



Amended Defence

No. VID 1072 of 2024

Federal Court of Australia
District Registry: New South Wales
Division: General

Edwin Paul Cayzer

Applicant

Phoslock Environmental Technologies Ltd (ACN 099 555 290) and others

Respondents

In response to the Applicant's Further Amended Statement of Claim filed on 21 March 9 September 2025 (**Statement of Claim**), the First Respondent (**Phoslock**) pleads as follows. Capitalised terms have the meaning assigned in the Statement of Claim unless otherwise defined.

A PARTIES AND GROUP MEMBERS

A.1 The Applicant and the Group Members

1. As to paragraph 1, Phoslock:
 - a. admits that the Applicant purports to have commenced the proceeding as a representative proceeding pursuant to Part IVA of the *Federal Court of Australia Act 1976* (Cth) on behalf of himself and certain others referred to in this Defence as Group Members;

Filed on behalf of (name & role of party)	Phoslock Environmental Technologies Ltd (ACN 099 555 290), First Respondent
Prepared by (name of person/lawyer)	Susanna Ford, Partner
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- b. does not thereby admit that the proceeding is appropriate to be brought as a representative proceeding pursuant to Part IVA of the *Federal Court of Australia Act 1976* (Cth);
 - c. denies that the Applicant or any Group Member has suffered any loss as a result of the conduct of Phoslock; and
 - d. otherwise does not plead to the paragraph on the ground that it does not contain any assertion of fact relevant to a cause of action pleaded against Phoslock.
2. As to paragraph 2 of the Statement of Claim, Phoslock:
- a. admits sub-paragraph (a);
 - b. otherwise denies the paragraph.
3. As to paragraph 3, Phoslock:
- a. refers to and repeats paragraph 1 above; and
 - b. denies the paragraph.

A.2 The Respondents

4. Phoslock admits paragraph 4 of the Statement of Claim.
5. As to paragraph 5 of the Statement of Claim, Phoslock:
- a. admits sub-paragraphs (a) to (d);
 - b. does not know and therefore cannot admit sub-paragraph (e).
6. As to paragraph 6 of the Statement of Claim, Phoslock:
- a. admits sub-paragraphs (a) to (d);
 - b. does not know and therefore cannot admit sub-paragraph (e).
- 6A. As to paragraph 6A of the Statement of Claim, [PETPhoslock](#):
- c. admits that rule 19.12 of the ASX Listing Rules provides that an entity becomes aware of information if, and as soon as, an officer of the entity has, or ought reasonably to have, come into possession of the information in the course of the performance of his or her duties as an officer of that entity; and
 - d. otherwise denies the paragraph.
7. Phoslock admits paragraph 7 of the Statement of Claim.

B PHOSLOCK'S REPORTING REQUIREMENTS

8. Phoslock admits paragraph 8 of the Statement of Claim.

9. As to paragraph 9, Phoslock:
 - a. says that AASB 101 is titled "Presentation of Financial Statements";
 - b. otherwise admits the paragraph.
10. As to paragraph 10, Phoslock:
 - a. does not know and therefore does not admit the allegations in sub-paragraph (a);
 - b. admits that AASB 101 and the *Framework for the Preparation and Presentation of Financial Statements* (identified in AASB 1048) contained statements to the effect of those pleaded at sub-paragraph (b);
 - c. relies on the whole of AASB 101 and the Framework applying throughout the Relevant Period for their full force and effect; and
 - d. otherwise denies the paragraph.
11. As to paragraph 11, Phoslock:
 - a. does not know and therefore cannot admit sub-paragraph (a);
 - b. says that AASB 110 included a statement that *Events after the reporting period* are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue, and included "adjusting events after the reporting period" and "non-adjusting events after the reporting period";
 - c. relies on AASB 110 applying throughout the Relevant Period for its full force and effect; and
 - d. otherwise denies the paragraph.
12. As to paragraph 12, Phoslock:
 - a. relies on s 674(1) and 767A of the Corporations Act, and the ASX Listing Rules, for their full force and effect;
 - b. otherwise admits the paragraph.
13. Phoslock admits paragraph 13 of the Statement of Claim.

C DIRECTORS' ROLES

14. As to paragraph 14, Phoslock:
 - a. Admits sub-paragraphs (a) and (b);
 - b. as to sub-paragraph (c):

- i. admits that the Second Respondent had the responsibility to take reasonable steps to:
 - 1. monitor the financial position and performance of Phoslock;
 - 2. oversee the establishment and maintenance of adequate internal financial controls and financial monitoring systems;
 - 3. identify and manage major business risks;
 - ii. does not know and therefore cannot admit sub-paragraph (c)(iv); and
 - c. otherwise denies the paragraph.
15. Phoslock denies paragraph 15 of the Statement of Claim.
16. Phoslock denies paragraph 16 of the Statement of Claim.
17. As to paragraph 17, Phoslock:
- a. admits sub-paragraphs (a) and (b);
 - b. as to sub-paragraph (c):
 - i. admit that the Third Respondent had the responsibility to take reasonable steps to:
 - 1. monitor the financial position and performance of Phoslock;
 - 2. oversee the establishment and maintenance of adequate internal financial controls and financial monitoring systems;
 - 3. identify and manage major business risks;
 - ii. does not know and therefore cannot admit sub-paragraph (c)(iv); and
 - c. otherwise denies the paragraph.
18. Phoslock denies paragraph 18 of the Statement of Claim.
19. Phoslock denies paragraph 19 of the Statement of Claim.

