

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
SEARLES VALLEY MINERALS INC., <i>et al.</i> , ¹)	Case No. 26-10966 (●)
Debtors.)	(Joint Administration Requested)
)	
)	

**DECLARATION OF ADRIAN FRANKUM
IN SUPPORT OF CHAPTER 11 PETITIONS AND FIRST DAY PAPERS**

I, Adrian Frankum, hereby declare under penalty of perjury that the following is true to the best of my knowledge, information, and belief:

1. I am a Senior Managing Director with Ankura Consulting Group, LLC (“**Ankura**”), a restructuring advisory services firm with numerous offices throughout the world and the proposed financial advisor to Searles Valley Minerals Inc. (“**SVM**”) and its debtor subsidiaries (collectively, the “**Debtors**” and, together with SVM’s non-Debtor subsidiary, the “**Company**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”).

2. I am a Senior Managing Director of Ankura, with whom I have worked since 2017. Prior to joining Ankura, I worked for FTI Consulting, Inc. from 2004 until 2017. I have more than 25 years of experience as a financial professional and have held a variety of roles related to restructurings, liquidations, negotiated sales, and interim management positions in and across various jurisdictions. During my time as a restructuring professional, I have advised and assisted

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number or business identification number, as applicable, are: Searles Valley Minerals Inc. (9263); Trona Railway Company LLC (3177); and Searles Domestic Water Company LLC (N/A). The location of Searles Valley Mineral Inc.’s corporate headquarters and the Debtors’ service address is 9401 Indian Creek Parkway, Suite 1000, Overland Park, Kansas 66210.

distressed companies across various complex financial, operational, and strategic situations, including, as set forth below, serving in a variety of interim management positions. Areas of my experience include operations management, financial statement analysis, financial projection development, liquidity and cash management, M&A support, stakeholder negotiations, balance sheet recapitalization and restructuring, postpetition financing and sourcing, and bankruptcy preparation and administration.

3. I have served as a financial advisor in connection with activities and/or bankruptcy proceedings involving Sports Authority, the Puerto Rico Electric Power Authority, Revstone Industries, Jackson Hewitt Tax Service, Inc., Visteon Corporation, and Delphi Corporation, among others, and have served in interim management roles for Brooks Brothers Group, Inc., Payless ShoeSource, Vertis Communications, and RadioShack Corporation, among others. I hold an MBA from NYU Stern School of Business and a BBA from the University of Georgia. I am also a certified public accountant (inactive).

4. On the date hereof (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) with the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

5. To minimize any business disruption caused by the commencement of these Chapter 11 Cases, the Debtors seek various types of relief through “first day” applications and motions filed contemporaneously herewith (collectively, the “**First Day Papers**”) and summarized in **Exhibit B** hereto.² I submit this declaration (this “**Declaration**”) in support of the

² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the applicable First Day Papers or **Exhibit B** attached hereto, as applicable.

Debtors' (a) voluntary petitions for relief under chapter 11 of the Bankruptcy Code and (b) First Day Papers. I am authorized to submit this Declaration on behalf of the Debtors.

6. Ankura has been providing services to the Debtors as financial advisor since April 30, 2026 and, in connection with the Company's engagement of Ankura as financial advisor, my review of relevant documents, and my discussions with members of the Debtors' management team, I am familiar with the Debtors' day-to-day operations, business affairs, and books and records. Except as otherwise noted, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto. Except as otherwise stated, all facts set forth in this Declaration are based on my personal knowledge, my discussions with members of the Debtors' management, my review of relevant documents, or my opinion, based on my experience and knowledge of the Debtors' operations and financial condition. In making this Declaration, I have relied in part on information and materials that the Debtors' personnel and advisors have gathered, prepared, verified, and provided to me for my use in preparing this Declaration.

7. This Declaration is divided into five parts. Part I provides an overview of the Debtors and the anticipated transaction to be consummated in the Chapter 11 Cases. Part II provides background information about the Debtors and their business operations. Part III provides an overview of the Company's prepetition corporate and capital structures. Part IV describes the circumstances surrounding the commencement of the Chapter 11 Cases. Part V sets forth the relevant facts in support of each of the First Day Papers.

PART I
OVERVIEW

8. With headquarters in Overland Park, Kansas, the Company operates a vertically integrated mining and processing complex at Searles Lake in Trona, California employing approximately 280 people. The Company’s facilities at Searles Lake are located on one of only four known reserves of water-soluble borates in the world and one of only five natural soda ash mining locations in the U.S. With a nationwide customer base concentrated in Southern California and Baja, Mexico, the Company supplies customers with critical minerals essential to downstream applications and manufacturing of a myriad of everyday products—from glassware utilized in the beverage industry or pharmaceutical labs to household laundry detergents. In addition to debtor entity SVM, debtor entity Searles Domestic Water Company LLC (“**SDWC**”) operates a water treatment facility and provides potable water to the residents of Trona, California. Debtor Trona Railway Company LLC (“**TRC**”) owns and operates a private short-line railway (the “**TRC Railway**”) that runs from the Company’s facilities to an interconnect with the Union Pacific main line providing key logistics for delivery of the Company’s products to customers.

9. The Company consistently generated positive earnings, with EBITDA of \$56 million, \$46 million, and \$52 million for fiscal years 2017, 2018, and 2019, respectively.³ However, the Ridgecrest earthquakes that shook the Mojave Desert region in July 2019 caused significant damage at the complex, resulting in \$50 million in repairs and lost revenue. Since then, persistent headwinds in the soda ash market, including oversupply by lower cost producers of synthetic soda ash from China, and the need for additional capital to improve operations have impeded the Company’s efforts to return to profitability. As a result, the Company’s earnings

³ The Company’s fiscal year runs from April 1st through March 31st of each year.

declined dramatically beginning in fiscal year 2020, with significant losses of \$18 million, \$24 million, \$27 million, and \$71 million for each of fiscal years 2023, 2024, 2025, and 2026, respectively. Despite these challenges, the business continues to generate sales to a committed, long-term customer base, underscoring the resilience of its commercial platform and customer relationships.

10. In February, 2024, Debtor SVM and SVM's immediate parent, non-Debtor Karnavati Holdings, Inc. ("**KHI**"), engaged Lazard & Co, Limited as their investment banker to assist in the evaluation and marketing of the Debtors' assets for a potential sale transaction. In August 2025, the Debtors, with the assistance of Lazard, commenced a comprehensive strategic marketing process to gauge market interest in the Debtors' business (the "**SVM Sale Process**"). In connection with that process, Lazard contacted over 140 parties, with 50 parties executing NDAs and obtaining confidential information on the Debtors' business. As the SVM Sale Process further developed, it became clear in April 2026 that an out-of-court transaction was not viable due in part to the Debtors' legacy liabilities and the unwillingness of potential buyers to acquire the Debtors' business outside of a court-supervised process. At that time, Lazard pivoted discussions with several buyers to potential acquisition of the assets as part of an in-court sale process.

11. In early 2026, operating at a loss of more than \$5 million per month and with its liquidity deteriorating, the Company made the difficult decision to temporarily shut down its soda ash operations. More recently, the Company began working with its advisors and sponsor to secure the liquidity needed to conduct an in-court sales process, with the goal of entering into a value-maximizing transaction to preserve the Company as a going-concern. The Company enters these Chapter 11 Cases with the support of an unsecured liquidity advance of \$20 million from

TATA Chemicals North America Inc. (“TATA”), a soda ash supplier, guaranteed by SVM’s non-debtor indirect parent, coupled with a DIP facility of \$20 million provided by KHI, SVM’s immediate parent.

