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19 September 2022

**To Creditors**

Dear Sir/Madam

**Australia Salt Lake Potash Pty Ltd**  
**ACN 164 369 420**

**Piper Preston Pty Ltd**  
**ACN 142 962 409**

**(Both Administrators Appointed) (Both Receivers and Managers Appointed)**

**(Collectively referred to as "the Companies")**

I refer to the appointment of Hayden White and I, Martin Jones, as Joint and Several Voluntary Administrators of the Companies on Wednesday, 20 October 2021 pursuant to Section 436A of the Corporations Act 2001 (**the Act**).

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

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

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

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

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

The following documents in respect of the concurrent meeting of creditors of the Companies are **enclosed** to the report:

Report annexure	Document	Description
H	Notice of meeting of creditors (form 529)	<ul style="list-style-type: none"> <li>– Please note that the meeting will be on <b>Thursday, 29 September 2022 commencing at 10:30am (AWST)</b>.</li> <li>– You should arrive for registration at least 30 minutes prior to the meeting.</li> <li>– For creditors who are unable to attend the meeting, a conference call facility will be available.</li> <li>– Please contact KPMG by email at saltlakepotash@kpmg.com.au or via telephone on 1800 845 118 at least three (3) business days prior to the meeting to advise that you will be using the conference facilities and you will be provided with the conference ID following submission of a statement pursuant to 75-35 of the Insolvency Practice Rules (Corporations) 2016.</li> </ul>
K1	Appointment of proxy (form 532)	<ul style="list-style-type: none"> <li>– This form enables you to appoint a person to act on your behalf at the meeting.</li> <li>– <b>Proxy forms submitted at the first meeting of creditors are <u>not</u> valid for this meeting.</b></li> </ul>
	Formal proof of debt (form 535)	<ul style="list-style-type: none"> <li>– 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.</li> <li>– If you submitted this form for the purposes of the first meeting of creditors, you do not need to submit another form for this meeting unless you seek to amend your claim.</li> <li>– All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Company or any lien over goods in their possession which are the property of the Company.</li> <li>– We are using the Creditors' Portal to manage creditor claims and allow creditors to vote online at Second Meeting. Creditors are required to register and submit a formal proof of debt form electronically via the Creditors' Portal at the following link <a href="https://creditors.accountants/">https://creditors.accountants/</a>. Creditors can find further guidance on how to register, submit and manage a claim at <b>Annexure J</b>.</li> </ul>
G	Remuneration Approval Request	<ul style="list-style-type: none"> <li>– Details of time spent by category of staff at the rates applicable for such staff.</li> <li>– A summary of the work undertaken by the Administrators and their staff in the administration.</li> <li>– A summary of the likely tasks and estimated remuneration of the Liquidators, should creditors resolve that the Company be wound up.</li> </ul>

Report annexure	Document	Description
I	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 Company is placed into liquidation.</li><li>– Creditors should review the ARITA information sheet in conjunction with section 9 of the Administrators' report.</li></ul>

**The proofs of debt and proxy forms should be lodged with this office before the meeting and, in any event not later than 4.00pm on Wednesday, 28 September 2022.**

For further information concerning the Voluntary Administration process and KPMG, you may wish to visit our website at <https://home.kpmg/au/en/home/creditors/salt-lake-potash.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 1800 845 118 or at [saltlakepotash@kpmg.com.au](mailto:saltlakepotash@kpmg.com.au).

Yours faithfully



**Martin Jones**  
Joint and Several Administrator



**Piper Preston Pty Ltd**  
**ACN 142 962 409**

**Australia Salt Lake Potash Pty Ltd**  
**ACN 164 369 420**

**(Both Administrators Appointed)**  
**(Both Receivers and Managers**  
**Appointed)**

Voluntary Administrators' Report

19 September 2022

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**Please complete and return the forms at Annexure K by close of business, 28 September 2022 to our office via:**

Email: saltlakepotash@kpmg.com.au

Post: Attention: Ben Pimm, KPMG Restructuring Services, GPO Box A29, PERTH WA 6837



## Glossary of terms

Term	Description
ACN	Australian Company Number
Act	Corporations Act 2001
Administrators	Martin Jones and Hayden White
ARITA	Australian Restructuring, Insolvency & Turnaround Association
ASIC	Australian Securities & Investments Commission
ASLP	Australia Salt Lake Potash Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)
ATO	Australian Taxation Office
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Companies	SO4 and its controlled entities as listed in <b>Annexure A</b>
Creditors' Portal	The online platform used by the Administrators to communicate with creditors, manage creditor claims and allow creditors to vote on resolutions put forward by the Administrators. Please refer to <b>Annexure J</b> for further information
Directors	Tony Swiericzuk, Ian Middlemas, Matthew Bungey, Phillip Montgomery, Peter Thomas and Rebecca Morgan (noting that Peter Thomas, Tony Swiericzuk and Rebecca Morgan resigned respectively on 21, 22 and 22 October 2021)
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
EY	Ernst & Young
FEG	Fair Entitlements Guarantee
First Meeting of Creditors	The concurrent first meeting of creditors were held on 1 November 2021
Former Administrator	Thomas Birch
FY	Financial year
GLAS/ Secured Creditor	Global Loan Agency Services Australia Nominees Pty Ltd
ID	Irve Developments Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)
IH	Irve Holdings Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)
IPR	Insolvency Practice Rules (Corporations) 2016
Macquarie	Macquarie Capital (Australia) Limited
MoP	Muriate of Potash
PMSI	Purchase Money Security Interest
PP	Piper Preston Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR	Personal Property Securities Register
PWR	PWR Hybrid Australia Pty Ltd
R&D	Research and development

Term	Description
Report	This report, prepared pursuant to IPR 75-225 and Section 438A of the Act
ROCAP	Report on Company Activities and Property
ROT	Retention of Title
Second Meeting	Second meeting held pursuant to IPR 75-225 and Section 439A of the Act, where creditors determine the future of the Company.
SEIIF	Sequoia Economic Infrastructure Income Fund
Sev.en/ Proponent	Sev.en Global Investments Pty Ltd
SFA	Syndicated Facility Agreement
SFD	So4 Fertiliser Developments Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)
SFH	So4 Fertiliser Holdings Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)
SO4	Salt Lake Potash Limited (Administrators Appointed) (Receivers and Managers Appointed)
SOP	Sulphate of Potash
SPA / Special Purpose Administrator	Special Purpose Administrator, Dermott McVeigh of Avior Consulting
SPA Orders	On 21 December 2021, Orders were made in the Supreme Court of Western Australia (COR 196/2021) that pursuant to section 447A of the Act that Dermott McVeigh be appointed SPA. Mr McVeigh's role is to conduct certain investigation as outlined as section 2.3 of this Report.
SPA Report	SPA's report prepared in accordance with the SPA Orders dated 21 December 2021
SSPA	Share Sale and Purchase Agreement with Sev.en for the shares of ASLP and its controlled interest in PP
TLD	Two Lake Developments Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)
TLH	Two Lake Holdings Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)

## 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 is the Companies?</b>	<p>Salt Lake Potash Limited (Administrators Appointed) (Receivers and Managers Appointed) and its subsidiaries (outlined below), is the 100% owner of the Lake Way Sulphate of Potash project, located 15km south of Wiluna.</p> <table><tr><th>Entity (All Administrators Appointed) (All Receivers and Managers Appointed)</th><th>ACN</th></tr><tr><td>Salt Lake Potash Limited</td><td>117 085 748</td></tr><tr><td>Piper Preston Pty Ltd</td><td>142 962 409</td></tr><tr><td>Australia Salt Lake Potash Pty Ltd</td><td>164 369 420</td></tr><tr><td>Irve Holdings Pty Ltd</td><td>633 114 619</td></tr><tr><td>SO4 Fertiliser Holdings Pty Ltd</td><td>633 114 628</td></tr><tr><td>Two Lake Holdings Pty Ltd</td><td>633 114 637</td></tr><tr><td>Irve Developments Pty Ltd</td><td>634 354 215</td></tr><tr><td>SO4 Fertiliser Developments Pty Ltd</td><td>634 354 224</td></tr><tr><td>Two Lake Developments Pty Ltd</td><td>634 354 233</td></tr></table> <p>Infrastructure includes 800ha of evaporation ponds, an on-site processing facility, a site camp, power plant and access to the Goldfields Gas Pipeline.</p> <p>The Companies also hold several other undeveloped tenements throughout the goldfields region of Western Australia, with potential for future development.</p>	Entity (All Administrators Appointed) (All Receivers and Managers Appointed)	ACN	Salt Lake Potash Limited	117 085 748	Piper Preston Pty Ltd	142 962 409	Australia Salt Lake Potash Pty Ltd	164 369 420	Irve Holdings Pty Ltd	633 114 619	SO4 Fertiliser Holdings Pty Ltd	633 114 628	Two Lake Holdings Pty Ltd	633 114 637	Irve Developments Pty Ltd	634 354 215	SO4 Fertiliser Developments Pty Ltd	634 354 224	Two Lake Developments Pty Ltd	634 354 233
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SO4 Fertiliser Developments Pty Ltd	634 354 224																				
Two Lake Developments Pty Ltd	634 354 233																				
<b>What is the purpose of this Report?</b>	<p>The purpose of this Report is to table the findings of our investigations of the Companies business, property, affairs and financial circumstances, as well as our opinion on the three options available to creditors in deciding the future of the ASLP and PP at the Second Meeting.</p> <p>This Report is produced for the purposes of ASLP and PP creditors only. A separate Report will be produced and distributed to the creditors of the remaining Companies.</p>																				
<b>What is the current status of the Companies?</b>	<p>On 20 October 2021, Martin Jones, Hayden White and Thomas Birch, were appointed as joint and several Administrators of the Companies by the Directors under Section 436A of the Act. On 31 January 2022, Mr Birch retired as Administrator following his resignation from KPMG.</p> <p>Following the Companies being placed into Voluntary Administration, on 20 October 2021, Richard Tucker and Craig Shepard of KordaMentha were appointed as Receivers and Managers of the Companies under the terms of the security provided to GLAS. As a result of the Receivers and Manager's appointment, they are in control of the Companies affairs and business operations.</p>																				

## Question

### Who is in control of the Companies?

The Receivers and Managers have responsibility for the day-to-day management of the Companies, with the security held by GLAS enabling them to assume control of the business.

The Administrators (in conjunction with the SPA) have undertaken preliminary investigations into the affairs of the Companies and the reasons for its failure.

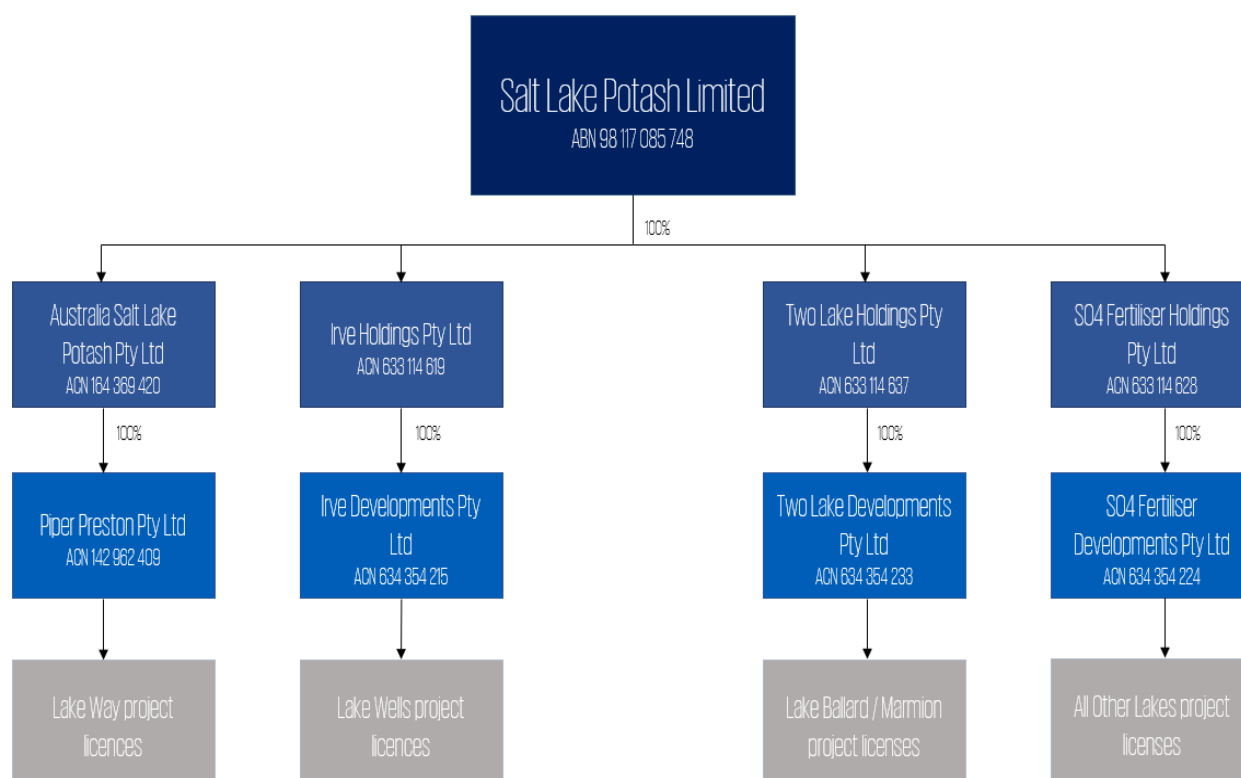
### Who is the SPA, and what is their role in regard to the Companies?

On 21 December 2021, Orders were made in the Supreme Court of Western Australia that pursuant to section 447A of the Act that Dermott McVeigh be appointed as SPA to prepare a report to creditors in regard to the Companies date of insolvency, any claims for breaches of director duties, or that of the Companies' advisors, and whether from 19 August 2021 there are any antecedent transaction which may be recovered.

### What is the ownership structure of the Companies?

SO4 is an ASX listed entity and has controlling interests in the subsidiaries listed in Annexure A.

The corporate structure is shown below:



### How did the Companies business trade?

The Companies main assets, the Lake Way Project, was operated by PP. Since 2018, PP has been developing and constructing a commercial operation at the project site..

ID, TLD and SFD also held a number of minor tenements, however no commercial facilities have been developed at these sites.

## Question

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

The Directors of the Companies have provided us with the following reasons for its failure:

- Failure to fund debt obligations.

### 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 Lake Way Project, which resulted in additional costs being incurred. These additional project development costs incurred, resulted in a funding shortfall and therefore a breach of existing debt covenants.
- The holding company, SO4 was unable to extend its existing debt facilities and was also unable to source additional funding whether debt or equity as required to satisfy its liquidity requirements.

Consequently, the Directors resolved to appoint Administrators given that it was likely that the Companies were insolvent or likely to become insolvent in the near future.

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

### When do the Special Purpose Administrators consider the Companies became insolvent?

The SPA considers that the Companies became insolvent as follows:

- The SPA identified that the Companies became insolvent on 5 October 2021, based on available cash to pay its debts and given that all other means to obtain alternative funding whether debt or equity had been extinguished.
- PP and the remaining subsidiaries likely became insolvent at the same time given that they were reliant upon SO4 for their funding requirements, and as they were the subject of a guarantee arrangement under the senior syndicated facility.

Further details concerning the Companies insolvency is enclosed in the SPA's Investigations Report as **Annexure E**.

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

As announced to the ASX on 10 March 2022, the Receivers and Managers and Macquarie commenced a process for the sale of Lake Way Project or for offers to recapitalise the Companies.

The outcome of the sale process is outlined at section 6 of this Report.

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

The Receivers and Managers have entered into a SSPA with Sev.en for the acquisition of the shares of ASLP and its controlled entity PP.

The main terms of the SSPA are confidential and therefore its terms are not disclosed of this Report save for certain information which are relevant to the consideration of the DOCA.

The SSPA allows for a DOCA proposal for ASLP and PP. The DOCA also provides for the establishment of a Creditors Trust allowing for a return to the creditors of those entitled to claim.

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

## Question

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

To resolve the future of ASLP and PP. The options available include whether:

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

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

For further details on how to attend and vote at the Second Meeting of Creditors please refer to section 2.9 of this Report.

### What is the estimated return to creditors?

The potential return to creditors of ASLP and PP under the terms of the DOCA are as follows:

Creditor class	Estimated dividend rate (cents in the \$)
Secured Creditor	n/a
Priority Creditors (employees – if any)	100c/\$
Pool A Creditors	A dividend of up to 9c/\$
Pool B Creditors	A dividend of 1c/\$/nil

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.

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

Sev.en has proposed a DOCA which provides for (amongst other things):

1. A DOCA contribution of \$2.5m to meet the cost of administration and enable a dividend to be paid to ordinary unsecured creditors
2. The establishment of a Creditors Trust;
3. The transfer of all priority and unsecured creditors claims of both ASLP and PP into one (1) to a creditors trust allowing ASLP and PP to continue as a going concern under a new board of directors.
4. A distribution to the creditors/beneficiaries of the Creditors' Trust.

We are of the opinion that creditors should accept the proposed DOCA as it provides for a better return to the creditors than an immediate winding up of the ASLP and PP. The DOCA also allows for the continuation of the Lake Way Project which may bring future economic benefits to its stakeholders and community.

## Question

### What claims will a liquidator investigate?

A liquidator will conduct further investigations in addition to the preliminary investigations undertaken during the course of the administration including the matters considered in the SPA report.

Further, should creditors resolve to wind-up any of the Companies, then the SPA, Dermott McVeigh of Avior Consulting will act as Liquidator of each of the company which is placed into liquidation.

The preliminary investigations by the SPA have identified:

1. A holding company liability of between \$2-\$4m by SO4.
2. Unfair preference recoveries against creditors of PP of up to \$3.6m
3. A potential insolvent trading liability claim of between \$2-\$5m against the Directors of SO4 and PP.

These, and other potential claims will be further investigated by a liquidator if appointed.

Details of the investigations undertaken to date in the Administration are detailed at Section 8 of this report and the SPA's report is annexed as **Annexure F**.

## Question

### What do creditors need to do next?

Creditors will vote via the Creditors Portal on the future of ASLP and PP at the Second Meeting to be held at 10:30 am on Thursday, 29 September 2022 at the offices of KPMG, Level 8, 235 St Georges Terrace PERTH WA 6000 and via teleconference.

All creditors are entitled to attend the Second Meeting. Creditors should review the contents of this report and complete the following forms by **4:00pm** on 28 September 2022:

Form/ voting	Where to submit
Appointment of proxy - form 532 (Annexure F1)	<b>Email:</b> <a href="mailto:saltlakepotash@kpmg.com.au">saltlakepotash@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>
Online voting at the meeting of creditors	<p>Creditors who will be attending will be required to login via the Creditors' Portal and attend the meeting via the teleconference facilities.</p> <p>We will be using the Creditors' Portal to conduct a poll for all resolutions put forward at the Second Meeting. Instructions on how to vote are detailed at <b>Annexure G</b>.</p> <ul style="list-style-type: none"><li>- The meeting will be open on the Creditors' Portal one hour prior to the commencement of the Second Meeting to allow creditors to view the resolutions.</li><li>- Creditors (or their nominated proxy) will be required to log in to the Creditors' Portal during the meeting to submit their votes.</li><li>- Teleconference facility details will be provided the day before the meeting.</li></ul>

Further guidance on how to register, submit a proof of debt form and vote at the meeting of creditors can be found at section 2.9 of this report.

### Where can I get more information?

If you require any further information, please refer to the KPMG website and/or contact the following:

**Phone: 1800 845 118**

E-mail: [saltlakepotash@kpmg.com.au](mailto:saltlakepotash@kpmg.com.au)



### Statement by Administrators

In reviewing this Report, creditors should note:

- This Report is based upon our preliminary investigations to date. Any additional material issues that are identified subsequent to the issue of this Report may be the subject of a further written report and/or tabled at the Second Meeting.
- The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. We reserve the right to alter any conclusions reached based on any changed or additional information which may be provided to us between the date of this Report and the date of the Second Meeting (except where otherwise stated).
- In considering the options available to creditors and formulating our opinion and recommendation, we have necessarily made forecasts of asset realisations and total creditors' claims based on our best assessment in the circumstances. These forecasts and estimates may change as asset realisations progress and we receive creditor claims and consequently the outcome for creditors might differ from the information provided in this Report.
- Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

## 2 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 20 October 2021, Martin Jones, Hayden White, and Thomas Birch were appointed as joint and several Administrators of the Companies by the Directors under Section 436A of the Act. On 31 January 2022, Mr Birch retired as Administrator following his resignation from KPMG.	2.1
2	Following the Companies being placed into Voluntary Administration, on 20 October 2021, Richard Tucker and Craig Shepard of KordaMentha were appointed Receivers and Managers of the Companies under the terms of the security provided to GLAS.	2.2
3	On 21 December 2021, Orders were made in the Supreme Court of Western Australia that pursuant to section 447A of the Act that Dermott McVeigh be appointed SPA. Mr McVeigh's role is to produce a report to creditors in respect of certain investigations and to make applications to Court where deemed necessary.	2.3
4	The Administrators have sought 3 extensions to the convening period to 30 September 2022. The purpose of extending the convening period is to allow sufficient time for the Receivers and Managers to conduct a fulsome marketing and sale process for the Companies and or its assets, namely preserving the opportunity for interested parties to submit a DOCA proposal, which may provide a better return to creditors than a winding up of the Companies.	2.9

### 2.1 Appointment of Voluntary Administrators

On 20 October 2021, the Directors of the individual Companies appointed Martin Jones, Hayden White and Thomas Birch of KPMG Restructuring Services as joint and several Administrators of the Companies under Section 436A of the Act.

On 31 January 2022, Mr Birch retired as Administrator, following his resignation from KPMG.

### 2.2 Appointment of Receivers and Managers

Following the Companies being placed into Voluntary Administration, on 20 October 2021, Richard Tucker and Craig Shepard of KordaMentha were appointed Receivers and Managers of the Companies under the terms of the security provided to GLAS.

The Receivers and Managers are appointed to represent the interests of the Secured Creditor, with their primary role being to realise sufficient secured assets to repay the debt owed to the same. The Receivers and Managers have, under the terms of their appointment, the power to manage the trading affairs of the Companies.

### 2.3 Appointment of SPA

On 21 December 2021, the Supreme Court of Western Australia in proceeding COR 196/2021 made orders that pursuant to section 447A of the Act that Dermott McVeigh of Avior Consulting be appointed as SPA to:

- prepare a report for the purpose of including it in any report required to be given to creditors which considers:
  - When the Companies became insolvent;
  - Whether there are any claims against the Directors of any of the Companies pursuant to section 588G of the Act or against SO4 pursuant to action 588V of the Act;

- Whether from 19 August 2021 there are any claims arising from transaction that any of the Companies (or any Liquidator of any of them) may have if they were wound up against any other entity;
  - Whether there are any claims arising from the conduct of the Directors, officers, advisers (including Thomson Geer), and/or KPMG (including the first plaintiffs, the administrators) as prospective external administrators;
2. apply to the Court for directions or Orders if deemed necessary; and
  3. have sole power to undertake the tasks as set out in the respective Order.

## 2.4 Objective of voluntary administration

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

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

Administrators are also required to investigate a company's affairs and report to creditors on the Administrators' opinion as to which outcome of the voluntary administration process is in the creditors' best interest, informing the creditors prior to their voting at the Second Meeting (please see section 2.9 for further details).

## 2.5 Purpose and basis of this report

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

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

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

This Report has been prepared primarily from information obtained from the Companies' books and records and/or discussions with the Directors. Although the Administrators (and SPA) 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:

1. ASIC;
2. the PPSR;
3. the Companies' book and records;
4. discussions with the Directors and former directors of the Companies;
5. discussions with key employees of the Companies;
6. discussions with creditors of the Companies; and
7. other public databases.

## 2.6 Context of this Report

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

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. We reserve the right to alter any conclusions reached based on any changed or

additional information which may be provided to us between the date of this Report and the date of the Second Meeting (except where otherwise stated).

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

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

## 2.7 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.

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

## 2.8 First Meeting of Creditors and Committee of Inspection

Section 436E of the Act requires the Administrators to convene the first meeting of creditors within 8 business days of being appointed. The First Meeting of Creditors of the Companies was held on 1 November 2021, at which the Administrators appointment was confirmed.

Creditors resolved at the First Meeting of Creditors to appoint a COI for each of SO4 and PP. COI's were not formed for the other seven (7) entities in the Companies.

Committee member	Representing	Salt Lake Potash Limited	Piper Preston Pty Ltd
Andrew Reed / Richard Tucker	Irve Developments Pty Ltd	✓	
Rowena Roberts	Herself	✓	
Andrew Reed / Richard Tucker	SO4		✓
Marc Russo	Sound Knowledge Pty Ltd		✓
Domenica Cutri	APA Operations Pty Limited		✓
Ranjani Sundar	PWR		✓

Bruce Franzen of Zen Magnolia Pty Ltd was appointed to COI for SO4, however withdrew from the Committee. Hasmik Yaylaian of Crusader Hose Pty Ltd was appointed to the COI for PP, however, also withdrew from the Committee.

Each member of the COI has executed an undertaking as to confidentiality and the Committee has been kept updated in relation to the Administrators application/s to the Supreme Court of Western Australia to extend the convening period and also to appoint a Special Purpose Administrator.

To date, 1 COI meeting has taken place and 3 of formal correspondence was issued to keep the COI apprised on the progress of the administration process. Details of the meeting and correspondence issued are as summarised below:

Date	Matters discussed	Resolution passed
8 November 2021	Letter providing notification of meeting of the COIs.	N/A
9 November 2021	COI meeting held. The Administrators discussed their applications to the Supreme Court of Western Australia, relating to the extension of the convening period to 31 March 2021 and the appointment of a SPA.	N/A
18 March 2022	Letter updating the COI in relation to the delay encountered s in the sale process being conducted by the Receivers and Managers and notifying the COI that an application to the Court is being prepared to extend the convening period.	N/A
24 March 2022	Letter updating the COI in relation to the application to extend the convening period which was lodged on 23 March 2022, with the matter listed for hearing on 29 March 2022.	N/A

## 2.9 Second Meeting of Creditors and extension of convening period

Based on the statutory timetable of a voluntary administration, the Second Meeting was required to be held on or before 24 November 2021.

In November 2021, the Receivers and Managers advised that the preferred sales proposal they had received, likely required a 14-week process.

Due to:

- The nature of the Companies mining assets;
- The potential benefit for creditors in aligning the convening period with the sale programme to maximise any return for creditors from a DOCA;
- The quantum of the debts owed to the secured creditors and unsecured creditors;
- The corporate structure of the Companies and SO4's listings on the ASX and AIM; and
- The Administrators' experience in acting as an external administrator in circumstances such as these, and in particular corporate mining restructures.

we made an initial application to the Supreme Court of Western Australia for an extension of the convening period pursuant to Section 439A(6) and Section 447A(1) of the Act.

The Court made orders on 11 November 2021, including that the date by which the Administrators were required to convene the meeting of creditors of the Company be extended to 31 March 2022.

Subsequently, further applications were made to extend the convening period to facilitate the sale process were made which resulted in the following orders made by the Supreme Court of Western Australia:

1. On 28 March 2022, orders were made which extended the convening period from 31 March 2022 to 31 July 2022; and
2. On 20 July 2022, orders were made which extended the convening period from 31 July 2022 to 30 September 2022.

Pursuant to Section 439A of the Act, the Second Meeting is now convened for Thursday, 29 September 2022 at the office of KPMG, Level 8, 235 St Georges Terrace PERTH WA 6000 at 10:30 am WST.

At the Second Meeting, creditors will decide the future of each individual company by voting on one of the following options:

1. that the administration should end (in this case control of the company will revert to its directors); or
2. that the company should be wound up; or

3. that the company execute a DOCA.

The Notice of Meeting of Creditors is attached (**Annexure B**) along with an appointment of proxy form (**Annexure F1**).

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

The Administrators intend to hold concurrent second meetings of creditors of the Companies. All creditors are entitled to attend the Second Meeting. Creditors who wish to participate in the Second Meeting must complete and submit the following forms to this office by 4:00pm on 28 September 2022.

We are using the Creditors' Portal to manage creditor claims and allow creditors to vote online at Second Meeting. Creditors are required to register and submit a formal proof of debt form electronically via the Creditors' Portal at the following link <https://creditors.accountants/>. Creditors can find further guidance on how to register, submit and manage a claim at **Annexure J**.

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.

All creditors are entitled to attend the Second Meeting. Creditors should review the contents of this report and complete the following forms by **4:00pm** on 28 September 2022:

Form/ voting	Where to submit
Appointment of proxy - form 532 ( <b>Annexure F1</b> )	<b>Email:</b> <a href="mailto:saltlakepotash@kpmg.com.au">saltlakepotash@kpmg.com.au</a>
COI nomination form	<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>
Online voting at the meeting of creditors	<p>Creditors who will be attending will be required to login via the Creditors' Portal and attend the meeting via the teleconference facilities.</p> <p>We will be using the Creditors' Portal to conduct a poll for all resolutions put forward at the Second Meeting. Instructions on how to vote are detailed at <b>Annexure J</b>.</p> <ul style="list-style-type: none"><li>- The meeting will be open on the Creditors' Portal one hour prior to the commencement of the Second Meeting to allow creditors to view the resolutions.</li><li>- Creditors (or their nominated proxy) will be required to log in to the Creditors' Portal during the meeting to submit their votes.</li><li>- Teleconference facility details will be provided the day before the meeting.</li></ul>

For creditors who are unable to attend the venue of the meeting on the day, a conference call facility will be available. Please contact KPMG by email at [saltlakepotash@kpmg.com.au](mailto:saltlakepotash@kpmg.com.au) or by telephone to 08 9263 4894 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.

## 2.10 Remuneration

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

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

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

	PP	ASLP
Voluntary Administration - 20 October 2021 to 31 August 2022	465,780	9,395
Voluntary Administration - 1 September 2022 to 28 September 2022	100,000	10,000
Future work - from execution of DOCA to completion of the DOCA	5,000	2,500
<b>Estimated total remuneration – Voluntary Administration</b>	<b>570,780</b>	<b>21,895</b>
Future work –Creditors Trust - execution until completion	50,000	
<b>Estimated total remuneration –Creditors Trust</b>	<b>50,000</b>	<b>50,000</b>
SPA - 21 December 2021 to 16 September 2022	607,303	2,283
SPA - 17 September 2022 to 28 September 2022	4,500	500
<b>Estimated total remuneration – SPA</b>	<b>611,803</b>	<b>2,783</b>
Liquidator - 28 September 2022 to completion	150,000	5,000
<b>Estimated total remuneration – Liquidation</b>	<b>150,000</b>	<b>5,000</b>

Please refer to our Remuneration Approval Request at **Annexure G** for details of the key tasks undertaken throughout the course of the administration to date. A copy of the SPA's Remuneration Approval Request is attached as **Annexure E**.

## 2.11 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:

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

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

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

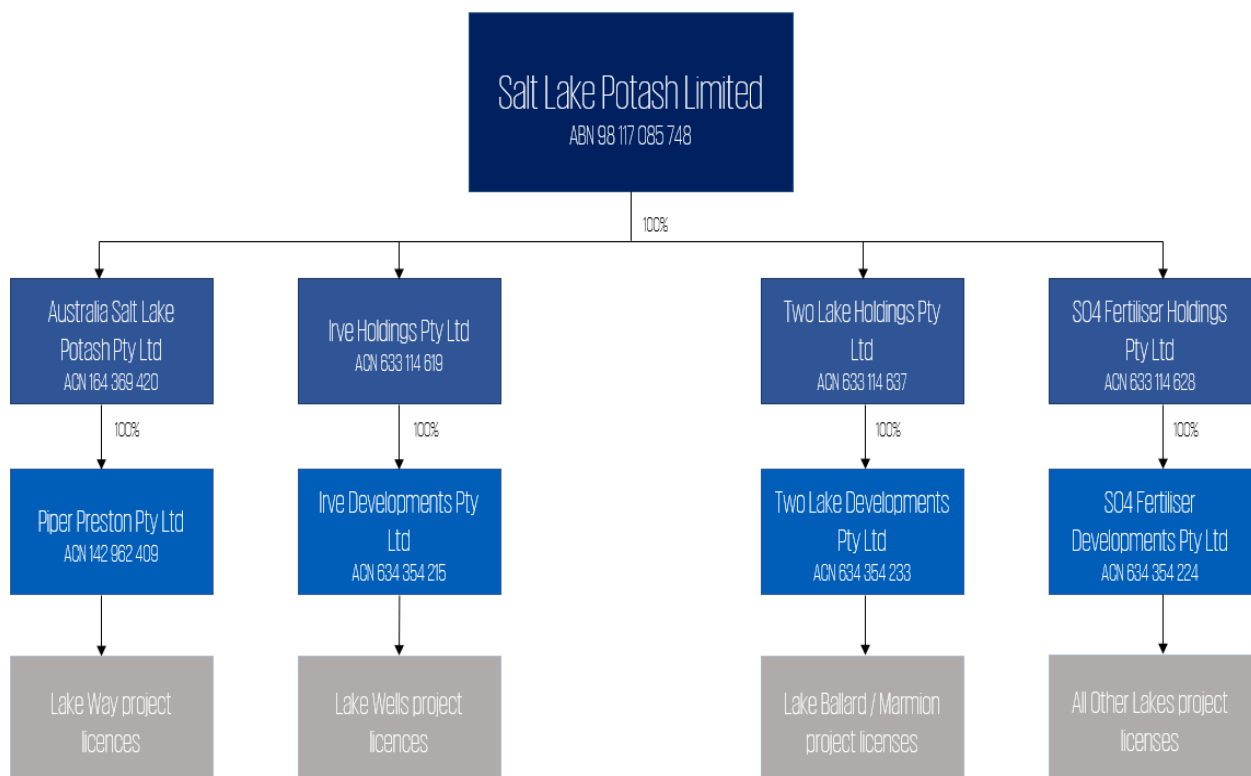
### 3 Company information

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

Key takeaways		Ref.
1	The principal activity of the Companies prior to the appointment of Administrators was the development of a SOP mining operation.	3.3
2	The Companies did not have any winding up applications or legal actions afoot as at the date of the Administrators appointment.	3.6

#### 3.1 Corporate structure

A summary of the corporate structure of the Companies is outlined below and its main business activities are summarised overleaf:





The Companies business operated as described below:

Business	Description of main business activities
Salt Lake Potash Limited	SO4 is listed on the ASX and AIM and is the ultimate holding company for the Companies and has control over 8 wholly owned subsidiaries. There is no DXG in place between any of the Companies.  It also operated as the employing entity for the Companies and at the time our appointment in October 2021, it has circa 100 employees.
Australia Salt Lake Potash Pty Ltd	ASLP is the parent company of PP and owns 100% of the shares in PP.
Piper Preston Pty Ltd	PP is the operating entity within the group and holds the tenements which relate to the Lake Way project.  The principal activity of the Companies prior to the appointment of Administrators was the development of a Sulphate of Potash mining operation, Lake Way Potash Project. Although commercial production was scheduled to commence in in September 2021 quarter, issues with the processing plant and lower than expected evaporation rates, caused delays to the original production timeline.
Irve Holdings Pty Ltd	Parent company of ID and owns 100% of the shares in ID.
SO4 Fertiliser Holdings Pty Ltd	Parent company of SFD and owns 100% of the shares in SFD.
Two Lake Holdings Pty Ltd	Parent company of TLD and owns 100% of the shares in TLD.
Irve Developments Pty Ltd	Holds the Lake Wells project licences/tenements.
SO4 Fertiliser Developments Pty Ltd	Holds the Lake Raeside, Lake Irwin, Lake Barlee, Lake Minigwal, Lake Noondie/Noondie-East and Lake Austin project licences/tenements.
Two Lake Developments Pty Ltd	Holds the Lake Ballard and Lake Marmion project licences/tenements.

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

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

Date	Source	Event
20-Jul-22	n/a	Orders were made in the Supreme Court of Western Australia extending the convening period to 30 September 2022.
28-Mar-22	n/a	Orders were made in the Supreme Court of Western Australia extending the convening period to 31 July 2022.
21-Dec-21	n/a	Orders were made in the Supreme Court of Western Australia that pursuant to section 447A of the Act, Dermott McVeigh be appointed Special Purpose Administrator.
11-Nov-21	n/a	Orders were made in the Supreme Court of Western Australia extending the convening period to 31 March 2022.
1-Nov-21	ASX announcement	Tony Swiericzuk (CEO), Peter Thomas (Non-executive Director) and Rebecca Morgan (Non-executive Director).