D KPMG'S ROLE

D.1 KPMG's Audit Obligations

- 20. Phoslock admits paragraph 20 of the Statement of Claim.
- 21. Phoslock admits paragraph 21 of the Statement of Claim.
- 22. Phoslock admits paragraph 22 of the Statement of Claim.
- 23. Phoslock admits paragraph 23 of the Statement of Claim.

D.2 KPMG Audit Team

- 24. Phoslock admits paragraph 24 of the Statement of Claim.
- 25. Phoslock admits paragraph 25 of the Statement of Claim.
- 26. Phoslock admits paragraph 26 of the Statement of Claim.

E PHOSLOCK'S FINANCIAL STATEMENTS

E.1 Relevant events leading up to FY18

- 27. As to paragraph 27 of the Statement of Claim, Phoslock:
 - a. admits that on about 4 May 2017, the ASX published an announcement that stated (amongst other matters):
 - i. Phoslock had signed a Strategic Co-operation Agreement with Beijing BHZQ Environmental Engineering Technology Company Limited (**BHZQ**)(**BHZQ Deal**);
 - ii. given the size and scope of BZHQ's project pipeline, Phoslock anticipated annual sales to increase from current \$5 million to some \$15 million for next full financial year.
 - b. relies on the announcement for its full effect; and
 - c. denies the paragraph.
- 28. Phoslock denies paragraph 28 of the Statement of Claim.
- 29. As to paragraph 29 of the Statement of Claim, Phoslock:
 - a. admits that on 16 June 2017, Phoslock shareholders approved 65 million performance share options with a grant date of 10 April 2017;
 - b. says that all of the performance share options were subject to sales revenue performance criteria before 30 June 2019;
 - c. says that the performance share options could only vest if the performance criteria listed in the General Meeting Notice for the 16 June 2017 general meeting was met;
 - d. otherwise denies the paragraph.
- 30. As to paragraph 30 of the Statement of Claim, Phoslock:
 - a. relies on the FY17 Annual Report as if it were set out here in full;
 - b. says that the FY17 Annual Report contained the consolidated accounts of Phoslock and its controlled entities (**Phoslock Group**);

- c. otherwise denies the paragraph.

E.2 Phoslock's FY18 financial performance

- 31. As to paragraph 31, Phoslock:
 - a. admits that on 11 October 2018, its FY18 Annual Report was published on the ASX; and
 - b. otherwise denies the paragraph.
- 32. As to paragraph 32 of the Statement of Claim, Phoslock:
 - a. says that the FY18 Annual Report contained the consolidated accounts of the Phoslock Group; and
 - b. admits sub- paragraph (a);
 - c. otherwise denies the paragraph.
- 33. As to paragraph 33 of the Statement of Claim, Phoslock:
 - a. admits that the Chairman's Report at page 4 of the FY18 Annual Report contained statements to the effect pleaded sub-paragraphs (a) and (b);
 - b. says further that those statements concerned the consolidated financial performance of Phoslock Group;
 - c. relies on the FY18 Annual Report as if it were set out here in full;
 - d. otherwise denies the paragraph.
- 34. As to paragraph 34 of the Statement of Claim, Phoslock:
 - a. admits that the Managing Director's Report at page 8 of the FY18 Annual Report contained statements to the effect pleaded sub-paragraphs (a) to (c);
 - b. says further that those statements concerned the consolidated financial performance of the Phoslock Group;
 - c. relies on the FY18 Annual Report as if it were set out here in full;
 - d. otherwise denies the paragraph.
- 35. As to paragraph 35 of the Statement of Claim, Phoslock:
 - a. relies upon the FY18 Annual Report as if it were set out here in full;
 - b. says that the FY18 Annual Report contained the consolidated accounts of the Phoslock Group; and
 - c. denies the paragraph.

E.3 Phoslock's July to December 2018 financial performance

36. As to paragraph 36 of the Statement of Claim, Phoslock:
- a. admits that on around 6 December 2018, the ASX published an announcement from Phoslock which stated that Phoslock would be changing its financial year end from 30 June to 31 December effective immediately; and
 - b. otherwise denies the paragraph.
37. As to paragraph 37 of the Statement of Claim, Phoslock:
- a. admits that on around 26 March 2019, the investor presentation titled "Business Overview – Institutional Roadshow – March 2019" was published on the ASX; and
 - b. otherwise denies the paragraph.
38. As to paragraph 38 of the Statement of Claim, Phoslock:
- a. ~~says~~ admits that its accounts for the six months ended 31 December 2018 were published by the ASX on 1 April 2019; and
 - b. denies the paragraph.
39. As to paragraph 39 of the Statement of Claim, Phoslock:
- a. relies upon the Extended FY18 Annual Report as if it were set out here in full;
 - b. says that the Extended FY18 Annual Report contained the consolidated accounts of the Phoslock Group; and
 - c. denies the paragraph.