12. While the financing available to fund these cases provides immediate stabilization, time is of the essence for the Company to capitalize on its liquidity runway. Thus, the Company intends to proceed deliberately and quickly toward developing a value-maximizing in-court transaction using the tools offered by the chapter 11 process that were previously unavailable. Fortunately, as noted above, the Company has already run a comprehensive sales process with its advisors and is already targeting potential buyers for a court-approved transaction. While the Company would have preferred to commence these cases with a stalking horse bidder in place, the Company decided to commence these cases upon obtaining financing and cash collateral commitments while continuing to pursue a stalking horse bidder. To preserve optionality, the Company will be requesting approval of bidding procedures allowing it to offer customary, market bid protections to a stalking horse bidder designated by the Company.⁴ The proposed timing below reflects the urgency of advancing the Debtors’ chapter 11 process on an expedited basis:

Event	Target Date
Entry of interim order approving use of cash collateral and DIP financing	June 17, 2026
Entry of a final order approving Bidding Procedures	July 6, 2026

⁴ The Debtors are requesting this relief pursuant to the *Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Certain or All of the Debtors’ Assets; (B) Authorizing the Debtors to Designate One or More Stalking Horse Bidders and to Provide Bid Protections; (C) Approving Assumption and Assignment Procedures; (D) Scheduling a Hearing to Consider Any Proposed Sale; and (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (C) Granting Related Relief* (the “**Sale Motion**”) filed substantially contemporaneously herewith.

Event	Target Date
Entry of final order approving use of cash collateral and DIP financing	July 10, 2026
Bid Deadline	August 6, 2026
Auction	August 13, 2026
Hearing to approve sale	August 20, 2026
Filing of disclosure statement and plan	September 2, 2026
Sale Closing	September 10, 2026
Order approving disclosure statement and confirming plan	October 9, 2026
Effective Date	October 19, 2026

PART II

THE DEBTORS' BUSINESS

A. Background and Facilities Overview

13. The Company is headquartered in Overland Park, Kansas, and operates a vertically integrated mining and processing complex at Searles Lake in Trona, California. There it produces critical industrial minerals, including borates, sodium sulfate, and salt—and until recently soda ash—sourced from one of the largest known deposits of water-soluble borates in North America. The Company is among the largest and lowest cost producers of borates, serving a diversified global customer base across industrial, agricultural, and specialty chemical end markets. The Company mothballed its soda ash mining facilities at Searles Lake in February 2026 to focus production efforts on higher margin borates, but the Company still sources and supplies soda ash to end users.

14. Searles Lake is one of only five natural soda ash mining locations in the United States and one of only four known water-soluble sodium borate (tincal)⁵ deposits globally, and it is the second largest deposit of boron in the world. The Company's mining operations at Searles Lake have a long history, dating back more than 150 years. John Searles, who first discovered the lake while searching for gold in 1862, and his brother, Dennis, founded the San Bernardino Borax Mining Company at Searles Lake and commenced borax mining operations.

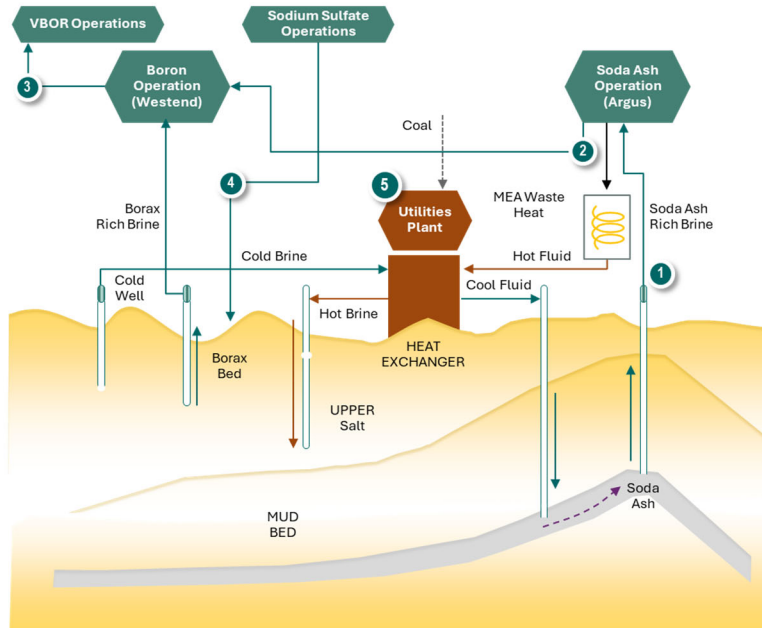
15. Since then, the mining business transferred ownership a number of times, including most recently in 2007 when Searles Valley Minerals Operations Inc., the predecessor of SVM, was acquired by its current sponsor, Nirma Limited ("**Nirma**"), a manufacturer of industrial and consumer products (including detergents, soaps, and salts) headquartered in Ahmedabad, Gujarat, India. Nirma and Navin Overseas FZC ("**Navin**"), an affiliate of Nirma, are customers of SVM that have purchased an aggregate of approximately \$9.8 million, \$9.2 million, and \$6.2 million of VBOR in calendar years 2023, 2024, and 2025, respectively. Nirma and Navin also historically purchased soda ash from SVM, with aggregate annual sales of less than \$1 million in each of 2024 and 2025. SVM's sales of VBOR to Nirma and Navin are generally on customary trade terms and in line with terms provided to other customers based upon market, region, and size of customers, however Nirma and Navin began prepaying SVM for VBOR several years ago to mitigate the Company's liquidity challenges. As of the Petition Date, there were no outstanding trade payables owed to SVM from Nirma and Navin and SVM's books and records reflect outstanding prepayment credits on behalf of Nirma and Navin.

16. Instead of traditional open pit mining, the Company currently extracts minerals from the dry lakebed using Warm Solution Mining ("**WSM**"), an environmentally friendly

⁵ Tincal is another name commonly used for the naturally occurring form of sodium borate.

solution mining process. The WSM process works through the injection of hot brine into the subsurface salt deposit layers via injection wells to dissolve minerals. The mineral rich brine is then pumped back to the surface through production wells.⁶ Below is an illustration of the process historically utilized by the Company at Searles Lake.