Date	Source	Event
20-Oct-21	ASX announcement	Appointment of KordaMentha as Receivers and Managers.
	ASX announcement	Appointment of KPMG as Voluntary Administrators.
7-Oct-21	ASX announcement	Request for extension of voluntary suspension pending announcement regarding an update on Lake Way Project and response to an ASX query.
1-Oct-21	ASX announcement	<b>Full Year Statutory Accounts FY21:</b> The Companies reported a net loss of \$5.3m, cash reserves of \$69.4m, net assets of \$251.9m, net cash outflows from operating and investing activities of \$254m and debt of \$168m.
17-Sep-21	Board minutes	<b>Operations:</b> Floatation cell update provided in respect of testing completed to date. <b>Financial:</b> minutes note that safe harbour is progressing, and the board tabled the 13-week cashflow forecast a draft ASX Aware Letter response. <b>Equity:</b> Capital raising to commence on 24 September 2021.
13-Sep-21	ASX announcement	<b>Appointment of CEO:</b> Appointment of Isak Buitendag as CEO.
27-Aug-21	ASX announcement	<b>Request for Voluntary Suspension:</b> Voluntary suspension pending announcement regarding update on Lake Way Project and response to an ASX query. <b>Resignation of CEO:</b> Resignation of Tony Swiericzuk as CEO. He will continue as a board member and consultant.
20-Aug-21		KPMG were approached by Thomson Geer to provide limited background on the Companies' current financial position and to discuss KPMG's proposed scope of work.
12-Aug-21	ASX announcement	<b>Company Secretary Appointment/Resignation:</b> Appointment of Bruce Frazen as company secretary. Matthew Worner steps down as "acting" company secretary.
29-Jul-21	ASX announcement	<b>Lake Way Project and Financing Update:</b> announcement of a revised ramp up schedule, which is anticipated to impact FY21 forecast production. As a result of these changes a funding requirement is necessary. <b>Suspension from Official Quotation:</b> Voluntary suspension pending announcement regarding material update in Lake Way Project.
15-Jul-21	ASX announcement	<b>Appointment of Chief Financial Officer:</b> Appointment of Stuart Fraser as CFO.
1-Jul-21	ASX announcement	<b>Production and Commissioning Update:</b> Processing plant practical completion from GR achieved at Lake Way. Plant commissioning continues with first SOP expected in weeks ahead (commissioning activities continues throughout June).
10-Jun-21	ASX announcement	<b>Receipt of Placement Funds and Final Debt Drawdown:</b> \$28m placement received amend drawdown of \$US33m debt. The \$AU18m guarantee facility has also been executed.
24-May-21	ASX announcement	<b>Institutional Placement to enable final Debt Drawdown:</b> Binding commitment for share placement to raise \$AU28m for final debt drawdown and access to additional funding from Sequoia. Placement of 80m shares at \$0.35/share to raise \$AU28m. Used for general operating expenses and to enable \$US33m tranche and implementation of \$AU18m in equity from SEQI. Debt is de-risked due to ERA approvals received and SOP production expected in "coming weeks".
21-May-21	ASX announcement	<b>Trading Halt:</b> Trading halt regarding potential capital raising.
4-May-21	ASX announcement	<b>Board Change:</b> Resignation of Bryn Jones.
30-Apr-21	ASX announcement	<b>March 2021 Quarterly Report:</b> Operations - process plant commenced in March and 97% at end of period.

Date	Source	Event
		Financials - Restructured existing debt with US\$39m SEQI, \$US25 CBA entering into the \$US138 senior debt facility. SPP upsized to raise \$8m. Cash at end of period of \$46m, debt of \$182m with \$43m undrawn.
28-Apr-21	ASX announcement	<b>Appointment of Company Secretary:</b> Appointed Matthew Warner as Company Secretary
4-Mar-21	ASX announcement	Syndication of \$US138m senior debt facility with SEQI and CBA joining the facility. SEQI invested \$US39m and CBA invested \$US25m, reducing the Taurus investment to \$US35m (from \$US91m) and the CEFC investment to \$US39m (from \$US47m).
28-Jan-21	ASX announcement	<b>SO4 successfully completes Share Purchase Plan:</b> Completed SPP and due to demand increased SPP to raise \$AU8m (originally \$AU5m). Allowed draw down of tranche 1 of debt.
18-Jan-21	ASX announcement	<b>Lake Way Project nearing completion:</b> "Process plant 88% complete on 31 Dec 20 (earned value basis) and overall project 81% complete. Major items installed including SOP & shoenite crystalliser, non-process infrastructure is ""well placed"". Process plant commissioning expected to start Feb 21 and first feed salts to plant in Mar 21. Budget remains at \$264m. 27kt of potassium rich kainite and shoenite salts have been harvested for commissioning plant feed from the Train 1 cells, harvest to re-commence in Mar 21."
22-Dec-20	ASX announcement	Funds from First Drawdown Received: Received funds from the first draw down of \$US105m, repaying \$US45m bridge facility and construction. CEO states company is well financed to complete the Lake Way Project.
18-Dec-20	ASX announcement	CFO, Shaun Day resigns.
11-Dec-20	ASX announcement	Received binding commitment to raise \$AU52m in equity, allowing the first drawdown of \$US105m under the Taurus/CEFC \$US138m agreement. Company has received binding commitments from institutional shareholders, sophisticated investors and directors for 130m new shares at \$0.40/share to raise \$AU52m. Taurus precedents for first draw down have been met or waived other than the \$30m equity raise, a transfer of \$US8m into the debt service reserve account, payment of transaction fees and repayment of the existing \$US45m bridge loan. Completion of tranche 1 will result in the remaining conditions being met to draw down in December 2020. Further SPP to raise \$5m at \$0.40/share. Proceeds will cash back a bank guarantee for the APA gas pipeline (\$AU18m), ramp up v bank model (\$AU15m) offset AUD strength (\$AU10m), transactional fee (\$AU2m) and \$AU12m for additional working capital.
20-Nov-20	ASX announcement	<b>2020 AGM Lake Way Project Update:</b> Lake Way Project is 74% complete on a value earned basis. Engineering nearing 100%, and procurement is over 98% complete.
19-Oct-20	ASX announcement	Appointment of Phil Montgomery and Peter Tomas as non-executive directors. Mark Pearce steps down as the same.
28-Sep-20	ASX announcement	<b>Annual Report to shareholders FY20:</b>  <b>Operations:</b> development of Lake Way is on track for March 2021 quarter,  <b>Financials:</b> Net loss of \$15.6m at June 2020. Cash of \$7m and net assets \$59.5m due to raising \$49m over the period. Debt of \$74m, net cash outflows from operating and investing activities of \$126.9m. Capex budget of \$AU264m.
14-Sep-20	ASX announcement	<b>Lake Way Project Reaches 60% Completion:</b> Lake Way Project 60% complete and on track to deliver in March 2021 quarter. Announced 60% on earned value basis, 90% commitment by major vendor procurement packages, 80% site completion and work commenced on ponds and drilling.
11-Aug-20	ASX announcement	<b>Successful Completion of Institutional Offer:</b> SO4 announces successful completion of institutional component of its \$AU98.5m equity raise. Collectively raised \$AU71m via 142.1m new shares. \$AU27m retail entitlement offer to open August 2020.

Date	Source	Event
5-Aug-20	ASX announcement	SO4 announces that it is fully funded in respect of the Lake Way Project after executing a \$203m debt financing package and a fully underwritten equity placement and accelerated non-renounceable entitlement offer for \$98.5m at \$0.5/share.

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

As a result of these factors, the Directors' sought KPMG's advice as to the Companies' financial position in August 2021. The directors resolved to appoint Administrators effective 20 October 2021.

### 3.3 Statutory information

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

1. incorporation date
2. registered office address
3. principal place of business address
4. company officers
5. shareholders
6. previous company name (if applicable)

### 3.4 Registered security interests

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

GLAS hold a charge over the whole or substantially the whole of the property of the Companies.

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

### 3.5 Winding up applications

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

## 4 Historical financial position

This section provides a summary of the financial performance of the Companies during the period of FY19, FY20, FY21 and YTD FY22.

Key takeaways	Ref.
1 The Companies prepared their accounts on a consolidated basis and appear to be in compliance with section 268 of the Act, albeit there are some material variances in September 2021 management accounts which had not yet been finalised.	n/a
2 The Companies reported a loss for all periods under review from FY19 to YTD September 2021. This is not uncommon given that the Companies were in the development stage of their mine life and had not yet reached commercial grades of production to produce revenues.	4.2
3 The Companies net asset position and working capital positions were positive as at 30 September 2021. This is primarily due to capitalisation of the Companies mine development to the balance sheet, and it retaining reasonable cash balances to satisfy short-term trade payables.	4.3

### 4.1 Preparation of financial statements

The Companies' financial statements were prepared up to 30 June 2021. EY audited the financial statements up to the year ended 30 June 2021.

The Companies also prepared monthly management reports, cash flows, budgets, and variance reports.

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

### 4.2 Summary profit and loss

Set out below is a summary of the Companies' profit and loss statement for the years ended 30 June 2019, 30 June 2020 and 30 June 2021, whilst the figures presented at 30 September 2021 are from the Companies' internal management accounts (unaudited) and represent FY22 YTD amounts.

\$000s	FY19	FY20	FY21	Sep-21
<b>Revenue</b>				
Sales	-	-	-	-
Cost of sales	-	-	-	-
<b>Gross profit</b>	-	-	-	-
<i>Gross profit margin</i>	n/a	n/a	n/a	n/a
Other income	1,788	5,979	9,933	Unknown
<b>Expenses</b>				
Exploration & evaluation	(13,746)	(12,554)	(2,495)	-
Pre-development	(8,513)	(13,017)	-	-
Corporate & administrative	(3,257)	(3,574)	(5,099)	(4,457)
Business development	(866)	(4,713)	(4,007)	(6,080)
Impairment (inventory)	-	-	(5,120)	-
Share based payments	(2,302)	(6,505)	(433)	-
Other expenses	-	(954)	(12)	-

\$000s	FY19	FY20	FY21	Sep-21
<b>Profit before income tax</b>	<b>(26,896)</b>	<b>(35,338)</b>	<b>(7,233)</b>	<b>(10,537)</b>
Income tax (expense) / benefit	-	19,657	1,923	n/a
<b>Net profit / (loss) for the period</b>	<b>(26,896)</b>	<b>(15,681)</b>	<b>(5,310)</b>	<b>(10,537)</b>

Source: Company Annual Reports and Management Accounts

In respect of the profit and loss statement, the Administrators make the following comments:

- The accounts were prepared on a consolidated basis it is therefore difficult to assess each entity's individual trading position in isolation;
- The Companies did not report revenue, given that the plant had not reached an operational capacity to produce a commercial quantity of SOP.
- Other income in FY21 primarily consisted of the recognition of foreign exchange gains (\$5.7m) and remeasurement of amortised royalty liabilities (\$4.04m).
- Other income in the preceding financial years primarily consisted of receipt of R&D rebates, FY20, \$4.5m and FY19, \$1.7m.
- R&D rebates were not received during FY21 as the Companies had not yet finalised their income tax lodgements for FY20. At the time of writing, we understand that the lodgements have now been completed for FY20 and the resultant rebate is available to the Receivers and Managers.
- Further, the Receivers and Managers are currently progressing the completion of the FY21 lodgements for access to the respective rebate for activities during FY21.
- Exploration & evaluation and Pre-development expenditures significantly reduce towards nil through FY21 and FY22 YTD, as the Companies' received the appropriate approvals that the work completed to date provided sufficient support for the future development of the project. From the receipt of the appropriate approvals all subsequent expenditure is capitalised to the Mine Development asset.
- Borrowing costs as they relate to development of the project is capitalised to the Mine Development asset and therefore do not appear on the P&L.
- Inventory was written down to nil during FY21 due to an operational decision made during the commissioning of the plant. It was determined that plant efficiency would be improved by increasing the threshold of potassium grade for plant feed during the ramp-up period. The stockpiled salts did not meet this threshold and therefore are unlikely to be processed in the near-term.

### 4.3 Summary balance sheet

Set out below is a summary of the Companies' consolidated balance sheets for the years ended 30 June 2019, 30 June 2020 and 30 June 2021, whilst the figures presented at 30 September 2021 are from the Companies' internal management accounts (unaudited) and represent FY22 YTD amounts.

\$000s	FY19	FY20	FY21	Sep-21
<b>Current assets</b>				
Cash and cash equivalents	19,304	7,030	69,441	49,897
Trade and other receivables	923	4,032	1,986	964
Inventories	-	1,535	-	136
Other current assets	1,478	1,565	17,632	19,658
<b>Total current assets</b>	<b>21,705</b>	<b>14,162</b>	<b>89,059</b>	<b>70,655</b>
<b>Non-current assets</b>				
Mine development	-	124,773	346,010	383,943
Exploration and Evaluation	2,277	2,277	2,277	2,277
Plant and equipment	764	3,402	4,724	5,943
Right of use assets	-	5,617	42,218	40,852
Deferred tax assets	-	21,057	25,847	25,847
Other non-current assets	-	76	15,076	-
<b>Total non-current assets</b>	<b>3,040</b>	<b>157,201</b>	<b>436,152</b>	<b>458,862</b>
<b>Total assets</b>	<b>24,745</b>	<b>171,364</b>	<b>525,211</b>	<b>529,517</b>
<b>Current liabilities</b>				
Trade and other payables	7,717	28,178	19,882	24,652
Borrowings	-	56,074	14,550	14,550
Lease liabilities	12	1,332	2,694	2,694
Provisions	79	671	1,079	1,079
Royalty liabilities	-	139	450	450
<b>Total current liabilities</b>	<b>7,808</b>	<b>86,394</b>	<b>38,655</b>	<b>43,425</b>
<b>Non-current liabilities</b>				
Borrowings	-	-	162,468	156,389
Lease liabilities	27	4,421	39,032	37,758
Provisions	712	3,837	6,300	6,231
Royalty liabilities	-	16,580	26,860	26,860
Other non-current liabilities	12	5	-	-
<b>Total non-current liabilities</b>	<b>751</b>	<b>24,843</b>	<b>234,660</b>	<b>227,238</b>
<b>Total liabilities</b>	<b>8,559</b>	<b>111,237</b>	<b>273,315</b>	<b>270,663</b>
<b>Net assets</b>	<b>16,186</b>	<b>60,127</b>	<b>251,896</b>	<b>258,854</b>
<b>Equity</b>				
Issued capital	155,918	209,612	405,077	405,077
Reserves	5,751	11,282	12,896	12,896
Accumulated losses	(145,483)	(160,767)	(166,077)	(176,959)

\$000s	FY19	FY20	FY21	Sep-21
<b>Total equity</b>	<b>16,186</b>	<b>60,127</b>	<b>251,896</b>	<b>241,014</b>

Source: Company Annual Reports and Management Accounts

In respect of the balance sheet, we make the following comments:

- The Companies' raised capital (both debt and equity) throughout the presented periods, providing the Companies' with access to cash for use in developing the Lake Way Project.
- Other current assets of \$18.1m relate to security deposits, \$3.0m for a one month rolling cash-backed bank guarantee and the residual of c. \$15.0m relates to the Debt Service Reserve account and the escrowed Prepayment Proceeds required under the SFA. Please note that these cash amounts were restricted.
- Inventories were written down to nil at 30 June 2021 (see Section 4.2). MoP was held by the Companies' as inventory but was not adequately recorded at 30 September 2022. The Receivers and Managers have since realised the inventory for a value of c. \$8.6m.
- Exploration & evaluation expenditure incurred and capitalised for the Lake Way Project during FY21 was converted to the Mine Development asset post the completion of the bankable feasibility study in October 2019
- Upon the work completed supporting the future development of the project, and such development having received the appropriate approvals all subsequent expenditure on the construction, installation or completion of ponds and other infrastructure facilities is capitalised to the Mine Development asset.
- Borrowing costs that are directly attributable to the acquisition, construction or production of the mine development asset are capitalised to the Mine Development asset.
- The Companies' drew down the first tranche of the SFA (USD\$105m) in December 2020 from Taurus Funds Management and the Clean Energy Finance Corporation. The SFA was subsequently syndicated in March 2021 to include SEQI and Commonwealth Bank of Australia as lenders.
- The first tranche was used to repay the pre-existing Taurus Bridge Facility (Stage 1 Facility), totalling USD\$45m, the current borrowings balance at 30 June 2020 reflects this debt, the remaining balance of funds were used to further develop the Lake Way Project.
- The Companies' subsequently drew down the balance of the SFA, USD\$33m during June 2021 and a further AUD\$18m guarantee facility with SEQI was drawn down in the same month, giving the Companies access to AUD\$18m previously held in a restricted deposit as security for the gas pipeline for the Lake Way Project.
- The SFA drawn down had applicable interest of 9% p.a., the interest rate on the guarantee facility was 12%p.a., both were repayable by 30 September 2024.
- The lenders under the SFA held a security interest over the Lake Way Project assets.
- The Companies' conducted six (6) separate equity capital raisings during FY21, as below;
  - o August 2020: AUD\$71m placement at \$0.50p/share to institutional and high net worth investors;
  - o August - September 2020: AUD\$15m on conversion of convertible notes at \$0.45/share.
  - o September 2020: AUD\$27.5m from a retail entitlement offer at \$0.50/share.
  - o December 2020: AUD\$52m placement at \$0.40/share to institutional and high net worth investors.
  - o February 2021: AUD\$8m from a share purchase plan at \$0.40/share.
  - o June 2021: AUD\$27m placement at \$0.35/share to institutional and high net worth investors.
- All raised amounts are less the respective costs to raise, total c. \$9.5m for the period.
- The balance of Issued capital is comprised of shares in connection with performance rights, shares issued in lieu of fees and deferred tax asset recognised in equity.
- The Companies did not raise any equity during the FY21 period prior to appointment, the respective raise requirements were not met with the options and rights expiring/lapsing as reported to the market on 6 October 2021.



- The reported FY22 YTD balance sheet net assets does not reconcile to equity per the draft management accounts at the time of appointment, it is noted that the preparation of the management accounts was a work in progress at this time.
- At the time of appointment, the draft management accounts as at 30 September 2021, was unreconciled as the net assets did not match equity. We under that:
  - o Preparation of the management accounts at the time was still a work in progress of our appointment; and
  - o the variance present (c. \$17.8m), was primarily caused by two (2) required expense accrual journals being incorrectly posted to unreconciled intercompany loan accounts, therefore not being captured during the management accounts preparation.

## 5 Report on company activities and property and Director's reasons for failure

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

Key takeaways	Ref.
1 ROCAPs were received for all Companies between 16 November and 22 November 2021. Copies of the ROCAPs have been lodged with the ASIC.	5.1
2 Summaries of the ROCAPs for ASLP and PP are annexed to this Report. We note that SO4 and PP hold most of the assets and liabilities, with the remaining entities either holding some tenements or being dormant.	<b>Annexure D</b>

### 5.1 Report on company activities and property

Section 438B of the Act requires directors to give an administrator a ROCAP about a company's business, property, affairs and financial circumstances. We received the ROCAP's from the Directors' on the following dates:

Entity	Director	Received
Salt Lake Potash Limited	Tony Swiericzuk	17/11/2021
	Ian Middlemas	16/11/2021
	Matthew Bungey	19/11/2021
	Philip Montgomery	16/11/2021
	Peter Thomas	16/11/2021
	Rebecca Morgan	22/11/2021
All other Companies (incl. ASLP & PP)	Tony Swiericzuk	17/11/2021
	Stephen Cathcart	17/11/2021

A breakdown of assets and liabilities described in the Directors ROCAP's by affiliated Companies entity is below:

	SO4	ASLP	PP	IH	TLH	SFH	ID	TLD	SFD
<b>Assets</b>									
Bank accounts	✓	-	✓	-	-	-	-	-	-
Debtors	✓	-	-	-	-	-	-	-	-
Motor vehicles	-	-	✓	-	-	-	-	-	-
Plant and equipment	✓	-	✓	-	-	-	-	-	-
Inventory	-	-	✓	-	-	-	-	-	-
Real property	-	-	-	-	-	-	-	-	-
Other assets	✓	-	✓	✓	✓	✓	✓	-	✓
<b>Liabilities</b>									
Employees	✓	-	-	-	-	-	-	-	-
Creditors	✓	✓	✓	✓	✓	✓	✓	✓	✓

In the ROCAP, the Directors detailed each Companies' assets and liabilities at book value and ERV, ASLP and PP's ROCAPs for ASLP and PP are summarised at **Annexure D**, along with the Administrator's ERV and comments.

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

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

The ROCAPs and Administrators' ERVs are tabled in the annexures of this Report. Further detail on the estimated return to creditors from the administration of ASLP and PP are contained in section 10 of this report.

## 5.2 Omissions from ROCAP

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

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

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

- Failure to fund debt obligations.

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

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

1. Challenges associated with the development of the Lake Way Project, which resulted in additional costs being incurred. These additional project development costs incurred, resulted in a funding shortfall and therefore a breach of existing debt covenants.
2. The holding company, SO4 was unable to extend its existing debt facilities and was also unable to source additional funding whether debt or equity as required to satisfy its liquidity requirements.

Consequently, the Directors resolved to appoint Administrators given that it was likely that the Companies were insolvent or likely to become insolvent in the near future.

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

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

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

Key takeaways		Ref.
1	The Receivers and Managers are in control of the Companies and their assets. They conducted a marketing and sale process for the restructure or recapitalisation of the Companies.	6.1
2	The Administrators have undertaken activities limited to their role; including preserving the Companies corporate structure whilst the Receivers and Managers conducted their marketing and sale process.	6.2
3	The outcome of the marketing and sale process is that 1 offer was received which culminated in a SPPA and DOCA proposal (which is discussed further in Section 7) for PP and ASLP.	6.2

### 6.1 The business at commencement of the Administration

On appointment, the Administrators assumed control of the Companies business, however shortly thereafter, the Receivers and Managers were appointed. Accordingly, the Receivers and Managers are now in control of the business and assets of the Companies as provided under the terms of the security provided by the Companies to the secured lender, GLAS.

The Receivers and Managers have provided us with the following trading update:

- Since appointment of the Receivers and Managers have continued to trade the Companies on a business as usual basis to preserve value for a sale process. The Receivers and Managers implemented trading controls and worked with the Companies employees and major suppliers to keep the business operating. The objective of continued trading was to preserve brine supply and value in the business to maximise the optionality of the business continuing for all stakeholders.
- The Receivers and Managers also continued parts of the value accretive capital works program which has included maintaining the trench network, drilling and commissioning new bores and upgrades to the brine transfer system. A testing program was also conducted on the processing plant in preparation for changes to the flotation cells.
- By continuing operations and completing capital works the Lake Way Project has continued to ramp-up the brine supply and fill the pond network so that it is in a position to produce SOP following effectuation of the proposed DOCA.

### 6.2 Administrators' activities

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

- Liaised with the Receivers and Managers as to the status of the business and sale process;
- Fielded enquiries from potential purchasers regarding their intention to submit a DOCA proposal for any (or all) of the Companies;
- Sought financial reporting relief pursuant the ASIC instrument 2015/251, and obtained an extension to holding the AGM for SO4;
- Obtained copies of the Companies books and records, including a forensic backup of the Companies' server;
- Liaised with the Directors and key management personnel as required;
- Conducted investigations and sought Court Orders where appropriate in regard to the extension of the convening period and the appointment of a SPA;
- Communications with the SPA;
- Corresponded with employees (as applicable) and unsecured creditors including reviewing the claims submitted / creditor proofs of debts;

- Communications with shareholders; and
- Held the first meeting of creditors, preparing this report to creditors and also convening the Second Meeting of Creditors to be held on 29 September 2022.

### 6.3 The sale of business process

Following the appointment of the Receivers and Managers, they commenced a sale and marketing program seeking expressions of interest in the sale of the business. The timetable for the sale process undertaken was as follows:

Date	Activity
Early April 2022 - 10 May 2022	Stage 1 due diligence for a period of 5 weeks.
10 May 2022	Indicative offers due to be submitted with Macquarie
May 2022	Interested parties who submitted an indicative offer were advised whether they had been selected as a shortlisted party to proceed to Stage 2 of the process.
Mid May – June 2022	Stage 2 due diligence period, during which shortlisted parties were provided with: <ul style="list-style-type: none"> <li>- Reopening of the data room including comprehensive due diligence materials;</li> <li>- a management presentation and site visit; and</li> <li>- Q&amp;A platform.</li> </ul>
July 2022	Submission of Final Offers and data room closed.

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

- Macquarie were appointed sale advisors to the Companies.
- Over 60 potential interested parties were contacted in relation to a sale or recapitalisation of SO4.
- These parties included a combination of strategic buyers, private equity, off takers, financiers and equity cornerstone investors.
- The sale process comprised of a Stage 1 where parties were invited to submit non-binding indicative offers based on the materials provided, and a Stage 2 which comprised of only shortlisted and included more detailed due diligence materials including site visits. A summary of each stage is tabled below:

Receivers and Managers - Due diligence stages	
Stage 1	Stage 2
<ul style="list-style-type: none"> <li>o 30 parties signed confidentiality agreements and received access to the IM and Stage 1 VDR.</li> <li>o Stage 1 was a 5-week due diligence period where bidders received a technical and commercial IM, financial model and underlying technical data.</li> <li>o 7 NBIOs were received for the acquisition of the Lake Way Project.</li> </ul>	<ul style="list-style-type: none"> <li>o The 5 parties progressed to Stage 2 were granted access to the Q&amp;A function, a site visit and management presentation.</li> <li>o Stage 2 was conducted over an 8-week process and included a comprehensive due diligence process.</li> <li>o Macquarie engaged with all parties during the process and was in negotiations with several parties with respect to finalising a preferred final offer.</li> <li>o The SSPA was executed with the successful bidder on 6 September 2022.</li> </ul>

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

Key element	SSPA
Date of document	6 September 2022
Purpose of the SSPA	To acquire the shares of ASLP and its controlled interests, i.e. PP.
Parties to the SSPA	SO4 and Sev.en
Consideration	<p>An initial purchase price of:</p> <ul style="list-style-type: none"> <li>- Upfront consideration; less</li> <li>- Deductions for DOCA fund, employee leave benefit payments; and specific adjustments ordinary in share purchase agreement.</li> <li>- Plus a further earn out amount over a period of 3 years calculated based on unlevered free cash flow).</li> </ul> <p>The aggregate of Upfront Consideration and deferred consideration is not sufficient to discharge the Lenders' debt in full.</p>
Key operational terms	<p>The SSPA allows 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, including relevant employees from SO4 who accept offers of employment to the purchaser.</li> <li>- The secured creditor, GLAS releasing their security over ASLP and PP in exchange of the consideration</li> <li>- It also incorporates a DOCA, which provides for additional funds totaling \$2.5M be made available to meet the cost of the administration and enable a dividend to be paid in a pooled Creditors Trust for ASLP and PP creditors.</li> </ul>
Completion	<p>Completion will take place on the date which is:</p> <p>The later of:</p> <ol style="list-style-type: none"> <li>1. 30 September 2022 if: <ol style="list-style-type: none"> <li>a) each Condition Precedent has been satisfied or (if applicable) waived; and</li> <li>b) each condition precedent (however described) in the DOCA has been satisfied or waived.</li> </ol> </li> <li>2. Before 30 September 2022; being <ol style="list-style-type: none"> <li>a) five business days after the later of: <ol style="list-style-type: none"> <li>i. the last Condition Precedent being satisfied or (if applicable) waived; and</li> <li>ii. satisfaction or waiver of all condition's precedent (however described) in the DOCA.</li> </ol> </li> </ol> </li> <li>3. Any other date agreed in writing by the Seller and the Buyer.</li> </ol>

## 7 Proposal for DOCA

On 16 September 2022, a DOCA proposal was received from Sev.en Global Investments Pty Ltd. The terms of the DOCA proposal are summarised herein.

Key takeaways		Ref.										
1	We have received one DOCA proposal from Sev.en for ASLP and PP. A full copy of the proposed DOCA is available on our KPMG website.	7.1										
2	<p>The purpose of the DOCA is to provide a fund (Trust Fund) which will enable a distribution to ASLP and PP creditors and will facilitate a cleansing of the entities respective balance sheets, allowing ASLP and PP to continue as a going concern under a new board of directors.</p> <p>Following execution of the proposed DOCA, a Creditors Trust will be established. The creditors of ASLP and PP will be transferred to the Creditors' Trust, along with the Trust Fund which totals \$2.5m. Creditors will then receive a distribution in accordance with the terms of the Creditors' Trust Deed and DOCA and based upon their relevant creditor pool allocation.</p>	7.2										
3	<p>The anticipated return to creditors/beneficiaries will be:</p> <table><tr><th>Creditor class</th><th>Estimated dividend rate (cents in the \$)</th></tr><tr><td>Secured Creditor</td><td>n/a</td></tr><tr><td>Employees (if any)</td><td>100c/\$</td></tr><tr><td>Pool A Creditors</td><td>A dividend of up to 9c/\$</td></tr><tr><td>Pool B Creditors</td><td>A dividend of up to 1c/\$ or nil</td></tr></table>	Creditor class	Estimated dividend rate (cents in the \$)	Secured Creditor	n/a	Employees (if any)	100c/\$	Pool A Creditors	A dividend of up to 9c/\$	Pool B Creditors	A dividend of up to 1c/\$ or nil	7.2
Creditor class	Estimated dividend rate (cents in the \$)											
Secured Creditor	n/a											
Employees (if any)	100c/\$											
Pool A Creditors	A dividend of up to 9c/\$											
Pool B Creditors	A dividend of up to 1c/\$ or nil											

### 7.1 DOCA Proposal received

We received a DOCA proposal for ASLP and PP from Sev.en on 16 September 2022. In summary the DOCA provides for:

- A compromise of all ASLP and PP unsecured creditor claims and debts (not including Excluded Claim) through the execution of a DOCA and the establishment of a Creditors Trust, which will act as the vehicle to distribute any DOCA funds to the total of \$2.5m to ASLP and PP creditors and for payment of the fees, expenses and liabilities of the External Administrators;
- ASLP and PP will continue to trade under the new ownership of Sev.en;
- Pool A Creditors will receive a dividend of up to 9c/\$ and Pool B Creditors will receive a dividend of up to 1c/\$. There are no priority employee claims in ASLP or PP (that we are aware of), however pursuant to the terms of the DOCA they are afforded a priority claim over Pool A and Pool B Creditors.

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

A draft DOCA and the draft Creditors Trust Deed will be made available for viewing from the KPMG website (<https://home.kpmg/au/en/home/creditors/salt-lake-potash.html>), once available or will be available for inspection at the Second Meeting.

## 7.2 Key features of the proposal

The proposed DOCA includes the following key features:

Key element	DOCA proposal
Commencement date	Upon execution of the DOCA, which is anticipated to within 15 business day of creditor's passing a resolution that ASLP and PP are to enter into the DOCA.
Purpose of the DOCA proposal	<p>The objectives of the DOCA are:</p> <ul style="list-style-type: none"> <li>– to maximise the chances of as much as possible of the Companies' businesses continuing in existence by giving effect to the DOCA and to facilitate an orderly and cost-effective transition of the Companies' operations to the Proponent; or</li> <li>– if that is not possible, to administer the business, property and affairs of the Companies in a way that results in a better return for the Creditors than would result from an immediate winding up of the Companies.</li> </ul>
Deed Administrators	<p>Martin Jones and Matthew Woods of KPMG.</p> <p>The Deed Administrators will also be the Trustees of the Creditors Trust.</p>
Conditions Precedent	<p>The DOCA has the following conditions precedent which must be satisfied or otherwise waived:</p> <ul style="list-style-type: none"> <li>– the execution of the Creditors' Trust Deed;</li> <li>– the execution of the SSPA by all parties thereto and confirmation by the Receivers and Managers and the Proponent that all conditions precedent have been satisfied or waived under the SSPA (other than any condition precedent that will be satisfied simultaneously with, or by virtue of, effectuation); and</li> <li>– notice from the Security Trustee on behalf of the Senior Debt Holders to the Deed Administrators confirming that, immediately following completion occurring under the SSPA (including payment of the purchase price by the Proponent), the Security Trustee will waive any amounts owed by the Companies under the Senior Debt Facilities.</li> </ul>



Key element	DOCA proposal
Key Steps	<p>The DOCA envisages the following key steps:</p> <ul style="list-style-type: none"> <li>- The DOCA is required to be executed within 15 business days of the second creditors meeting if approved by creditors.</li> <li>- As soon as practical and within 1 business day after the execution of the DOCA the Deed Administrators must execute the Creditors' Trust Deed.</li> <li>- The completion of the SSPA is expected to occur the later of 30 September 2022 (if not before) if each condition precedent in the DOCA and SSPA has been satisfied or waived or 5 business days after the conditions precedent to the SSPA have been completed or waived, or any other date agreed between the buyer and seller.</li> <li>- Immediately following completion of the SSPA the security trustee for the SFA will provide a waiver to the Proponent of any amounts owed by ASLP and PP under the SFA.</li> <li>- On the later of the completion date of the SSPA and satisfaction or (if applicable) waiver of the conditions precedent of the DOCA, the Proponent must immediately transfer the \$2.5m fund amount to the Creditors' Trust, which will be held on trust by the Trustees for the purposes specified in the DOCA and the Creditors' Trust Deed.</li> <li>- A distribution process will then follow in accordance with the terms of the DOCA and Creditors Trust Deed.</li> </ul>
Parties bound by the DOCA	<ul style="list-style-type: none"> <li>- PP, ASLP, and Martin Jones and Matthew Woods in their capacity as joint and several Administrators of PP and ASLP; and</li> <li>- all other persons which, pursuant to the Act, are bound by the terms of the DOCA, including but not limited to: <ul style="list-style-type: none"> <li>o the Creditors;</li> <li>o the Directors, Officers and Members of the Companies;</li> <li>o any Secured Creditor, Owner or Lessor that voted in favour of the Section 439C Resolution; and</li> <li>o any person so ordered by the Court under section 444F of the Act or otherwise.</li> </ul> </li> </ul>

Key element	DOCA proposal
Management of the Company	<p>During the operation of the DOCA, the Receivers and Managers will be responsible for the day to day management and administration of the PP and ASLP's businesses, assets and affairs.</p> <p>Following the execution of the DOCA, the Proponent will nominate up to 10 incoming directors, and the Deed Administrators will subsequently take steps to remove the existing directors from PP and ASLP.</p>
Monitoring / reporting requirements	The Deed Administrators will report to creditors of the Companies as relevant matters arise.
Moratorium period	On and from execution of the DOCA until completion of the DOCA.
Contributions	A fixed amount of \$2.5m will be transferred to the Creditors Trust to be held on trust and distrusted to admitted Creditors in accordance with the DOCA and Creditors Trust Deed and payment of relevant fees, expenses and liabilities of the External Administrators. This will occur at the later of Completion of the DOCA or satisfaction or (if applicable) waiver of the conditions precedent.
Dividends and order of distribution	A distribution paid by the Trustees to an Admitted Creditor in respect of their Admitted Claim in accordance with the DOCA and the Creditors' Trust Deed.
Meetings	Meetings of Creditors may be convened by the Deed Administrators from time to time in accordance with the Prescribed Provisions, the Act and the Regulations.

Key element	DOCA proposal
Administrators' indemnity	<p>In addition to any rights the Deed Administrators, SPA and Administrators may have under the Act or at law, the Deed Administrators, SPA and Administrators are jointly and severally entitled to be indemnified out of the Trust Fund for:</p> <ul style="list-style-type: none"> <li>- payment for the Deed Administrators' Liabilities (as defined in the DOCA);</li> <li>- the Deed Administrators' Remuneration (as defined in the DOCA); and</li> <li>- any relevant liability, debt or claim,</li> </ul> <p>subject at all times to the maximum amount as detailed in the DOCA, being (adopting defining terms from the DOCA):</p> <ul style="list-style-type: none"> <li>a) in the case of the Deed Administrators' Liabilities, the Deed Administrators' Remuneration, and any indemnified liability of the Deed Administrators, in total a maximum of \$1,400,000 (including GST) from the Trust Fund; and</li> <li>b) in the case of the Trustees' Liabilities, the Trustees' Remuneration and any indemnified liability of the Trustees, in total a maximum of \$50,000 (including GST) from the Trust Fund,</li> </ul> <p>such that the balance of the Trust Fund remains available to pay the admitted claims of Creditors (excepting Excluded Creditors) in accordance with the DOCA and the Creditors' Trust Deed.</p> <p>Please note that the Maximum Amount described above, is the subject of clarification with the Proponent in terms of whether it is on an GST inclusive or exclusive basis.</p>
Termination	<p>For the purposes of section 444A(4)(g) of the Act, the DOCA will terminate:</p> <ul style="list-style-type: none"> <li>1. on effectuation; or</li> <li>2. the happening of any of the following events: <ul style="list-style-type: none"> <li>a) when the Court under section 445D of the Act makes an order terminating the DOCA;</li> <li>b) when the Creditors pass a Resolution terminating the DOCA at a meeting that was convened by the Deed Administrators;</li> <li>c) when the Court declares the DOCA in its entirety to be void under section 445G(2) of the Act;</li> <li>d) if the Creditors' Trust is not established in accordance with the Creditors' Trust Deed;</li> <li>e) if the SSPA terminates prior to the Completion Date;</li> <li>f) on the termination of the DOCA; or</li> <li>g) if the parties agree in writing to the termination of the DOCA.</li> </ul> </li> </ul> <p>Upon termination of the DOCA, the Deed Administrators will certify to that effect in writing and lodge with ASIC a notice of termination of the DOCA in accordance with ASIC form 509G (or such other relevant form as required by ASIC).</p>

Key element	DOCA proposal
Completion	The DOCA will have been effectuated immediately following transfer by the \$2.5m fund amount to the Creditors' Trust which is to occur on completion of the SSPA and satisfaction or waiver of the conditions precedent, and appointment of the incoming directors and removal of the existing directors.