E.4 Phoslock's FY19 financial performance

40. As to paragraph 40 of the Statement of Claim, Phoslock:
- a. admits that on about 23 August 2019, the consolidated accounts of the Phoslock Group were published on the ASX; and
 - b. otherwise denies the paragraph.
41. As to paragraph 41 of the Statement of Claim, Phoslock:
- a. admits that on or about 23 August 2019, Phoslock provided the consolidated accounts of the Phoslock Group for the six months to 30 June 2019 to the ASX (**1H19 Accounts**);
 - b. relies upon the 1H19 Accounts as if they were set out here in full;
 - c. otherwise denies the paragraph.

42. As to paragraph 42 of the Statement of Claim, Phoslock:
 - a. admits the paragraph;
 - b. relies on the Third Respondent's letter to the ASX dated 31 October 2019 as if it were set out here in full.
43. As to paragraph 43 of the Statement of Claim, Phoslock:
 - a. relies on the ASX announcement dated 3 December 2019 and titled, "*Preliminary forecast: 100% sales increase for FY2020*" as if it were set out here in full; and
 - b. denies the paragraph.
44. As to paragraph 44 of the Statement of Claim, Phoslock:
 - a. admits that the FY19 Annual Report was published on the ASX on about 22 April 2020;
 - b. otherwise denies the paragraph.
45. As to paragraph 45 of the Statement of Claim, Phoslock:
 - a. relies on the FY19 Annual Report as if it were set out here in full;
 - b. denies that the FY19 Annual Report contained the FY18 Financial Report;
 - c. says that the FY19 Annual Report contained the FY19 consolidated accounts for the Phoslock Group; and
 - d. otherwise, admits the paragraph.
46. As to paragraph 46 of the Statement of Claim, Phoslock:
 - a. admits that the Chairman's Report at pages 4 and 5 of the FY19 Annual Report contains statements to the effect pleaded at sub-paragraphs 46(a) and (b);
 - b. relies upon the FY19 Annual Report as if it were set out here in full; and
 - c. denies the paragraph.
47. As to paragraph 47 of the Statement of Claim, Phoslock:
 - a. admits that the Managing Director's Report in the FY19 Annual Report contained statements to the effect pleaded sub-paragraphs (a) and (b);
 - b. relies on the FY19 Annual Report as if it were set out here in full;
 - c. otherwise denies the paragraph.
48. As to paragraph 48 of the Statement of Claim, Phoslock:
 - a. says that the FY19 Annual Report contained the consolidated financial accounts of the Phoslock Group; and

- b. denies the paragraph.

E.5 Phoslock's FY20 financial performance

49. As to paragraph 49, Phoslock:
- a. admits that its unaudited half year results for the six months ending 30 June 2020 were published on the ASX;
 - b. otherwise denies the paragraph.
50. As to paragraph 50, Phoslock:
- a. relies on the Unaudited 1H20 Accounts as if they were set out here in full;
 - b. says that the Unaudited 1H20 Accounts were the consolidated accounts of the Phoslock Group; and
 - c. denies the paragraph.
51. As to paragraph 51, Phoslock:
- a. admits that its Audited 1H20 Accounts were published on the ASX on 1 February 2021;
 - b. otherwise denies the paragraph.
52. As to paragraph 52 of the Statement of Claim, Phoslock:
- a. admits that the Audited 1H20 Accounts recorded:
 - i. sales revenue of \$2,090,000;
 - ii. a loss in Underlying Earnings Before Interest and Taxes of \$4,312,000;
 - b. relies on the Audited 1H20 Accounts as if they were set out here in full;
 - c. otherwise denies the paragraph.
- 52A. Phoslock denies paragraph 52A of the Statement of Claim.

F PHOSLOCK'S CAPITAL RAISINGS

53. As to paragraph 53 of the Statement of Claim, Phoslock:
- a. admits that on 4 July 2028, the ASX published an announcement from Phoslock titled "Capital Raising heavily oversubscribed: \$5.5 million raised" (**First Capital Raising Announcement**);
 - b. admits that the First Capital Raising Announcement included statements to the effect pleaded in sub-paragraphs (b) and (c);

