.
22. Gas Connection and New Facility Agreement Goldfields Gas Pipeline – Beyondie Offtake Station dated 6 May 2019 and Variation Agreement dated 26 October 2020 between KLI, APA and Goldfields Gas Transmission Pty Ltd (GGT).
23. Such other contracts (including contracts of employment of eligible employee creditors) as are specified by the Proponent to the Receivers and Administrators in writing at least four business days prior to the SSA Completion.

**Schedule 2****Pre-Administration Contracts to be notified under clause 8(b)**

1. New Services Agreement dated 14 July 2023 between KLP and Ebtec GbR.
2. Wirtgen Eligible Supply Contract dated 4 June 2019 between KLP and Wirtgen GmbH, Windhagen.
3. Köppern Eligible Supply Contract dated 22 May 2019 between KLP and Maschinenfabrik Köppern GmbH & Co. KG, Hattingen.
4. K-UTEC Eligible Supply Contract dated 24 July 2015 between KLP and K-UTEC AG Salt Technologies, Sondershausen.
5. EPC Contract dated 14 May 2020 between KLP and DRA Pacific Pty Ltd ACN 078 037 019.
6. Parent company guarantee dated 21 May 2020 between DRA Global Ltd ACN 622 581 935 and KLP.
7. Processing Plant Construction Contract between KLP and G&S Engineering Services Pty Ltd ACN 068 146 627.
8. Haulage services agreement dated 19 June 2019 between KLP and Toll Mining Services (MV) Pty Ltd.
9. Goldstar Haulage Agreement dated on or about 4 October 2021 between KLP and Goldstar Transport Group Pty Ltd.
10. Lionel Haulage Agreement dated 1 October 2021 between KLP and Lionel Samson Group Ltd.
11. NCH Haulage Agreement dated 8 October 2021 between KLP and NCH Logistics Pty Ltd.
12. Power Station Construction Contract between KLI and Clarke Energy (Australia) Pty Ltd.
13. Gas pipeline installation contract (package 3) between KLI and Pipecraft Pty Ltd ACN 609 026 075.
14. Inlet and delivery stations design and construction contract (package 4) between KLI and Primero Group Ltd.
15. Harvesting, Haulage, PP Feed Loading and Gravel Road Network Maintenance Services Agreement dated 16 December 2022 between KLP and K19 Mining Pty Ltd.
16. Site Service Order Contract Number: 138 dated 9 June 2020 between KLP and Alpha 1 WA Pty Ltd.

### Schedule 3

#### Notice to Pre-Administration Contract counterparties

This notice is given for the purposes of Deeds of Company Arrangement to be made in relation to Kalium Lakes Potash Pty Ltd (receivers and managers appointed) (subject to deed of company arrangement) and Kalium Lakes Infrastructure Pty Ltd (receivers and managers appointed) (subject to deed of company arrangement) (**DOCA**). Defined terms used in this notice have the meanings set out in the DOCA.

This notice concerns the Pre-Administration Contracts identified in the DOCA and the suppliers and trade creditors identified in the DOCA.

By this notice, we as Administrators confirm to Reward Minerals Limited as Proponent for the purposes of the DOCA that all Pre-Administration Contracts in Schedule 2 of the DOCA and other Pre-Administration Contracts known to the Administrators (except for the Excluded Contracts) which are listed below have been terminated or otherwise that counterparties to those Pre-Administration Contracts have been notified that the Companies will cease to comply with, and will not perform their obligations under, and treat the Pre-Administration Contracts at an end. Attached to this Notice are copies of the notices to that effect issued by the Administrators to the counterparties of those Pre-Administration Contracts.

List of any Pre-Administration Contracts known to the Administrators that are not included in Schedule 2 of the DOCA.

*[Insert details]*

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