The DOCA proposal provides for the creation of a Creditors' Trust to be named the 'Piper Preston Creditors' Trust', which will receive the DOCA contribution from Sev.en of \$2.5m. The key features of the Creditors' Trust are as follows:

Item	Information for creditors										
Reason	<p>The purpose of the Creditors' Trust will be to enable certain tasks ordinarily undertaken by deed administrators (including but not limited to, the calling for and adjudication upon the claims of unsecured creditors) to be performed by the Trustees of the Creditors' Trust, in order to facilitate the early termination of the DOCA, so that the Companies avoid having to trade 'subject to DOCA', which may adversely impact upon its ability to acquire goods and services and obtain credit, in a way which is consistent with the expectations of proponents for the potential trading resumption with viable business assets.</p> <p>The funds available for distribution to creditors of ASLP and PP out of the Creditors' Trust and payment of the relevant fees, expenses and liabilities of the External Administrators will be an amount of \$2.5m.</p>										
Key events	<p>Upon effectuation of the DOCA, the amount of \$2.5m will be transferred to the Creditors' Trust fund and the Deed Administrators will become the Trustees.</p> <p>At this time, the creditors of ASLP and PP will convert from being creditors of the Companies to become beneficiaries of the Creditors' Trust.</p>										
Return	<p>The anticipated return to beneficiaries will be:</p> <table> <tr> <th>Creditor class</th><th>Estimated dividend rate (cents in the \$)</th></tr> <tr> <td>Secured Creditor</td><td>n/a</td></tr> <tr> <td>Employees (if any)</td><td>100c/\$</td></tr> <tr> <td>Pool A Creditors</td><td>A dividend of up to 9c/\$</td></tr> <tr> <td>Pool B Creditors</td><td>A dividend of up to 1c/\$ or nil</td></tr> </table>	Creditor class	Estimated dividend rate (cents in the \$)	Secured Creditor	n/a	Employees (if any)	100c/\$	Pool A Creditors	A dividend of up to 9c/\$	Pool B Creditors	A dividend of up to 1c/\$ or nil
Creditor class	Estimated dividend rate (cents in the \$)										
Secured Creditor	n/a										
Employees (if any)	100c/\$										
Pool A Creditors	A dividend of up to 9c/\$										
Pool B Creditors	A dividend of up to 1c/\$ or nil										
Trustee particulars	The Trustees of the Creditors' Trust are proposed to be Martin Jones 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>Subject at all times to the Maximum Amount, from the Trust Fund, the External Administrators, will receive (as defined in the Creditors' Trust Deed):</p> <ul style="list-style-type: none"> <li>– payment of the Deed Administrators' Remuneration and the Trustees' Remuneration; and</li> <li>– payment of the Deed Administrators' Liabilities and Trustees' Liabilities.</li> </ul> <p>The Maximum Amount is detailed in the table above.</p>										

Item	Information for creditors
Indemnities	<p>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, capped at a maximum of \$50,000 (including GST).</p> <p>Please note that the Trustees fees described above, is the subject of clarification with the Proponent in terms of whether they are on an GST inclusive or exclusive basis.</p>
Powers	<p>The Creditors' Trust Deed provides the Trustees with extensive powers, similar to those enjoyed by a deed administrator. Additional powers may be available under general law and the <i>Trustees Act 1962</i> (WA).</p>

Item	Information for creditors
Claims	Creditors will be defined by the following categories:

#### Priority Claims

- Being any employee claims pursuant to section sections 556(1)(e), (f) to (h) (inclusive), 560 or 561 of the Act, with the winding up of the Companies taken to have begun on the Relevant Date. We do not expect there to be any priority claims.

#### Pool A Creditors

No.	Name of Pool A Creditor
1.	GR Engineering Services Ltd
2.	Blue Hire
3.	O'Connor Contracting Pty Ltd
4.	Ese Solutions Pty Ltd
5.	Pwr Hybrid Australia (Lake Way) Pty Ltd
6.	Linkforce Maintenance Services Pty Ltd
7.	The Trustee For Acqua Drill Resources Trust
8.	Rockwell Automation Australia Ltd
9.	Tarlka Matuwa Piarku
10.	S.E.T.S Enterprises Pty Ltd
11.	Bureau Veritas Minerals P/L
12.	Campbell Transport
13.	Harrington Drilling Pty Ltd
14.	Project Portfolio Management
15.	Veolia Water Technologies (US)

#### Pool B Creditors

Any unsecured creditors of PP and ASLP, other than Pool A Creditor or and Excluded Creditor.

#### Excluded Creditors

- any liability of any Company which is “Secured Money” as defined in the Security Trust Deed, including under the Senior Debt Facilities;
- any liability of any Company which is owed to another Company; or
- any intercompany loan to any Company by SO4.

Item	Information for creditors
Distribution of the Trust Fund	<p>The Trustees will distribute the Trust Fund in the following manner (adopting defined terms from the Creditors' Trust Deed and DOCA):</p> <ol style="list-style-type: none"> <li>first, payment of the Deed Administrators' Liabilities, then the Trustees' Liabilities, then the Deed Administrators' Remuneration, and then the Trustees' Remuneration (in each case up to the Maximum Amount);</li> <li>second, payment of any indemnified liability of the Deed Administrators and Special Purpose Administrator and then the Trustees (including Statutory Liabilities, and amounts indemnified pursuant to the DOCA) (in each case up to the Maximum Amount);</li> <li>third, to each Admitted Creditor with an Admitted Priority Claim, the amount of any Admitted Priority Claim on a pro rata basis in accordance with the dollar value of the Admitted Priority Claims of those Admitted Creditors;</li> <li>fourth, to each Pool A Creditor, the amount of any Admitted Claim on a pro rata basis in accordance with the dollar value of the Admitted Claims of those Pool A Creditors up to a maximum dividend of 9c/\$ to each Pool A Creditor;</li> <li>fifth, to each Pool B Creditor, the amount of any Admitted Claim on a pro rata basis in accordance with the dollar value of the Admitted Claims of those Pool B Creditors.</li> </ol> <p>Payments out of the 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, Creditors will transition to become beneficiaries under the Creditors 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 Trustee's Act 1962 (WA).</p>
FEG / Employees	Based upon the Companies' records, there are no employee claims against the Companies and as such this is not relevant.
Compliance opinion	We are of the opinion that the Proponent is capable of complying with the terms of the DOCA, if the DOCA proposal is accepted by creditors.
Solvency statement	<p>At the time the DOCA will be wholly effectuated, both ASLP and PP will be solvent. This will occur as a result of:</p> <ol style="list-style-type: none"> <li>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 recapitalised entities moving forward;</li> <li>the release of the secured claims of the Security Trustee on behalf of the Senior Debt Holders pursuant to the Share Sale Agreement; and</li> <li>the support of the Proponent who will seek to ensure that both ASLP and PP have sufficient working capital moving forward.</li> </ol>
Tax implications	Creditors who are proposed to become beneficiaries of the Creditors' Trust should seek their own independent legal advice.

### 7.3 Payments from third parties

Sev.en are a family office investment group based in the Czech Republic that targets restructuring and growth acquisition opportunities across various industries worldwide. Sev.en's website indicates that their existing asset base totals ~ €650m which spans power generation, metallurgical coal mining and other mining assets.

The DOCA provides for Sev.en to make payment of the \$2.5m DOCA fund consideration. We do not envisage Sev.en will experience issues in making payment of the \$2.5m.

#### 7.4 Further information for creditors

Creditors should seek their own legal advice as to their rights and the effects of their position in relation to the DOCA proposal and associated Creditors' Trust Deed.

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



## 8 Statutory investigations

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

Key takeaways		Ref.
1	Pursuant to the SPA Orders, Dermott McVeigh of Avior Consulting was appointed to conduct certain investigations including but not limited to identifying when the Companies became insolvent.	8.1
2	The SPA identified that the Companies, including ASLP and PP, became insolvent on 5 October 2021. Their key findings are detailed in their report which is attached at <b>Annexure E</b> . A liquidator, if appointed, would need to conduct further investigations, and possibly conduct a public examination of relevant parties, to ultimately determine whether or not the Companies became insolvent at that time or earlier, and whether other liquidator recoveries may be available.	8.4
3	Preliminary investigations conducted by the Administrators indicate that the Companies' including ASLP and PP books and records were compliant with section 286 of the Act.	8.6

### 8.1 Nature and scope of review

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

As previously outlined, on 21 December 2021, the Supreme Court of Western Australia made orders that pursuant to section 447A of the Act, that Dermott McVeigh of Avior Consulting be appointed as SPA to prepare a report for the purpose of including it in this report to creditors which considers:

- When the Companies became insolvent;
- Whether there are any claims against the Directors of any of the Companies pursuant to section 588G of the Act or against SO4 pursuant to action 588V of the Act;
- Whether from 19 August 2021 there are any claims arising from transaction that any of the Companies (or any Liquidator of any of them) may have if they were wound up against any other entity; and
- Whether there are any claims arising from the conduct of the Directors, officers, advisers (including Thomson Geer), and/or KPMG (including the first plaintiffs, the administrators) as prospective external administrators.

The SPA's report is included in the report as **Annexure E** and should be read in conjunction with our comments in this section. We note that the concurrent appointment of both the SPA and the Administrators means that investigations have been undertaken in accordance with the Act as shown in the below table:

## Summary of investigation workstreams

	Section (s) of the Act	Report Reference	SPA	Administrators
Claims arising from the conduct of the directors, officers, advisers	180-184	8.2	✓	✗
Ascertain the date of insolvency	-	8.3-8.4	✓	✗
Insolvent trading claims	588G	8.5-8.5.3	✓	✗
Holding Company liability against SO4 pursuant to s588V of the Act	588V	8.5.4	✓	✗
Adequacy of books and records	286	8.6	✗	✓
Unfair preference claims	588FA	9.2	From and including 19 August 2021	Pre 19 August 2021
Uncommercial Transactions	588FB	9.3		
Unfair loans	588FD	9.4		
Unreasonable director related transactions	588FD A	9.5		

Generally, investigations centre on transactions entered into by the individual company that a liquidator might seek to have declared void (together with orders for repayment or compensation) if the company is wound up. Investigations allow an administrator to advise creditors what funds might become available to a liquidator such that creditors can properly assess whether to accept a DOCA proposal or resolve to wind up a company. We investigated matters to the extent possible in the time available and consistent with the order of the Supreme Court of WA on 1 December 2021.

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

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

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

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

### 8.2 Directors' and officers' responsibilities

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

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

**The SPA reported that in his opinion that the Directors breached their duty pursuant to section 180 of the Act,** which required them to act with the degree of care and diligence that a reasonable person in their position would exercise.

The SPA considered that the Companies' Directors breached their duties pursuant to section 180 of the Act, given that the directors failed to properly inform themselves of the true position of SO4 in the lead up to the May 2021 capital raise. Had they done so, they would have uncovered significant delays to the project and the unfeasibility of the plan presented to the market. More frequent board meetings, with timely, meaningful and understandable information, including progress against plan and targets, would have assisted directors in keeping themselves informed of SO4's position and take appropriate action to discharge their duties.

Further details are outlined on page 28 of the SPA report which is enclosed as **Annexure E**.

### 8.3 The Companies' solvency

Some actions available to a liquidator to recover funds through the voiding of certain transactions or through other legal action, such as seeking compensation from directors for insolvent trading, require the Companies' insolvency to be established at the relevant time. There are two primary tests used in determining a company's solvency, at a particular date, namely:

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

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

The SPA's analysis of the indicators of insolvency for the Companies are included in page 16 of the SPA report which is enclosed as **Annexure E** to this Report.

### 8.4 Preliminary conclusion as to solvency

The SPA identified that the parent holding company, **SO4 became insolvent on 5 October 2021, based on available cash to pay its debts and given that all other means to obtain alternative funding whether debt or equity had been extinguished.**

**The remaining subsidiaries of SO4, (including ASLP and PP), likely became insolvent at the same time given that they were reliant upon SO4 for their funding requirements and as they were the subject of a guarantee arrangement under the SFA.**

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

Based upon the information available to us, we do not dispute the SPA's conclusion that the date of insolvency may have occurred on or around 5 October 2021, however, we note that having regard to the SPA Orders, we did not undertake a detailed investigation into the date of insolvency of the Companies.

### 8.5 Potential liquidator recoveries – insolvent trading

#### 8.5.1 Directors' liability

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

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

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

The substantive elements of Section 588G are:

- a person is a director of a company at the time when the company incurs a debt;

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

## 8.5.2 Directors' defences

### 8.5.2.1 Section 588H defences

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

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

We have shared the results of the preliminary investigations by the SPA into the date of insolvency with the Directors and consequently the potential insolvent trading claims which follow and have asked them to comment on the factual accuracy of the events leading up to the Administration. Mr Ian Middlemas responded on 19 September 2021, on behalf of the Directors, and advises that the Directors deny any breaches of obligation and would vigorously defend any insolvent trading claim brought against them and would seek to rely on the defences as outlined in above.

Mr Middlemas also makes the following brief observations:

- that based on the evidence available to him, it clearly establishes that the directors reasonably believed that additional external funding was likely available well after 5 October 2021.
- Mr Middlemas confirms meeting with SPA on 17 February 2022. As a result of that meeting, Mr Middlemas asked SPA to put his questions to him in writing, which he did. Mr Middlemas responded to his questions, by asking clarification as to the questions he asked. Mr Middlemas states that no clarification was given by the SPA. Mr Middlemas advises that he has provided a complete copy of the relevant communication to ASIC, and denies that he has breached any statutory obligation arising out of his dealings with the SPA.
- Verification works were undertaken prior to the May 2021 capital raise.

### 8.5.2.2 Safe harbour defences

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

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

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

- if the person fails to take any such course of action within a reasonable period after that time – the end of that reasonable period;

- when the person ceases to take any such course of action;
- when any such course of action ceases to be reasonably likely to lead to a better outcome for the company; or
- the appointment of an administrator or liquidator to the company.

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

- the debt must be incurred directly or indirectly in connection with the course of action reasonably likely to lead to a better outcome for the company;
- the company must continue to pay all employee entitlements (including superannuation) by the time they fall due; and
- the company must continue to comply with all tax reporting obligations.

The Directors' of the Companies resolved at a board meeting held on 27 August 2021 at 3pm (WST) that the Companies satisfied the requirements for safe harbour.

The SPA Report indicate that there may be some contention regarding the Companies ability to rely upon safe harbour, given that they may have failed to comply with the statutory compliance requirements. However, the SPA noted that it was a question of whether "substantial compliance" had been met by the Companies and noted that at the time there was no case law to substantiate otherwise that the Companies were able to "substantially comply" with statutory compliance requirements.

Further details are outlined in page 22 of the SPA report in **Annexure E**.

### **8.5.3 Pursuing an insolvent trading claim**

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

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

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

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

The SPA's preliminary view is that the Company was insolvent from 5 October 2021.

In determining a course of action, a liquidator would consider the costs and risks of any proceedings and the ability to fund any proceedings, including whether creditors are prepared to forgo any scheduled dividends and/or the cost of litigation funding as an alternative.

A liquidator may write to the Director and Former Director, setting out the results of the investigations and the conclusions in relation to insolvent trading and requesting payment of compensation for debts incurred by the Company at a time when it was insolvent.

Subject to a response, if any, being received from the Director and Former Director, to progress the insolvent trading claims, it would probably be necessary, in the first instance, to conduct public examinations of the Director and Former Director. The purpose of these examinations would be to further investigate the examinable affairs of the Company and obtain further information and documentation in relation to the matters raised in the SPA Report.

If a settlement is not forthcoming in answer to any letter of demand, a liquidator may commence recovery proceedings against the Director and Former Director (and entities associated with them, if applicable) for amounts relating to insolvent trading, unfair preference payments, uncommercial transactions and/or director-related transactions.

The analysis of an insolvent trading claim is complex and would require a detailed calculation by a liquidator and legal advice. The SPA estimate that an insolvent trading claim, if brought, could be based on the following elements:

Element of claim	Amount \$m
Employee entitlement claims	N/A
Unsecured creditor claims	4.92
<b>Total estimated insolvent trading claim</b>	<b>4.92</b>

Again, a liquidator would likely seek legal advice on the insolvent trading claim and conduct more investigations possibly including a public examination. It follows that the costs of proceeding with an insolvent trading action must be considered as does the personal financial capacity of the Directors to pay a judgement obtained against them.

Presently based upon the estimates of the available assets/funds in the Companies (particularly after partly satisfying the secured creditor debt) there will be insufficient funds available to meet the costs (both legal and professional) to pursue these claims.

In addition, as noted above, the Directors have advised that they would vigorously defend any insolvent trading claim brought against them and would seek to rely on the defences as outlined in Section 8.53 above. Creditors will need to take this and their ability to pay into consideration when determining whether the Company should be liquidated or restructured. Creditors should also be aware that there are various third parties who provide litigation funding to pursue these types of claims, with the trade-off on risk and return. Such groups typically require a success-based fee of 30% to 40% together with recovery of their legal and other costs which relate to the claim. Alternatively, creditors may fund the Liquidators' pursuit of a claim or obtain approval to pursue an insolvent trading claim in respect to their particular debt alone.

We note that under section 564 of the Act, if a creditor (or third-party litigation funder) provides an indemnity of the Liquidators costs to instigate proceedings and property is recovered as a result of those proceedings, the Court may make an order as to the distribution of that property and the amount of those expenses so recovered with a view to giving an advantage to the indemnifying creditor, consideration of the risk assumed by them. Any creditor who wishes to discuss this in detail, please contact us.

We note the risk that an insolvent trading action may not be commercially viable having regard to the legal and liquidator costs associated with such litigation and the success fee typically charged by professional litigation firms.

#### 8.5.4 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:
  - o 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
  - o 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.

The SPA report on page 24 notes that: (amongst other things):

1. SO4 may be held liable for debts incurred by PP (which was the only trading subsidiary SO4).
2. the estimated that the value of a holding company insolvent trading claim to be in the range of \$2m to \$4m, based upon the value of invoices issued against PP after 5 October 2021 which totalled ~\$5m.
3. A liquidator would need to complete their further investigations including quantifying any potential claim.

Further of the holding company liability are outlined in page 24 of the SPA report in **Annexure E**.

## 8.6 Adequacy of books and records

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

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

Based on our review of the books and records received, we are of the opinion that the Company's books and records were maintained in accordance with Section 286 of the Act to 20 October 2021.

## 8.7 Other matters arising from investigations

### 8.7.1 Falsification of books

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

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

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

### 8.7.2 False or misleading statements

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

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

**The SPA has identified incidences from March 2021 onwards where the CEO reports presented to the SO4 Board omits information in relation to salt growth in trains 3 to 6 whilst the brine plan assumed growth from those trains from March 2021 onwards. The omission of this information meant that the Board could not have made a comparison of actual to planned salt growth.**

Further investigation would need to be performed by a Liquidator to confirm the above statement by the SPA, including the potential damages claim (if any) and whether this potential offence is required to be reported to the ASIC.

Further details are outlined in page 31 of the SPA report in **Annexure E**.



### 8.7.3 False information

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

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

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

### 8.7.4 Misstatement in, or omission from, disclosure document

A listed company has an obligation to continuously disclose information which may have an effect on its market price or value. Continuous disclosure is based on the principle that all investors should have equal and timely access to information about a company. Continuous disclosure obligations are governed by ASX Listing Rule 3.1 and section 674 of the Act.

Listing Rule 3.1 requires a listed entity to disclose information "concerning it" that "a reasonable person would expect to have a material effect on the price or value of the entity's securities".

Section 728 of the Act states that shares must not be offered under a document that contains misleading or deceptive statements. It further explains that a statement about a future matter is misleading if there are no reasonable grounds for making the statement.

Section 729 of the Act specifies the persons who may be liable for loss and damage suffered by reason of a contravention of section 728 of the Act. Relevantly, both the company and each director of the company, can be held liable.

The combined effect of sections 728 and 729 of the Act is that, subject to certain defences, both the company and its directors are responsible for loss stemming from any misleading statement or relevant omission in a disclosure document, or any new circumstance that is not, but should be, disclosed in a disclosure document.

**The SPA considers that the Companies may have released statements which were potentially misleading and deceptive statements in the investor presentations in relation to the May 2021 capital raise which totalled \$28m.** As noted above, subject to certain defences, both the company and its directors may be responsible for loss stemming from any misleading statement or relevant omission in a disclosure document, or any new circumstance that is not, but should be disclosed in a disclosure document.

Further details are outlined in page 27 of the SPA report in **Annexure E**.

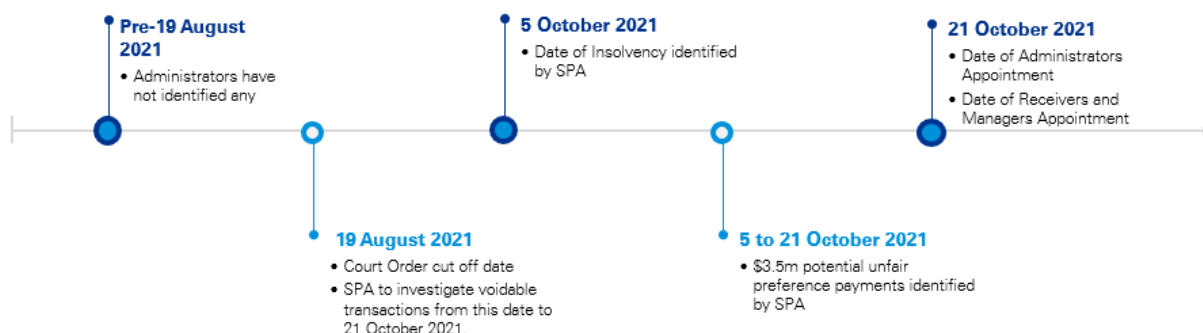


## 9 Voidable transactions

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

Key takeaways		Ref.
1	The SPA is responsible for investigating transactions from 19 August 2021 to 20 October 2021. Therefore, our investigations into transactions preceded this date.	n/a
2	<p>The SPA identified up to \$3.6m potential unfair preference payments from 5 October 2021 in PP.</p> <p>We have not identified any potential voidable transactions prior to 19 August 2021.</p> <p>No other voidable transactions were identified in PP or ASLP. A Liquidator if appointed, will be required to undertake further investigations into the validity of such claims, and the commercial merits of pursuing and recovering the same for the benefit of unsecured creditors.</p>	9.1

The below timeline demonstrates the investigations into voidable transaction undertaken by the SPA and the Administrators in conjunction with the relevant date of insolvency:



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

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

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

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

back day for the Companies is 20 October 2021 being the date the Directors resolved to appoint Voluntary Administrators as determined by Section 91 of the Act.

## 9.1 Unfair preferences – section 588FA

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

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

Pursuant to the SPA Orders, the SPA is responsible for investigations into unfair preference payments from and including 19 August 2021, and the Administrators conducted investigations into the same prior to this date.

The SPA in their report on page 24, outlined that in their preliminary assessment, they have identified payments totalling \$3.6m were made to 87 creditors by PP during the relation back period which appear to potentially represent unfair preferences. A summary of those creditor payments are outlined below:

Unfair Preference Payments - PP			
Creditor net payments by value	Total Creditors	Running Balance Account \$'000	Peak indebtedness Movement \$'000
<\$50k	69	441.6	621.7
\$50k - \$200k	14	915.5	1,387.7
> \$200k	4	1,301.2	1,555.4
<b>Total</b>	<b>87</b>	<b>2,658.3</b>	<b>3,564.9</b>

A liquidator would be required to investigate whether those creditors had reasonable grounds for suspecting the Company was insolvent.

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

Based on our review of the SPA's unfair preference payment analysis, we make the following comments:

- a number of the potential unfair preferences may be uncommercial to pursue as the cost may outweigh the benefit receive i.e. total payments below \$50k;
- payments made to creditors above \$50k totals approximately \$2.9m in respect of 18 creditors may constitute preference payments and a future appointed liquidator may pursue its recovery. We note however, that there are various defences as outlined below which may be argued by these creditors; and
- Accordingly, the likely recoveries from unfair preference payments may be further reduced or may no longer be commercial to recover. Ultimately a liquidator if appointed, would be required to consider this matter further.

### 9.1.1 Unfair preferences – defences

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

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

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

## 9.2 Uncommercial transactions – section 588FB

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

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

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

Pursuant to the SPA Orders, the SPA is responsible for investigations into uncommercial transactions from and including 19 August 2021 to the relation-back date, and the Administrators conducted investigations prior to this date.

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

## 9.3 Unfair loans – section 588FD

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

Pursuant to the SPA Orders, the SPA is responsible for investigations into unfair loans from and including 19 August 2021 to the relation-back date, and the Administrators conducted investigations prior to this date.

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

## 9.4 Unreasonable director-related transactions – section 588FDA

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

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

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

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

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

Pursuant to the SPA Orders, the SPA is responsible for investigations into unfair loans from and including 19 August 2021 to the relation-back date, and the Administrators conducted investigations prior to this date.

Based on the books and records in our possession, we have not identified any transactions which would constitute unreasonable director-related transactions. The SPA Report has also not identified any transactions which would constitute unreasonable director-related transactions.

## 9.5 Voidable charges

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

- an advance paid to the company, or at its direction, at or after the it was created and as consideration for the creation of the circulating security interest;
- interest on such an advance;
- the amount of a liability under a guarantee or other obligation undertaken at or after that time on behalf of, or for the benefit of, the company;
- an amount payable for property or services supplied to the company undertaken at or after that time on behalf of, or for the benefit of, the company; or
- interest on an amount so payable.

## 9.6 Arrangements to avoid employee entitlements

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

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

## 9.7 Summary of potential antecedent transactions

Set out below is a summary of transactions that a liquidator would be very likely to investigate further if PP and ASLP are placed into liquidation.

Entity	Uncommercial Transactions	Unfair Preferences	Unreasonable director-related transactions
PP	-	Possible claims against up to 87 separate creditors for amounts totaling up to \$3.6m	-
ASLP	-	-	-

Due to the requirement further investigations into the substance and reasonableness of these transactions, we are unable to provide a quantum or an estimated range at this stage. Any future appointed liquidator would likely seek legal advice on these issues and conduct further investigations into this matter which may possibly including a public examination of both the Directors and the parties involved to determine if there is any likely realisation from voiding those transactions.

Notwithstanding the above, we note the following in relation to the potential voiding of the antecedent transactions:

- Although unfair preferences total \$3.6m, as outlined previously in this report, only \$2.9m of payments relate to creditors who received over \$50k. We are also uncertain as to the quantum of creditors who may have defences available to them and therefore it is difficult to accurately quantify recoveries.
- In a liquidation scenario, there is likely to be insufficient funds available to meet the cost to pursue these claims. A future appointed liquidator may require funding to pursue these claims and a litigation funder would require up to 40% of the net proceeds from any insolvent trading recoveries and unfair preferences, which would further diminish available returns to the unsecured creditors.

- Additional costs would also be incurred by a liquidator and their legal adviser in pursuing the same.

Presently based upon the estimates of the available assets/funds in the Companies (particularly after partly satisfying the secured creditor debt) there will be insufficient funds available to meet the costs (both legal and professional) to pursue these claims

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

At this stage, the Administrators nor the SPA have not made any assessment as to the financial capacity of the Directors to meet any potential actions that we may identify.

#### 9.9 Reports to the ASIC

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

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

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

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

## 10 Return to creditors

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

Key takeaway		Ref.
1	The tables below outlines the estimated low and high return for creditors in a liquidation. The estimated outcome presented incorporates many assumptions which may be <b>subject to significant change</b> .	
2	Under a DOCA scenario, Pool A creditors may receive a return of 9c/\$, and we estimate Pool B creditors may receive a return of up to 1c/\$.  Under a low return case in a liquidation scenario the returns to PP creditors is nil. There may be a return to creditors under a high return case, however, this is subject to successful recoveries from antecedent transactions and insolvent trading claims. At this stage we are unable to confirm whether these claims may culminate in a return to creditors.	
3	The return to ASLP unsecured creditors in a liquidation scenario is nil.	

### 10.1 Return to creditors

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

We have requested that the Receivers and Managers provide a summary of the estimated potential returns to the secured lender. The Receivers and Managers advise that terms of the SSPA are confidential and therefore are unable to be provided.

Summarised below are the returns to PP and ASLP creditors under the proposed Sev.en DOCA vs a liquidation scenario:

	Low c/\$ return	High c/\$ return
<b>DOCA</b>		
Pool A Creditors	0.5	9.0
Pool B Creditors	-	1.0
<b>Liquidation</b>		
PP Creditors	-	0.8
ASLP Creditors	-	-

### 10.2 Proposed DOCA

The table below outline in greater detail an estimated return in a DOCA scenario under a low return and high return case for both PP and ASLP:

Estimated Return	DOCA Low ASLP & PP \$	DOCA High ASLP & PP \$
DOCA Fund	2,500,000	2,500,000
<b>Total DOCA fund</b>	<b>2,500,000</b>	<b>2,500,000</b>
PP Administrators fees 20/10/21 - 31/08/22	(465,780)	(465,780)
PP Administrators fees 1/9/21 - 27/9/22	(100,000)	(100,000)
PP Deed Administrators' fees	(5,000)	(5,000)
ASLP Administrators fees 20/10/21 - 31/08/22	(9,395)	(9,395)
ASLP Administrators fees 1/9/21 - 27/9/22	(5,000)	(5,000)
ASLP Administrators fees 27/9/22 - execution of the DOCA	(2,500)	(2,500)
Estimated Administrators legal fees	(10,000)	(10,000)
Creditor Trustee's fees	(50,000)	(50,000)
PP SPA fees 21/12/22 to 16/9/22	(607,303)	(607,303)
PP SPA future fees 17/6/22 to 28/9/22	(4,500)	(4,500)
ASLP SPA fees 21/12/22 to 16/9/22	(2,283)	(2,283)
ASLP SPA future fees 17/6/22 to 28/9/22	(500)	(500)
SPA legal fees	(97,151)	(97,151)
Other disbursements	(91,403)	(91,403)
Estimated SPA future legal fee	(5,000)	(5,000)
Less fees over Maximum Amount	5,814	5,814
<b>Total Priority Payments</b>	<b>(1,450,000)</b>	<b>(1,450,000)</b>
<b>Balance Available for Unsecured Creditors</b>	<b>1,050,000</b>	<b>1,050,000</b>
<i>DOCA Returns - Unsecured Creditors</i>		
<b>Pool A Creditors</b>		
Pool A Creditors	(8,808,620)	(8,808,620)
PP Contingent	(199,894,925)	-
<b>Total Pool A Creditors</b>	<b>(208,703,545)</b>	<b>(8,808,620)</b>
DOCA Return	0.01	0.09
<b>Total Return to Pool A Creditors</b>	<b>1,050,000</b>	<b>792,776</b>
<b>Balance available to Pool B</b>	<b>-</b>	<b>257,224</b>
<b>Pool B Creditors</b>		
PP	(25,391,921)	(25,391,921)
ASLP	(957)	(957)
<b>Total Pool B Creditors</b>	<b>(25,392,878)</b>	<b>(25,392,878)</b>
DOCA Return	-	0.01
<b>Total Return to Pool B Creditors</b>	<b>-</b>	<b>257,224</b>
<b>Estimated surplus / deficiency</b>	<b>(233,046,423)</b>	<b>(33,151,498)</b>

## Notes:

- A low return scenario under the proposed DOCA includes the contingent claim of PWR which totals \$199m. This claim is further discussed in the annexures to this report, however, we note that a Deed Administrator if appointed would be required to adjudicate upon this claim, if not otherwise agreed as part of the DOCA. In the event that this contingent claim is valid then the returns to Pool A and PoolB creditors will be significantly impacted.
- Under the terms of the DOCA, the secured creditor, GLAS is an Excluded Creditor and will not claim for dividend purposes. This potentially removes approximately 85% of the creditors' claims (on a dollar value basis and excluding contingent claims) that would otherwise be entitled to claim in a liquidation scenario.
- Unsecured creditors are different in the DOCA compared to a liquidation, under the DOCA, unsecured creditors are split to Pool A and Pool B creditors whereas in a liquidation all unsecured rank pari passu.
- the above dividend calculations to ordinary unsecured creditors are an estimate only and may change due to the final amount claimed by creditors once proofs of debt are received and adjudicated upon;
- The costs of administering the future Creditors Trust are capped at \$50,000 (incl. GST). Please note that Trustee fees are the subject of clarification with the Proponent in terms of whether they are on an GST inclusive or exclusive basis.
- Please note that the Maximum Amount described above totalling \$1.45m, is the subject of clarification with the Proponent in terms of whether they are on an GST inclusive or exclusive basis.

## 10.3 Winding up of PP & ASLP

The tables below outline an estimated return in a liquidation scenario under a low and high case for both PP and ASLP:

Estimated Return - PP	Liquidation PP	
	Low \$	High \$
<b>Potential returns from antecedent transactions:</b>		
Insolvent trading liability	Nil/Unknown	4,920,000
Holding company liability	Nil	Nil
Unfair preference payments (75% recovery over \$50k)	Nil/Unknown	2,207,368
Litigation funding (40% fee)	Nil/Unknown	(2,850,947)
Legal fees related to recoveries	Nil/Unknown	(1,000,000)
<b>Total Recoveries</b>	<b>-</b>	<b>3,276,421</b>
PP Administrators' fees 20/10/21 - 31/08/22	(465,780)	(465,780)
PP Administrators' fees 1/9/21 - 28/9/22	(100,000)	(100,000)
Administrators' legal fees	(10,000)	(10,000)
PP SPA fees 21/12/22 to 16/9/22	(607,303)	(607,303)
PP SPA future fees 17/9/22 to 28/9/22	(4,500)	(4,500)
SPA legal fees	(97,151)	(97,151)
SPA other disbursements	(91,403)	(91,403)
SPA future legal fee	(5,000)	(5,000)
Estimated Liquidators' fees and costs	(150,000)	(150,000)
<b>Total Priority Payments</b>	<b>(1,531,137)</b>	<b>(1,531,137)</b>
<b>Balance Available for Unsecured Creditors</b>	<b>-</b>	<b>1,745,284</b>
<b>Liquidation Returns</b>		
PP creditors	(32,784,547)	(32,784,547)
PP Contingent	(199,894,925)	-
Secured Creditor residual claim	(182,049,099)	(182,049,099)



Estimated Return - PP	Liquidation PP	
	Low	High
	\$	\$
Total PP	(414,728,570)	(214,833,645)
Dividend c/\$	-	0.008
<b>Dividend available to PP</b>	-	<b>1,745,284</b>
<b>Estimated surplus / deficiency</b>	<b>(414,728,570)</b>	<b>(213,088,362)</b>

Notes:

- The holding company claim is against the parent, So4, which is under external administration hence there is unlikely to be any recovery.
- Unfair preferences recoveries have been reduced from \$3.9m to \$2.9m being limited to creditors who received an unfair preference greater than \$50k. This figure has been further reduced to assume a 75% recovery on potential claims.
- As we are unfunded it is assumed that a litigation funder would require 40% of the net proceeds from any insolvent trading recoveries and unfair preferences.

Estimated Return - ASLP	Liquidation ASLP	
	Low	High
	\$	\$
<b>Total realisations</b>		
Proceeds from the sale of share interests	-	-
<b>Total assets available</b>	-	-
ASLP Administrators fees 20/10/21 - 31/08/22	(9,395)	(9,395)
ASLP Administrators fees 20/10/21 - 28/9/22	(10,000)	(10,000)
ASLP SPA fees 21/12/22 to 16/9/22	(2,283)	(2,283)
ASLP SPA future fees 17/6/22 to 28/9/22	(500)	(500)
Estimated Liquidators' fees and costs	(5,000)	(5,000)
<b>Total Priority Payments</b>	<b>(27,178)</b>	<b>(27,178)</b>
<b>Balance Available for Unsecured Creditors</b>	-	-
<u>Liquidation Returns</u>		
ASLP unsecured creditors	(957)	(957)
ASLP inter-company debt	(80,306)	(80,306)
Total ASLP unsecured creditors	(81,263)	(81,263)
Secured Creditor residual claim	(182,049,099)	(182,049,099)
Dividend c/\$	-	-
<b>Dividend available to ASLP</b>	-	-
<b>Estimated surplus / deficiency</b>	<b>(182,130,362)</b>	<b>(182,130,362)</b>

The above analysis provides creditors with a snapshot of the potential high and low estimate of the realisable value of the assets if PP & ASLP were wound up.

The costs of winding up PP & ASLPs affairs are estimated at \$155k, though these costs would be considerably higher in the event that the potential claims referred to in Sections 8 & 9 of this report are pursued.

The Receivers and Managers have advised us that there would be a shortfall to the secured creditor and therefore there would be no available assets for the unsecured creditors.