- c. says that on 12 July 2018, the ASX published a notice from Phoslock under s 708A(5)(e) of the Corporations Act (**First Capital Raising Notice**);
 - d. relies on the First Capital Raising Announcement and the First Capital Raising Notice as if they were set out here in full;
 - e. otherwise denies the paragraph;
54. As to paragraph 54, Phoslock:
- a. admits that the First Capital Raising Notice confirmed that as at 12 July 2018:
 - i. Phoslock had complied with the provisions of Chapter 2M of the Corporations Act (as those provisions applied to Phoslock);
 - ii. Phoslock had complied with s 674 of the Corporations Act; and
 - iii. There was no excluded information as defined in paragraph 7 of s 708A of the Corporations Act;
 - b. otherwise denies the paragraph.
55. Phoslock admits paragraph 55 of the Statement of Claim.
56. As to paragraph 56 of the Statement of Claim, Phoslock:
- a. admits sub-paragraph (a);
 - b. admits that the Second Capital Raising Announcement contained statements to the effect pleaded in (b) and (c);
 - c. admits that on or about 17 April 2020, the ASX published a notice from Phoslock under s 708A(5)(e) of the Corporations Act (**Second Capital Raising Notice**);
 - d. relies on the Second Capital Raising Announcement and the Second Capital Raising Notice as if they were set out here in full; and
 - e. otherwise denies the paragraph.
57. As to paragraph 57, Phoslock:
- a. admits that the Second Capital Raising Notice confirmed that as at 17 April 2020:
 - i. Phoslock had complied with the provisions of Chapter 2M of the Corporations Act (as those provisions applied to Phoslock);
 - ii. Phoslock had complied with s 674 of the Corporations Act; and
 - iii. there was no excluded information as defined in paragraph 7 of s 708A of the Corporations Act;
 - b. otherwise denies the paragraph.

58. As to paragraph 58 of the Statement of Claim, Phoslock:
- a. admits sub-paragraph (a);
 - b. admits that the Third Capital Raising Announcement contained a statement to the effect of that pleaded at sub-paragraph (b);
 - c. relies on the Third Capital Raising Announcement as if it were set out here in full;
 - d. otherwise denies the paragraph.
59. As to paragraph 59 of the Statement of Claim, Phoslock:
- a. refers to and repeats paragraph 58 above; and
 - b. denies the paragraph.
60. Phoslock admits paragraph 60 of the Statement of Claim.
61. As to paragraph 61 of the Statement of Claim, Phoslock:
- a. admits that on around 3 June 2020, the ASX published a notice from Phoslock under s 708A(5)(e) of the Corporations Act (Fourth Capital Raising Notice);
 - b. says that the Fourth Capital Raising Notice stated that as at 3 June 2020:
 - i. Phoslock had complied with the provisions of Chapter 2M of the Corporations Act (as those provisions applied to Phoslock);
 - ii. Phoslock had complied with s 674 of the Corporations Act; and
 - iii. there was no excluded information as defined in paragraphs 7 and (8) of s 708A of the Corporations Act that was required to be included under s 708A(6)(e);
 - c. otherwise denies the paragraph.

G THE TRUE POSITION

G.1 Related party contracts

62. As to paragraph 62 of the Statement of Claim, Phoslock:
- a. admits sub-paragraph (a);
 - b. as to sub-paragraph (c):

i. admits that: ~~Phoslock Beijing and BEST~~

1. Phoslock (Beijing) Ecological Engineering Technology Co Ltd

2. Beijing Ecosystem Environmental Science and Technology Co Ltd;

3. Phoslock (Shanghai) Water Solutions Ltd;
4. Phoslock (Changxing) Water Solutions Ltd; and
5. Zhejiang Phoslock Environmental Technologies Ltd (between 20 February 2020 and the end of the Relevant Period)

~~i.~~ -were wholly owned subsidiaries of Phoslock;

ii. admits that:

1. Phoslock (Beijing) Ecological Engineering Technology Co Ltd
2. Beijing Ecosystem Environmental Science and Technology Co Ltd;
3. Phoslock (Shanghai) Water Solutions Ltd;
4. Phoslock (Changxing) Water Solutions Ltd; and
5. Zhejiang Phoslock Environmental Technologies Ltd (between 20 February 2020 and the end of the Relevant Period)

~~ii.~~ ~~Phoslock Beijing and BEST~~ carried on business in China;

c. as to sub-paragraph (e):

- i. says that Mr Zhang was a director of Phoslock from 12 June 2017 to 29 September 2020;
- ii. says that Mr Ma was a director of Phoslock from December 2018 to 29 September 2020; and
- iii. says that Mr Liu was the General Manager of China Sales and Projects for the Phoslock Group from around June 2017 to 20 September 2020;

d. otherwise denies the paragraph.

62A. Phoslock denies paragraph 62A of the Statement of Claim.

63. As to paragraph 63, Phoslock:

- a. denies that Phoslock transacted with BHZQ, BHEET or BKHEDT;
- b. says that note 24 of the FY20 Annual Report records certain related party transactions, and relies on note 24 of the FY20 Annual Report as if it were set out here;
- c. otherwise does not know and therefore cannot admit the paragraph.

64. As to paragraph 64, Phoslock:

- a. refers to and repeats paragraph 63 above; and

b. does not know and therefore cannot admit the paragraph.

65. [Not used]

66. [Not used]

67. [Not used]

68. [Not used]

69. [Not used]

70. [Not used]

G.2 Allegedly potentially suspicious payments

70A. As to paragraph 70A, Phoslock:

a. says that Phoslock did not transact with entities in China; and

b. denies the paragraph.

G.3 China Impacted Revenue

70B. As to paragraph 70B, Phoslock:

a. refers to and repeats paragraph 70A above; and

b. denies the paragraph.