Searles Lake Historical Operations Overview



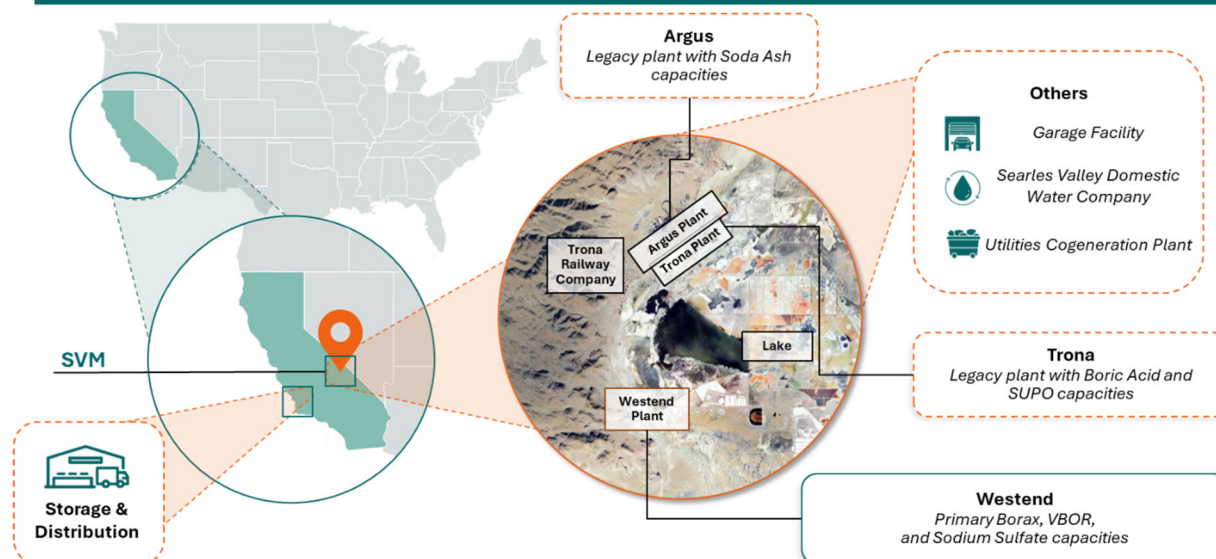
Process Detail

- 1 Brine containing enriched minerals are sent to Soda Ash Operations (Argus facility) to extract and manufacture Soda Ash
- 2 Used and depleted brine stream is sent to Boron Operations (Westend Plant) where, along with other fresh lake streams, it is processed to manufacture Borax
- 3 Borax is then refined at two locations based in Westend to convert to saleable Boron-based products
- 4 Brine depleted of Soda Ash, Borax and Sodium Sulfate is then sent back to the lake
- 5 Internal energy production from the Company's utilities plant provides approximately 85-90 percent of the electrical and thermal energy used in mining operations

17. The Company has historically operated three processing plants at Searles Lake: Westend, Argus, and Trona. Activity at the Argus and Trona facilities is currently mothballed, but the Company continues to conduct mining and processing operations at its Westend facility. Below is summary description of the historic operations at each facility; additional details are provided in **Appendix 1** attached hereto.

⁶ The Company develops "borax roads," where each road contains five production wells and 30 injection wells (six injection wells per production well). The wells are in the Upper Salt Brine layer (30 – 70 feet beneath the lake surface), where most of the borax is located.

Facilities Overview



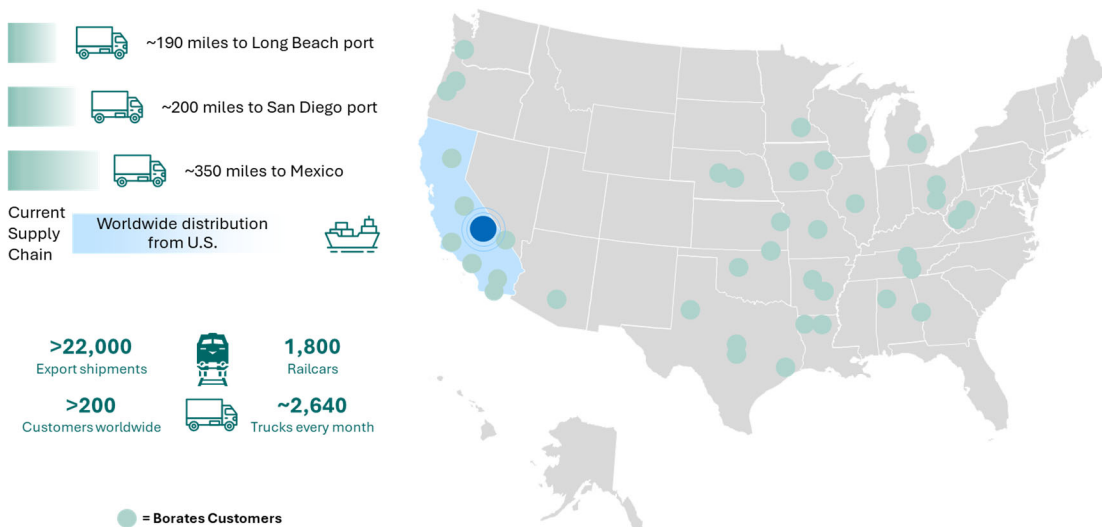
- Westend:** At Westend, unrefined Primary Borax is extracted from both fresh lake brine and carbonated brine from the Argus SAC plant. Primary and secondary recovery borax from the upstream borax plant is dissolved and recrystallized, converting it from borax decahydrate to the pentahydrate form (“**V-BOR**”). Historically, the Westend plant had high Primary Borax and V-BOR production rates. However, Primary Borax production was impacted as a result of the Ridgecrest Earthquakes (defined below) in 2019, resulting in a drop in brine grade and negatively impacting profitability.
- Argus:** Historically, soda ash was produced at the Argus facility. This was accomplished by carbonating lake brine with CO₂ to form sodium bicarbonate that would then be crystallized and converted back to sodium carbonate (dense soda ash). The Argus plant also has an additional Soda Ash Consolidation (“**SAC**”) unit to carbonate brine to be fed to the Westend facility. As discussed in further detail below, soda ash production has declined since 2021 due to a combination of both technical and commercial challenges and in February 2026 the Company shut down soda ash operations to preserve liquidity.
- Trona:** Boric acid (“**BAX**”) is produced at the Trona plant by reacting the Primary Borax produced at Westend with sulfuric acid. Historically, BAX was produced at the Trona plant using borax extracted via the liquid-liquid extraction (“**LLX**”) unit, but in 2024 the Company mothballed the LLX plant due to high chemicals and utilities costs that resulted in poor production economics.

B. Other Operational Aspects of the Debtors’ Business

(i) Railway and Logistics

18. The Company’s facilities are well-connected for distributing product in North America through its short-line railway. Debtor Trona Railway Company LLC (“**TRC**”) owns and operates a private short-line railway (the “**TRC Railway**”) that runs from the Company’s facilities to an interconnect with the Union Pacific main line. The TRC Railway has capacity to transport the entire output from the Company’s production facilities (approximately 1.8 million tons per year) using a fleet of approximately 1,600 leased railcars. The Company historically maintained port facilities at Long Beach and San Diego with dedicated storage and distribution capability. The Company’s facilities at Searles Lake connect to the San Diego Port via the TRC Railway and Union Pacific main line and to the Long Beach Port via a transloader into the BNSF Railroad. In February 2026, contemporaneously with the mothballing of its soda ash facilities and layoffs, the Company halted its use of the San Diego Port. The following illustration highlights certain key aspects of the Company shipping capabilities.

SVM Location and Key Features



(ii) BLM Leases

19. The United States government owns a large portion of the land used by the Company to source and process finished goods. The Company leases this land through the United States Department of the Interior's Bureau of Land Management (the "BLM"). As part of the lease agreement with the BLM, the Company pays a royalty fee based upon the value of production removed from the land as part of the Company's operations. The royalty fee is calculated as a percentage of net sales.

(iii) Water Sourcing and Supply

20. SVM maintains five water wells and two 30-mile pipelines used to source water in the Searles Lake area.⁷ SVM uses approximately 90 percent of the water sourced in its own mining operations and sells the remaining 10 percent to SDWC. SDWC is a water utility company, regulated by the California Public Utilities Commission, and distributes the water obtained from SVM to provide clean, safe drinking water for approximately 760 residential and commercial customers in certain areas on the west shoreline of Searles Lake, California, including the town of Trona, California.

(iv) Employees

21. As of the Petition Date, the Debtors employ approximately 279 full-time employees and one part-time employee. All of the Debtors' employees are located in the United States. Approximately four of the Debtors employees are represented by the International Association of

⁷ SVM is party to certain state court litigation currently pending in the Superior Court of the State of California (the "**Prepetition State Court Litigation**") to determine the rights to water in the Indian Wells Valley Basin, which is SVM's sole source of water. As set forth in the *Motion of Debtors for Order Authorizing Prosecution of State Court Action and Modifying Automatic Stay to Allow State Court Action to Continue*, filed substantially contemporaneously herewith, the Debtors are requesting relief from the Court to continue to prosecute SVM's claims in the Prepetition State Court Litigation in order to avoid unnecessary and costly delay and to preserve the value of the Debtors' estates.