Any return to unsecured creditors will be dependent on the successful recoveries of any insolvent trading or antecedent voidable transactions. We note that at present, as noted in Sections 8 & 9 above, it is difficult to estimate the likely return from potentially voidable transactions with any degree of certainty.

The above calculations are an estimate only and may change due to:

1. final proving of creditor claims;
2. the costs of litigation to recover any potential voidable transactions; and
3. compliance with all provisions of the DOCA.

The funds received from the sale of the Company's assets will be applied to the secured debt due to GLAS. As the proceeds will be insufficient to discharge the debt due to GLAS, there will be no funds available to unsecured creditors unless there is a recovery from antecedent transactions or insolvent trading recoveries.

#### 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 SSPA, DOCA and establishment of the Creditors Trust. It is estimated that a dividend will be paid within 2-3 months from the execution of the DOCA (i.e. by December 2022).

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 unknown.

## 11 Statement by Administrators

We are of the opinion that the DOCA proposal put forward by Sev.en should be accepted by creditors as it provides a more certain and potentially higher return to unsecured creditors than an orderly liquidation of ASLP and PP'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, the Companies entities 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 the Companies may ultimately pay creditors or what costs it might incur.

Accordingly, returning control of any of the individual 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 ASLP and PP are to be wound up, it is proposed that the SPA, Dermott McVeigh be appointed a Liquidator of both companies. The SPA's estimate of the costs of winding up ASLP (\$5k plus GST) and PP (\$150k plus GST) affairs are estimated collectively cost in excess \$155,000 plus GST and may potentially be higher.

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

We note that the SPA has identified a number of potential recoveries from voidable and other transactions as referred to in Section 8 & 9 of this Report. As with any potential legal issues, these recoveries are uncertain and it may not be commercial to pursue.

Further, PP's main asset is its interest in the Lake Way Project, which are all subject to the security of GLAS. Accordingly, any funds from the sale of these assets will be applied to GLAS' debt (c.\$192m). It is expected there will be a significant shortfall to GLAS 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:

- 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 the Companies' affairs.

### 11.3 DOCA

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

Please note that any antecedent recoveries that may potentially be recovered in a liquidation scenario will not 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 PP and ASLP 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 third-party/ies totalling \$2.5m, which would otherwise not be available in a liquidation.
- The lower costs associated with the DOCA over liquidation;
- Any realisation of assets held by ASLP and PP in a liquidation scenario will likely be insufficient to discharge the GLAS's secured debt and therefore there is no prospect of a return to ordinary unsecured creditors from the realisation of ASLP and PP'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 ASLP and PP 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 1800 845 118 or by email at [saltlakepotash@kpmg.com.au](mailto:saltlakepotash@kpmg.com.au).

Dated this 19<sup>th</sup> day of September 2022.



**Martin Jones**  
Joint and Several Administrator

# Annexures

## A – Schedule of Companies

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Entity (All Administrators Appointed) (All Receivers and Managers Appointed)	Glossary	ACN
Salt Lake Potash Limited	SO4	117 085 748
Piper Preston Pty Ltd	PP	142 962 409
Australia Salt Lake Potash Pty Ltd	ASLP	164 369 420
Irve Holdings Pty Ltd	IH	633 114 619
SO4 Fertiliser Holdings Pty Ltd	SFH	633 114 628
Two Lake Holdings Pty Ltd	TLH	633 114 637
Irve Developments Pty Ltd	ID	634 354 215
SO4 Fertiliser Developments Pty Ltd	SFD	634 354 224
Two Lake Developments Pty Ltd	TLD	634 354 233

## B – Statutory Information

Company Name	ACN	Incorporation Date	Registered Office	Company Officers	Appointment Date	Resignation Date	Shareholders*	Shares Held
Salt Lake Potash Limited (Formerly Wildhorse Energy Limited (10/11/2005 – 28/11/20015))	117 085 7478	10 November 2005	G 239 Adelaide Terrace PERTH WA 6000	Tony James Swiericzuk	22 November 2018	22 October 2021	Fidelity International Ltd	80,553,442
				Ian Middlemas	21 January 2020	N/A	Lombard Odier Asset Management Limited	71,661,993
				Matthew James Bungey	14 May 2020	N/A	Ellerston Capital Limited	45,631,068
				Philip Montgomery	19 October 2020	N/A	Equatorial Resources Limited	44,222,223
				Peter Thomas	19 October 2020	21 October 2021	Ian Peter Middlemas	22,500,000
				Rebecca Morgan	22 June 2021	22 October 2021	Tony James Swiericzuk	5,454,470
				Bruce Robert Errol Franzen (Company Secretary)	10 August 2021	22 October 2021	Mark Laurence Pearce	4,450,000
							Matthew Bungey	2,014,075
							Philip Montgomery	1,250,000
							Shaun Day	1,002,405
Piper Preston Pty Ltd	142 962 409	6 May 2010	G 239 Adelaide Terrace PERTH WA 6000	Tony James Swiericzuk	22 November 2018	22 October 2021	Salt Lake Potash Limited	29,411,764
				Stephen Douglas Cathcart	30 April 2019	N/A		
				Bruce Robert Errol Franzen (Company Secretary)	10 August 2021	N/A		
Australian Salt Lake Potash Pty Ltd	164 369 420	19 June 2013	G 239 Adelaide Terrace PERTH WA 6000	Tony James Swiericzuk	22 November 2018	22 October 2021	Salt Lake Potash Limited	29,411,764
				Stephen Douglas Cathcart	30 April 2019	N/A		
				Bruce Robert Errol Franzen (Company Secretary)	10 August 2021	N/A		
Irve Holdings Pty Ltd	633 114 619	26 April 2019	G 239 Adelaide Terrace PERTH WA 6000	Tony James Swiericzuk	26 April 2019	22 October 2021	Salt Lake Potash Limited	100
				Stephen Douglas Cathcart	26 April 2019	N/A		
				Bruce Robert Errol Franzen (Company Secretary)	10 August 2021	N/A		



Irve Developments Pty Ltd	634 354 215	24 June 2019	G 239 Adelaide Terrace PERTH WA 6000	Tony James Swiericzuk	24 June 2019	22 October 2021	Irve Holdings Proprietary Limited	100
				Stephen Douglas Cathcart	24 June 2019	N/A		
				Bruce Robert Errol Franzen (Company Secretary)	10 August 2021	N/A		
SO4 Fertiliser Holdings Pty Ltd	633 114 628	26 April 2019	G 239 Adelaide Terrace PERTH WA 6000	Tony James Swiericzuk	26 April 2019	22 October 2021	Salt Lake Potash Limited	100
				Stephen Douglas Cathcart	26 April 2019	N/A		
				Bruce Robert Errol Franzen (Company Secretary)	10 August 2021	N/A		
SO4 Fertiliser Developments Pty Ltd	634 354 224	24 June 2019	G 239 Adelaide Terrace PERTH WA 6000	Tony James Swiericzuk	24 June 2019	22 October 2021	SO4 Fertiliser Holdings Proprietary Limited	100
				Stephen Douglas Cathcart	24 June 2019	N/A		
				Bruce Robert Errol Franzen (Company Secretary)	10 August 2021	N/A		
Two Lake Holdings Pty Ltd	633 114 637	26 April 2019	G 239 Adelaide Terrace PERTH WA 6000	Tony James Swiericzuk	26 April 2019	22 October 2021	Salt Lake Potash Limited	100
				Stephen Douglas Cathcart	26 April 2019	N/A		
				Bruce Robert Errol Franzen (Company Secretary)	10 August 2021	N/A		
Two Lake Developments Pty Ltd	634 354 233	24 June 2019	G 239 Adelaide Terrace PERTH WA 6000	Tony James Swiericzuk	24 June 2019	22 October 2021	Two Lake Holdings Proprietary Limited	100
				Stephen Douglas Cathcart	24 June 2019	N/A		
				Bruce Robert Errol Franzen (Company Secretary)	10 August 2021	N/A		

## C – Schedule of PPSR Registrations

			Grantor Entity								
Secured Party Group	Collateral Class	Number	Salt Lake Potash Limited	Piper Preston Pty Ltd	Australia Salt Lake Potash Pty Ltd	Irve Developments Pty Ltd	Irve Holdings Pty Ltd	SO4 Fertiliser Developments Pty Ltd	SO4 Fertiliser Holdings Pty Ltd	Two Lake Developments Pty Ltd	Two Lake Holdings Pty Ltd
GLOBAL LOAN AGENCY SERVICES AUSTRALIA NOMINEES PTY LIMITED ACN 608 945 008	All PAP with Exception	202012040048083	✓								
	All PAP with Exception	202012040052524		✓							
	Account	202012040052645		✓							
	General Intangible	202012040052873		✓							
	All PAP with Exception	202012040048511			✓						
	All PAP with Exception	202012040049501					✓				
	All PAP with Exception	202012040051933							✓		
	All PAP with Exception	202012040050636									✓
	All PAP with Exception	202012040050085				✓					
	All PAP with Exception	202012040052414						✓			
	All PAP with Exception	202012040051296								✓	
365 PLANT HIRE PTY LTD ACN 621 477 978	Motor Vehicle	201910280084458	✓								
	Motor Vehicle	201910280084470	✓								
	Motor Vehicle	201910280084491	✓								
	Motor Vehicle	201910280084518	✓								
	Motor Vehicle	201910280084541	✓								
	Other Goods	201910280084556	✓								
ACU-TECH PTY LTD ACN 626 756 223	Other Goods	201805310092126	✓								
ULTRAPLAST PTY LTD ACN 120 168 238	Other Goods	202009090044525		✓							

AIR LIQUIDE AUSTRALIA LIMITED ACN 004 385 782 AIR LIQUIDE W.A. PTY LTD ACN 008 694 166 AIR LIQUIDE AUSTRALIA SOLUTIONS PTY LTD ACN 602 866 106	Other Goods	202103290038095	✓	
AIRWELL GROUP PTY LTD ACN 009 323 871	Other Goods	201608050088451	✓	
ALLWEST PLANT HIRE AUSTRALIA PTY LTD ACN 164 500 083	Other Goods	201903290104598	✓	
	Other Goods	202106180042037		✓
ALLWEST RAPID HIRE PTY LTD ACN 600 575 915	Other Goods	201903290104607	✓	
	Other Goods	202106180042071		✓
ATLAS COPCO AUSTRALIA PTY LTD ACN 620 125 153	Motor Vehicle	202010290064434		✓
	Other Goods	202010290064755		✓
	Other Goods	202012050001766		✓
AUSCO MODULAR PTY LIMITED ACN 010 654 994	Other Goods	202009250058929		✓
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED ACN 00 005 357 522	General Intangible	201701090047264	✓	
	General Intangible	201810310063715	✓	
	General Intangible	201902080041817	✓	
	General Intangible	202010020025689		✓
B. & J. CATALANO PTY LTD ACN 008 961 975	Other Goods	201901180028287	✓	
	Motor Vehicle	201901180028294	✓	
BEARING DYNAMICS PTY LTD ACN 002 941 791 BEARING SERVICE PROPRIETARY LIMITED ACN 004 112 887 B.J. BEARINGS PTY LTD ACN 154 303 152 CBC AUSTRALIA PTY LIMITED ACN 000 143 608 CIRCLIPS (AUSTRALIA) PTY LTD ACN 001 560 443 FASTENERS AUSTRALIA PTY LIMITED ACN 099 707 829 GLADE MANUFACTURING &	Other Goods	202103240028685		✓

SALES PTY LIMITED ACN 104  
459 216  
HS COMPANY PTY LIMITED  
ACN 099 707 856  
MOTION ASIA PACIFIC PTY LTD  
ACN 007 595 977  
INENCO WHOLESALE PTY LTD  
ACN 000 191 257  
PHOENIX TRADERS PTY  
LIMITED ACN 139 891 820  
SEAL IMPORTS PTY LIMITED  
ACN 009 734 785  
SEAL INNOVATIONS PTY LTD  
ACN 004 483 256  
SPECIALISED WHOLESALE PTY  
LTD ACN 158 063 953  
SPECIALTY FASTENERS PTY  
LTD ACN 151 965 641  
WEBSTER BEARINGS &  
ENGINEERING SUPPLIES PTY  
LTD ACN 000 332 838  
W.W. INDUSTRIAL PTY LTD  
ACN 008 755 342  
NTN-CBC (AUSTRALIA) PTY  
LTD ACN 000 936 667

BOC LIMITED ACN 000 029 729	Other Goods	201705160047910	✓
	Other Goods	202002160001376	✓
BPY HOLDINGS PTY LTD ACN 600 674 511	Other Goods	202003200079613	✓
BRINDABELLA RESOURCES PTY LTD ACN 612 461 748	Motor Vehicle	202108020053357	✓
	Motor Vehicle	202108020055310	✓
	Motor Vehicle	202108020055637	✓
	Motor Vehicle	202108020058707	✓
	Motor Vehicle	202108020058776	✓
	Motor Vehicle	202108020059237	✓
	Motor Vehicle	202108020059318	✓
	Motor Vehicle	202108020059506	✓
	Motor Vehicle	202108020059599	✓
	Motor Vehicle	202108020059620	✓

	Motor Vehicle	202108020059631	✓	
	Motor Vehicle	202108020059665	✓	
	Motor Vehicle	202108020059683	✓	
	Motor Vehicle	202108020048298		✓
BROGEN INVESTMENTS PTY LTD ACN 093 904 002	Motor Vehicle	202002140075016	✓	
	Other Goods	202002140075028	✓	
	Motor Vehicle	202104090041727	✓	
	Motor Vehicle	202109090073210	✓	
BWF PERSONNEL PTY LTD ACN 118 328 742	Motor Vehicle	202103160059512	✓	
CASTROL AUSTRALIA PTY. LIMITED ACN 008 459 407	Other Goods	202103240046466	✓	
	Other Goods	202103240046478	✓	
COATES HIRE OPERATIONS PTY LIMITED ACN 074 126 971	Other Goods	201609140067752	✓	
	Motor Vehicle	201609140067821	✓	
	Other Goods	201902220050732	✓	
	Motor Vehicle	201902220050745	✓	
CRANECORP AUSTRALIA (NT) PTY LTD ACN 154 263 108	Other Goods	202002010009784	✓	
CRANECORP AUSTRALIA PTY LTD ACN 165 500 336	Motor Vehicle	202002010009797	✓	
GOLDFIELDS CRANE HIRE PTY LTD ACN 080 134 489				
DAIKEL PTY LTD ACN 126 156 161	Motor Vehicle	201610140071125	✓	
The Trustee for DAIKEL TRUST ABN 55 044 846 866				
DE LAGE LANDEN PTY LIMITED ACN 101 692 040	Other Goods	201907040065397	✓	
	Other Goods	201910020064680	✓	
DKSH PERFORMANCE MATERIALS AUSTRALIA PTY LIMITED ACN 602 074 322	Other Goods	202102230045858	✓	
EAGLE PETROLEUM (WA) PTY LTD ACN 140 957 231	Other Goods	201805080061391	✓	
ENERGY POWER SYSTEMS AUSTRALIA PTY. LIMITED. ACN 055 274 514	Motor Vehicle	202003050054442	✓	
	Other Goods	202003050054457	✓	

FUELFIX PTY LTD ACN 104 305 991	Other Goods	201703230003041	✓	
GENERAL CRANE SERVICES (WA) PTY LTD ACN 149 882 342	Motor Vehicle	202010080071192		✓
	Other Goods	202010080071205		✓
GEOFABRICS AUSTRALASIA PTY. LTD. ACN 005 479 961	Other Goods	202010280057651	✓	
GIACCI BROS. PTY LTD ACN 008 708 361 GIACCI HOLDINGS PTY LTD ACN 008 708 370 QUBE BULK PTY LTD ACN 138 868 756 QUBE PORTS PTY LTD ACN 123 021 492	Motor Vehicle	202106150057884		✓
	Motor Vehicle	202106150057897		✓
	Motor Vehicle	202106150057907		✓
	Motor Vehicle	202106150057911		✓
	Motor Vehicle	202106150057930		✓
	Motor Vehicle	202106150057948		✓
	Motor Vehicle	202106150057953		✓
	Motor Vehicle	202106150057969		✓
	Motor Vehicle	202106150057976		✓
	Motor Vehicle	202106150057982		✓
	Motor Vehicle	202106150057995		✓
	Motor Vehicle	202106150058008		✓
	Motor Vehicle	202106150058012		✓
	Motor Vehicle	202106150058020		✓
	Motor Vehicle	202106150058031		✓
	Motor Vehicle	202106150058049		✓
	Motor Vehicle	202106150058054		✓
	Motor Vehicle	202106150058065		✓
	Motor Vehicle	202106150058077		✓
	Motor Vehicle	202106150058083		✓
	Other Goods	202106160043383		✓
	Other Goods	202106160043396		✓
	Other Goods	202106160043401		✓
	Other Goods	202106160043417		✓
	Other Goods	202106160043429		✓

	Other Goods	202106160043438	✓
	Other Goods	202106160043440	✓
	Other Goods	202106160043455	✓
	Motor Vehicle	202106160043464	✓
	Motor Vehicle	202106160043472	✓
GOLDMONT ENGINEERING PTY LTD ACN 612 364 771	Other Goods	202002250074288	✓
HARRINGTON DRILLING PTY LTD ACN 074 542 448	All PAP	202109060049690	✓
	General Intangible	202109090038946	✓
J STEEL GROUP PTY. LTD. ACN 614 046 838	Other Goods	201906140039382	✓
JOHNSON PLANT SERVICES PTY LTD ACN 168 419 903	Other Goods	202106100075337	✓
	Motor Vehicle	202106100075344	✓
	Other Goods	202108030031206	✓
	Motor Vehicle	202108030031210	✓
	Chattel Paper	202108030031223	✓
JUNGHEINRICH FLEET SERVICES PTY LTD ACN 066 707 784	Other Goods	201808270053469	✓
	Motor Vehicle	201808270053476	✓
KUBOTA AUSTRALIA PTY LTD ACN 005 300 621	Motor Vehicle	201901310005061	✓
LUBRICON HYDRIVE PTY LTD ACN 117 615 700	Other Goods	202011100049368	✓
LUCAS TOTAL CONTRACT SOLUTIONS PTY LTD ACN 137 901 805	Motor Vehicle	201911130016670	✓
	Other Goods	201911130016689	✓
METAL MANUFACTURES PTY LIMITED ACN 003 762 641	Other Goods	202008250038813	✓
MLG OZ PTY LTD ACN 102 642 366 MLG CEMENT & LIME PTY LTD ACN 630 445 975	Motor Vehicle	202005180031688	✓
	Other Goods	202005180031690	✓
	Chattel Paper	202005180031707	✓
	Motor Vehicle	202012150024861	✓
	Other Goods	202012150024874	✓
	Chattel Paper	202012150024888	✓

N.H.P. ELECTRICAL ENGINEERING PRODUCTS PROPRIETARY LIMITED ACN 004 304 812	Other Goods	202102110012529	✓
NATIONAL PUMP & ENERGY LTD ACN 098 812 492	Other Goods	201705190045296	✓
	Motor Vehicle	201705190045306	✓
O.E. & D.R. POPE PTY. LTD. ACN 007 645 810	Other Goods	202108230025592	✓
ONSITE RENTAL GROUP OPERATIONS PTY LTD ACN 126 102 485	Other Goods	201602220034784	✓
PREMIUM PLANT HIRE PTY LTD ABN 99 158 710 859	Motor Vehicle	202108060024227	✓
RED DALE HOLDINGS PTY LTD ACN 009 378 063	Other Goods	202004160045993	✓
REDOX PTY LTD ACN 000 762 345	Other Goods	201707040045077	✓
REXEL ELECTRICAL SUPPLIES PTY LTD ACN 000 437 758	Other Goods	202107230038869	✓
RILEY'S RENTALS PTY LTD ACN 601 558 221	Motor Vehicle	202105030015338	✓
	Motor Vehicle	202105030015522	✓
	Other Goods	202105030015676	✓
RPC SURFACE TREATMENT PTY LTD ACN 131 159 405 THE LIFTING COMPANY PTY LTD ACN 097 438 269 TLC DISTRIBUTION PTY LTD ACN 627 335 755	Other Goods	202012140024868	✓
S.E.T.S ENTERPRISES PTY LTD ACN 083 080 175	Motor Vehicle	202106230070734	✓
	Motor Vehicle	202106230074053	✓
SAFE AND SOUND SCAFFOLDING PTY LTD ACN 130 457 751 SRG GLOBAL FACADES (WA) PTY LTD ACN 604 493 174 SRG GLOBAL INTEGRATED SERVICES PTY LTD ACN 604 010 639 SRG GLOBAL STRUCTURES (WA) PTY LTD ACN 008 946 469	Motor Vehicle	201702060058361	✓



SRG GLOBAL ASSETS PTY LTD ACN 104 662 213 SRG GLOBAL INVESTMENTS PTY LTD ACN 105 746 656 SRG GLOBAL LIMITED ACN 104 662 259	Other Goods	201702060058374	✓
	Chattel Paper	201702060058388	✓
SCHNEIDER ELECTRIC (AUSTRALIA) PTY LIMITED ACN 004 969 304 SCHNEIDER ELECTRIC IT AUSTRALIA PTY LTD ACN 088 913 866 SCHNEIDER ELECTRIC BUILDINGS AUSTRALIA PTY LTD ACN 008 059 345 SCHNEIDER ELECTRIC SYSTEMS AUSTRALIA PTY LTD ACN 000 522 261 M & C ENERGY PTY LTD ACN 104 501 091	Other Goods	202103080012012	✓
	Motor Vehicle	201911110056024	✓
SIME DARBY FLEET SERVICES PTY LTD ACN 008 730 390	Motor Vehicle	201911110056030	✓
	Motor Vehicle	202010230024326	✓
	Motor Vehicle	202102190068312	✓
	Motor Vehicle	202102200009329	✓
	Motor Vehicle	202109270013954	✓
	Motor Vehicle	202109270014787	✓
	Motor Vehicle	202109270015178	✓
	Motor Vehicle	202109270015735	✓

	Motor Vehicle	202109270015925	✓	
	Motor Vehicle	202109270016360	✓	
	Motor Vehicle	202109270016506	✓	
	Motor Vehicle	202109270016599	✓	
	Motor Vehicle	202109270016770	✓	
	Motor Vehicle	202109270016864	✓	
	Motor Vehicle	202109270016990	✓	
	Motor Vehicle	202109270017074	✓	
	Motor Vehicle	202109270017137	✓	
	Motor Vehicle	202109270017320	✓	
SIMMCAL PTY LTD ACN 113 203 777 WYNDCORP PTY LTD ACN 629 511 119	Motor Vehicle	202003040024086	✓	
SIS TECHNOLOGIES PTY LTD ACN 009 254 040	Other Goods	202106240062113		✓
	All PAP	202109010031714		✓
SITECH (WA) PTY LTD ACN 139 286 454	Other Goods	202011240067872		✓
STEVE WEBSTER CONSTRUCTION SERVICES PTY LTD ACN 135 827 860	Other Goods	202005070029280	✓	
TITAN PLANT HIRE PTY LTD ACN 095 884 441	Motor Vehicle	202011230063963		✓
	Other Goods	202011230063992		✓
TOYOTA FINANCE AUSTRALIA LTD ACN 002 435 181	Motor Vehicle	201906260107041	✓	
	Other Goods	201906260107056	✓	
TRANSAIR HOLDINGS PTY LTD ACN 162 562 665	Other Goods	202102260085219		✓
TRU FLO PUMPING SYSTEMS PTY LIMITED ACN 141 774 441 The Trustee for THE JAMB FAMILY TRUST ABN 80 147 423 516 NDE PTY LTD ACN 605 426 293 QHG PTY LTD ACN 605 425 992	Motor Vehicle	201911120042215	✓	
	Other Goods	201911120042227	✓	
UNITED RENTALS AUSTRALIA PTY LTD ACN 069 244 417	Other Goods	201703060042859	✓	

UON PTY LTD ACN 099 963 354	Other Goods	201910280080005	✓
	Other Goods	201910280080363	✓
	Other Goods	202108190064061	✓
	Other Goods	202108190064504	✓
WESTRAC PTY LTD ACN 009 342 572	Other Goods	202006100039829	✓
XYLEM WATER SOLUTIONS AUSTRALIA LIMITED ACN 000 832 922	Other Goods	202103020030225	✓

## D – Summary of ROCAP's received

### D1 – Piper Preston Pty Ltd

#### 1 Report on company activities and property and Directors' reasons for failure

The following table summarises the assets and liabilities disclosed in the Directors' ROCAPs:

\$000s	Ref	Book Value	Directors' ERV	Administrators' ERV Low	Administrators' ERV High
<b>Assets</b>					
Cash	1.1.1	17,241	17,241	Controlled by R&M	Controlled by R&M
Motor vehicles	1.1.2	53	53	Confidential	Confidential
Inventory	1.1.3	5,447	5,452	Controlled by R&M	Controlled by R&M
Property, plant & equipment	1.1.4	1,305	1,305	Confidential	Confidential
Other assets	1.1.5	361,935	361,935	Confidential	Confidential
<b>Total assets</b>		<b>385,981</b>	<b>385,986</b>	<b>-</b>	<b>17,241</b>
<b>Liabilities</b>					
Secured creditors	1.1.6	(192,049)	(192,049)	(192,049)	(192,049)
Related party creditors	1.1.7	(228,047)	(228,047)	(228,047)	(228,047)
Unsecured creditors	1.1.8	(12,237)	(14,630)	(32,824)	Unknown
Contingent creditors	1.1.9	-	-	(199,895)	-
<b>Total liabilities</b>		<b>(432,334)</b>	<b>(434,727)</b>	<b>(652,816)</b>	<b>(420,097)</b>
<b>Estimated surplus / deficiency</b>		<b>(46,353)</b>	<b>(48,741)</b>	<b>(652,816)</b>	<b>(402,856)</b>

#### Notes

##### 1.1.1 Cash

There are 8 bank accounts held in the name of PP, 5 of which contain USD. For the purposes of this Report, we have converted all foreign currency accounts to AUD at the respective spot rates disclosed on the RBA website as at the date of our appointment as Administrators.

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

##### 1.1.2 Motor Vehicles

A summary of the motor vehicles held by PP according to the asset listing provided is below:

\$000s	Cost on acquisition	Accumulated depreciation	Directors' ERV
2 X 2018 Sportsman 570 HD EPS	21	(7)	14
Kubota RTV-X1140	27	(8)	19
Kubota RTV-X1140	27	(7)	20
<b>Total motor vehicles</b>	<b>75</b>	<b>(22)</b>	<b>53</b>

All motor vehicle assets subject to security held by GLAS and also subject of an ongoing sale process managed by the Receivers and Managers. As such, there is unlikely that any proceeds from the realisation from this asset class would be available to ordinary unsecured creditors.

##### 1.1.3 Inventory

The Directors' ROCAP's outlined a total value of \$5.4m in inventory. A breakdown of the inventory values for PP is detailed below:

\$000s	Book Value	Directors' ERV	Administrators' ERV
Muriate of Potash (MOP)	3,878	3,878	Controlled by R&M
Fuel	136	136	Controlled by R&M
Spares	1,433	1,438	Controlled by R&M
<b>Total inventory</b>	<b>5,447</b>	<b>5,452</b>	<b>Confidential</b>

The Receivers and Managers are in control of these assets and continue to trade the company's business. As such, it is likely that both the value of fuel and spares would diminish, however, we understand that the MOP was sold following our appointment for c.\$9.4m.

#### 1.1.4 Plant & equipment

The Directors' ROCAP's outlined a total value of c.\$1.3m in property, plant and equipment. A breakdown of the written down values for PP is detailed below:

\$000s	Book Value	Directors' ERV	Administrators' ERV
Plant & equipment	1,168	1,168	Confidential
Office equipment	70	70	Confidential
Computer equipment	19	19	Confidential
Laboratory equipment	48	48	Confidential
<b>Total property, plant &amp; equipment</b>	<b>1,305</b>	<b>1,305</b>	<b>Confidential</b>

All assets included within property, plant and equipment are subject to security held by GLAS and also subject of an ongoing sale process managed by the Receivers and Managers. As such, there is unlikely that any proceeds from the realisation from this asset class would be available to ordinary unsecured creditors.

#### 1.1.5 Other assets

A summary of other assets included in the Directors' ROCAP's is below:

\$000s	Book Value	Directors' ERV	Administrators' ERV Low	Administrators' ERV High
Mine development (civil works)	108,400	108,400	Confidential	Confidential
Assets under construction (processing plant)	253,535	253,535	Confidential	Confidential
<b>Total other assets</b>	<b>361,935</b>	<b>361,935</b>	<b>Confidential</b>	<b>Confidential</b>

All assets included within other assets are subject to security held by GLAS.

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

#### 1.1.6 Secured creditor

As noted previously, GLAS hold a charge over the whole or substantially the whole of the property of the Companies.

The outstanding loan was approximately \$192m as at the date of our appointment as Administrators.

PP is the borrowing entity with all remaining companies being guarantors to the loan.

#### 1.1.7 Related party creditors

PP has an unsecured inter-company loan with SO4 totalling \$228m for funds advanced in regard to the development of the Lake Way Potash project and associated working capital requirements.

#### 1.1.8 Unsecured creditors

In their ROCAP's, the Directors have recorded unsecured creditor claims totalling c. \$14.6m.

A breakdown of the unsecured creditors is below:

\$000s	Book Value	Directors' ERV	Administrators' ERV
--------	------------	----------------	---------------------

Statutory creditors	-	(68)	(70)
Third party creditors	(12,237)	(14,562)	(32,754)
<b>Total</b>	<b>(12,237)</b>	<b>(14,630)</b>	<b>(32,824)</b>

Statutory creditors relate to claims lodged in the administration by DMIRS and the Shire of Wiluna for tenement rent and rates.

The Administrators' ERV is subject to the adjudication and admission of proofs of debt. The Administrators are unable to determine the exact quantum of the unsecured debt at this stage as some proofs of debt are:

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

#### **1.1.9 Contingent creditors**

PWR lodged a proof of debt in the administration totalling \$200.4m in relation to its Thermal Power Purchase Agreement with PP. Based upon our initial review, \$199.8m of the claim appears to be contingent and relates to future projected revenues. To date, we have not adjudicated upon PWR's claim, however, this will be undertaken in the event that there is a dividend to unsecured creditors of PP.

## D2 – Australian Salt Lake Potash Pty Ltd

### 1 Report on company activities and property and Directors' reasons for failure

The following table summarises the assets and liabilities disclosed in the Directors' ROCAPs:

\$000s	Ref	Book Value	Directors' ERV	Administrators' ERV Low	Administrators' ERV High
<b>Assets</b>					
Share interest in PP	1.1.1	-	-	Confidential	Confidential
<b>Liabilities</b>					
Secured creditors	1.1.2	(192,049)	(192,049)	(192,049)	(192,049)
Related party creditors	1.1.3	(80)	(80)	-	TBC
Unsecured creditors	1.1.4	-	-	-	Unknown
<b>Total liabilities</b>		<b>(192,129)</b>	<b>(192,129)</b>	<b>(192,049)</b>	<b>(192,049)</b>
<b>Estimated surplus / deficiency</b>		<b>(192,129)</b>	<b>(192,129)</b>	<b>(192,049)</b>	<b>(192,049)</b>

#### Notes

##### 1.1.1 Share interest in PP

ASLP owns all the shares in PP. This shareholding is the subject of the SSPA with the DOCA proponent. The net proceeds from the sale of the same will be paid to GLAS, as secured creditor.

##### 1.1.2 Secured creditor

As noted previously, GLAS hold a charge over the whole or substantially the whole of the property of the Companies.

The outstanding loan was approximately \$192m as at the date of our appointment as Administrators.

PP is the borrowing entity with all remaining companies being guarantors to the loan.

##### 1.1.3 Related party creditors

ASLP has an unsecured inter-company loan with SO4 totalling \$80k for funds advanced in relation to the development of its projects and associated working capital requirements.

##### 1.1.4 Unsecured creditors

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

# E – SPA Report

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## **Report by Special Purpose Administrator**

**pursuant to order of the Supreme Court of Western Australia  
dated 21 December 2021 COR/196/2021**



**Salt Lake Potash Limited**  
(ACN 117 085 748)

and associated entities

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### Annexures

- A ARITA creditor information sheet

## Glossary of terms

Abbreviation	Description
\$	Australian Dollar
ACN	Australian Company Number
Act	Corporations Act 2001
AIM	Alternative Investment Market (United Kingdom)
AIIPAAP	All present and after-acquired property – no exceptions
ARITA	Australian Restructuring, Insolvency & Turnaround Association
ASIC	Australian Securities & Investments Commission
ASLP	Australian Salt Lake Potash Pty Ltd
ASX	Australian Securities Exchange Ltd
ATO	Australian Taxation Office
BFS	Bankable Feasibility Study
CBA	Commonwealth Bank of Australia
CEFC	Clean Energy Finance Corporation
CEO	Chief Executive Officer, Mr Tony Swierczuk
CFO	Chief Financial Officer, Mr Grant Coyle until July 2021, Mr Stuart Fraser from July 2021
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Companies	Salt Lake Potash Limited, Australian Salt Lake Potash Pty Ltd, Piper Preston Pty Ltd, Irve Holdings Pty Ltd, Irve Developments Pty Ltd, Two Lake Holdings Pty Ltd, Two Lake Developments Pty Ltd, SO4 Fertiliser Holdings Pty Ltd, Fertiliser Developments Pty Ltd (all Administrators Appointed) (all Receivers and Managers Appointed)
Court Order	Order of the Supreme Court of Western Australia COR/196/2021
Directors	Mr Ian Middlemas, Mr Matthew Bungey and Mr Philip Montgomery
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
FY	Financial year ending 30 June
ha	Hectare, i.e. 10,000m <sup>2</sup>
HY	Half of financial year ending 31 December
JLM	Joint Lead Managers, being Euroz Hartleys Limited and Cannacord Genuity (Australia) Limited
KPMG Administrators	Mr Martin Jones, Mr Hayden White and Mr Thomas Birch of KPMG as Administrators of the Companies appointed on 20 October 2021
kt	Kilotonne, i.e. 1,000 tonnes
ktpa	Kilotonne per annum
M	Million

Abbreviation	Description
PMSI	Purchase Money Security Interest
PP	Piper Preston Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR	Personal Property Securities Register
Receivers	Mr Richard Tucker and Mr Craig Shepard of KordaMentha as Receivers and Managers of the Companies appointed on 20 October 2021
Report	This Report, prepared pursuant to the Court Order
ROCAP	Report on Company Affairs and Property
ROT	Retention of Title
Rules	Insolvency Practice Rules (Corporations) 2016
Second Meeting	Second meeting held pursuant to Section 439A of the Act, where creditors determine the future of each of the Companies
SEI	Sequoia Economic Infrastructure Income Fund
SLP	Salt Lake Potash Limited (Administrators Appointed) (Receivers and Managers Appointed)
SO4	the Companies
SOP	Sulphate of Potash
Syndicate Group	Taurus, SEI, CBA and CEFC
Syndicated Facility	Secured loan of US\$138M provided by Syndicate Group
Taurus	Taurus Mining Finance Fund No 2 L.P.
US\$	United States Dollar

## Statement by Special Purpose Administrator

In reviewing this Report, creditors should note that:

- The information contained in this Report has been obtained from a wide range of sources and knowledge obtained by me during the course of the Administration, including from discussions with the Companies' management. Given the complexity of the business and affairs, I have been reliant on information and representations provided to me.
- The Report does not guarantee or warrant the current or future position of the Companies. A significant amount of the information provided in this Report is based on assumptions that I consider to be valid at the time of writing, but which may not ultimately prove to be valid. An audit has not been performed by me, nor, except where otherwise indicated, has any test or verification work been carried out.
- This Report is based upon my 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 a Second Meeting.
- My investigation was significantly hindered by the refusal of the group's management and directors to answer any of my questions in relation to the group's affairs. In the absence of discussions with management and directors that may otherwise have clarified issues, certain assumptions that I relied upon to draft this report may be incorrect.
- Pursuant to Section 442E of the Act, I, as the Administrator, have qualified privilege in respect of a statement I make, whether orally or in writing, (including this Report) in the course of performing or exercising any of my functions and powers as Administrator of the Companies. 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. I reserve the right to alter any conclusions reached based on any changed or additional information which may be provided to me between the date of this Report and the date of the Second Meeting, if required (except where otherwise stated).
- Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

**This Report may not be referred to, reproduced or quoted from in whole or part or used for any other purpose whatsoever without the Administrator's express written consent.**

## 1 Executive summary

### 1.1 Appointment

On 21 December 2021 I, Dermott McVeigh of Avior Consulting, was by the order of the Supreme Court of Western Australia COR/196/2021 (**Court Order**) appointed as Special Purpose Voluntary Administrator of:

- ◆ Salt Lake Potash Limited;
- ◆ Australian Salt Lake Potash Pty Ltd;
- ◆ Piper Preston Pty Ltd;
- ◆ Irve Holdings Pty Ltd;
- ◆ Irve Developments Pty Ltd;
- ◆ Two Lake Holdings Pty Ltd;
- ◆ Two Lake Developments Pty Ltd;
- ◆ SO4 Fertiliser Holdings Pty Ltd; and
- ◆ SO4 Fertiliser Developments Pty Ltd

(all Administrators Appointed) (all Receivers and Managers Appointed)  
(together, **the Companies** or **SO4**).