G.4 Undisclosed BHZQ Related Party Information

70C. Phoslock denies paragraph 70C of the Statement of Claim.

70D. As to paragraph 70D of the Statement of Claim, Phoslock:

a. refers to and repeats paragraph 70C above; and

b. denies the paragraph.

70E. As to paragraph 70E of the Statement of Claim, Phoslock:

a. refers to and repeats paragraphs 70C and 70D above;

b. denies Phoslock was under any obligation to disclose the alleged BHZQ Related Party Information; and

c. admits the paragraph.

G.5 Undisclosed China Business Practice Information

70F. Phoslock denies paragraph 70F of the Statement of Claim.

70G. As to paragraph 70G of the Statement of Claim, Phoslock:

- a. refers to and repeats paragraph 70F above; and
- b. denies the paragraph.

70H. As to paragraph 70H of the Statement of Claim, Phoslock:

- a. refers to and repeats paragraphs 70F and 70G above; and
- b. denies Phoslock was under any obligation to disclose the alleged China Business Practice Information; and
- c. admits the paragraph.

G.6 Impacted China revenue

70I. Phoslock denies paragraph 70I of the Statement of Claim.

70J. As to paragraph 70J of the Statement of Claim, Phoslock:

- a. refers to and repeats paragraph 70J above; and
- b. denies the paragraph.

70K. As to paragraph 70K of the Statement of Claim, Phoslock:

- a. refers to and repeats paragraphs 70I and 70J above; and
- b. denies Phoslock was under any obligation to disclose the alleged China Impacted Revenue Information; and
- c. admits the paragraph.

71. [Not used]

GA TRUE POSITION – NON-PAYMENT OF RECEIVABLES

GA.1 Non-payment of receivables

71A. Phoslock does not know and therefore cannot admit paragraph 71A of the Statement of Claim.

71B. Phoslock does not know and therefore cannot admit paragraph 71B of the Statement of Claim.

71C. Phoslock does not know and therefore cannot admit paragraph 71C of the Statement of Claim.

71D. Phoslock does not know and therefore cannot admit paragraph 71D of the Statement of Claim.

71E. Phoslock does not know and therefore cannot admit paragraph 71E of the Statement of Claim.

- 71F. Phoslock does not know and therefore cannot admit paragraph 71F of the Statement of Claim.
- 71G. Phoslock does not know and therefore cannot admit paragraph 71G of the Statement of Claim.
- 71H. Phoslock does not know and therefore cannot admit paragraph 71H of the Statement of Claim.
- 71I. Phoslock does not know and therefore cannot admit paragraph 71I of the Statement of Claim.
- 71J. Phoslock does not know and therefore cannot admit paragraph 71J of the Statement of Claim.
- 71K. Phoslock does not know and therefore cannot admit paragraph 71K of the Statement of Claim.
- 71L. Phoslock does not know and therefore cannot admit paragraph 71L of the Statement of Claim.
- 71M. Phoslock does not know and therefore cannot admit paragraph 71M of the Statement of Claim.

GA.2 Undisclosed Receivables Non-payment Information

- 71N. Phoslock denies paragraph 71N of the Statement of Claim.
- 71O. As to paragraph 71O of the Statement of Claim, Phoslock:
- a. refers to and repeats paragraph 71N of the Statement of Claim; and
 - b. denies the paragraph
- 71P. As to paragraph 70P of the Statement of Claim, Phoslock:
- a. refers to and repeats paragraphs 70N and 70O above; and
 - b. denies Phoslock was under any obligation to disclose the alleged China Receivables Non-Payment Information; and
 - c. admits the paragraph.

GA.3 Incorrect accounting treatment of Phoslock Beijing Receivables

- 71Q. As to paragraph 71Q, Phoslock:
- a. refers to and repeats paragraph 71Q of the Statement of Claim; and
 - b. denies the paragraph.
- 71R. As to paragraph 71R of the Statement of Claim, Phoslock:

- a. refers to and repeats paragraphs 71N and 71Q above; and
- b. denies the paragraph.

71S. Phoslock denies paragraph 71S of the Statement of Claim.

71T. Phoslock denies paragraph 71T of the Statement of Claim.

71U. Phoslock denies paragraph 71U of the Statement of Claim.

71V. As to paragraph 71V of the Statement of Claim, Phoslock:

- a. refers to and repeats paragraph 71N above;
- b. does not know and therefore cannot admit the paragraph.

71W. Phoslock denies paragraph 71W of the Statement of Claim.

72. [Not used].

H THE ALLEGED CONTRAVENTION OF PET'S CONTINUOUS DISCLOSURE OBLIGATIONS

73. [Not used]

74. [Not used]

75. As to paragraph 75 of the Statement of Claim, Phoslock:

- a. says that the alleged BHZQ Related Party Information; China Business Practices Information; Impacted China Revenue Information and China Receivables Non-Payment Information was not "information" for the purposes of ASX Listing Rule 3.1 and s 674 of the Corporations Act; and
- b. denies the paragraph.

75A. As to paragraph 75A of the Statement of Claim, Phoslock:

- a. refers to and repeats paragraph 75 above; and
- b. denies the paragraph.