Sheet Metal, Air, Rail and Transportation Workers Transportation Division GO-887 (the “Union”). All of the Union-represented employees are employed by Debtor TRC and TRC’s relationship with the Union is reflected in a collective bargaining agreement.

PART III

DEBTORS’ CORPORATE AND CAPITAL STRUCTURE

22. Debtor SVM is the direct parent company of Debtor TRC and Debtor SDWC. Each of SVM, TRC, and SDWC is incorporated in Delaware. SVM also directly holds 100 percent of the common stock in one non-Debtor entity: Searles Valley Minerals Europe (“**SVM Europe**”). SVM Europe is a French entity that historically served as an international sales outpost.⁸ SVM is wholly owned by KHI, a Delaware corporation. KHI is wholly owned by Nirma. A corporate organization chart of the Debtors and certain non-Debtor affiliates is attached hereto as **Exhibit A**.

23. SVM is obligated as borrower on two secured credit facilities, the Demand Line Facility and the Receivables Facility (each as defined below). As of the Petition Date, the aggregate, outstanding principal amount of the Debtors’ funded secured indebtedness is approximately \$85.5 million, consisting of (a) approximately \$47.4 million in term loan and \$12.1 million of letters of credit issued and outstanding under the Demand Line Facility, and (b) approximately \$26 million outstanding under the Receivables Facility.

A. Demand Line of Credit

24. SVM maintains a demand line of credit with HSBC Bank USA, National Association (“**HSBC**” or the “**Prepetition Secured Lender**”) pursuant to that certain facility letter dated as of August 29, 2025 among SVM and HSBC (as modified, amended, amended and

⁸ Currently SVM Europe does not conduct any business and has one employee who has had minimal utilization since the Company halted soda ash production in February 2026.

restated, or supplemented from time to time, the “**Demand Line Facility**”). The Demand Line Facility provides for a line of credit up to an aggregate amount of \$59,500,000 for working capital purposes with a sublimit for performance and/or financial standby letters of credit (the “**LOC Sublimit**”). Amounts borrowed under the Demand Line Facility accrue interest at a rate of either eight percent, for prime term loans, or SOFR + 2.25 percent, for floating term loans. The Demand Line Facility is secured by a first priority lien on all of the personal property of SVM and SVM’s obligations under the Demand Line Facility are guaranteed by Nirma. The Demand Line Facility is subject to annual renewal by HSBC in its sole discretion on April 30th of each year.

25. As of the Petition Date, approximately \$47,417,900 of principal amount is outstanding under the Demand Line Facility on account of general working capital loans. In addition, approximately \$12,082,021 in letters of credit have been issued under the LOC Sublimit.

B. Receivables Facility

26. SVM also maintains a receivables purchase facility with HSBC pursuant to that certain Recourse Receivables Purchase Agreement, dated as of March 29, 2024 (the “**Receivables Facility**” and, together with the Demand Line Facility, the “**Prepetition Secured Facilities**”). Through the Receivables Facility, HSBC advances funds to SVM through the purchase of substantially all of SVM’s eligible trade receivables and SVM repays such advances upon collection of applicable receivables. The Receivables Facility is secured by a lien on substantially all of SVM’s personal property (*pari passu* with the lien under the Demand Line). Advances under the Receivables Facility accrue interest at a variable rate of SOFR + 2.25 percent. In connection with the Debtors’ agreement with the Prepetition Secured Lender for the consensual use of cash collateral during these Chapter 11 Cases, as described in greater detail below, Nirma has provided a guarantee of up to \$30 million for SVM’s obligations under the Receivables Facility. The

Receivables Facility is subject to automatic renewal for successive one-year periods, but may be terminated by either SVM or HSBC upon 30 days notice.

27. As of the Petition Date, approximately \$25,989,612 is outstanding under the Receivables Facility. As set forth in the Debtors' DIP Motion, filed contemporaneously herewith, the Prepetition Secured Lender has agreed to allow continued access to the Receivables Facility to provide the Debtors critical liquidity during the course of these Chapter 11 Cases.

C. Unsecured Obligations

(i) Unsecured Parent Loans

28. SVM received a series of unsecured loans from its sole shareholder, KHI, between 2019 and 2026 (the "**Initial Parent Loans**"). In addition, on January 12, 2026, SVM, as borrower, and KHI, as lender, entered into that certain 2026 Term Loan Agreement (the "**2026 Parent Loan**" and, together with the Initial Parent Loans, the "**Unsecured Parent Loans**"), providing an additional \$10 million term loan to SVM at an annual interest rate of SOFR + 2.25 percent. As of the Petition Date, approximately \$135,198,063 is outstanding under the Unsecured Parent Loans.

(ii) Environmental Obligations

29. California has implemented a program (the "**Cap-and-Reinvest Program**") to cap greenhouse gas ("**GHG**") emissions from certain entities ("**Covered Entities**"). To implement this cap, California requires Covered Entities to surrender allowances equal to their GHG emissions throughout each three-year compliance program period. These allowances can be bought and sold at auctions administered by California or in private transactions. To protect certain industries from financial hardship arising from the Cap-and-Reinvest Program, California distributes a certain number of allowances, without charge, to Covered Entities in these industries. Covered Entities are required to surrender to California allowances equal to 30 percent of their

emissions on an annual basis and the remaining 70 percent at the end of the three-year compliance period.

30. The Company is a Covered Entity operating in one of the industries for which California distributes allowances without charge. Each calendar year the Company measures its carbon emissions and a third-party representative of the state of California verifies the carbon emission measurements. The number of allowances the Company receives is based on average production in prior years. Total emissions net of allowances represents the total shortfall financial obligation for the year. Based on recent market prices of allowances, the Company estimates that, as of the Petition Date, it has a net financial obligation of approximately \$76.3 million owing in connection with the Cap-and-Reinvest Program. The Company historically would satisfy such financial obligation by purchasing credits on the market.

(iii) Other Unsecured Obligations

31. In the ordinary course of business, the Debtors incur trade debt and other general unsecured debt on varying terms. As of the Petition Date, the Debtors estimate they have approximately \$47.2 million in general unsecured claims, excluding any rejection damages claims.

D. Common Stock

32. SVM is privately held and 100 percent of its common stock is owned by KHI. KHI is wholly owned by Nirma.

PART IV

CIRCUMSTANCES LEADING TO CHAPTER 11 CASES

33. The Company has faced a series of challenges in recent years that have required substantial capital expenditures and increased production costs. Meanwhile, demand for soda ash—historically the Company’s largest source of revenue—has diminished. At various junctures, the Company has taken steps to address these challenges. Despite these efforts, the Company had

no option but to commence these Chapter 11 Cases to preserve the value of its business in the face of mounting operating losses and a liquidity shortfall. The following provides additional detail concerning the specific obstacles faced by the Company and the measures undertaken by the Company in the period prior to the Petition Date.

A. Impact of Ridgecrest Earthquakes

34. SVM has faced significant long-term operational challenges attributable to seismic and geological conditions at its facility, and these challenges have placed considerable strain on the business and its capital structure.

35. On July 4th and 5th, 2019, two earthquakes (the “**Ridgecrest Earthquakes**”) occurred consecutively to the north and northeast of the town of Ridgecrest, California, approximately 25 miles from SVM’s facilities at Searles Lake. The Ridgecrest Earthquakes caused significant above-ground and subsurface damage to SVM’s operations and the lake. The damage to the Company’s extraction operations has yet to be fully restored and remains at approximately 50 percent of production levels prior to the Ridgecrest Earthquakes.