My appointment is parallel to the appointment of Mr Martin Jones, Mr Hayden White and Mr Thomas Birch of KPMG as Voluntary Administrators (**KMPG Administrators**) on 20 October 2021, and to the appointment of Mr Richard Tucker and Mr Craig Shepard of KordaMentha as Receivers and Managers (**Receivers**) on 20 October 2021.

My role was to consider when the Companies became insolvent, whether there are any claims against directors or the parent company in relation to insolvent trading; whether there are any claims against creditors for unfair preferences and whether there are any claims arising from the conduct of directors, officers, advisers and KPMG.

### 1.2 Conduct of the Administration

On appointment, I liaised with the KPMG Administrators and with the Receivers in relation to access to books and records of the Companies.

I conducted a review of the books and records, and publicly available information in respect of the Companies. I also liaised with a number of key management personnel and key stakeholders of the Companies, although I note that the Companies' directors and the Companies' chief financial officer refused to answer any of my questions in relation to the Companies' affairs.

I conducted investigations into the Companies' affairs, detailed in section 4 of this Report.

### 1.3 Contact person

All queries and documents should be directed to:

**Contact:** Eve King  
**Email:** [eking@aviorconsulting.com.au](mailto:eking@aviorconsulting.com.au)  
**Phone:** 08 6145 0700

### 1.4 Purpose of Report

The purpose of this Report is to table the findings of my investigations of the Companies in accordance with the Court Order.

## 1.5 Summary of investigations

My investigations were hindered by the lack of cooperation from the directors of the Companies who, with the exception of Mr Tony Swiericzuk, refused to meet with me or otherwise substantively answer my questions. The investigations undertaken are detailed at section 4 of this Report.

I concluded that, based on the availability of cash to pay the debts, SO4 was likely insolvent from 5 October 2021 onward (refer to section 4.3 of this Report).

Debts invoiced by suppliers from 5 October 2021 onwards totalled approximately \$5M. I estimate the value of debts incurred after 5 October 2021 to be in the range of \$2M to \$5M, with the majority of these debts incurred by Piper Preston Pty Ltd (**PP**) (refer to section 4.4.1 of this Report).

I therefore consider that there may be an insolvent trading claim against the directors pursuant to section 588G of the Corporations Act 2001 (**Act**). However, the directors may have certain defences available to them, such as access to external funds (refer to section 4.4.1.1 of this Report) or Safe Harbour exemption (refer to section 4.4.1.2 of this Report).

There may also be a claim against Salt Lake Potash Limited (**SLP**) as the holding company pursuant to section 588V of the Act (refer to section 4.4.2 of this Report).

My investigations identified potential preference payments of up to \$3.9M from 5 October 2021, being the date of insolvency, to the date of appointment of the KPMG Administrators. The majority of the payments were paid by PP. Please refer to section 4.5.1 of this Report.

I have not uncovered any voidable transactions involving related parties, transactions that appear uncommercial, or unfair loans.

Based on the information made available to me, in my opinion SO4 may have contravened ASX Listing Rule 3.1 and section 674 of the Act at the time of the May 2021 capital raise. The graph presented in the investors presentation on 24 May 2021 was, in my view, potentially misleading. Although forward-looking, it does not appear to me that there were reasonable grounds on which to base the graph, both in terms of production rate and total SOP to be produced. The May 2021 capital raise resulted in \$28M in funds received from investors. In my opinion, the raise might not have been successful had the market been properly informed of SO4's true position. In the first instance, it appears that such a claim would belong to the investors who participated in the capital raising and also ASIC (refer to section 4.6.1 of this Report).

Further, the directors failed to properly inform themselves of the true position of SO4 in the lead up to the May 2021 capital raise, thus potentially failing in their duties to act with due care and diligence, as imposed by section 180 of the Act. Had they done so, they would have uncovered significant delays to the project and the unfeasibility of the plan presented to the market, which would have allowed them to take appropriate action to discharge their duties (refer to section 4.6.2 of this Report).

I considered potential claims against third parties advising the Companies prior to the Administration, specifically in relation to Safe Harbour.

For Safe Harbour to apply, in accordance with section 588GA of the Act, certain conditions must be satisfied, namely payment of employee entitlements when they fall due and lodgement of returns required by taxation laws.

My investigations indicate that a potential claim against KPMG and Thompson Geer by the Companies' directors (or their insurer) cannot be ruled out in the event that Safe Harbour did not apply (refer to section 4.6.3 of this Report).

I note that Safe Harbour legislation is relatively new and the availability of a Safe Harbour exemption from insolvent trading may rely on a concept of substantial compliance, which to date, in the context of Safe Harbour provisions, has not been subject to any judicial discussion. However, interpretation of the phrase "substantial compliance" is consistent across case law (other than in the Safe Harbour context) to be derived from a comparison of the actual compliance completed and the level of compliance the legislation seeks to achieve. The analysis is focused around whether the degree of compliance will prejudice the significant application of the general object of the legislation.

In my view, Safe Harbour was not applicable after 5 October 2021 because the substantive element of the plan (capital raising) could no longer be achieved. To the best of my knowledge, Thomson Geer did not advise the Companies on the prospects of the capital raising and I consider that a claim against Thomson Geer for failure of Safe Harbour in this context would not succeed.

Alternatively, I consider that Safe Harbour was not available after 5 October 2021 because of the Companies' persistent failure to lodge certain statutory reports, despite KPMG's advice to do so. In the event that Safe Harbour fails because of the compliance failures, then there could conceivably be a potential claim against Thomson Geer for not advising the Companies properly in this regard.

In light of the fact that no case law exists on this issue and there is uncertainty in relation to the substantial compliance concept, I cannot rule out a potential claim against KPMG and Thompson Geer by the Companies' directors (or their insurer).



## 2 Introduction

### 2.1 Purpose of appointment

Pursuant to the Court Order, the purpose of my appointment was to prepare a report for the purpose of including it in any report required to be given to creditors of the Companies, which considered:

- ◆ when the Companies became insolvent;
- ◆ whether there are any claims against directors in relation to insolvent trading;
- ◆ whether there are any claims against the parent company in relation to insolvent trading;
- ◆ whether there are any claims in relation to voidable transactions, such as unfair preference payments received by creditors of the Companies from 19 August 2021 until the date of appointment of the KPMG Administrators; and
- ◆ whether there are any claims arising from the conduct of the directors, officers, advisers and KPMG.

In the available time, I have undertaken the investigations detailed in section 4 of this Report.

### 2.2 Basis of Report

This Report has been prepared from information obtained from the Companies' books and records, discussions with the Companies' current and former officers, employees, advisors and agents, and publicly available sources such as Australian Securities Exchange (**ASX**), Australian Securities and Investments Commission (**ASIC**), Personal Property and Securities Register (**PPSR**).

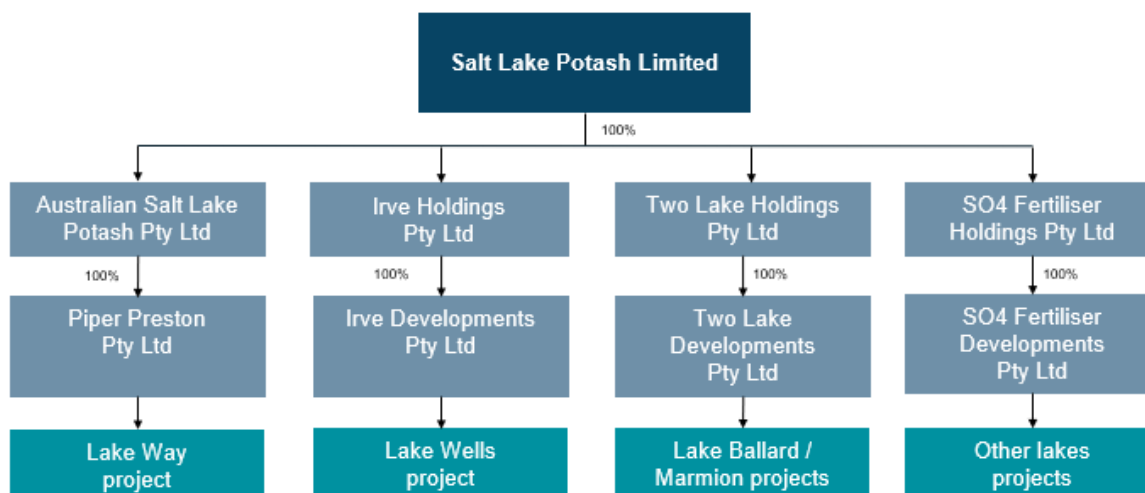
Although I have conducted certain investigations into the affairs of the Companies, there may be matters which I am unaware of. Further, in light of the lack of cooperation from the Companies' directors and chief financial officer I have made certain assumptions in respect of the Companies' affairs. These assumptions may not be correct and if investigated further my opinions may change.

An audit of the Companies has not been undertaken.

### 3 Background

#### 3.1 Group structure

The Companies' group structure is presented in the diagram below.



Information available to me indicates that only Salt Lake Potash Limited (**SLP**) and Piper Preston Pty Ltd (**PP**) conducted trading activities. The other subsidiaries held certain tenements but did not trade. Corporate actions were centred in SLP, whereas efforts to develop and produce sulphate of potash (**SOP**) occurred in PP.

#### 3.2 Companies' officers

The officers of SLP over the past 12 months were:

Name	Office held	Date appointed	Date ceased
Ian Middlemas	Director	21/01/2010	-
Matthew James Bungey	Director	14/05/2020	-
Philip Montgomery	Director	19/10/2020	-
Bruce Robert Errol Franzen	Secretary	10/08/2021	-
Tony James Swiericzuk	Director	05/11/2018	22/10/2021
Rebecca Ellen Morgan	Director	22/06/2021	22/10/2021
Peter James Thomas	Director	19/10/2020	21/10/2021
Bryn Llywelyn Jones	Director	12/06/2017	04/05/2021
Matthew McNeil Worner	Secretary	30/04/2021	10/08/2021
Clinton Wade McGhie	Secretary	10/08/2018	28/04/2021

The following table shows the directors of the remaining SO4 entities over the past 12 months:

Company	Stephen Douglas Cathcart	Tony James Swiericzuk
Australian Salt Lake Potash Pty Ltd	30/04/2019 - present	22/11/2018 - 22/10/2021
Piper Preston Pty Ltd	30/04/2019 - present	22/11/2018 - 22/10/2021
Irve Holdings Pty Ltd	26/04/2019 - present	26/04/2019 - 22/10/2021
SO4 Holdings Pty Ltd	26/04/2019 - present	26/04/2019 - 22/10/2021
Two Lake Holdings Pty Ltd	26/04/2019 - present	26/04/2019 - 22/10/2021
Irve Developments Pty Ltd	24/06/2019 - present	24/06/2019 - 22/10/2021
SO4 Developments Pty Ltd	24/06/2019 - present	24/06/2019 - 22/10/2021
Two Lake Developments Pty Ltd	24/06/2019 - present	24/06/2019 - 22/10/2021

Bruce Robert Errol Franzen is the current company secretary of the remaining SO4 entities, having been appointed on 10 August 2021.

### 3.3 Shareholders

SLP is a publicly listed company with its shares traded on the ASX and on the Alternative Investment Market (**AIM**), a sub-market of the London Stock Exchange, in the United Kingdom. While it would be impractical to list all the shareholders in this report, the ten largest holders as at the date of appointment of KPMG Administrators are presented in the table below.

Holder	Owner Type	Stock Held	%
Fidelity International Ltd	Traditional Investment Managers	80,553,442	9.88%
Lombard Odier Asset Management (Europe) Limited	Traditional Investment Managers	71,661,993	8.79%
Ellerston Capital Limited	Traditional Investment Managers	45,631,068	5.60%
Equatorial Resources Limited (ASX:EQX)	Corporations (Public)	44,222,223	5.42%
Middlemas Ian Peter (Chairman)	Individuals/Insiders	22,500,000	2.76%
Swiericzuk Tony James (Former Executive Director)	Individuals/Insiders	5,454,470	0.67%
Pearce Mark Laurence (Former Non-Executive Director)	Individuals/Insiders	4,450,000	0.55%
Matthew Bungey (Non-Executive Director)	Individuals/Insiders	2,014,075	0.25%
Philip Montgomery (Non-Executive Director)	Individuals/Insiders	1,250,000	0.15%
Shaun Day (Former CFO)	Individuals/Insiders	1,002,405	0.12%

### 3.4 History and Background

SO4 was established in 2015, when Wildhorse Energy Limited (**Wildhorse**) acquired 100% of the shares in Australian Salt Lake Potash Pty Ltd (**ASLP**). Wildhorse at that time had two failed uranium projects in Hungary and held interests in uranium and vanadium projects in Colorado, USA. ASLP had two salt lake brine projects in WA, Lake Wells and Lake Ballard, which had potential to produce SOP and on which testing works were being carried out. In November 2015 Wildhorse changed its name to Salt Lake Potash Limited (ASX: SO4). SO4 then concentrated solely on the salt lake projects, with the Hungarian uranium projects divested and the Colorado projects stalled.

In March 2016, SLP raised \$8.4M from institutional and sophisticated investors to accelerate the development of the Lake Wells project, including drilling, pump testing and evaporation trials. The funds were also to be used for scoping and other studies, including reconnaissance sampling at Lake Irwin, another prospective site at the time.

In August 2016, the Scoping Study for Lake Wells was published, confirming Lake Wells' potential to produce SOP at low cost. This scoping study announcement projected a two stage development, the first being a shallow bore and trench approach to deliver 200ktpa of SOP and the second utilising additional brine capacity from deeper bores to double the capacity to 400ktpa. Stage one envisaged 4 bores and 64km of extraction trenches. Stage two assumed the addition of 23km of trenches (to achieve a total of 87km) and 34 deep bores. The capital expenditure (**Capex**) programs for stage 1 and stage 2 were estimated at \$224M and \$44M, respectively.

By November 2016, the tests carried out at Lake Wells resulted in a sample of SOP product. The test work used a small sample of brine (240kg) to produce harvest salts from which laboratory flotation tests were done with satisfactory results. An extensive site evaporation trial was established to operate for a year, to generate data and salt for bulk sampling. This trial would continue until early 2019.

SO4 continued its explorational activities, including acquiring further salt lake tenements in the Goldfields region of Western Australia. By April 2017, SO4 had 9 lakes in its portfolio.

As part of a feasibility study process, SO4 made plans for a pilot plant to be constructed at Lake Wells. The pilot plant was intended to operate for one to two years to prove the technical concept. The pilot plant was to produce 40ktpa of product, and because of its small scale, with a capital cost of US\$35M, was expected to be relatively easy to finance.

In June 2017, SO4 raised \$17.6M for planning and initial construction of a pilot plant, as well as ongoing resource investigations, test work and studies.

In December 2017, SO4 announced results of reconnaissance sampling at Lake Way, which indicated potential for a large high grade SOP brine resource. The announcement highlighted Lake Way's strategic location and infrastructure advantages. This was the first indication of SO4 redirecting its focus from Lake Wells to Lake Way.

In March 2018, SO4 entered into a Memorandum of Understanding with Blackham Resources Limited (**Blackham**) for the potential development of Lake Way. Blackham's tenements, adjacent to SO4's, included Williamson Pit, which was capable of providing immediate brine supply. According to the agreement, SO4 was to acquire brine rights and Blackham was to acquire gold rights, from each other's respective holdings.

On 31 July 2018, a scoping study on development of a 50ktpa SOP demonstration plant at Lake Way was announced. It indicated a \$49M Capex requirement and estimated production costs of \$387/t of SOP. The objective was to produce initial harvest salts by mid-late 2019, for initial SOP production in early 2020 (subject to regulatory approvals, weather and other parameters). The announcement anticipated that the demonstration plant would operate for 12 to 24 months to establish parameters for larger scale production, and then be integrated into a larger operation.

In October 2018, the Department of Mines granted SO4 approvals for construction of up to 133ha of ponds and ancillary infrastructure, as well as de-watering of the Williamson Pit. This approval represented Stage 1 of the project and will be referred to as such in this Report.

On 22 October 2018, SO4 appointed Tony Swiericzuk as Chief Executive Officer and Managing Director. Mr Swiericzuk's terms of appointment included incentives tied to a number of milestones - the commencement of trench and pond installations, and the commencement of construction of the Processing Plant - with further significant performance rights to be granted subject to successful plant commissioning and achieving nameplate capacity. The incentives did not make reference to output from the ponds. It appears that at this point the demonstration plant producing 50ktpa announced in July 2018 was set aside in favour of a full scale production plant.

In November 2018, SO4 raised \$13M in an equity offering to fund construction of the ponds and dewatering of Williamson Pit, ongoing development of infrastructure, exploration and feasibility studies and general working capital.

In early 2019, the evaporation trials commenced in 2016 had produced 2t of harvest salts, which were sent for processing to the Saskatchewan Research Council (**SRC**), to be used in developing the Lake Way process flow sheet. Construction of 125ha Stage 1 of evaporation ponds began in March 2019 and in April an agreement with Blackham was executed to allow for an accelerated pathway to production, through utilisation of Blackham's mining leases for construction works and utilisation of Williamson Pit as the source of brine.

In June 2019, SO4 raised \$20.3M of equity to fund construction of the Lake Way project, including on-lake infrastructure, deposits on long lead process plant items and completion of feasibility studies. A Scoping Study was also released to the market for production of 200ktpa premium grade SOP.

In August 2019, SO4 entered into an agreement with Taurus Mining Finance Fund No. 2 L.P. (**Taurus**) to finance the construction of the Lake Way project. The facility, totalling? US\$150M, was staged, with the first tranche of debt at US\$30M advanced to SO4 at the time of signing.

On 11 October 2019, the Bankable Feasibility Study was published, announcing that the results were "outstanding" and that the project would generate "outstanding returns". Annual projected production of SOP was increased from 200kt to 245kt.

In December 2019, SLP raised a further \$23.5M of equity capital for the ongoing development of Lake Way project. A further US\$15M was also advanced from the debt facility with Taurus (to a total of US\$45M).

By February 2020, the construction of an additional 275ha of evaporation ponds was completed (being Stage 2 of the project), taking the total evaporation ponds area to 400ha. From the evidence available to me I understand that bores and trenches supporting Stage 2 ponds were not completed.

In April 2020, SO4 completed another capital raising of \$20M from institutional investors. The funds were to enable continuation of the project delivery schedule. The commissioning of the plant was projected for December 2020 at that stage.

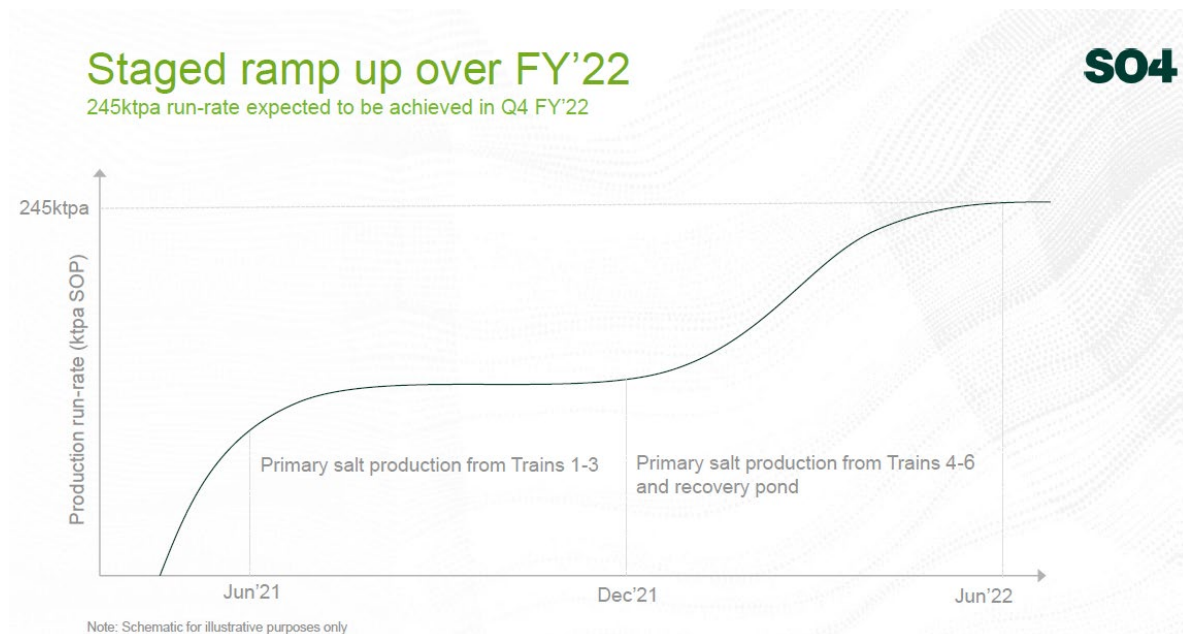
During the first half of calendar 2020, SO4 reported above-modelled brine extraction (based on a 17-day period) and harvest salt results (based on a 277kg bulk sample from Stage 1 ponds). It also commenced the plant construction process, with contracts for both the plant and non-process infrastructure awarded to GR Engineering in June 2020.

On 5 August 2020, SO4 announced that the Lake Way project was fully funded, as it had executed a debt financing package with Taurus and Clean Energy Finance Corporation (**CEFC**) for US\$138M (**Syndicated Facility**) and raised \$98.5M of equity capital from investors. The funds were to be used for construction of the processing plant, operational expenses and repayment of the initial tranches (US\$45M) of the Taurus debt. At that point, the first SOP sales were expected by March 2021.

In December 2020, SO4 required a further capital injection of \$52M, in order to draw on the first US\$105M of the Syndicated Facility. The funds were designated for cashing back a bank guarantee (\$18M), variations for ramp up and additional working capital. SO4 advised that production of SOP was on target for March 2021.

In March 2021, Commonwealth Bank of Australia (**CBA**) and Sequoia Economic Infrastructure Income Fund (**SEI**) joined the Syndicated Facility.

With the processing plant commissioning commenced, SO4 projected a production rate of c.90ktpa of SOP by June 2021, ramping up to a rate of 110ktpa by December 2021, before reaching nameplate capacity of 245ktpa by June 2022. This was graphed in the presentation dated 10 March 2021 as follows:



At the end of April 2021, after significant delays, SO4 received the environmental permits required for construction of its Stage 3 ponds and the associated trench and bore infrastructure, to support full scale operations of 245kt of annual SOP production. Records available to me indicate that construction of Stage 3's ponds was expected to take three months. SO4's brine plan anticipated first salt harvest from Stage 3's ponds in November 2021, or four months after the ponds were constructed.

In May 2021, in order to drawdown the final debt amount of US\$33M under the **Syndicated Facility**, another capital raise of \$28M was required. With the plant commissioning over 50% complete, the first SOP production was expected "within weeks".

On 1 July 2021, SO4 announced practical completion of the processing plant, although "fine tuning" of the flotation circuit was still occurring. First SOP products were expected "in the weeks ahead".

On 27 July 2021, SO4 entered a trading halt prior to an important announcement released on 29 July 2021.

On 29 July 2021, SO4 advised the ASX of problems with the process plant's flotation circuit and salt inventories. These issues caused SO4 to significantly reduce its FY2022 SOP production. The announcement also advised of the need for further funding before the end of 2021 in order to continue operations at Lake Way. This is a critical event and will be referred to repeatedly in this report.

On 2 August 2021, ASX issued a letter to SO4 requesting explanations and answers as to SO4's awareness of the problems highlighted in the 29 July 2021 announcement.

Throughout August 2021, SO4 directors considered plans to raise further capital, including identifying and engaging with potential strategic investors. A Technical Committee was established to produce a report in relation to the updated (downgraded) mine plan and brine plan for the Lake



Way project. Having recognised SO4's difficult financial position and the need for significant further funding, Thomson Geer lawyers (**Thomson Geer**) were engaged in relation to a proposed equity raising and Safe Harbour process. KPMG was subsequently engaged by Thomson Geer to assist regarding the latter.

On 27 August 2021, the resignation of Mr Swierczuk as CEO was announced on ASX, although Mr Swierczuk was to stay on the board.

At the end of August 2021, Euroz Hartley and Canaccord Genuity were engaged as joint lead managers (**JLM**) for the equity raise of \$90M, expected to launch on 24 September 2021.

The records available to me indicate that as at 22 September 2021 the board thought it reasonably likely that the target funds of \$90M would be raised. My investigations reveal that the JLM throughout the capital raising process, which extended to most of October 2021, had received soft commitments for around half of the required amount, and subject to conditions that were likely unacceptable to other stakeholders.

In early October 2021, the Syndicate Group was approached to consider certain concessions, which if agreed to, would allow for the capital raise requirement to be lowered to \$75M. The Syndicate Group granted the initial request; however, further concessions were requested as a result of engagement with potential investors during October 2021.

As at 15 October 2021 the indications from investors were at \$43M, with further potential investment subject to further significant concessions from the Syndicate Group.

On 19 October 2021, the Syndicate Group confirmed that further conditions requested could not be granted. Consequently, on 20 October 2021 the directors resolved to place SO4 into Voluntary Administration.

## 4 Investigations

### 4.1 Nature and scope of review

The Court Order required me to carry out certain investigations into the Companies' affairs and report on:

- a) when the Companies became insolvent;
- b) whether there are any claims against directors in relation to insolvent trading;
- c) whether there are any claims against the parent company in relation to insolvent trading;
- d) whether there are any claims in relation to voidable transactions, such as unfair preference payments received by creditors of the Companies from 19 August 2021 until the date of appointment of KPMG Administrators; and
- e) whether there are any claims arising from the conduct of the directors, officers, advisers and KPMG.

Claims identified in relation to items b) to d) can only be pursued by a liquidator when the company is in liquidation. Claims arising from item e) may or may not have this restriction. The existence and type of claims are therefore relevant when considering potential returns to creditors if the Companies are placed in liquidation as compared to a DOCA and will assist creditors in assessing whether or not to accept a DOCA proposal.

I investigated matters to the extent possible in the time available using the information made available to me.

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

- ◆ ASIC;
- ◆ ASX;
- ◆ PPSR;
- ◆ the Companies' books and records, including mine plans, brine plans and harvest plans;
- ◆ directors' reports on company activities and property (ROCAPs);
- ◆ discussions with a former director of the Companies;
- ◆ discussions with current and former employees of the Companies;
- ◆ information from the Companies' legal representatives;
- ◆ information from the Companies' auditors;
- ◆ information from the Companies' agents;
- ◆ discussions with unsecured creditors of the Companies; and
- ◆ other public databases.

### 4.2 Non-cooperation of directors

Shortly after my appointment I wrote to the directors and former directors inviting them to a meeting with me, which would allow me to gain further understanding of the Companies' affairs and thus progress my investigations as per the Court Order.

Mr Swiericzuk attended a meeting with me and provided me and my team with background to the Companies and details of events leading to the appointment of the KPMG Administrators.

Mr Middlemas attended a meeting with me but refused to provide substantive answers to my questions in relation to the Companies' affairs. I wrote to Mr Middlemas documenting my questions



and his lawyers responded, however they did not provide any substantive answers to my questions on the grounds of his privilege against self-incrimination.

The remaining directors, Mr Bungey and Mr Montgomery, and directors who resigned between the appointment of KPMG Administrators and the Court Order (Ms Morgan and Mr Thomas), as well as the Chief Financial Officer, all declined to meet with me or otherwise refused to answer my questions due to the prospect that they may incriminate themselves.

The lack of co-operation from the abovementioned directors hindered and protracted my investigations considerably. Further, I consider the directors' conduct an offence pursuant to section 438B(3) of the Act, which requires directors to attend on the administrator as he or she reasonably requires.

I have reported this conduct to the relevant authorities and I continue assisting with their investigations and potential prosecution of these offences.

### 4.3 The Companies' solvency

#### 4.3.1 Overview of insolvency tests and indicators

In order for a liquidator to recover funds through the voiding of certain transactions or through other legal action, such as seeking compensation from directors for insolvent trading, the company's insolvency must be established at the relevant time.

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

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

The Courts have given preference to the cash flow or commercial test, as the balance sheet test may not give adequate consideration to the timing of realisation of a company's assets at times when its liabilities are due and payable. For example, a company may have significant assets, but be unable to realise them in the short term. To the extent that its liabilities are due and payable in the near term, the company could be assessed as being insolvent. This is applicable to SO4, in that its significant assets were non-current, namely the mine development, and were not capable of generating additional cash quickly.

In the SO4 group, SLP and PP were the only entities with trading activities. The other entities did not trade at all or only at an insignificant level.

SLP relied on external funding, in the form of equity capital, to remain solvent. Its ability to obtain equity funding depended on PP's performance in commercialising the production of SOP. If PP's performance became compromised, SLP's ability to obtain equity funding would be affected accordingly. In addition, SLP, along with the other SO4 entities, was a guarantor under the Syndicated Facility.

PP never reached its production phase and required external funding to remain solvent. This funding was sourced from loans advanced by SLP and the Syndicated Facility. The funding from SLP was obtained through its equity raising activities.

For the above reasons, I view SLP's and PP's financial positions to be intertwined; if one entity became insolvent the other entity would become insolvent at the same time. Guarantee arrangements under the Syndicated Facility meant the remaining SO4 entities would be affected similarly.

I have summarised below the insolvency indicators adopted by the Courts and ASIC, together with my comments. Unless noted otherwise, consolidated financial results for SO4 have been used.

#### 4.3.1.1 Profitability

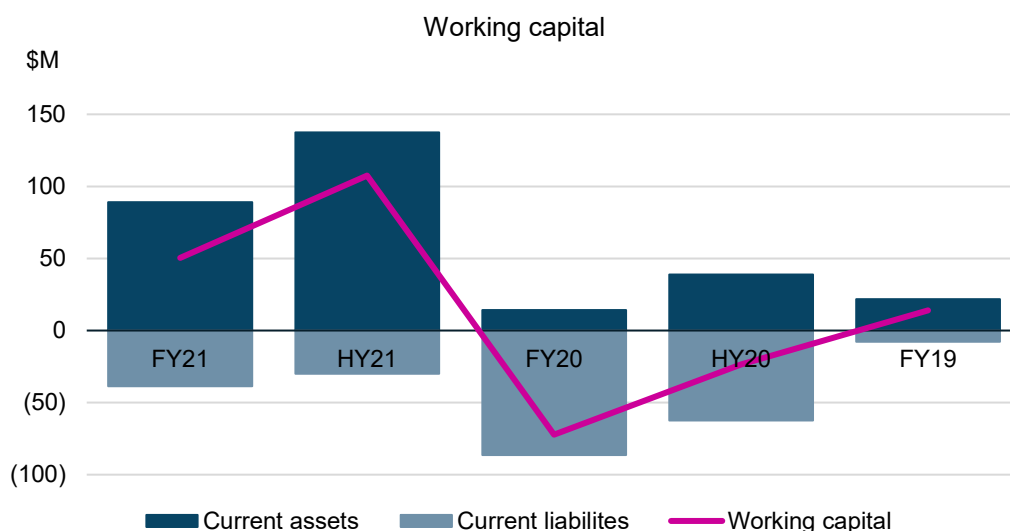
SO4 was loss making since inception as, at the time of appointment of the KPMG Administrators, it had not yet reached the revenue generating stage. This is not unusual for mining companies in pre-production phase of their life cycle. This indicator is therefore of limited use in establishing when SO4 became insolvent.

#### 4.3.1.2 Working capital and liquidity ratio

The historical working capital is presented in table and graph below:

	30/06/2021 FY21 \$'000	31/12/2020 HY21 \$'000	30/06/2020 FY20 \$'000	31/12/2019 HY20 \$'000	30/06/2019 FY19 \$'000
Total current assets	89,059	137,405	14,162	38,812	21,705
Total current liabilities	38,655	29,895	86,394	62,363	7,808
Working capital	50,404	107,510	(72,232)	(23,551)	13,897
<b>Current ratio</b>	<b>2.3</b>	<b>4.6</b>	<b>0.2</b>	<b>0.6</b>	<b>2.8</b>

Source: Annual and Half Year accounts published on ASX

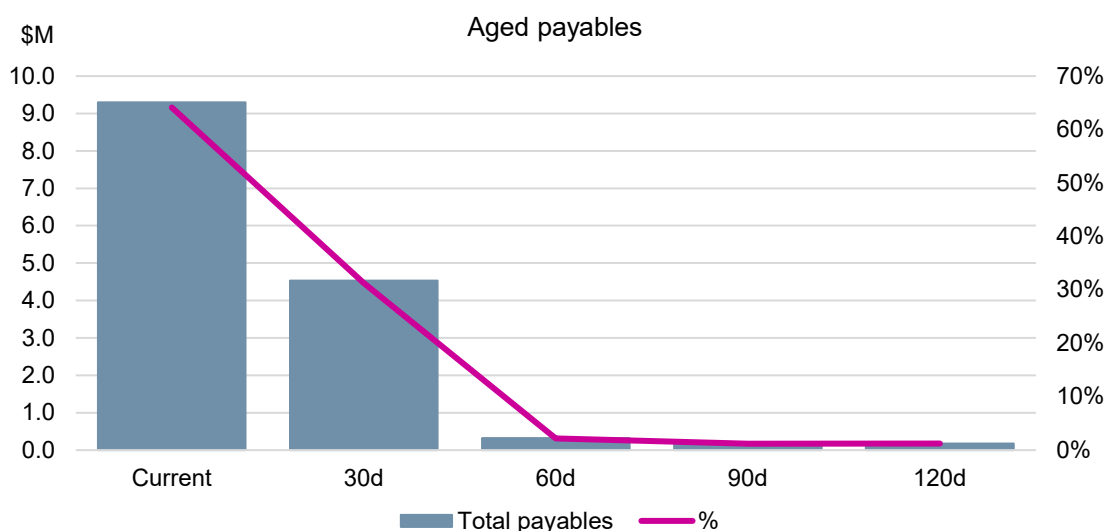


The working capital was negative as at 31 December 2019 (HY20) during the loan restructure with the Syndicate Group, and as at 30 June 2020 (FY20), which was shortly prior to a successful capital raise of \$98.5m in August 2020. The capital raise contributed to restoring SO4 to a positive working capital position.

KPMG Administrators carried out a review of working capital as part of their work for SO4 (prior to their appointment as Administrators), projecting that SO4 would have negative working capital at some point between 7 September and 5 October 2021. My investigations largely concur with their assessment.

#### 4.3.1.3 Ageing of trade creditors

SO4 has been paying its trade creditors largely within terms, with 95% of payables being current or less than 30 days overdue, as presented in the graph below:



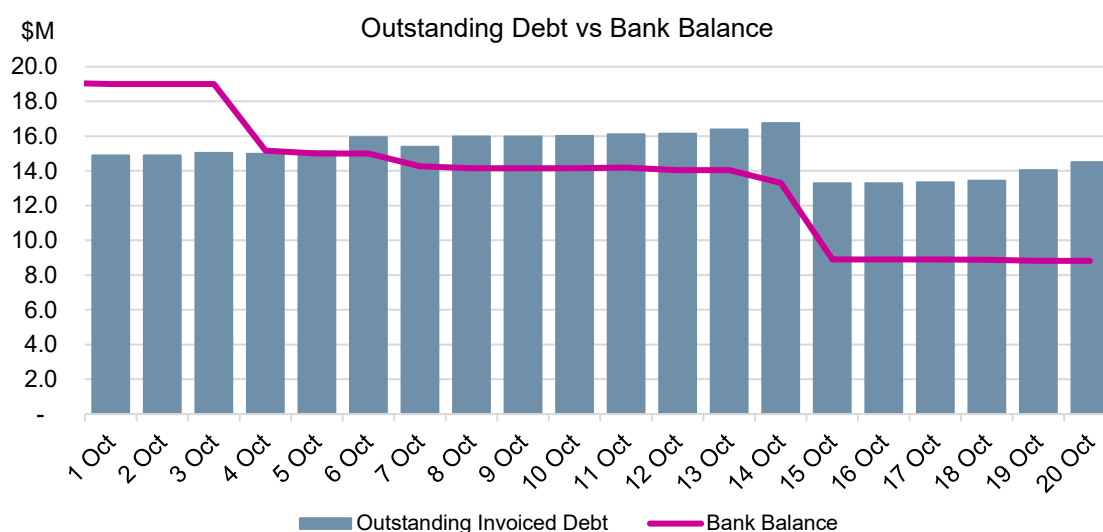
Source: Avior analysis of SO4 books and records

I have uncovered isolated instances of creditors indicating placing SO4 on cash on delivery terms, or otherwise demanding payments before resuming supply; however, it appears those instances were a result of administrative processing errors at SO4, rather than shortage of funds.

There is no evidence of payments to creditors of rounded figures irreconcilable to specific invoices.