75B. As to paragraph 75B of the Statement of Claim, Phoslock:

- a. refers to and repeats paragraph 75 above; and
- b. denies the paragraph.

76. Phoslock denies paragraph 76 of the Statement of Claim.

77. As to paragraph 77 of the Claim, Phoslock:

- a. refers to and repeats paragraphs 70E, 70H, 70K, 71P and 75 – 76 above;

- b. denies it was under any obligation to disclose the alleged BHZQ Related Party Information; China Business Practices Information; Impacted China Revenue Information and China Receivables Non-Payment Information to the ASX on or before 11 October 2018;
- c. admits the paragraph.

78. Phoslock denies paragraph 78 of the Statement of Claim.

I DIRECTORS' CONTRAVENING CONDUCT

I.1 Alleged Directors' Representations

- 79. Phoslock does not plead to paragraph 79 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 80. Phoslock does not plead to paragraph 80 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 81. Phoslock does not plead to paragraph 81 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 82. Phoslock does not plead to paragraph 82 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 83. Phoslock does not plead to paragraph 83 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 84. Phoslock does not plead to paragraph 84 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 85. Phoslock does not plead to paragraph 85 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 86. Phoslock does not plead to paragraph 86 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

I.2 Alleged misleading or deceptive conduct (FY18 Report)

- 86A. Phoslock denies paragraph 86A of the Statement of Claim.
87. [Not used]
88. Phoslock denies paragraph 88 of the Statement of Claim.
89. Phoslock does not plead to paragraph 89 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
90. Phoslock does not plead to paragraph 90 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
91. Phoslock does not plead to paragraph 91 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
92. Phoslock does not plead to paragraph 92 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
93. Phoslock does not plead to paragraph 93 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
94. Phoslock denies paragraph 94 of the Statement of Claim.
95. Phoslock does not plead to paragraph 95 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
96. Phoslock does not plead to paragraph 96 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
97. Phoslock does not plead to paragraph 97 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
98. Phoslock does not plead to paragraph 98 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
99. Phoslock does not plead to paragraph 99 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

I.2A Alleged misleading or deceptive conduct (FY19)

100. Phoslock denies paragraph 100 of the Statement of Claim.
101. Phoslock does not plead to paragraph 101 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
102. Phoslock does not plead to paragraph 102 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
103. Phoslock does not plead to paragraph 103 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
104. Phoslock does not plead to paragraph 104 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
105. Phoslock does not plead to paragraph 105 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

I.3 Alleged section 1041E liability in respect of the FY18 Directors' Opinion, Extended FY19 Directors' Opinion, and FY19 Directors' Opinion to ASX

106. Phoslock does not plead to paragraph 106 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
107. Phoslock does not plead to paragraph 107 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
108. Phoslock does not plead to paragraph 108 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
109. Phoslock does not plead to paragraph 109 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
110. Phoslock does not plead to paragraph 110 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

111. Phoslock does not plead to paragraph 111 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
112. Phoslock does not plead to paragraph 112 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
113. Phoslock does not plead to paragraph 113 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
114. Phoslock does not plead to paragraph 114 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
115. Phoslock does not plead to paragraph 115 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
116. Phoslock does not plead to paragraph 116 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
117. Phoslock does not plead to paragraph 117 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
118. Phoslock does not plead to paragraph 118 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
119. Phoslock does not plead to paragraph 119 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
120. Phoslock does not plead to paragraph 120 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
121. Phoslock does not plead to paragraph 121 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

122. Phoslock does not plead to paragraph 122 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

123. Phoslock does not plead to paragraph 123 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

I.4 Section 1041E liability in respect of the FY19 Directors' Opinion, Extended FY19 Directors' Opinion, and FY19 Directors' Opinion to ASX

124. Phoslock does not plead to paragraph 124 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

125. Phoslock does not plead to paragraph 125 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

126. Phoslock does not plead to paragraph 126 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

127. Phoslock does not plead to paragraph 127 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

128. Phoslock does not plead to paragraph 128 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

129. Phoslock does not plead to paragraph 129 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

130. Phoslock does not plead to paragraph 130 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

131. Phoslock does not plead to paragraph 131 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

132. Phoslock does not plead to paragraph 132 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
133. Phoslock does not plead to paragraph 133 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
134. Phoslock does not plead to paragraph 134 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
135. Phoslock does not plead to paragraph 135 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
136. Phoslock does not plead to paragraph 136 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
137. Phoslock does not plead to paragraph 137 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
138. Phoslock does not plead to paragraph 138 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
139. Phoslock does not plead to paragraph 139 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
140. Phoslock does not plead to paragraph 140 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
141. Phoslock does not plead to paragraph 141 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

I.5 Alleged continuing nature of the Directors' FY18 Misleading Conduct Contraventions

142. Phoslock does not plead to paragraph 142 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

143. Phoslock does not plead to paragraph 143 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
144. Phoslock does not plead to paragraph 144 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