36. SVM suffered significant, direct financial losses from the Ridgecrest Earthquakes. The Company incurred approximately \$50 million in losses from repairs and lost revenue during the recovery period. The disruption in operations resulted in a decline in EBITDA from approximately \$52 million in fiscal year 2019 to just \$2 million in fiscal year 2020. In addition, as a result of the Ridgecrest Earthquakes, SVM’s facilities were offline for approximately two months in 2019. During that period, no heat was added to the lake. Cooling of the lake reduced the brine concentration level, resulting in reduced production and a corresponding reduction in revenue for the Debtors’ business.

B. Challenging Market Conditions for Soda Ash

37. The global soda ash market is experiencing a period of significant volatility, negatively impacting pricing and margins across the industry. These headwinds have been driven by, among other things, worldwide oversupply, including as a result of synthetic soda ash production, primarily from China;⁹ sluggish downstream demand in key sectors, including construction and glassmaking; and increased production costs due largely to heightened environmental regulation.

38. As a result of these challenges, the Debtors' soda ash operations began operating at a significant loss. Net sales of soda ash decreased from approximately \$223 million for fiscal year 2023 to approximately \$147 million for fiscal year 2026.

C. Prepetition Assessment of Strategic Alternatives and Sale Process

39. To address the challenges presented by the changing soda ash market and the impacts of the Ridgecrest Earthquakes, the Company, with the assistance of its advisors, began to explore various strategic alternatives, including pursuing a transformation plan to shift the focus of the Company's soda ash production to increasing borate production and potentially expanding into other more profitable markets. However, implementation of these plans would require substantial capital expenditures, and the Company was facing a mounting liquidity shortfall.

40. In February 2024, SVM and KHI engaged Lazard & Co, Limited (together with Lazard Frères & Co. LLC, "**Lazard**") as their investment banker to assist in the evaluation and marketing of the Debtors' assets for a potential sale transaction and, in August 2025, the Debtors, with the assistance of Lazard, commenced the SVM Sale Process. In connection with that process

⁹ Unlike soda ash, there is no synthetic process to produce borates. This is one of the reasons the Debtors have shifted to focusing on production of borates.

and subsequent engagement to date, Lazard contacted over 140 parties, with 50 parties executing NDAs and obtaining confidential information on the Debtors' business. As the SVM Sale Process further developed, it became clear in April 2026 that an out-of-court transaction was not viable due in part to the Debtors' legacy liabilities that would transfer with the business and the unwillingness from potential buyers to acquire the Debtors' business outside of a court-supervised process. At that time, Lazard shifted discussions with several buyers to potentially acquire the assets as part of an in-court sale process.

41. By early 2026, the Company was operating at a monthly loss of more than \$5 million. Throughout the rest of 2025 and beginning of 2026, projected liquidity continued to rapidly diminish. To address this situation and preserve the value of the business, the Company made the difficult decision to mothball soda ash production in February 2026. In connection with its mothballing of soda ash production, the Company implemented a corresponding reduction in force, laying off 240 employees and independent contractors (approximately 46 percent of its prior workforce).

42. In April 2026, the Company pivoted to exploring a potential in-court transaction, including a section 363 sale of its assets. Working with Lazard and its other advisors, the Company reached back out to several potential buyers to discuss a potential section 363 transaction. The Company and Lazard remain in discussions with various parties with respect to a potential sale of its assets through a section 363 sale.

43. In addition, prior to commencing these Chapter 11 Cases, the Company took measures to put in place independent corporate governance mechanisms. Specifically, on May 26, 2026, SVM appointed a new independent director, John S. Dubel (in such capacity, the "**Independent Director**"), to its board of directors (the "**Board**"). The Independent Director,

together with any other disinterested members of the Board, was delegated the authority to review, negotiate, and approve related party transactions between the Company, on the one hand, and its shareholder and sponsor, KHI and Nirma, on the other. Consistent with these delegations, the Independent Director is also reviewing historical transactions between the Debtors and their affiliates. The approval of the Independent Director is also required with respect to the Company's entry into any restructuring transaction.

44. On June 12, the Board authorized the formation of a special independent committee comprised solely of the Independent Director (the "**Independent Committee**"), which was delegated exclusive authority to review, negotiate, and approve transactions between KHI and the Debtors, including terms of the DIP Facility being provided to the Debtors by KHI.¹⁰

D. Liquidity and Financing Arrangements

45. When the Company decided to explore a potential section 363 sale process, the Company, together with its advisors, began canvassing the market for liquidity sources to fund its operations and the sale process. With the assistance of Lazard and Ankura,¹¹ the Company analyzed its liquidity needs and commenced a process to identify potential financing sources to fund an in-court sale process. Lazard contacted 37 parties to explore interest in potentially providing such financing. At the same time, Nirma and the Company's advisors also began to engage with soda ash suppliers to capture liquidity from the Company's soda ash contracts.

¹⁰ Three current members of the Board (Matthew Dowd, Kaushik Patel, and Avinash Puri) are also members of the board of directors of KHI.

¹¹ The Company engaged Ankura in April 2026 as a financial advisor in connection with its exploration of in-court alternatives and re-engaged Lazard as investment banker in connection with a potential in-court process.

(i) *Supply and Liquidity Agreement*

46. As a result of these efforts, the Company entered into that certain Soda Ash Supply Agreement and Liquidity Arrangement, dated as of June 14, 2026, between the Company and TATA (the “**Supply and Liquidity Agreement**”). Pursuant to the Supply and Liquidity Agreement, TATA has agreed to provide the Debtors with unsecured, interest-free¹² liquidity advances of \$20 million and to fulfill the Company’s soda ash requirements to the Company’s end users. In exchange, TATA will receive payments on account of soda ash receipts at an agreed price per metric ton and superpriority administrative expense claims. The Debtors’ obligations under the Supply and Liquidity Agreement are guaranteed by Nirma and, in return, SVM has agreed (subject to Court approval), to provide Nirma with non-priming, postpetition liens and superpriority administrative expense claims on account of its contingent reimbursement claims against SVM under the guarantee. Subject to the Court’s approval, the Supply and Liquidity Agreement would provide the Debtors with \$7 million of postpetition funding on an interim basis, with the remaining \$13 million available to the Debtors upon final approval of the Supply and Liquidity Agreement. Additional details concerning the Supply and Liquidity Agreement are set forth in the Frankum SLA Declaration,¹³ which is incorporated herein by reference.

¹² The funding provided pursuant to the Liquidity Advance Agreement does not bear interest except upon the occurrence and during the continuance of a Company Termination Event (as defined in the Supply Agreement).

¹³ “**Frankum SLA Declaration**” means that certain *Declaration of Adrian Frankum in Support of Motion of Debtors for Entry of Interim and Final Orders Authorizing the Debtors to Assume Soda Ash Supply and Liquidity Agreement and Obtain Financing Thereunder*, filed substantially contemporaneously herewith.

(ii) DIP Facility and Cash Collateral

47. In addition, and to supplement their cash needs to fund a potential section 363 sale, as set forth in further detail in the DIP Motion,¹⁴ the Debtors have also procured a \$20 million junior financing facility (the “**DIP Facility**”) from KHI (in such capacity, the “**DIP Lender**”), with \$7 million available on an interim basis and the remaining \$13 million available upon final approval. Pursuant to the terms of the DIP Facility, the DIP Lender will receive a junior lien on all assets subject to the Prepetition Secured Lender’s liens and a first-priority lien on all unencumbered assets (*e.g.*, real property). Additional details concerning the DIP Facility are set forth in the Frankum DIP Declaration¹⁵ and the Tempke DIP Declaration,¹⁶ each of which is incorporated herein by reference.