#### 4.3.1.4 Cash available

The analysis of SO4's cash position against its trade debts indicates that the trade liabilities (as invoiced by suppliers) exceeded SO4's cash at bank balance on 5 October 2021. The deficit continued, as presented in the graph below, until the appointment of the KPMG Administrators.



Source: Avior analysis of SO4 books and records

#### 4.3.1.5 Inability to produce timely and accurate financial information to display the company's trading performance and financial position and make reliable forecasts

Information provided to the directors was weak in terms of meaningfulness and relevance. It was also occasionally delivered very late.

Historically the board did not hold regular meetings to review the business' performance. Instead, meetings were held a few times a year, with numerous board decisions made by circular resolution. Regular (weekly) meetings, however, began occurring from 6 August 2021 onwards, i.e. after the 29 July 2021 ASX announcement, which highlighted the operational and financial issues SO4 was facing.

Since around November 2020 the board was updated by way of a CEO report issued on the 20th day following month end. The CEO report was approximately 50 pages, with additional documents annexed separately, and included detailed technical information, which appeared difficult for the board to understand. Some of the board members requested information to be presented in a simplified, more understandable format; however, it appears that a simplified format was not adopted.

An example of information being delivered late is the board meeting scheduled for 27 April 2021, during which SO4's performance for March 2021 was to be considered. The meeting was postponed to 10 May 2021 due to COVID. The general counsel, in his email to the CEO, Project Director (cc CFO) on 9 May 2021, highlighted the fact that the information was significantly out of date and should be updated, especially given the fact that first SOP production was still, at that time, anticipated in May 2021. No updated information was prepared for the board.

A further example occurred in relation to the CEO report for April 2021. It was emailed to the board on 25 May 2021, a day after the capital raise of \$28M was announced to the ASX. There does not appear to be any information to suggest that the Companies' directors required updated information prior to the capital raise proceeding.

The information provided to the Board did not contain tracking against plans or targets.

As a result of requests for more easily understandable information, on or around 25 June 2021 a dashboard was prepared by the SO4 technical team showing results for the month of May 2021. The dashboard included 11 graphs, but still lacked information pertaining to salt production (which by that time was identified as a critical issue) and SOP production against their respective targets.

Had steps been taken to design more meaningful and relevant reports, delivered in a more timely manner, issues surrounding salt production would have been identified sooner, enabling a more effective response.

#### 4.3.1.6 Other Insolvency indicators

I comment on other insolvency indicators and their application to SO4 below:

Insolvency indicator	Administrator's comments
Overdue Commonwealth and State taxes	<p>The investigations carried out to date indicate that while the tax return was not filed for FY20 or FY21, SO4 was unlikely to have outstanding tax liabilities, due to its loss making history. A refund was expected of c.\$2m as a result of R&amp;D tax incentives.</p> <p>No evidence of other Commonwealth or State taxes outstanding was uncovered.</p>

Insolvency indicator	Administrator's comments
Inability to dispose of non-core assets	SO4 did not have any non-core assets available for disposal. My investigations indicate that plant and machinery was routinely disposed of once no longer required, however, the amounts raised were negligible considering SO4's operating costs.
Special arrangements with selected creditors	No evidence uncovered.
Dishonoured payments / postdated cheques	No evidence uncovered.
No forbearance from creditors / legal action threatened or commenced by creditors	No evidence uncovered.

#### 4.3.2 Preliminary conclusion as to solvency

Based on the availability of cash to pay the debts, I concluded that SO4 was likely insolvent from 5 October 2021 onward.

### 4.4 Potential liquidator recoveries – insolvent trading

#### 4.4.1 Directors' liability

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

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

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

The substantive elements of Section 588G are:

- ◆ a person must be a director of a company at a time when the company incurs a debt;
- ◆ the company must be insolvent at the time or becomes insolvent by incurring the debt; and
- ◆ the director must have reasonable grounds for suspecting that the company is insolvent or would become insolvent.

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

- ◆ the director had reasonable grounds at the time the debt was incurred to expect the company to be solvent and would remain solvent even after the debt was incurred;
- ◆ the director relied on another competent and reliable person to provide information about whether or not the company was insolvent;
- ◆ the director was ill or for some other good reason did not take part in the management of the company; and
- ◆ the director took reasonable steps to prevent the incurring of the debt.

I comment on the availability of the first defence below in section 4.4.1.1. Safe Harbour protection from an insolvent trading claim pursuant to Section 558GA of the Act is discussed in section 4.4.1.2 of this Report.

For a successful insolvent trading claim, a liquidator must form an opinion as to the date of insolvency and determine the debts incurred from that date; thereby quantifying the loss to the company.

My investigations indicate that debts invoiced by suppliers from 5 October 2021 onwards totalled approximately \$5M. I estimate the value of debts incurred after 5 October 2021 are in the range of \$2M to \$5M. The majority of these debts were incurred by PP, as shown in the following table:

Entity	Debt invoiced \$M
SLP	0.15
PP	4.92
<b>Total</b>	<b>5.07</b>

Employee entitlements accruing from 5 October 2021 onward have not been calculated for the purpose of quantifying the potential insolvent trading claim. Given the short period of time between the insolvency and Administration dates, employee entitlements would unlikely have a material effect on the quantum of the potential claim.

A liquidator would complete the investigation into the Companies' failure, including detailed quantification of the potential claim. Prosecuting an insolvent trading claim is a complex and costly process and it is not unusual for the costs to exceed \$0.5m. In this case there may be some efficiencies if the claims against SLP and PP are pursued together so that the total costs do not exceed \$1M. No assurances, however, can be given that this will be achieved.

My investigations also indicate that a directors and officers insurance policy was in place that could respond to the claims.

#### 4.4.1.1 Directors' defence – access to external funds

SO4 funded its operations with debt and equity capital. It also solicited interest from strategic investors. I consider SO4's efforts to access these sources of external funds below.

SO4's Syndicated Facility was drawn on in two tranches, in December 2020 (US\$105M) and in June 2021 (US\$33M). Each drawdown was preceded by an equity raise (\$52M in December 2020 and \$28M in May 2021), which indicates that the funds were not available for a drawdown at any time, but rather on certain conditions (capital raisings). Following the capital raise in May 2021, the Syndicated Facility was fully drawn at US\$138M. Post the 29 July 2021 ASX announcement, SO4 sought concessions from its lenders in relation to the Syndicated Facility. Those discussions did not result in additional loans or material deferrals in SO4's repayment obligations.

From July 2021, when the project's problems became apparent, SO4 did not (or could not) turn to its lenders for an extension to the facility and instead attempted another equity raising.

In relation to equity capital, SO4 had raised \$221.5M from 5 equity raisings in the 24 months preceding the Administration, as follows:

Date	Equity raised \$M
May 2021	28.0
Dec 2020	52.0
Aug 2020	98.5
Apr 2020	20.0
Dec 2019	23.0
<b>Total</b>	<b>221.5</b>

After the 29 July 2021 ASX announcement, SO4 commenced preparations for an equity raising with a targeted amount of \$90m. In my view, this capital raising was critical for the Companies' continued survival and the prospects of successfully raising this capital becomes a critical turning point for any defence to insolvent trading.

Indications of weak investor demand led to a further review of SO4's cash requirements, such that, subject to certain concessions from the Syndicate Group, an equity raising of \$70M was expected to be sufficient. An outcome materially less than this would not resolve the funding shortfall and enable Lake Way to reach commercial production.

As part of my investigations, I met with representatives of one of the JLM for the equity raise. I was advised at that meeting that the book building effort was difficult and demand levels were significantly below target, and that this was communicated to the Companies' directors at various stages through September and October 2021. This message from the JLM did not change materially. I have also reviewed the email messages between SO4, the JLM and the lenders during the equity raise process. Whilst some concessions were obtained from the Syndicate Group that may have assisted the capital raising efforts, order commitments did not materially improve. Without such improvement, SO4's financial requirements would not be met.

In parallel to preparations for the equity raise, SO4 also approached a number of parties as potential strategic investors. If successful, such an arrangement would have resulted in a significant equity infusion into SO4. The evidence available indicates that SO4 identified a number of potential strategic shareholders and attempted to engage with them. The board's efforts in securing the required strategic investor were unsuccessful and concluded by mid September 2021.

I have concluded that by 5 October 2021 the Companies' directors were aware (or should have been aware) that the anticipated capital raising would not be successful. I am therefore currently unable to see how the directors could reasonably expect that external funding would be accessed so that the debts incurred after 5 October 2021 could be paid. Indications prior to that date strongly signalled that external funding would most likely be not accessed.

#### 4.4.1.2 Safe Harbour exemption

Section 588GA of the Act provides an exemption to directors against an insolvent trading claim, if the directors take a course of action reasonably likely to lead to a better outcome for the company than an immediate appointment of administrator or liquidator would. This is known as Safe Harbour.

There are certain obligations on directors who wish to rely on Safe Harbour protection, such as properly informing themselves of the company's financial position, taking appropriate steps to prevent any misconduct by officers or employees that could adversely affect the company's ability to pay all its debts, taking appropriate steps to ensure that adequate financial records are kept, obtaining advice from an appropriately qualified entity, and developing or implementing a plan for restructuring the company to improve its financial position.



Safe Harbour is not available if the company fails to pay its employee entitlements by the time they fall due or fails to lodge any returns required by taxation laws, resulting in either less than substantial compliance with the requirements, or two or more such failures in the preceding 12 months.

Following the ASX announcement on 29 July 2021, in which the forecast production was significantly downgraded and the need for further funding was disclosed, SO4's directors appear to have commenced work on a rescue plan for the Companies, which comprised a large equity raising.

In early August 2021, SO4 engaged Thomson Geer lawyers to assist with the proposed upcoming equity raising and any issues relating to Safe Harbour.

Thomson Geer in turn engaged KPMG to carry out a review of SO4's compliance with statutory requirements for the Safe Harbour protection, as well as review of SO4's cashflow and working capital.

The directors held regular board meetings from August 2021, with reports from both Thomson Geer and KPMG considered, while they worked on the equity raising to secure funding until SOP production commenced and reached a steady state.

I believe there is evidence that Safe Harbour ended by 5 October 2022 and it may be argued that Safe Harbour may not have been in place at all due to the Companies' failure to lodge various statutory reports.

As indicated in section 4.4.1.1, SO4 made preparations for and launched an equity raising campaign between 29 July 2021 and 21 October 2021. Reports from the JLM during the campaign were that the book build was materially lower than requirements. This position did not change so that, by 5 October 2021, it should have been evident to the directors that the equity raise would not succeed. As the directors' Safe Harbour plan, being an equity raise, was no longer viable, I consider that Safe Harbour was not in place from that date onward.

KPMG's review resulted in five reports being issued on 9, 20 and 30 September 2021 and 8 and 15 October 2021 (**KPMG Reports**). The KPMG Reports state that substantial compliance with the Safe Harbour conditions were achieved. My investigations into SO4's affairs, Thomson Geer's engagement and KPMG's engagement indicate that compliance may not have been achieved. The wording of the Safe Harbour legislation is such that protection is taken to have never been in place if there have been two or more failures to lodge a return under taxation laws. SO4, on multiple occasions, failed to lodge Superannuation Guarantee Charge statements (**SGC statements**) in relation to superannuation amounts that were paid late. It does not appear that the SGC statements have been lodged. Most of the SGC statements appear to relate to contributions for a single employee.

I note that the KPMG Reports identify the outstanding SGC statements and advise the Companies that these reports should be lodged.

The Safe Harbour legislation is relatively new and has not been tested in the Australian courts. However, interpretation of the phrase "substantial compliance" is consistent across case law (other than in the Safe Harbour context) to be derived from a comparison of the actual compliance completed and the level of compliance the legislation seeks to achieve. The analysis is focused around whether the degree of compliance will prejudice the significant application of the general object of the legislation. It is possible that a court may grant an exception in this case regarding the requirement to lodge returns under tax laws. Alternatively, a court may determine that substantial compliance was achieved. Both outcomes would result in Safe Harbour not being forfeited.

If Safe Harbour was found to have been in place, it still would have concluded on 5 October 2022 when it was apparent that the directors' plan of sourcing external funding had ended.



#### 4.4.2 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.

PP was the only trading subsidiary of SO4, which relied on SLP to raise funds for its expenditure until SOP production and sales commenced.

SLP may be held liable for debts incurred by PP, having regard for the following factors:

- ◆ SLP was the ultimate parent of PP;
- ◆ SLP was one of PP's two key sources of funding;
- ◆ SLP was aware that PP's other source of funding (debt) was also unavailable;
- ◆ there were grounds to suspect PP was insolvent as it relied solely on SLP for funding;
- ◆ SLP had extensive control over PP and its activities; and
- ◆ PP had common directors with SLP and those directors were aware of the points above.

At present it appears that SLP is insolvent. It's ability to respond to a claim under section 588V would likely be based on the directors and officers insurance policy.

As explained in section 4.4.1, the value of invoices issued against PP after 5 October 2021 totalled approximately \$5M. I estimate the value of a holding company insolvent trading claim to be in the range of \$2M to \$4M.

A liquidator would complete the investigation into the Companies' failure, including detailed quantification of the potential claim.

#### 4.5 Potential liquidator recoveries – voidable transactions

A liquidator has the power to void certain transactions which are either not beneficial to, or detrimental to the company. An administrator must identify any transactions that appear to be voidable by a liquidator.

Enclosed at **Annexure A** is a creditor information sheet published by ARITA. This information sheet details the types of transactions which a liquidator can seek to void.

##### 4.5.1 Unfair preferences

My preliminary assessment indicates potential preference payments of up to \$3.9M from 5 October 2021, being the date of insolvency, to the date of appointment of the KPMG Administrators, as follows:

Entity	Running balance account defence available		Running balance account defence not available	
	\$M	Creditors	\$M	Creditors
SLP	0.2	13	0.3	16
PP	2.9	78	3.6	87
<b>Total</b>	<b>3.1</b>	<b>90</b>	<b>3.9</b>	<b>102</b>

My assessment considers a running balance account defence, per section 588FA(3) of the Act.

I have not identified any potential preference payments in relation to other subsidiaries as they did not trade.

Please note my investigations are preliminary and further enquires will be required to assess validity, defences and recoverability of the identified potential preference payments.

#### 4.5.2 Uncommercial transactions

A liquidator must investigate transactions deemed to be uncommercial, having regard for the detriment to the company suffered as a consequence of the transaction in the period two years prior to the date of administration.

My investigations have not identified any transaction of this nature.

#### 4.5.3 Unfair loans

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

Currently, there does not appear to have been any unfair loans for any of the Companies.

#### 4.5.4 Voidable transactions - related parties

A liquidator must investigate related party transactions within four years of the date of administration and determine whether any unreasonable transactions occurred when the company was insolvent or was likely to become insolvent as a result of the transaction.

I have not identified any voidable transactions involving related parties.

### 4.6 Other potential liquidator recoveries

#### 4.6.1 Misstatement in, or omission from, disclosure document

A listed company has an obligation to continuously disclose information which may have an effect on its market price or value. Continuous disclosure is based on the principle that all investors should have equal and timely access to information about a company. Continuous disclosure obligations are governed by ASX Listing Rule 3.1 and section 674 of the Act.

Listing Rule 3.1 requires a listed entity to disclose information “concerning it” that “a reasonable person would expect to have a material effect on the price or value of the entity’s securities”.

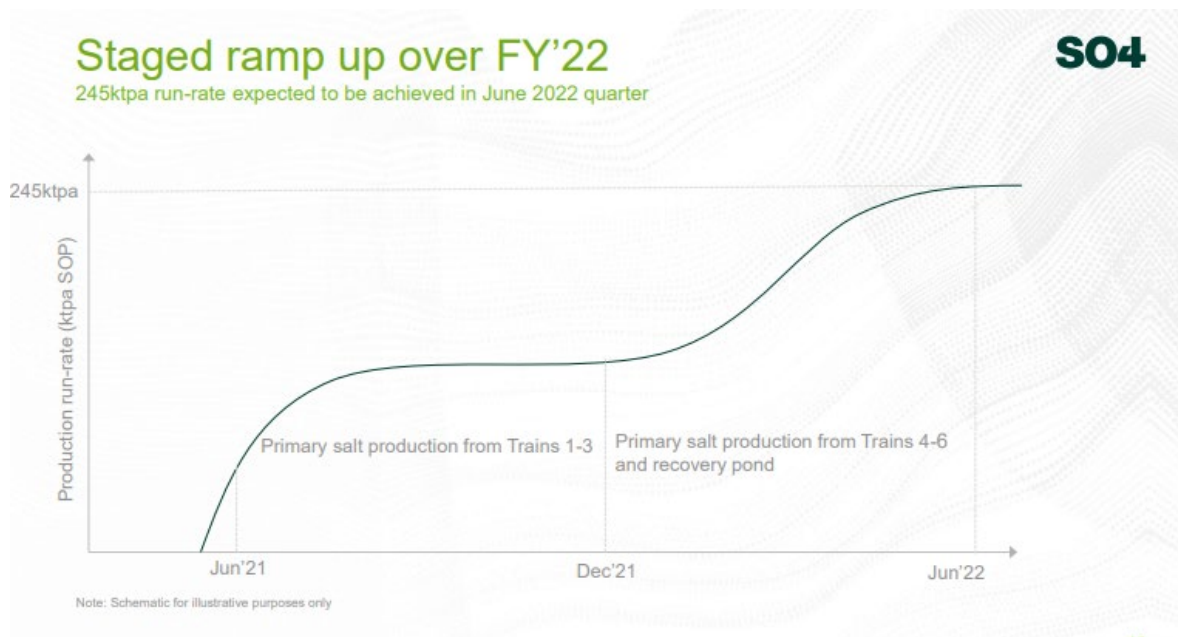
Section 728 of the Act states that shares must not be offered under a document that contains misleading or deceptive statements. It further explains that a statement about a future matter is misleading if there are no reasonable grounds for making the statement.

Section 729 of the Act specifies the persons who may be liable for loss and damage suffered by reason of a contravention of section 728 of the Act. Relevantly, both the company and each director of the company, can be held liable.

The combined effect of sections 728 and 729 of the Act is that, subject to certain defences, both the company and its directors are responsible for loss stemming from any misleading statement or relevant omission in a disclosure document, or any new circumstance that is not, but should be, disclosed in a disclosure document.

The ASX announcements issued by SO4 maintained that SOP production was imminent throughout the period leading up to the capital raising in May 2021.

The presentation to investors on 24 May 2021 included the following expected production ramp-up graph:



Source: Investor Presentation "Equity Raise accompanying final debt draw" published on ASX on 24 May 2021

A review of internal documents revealed that information indicating SO4 would be unable to achieve the above production targets existed as early as March 2021.

For SO4 to achieve the planned production two components were critical: an operational processing plant and salt stock to feed that plant.

SO4 experienced difficulties with the plant during the commissioning phase; this issue was disclosed at length to the market. The larger and less visible problem, however, was the lack of salt feed stock for the plant. The market was first advised of issues regarding sufficiency and quality of Lake Way's salt inventory in SO4's 29 July 2021 ASX announcement. SO4 did not have sufficient salt stock to feed the plant, not even once the plant's technical difficulties were resolved.

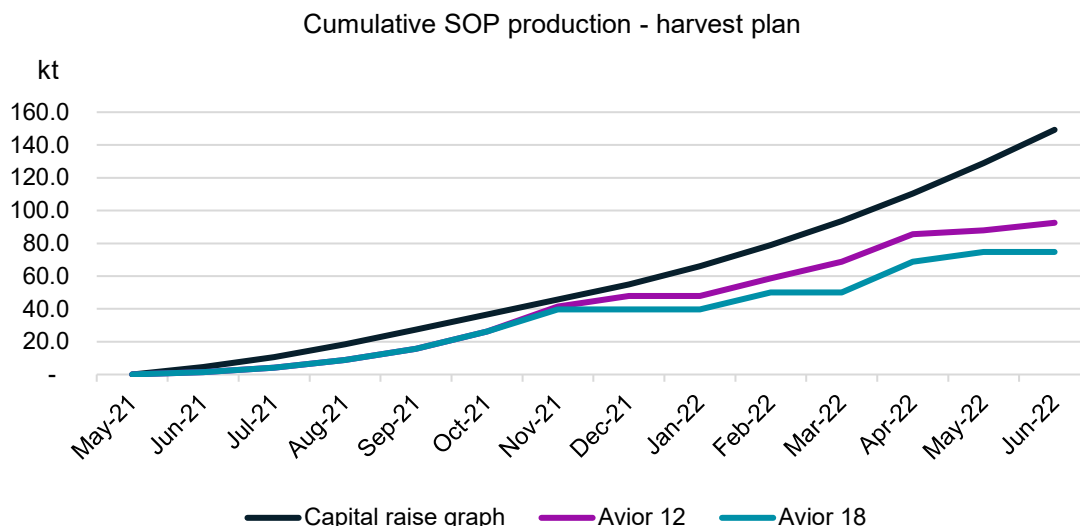
Salt feed stock was to be harvested from SO4's brine pond network. Brine solutions contained in the ponds required a minimum period before they reached a minimum required chemical composition and concentration that enabled the salt to be harvested. It appears that SO4's experience with brine ponds was that the salt water required a minimum of 12 months before it was ready to harvest. SO4's first pond was harvested after 18 months and the salt was still deficient.

The above graph, although "schematic and for illustrative purposes only" indicated that SOP production would commence before June 2021, reach a rate of approximately 110ktpa a few months later, before ramping up again from the first quarter of calendar year 2022 to reach the nameplate capacity rate of 245ktpa by June 2022. It can be inferred from the graph that approximately 150kt of SOP would be produced by June 2022.

The production profile in the graph aligns with SO4's harvest plan. Based on harvest time frames commented on above, it appears to me that harvest time frames in the harvest plan may have been optimistic and perhaps unrealistic. Depending on the pond, harvesting time frames in the harvest plan ranged from as little as four months to 11 months. These time frames appear inadequate.

I provide below a graph of SO4's cumulative salt production, derived from the investor production rate graph above. The graph shows 2 other production profiles: one assumes a salt harvest period of 12 months, the other a salt harvest period of 18 months. Under those conditions, SOP production

to 30 June 2022 totalled 75kt (12 mths) and 93kt (18 mths), significantly less than the estimated 150kt per the graph provided to investors.



Source: Avior Consulting analysis

It is possible that an argument could be raised that SO4 led investors to believe that the 245ktpa production rate would be reached by June 2022, 13 months from the capital raise, which was unlikely to be achievable. My investigations indicate that the project was behind schedule for earthworks, brine infrastructure and salt growth. This evidence was available to SO4 in the lead up to the May 2021 capital raise of \$28M. It appears the CEO and director was aware of this information, however, the rest of the board may not have been. It also does not appear that the rest of the board raised queries in that regard.

My overall conclusion, based on the information made available to me, is that the graph presented in the investors presentation on 24 May 2021 was potentially misleading, in that although forward-looking, it does not appear to me that there were reasonable grounds on which to base the graph, both in terms of production rate and total SOP to be produced. In making this finding I recognise that the subject matter is technical in nature and there may be factors currently unknown to me that, made known, may alter my conclusion. I also reiterate that the SO4's directors, except for Mr Swiericzuk, were unwilling to meet with me or answer my questions.

The May 2021 capital raise resulted in \$28M in funds received from investors. In my opinion the raise occurred as a result of potentially misleading and deceptive statements in the investors presentation and might not have been successful had the market been properly informed of SO4's true position. Section 729 of the Act allows for recovery of loss or damage suffered as a result of misleading or deceptive statements from, amongst others, SO4 and its directors. In the first instance, it appears that such a claim would belong to the investors who participated in the capital raising and also ASIC. I understand that no investors have made claims against SO4 to date.

#### 4.6.2 Compensation for breach of directors' duties

As outlined in section 4.6.1 of this Report, there was information available to SO4 and its directors (being Mr Swiericzuk) to conclude that the project was significantly behind schedule and the production plan was not achievable in the assumed timeframes. Despite that, SO4 raised \$28M of capital in May 2021, and had drawn on the final tranche of syndicated debt of US\$33M, with the funds received in early June 2021.

The focus at that time was on the processing plant, which was experiencing commissioning difficulties. In the third week of June 2021 the shortage of salt stock for production was raised with the directors of SO4 by one of the managers. This followed a poor salt harvest which resulted in salt stock quantities insufficient for the plant commissioning.

The directors then issued an update to the market on 1 July 2021 advising of practical completion of the processing plant and ongoing commissioning activities. The update was necessary given the prior commitments to produce SOP by the June 2021 quarter, which did not happen.

The downgraded forecast production and the deficient salt inventories were disclosed in an ASX announcement on 29 July 2021, following which the ASX issued a letter to SO4 requesting explanation as to the directors' awareness of the impending issues at the times of prior announcements. A sufficient response was not provided to the ASX prior to the appointment of the KPMG Administrators.

A technical committee was established in August 2021 to work on a revised mine plan, which was produced at the end of September 2021, and Thomson Geer and JLM were engaged to assist with a further capital raising required due to delays in revenue envisaged in the revised plan (caused by delays in the project in general). The required capital raising was ultimately unsuccessful. It is my view that the directors breached their duty imposed by Section 180 of the Act, which requires of them to act with the degree of care and diligence that a reasonable person in their position would exercise.

In my opinion, based on the books and records available to me the directors failed to properly inform themselves of the true position of SO4 in the lead up to the May 2021 capital raise. Had they done so, they would have uncovered significant delays to the project and the unfeasibility of the plan presented to the market. More frequent board meetings, with timely, meaningful and understandable information, including progress against plan and targets, would have assisted directors in keeping themselves informed of SO4's position and take appropriate action to discharge their duties.

In my opinion, because of the misleading statements issued during the May 2021 capital raise, combined with the apparent lack of due care and diligence of the directors, SO4 was on a trajectory to insolvency. The ASX query further exacerbated the situation, in that normal trading would not have resumed until substantive answers were provided to the satisfaction of the ASX. Given the evidence available in the months prior, it appears that SO4 was unable to offer answers acceptable to ASX.

Between end of May 2021 (after the capital raise) and the date of Administration, SO4's position deteriorated from net assets of \$229M to \$206M.

In my opinion, the lack of cooperation from the directors significantly hindered my ability to adequately investigate this area. Accordingly, any potential breaches of directors' duties require further investigation by a liquidator.

#### 4.6.3 Possible action against third parties

My preliminary investigations to date indicate potential claims against third parties. The claims, if determined to be valid, arise from possible misleading representations made to SO4.

##### 4.6.3.1 Thomson Geer

On or around 6 August 2021 SO4 engaged Thomson Geer in relation to a proposed equity raising and Safe Harbour process. KPMG was subsequently engaged by Thomson Geer to assist regarding the latter.

Section 588GA(2)(d) of the Act recommends that, in order to rely on the Safe Harbour defence, directors obtain advice from an *appropriately qualified entity who was given sufficient information to give appropriate advice*. The evidence available to me indicates that it was the directors' belief that Thomson Geer was engaged as the appropriately qualified entity.

Thomson Geer attended numerous board meetings from 26 July 2021 onward, in the capacity of Independent Board Legal Advisor, at which meetings Safe Harbour was considered.

Thomson Geer prepared Safe Harbour related presentations for of the Board and Thomson Geer's representative, according to the minutes, advised the Board during the Board meetings on many occasions.

As outlined below in section 4.6.3.2 of this Report, the directors may or may not be able to rely on the Safe Harbour exemption to avoid a claim for insolvent trading. If the exemption is successful, the insolvent trading claim may fall away. If Safe Harbour did not apply, then (depending on why safe harbour failed) directors may in turn allege a claim against Thomson Geer, as the appropriately qualified entity advising SO4 in relation to Safe Harbour.

In my view, Safe Harbour was not applicable after 5 October 2021 because the substantive element of the plan (capital raising) could no longer be achieved. To the best of my knowledge, Thomson Geer did not advise the Companies on the prospects of the capital raising and I consider that a claim against Thomson Geer for failure of Safe Harbour in this context would not succeed.

Alternatively, I consider that Safe Harbour was not available after 5 October 2021 because of the Companies' persistent failure to lodge certain statutory reports. In the event that Safe Harbour fails because of these compliance failures, then there could conceivably be a potential claim against Thomson Geer for not advising the Companies properly in this regard. Such a claim is discussed in section 4.6.3.2 of this report.

#### 4.6.3.2 KPMG

On 26 August 2021 KPMG was engaged by Thomson Geer for provision of services to Thomson Geer's client, SO4. KPMG was to conduct a compliance review to confirm that SO4 met its statutory obligations (Scope Item 1) and provide cashflow review and assistance in that regard (Scope Item 2).

The KPMG Reports provided commentary on the above two scope items, along with information regarding the statutory gateway considerations for SO4 directors to be aware of throughout Safe Harbour.

All of the KPMG Reports stated that statutory compliance requirements were met, except for two items, income tax and superannuation, where KPMG stated the directors' obligations had been conditionally met.

At the time of the KPMG Reports, SO4's income tax return for financial year 2020 (due to be lodged in October 2020) had not been lodged, pending completion of a research and development tax incentive assessment. A tax refund was expected in any event, as SO4 did not generate any profits at the time.

KPMG also identified five instances of late superannuation payments and stated that Superannuation Guarantee Charge (**SGC**) statements should be lodged for compliance purposes.

A number of conditions are to be satisfied for a company to be in Safe Harbour, as per section 588GA(4)(a) of the Act:

- i. pay employee entitlements by the time they fall due;*



- ii. *give returns, notices, statements, applications or other documents as required by taxation laws (within the meaning of the Income Tax Assessment Act 1997).*

The Superannuation Guarantee Charge (Administration) Act 1992 (**SGGA**) is included in the taxation laws referred to above, and therefore the requirements of the SGAA to give returns, notices, statements, applications or other documents, are included in the conditions of Safe Harbour.

SGGA requires that SGC statements be lodged by the 28<sup>th</sup> day of the month following the quarter to which a late payment of superannuation applies. No SGC statements were lodged by SO4.

Section 588GA(4)(b) of the Act states that Safe Harbour does not apply if failure to satisfy the conditions of s588GA(4)(a):

- i. *amounts to less than substantial compliance with the matter concerned; or*
- ii. *is one of 2 or more failures by the company to do any of all of those matters during the 12 month period ending when the debt is incurred.*

KPMG identified six failures in compliance with the Safe Harbour requirements in the preceding 12 months. It therefore appears that Safe Harbour did not apply, however I understand that KPMG's view is that "substantial compliance" with tax lodgements had been met.

Each of the KPMG Reports refer to KPMG's role in terms of "oversight" of the directors' degree of compliance with requirements of section 588GA. The KPMG Reports also include a statement indicating that other than Thomson Geer and SO4 no other parties may rely on the information contained in the KPMG Reports.

As described in the KPMG Administrators' Declaration of Independence, Relevant Relationships and Indemnities, Mr Jones of KPMG attended a number of SO4 board meetings in relation to the KPMG Reports.

KPMG's advice regarding the directors' compliance with section 588GA(4) of the Act may be challenged (as a result of multiple taxation laws lodgement failures), although I note that there is no identifiable case law on this issue. KPMG, in its report, advised SO4 on 9 September 2021 that SGC statements should be lodged for compliance purposes but the Companies do not appear to have acted on this advice. Information available to me to date indicates that the SGC statements were not lodged prior to the appointment of the KPMG Administrators, or since. A claim for insolvent trading benefits from substantial compliance not being achieved due to non-lodgement of the SGC statements. However, as outlined in section 4.4.1.1 of this Report, a definition of substantial compliance has not been subject to a judicial discussion and is at present uncertain. The statements in the KPMG Reports that SGC statements should be lodged would also have to be considered.

KPMG refer to the recent Commonwealth Government's independent review into the insolvent trading Safe Harbour provisions dated 23 November 2021 and the concept of substantial compliance as discussed in that document. Prima Facie, I agree with KPMG's interpretation, however, in light of the fact that no case law exists on this issue and there is inconsistency between the legislation and the government's independent review, I cannot rule out a potential claim being alleged against KPMG and Thompson Geer by the Companies' directors (or their insurer).

For the purposes of this report it is my conclusion that the Companies do not have a valid claim against KPMG or Thomson Geer.

#### 4.6.4 False or misleading statements

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

Please refer to my comments under section 4.6.1.

#### 4.6.5 False information

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

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

My investigations reveal that the CEO reports from March 2021 onwards omit information in relation to salt growth in Trains 3 to 6, when the brine plan assumed growth from those trains from March 2021 onwards. It is noted that those trains may not have been operational or constructed at that time. However, the omission of this information in the CEO reports meant that the directors could not have made a comparison of the salt growth to the planned growth, and thus discover the impending salt inventory issues.

It is noted that the directors did not make enquiries in that regard until the salt inventory shortage became apparent in June 2021 (refer to section 4.6.2 of this Report).

#### 4.7 Reports to ASIC

Section 438D of the Act requires me to lodge a report with ASIC should I become aware of:

- ◆ any offences committed by a past or present officer of the Companies;
- ◆ evidence that money or property has been misapplied or retained; or
- ◆ evidence that a party is guilty of negligence, default, breach of duty or breach of trust in relation to the Companies.

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

Dated this 19 September 2022

Yours faithfully  
**For the Companies**

A handwritten signature in blue ink, appearing to read "Dermott McVeigh", written over a horizontal line.

**Dermott McVeigh**  
Administrator



# Creditor Information Sheet

## Offences, Recoverable Transactions and Insolvent Trading

### Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

### Recoverable Transactions

#### Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

#### Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and,
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

### **Unfair Loan**

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

### **Arrangements to avoid employee entitlements**

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

### **Unreasonable payments to directors**

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

### **Voidable charges**

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

## Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

**Important note:** This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

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**F – SPA Remuneration Report**

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**Salt Lake Potash Limited, ACN 117 085 748**

**Australian Salt Lake Potash Pty Ltd, ACN 164 369 420**

**Piper Preston Pty Ltd, ACN 142 962 409**

**Irve Holdings Pty Ltd, ACN 633 114 619**

**Irve Developments Pty Ltd, ACN 634 354 215**

**Two Lake Holdings Pty Ltd, ACN 633 144 637**

**Two Lake Developments Pty Ltd, ACN 634 354 233**

**SO4 Fertiliser Holdings Pty Ltd, ACN 633 114 628**

**SO4 Fertiliser Developments Pty Ltd, ACN 634 354 224**

**(All Administrators Appointed) (All Receivers and Managers Appointed)  
(together the Companies)**

## **Remuneration Approval Report**

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

### **1 Declaration**

I, Dermott McVeigh of Avior Consulting, have undertaken a proper assessment of this remuneration claim for my appointment as Special Purpose Administrator of the Companies in accordance with the Corporations Act 2001 (Cth) (**the Act**) and applicable professional standards.

I am satisfied that the remuneration claimed is in respect of necessary work, properly performed in the Administration, or to be properly performed, in the conduct of the Liquidation, as the case may be.

### **2 Executive summary**

To date, the total remuneration that has been approved in the Administration is nil. This remuneration report details approval sought for the following fees:

Entity	Administration \$ 21/12/2021 to 16/09/2022	Administration \$ 17/09/2022 to 28/09/2022	Administration \$ Total	Liquidation \$ 29/09/2022 to finalisation
Piper Preston Pty Ltd	607,303	4,500	611,803	150,000
Australia Salt Lake Potash Pty Ltd	2,283	500	2,783	5,000
Salt Lake Potash Limited	134,902	-	134,902	100,000
Irve Holdings Pty Ltd	2,283	-	2,283	5,000
Irve Developments Pty Ltd	2,283	-	2,283	5,000
Two Lake Holdings Pty Ltd	2,283	-	2,283	5,000
Two Lake Developments Pty Ltd	2,283	-	2,283	5,000
SO4 Fertiliser Holdings Pty Ltd	2,283	-	2,283	5,000

Entity	Administration	Administration	Administration	Liquidation
	\$	\$	\$	\$
	21/12/2021 to 16/09/2022	17/09/2022 to 28/09/2022	Total	29/09/2022 to finalisation
SO4 Fertiliser Developments Pty Ltd	2,283	-	2,283	5,000
<b>Total</b>	<b>758,186</b>	<b>5,000</b>	<b>763,186</b>	<b>285,000</b>

Please refer to Section 4 of this report for full details of the calculation and composition of the remuneration approval sought.

### 3 Statement on remuneration

#### 3.1 Remuneration methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner as follow:

##### 3.1.1 Time based (hourly rates)

This is the most common method. The total fee charged is calculated by reference to the hourly or time unit rate charged for each person who carries out the work multiplied by the number of hours spent by each person on necessary work properly performed.

##### 3.1.2 Fixed fee

The total fee charged is normally quoted at the commencement of the liquidation and is the total cost for the administration. Sometimes, a practitioner will finalise the administration for a fixed fee.

##### 3.1.3 Percentage

The total fee charged is based on a percentage of a particular variable such as the gross proceeds of asset realisations.

##### 3.1.4 Contingency

The insolvency practitioner's fee is contingent on achieving a particular outcome.