I.6 Alleged liability of directors in respect of the Capital Raising

145. Phoslock does not plead to paragraph 145 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
146. Phoslock does not plead to paragraph 146 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
147. Phoslock does not plead to paragraph 147 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
148. Phoslock does not plead to paragraph 148 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
149. Phoslock does not plead to paragraph 149 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
150. Phoslock does not plead to paragraph 150 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
151. Phoslock does not plead to paragraph 151 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
152. Phoslock does not plead to paragraph 152 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
153. Phoslock does not plead to paragraph 153 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

J ALLEGED CONTRAVENING CONDUCT OF KPMG**J.1 Alleged KPMG Representations in FY18**

154. Phoslock does not plead to paragraph 154 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

J.2 Alleged misleading or deceptive conduct of KPMG in FY18

155. Phoslock does not plead to paragraph 155 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

156. Phoslock does not plead to paragraph 156 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

157. Phoslock does not plead to paragraph 157 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

158. Phoslock does not plead to paragraph 158 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

159. Phoslock does not plead to paragraph 159 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

160. Phoslock does not plead to paragraph 160 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

161. Phoslock does not plead to paragraph 161 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

162. Phoslock does not plead to paragraph 162 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

163. Phoslock does not plead to paragraph 163 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

164. Phoslock does not plead to paragraph 164 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
165. Phoslock does not plead to paragraph 165 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
166. Phoslock does not plead to paragraph 166 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
167. Phoslock does not plead to paragraph 167 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
168. Phoslock does not plead to paragraph 168 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
169. Phoslock does not plead to paragraph 169 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
170. Phoslock does not plead to paragraph 170 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
171. Phoslock does not plead to paragraph 171 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
172. Phoslock does not plead to paragraph 172 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
173. Phoslock does not plead to paragraph 173 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
174. Phoslock does not plead to paragraph 174 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

175. Phoslock does not plead to paragraph 175 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
176. Phoslock does not plead to paragraph 176 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
177. Phoslock does not plead to paragraph 177 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
178. Phoslock does not plead to paragraph 178 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
179. Phoslock does not plead to paragraph 179 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
180. Phoslock does not plead to paragraph 180 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
181. Phoslock does not plead to paragraph 181 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
182. Phoslock does not plead to paragraph 182 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
183. Phoslock does not plead to paragraph 183 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
184. Phoslock does not plead to paragraph 184 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
185. Phoslock does not plead to paragraph 185 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

186. Phoslock does not plead to paragraph 186 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
187. Phoslock does not plead to paragraph 187 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
188. Phoslock does not plead to paragraph 188 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
189. Phoslock does not plead to paragraph 189 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
190. Phoslock does not plead to paragraph 190 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
191. Phoslock does not plead to paragraph 191 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
192. Phoslock does not plead to paragraph 192 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
193. Phoslock does not plead to paragraph 193 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
194. Phoslock does not plead to paragraph 194 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
195. Phoslock does not plead to paragraph 195 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
196. Phoslock does not plead to paragraph 196 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

197. Phoslock does not plead to paragraph 197 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
198. Phoslock does not plead to paragraph 198 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
199. Phoslock does not plead to paragraph 199 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
200. Phoslock does not plead to paragraph 200 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
201. Phoslock does not plead to paragraph 201 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
202. Phoslock does not plead to paragraph 202 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
203. Phoslock does not plead to paragraph 203 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
204. Phoslock does not plead to paragraph 204 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
205. Phoslock does not plead to paragraph 205 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
206. Phoslock does not plead to paragraph 206 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
207. Phoslock does not plead to paragraph 207 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

208. Phoslock does not plead to paragraph 208 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
209. Phoslock does not plead to paragraph 209 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
210. Phoslock does not plead to paragraph 210 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
211. Phoslock does not plead to paragraph 211 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
212. Phoslock does not plead to paragraph 212 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
213. Phoslock does not plead to paragraph 213 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
214. Phoslock does not plead to paragraph 214 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
215. Phoslock does not plead to paragraph 215 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
216. Phoslock does not plead to paragraph 216 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
217. Phoslock does not plead to paragraph 217 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
218. Phoslock does not plead to paragraph 218 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

219. Phoslock does not plead to paragraph 219 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
220. Phoslock does not plead to paragraph 220 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
221. Phoslock does not plead to paragraph 221 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
222. Phoslock does not plead to paragraph 222 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
223. Phoslock does not plead to paragraph 223 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
224. Phoslock does not plead to paragraph 224 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
225. Phoslock does not plead to paragraph 225 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

K LOSS ALLEGEDLY CAUSED BY CONTRAVENTIONS

K.1 Events after alleged contraventions

226. As to paragraph 226 of the Statement of Claim, Phoslock:
- a. refers to paragraphs 227 to 233F below; and
 - b. admits the paragraph.
227. Phoslock admits paragraph 227 of the Statement of Claim.
228. Phoslock admits paragraph 228 of the Statement of Claim.
229. Phoslock admits paragraph 229 of the Statement of Claim.
230. As to paragraph 230 of the Statement of Claim, Phoslock:
- a. says that the ASX Announcement dated 8 October 2020 is not accurately paraphrased at sub-paragraphs (a) to (e);