48. The Company and its advisors have also engaged in negotiations with the Prepetition Secured Lender with respect to consensual use of its cash collateral and continued access to the Receivables Facility in the ordinary course of business for up to \$30 million of funding under the Receivables Facility during the course of the Chapter 11 Cases. As a result of those negotiations, and as set forth in more detail in the DIP Motion, the Prepetition Secured Lender has agreed to the consensual use of cash collateral on the terms and conditions set forth in

¹⁴ “**DIP Motion**” means that certain *Motion of Debtors For Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Junior Postpetition Financing; (II) Authorizing the Debtors to Use Cash Collateral; (III) Granting Adequate Protection to Prepetition Secured Lender; (IV) Modifying the Automatic Stay; (V) Scheduling Final Hearing and (VI) Granting Related Relief*, filed substantially contemporaneously herewith.

¹⁵ “**Frankum DIP Declaration**” means that certain *Declaration of Adrian Frankum in Support of Motion of Debtors For Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Junior Postpetition Financing; (II) Authorizing the Debtors to Use Cash Collateral; (III) Granting Adequate Protection to Prepetition Secured Lender; (IV) Modifying the Automatic Stay; (V) Scheduling Final Hearing and (VI) Granting Related Relief*, filed substantially contemporaneously herewith.

¹⁶ “**Tempke DIP Declaration**” means that certain *Declaration of Christian Tempke in Support of Motion of Debtors For Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Junior Postpetition Financing; (II) Authorizing the Debtors to Use Cash Collateral; (III) Granting Adequate Protection to Prepetition Secured Lender; (IV) Modifying the Automatic Stay; (V) Scheduling Final Hearing and (VI) Granting Related Relief*, filed substantially contemporaneously herewith.

the DIP Motion. In exchange for continued access to the Receivables Facility during the Chapter 11 Cases, the Debtors have agreed to grant the Prepetition Secured Lender with additional liens on unencumbered collateral as of the Petition Date and superpriority administrative expense claims. Additional details concerning the Debtors' consensual use of cash collateral are set forth in the Frankum DIP Declaration and the Tempke DIP Declaration.

49. Even with the benefit of the Supply and Liquidity Agreement, the DIP Facility, and the agreement of the Prepetition Secured Lender for the Debtors' consensual use of cash collateral and continued access to the Receivables Facility, the Debtors must move with deliberate speed to achieve their objective of maximizing value for their constituents. And any unnecessary distraction from this mission will not inure to the benefit of the estates and the Company's workforce.

PART V

FIRST DAY PAPERS¹⁷

50. To facilitate their restructuring efforts, the Debtors have filed the First Day Papers, each as listed on the attached **Exhibit B**, concurrently with this Declaration, and respectfully request that this Court enter the proposed orders granting such First Day Papers. I have reviewed each of the First Day Papers and proposed orders (including the exhibits thereto), and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. I believe that the relief sought in each First Day Paper (a) is vital to enable the Debtors to transition into, and operate in, these Chapter 11 Cases with minimum interruption or disruption to their businesses

¹⁷ Capitalized terms used but not defined in Part V have the meanings ascribed to them in the relevant First Day Paper or in **Exhibit B** attached hereto.

or loss of productivity or value and (b) constitutes a critical element in maximizing value during these Chapter 11 Cases.

Administrative Papers

51. The Debtors have filed three “administrative” pleadings that seek to (a) jointly administer the Chapter 11 Cases for procedural purposes only, (b) authorize the Debtors to file under seal portions of their creditor matrix and other documents containing personal information of employees, and (c) authorize the Debtors to retain Stretto, Inc. (“**Stretto**”) as claims and noticing agent.

A. Joint Administration Motion

52. The Joint Administration Motion respectfully requests entry of an Order (a) directing the joint administration of the Chapter 11 Cases for procedural purposes only and (b) waiving the requirement that the caption in the Chapter 11 Cases and certain notices list the Debtors’ tax identification numbers.

53. As set forth above, the Debtors are affiliated with each other. I believe that joint administration of these cases will avoid the unnecessary time and expense of duplicative motions, applications, orders, and other papers and related notices that otherwise would need to be filed in all of the cases absent joint administration. Accordingly, I believe that joint administration will save considerable time and expense.

B. Motion to File Under Seal Portions of Creditor Matrix and Other Filings Containing Employee Addresses

54. Pursuant to the PII Redaction Motion, the Debtors seek entry of an order (i) authorizing, but not directing, the Debtors to redact certain personally identifiable information of natural persons in any document made publicly available on the Debtors’ case website or filed with this Court, including the consolidated list of the Debtors’ creditors (the “**Consolidated**

Creditor Matrix”), the Debtors’ schedules of assets and liabilities and statements of financial affairs (the “**Schedules and Statements**”), affidavits of service, and the official claims register for each Debtor (collectively, the “**Redaction Documents**”); and (ii) granting related relief.

55. I believe that disclosure of personally identifiable information of hundreds of current and former employees in the Consolidated Creditor Matrix would create an undue risk and provide an opportunity for third parties to, among other things, perpetrate identity theft or locate survivors of domestic violence or stalking who have otherwise taken steps to conceal their whereabouts.

56. I believe that filing unredacted versions of the Redaction Documents creates an undue risk of identity theft because it would make available online, in a format that is otherwise not freely available, the type of information that identity thieves may use to open fraudulent accounts: an aggregation of employees’ names, home addresses, and name of their employer.

57. I believe that publication of home addresses may expose survivors of domestic violence or stalking who have otherwise taken steps to conceal their whereabouts because I understand that in at least one recent chapter 11 case, the abusive former partner of a debtor’s employee exploited the publicly accessible creditor and employee information filed in the chapter 11 case to track the employee to her new address, which had not been publicly available until then, forcing the employee to change addresses again for her safety.

58. The Debtors propose to provide an unredacted version of the Consolidated Creditor Matrix and any other Redacted Documents to this Court, the U.S. Trustee, counsel to any statutory committee appointed in these Chapter 11 Cases, and other parties in interest upon reasonable request to the Debtors or this Court that is reasonably related to these Chapter 11 Cases.

59. I believe that cause exists to authorize the Debtors to redact the personally identifiable information—including, without limitation, the home and email addresses—of any natural persons listed on, or appearing in, any Redaction Document.

C. Application to Retain Stretto as Claims and Noticing Agent

60. The Debtors seek authority to retain Stretto as claims and noticing agent in the Chapter 11 Cases. I understand that requesting such appointment is required by the rules of this Court given that the Debtors have more than 200 creditors and/or parties in interest listed on their creditor matrix. I believe that Stretto's retention is the most effective and efficient manner of noticing these creditors and parties in interest of the filing of the Chapter 11 Cases and other developments in the Chapter 11 Cases. In addition, Stretto will transmit, receive, docket, and maintain proofs of claim filed in connection with the Chapter 11 Cases. Accordingly, I believe that retention of Stretto, an independent third party with significant experience in this role, to act as an agent of this Court is in the best interests of the Debtors, their estates, and their creditors.¹⁸

Operational Pleadings

61. The Debtors have eight "operational" pleadings that seek to authorize the Debtors (a) to continue using their Cash Management System (as defined below), (b) to pay Employees (as defined below), (c) to maintain insurance coverage and pay related obligations, (d) to pay Taxes and Assessments (as defined below), (e) to pay their Utility Companies (as defined below) and provide adequate assurance of payment to those Utility Companies, (f) to pay their Critical Vendors (as defined below), (g) to obtain postpetition financing and utilize cash collateral,¹⁹ and

¹⁸ The Debtors intend to file a subsequent application to retain Stretto to perform certain administrative services under Bankruptcy Code section 327.

¹⁹ Factual support concerning the DIP Motion is set forth in the Frankum DIP Declaration and the Tempke DIP Declaration.