#### 3.2 Remuneration method chosen

Given the nature of this administration, I propose that the remuneration of the Administrator and/or Liquidator be calculated using the time-based method. Time based remuneration is appropriate in this administration given:

- it ensures actual time is billed at an hourly rate applicable to staff experience;
- it ensures that remuneration claimed is only for necessary work properly performed in the administration; and
- it covers tasks required to be undertaken in the administration which not only relate to asset realisations but also to reporting requirements and other tasks of an administrative or statutory nature.

#### 3.3 Explanation of hourly rate

The hourly rates for my remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take. The hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage.

## Schedule of Hourly Rates & General Guide to Staff Experience

Title	Rate (\$)	Experience
Partner / Appointee	650	The Partner/Appointee is a registered liquidator and member of CAANZ, bringing specialist skills to the administration or insolvency task.
Senior Manager	495	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of the CAANZ and, generally, the ARITA; very strong knowledge of relevant insolvency legislation and issues.
Manager	435	4-7 years' experience with well-developed technical and commercial skills. University degree; member of CAANZ and, generally, the ARITA; strong knowledge of relevant insolvency legislation and issues. Controls 2-4 staff.
Senior Analyst	375	Generally, 2-4 years' chartered accounting or insolvency management experience. University degree; completing the CAANZ's CA program. Good knowledge of basic insolvency legislation and issues.
Analyst	280	Generally, 1-3 years' chartered accounting or insolvency management experience. University degree, CAANZ's CA program commenced.
Personal Assistant/ Administration	225	Appropriate skills, including books and records management and accounts processing particular to the administration.

### Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the administration. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.
- Creditor approval will be sought prior to the application of any new rates to this administration.

## 4 Remuneration

The following information is provided to assist creditors in their understanding of how the Administrator's and / or Liquidator's remuneration is calculated and substantiated.

### 4.1 Piper Preston Pty Ltd

The remuneration I have incurred and anticipate incurring is as follows:

Piper Preston Pty Ltd				
For	Period	Amount (\$)	Rates to apply	When it will be drawn
Work already done (Administration)	21 December 2021 to 16 September 2022	607,303	See section 3.3 of this report	Upon creditors' approval
Future work (Administration)	17 September 2022 to 28 September 2022	4,500	See section 3.3 of this report	Upon creditors' approval
Future work (Liquidation)	29 September 2022 to finalisation	150,000	See section 3.3 of this report	Monthly, as incurred

The details of the major tasks performed and to be performed during the Administration period and the costs associated with each of the major tasks are summarised in **Appendix 1**.

A table of the time estimated for each major task area by staff members working on the liquidation, which is the basis of the remuneration claim, can be found at **Appendix 2**.

## 4.2 Australia Salt Lake Potash Pty Ltd

The remuneration I have incurred and anticipate incurring is as follows:

Australia Salt Lake Potash Pty Ltd				
For	Period	Amount (\$)	Rates to apply	When it will be drawn
Work already done (Administration)	21 December 2021 to 16 September 2022	2,283	See section 3.3 of this report	Upon creditors' approval
Future work (Administration)	17 September 2022 to 28 September 2022	500	See section 3.3 of this report	Upon creditors' approval
Future work (Liquidation)	29 September 2022 to finalisation	5,000	See section 3.3 of this report	Monthly, as incurred

The details of the major tasks performed and to be performed during the Administration period and the costs associated with each of the major tasks are summarised in **Appendix 3**.

A table of the time estimated for each major task area by staff members working on the liquidation, which is the basis of the remuneration claim, can be found at **Appendix 4**.

## 4.3 Salt Lake Potash Limited

The remuneration I have incurred and anticipate incurring is as follows:

Salt Lake Potash Limited				
For	Period	Amount (\$)	Rates to apply	When it will be drawn
Work already done (Administration)	21 December 2021 to 16 September 2022	134,902	See section 3.3 of this report	Upon creditors' approval
Future work (Administration)	17 September 2022 to 28 September 2022	-	See section 3.3 of this report	Upon creditors' approval
Future work (Liquidation)	29 September 2022 to finalisation	100,000	See section 3.3 of this report	Monthly, as incurred

The details of the major tasks performed and to be performed during the Administration period and the costs associated with each of the major tasks are summarised in **Appendix 5**.

A table of the time estimated for each major task area by staff members working on the liquidation, which is the basis of the remuneration claim, can be found at **Appendix 6**.



#### 4.4 Irve Holdings Pty Ltd

The remuneration I have incurred and anticipate incurring is as follows:

Irve Holdings Pty Ltd				
For	Period	Amount (\$)	Rates to apply	When it will be drawn
Work already done (Administration)	21 December 2021 to 16 September 2022	2,283	See section 3.3 of this report	Upon creditors' approval
Future work (Administration)	17 September 2022 to 28 September 2022	-	See section 3.3 of this report	Upon creditors' approval
Future work (Liquidation)	29 September 2022 to finalisation	5,000	See section 3.3 of this report	Monthly, as incurred

The details of the major tasks performed and the costs associated with each of the major tasks are summarised in **Appendix 7**.

A table of the time estimated for each major task area by staff members working on the liquidation, which is the basis of the remuneration claim, can be found at **Appendix 8**.

#### 4.5 Irve Developments Pty Ltd

The remuneration I have incurred and anticipate incurring is as follows:

Irve Developments Pty Ltd				
For	Period	Amount (\$)	Rates to apply	When it will be drawn
Work already done (Administration)	21 December 2021 to 16 September 2022	2,283	See section 3.3 of this report	Upon creditors' approval
Future work (Administration)	17 September 2022 to 28 September 2022	-	See section 3.3 of this report	Upon creditors' approval
Future work (Liquidation)	29 September 2022 to finalisation	5,000	See section 3.3 of this report	Monthly, as incurred

The details of the major tasks performed and the costs associated with each of the major tasks are summarised in **Appendix 9**.

A table of the time estimated for each major task area by staff members working on the liquidation, which is the basis of the remuneration claim, can be found at **Appendix 10**.

#### 4.6 Two Lake Holdings Pty Ltd

The remuneration I have incurred and anticipate incurring is as follows:

Two Lake Holdings Pty Ltd				
For	Period	Amount (\$)	Rates to apply	When it will be drawn
Work already done (Administration)	21 December 2021 to 16 September 2022	2,283	See section 3.3 of this report	Upon creditors' approval
Future work (Administration)	17 September 2022 to 28 September 2022	-	See section 3.3 of this report	Upon creditors' approval
Future work (Liquidation)	29 September 2022 to finalisation	5,000	See section 3.3 of this report	Monthly, as incurred

The details of the major tasks performed and the costs associated with each of the major tasks are summarised in **Appendix 11**.

A table of the time estimated for each major task area by staff members working on the liquidation, which is the basis of the remuneration claim, can be found at **Appendix 12**.

#### 4.7 Two Lake Developments Pty Ltd

The remuneration I have incurred and anticipate incurring is as follows:

Two Lake Developments Pty Ltd				
For	Period	Amount (\$)	Rates to apply	When it will be drawn
Work already done (Administration)	21 December 2021 to 16 September 2022	2,283	See section 3.3 of this report	Upon creditors' approval
Future work (Administration)	17 September 2022 to 28 September 2022	-	See section 3.3 of this report	Upon creditors' approval
Future work (Liquidation)	29 September 2022 to finalisation	5,000	See section 3.3 of this report	Monthly, as incurred

The details of the major tasks performed and the costs associated with each of the major tasks are summarised in **Appendix 13**.

A table of the time estimated for each major task area by staff members working on the liquidation, which is the basis of the remuneration claim, can be found at **Appendix 14**.

#### 4.8 SO4 Fertiliser Holdings Pty Ltd

The remuneration I have incurred and anticipate incurring is as follows:

SO4 Fertiliser Holdings Pty Ltd				
For	Period	Amount (\$)	Rates to apply	When it will be drawn
Work already done (Administration)	21 December 2021 to 16 September 2022	2,283	See section 3.3 of this report	Upon creditors' approval
Future work (Administration)	17 September 2022 to 28 September 2022	-	See section 3.3 of this report	Upon creditors' approval
Future work (Liquidation)	29 September 2022 to finalisation	5,000	See section 3.3 of this report	Monthly, as incurred

The details of the major tasks performed and the costs associated with each of the major tasks are summarised in **Appendix 15**.

A table of the time estimated for each major task area by staff members working on the liquidation, which is the basis of the remuneration claim, can be found at **Appendix 16**.

#### 4.9 SO4 Fertiliser Developments Pty Ltd

The remuneration I have incurred and anticipate incurring is as follows:

SO4 Fertiliser Developments Pty Ltd				
For	Period	Amount (\$)	Rates to apply	When it will be drawn
Work already done (Administration)	21 December 2021 to 16 September 2022	2,283	See section 3.3 of this report	Upon creditors' approval
Future work (Administration)	17 September 2022 to 28 September 2022	-	See section 3.3 of this report	Upon creditors' approval
Future work (Liquidation)	29 September 2022 to finalisation	5,000	See section 3.3 of this report	Monthly, as incurred

The details of the major tasks performed and the costs associated with each of the major tasks are summarised in **Appendix 17**.

A table of the time estimated for each major task area by staff members working on the liquidation, which is the basis of the remuneration claim, can be found at **Appendix 18**.

#### 4.10 Future remuneration

Approval for the future remuneration sought is based on our best estimate of the necessary work to complete the administration and liquidation of the Companies. Should additional work beyond this estimate be required, further approval may be sought from creditors. If further approval is sought, creditors will be provided with a further remuneration report on the time spent on tasks, along with an update on the progress of the administration/liquidation. Factors that may delay the progress of the administration/liquidation and increase the remuneration incurred include:

- unexpected litigation;
- disputes with creditors in relation to their claims;
- unexpected complications arising during our investigation into the actions of the Companies' Directors; and
- delays in realising the assets of the Companies during the liquidation.

#### 5 Likely impact on dividend

A liquidator is entitled to be remunerated for work that is necessary and properly performed. The work carried out by a liquidator may produce funds that are available for distribution to a company's creditors.

If this remuneration is approved by creditors, I will draw this amount from the funds available in the liquidation. This will reduce the dividend payable (if any) to creditors of the Company. If insufficient funds are available, I will not be remunerated fully.

#### 6 Remuneration recoverable from external sources

A liquidator is entitled to receive funding from external sources in respect of remuneration. If applicable, I am entitled to receive funding from the Attorney-General's Department in respect of work conducted to assist the Commonwealth in administering the Fair Entitlements Guarantee Act 2012 in relation to former employees of the Companies.

I may also receive funding from ASIC.

#### 7 Disbursements

Disbursements are divided into three types:

- **Externally provided professional services** - these are recovered at cost. An example of an externally provided professional disbursement is legal fees.
- **Externally provided non-professional costs** – these are recovered at cost. Examples of externally provided non-professional disbursements are travel, accommodation and search fees.
- **Internal disbursements** – if recovered, these expenses will be recovered at cost. Examples of internal disbursements include photocopying, printing and postage.

I am not required to seek creditors' approval for expenses paid to third parties or for disbursements where I am recovering a cost incurred on behalf of the liquidation, but I must account to creditors. I must be satisfied that these expenses and disbursements are appropriate, justified and reasonable.

#### 8 Receipts and payments

As at the date of this report, no receipts or payments have been made in the administration.

## **9 Report on progress of the liquidation**

This Remuneration Approval Report must be read in conjunction with the Special Purpose Administrator's Report pursuant to order of the Supreme Court of Western Australia COR/196/2021.

## **10 Information available**

An information sheet concerning approval of remuneration in external administrations can also be obtained from the Australian Securities & Investments Commission website at [www.asic.gov.au](http://www.asic.gov.au).

Dated 19 September 2022

A handwritten signature in blue ink, appearing to read "Dermott McVeigh", with a large, stylized flourish extending to the right.

**Dermott McVeigh**  
Administrator

## Appendix 1: Piper Preston Pty Ltd - Details of work carried out

Piper Preston Pty Ltd		Tasks	
		Voluntary Administration Work already done 21 December 2021 to 16 September 2022	Voluntary Administration Future work 17 September 2022 to 28 September 2022
Investigation	Conduct investigations	<ul style="list-style-type: none"> <li>Conducting investigations in relation to the insolvency date pursuant to the Court Order</li> <li>Conducting investigations in relation to potential insolvent trading claim(s) pursuant to the Court Order</li> <li>Conducting investigations into voidable transactions pursuant to the Court Order</li> <li>Conducting investigations into potential breaches of director's duties pursuant to the Court Order</li> <li>Conducting investigations into the conduct of third parties pursuant to the Court Order</li> <li>Analysing and assessing the potential liquidator recoveries pursuant to the Court Order</li> <li>Preparing detailed investigations file notes</li> <li>Preparing Special Purpose Administrator's report pursuant to Court Order</li> </ul>	
	<b>TOTAL Investigation</b>	<b>\$597,286</b>	<b>\$0</b>
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> </ul>	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> <li>Preparing for and attendance at the Second Creditors Meeting</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>	
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms</li> </ul>	
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of administration and investigations</li> </ul>	
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>
<b>TOTAL Administration</b>		<b>\$10,017</b>	<b>\$4,500</b>
<b>TOTAL All tasks</b>		<b>\$607,303</b>	<b>\$4,500</b>

## Appendix 2: Piper Preston Pty Ltd - Details of work to be carried out

Piper Preston Pty Ltd		
Liquidation tasks Future work 29 September 2022 to finalisation		
Task Area	General Description	
Assets	DOCA Fund	
	Potential Claims	<ul style="list-style-type: none"> <li>• Assessment of claims identified during the Administration period</li> <li>• Liaising with legal advisors in relation to the potential claims</li> <li>• Assessing merits, costs and benefits of the potential claims</li> <li>• Pursuing recovery of the potential claims where viable</li> </ul>
TOTAL Assets		\$20,000
Creditors	Unsecured creditors	<ul style="list-style-type: none"> <li>• Preparing and issuing statutory report to creditors</li> <li>• Attending to proof of debt forms received</li> <li>• Updating creditors register</li> <li>• Attending to creditors enquiries by phone and email</li> </ul>
TOTAL Creditors		\$25,000
Investigation	Conduct investigations	<ul style="list-style-type: none"> <li>• Conducting further investigations into the financial records</li> <li>• Conducting further investigations in relation to potential insolvent trading claim(s)</li> <li>• Conducting further statutory investigations into voidable transactions</li> <li>• Conducting further investigations into potential breaches of director's duties</li> <li>• Conducting further investigations into third party claims</li> <li>• Analysing and assessing the commerciality of potential liquidator recoveries</li> <li>• Pursuing recovery of voidable transactions</li> <li>• Preparing detailed investigations file notes</li> <li>• Preparing and lodging report to ASIC detailing offences identified</li> </ul>
TOTAL Investigation		\$100,000
Administration	Correspondence	<ul style="list-style-type: none"> <li>• General correspondence</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>• Completing liquidation reviews</li> <li>• Filing of documents</li> <li>• Conducting file reviews and updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>• Opening Liquidation bank account</li> <li>• Bank account reconciliation</li> <li>• Receipting and monitoring deposits</li> <li>• Processing payments</li> <li>• Closing liquidation bank account</li> </ul>

Piper Preston Pty Ltd		Liquidation tasks Future work 29 September 2022 to finalisation
Task Area	General Description	
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>• Lodging notifications with ASIC</li> <li>• Preparing and lodging statutory forms, including finalisation forms</li> </ul>
	ATO reporting	<ul style="list-style-type: none"> <li>• Preparing and lodging statutory reports with ATO</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>• Engagement planning</li> <li>• Holding discussions regarding the status of liquidation</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>• Filing of books and records</li> </ul>
TOTAL Administration		\$5,000
TOTAL All tasks		\$150,000



### Appendix 3: Australia Salt Lake Potash Pty Ltd - Details of work carried out

Australia Salt Lake Potash Pty Ltd		Tasks	
		Voluntary Administration Work already done	Voluntary Administration Future work
Task Area	General Description	21 December 2021 to 16 September 2022	17 September 2022 to 28 September 2022
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> </ul>	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> <li>Preparing for and attendance at the Second Creditors Meeting</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>	
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms</li> </ul>	
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of administration and investigations</li> </ul>	
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>
TOTAL Administration		\$2,283	\$500
TOTAL All tasks		\$2,283	\$500

## Appendix 4: Australia Salt Lake Potash Pty Ltd - Details of work to be carried out

Australia Salt Lake Potash Pty Ltd		Liquidation tasks Future work 29 September 2022 to finalisation
Task Area	General Description	
Asset	DOCA Fund	
<b>TOTAL Assets</b>		<b>\$nil</b>
Creditors	Unsecured creditors	<ul style="list-style-type: none"> <li>• Preparing and issuing statutory report to creditors</li> <li>• Attending to proof of debt forms received, if any</li> <li>• Updating creditors register, if required</li> <li>• Attending to creditors enquiries by phone and email, if any</li> </ul>
<b>TOTAL Creditors</b>		<b>\$4,000</b>
Administration	Correspondence	<ul style="list-style-type: none"> <li>• General correspondence</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>• Completing liquidation reviews</li> <li>• Filing of documents</li> <li>• Conducting file reviews and updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>• Opening Liquidation bank account</li> <li>• Bank account reconciliation</li> <li>• Receipting and monitoring deposits</li> <li>• Processing payments</li> <li>• Closing liquidation bank account</li> </ul>
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>• Lodging notifications with ASIC</li> <li>• Preparing and lodging statutory forms, including finalisation forms</li> </ul>
	ATO reporting	<ul style="list-style-type: none"> <li>• Preparing and lodging statutory reports with ATO</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>• Engagement planning</li> <li>• Holding discussions regarding the status of liquidation</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>• Filing of books and records</li> </ul>
<b>TOTAL Administration</b>		<b>\$1,000</b>
<b>TOTAL All tasks</b>		<b>\$5,000</b>

## Appendix 5: Salt Lake Potash Limited - Details of work carried out

Salt Lake Potash Limited		Tasks	
		Voluntary Administration Work already done 21 December 2021 to 16 September 2022	Voluntary Administration Future work 17 September 2022 to 28 September 2022
Task Area	General Description		
Investigation	Conduct investigations	<ul style="list-style-type: none"> <li>Conducting investigations in relation to the insolvency date pursuant to the Court Order</li> <li>Conducting investigations in relation to potential insolvent trading claim(s) pursuant to the Court Order</li> <li>Conducting investigations into voidable transactions pursuant to the Court Order</li> <li>Conducting investigations into potential breaches of director's duties pursuant to the Court Order</li> <li>Conducting investigations into the conduct of third parties pursuant to the Court Order</li> <li>Analysing and assessing the potential liquidator recoveries pursuant to the Court Order</li> <li>Preparing detailed investigations file notes</li> <li>Correspondence and meetings with directors</li> <li>Reporting directors' non-cooperation to relevant authorities</li> <li>Assisting relevant authorities in relation to the directors' non-cooperation</li> <li>Preparing Special Purpose Administrator's report pursuant to Court Order</li> </ul>	
	TOTAL Investigation	\$133,242	\$nil
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> </ul>	
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>	
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms</li> </ul>	
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of administration and investigations</li> </ul>	
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>
TOTAL Administration		\$1,660	\$nil
TOTAL All tasks		\$607,303	\$nil

## Appendix 6: Salt Lake Potash Limited - Details of work to be carried out

Salt Lake Potash Limited		Task
		Liquidation
		Future work
Task Area	General Description	29 September 2022 to finalisation
Assets	Potential Claims	<ul style="list-style-type: none"> <li>Assessment of claims identified during the Administration period</li> <li>Liaising with legal advisors in relation to the potential claims</li> <li>Assessing merits, costs and benefits of the potential claims</li> <li>Pursuing recovery of the potential claims where viable</li> </ul>
	<b>TOTAL Assets</b>	<b>\$10,000</b>
Creditors	Unsecured creditors	<ul style="list-style-type: none"> <li>Preparing and issuing statutory report to creditors</li> <li>Attending to proof of debt forms received</li> <li>Adjudicating proof of debt forms received</li> <li>Updating creditors register</li> <li>Attending to creditors enquiries by phone and email</li> </ul>
	<b>TOTAL Creditors</b>	<b>\$15,000</b>
Investigation	Conduct investigations	<ul style="list-style-type: none"> <li>Conducting further investigations into the financial records</li> <li>Conducting further investigations in relation to potential insolvent trading claim(s)</li> <li>Conducting further statutory investigations into voidable transactions</li> <li>Conducting further investigations into potential breaches of director's duties</li> <li>Conducting further investigations into third party claims</li> <li>Analysing and assessing the commerciality of potential liquidator recoveries</li> <li>Pursuing recovery of voidable transactions</li> <li>Assisting relevant authorities with their investigations into directors' conduct</li> <li>Preparing detailed investigations file notes</li> <li>Preparing and lodging report to ASIC detailing offences identified</li> </ul>
	<b>TOTAL Investigation</b>	<b>\$70,000</b>
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing liquidation reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>Opening Liquidation bank account</li> <li>Bank account reconciliation</li> <li>Receipting and monitoring deposits</li> <li>Processing payments</li> <li>Closing liquidation bank account</li> </ul>

Salt Lake Potash Limited		Task
		Liquidation Future work
Task Area	General Description	29 September 2022 to finalisation
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms, including finalisation forms</li> </ul>
	ATO reporting	<ul style="list-style-type: none"> <li>Preparing and lodging statutory reports with ATO</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of liquidation</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>
TOTAL Administration		\$5,000
TOTAL All tasks		\$100,000

## Appendix 7: Irve Holdings Pty Ltd - Details of work carried out

Irve Holdings Pty Ltd		Tasks	
		Voluntary Administration Work already done	Voluntary Administration Future work
Task Area	General Description	21 December 2021 to 16 September 2022	17 September 2022 to 28 September 2022
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> </ul>	
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>	
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms</li> </ul>	
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of administration and investigations</li> </ul>	
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>	
TOTAL Administration		\$2,283	\$nil
TOTAL All tasks		\$2,283	\$nil

## Appendix 8: Irve Holdings Pty Ltd - Details of work to be carried out

Irve Holdings Pty Ltd		Task
		Liquidation Future work
Task Area	General Description	29 September 2022 to finalisation
Creditors	Unsecured creditors	<ul style="list-style-type: none"> <li>• Preparing and issuing statutory report to creditors</li> <li>• Attending to proof of debt forms received, if any</li> <li>• Adjudicating proof of debt forms received, if required</li> <li>• Updating creditors register, as required</li> <li>• Attending to creditors enquiries by phone and email, if any</li> </ul>
	<b>TOTAL Creditors</b>	<b>\$4,000</b>
Administration	Correspondence	<ul style="list-style-type: none"> <li>• General correspondence</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>• Completing liquidation reviews</li> <li>• Filing of documents</li> <li>• Conducting file reviews and updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>• Opening Liquidation bank account</li> <li>• Bank account reconciliation</li> <li>• Receipting and monitoring deposits</li> <li>• Processing payments</li> <li>• Closing liquidation bank account</li> </ul>
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>• Lodging notifications with ASIC</li> <li>• Preparing and lodging statutory forms, including finalisation forms</li> </ul>
	ATO reporting	<ul style="list-style-type: none"> <li>• Preparing and lodging statutory reports with ATO</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>• Engagement planning</li> <li>• Holding discussions regarding the status of liquidation</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>• Filing of books and records</li> </ul>
<b>TOTAL Administration</b>		<b>\$1,000</b>
<b>TOTAL All tasks</b>		<b>\$5,000</b>

## Appendix 9: Irve Developments Pty Ltd - Details of work carried out

Irve Developments Pty Ltd		Tasks	
		Voluntary Administration Work already done	Voluntary Administration Future work
Task Area	General Description	21 December 2021 to 16 September 2022	17 September 2022 to 28 September 2022
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> </ul>	
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>	
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms</li> </ul>	
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of administration and investigations</li> </ul>	
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>	
TOTAL Administration		\$2,283	\$nil
TOTAL All tasks		\$2,283	\$nil



## Appendix 10: Irve Developments Pty Ltd - Details of work to be carried out

Irve Developments Pty Ltd		Task
		Liquidation Future work
Task Area	General Description	29 September 2022 to finalisation
Creditors	Unsecured creditors	<ul style="list-style-type: none"> <li>• Preparing and issuing statutory report to creditors</li> <li>• Attending to proof of debt forms received, if any</li> <li>• Adjudicating proof of debt forms received, if required</li> <li>• Updating creditors register, as required</li> <li>• Attending to creditors enquiries by phone and email, if any</li> </ul>
	<b>TOTAL Creditors</b>	<b>\$4,000</b>
Administration	Correspondence	<ul style="list-style-type: none"> <li>• General correspondence</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>• Completing liquidation reviews</li> <li>• Filing of documents</li> <li>• Conducting file reviews and updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>• Opening Liquidation bank account</li> <li>• Bank account reconciliation</li> <li>• Receipting and monitoring deposits</li> <li>• Processing payments</li> <li>• Closing liquidation bank account</li> </ul>
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>• Lodging notifications with ASIC</li> <li>• Preparing and lodging statutory forms, including finalisation forms</li> </ul>
	ATO reporting	<ul style="list-style-type: none"> <li>• Preparing and lodging statutory reports with ATO</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>• Engagement planning</li> <li>• Holding discussions regarding the status of liquidation</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>• Filing of books and records</li> </ul>
<b>TOTAL Administration</b>		<b>\$1,000</b>
<b>TOTAL All tasks</b>		<b>\$5,000</b>

## Appendix 11: Two Lake Holdings Pty Ltd - Details of work carried out

Two Lake Holdings Pty Ltd		Tasks	
		Voluntary Administration Work already done	Voluntary Administration Future work
Task Area	General Description	21 December 2021 to 16 September 2022	17 September 2022 to 28 September 2022
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> </ul>	
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>	
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms</li> </ul>	
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of administration and investigations</li> </ul>	
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>	
TOTAL Administration		\$2,283	\$nil
TOTAL All tasks		\$2,283	\$nil

## Appendix 12: Two Lake Holdings Pty Ltd - Details of work to be carried out

Two Lake Holdings Pty Ltd		Task
		Liquidation Future work
Task Area	General Description	29 September 2022 to finalisation
Creditors	Unsecured creditors	<ul style="list-style-type: none"> <li>• Preparing and issuing statutory report to creditors</li> <li>• Attending to proof of debt forms received, if any</li> <li>• Adjudicating proof of debt forms received, if required</li> <li>• Updating creditors register, as required</li> <li>• Attending to creditors enquiries by phone and email, if any</li> </ul>
	<b>TOTAL Creditors</b>	<b>\$4,000</b>
Administration	Correspondence	<ul style="list-style-type: none"> <li>• General correspondence</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>• Completing liquidation reviews</li> <li>• Filing of documents</li> <li>• Conducting file reviews and updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>• Opening Liquidation bank account</li> <li>• Bank account reconciliation</li> <li>• Receipting and monitoring deposits</li> <li>• Processing payments</li> <li>• Closing liquidation bank account</li> </ul>
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>• Lodging notifications with ASIC</li> <li>• Preparing and lodging statutory forms, including finalisation forms</li> </ul>
	ATO reporting	<ul style="list-style-type: none"> <li>• Preparing and lodging statutory reports with ATO</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>• Engagement planning</li> <li>• Holding discussions regarding the status of liquidation</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>• Filing of books and records</li> </ul>
<b>TOTAL Administration</b>		<b>\$1,000</b>
<b>TOTAL All tasks</b>		<b>\$5,000</b>

### Appendix 13: Two Lake Developments Pty Ltd - Details of work carried out

Two Lake Developments Pty Ltd		Tasks	
		Voluntary Administration Work already done 21 December 2021 to 16 September 2022	Voluntary Administration Future work 17 September 2022 to 28 September 2022
Task Area	General Description		
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> </ul>	
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>	
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms</li> </ul>	
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of administration and investigations</li> </ul>	
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>	
TOTAL Administration		\$2,283	\$nil
TOTAL All tasks		\$2,283	\$nil

## Appendix 14: Two Lake Developments Pty Ltd - Details of work to be carried out

Two Lake Developments Pty Ltd		Task
		Liquidation Future work
Task Area	General Description	29 September 2022 to finalisation
Creditors	Unsecured creditors	<ul style="list-style-type: none"> <li>• Preparing and issuing statutory report to creditors</li> <li>• Attending to proof of debt forms received, if any</li> <li>• Adjudicating proof of debt forms received, if required</li> <li>• Updating creditors register, as required</li> <li>• Attending to creditors enquiries by phone and email, if any</li> </ul>
	<b>TOTAL Creditors</b>	<b>\$4,000</b>
Administration	Correspondence	<ul style="list-style-type: none"> <li>• General correspondence</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>• Completing liquidation reviews</li> <li>• Filing of documents</li> <li>• Conducting file reviews and updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>• Opening Liquidation bank account</li> <li>• Bank account reconciliation</li> <li>• Receipting and monitoring deposits</li> <li>• Processing payments</li> <li>• Closing liquidation bank account</li> </ul>
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>• Lodging notifications with ASIC</li> <li>• Preparing and lodging statutory forms, including finalisation forms</li> </ul>
	ATO reporting	<ul style="list-style-type: none"> <li>• Preparing and lodging statutory reports with ATO</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>• Engagement planning</li> <li>• Holding discussions regarding the status of liquidation</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>• Filing of books and records</li> </ul>
<b>TOTAL Administration</b>		<b>\$1,000</b>
<b>TOTAL All tasks</b>		<b>\$5,000</b>

## Appendix 15: SO4 Fertiliser Holdings Pty Ltd - Details of work carried out

SO4 Fertiliser Holdings Pty Ltd		Tasks	
		Voluntary Administration Work already done	Voluntary Administration Future work
Task Area	General Description	21 December 2021 to 16 September 2022	17 September 2022 to 28 September 2022
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> </ul>	
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>	
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms</li> </ul>	
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of administration and investigations</li> </ul>	
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>	
TOTAL Administration		\$2,283	\$nil
TOTAL All tasks		\$2,283	\$nil

## Appendix 16: SO4 Fertiliser Holdings Pty Ltd - Details of work to be carried out

SO4 Fertiliser Holdings Pty Ltd		Task
		Liquidation Future work
Task Area	General Description	29 September 2022 to finalisation
Creditors	Unsecured creditors	<ul style="list-style-type: none"> <li>• Preparing and issuing statutory report to creditors</li> <li>• Attending to proof of debt forms received, if any</li> <li>• Adjudicating proof of debt forms received, if required</li> <li>• Updating creditors register, as required</li> <li>• Attending to creditors enquiries by phone and email, if any</li> </ul>
	<b>TOTAL Creditors</b>	<b>\$4,000</b>
Administration	Correspondence	<ul style="list-style-type: none"> <li>• General correspondence</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>• Completing liquidation reviews</li> <li>• Filing of documents</li> <li>• Conducting file reviews and updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>• Opening Liquidation bank account</li> <li>• Bank account reconciliation</li> <li>• Receipting and monitoring deposits</li> <li>• Processing payments</li> <li>• Closing liquidation bank account</li> </ul>
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>• Lodging notifications with ASIC</li> <li>• Preparing and lodging statutory forms, including finalisation forms</li> </ul>
	ATO reporting	<ul style="list-style-type: none"> <li>• Preparing and lodging statutory reports with ATO</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>• Engagement planning</li> <li>• Holding discussions regarding the status of liquidation</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>• Filing of books and records</li> </ul>
<b>TOTAL Administration</b>		<b>\$1,000</b>
<b>TOTAL All tasks</b>		<b>\$5,000</b>

## Appendix 17: SO4 Fertiliser Developments Pty Ltd - Details of work carried out

SO4 Fertiliser Developments Pty Ltd		Tasks	
		Voluntary Administration Work already done 21 December 2021 to 16 September 2022	Voluntary Administration Future work 17 September 2022 to 28 September 2022
Task Area	General Description		
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence with the KPMG Administrator and with Receivers and Managers</li> </ul>	
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>	
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms</li> </ul>	
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of administration and investigations</li> </ul>	
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>	
TOTAL Administration		\$2,283	\$nil
TOTAL All tasks		\$2,283	\$nil



## Appendix 18: SO4 Fertiliser Developments Pty Ltd - Details of work to be carried out

SO4 Fertiliser Developments Pty Ltd		Task
		Liquidation Future work 29 September 2022 to finalisation
Task Area	General Description	
Creditors	Unsecured creditors	<ul style="list-style-type: none"> <li>Preparing and issuing statutory report to creditors</li> <li>Attending to proof of debt forms received, if any</li> <li>Adjudicating proof of debt forms received, if required</li> <li>Updating creditors register, as required</li> <li>Attending to creditors enquiries by phone and email, if any</li> </ul>
	<b>TOTAL Creditors</b>	<b>\$4,000</b>
Administration	Correspondence	<ul style="list-style-type: none"> <li>General correspondence</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>Completing liquidation reviews</li> <li>Filing of documents</li> <li>Conducting file reviews and updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>Opening Liquidation bank account</li> <li>Bank account reconciliation</li> <li>Receipting and monitoring deposits</li> <li>Processing payments</li> <li>Closing liquidation bank account</li> </ul>
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>Lodging notifications with ASIC</li> <li>Preparing and lodging statutory forms, including finalisation forms</li> </ul>
	ATO reporting	<ul style="list-style-type: none"> <li>Preparing and lodging statutory reports with ATO</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>Engagement planning</li> <li>Holding discussions regarding the status of liquidation</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>Filing of books and records</li> </ul>
<b>TOTAL Administration</b>		<b>\$1,000</b>
<b>TOTAL All tasks</b>		<b>\$5,000</b>

# G – VA Remuneration Reports

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**PIPER PRESTON PTY. LTD.  
(Administrators Appointed)  
(Receivers and Managers  
Appointed)  
ACN 142 962 409**

Remuneration Approval Request

19 September 2022

Level 8, 235 St Georges Terrace,  
PERTH WA 6000  
GPO Box A29  
PERTH WA 6837

P. 1800 845 118  
F. +61 8 9263 7129  
E. [saltlakepotash@kpmg.com.au](mailto:saltlakepotash@kpmg.com.au)  
W. [kpmg.com.au](http://kpmg.com.au)

# Remuneration approval request

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

**Piper Preston Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)**  
**ACN 142 962 409 (the Company)**

## 1 Summary

We are asking creditors to approve the following remuneration and disbursements:

	Remuneration \$ (ex GST)
Voluntary administration – Work completed to 31 August 2022 (actual)	465,779.50
Voluntary administration – 1 September 2022 to date of meeting (prospective)	100,000.00
Deed administration – Work from execution to completion of DOCA	5,000.00
<b>Total Voluntary Administration / Deed Administration</b>	<b>570,779.50</b>
Trustees for the Creditors Trust – Future work from commencement to completion (combined with ASLP)	50,000.00
<b>Total Creditors Trust</b>	<b>50,000.00</b>

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

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at the meeting of creditors on 29 September 2022.
- Refer to section 2.9 of the report to creditors dated 19 September 2022 for details as to how you can attend the meeting of creditors in person or by proxy in order to vote on the resolutions contained in this report.

We estimate that the total combined cost of the administration for the nine (9) entities in Administration, will be approximately \$1,051,534 (excluding GST). This differs from the estimate of costs provided to creditors in the Initial Circular to Creditors dated 21 October 2021, which estimated a combined cost to completion of the administration of between \$400,000 - \$600,000 (excluding GST).

The reasons for our current total cost estimate for this administration being greater than the amount previously advised to creditors is due to the extension to the duration of the administration process, which was done via 3 separate applications to the Supreme Court of WA for an extension of the convening period from November 2021 to September 2022 (a cumulative extension of approximately 10 months). This extension was necessary to enable the Receivers and Managers to complete their sale and marketing process for the sale of the Companies business and assets.

## 2 Declaration

We, Martin Bruce Jones and Hayden White of KPMG, have undertaken an assessment of this remuneration and disbursements claim for our appointment as Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements 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.

	Period	Amount \$ (ex GST)
Voluntary administration – Work completed	20 Oct 21 – 31 Aug 22	465,779.50
Voluntary administration – Work to meeting	1 Sep 22 – 29 Sep 22	100,000.00
Deed administration – Work from execution to completion of DOCA	DOCA execution – DOCA completion	5,000.00
<b>Total Voluntary Administration / Deed Administration</b>		<b>570,779.50</b>
Creditor Trust – Future work	Commencement to Completion of Creditor Trust (combined with ASLP)	50,000.00
<b>Total Creditors Trust</b>		<b>50,000.00</b>

Note: 1. Rates applied can be located in the initial circular to creditors dated 21 October 2021.  
2. Remuneration will be drawn when funds become available, and subject to the outcome of the sales process.

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/to be considered by written proposal 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 if applicable.

We are unable to provide a dividend estimate of any certainty at this stage of the administration. In the event that the company is wound-up and the Liquidator does 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 19 September 2022 which outlines the progress of the administration.

### 6 Approval of remuneration and internal disbursements

For information about how approval of the resolutions for remuneration and internal disbursements will be sought, refer to Section 2 of the report to creditors dated 19 September 2022.