- b. says that it will rely on the ASX Announcement dated 8 October 2020 for its full force and effect; and
 - c. otherwise denies the paragraph.
- 231. As to paragraph 231 of the Statement of Claim, Phoslock:
 - a. made an ASX Announcement on 26 October 2020 titled “September 2020 Quarterly Update”;
 - b. will rely on that ASX Announcement for its full force and effect; and
 - c. otherwise denies the paragraph.
- 232. Phoslock denies paragraph 232 of the Statement of Claim.
- 233. As to paragraph 233 of the Statement of Claim, Phoslock:
 - a. made an ASX Announcement on 28 January 2021 titled “December 2020 Quarterly Update”;
 - b. will rely on that ASX Announcement for its full force and effect; and
 - c. otherwise denies the paragraph.
- 233A. As to paragraph 233A of the Statement of Claim, Phoslock:
 - a. admits that it made ASX Announcements on 15 November 2021 and 16 September 2022;
 - b. will rely on those ASX Announcements for their full force and effect; and
 - c. otherwise denies the paragraph.
- 233B. As to paragraph 233B of the Statement of Claim, Phoslock:
 - a. refers to and repeats paragraphs 70C, 70F, 70I and 71N above; and
 - b. denies the paragraph.
- 233C. Phoslock admits paragraph 233C of the Statement of Claim.
- 233D. As to paragraph 233D of the Statement of Claim, Phoslock:
 - a. admits that the closing price for Phoslock shares on 16 September 2022 was \$0.08; and
 - b. Otherwise denies the paragraph.
- 233E. As to paragraph 233E of the Statement of Claim, Phoslock:
 - a. admits that the closing price for Phoslock shares on 23 September 2022 was \$0.0610; and
 - b. Otherwise denies the paragraph.

233F. Phoslock denies paragraph 233F of the Statement of Claim.

K.2 Alleged causation (misleading or deceptive conduct)

234. Phoslock does not plead to paragraph 234 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

235. Phoslock does not plead to paragraph 235 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

236. Phoslock does not plead to paragraph 236 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

237. Phoslock does not plead to paragraph 237 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

238. Phoslock does not plead to paragraph 238 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

239. Phoslock does not plead to paragraph 239 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

K.3 Alleged causation (acquisitions in the Capital Raising)

240. Phoslock denies paragraph 240 of the Statement of Claim.

241. Phoslock does not plead to paragraph 241 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

242. Phoslock does not plead to paragraph 242 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

243. Phoslock denies paragraph 243 of the Statement of Claim.

244. Phoslock does not plead to paragraph 244 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

- 245. Phoslock does not plead to paragraph 245 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 246. Phoslock denies paragraph 246 of the Statement of Claim.
- 247. Phoslock does not plead to paragraph 247 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 248. Phoslock does not plead to paragraph 248 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

K.4 Alleged market-based causation (on-market acquisitions)

- 249. Phoslock denies paragraph 249 of the Statement of Claim.
- 250. Phoslock does not plead to paragraph 250 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 251. Phoslock does not plead to paragraph 251 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 252. Phoslock does not plead to paragraph 252 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

K.5 Alleged causation (retained shareholders)

- 253. Phoslock does not plead to paragraph 253 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.
- 254. Phoslock does not plead to paragraph 254 of the Statement of Claim because it does not include any allegation relevant to a cause of action against Phoslock, but it does not thereby admit the paragraph.

K.6 Loss and damage suffered by the Applicant and Group Members

- 255. Phoslock denies paragraph 255 of the Statement of Claim.

L ALLEGED OPPRESSION CLAIM

256. [Not used]

257. [Not used]

258. [Not used]

M ALLEGED ENTITLEMENT TO RELIEF

259. Phoslock denies the Applicant or any Group Member is entitled to the relief sought in the Originating Application.

N ALLEGED COMMON QUESTIONS OF FACT OR LAW

1. Phoslock does not plead to paragraphs 1 to 11 of Section N of the Statement of Claim because they do not include any allegations relevant to a cause of action against Phoslock. Phoslock does not thereby admit that the questions set out there are common questions or questions of commonality suitable for determination at an initial trial.

Date: ~~14 July~~ 14 October 2025



Signed by Susanna Ford
Lawyer for the First Respondent

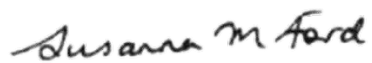
This pleading was prepared by Amelia Smith, counsel

Certificate of lawyer

I Susanna Ford certify to the Court that, in relation to the defence filed on behalf of the First Respondent, the factual and legal material available to me at present provides a proper basis for:

- (a) each allegation in the pleading; and
- (b) each denial in the pleading; and
- (c) each non admission in the pleading.

Date: ~~14 July~~ 14 October 2025



Signed by Susanna Ford
Lawyer for the First Respondent

NOTICE OF FILING

Details of Filing

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Sia Lagos

Registrar

Important Information

This Notice has been inserted as the first page of the document which has been accepted for electronic filing. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties.

The date of the filing of the document is determined pursuant to the Court's Rules.