(h) to assume the Supply and Liquidity Agreement and grant superpriority administrative expense claims in connection therewith.²⁰

A. Motion to Continue Cash Management System

62. The Debtors are seeking entry of interim and final orders authorizing, but not directing, the Debtors to (a) maintain their existing Cash Management System, Bank Accounts, Corporate Card Program, and Virtual Card Program (each as defined below); (b) honor certain related prepetition obligations; (c) continue using existing checks, business letterhead, purchase orders, invoices, envelopes, promotional materials, and other business forms and correspondence (collectively, the “**Business Forms**”); (d) continue to perform Intercompany Transactions consistent with historical practice; (e) granting administrative expense priority status to all claims arising postpetition from the Intercompany Transactions in the ordinary course of business; and (f) granting a waiver of the Debtors’ compliance with section 345(b) of the Bankruptcy Code and certain U.S. Trustee Guidelines.

63. In the ordinary course of business, the Debtors maintain a consolidated cash management system (the “**Cash Management System**”) to facilitate the efficient operation of their business. The Cash Management System is used to manage cash receipts and disbursements, and to provide access to funds in a cost-effective and efficient manner, including to collect, transfer, and disburse funds generated from operations, and to facilitate cash monitoring, forecasting, and reporting.

64. **Bank Accounts.** The Debtors utilize nine bank accounts, exclusive of the accounts in the names of any non-Debtor affiliates, in the Cash Management System (the “**Bank Accounts**”)

²⁰ Factual support concerning the Supply and Liquidity Agreement Motion is set forth in the Frankum SLA Declaration and the Tempke DIP Declaration.

maintained at three financial institutions: (a) five accounts at HSBC maintained by SVM consisting of (i) a receivables account maintained by SVM that is subject to the exclusive dominion and control of HSBC pursuant to the Receivables Facility (the “**Receivables Account**”), (ii) a master operating account (the “**Master Account**”), (iii) a newly-created account opened for the purpose of holding advances made by HSBC on account of receivables arising from contracts being fulfilled by TATA pursuant to the Supply and Liquidity Agreement from which the Debtors’ payment obligations to TATA thereunder will be fulfilled (to the extent such obligations have not been previously paid by the Debtors), (iv) a disbursement account (the “**Disbursement Account**”), and (v) a payroll account (the “**Payroll Account**”); (b) two accounts maintained by SVM at Customers Bank, consisting of a newly-established (i) utility deposit account (the “**Utility Deposit Account**”) and (ii) professional fees escrow account (the “**Professional Fees Escrow Account**”); and (c) two accounts maintained by SDWC at Desert Valleys Federal Credit Union (“**DVFCU**”), consisting of (i) a checking account (the “**SDWC Operating Account**”) and (ii) a savings account (the “**SDWC Savings Account**”). As of the Petition Date, the Bank Accounts had an aggregate combined balance of approximately \$4.2 million.

65. Approximately 94.25% of the revenue received by the Debtors is deposited into the receivables account at HSBC, with the remaining approximately 5.75% deposited into the Master Account via checks, wire transfers, and ACH transfers from customers. As of the Petition Date, the Receivables Account had a balance of approximately \$1.1 million. Advances under the Receivables Facility are, and advances that are proposed to be made to the Debtors by TATA under the Supply and Liquidity Agreement will be, transferred to the Master Account.

66. The Debtors’ Cash Management System operates primarily through the Master Account, historically utilized as their central cash concentration account. The Master Account is

used to manage cash receipts and disbursements for the Company, including to, among other things, collect cash receipts, fund payroll, fund the Debtors' disbursements to vendors directly and to fund vendors and suppliers and the Debtors' 401k matches to employees²¹ as well as other general operating expenses through the Disbursement Account. As of the Petition Date, the Master Account had an approximate balance of \$1.8 million.

67. The Payroll Account is used exclusively to fund the Debtors' payroll obligations to employees through the Debtor's payroll processor. Disbursements to employees are made via wire, ACH transfer, or check. As of the Petition Date, the Payroll Account had an approximate balance of \$0.

68. The Disbursement Account is used to fund the Debtors' general corporate disbursements and operating costs, including payments to vendors and contract counterparties, and disbursements from this account are also made via ACH transfer or check.

69. The SDWC Operating Account is used to collect payments from SDWC's customers in the Searles Lake area and make monthly intercompany transfers to SVM for reimbursement of expenses incurred and paid by SVM, offset by the cost of the water used by SVM. As of the Petition Date, the SDWC Operating Account had an approximate balance of \$114,000.

70. SDWC earns approximately 0.4% interest on the funds in the SDWC Savings Account. Accordingly, SDWC periodically transfers excess balances from the SDWC Operating Account to the SDWC Savings Account as part of its investment strategy. These transfers range

²¹ Additional details concerning the Debtors' disbursement on account of payroll obligations and 401(k) matches, among others, is provided in the Wages and Benefits Motion.

from \$50,000 to \$100,000 per month. As of the Petition Date, the SDWC Savings Account had an approximate balance of \$1.2 million.

71. Prior to the Petition Date, SVM established the Utility Deposit Account into which the Debtors propose to make adequate assurance deposits for the benefit of their utility providers, and the Professional Fees Escrow Account, into which the Debtors seek to fund the Carve Out and payment of Professional Fees (each as defined in the DIP Motion) pursuant to the proposed terms of the Debtors' DIP Facility and continued use of the Receivables Facility. As of the Petition Date, the Utility Deposit Account and Professional Fees Escrow Account each had a \$0 balance.

72. All of the Cash Management Banks are federally insured, well-capitalized, and reputable banking institutions. HSBC is insured by the Federal Deposit Insurance Corporation and is recognized as an authorized depository with the U.S. Trustee in other regions, although it is not presently listed as an authorized depository in Region 3 (an "**Authorized Depository**"). As a regulated Class C water utility, SDWC is required by the California Public Utilities Commission (the "**CPUC**") to follow certain segregated accounting rules and, therefore, to facilitate compliance, maintains Bank Accounts at DVFCU, separate from the HSBC Bank Accounts. DVFCU is a small federally chartered credit union insured by the National Credit Union Share Insurance Fund and headquartered in Ridgecrest, California. The Debtors require access to a physical bank branch to make daily check deposits from SDWC customers and DVFCU is one of only a handful of banks located in a 25-mile radius from the Debtors' facilities in Searles Valley, California. Customers Bank is an Authorized Depository.

73. In order for the Cash Management System to function, (a) SVM's accounts must remain with HSBC, which although is not an Authorized Depository, is a federally insured, well-capitalized and reputable banking institution and (b) SDWC's accounts must remain with DVFCU

given the CPUC's accounting requirements and lack of alternative banks located near the Debtors' main facilities. In addition, the Debtors' Bank Accounts at Customers Bank will be required to satisfy requirements under the proposed terms of the DIP Facility and continued use of the Receivables Facility, and Customers Bank is an Authorized Depository. Thus, the Debtors believe that any funds deposited in the Bank Accounts are secure and the Debtors are in compliance with Bankruptcy Code sections 345(a) and 345(b) with respect to the Bank Accounts. The expense and burden of transferring funds from the Cash Management Banks and rebuilding the Cash Management System at the outset of these Chapter 11 Cases would result in an unnecessary expenditure of valuable resources to the ultimate detriment of the Debtors' creditors.

74. The Debtors, with the assistance of their advisors, have implemented protocols to ensure that only claims arising postpetition and certain claims arising prepetition (if payment of such prepetition claims is approved by this Court) will be paid by the Debtors.