## 7 Questions

If you require further information in relation to the information in this report, please contact us on 1800 845 118 or by email at [saltlakepotash@kpmg.com.au](mailto:saltlakepotash@kpmg.com.au).

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 19<sup>th</sup> day of September 2022.



**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 D – Summary of Receipts and Payments

## Schedule A – Details of work

The below table contains more detailed descriptions of the tasks performed within each task area by the Administrators and their staff, which is referred to in Part 3 and supports remuneration Resolutions 1 to 4 set out in **Schedule C**.

		Tasks			
		Work already done	Future work to meeting date	If DOCA approved	
				Future work from ex to completion of DOCA	Creditors Trust work
<b>Period</b>		<b>20 October 2021 to 31 August 2022</b>	<b>1 September 2022 to 29 September 2022</b>	<b>Execution to completion of DOCA</b>	<b>Commencement to completion of Creditor Trust (combined with ASLP)</b>
<b>Amount (ex GST)</b>		<b>\$465,779.50</b>	<b>\$100,000.00</b>	<b>\$5,000.00</b>	<b>\$50,000.00</b>
<b>Task Area</b>	<b>General Description</b>				
<b>Assets</b>		<b>28.2 hours \$15,496</b>	<b>56.7 hours \$30,000</b>	<b>3.8 hours \$2,000</b>	<b>18.9 hours \$10,000</b>
	Sale of business as a going concern	<ul style="list-style-type: none"> <li>– Liaison with Receivers and Managers regarding ongoing sale process, including gathering of information to assist their process</li> <li>– Correspondence with interested parties regarding sale of the project and the methodology for realisation</li> </ul>	<ul style="list-style-type: none"> <li>– Liaison with Receivers and Managers regarding ongoing sale process, including gathering of information to assist their process</li> <li>– Correspondence with interested parties regarding sale of the project and the methodology for realisation</li> </ul>	<ul style="list-style-type: none"> <li>– Liaising with DOCA proponent</li> <li>– Internal meetings to discuss receipting DOCA funds</li> <li>– Announcements to the ASX</li> </ul>	<ul style="list-style-type: none"> <li>– Liaising with DOCA proponent</li> <li>– Task associated with receipting DOCA funds</li> </ul>
<b>Creditors</b>		<b>458.9 hours \$235,970</b>	<b>75.7 hours \$40,000</b>	<b>2.8 hours \$1,500</b>	<b>23.6 hours \$12,500</b>
	Creditor enquiries, requests, and directions	<ul style="list-style-type: none"> <li>– General updates and responses to creditor enquiries, shareholder enquiries and the COI</li> <li>– Search the PPSR register and notices to PMSI creditors</li> <li>– Receive and respond to creditors' enquiries</li> <li>– Maintaining creditor request log</li> <li>– Compiling information request from creditors</li> </ul>	<ul style="list-style-type: none"> <li>– General updates and responses to creditor enquiries, shareholder enquiries and the COI</li> <li>– Receive and respond to creditors' enquiries</li> <li>– Maintaining creditor request log</li> <li>– Compiling information request from creditors</li> </ul>	<ul style="list-style-type: none"> <li>– General updates and responses to creditor enquiries, shareholder enquiries and the COI</li> <li>– Receive and respond to creditors' enquiries</li> <li>– Maintaining creditor request log</li> <li>– Compiling information request from creditors</li> </ul>	<ul style="list-style-type: none"> <li>– General updates and responses to creditor enquiries, shareholder enquiries and the CO</li> <li>– Receive and respond to creditors' enquiries</li> <li>– Maintaining creditor request log</li> <li>– Compiling information request from creditors</li> </ul>
	Secured creditor	<ul style="list-style-type: none"> <li>– Consideration of DOCA and/or recapitalisation options</li> </ul>	<ul style="list-style-type: none"> <li>– Consideration of DOCA and/or recapitalisation options</li> </ul>	<ul style="list-style-type: none"> <li>– Consideration of DOCA and/or recapitalisation options</li> </ul>	
	Reports to creditors	<ul style="list-style-type: none"> <li>– Review and prepare initial correspondence to creditors and their representatives dated 21 October 2021</li> </ul>	<ul style="list-style-type: none"> <li>– Review and prepare correspondence to creditors and their representatives</li> <li>– Draft preparation of the creditors report (Voluntary Administrators'</li> </ul>	<ul style="list-style-type: none"> <li>– Review and prepare correspondence to creditors and their representatives</li> </ul>	



		Tasks			
		Work already done	Future work to meeting date	If DOCA approved	
				Future work from ex to completion of DOCA	Creditors Trust work
		– Draft preparation of the creditors report (Voluntary Administrators' report) dated 19 September 2022	report) dated 19 September 2022		
	Dealing with proofs of debt (POD)	– Receipting and filing PODs and proxies when not related to a dividend	– Receipting and filing PODs and proxies when not related to a dividend	– Receipting and filing PODs and proxies when not related to a dividend	– Receipting and filing PODs and proxies when not related to a dividend
	Meeting of creditors	– Correspondence and other actions incidental to the convening the first creditors meeting on 1 November 2021 and preparation of minutes – Attend to the convening of a meeting of creditors on 29 September 2022 and preparation of minutes	– Attend to the convening of a meeting of the Committee of Inspection and creditors on 29 September 2022 and preparation of minutes	– Correspondence and other actions post meeting and preparation of minutes	
Trade on		19.0 hours \$10,460			
	Trade on management	– Attendance at Lake Way site upon appointment			
Investigation		106.0 hours \$52,333	18.9 hours \$10,000	0.9 hours \$500	
	Conducting investigation	– Collection and review of electronic books and records – Review and preparation of Company nature and history – Conducting and summarising statutory searches – Preparation of comparative financial statements – Review of specific transactions and liaising with directors / management regarding certain transactions – Liaison with SPA including dealing with requests for information	– Review of electronic books and records – Preparation of comparative financial statements – Review of specific transactions and liaising with directors / management regarding certain transactions – Liaison with SPA including dealing with requests for information	– Review of electronic books and records – Preparation of comparative financial statements – Review of specific transactions and liaising with directors / management regarding certain transactions – Liaison with SPA including dealing with requests for information	
	ASIC reporting			– Reporting offences to ASIC	
Dividend					33.1 hours \$17,500

		Tasks			
		Work already done	Future work to meeting date	If DOCA approved	
				Future work from ex to completion of DOCA	Creditors Trust work
	Processing proofs of debt ( <b>POD</b> )				<ul style="list-style-type: none"> <li>– Preparation of correspondence to potential creditors inviting lodgement of POD and adjudication</li> <li>– Maintain POD register</li> <li>– Adjudicating POD</li> <li>– Request further information from claimants regarding POD</li> </ul>
	Dividend procedures				<ul style="list-style-type: none"> <li>– Preparation of correspondence to creditors</li> <li>– Advertisement of intention to declare dividend</li> <li>– Obtain clearance from ATO</li> <li>– Preparation of dividend calculations</li> <li>– Preparation of distribution</li> <li>– Preparation of payment vouchers to pay dividend</li> </ul>
<b>Administration</b>		<b>281.4 hours \$151,521</b>	<b>37.8 hours \$20,000</b>	<b>1.9 hours \$1,000</b>	<b>18.9 hours \$10,000</b>
	Correspondence	<ul style="list-style-type: none"> <li>– Attending to appointment/notification documents including the directors ROCAP</li> <li>– Maintenance of creditors website for information of relevant stakeholders</li> <li>– General correspondence and discussions with the Receivers and Managers and the SPA</li> </ul>	<ul style="list-style-type: none"> <li>– Maintenance of creditors website for information of relevant stakeholders</li> <li>– General correspondence and discussions with the Receivers and Managers and the SPA</li> </ul>	<ul style="list-style-type: none"> <li>– Maintenance of creditors website for information of relevant stakeholders</li> <li>– General correspondence and discussions with the Receivers and Managers and the SPA</li> </ul>	<ul style="list-style-type: none"> <li>– Maintenance of Maintenance of creditors website for information of relevant stakeholders</li> </ul>
	Document maintenance, file review, checklist	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>– Preparing correspondence opening and closing accounts</li> <li>– Bank account reconciliations</li> </ul>	<ul style="list-style-type: none"> <li>– Preparing correspondence opening and closing accounts</li> <li>– Bank account reconciliations</li> </ul>	<ul style="list-style-type: none"> <li>– Preparing correspondence opening and closing accounts</li> <li>– Bank account reconciliations</li> </ul>	<ul style="list-style-type: none"> <li>– Preparing correspondence opening and closing accounts</li> <li>– Bank account reconciliations</li> </ul>
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>– Preparing and lodgement of statutory ASIC forms</li> </ul>	<ul style="list-style-type: none"> <li>– Preparing and lodgement of statutory ASIC forms</li> </ul>	<ul style="list-style-type: none"> <li>– Preparing and lodgement of statutory ASIC forms</li> </ul>	<ul style="list-style-type: none"> <li>– Preparing and lodgement of statutory ASIC forms</li> </ul>
	ATO and other statutory reporting	<ul style="list-style-type: none"> <li>– ATO and other statutory reporting</li> </ul>	<ul style="list-style-type: none"> <li>– ATO and other statutory reporting</li> </ul>	<ul style="list-style-type: none"> <li>– ATO and other statutory reporting</li> </ul>	<ul style="list-style-type: none"> <li>– ATO and other statutory reporting</li> </ul>

		Tasks			
		Work already done	Future work to meeting date	If DOCA approved	
				Future work from ex to completion of DOCA	Creditors Trust work
	Finalisation				– Notifying ATO
	Planning / Review	– Planning/review discussions regarding status / strategy of administration	– Planning/review discussions regarding status / strategy of administration	– Planning/review discussions regarding status / strategy of administration	– Planning/review discussions regarding status / strategy of administration
	Books and records / storage	– Filing of documents – Updating checklists	– Filing of documents – Updating checklists	– Filing of documents – Updating checklists	– Filing of documents – Updating checklists

## 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 Company for the period 20 October 2021 to 31 August 2022, which is the basis of the Resolution 1 claim referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

KPMG WIP														
Employee	Title	Rate \$ / hour (excl GST)	Total hours	Amount (\$) (excl GST)	Admin		Assets		Creditors		Investigations		Trade	
					Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Hayden White	Appointee / Partner	725	8.3	6,018	5.9	4,278	0.6	435	1.8	1,305	-	-	-	-
Martin Jones	Appointee / Partner	725	71.0	51,475	42.1	30,523	1.8	1,305	27.1	19,648	-	-	-	-
Thomas Birch	Appointee / Director	675	52.9	35,708	24.6	16,605	7.5	5,063	20.8	14,040	-	-	-	-
Kieran Chu	Associate Director	595	118.9	70,746	53.6	31,892	0.3	179	57.4	34,153	1.6	952	6.0	3,570
Sean Powell	Associate Director	595	18.6	11,067	-	-	-	-	-	-	18.6	11,067	-	-
William Hulmes	Manager	530	124.6	66,038	34.9	18,497	8.0	4,240	55.2	29,256	13.5	7,155	13.0	6,890
Michael Flower	Manager	530	75.5	40,015	-	-	-	-	72.1	38,213	3.4	1,802	-	-
Deepa Sivarajasingam	Manager	530	3.5	1,855	-	-	-	-	-	-	3.5	1,855	-	-
Yvonne Liew	Manager	530	-	-	-	-	-	-	-	-	-	-	-	-
Ben Pimm	Manager	530	30.4	16,112	0.5	265	-	-	29.0	15,370	0.9	477	-	-
Veronica Del Borrello	Manager	530	0.9	477	0.9	477	-	-	-	-	-	-	-	-
Ben Pimm	Executive	450	96.4	43,380	39.3	17,685	5.7	2,565	33.3	14,985	18.1	8,145	-	-
Veronica Del Borrello	Executive	450	118.3	53,235	17.8	8,010	1.3	585	59.3	26,685	39.9	17,955	-	-
Adam Montarello	Executive	450	-	-	-	-	-	-	-	-	-	-	-	-
Georga Webb	Executive	450	22.4	10,080	6.6	2,970	-	-	9.3	4,185	6.5	2,925	-	-
Hendrik De Wet	Executive	450	57.5	25,875	17.1	7,695	-	-	40.4	18,180	-	-	-	-
Devika Varma	Analyst	375	16.7	6,263	0.2	75	-	-	16.5	6,188	-	-	-	-
Mitchell Yeo	Analyst	375	8.5	3,188	-	-	-	-	8.5	3,188	-	-	-	-

Lachlan Wharton	Analyst	375	5.4	2,025	4.9	1,838	-	-	0.5	188	-	-	-	-
Alain Noel	Analyst	375	16.3	6,113	-	-	-	-	16.3	6,113	-	-	-	-
Philip Nguyen	Analyst	375	6.3	2,363	3.3	1,238	3.0	1,125	-	-	-	-	-	-
Nicholas Jones	Analyst	375	16.0	6,000	16.0	6,000	-	-	-	-	-	-	-	-
Jacob Carger	Analyst	375	11.8	4,425	0.4	150	-	-	11.4	4,275	-	-	-	-
Lisa Brandt	Team Administrator	250	13.3	3,325	13.3	3,325	-	-	-	-	-	-	-	-
<b>Total (\$) (excl GST)</b>			<b>893.5</b>	<b>465,779.50</b>	<b>281.4</b>	<b>151,521</b>	<b>28.2</b>	<b>15,496</b>	<b>458.9</b>	<b>235,970</b>	<b>106.0</b>	<b>52,333</b>	<b>19.0</b>	<b>10,460</b>
GST (\$)				46,578		15,152		1,550		23,597		5,233		1,046
<b>Total (\$) (incl GST)</b>				<b>512,357</b>		<b>166,673</b>		<b>17,046</b>		<b>259,566</b>		<b>57,566</b>		<b>11,506</b>
Average hourly rate				521		538		550		514		494		551

## **Schedule C – Resolutions**

### **Remuneration**

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

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from 20 October 2021 to 31 August 2022 be fixed in the amount of \$465,779.50, plus any applicable GST, and may be paid."*

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

*"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from 1 September 2022 to 29 September 2022 be fixed up to a maximum amount of \$100,000.00, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

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

*"That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from 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 the Committee of Inspection or creditors, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

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

*"That the future remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from commencement to completion (combined with ASLP) be fixed up to a maximum amount of \$50,000.00, 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."*

**Schedule D – Summary of Receipts and Payments**

There are 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 assets of the Company vests with the Receivers and Managers.

**AUSTRALIA SALT LAKE  
POTASH PTY. LTD.  
(Administrators Appointed)  
(Receivers and Managers  
Appointed)  
ACN 164 369 420**

Remuneration Approval Request

19 September 2022

Level 8, 235 St Georges Terrace,  
PERTH WA 6000  
GPO Box A29  
PERTH WA 6837

P. 1800 845 118  
F. +61 8 9263 7129  
E. [saltlakepotash@kpmg.com.au](mailto:saltlakepotash@kpmg.com.au)  
W. [kpmg.com.au](http://kpmg.com.au)



# Remuneration approval request

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

## **AUSTRALIA SALT LAKE POTASH PTY. LTD. (Administrators Appointed) (Receivers and Managers Appointed) ACN 164 369 420 (the Company)**

### **1 Summary**

We are asking creditors to approve the following remuneration and disbursements:

	Remuneration \$ (ex GST)
Voluntary administration – Work completed to 31 August 2022 (actual)	9,394.50
Voluntary administration – 1 September 2022 to date of meeting (prospective)	10,000.00
Deed administration – Work from execution to completion of DOCA	2,500.00
<b>Total Voluntary Administration</b>	<b>21,894.50</b>
Trustees for the Creditors Trust – Future work from commencement to completion (combined with PP)	50,000.00
<b>Total Creditors Trust</b>	<b>50,000.00</b>

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

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at the meeting of creditors on 29 September 2022.
- Refer to section 2.9 of the report to creditors dated 19 September 2022 for details as to how you can attend the meeting of creditors in person or by proxy in order to vote on the resolutions contained in this report.

We estimate that the total combined cost of the administration for the nine (9) entities in Administration, will be approximately \$1,051,534 (excluding GST). This differs from the estimate of costs provided to creditors in the Initial Circular to Creditors dated 21 October 2021, which estimated a combined cost to completion of the administration of between \$400,000 - \$600,000 (excluding GST).

The reasons for our current total cost estimate for this administration being greater than the amount previously advised to creditors is due to the extension to the duration of the administration process, which was done via 3 separate applications to the Supreme Court of WA for an extension of the convening period from November 2021 to September 2022 (a cumulative extension of approximately 10 months). This extension was necessary to enable the Receivers and Managers to complete their sale and marketing process for the sale of the Companies business and assets.

### **2 Declaration**

We, Martin Bruce Jones and Hayden White of KPMG, have undertaken an assessment of this remuneration and disbursements claim for our appointment as Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements 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.

	Period	Amount \$ (ex GST)
Voluntary administration – Work completed	20 Oct 21 – 31 Aug 22	9,394.50
Voluntary administration – Work to meeting	1 Sep 22 – 29 Sep 22	10,000.00
Deed administration – Work from execution to completion of DOCA	DOCA execution – DOCA completion	2,500.00
<b>Total Voluntary Administration</b>		<b>21,894.50</b>
Creditor Trust – Future work	Commencement to Completion of Creditor Trust (combined with PP)	50,000.00
<b>Total Creditors Trust</b>		<b>50,000.00</b>

Note: 1. Rates applied can be located in the initial circular to creditors dated 21 October 2021.  
2. Remuneration will be drawn when funds become available, and subject to the outcome of the sales process.

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/to be considered by written proposal 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 if applicable.

We are unable to provide a dividend estimate of any certainty at this stage of the administration. In the event that the company is wound-up and the Liquidator does 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 19 September 2022 which outlines the progress of the administration.

### 6 Approval of remuneration and internal disbursements

For information about how approval of the resolutions for remuneration and internal disbursements will be sought, refer to Section 2 of the report to creditors dated 19 September 2022.

## 7 Questions

If you require further information in relation to the information in this report, please contact us on 1800 845 118 or by email at [saltlakepotash@kpmg.com.au](mailto:saltlakepotash@kpmg.com.au).

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 19<sup>th</sup> day of September 2022



**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 D – Summary of Receipts and Payments

## Schedule A – Details of work

The below table contains more detailed descriptions of the tasks performed within each task area by the Administrators and their staff, which is referred to in Part 3 and supports remuneration Resolutions 1 to 4 set out in **Schedule C**.

		Tasks			
		Work already done	Future work to meeting date	If DOCA approved	
Period		20 October 2021 to 31 August 2022	1 September 2022 to 29 September 2022	Future work from ex to completion of DOCA	Creditors Trust work
Amount (ex GST)		\$9,394.50	\$10,000.00	Execution to completion of DOCA	Execution of DOCA to completion (combined with PP)
Task Area	General Description				
Assets		N/A	5.7 hours \$3,000	1.9 hours \$1,000	18.9 hours \$10,000
	Sale of business as a going concern		<ul style="list-style-type: none"> <li>– Liaison with Receivers and Managers regarding ongoing sale process, including gathering of information to assist their process</li> <li>– Correspondence with interested parties regarding sale of the project and the methodology for realisation</li> </ul>	<ul style="list-style-type: none"> <li>– Liaising with DOCA proponent</li> <li>– Internal meetings to discuss receipting DOCA funds</li> </ul>	<ul style="list-style-type: none"> <li>– Liaising with DOCA proponent</li> <li>– Task associated with receipting DOCA funds</li> </ul>
Creditors		13.8 hours \$6,108	7.6 hours \$4,000	1.4 hours \$750	23.6 hours \$12,500
	Creditor enquiries, requests, and directions	– General updates and responses to creditor enquiries	– General updates and responses to creditor enquiries	– General updates and responses to creditor enquiries	– General updates and responses to creditor enquiries
	Reports to creditors	<ul style="list-style-type: none"> <li>– Review and prepare initial correspondence to creditors and their representatives dated 21 October 2021</li> <li>– Draft preparation of the creditors report (Voluntary Administrators' report) dated 19 September 2022</li> </ul>	<ul style="list-style-type: none"> <li>– Review and prepare correspondence to creditors and their representatives</li> <li>– Draft preparation of the creditors report (Voluntary Administrators' report) dated 19 September 2022</li> </ul>	– Review and prepare correspondence to creditors and their representatives	– Review and prepare correspondence to creditors and their representatives
	Dealing with proofs of debt ( <b>POD</b> )	– Receipting and filing PODs and proxies when not related to a dividend	– Receipting and filing PODs and proxies when not related to a dividend	– Receipting and filing PODs and proxies when not related to a dividend	– Receipting and filing PODs and proxies when not related to a dividend
	Meeting of creditors	– Correspondence and other actions incidental to the convening the first creditors	– Attend to the convening of a meeting of the creditors on 29 September 2022 and preparation of minutes	– Correspondence and other actions post meeting and preparation of minutes	

		Tasks			
		Work already done	Future work to meeting date	If DOCA approved	
				Future work from ex to completion of DOCA	Creditors Trust work
		meeting on 1 November 2021 and preparation of minutes – Attend to the convening of a meeting of the creditors on 29 September 2022 and preparation of minutes			
<b>Investigation</b>		<b>1.3 hours \$585</b>	<b>1.9 hours \$1,000</b>	<b>0.5 hours \$250</b>	
	Conducting investigation	– Collection and review of electronic books and records – Review and preparation of Company nature and history – Conducting and summarising statutory searches – Preparation of comparative financial statements – Review of specific transactions and liaising with directors / management regarding certain transactions	– Review of electronic books and records – Preparation of comparative financial statements	– Review of electronic books and records – Preparation of comparative financial statements	
	ASIC Reporting			– Reporting offences to ASIC (if any)	
<b>Dividend</b>					<b>33.1 hours \$17,500</b>
	Processing proofs of debt ( <b>POD</b> )				– Preparation of correspondence to potential creditors inviting lodgement of POD and adjudication – Maintain POD register – Adjudicating POD – Request further information from claimants regarding POD
	Dividend procedures				– Preparation of correspondence to creditors – Advertisement of intention to declare dividend – Obtain clearance from ATO

		Tasks			
		Work already done	Future work to meeting date	If DOCA approved	
				Future work from ex to completion of DOCA	Creditors Trust work
					<ul style="list-style-type: none"> <li>– Preparation of dividend calculations</li> <li>– Preparation of distribution</li> <li>– Preparation of payment vouchers to pay dividend</li> </ul>
<b>Administration</b>		<b>6.3 hours \$2,702</b>	<b>3.8 hours \$2,000</b>	<b>0.9 hours \$500</b>	<b>18.9 hours \$10,000</b>
	Correspondence	<ul style="list-style-type: none"> <li>– Attending to appointment/notification documents including the directors ROCAP</li> <li>– Maintenance of creditors website for information of relevant stakeholders</li> <li>– General correspondence and discussions with the Receivers and Managers and the SPA</li> </ul>	<ul style="list-style-type: none"> <li>– Maintenance of creditors website for information of relevant stakeholders</li> <li>– General correspondence and discussions with the Receivers and Managers and the SPA</li> </ul>	<ul style="list-style-type: none"> <li>– Maintenance of creditors website for information of relevant stakeholders</li> <li>– General correspondence and discussions with the Receivers and Managers and the SPA</li> </ul>	<ul style="list-style-type: none"> <li>– Maintenance of creditors website for information of relevant stakeholders</li> </ul>
	ASIC forms and lodgements	<ul style="list-style-type: none"> <li>– Preparing and lodgement of statutory ASIC forms</li> </ul>	<ul style="list-style-type: none"> <li>– Preparing and lodgement of statutory ASIC forms</li> </ul>	<ul style="list-style-type: none"> <li>– Preparing and lodgement of statutory ASIC forms</li> </ul>	<ul style="list-style-type: none"> <li>– Preparing and lodgement of statutory ASIC forms</li> </ul>
	ATO and other statutory reporting	<ul style="list-style-type: none"> <li>– ATO and other statutory reporting</li> </ul>	<ul style="list-style-type: none"> <li>– ATO and other statutory reporting</li> </ul>	<ul style="list-style-type: none"> <li>– ATO and other statutory reporting</li> </ul>	<ul style="list-style-type: none"> <li>– ATO and other statutory reporting</li> </ul>
	Finalisation				<ul style="list-style-type: none"> <li>– Notifying ATO &amp; finalising WIP</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>– Planning/review discussions regarding status / strategy of administration</li> </ul>	<ul style="list-style-type: none"> <li>– Planning/review discussions regarding status / strategy of administration</li> </ul>	<ul style="list-style-type: none"> <li>– Planning/review discussions regarding status / strategy of administration</li> </ul>	<ul style="list-style-type: none"> <li>– Planning/review discussions regarding status / strategy of administration</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>– Filing of documents</li> <li>– Updating checklists</li> </ul>	<ul style="list-style-type: none"> <li>– Filing of documents</li> <li>– Updating checklists</li> </ul>	<ul style="list-style-type: none"> <li>– Filing of documents</li> <li>– Updating checklists</li> </ul>	<ul style="list-style-type: none"> <li>– Filing of documents</li> <li>– Updating checklists</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 Company for the period 20 October 2021 to 31 August 2022, which is the basis of the Resolution 1 claim referred to in **Schedule C**. Please refer to **Schedule A** for further details with respect to the tasks performed.

KPMG WIP - Australian Salt Lake Potash Pty Ltd										
Employee	Title	Rate \$ / hour (excl GST)	Total hours	Amount (\$) (excl GST)	Admin		Creditors		Investigations	
					Hours	Amount	Hours	Amount	Hours	Amount
Martie Livanos	Associate Director	595	1.0	595	-	-	1.0	595	-	-
Veronica Del Borrello	Manager	530	0.4	212	0.4	212	-	-	-	-
Veronica Del Borrello	Executive	450	7.0	3,150	1.7	765	4.0	1,800	1.3	585
Georga Webb	Executive	450	7.5	3,375	2.0	900	5.5	2,475	-	-
Devika Varna	Analyst	375	0.2	75	0.2	75	-	-	-	-
Lachlan Wharton	Analyst	375	1.6	600	1.6	600	-	-	-	-
Jacob Carger	Analyst	375	0.4	150	0.4	150	-	-	-	-
Mitchell Yeo	Analyst	375	3.3	1,238	-	-	3.3	1,238	-	-
<b>Total (\$) (excl GST)</b>			<b>21.4</b>	<b>9,394.50</b>	<b>6.3</b>	<b>2,702</b>	<b>13.8</b>	<b>6,108</b>	<b>1.3</b>	<b>585</b>
GST (\$)				939		270		611		59
<b>Total (\$) (incl GST)</b>				<b>10,334</b>		<b>2,972</b>		<b>6,718</b>		<b>644</b>
Average hourly rate				439		429		443		450



## **Schedule C – Resolutions**

### **Remuneration**

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

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from 20 October 2021 to 31 August 2022 be fixed in the amount of \$9,394.50, plus any applicable GST, and may be paid."*

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

*"That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from 1 September 2022 to 29 September 2022 be fixed up to a maximum amount of \$10,000.00, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

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

*"That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from execution to completion of the DOCA be fixed up to a maximum amount of \$2,500.00, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

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

*"That the future remuneration of the Trustees of the Creditors Trust, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from commencement to completion (combined with PP) be fixed up to a maximum amount of \$50,000.00, 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."*

**Schedule D – Summary of Receipts and Payments**

There are 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 assets of the Company vests with the Receivers and Managers.

**H – Notice of Meeting of Creditors**

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## H – Notice of concurrent meeting of creditors

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### Notice of meeting of creditors

*Insolvency Practice Rules (Corporations) 2016 (IPR), Section 75-225*

**Australia Salt Lake Potash Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)**

**ACN 164 369 420 (“ASLP”)**

**AND**

**Piper Preston Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)**

**ACN 142 962 409 (“PP”)**

Notice is given that a concurrent meeting of creditors of ASLP and PP will be held on Thursday, 29 September 2022 at 10:30am WST at the KPMG offices, Level 8, 235 St Georges Terrace, Perth WA 6000.

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

### Agenda

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

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

For creditors who are unable to attend the meeting, a conference call facility will be available. If you wish to vote or participate, you must attend in person or by proxy. Creditors are not entitled to vote at the meeting unless they lodge particulars of the debt or claim via the Creditors’ Portal before the meeting. Please contact KPMG by email at

saltlakepotash@kpmg.com.au or by telephone to 1800 845 118 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.

We will be using the Creditors' Portal to allow creditors to vote for all resolutions put forward at the Second Concurrent Meeting of creditors. Creditors who will be attending will be required to log in via the Creditors' Portal and attend the meeting via the teleconference facilities.

Dated this 19<sup>th</sup> day of September 2022.

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

**Martin Jones**  
Administrator

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.

## Effect of IPR Section 75-85 – Entitlement to vote at meetings of creditors

1. A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
2. Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
3. A person is not entitled to vote as a creditor at a meeting of creditors unless:
  - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
  - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
    - (i) those particulars; or
    - (ii) if required—a formal proof of the debt or claim.
4. A creditor must not vote in respect of:
  - (a) an unliquidated debt; or
  - (b) a contingent debt; or
  - (c) an unliquidated or a contingent claim; or
  - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
5. A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
  - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
  - (b) estimate its value;
  - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
6. A person is covered by this subsection if:
  - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
  - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
  - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

# I – ARITA creditor information sheet

## Creditor Information Sheet

### Offences, Recoverable transactions and Insolvent Trading



#### Offences

A summary of offences that may be identified by the administrator:

Section	Offence
180	Failure by officer to exercise a reasonable degree of care and diligence in the exercise of his powers and the discharge of his duties.
181	Failure to act in good faith.
182	Making improper use of position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of his position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for proper purpose. Use of position or information dishonestly to gain advantage or cause detriment.
206A	Contravening an order against taking part in management of a corporation.
206A, B	Taking part in management of corporation while being an insolvent under an administration.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of auditor.
314-7	Failure to comply with requirements for financial statement preparation.
437C	Performing or exercising a function or power as officer while a company is under administration.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

#### Voidable Transactions

##### Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Where a creditor receives a preferred payment, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under either the Corporations Act.

##### Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation.

However, if a related entity is a party to the transaction, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

#### *Unfair Loan*

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only have to have been entered into any time on or before the day when the winding up began.

#### *Arrangements to avoid employee entitlements*

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

#### *Unreasonable payments to directors*

Liquidators have the power to reclaim "unreasonable payments" made to directors by companies prior to liquidation. The provision relates to transactions made to, on behalf of, or for the benefit of, a director or close associate of a director. To fall within the scope of the section, the transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

#### *Voidable charges*

Certain charges are voidable by a liquidator:

- Circulating security interest created with six months of the liquidation unless it secures a subsequent advance;
- Unregistered charges; and
- Charges in favour of related parties who attempt to enforce the charge within 6 months of its creation.

#### *Insolvent Trading*

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they actually did so expect;
- they did not take part in management for illness or some other good reason; or,
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.



## J – Short guide to the Creditors' Portal

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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 Company.

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 company 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 Company under "*Recent Interactions*".
- ☐ If you cannot view the Company listed on the landing page you may need a creditor code to link your profile to the Company.
- ☐ Please contact the 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 Company on the landing page or under the “Debtors” tab and click “My debtors” or “My claims”. Click on “Details” to be directed to the Company.
- ☐ You will be able to view any documents uploaded under the “Documents” tab that relate to the Company.
- ☐ 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 Company on the landing page or under the “Debtors” tab and click “My debtors” or “My claims”. Click on “Details” to be directed to the Company.
- ☐ 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 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 Administrators will request further information with respect to your claim.
- ☐ The 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 Administrators.
- ☐ The 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.

## K – Forms to be completed

Creditors should review the contents of this report and complete the following forms by **4:00pm** on Wednesday, 28 September 2022:

Form/ voting	Where to submit
Appointment of proxy - form 532 ( <b>Annexure K1</b> )	<b>Email:</b> saltlakepotash@kpmg.com.au <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>
Online voting at the meeting of creditors	<p>Creditors who will be attending will be required to login via the Creditors' Portal and attend the meeting via the teleconference facilities.</p> <p>We will be using the Creditors' Portal to conduct a poll for all resolutions put forward at the Second Meeting. Instructions on how to vote are detailed at <b>Annexure J</b>.</p> <ul style="list-style-type: none"><li>– The meeting will be open on the Creditors' Portal one hour prior to the commencement of the Second Meeting to allow creditors to view the resolutions.</li><li>– Creditors (or their nominated proxy) will be required to log in to the Creditors' Portal during the meeting to submit their votes.</li><li>– Teleconference facility details will be provided the day before the meeting.</li></ul>

**K1 – Appointment of proxy**

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# K1 – Appointment of proxy

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

Return to no later than 4:00PM AWST, Wednesday, 28 September 2022 to:  
KPMG GPO Box A29, PERTH WA 6837  
Tel: 1800 845 118  
Fax: +61 8 9263 7129  
Email: saltlakepotash@kpmg.com.au

**Indebted Company: Piper Preston Pty Ltd (Administrators Appointed) (Receivers and Managers Appointed)**  
**ACN 142 962 409**  
**Date of Appointment: 20/10/2021**

## 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 (via the Creditors' Portal as required) at the meeting of creditors to be held on Thursday, 29 September 2022 at 10:30 a.m. AWST at 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), Piper Preston 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 Piper Preston Pty Ltd be wound up and that Mr Dermott McVeigh be appointed as Liquidator of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That the Administration of Piper Preston 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 19 September 2022, for the period from 20 October 2021 to 31 August 2022 be fixed in the amount of \$465,779.50, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from 1 September 2022 to 29 September 2022 be fixed up to a maximum amount of \$100,000.00, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from 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 the Committee of Inspection or creditors, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	That the remuneration of the Special Purpose Administrator (SPA), as set out in their Remuneration Approval Request Report dated 19 September 2022 for the period from 21 December 2021 to 16 September 2022 be fixed in the amount of \$607,303, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	That the remuneration of the SPA, as set out in their Remuneration Approval Request Report dated 19 September 2022 for the period from 17 September 2022 to 29 September 2022 be fixed in the amount of \$4,500, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	That the future remuneration of the Trustees of the Creditors Trust (formed for the benefit of the Companies), as set out in the Remuneration Approval Request dated 19 September 2022, for the period from commencement to completion (combined with ASLP) be fixed up to a maximum amount of \$50,000.00, 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 future remuneration of the Liquidators, as set out in SPA's the Remuneration Approval Request dated 19 September 2022, for the period from commencement to completion be fixed up to a maximum amount of \$150,000.00, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### **D. Signature**

<sup>1</sup> Dated:

<sup>2</sup> Signature:

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

## Creditor Assistance Sheet: Completing a Proxy Form

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

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

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

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

### Section C – Voting Instructions

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

### Section D – Signature Instructions

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

# K1 – Appointment of proxy

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

Return to no later than 4:00PM AWST, Wednesday, 28 September 2022 to:  
KPMG GPO Box A29, PERTH WA 6837  
Tel: 1800 845 118  
Fax: +61 8 9263 7129  
Email: saltlakepotash@kpmg.com.au

**Indebted Company: AUSTRALIA SALT LAKE POTASH PTY. LTD. (Administrators Appointed) (Receivers and Managers Appointed) ACN 164 369 420**  
**Date of Appointment: 20/10/2021**

## 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 (via the Creditors' Portal as required) at the meeting of creditors to be held on Thursday, 29 September 2022 at 10:30 a.m. AWST at 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), Australia Salt Lake Potash 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 Australia Salt Lake Potash Pty Ltd be wound up and that Mr Dermott McVeigh be appointed as Liquidator of the company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That the Administration of Australia Salt Lake 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 19 September 2022, for the period from 20 October 2021 to 31 August 2022 be fixed in the amount of \$9,394.50, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. That the future remuneration of the Administrators, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from 1 September 2022 to 29 September 2022 be fixed up to a maximum amount of \$10,000.00, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. "That the future remuneration of the Deed Administrators, as set out in the Remuneration Approval Request dated 19 September 2022, for the period from execution to completion of the DOCA be fixed up to a maximum amount of \$2,500.00, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection or creditors, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. That the remuneration of the Special Purpose Administrator, as set out in their Remuneration Approval Request Report by the SPA dated 19 September 2022 for the period from 21 December 2021 to 16 September 2022 be fixed in the amount of \$2,283, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. That the remuneration of the Special Purpose Administrator, as set out in their Remuneration Approval Request Report dated 19 September 2022 for the period from 17 September 2022 to 29 September 2022 be fixed in the amount of \$500, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. That the future remuneration of the Trustees of the Creditors Trust (formed for the benefit of the Companies), as set out in the Remuneration Approval Request dated 19 September 2022, for the period from commencement to completion (combined with PP) be fixed up to a maximum amount of \$50,000.00, 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 future remuneration of the Liquidators, as set out in the SPA's Remuneration Approval Request dated 19 September 2022, 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 the Committee of Inspection or creditors, and that the Trustees be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### **D. Signature**

<sup>1</sup> Dated:

<sup>2</sup> Signature:

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

## Creditor Assistance Sheet: Completing a Proxy Form

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

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

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

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

### Section C – Voting Instructions

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

### Section D – Signature Instructions

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