75. **Bank Fees.** In the ordinary course of business, the Debtors pay, honor, or allow deduction from the appropriate Bank Account on account of certain service charges, costs, and expenses associated with maintaining the Cash Management System (collectively, the "**Bank Fees**"). The Debtors pay monthly Bank Fees of approximately \$4,000 in the aggregate, which are automatically debited each month from the respective Bank Account for the Bank Fees accrued in the prior month.

76. As of the Petition Date, the Debtors estimate that they owe approximately \$5,900 in prepetition Bank Fees (the "**Prepetition Bank Fees**"), approximately \$4,000 of which is expected to become due and payable within the first 30 days of the Chapter 11 Cases. To maintain the integrity of their Cash Management System, the Debtors request authority to pay the Prepetition Bank Fees, in addition to any other Bank Fees for prepetition transactions that are

charged postpetition, and continue to pay the Bank Fees in the ordinary course of business postpetition, consistent with historical practice.

77. ***Corporate Card Program and Virtual Card Program.*** The Debtors also maintain purchase cards issued by HSBC for certain employees to use on work-related expenses, such as work-related meals, travel and lodging, office supplies, and small, nonrecurring purchases made on behalf of the Debtors (the “**Corporate Card Program**”). There are approximately 29 corporate credit cards (the “**Corporate Credit Cards**”) used by the Debtors. Employees eligible for the Corporate Card Program utilize the Corporate Credit Cards to, among other things, charge repair and maintenance services, spare parts, other business-related services, and equipment rental fees for certain Company vendors and suppliers. In addition, the Corporate Credit Cards are used by certain employees who incur charges for frequent business travel, designated procurement personnel, office managers (to purchase office supplies and in-office lunches), and certain sales and marketing personnel as required. Generally, individual holders of the Corporate Credit Cards have a single purchase limit of \$5,000, and a total monthly spending limit of \$10,000, subject to certain exceptions, including limit increases approved by management. In the event that a charge is not permitted under the Debtors’ policies under the Corporate Card Program, or the employee otherwise identifies it as being a personal expense, the Debtors will offset such charges from the applicable employee’s subsequent paycheck.

78. There is one ePay account/virtual corporate credit card (the “**Virtual Card**”) used by SVM as the general payment method for certain vendors who have agreed to remittance terms that allow for more expedient funds draws and help to preserve and manage the Debtors’ liquidity (the “**Virtual Card Program**”). The Debtors are charged a per-transaction payment processing fee by HSBC for the use of the Virtual Card under the Virtual Card Program. The Virtual Card

has a single purchase limit of \$5,000, and a total monthly spending limit of \$10,000, subject to limit increases approved by HSBC.

79. In the aggregate, the lines of credit under the Corporate Card Program and Virtual Card Program totals approximately \$3 million. Historically, the Debtors incur on average between approximately \$150,000 and \$250,000 in charges through the Corporate Card Program per month and approximately \$600,000 to \$900,000 through the Virtual Card Program per month. The Corporate Credit Cards and Virtual Card (including payment processing fees associated with the Virtual Card Program) are paid directly from the Master Account at the end of each month. The Debtors pay off outstanding balances monthly and estimate that, as of the Petition Date, approximately \$250,000 in outstanding aggregate prepetition amounts is owed on account of the Corporate Card Program and Virtual Card Program, all of which will become due and owing during the first 30 days of the Chapter 11 Cases.

80. ***Business Forms.*** The Debtors use various Business Forms, such as checks, invoices, and letterhead, in the ordinary course of business. Because the Business Forms were used prepetition, they do not reference the Debtors' current status as debtors in possession. Nonetheless, I believe that most parties doing business with the Debtors will be aware of the Debtors' status as debtors in possession as a result of the publicity surrounding the Chapter 11 Cases and the notice of commencement served on parties in interest. I believe that requiring the Debtors to change existing Business Forms would unnecessarily distract the Debtors from their restructuring efforts and impose needless expenses on the estates. Any subsequently printed checks that are generated electronically, to the extent reasonably practicable, will bear the designation "Debtor In Possession."

81. **Intercompany Transactions.** In the ordinary course of business, the Debtors engage in various intercompany transactions between Debtors or between one or more Debtors and one or more non-Debtor subsidiaries or affiliates (the “**Intercompany Transactions**”), which are reflected as intercompany receivables and payables in the Company’s books and records or as intercompany loans (the “**Intercompany Claims**”).²² As a result of Intercompany Transactions, at any given time, there may be Intercompany Claims owing (a) by one Debtor to another Debtor or (b) by one Debtor to a non-Debtor affiliate.

82. The Intercompany Transactions generally fall into four categories: (a) the provision of rail service from TRC to SVM to facilitate transport of SVM’s products to customers; (b) the supply of water from SVM for SDWC’s supply to its residential and commercial customers in certain areas on the western shoreline of Searles Lake, California; (c) monthly cash and non-cash reimbursement of SVM by SDWC and TRC for obligations incurred during the month by SVM on behalf of SDWC and TRC, respectively; and (d) intercompany sales of VBOR by SVM to Nirma and Navin.

83. **Debtor SVM and Debtor TRC.** Debtor TRC enables SVM to transport product and goods to and from the Union Pacific Railroad line using its railcars. The expense incurred by TRC for providing the freight services to SVM is included in the total inbound or outbound freight rate, which is settled each month in the Railroad Clearinghouse, a centralized process for administering and transferring funds among railroads. In addition, SVM funds payroll for the four TRC employees. The freight service costs are booked as accounts payable at SVM and as accounts

²² As described *infra*, between 2019 and 2026, SVM’s sole shareholder, KHI, made several unsecured loans to SVM. As of the Petition Date, approximately \$135.2 million is outstanding under the Unsecured Parent Loans. The Debtors have never made any principal or interest payments to KHI on account of the Unsecured Parent Loans, and are not currently seeking authority to make any payments on such loans.

receivable at TRC, and the employee costs are booked as accounts payable at TRC and as accounts receivable at SVM. This intercompany balance is not settled each month, but rather eliminated in the SVM consolidated financial statements.

84. *Debtor SVM and Debtor SDWC.* SVM maintains the five water wells and two 30-mile pipelines used to source water in the Searles Lake area. SVM uses approximately 90% of the water sourced in its own mining operations and sells the remaining 10% to SDWC, which then distributes the water to SDWC's approximately 760 customers. The cost of SDWC's water usage is charged by SVM to SDWC. SDWC makes monthly payments to reimburse SVM for (a) the water it purchases from SVM, (b) funding payroll for six SVM employees who are seconded to SDWC, and (c) the operating expenses incurred by SVM on behalf of SDWC. These payments generally range from \$40,000 to \$60,000 each month. As of the Petition Date, the outstanding monthly reimbursement owed by SDWC to SVM was approximately \$40,000.

85. *Debtor SVM and Non-Debtors Nirma and Navin.* Nirma and Navin are customers of SVM that have purchased an aggregate of approximately \$9.8 million, \$9.2 million, and \$6.2 million of VBOR in calendar years 2023, 2024, and 2025, respectively. Nirma and Navin also historically purchased soda ash from SVM, with aggregate annual sales of less than \$1 million in each of 2024 and 2025. SVM's sales of VBOR to Nirma and Navin are generally on customary trade terms and in line with terms provided to other customers based upon market, region, and size of customers, however Nirma and Navin began prepaying SVM for VBOR several years ago to mitigate the Company's liquidity challenges. As of the Petition Date, there were no outstanding trade payables owed to SVM from Nirma and Navin and SVM's books and records reflect outstanding prepayment credits on behalf of Nirma and Navin.

86. The Debtors anticipate that the Intercompany Transactions will continue postpetition in the ordinary course of business. I believe such transactions are necessary to the efficient operation of the Company's business. Because the Debtors engaged in the Intercompany Transactions on a regular basis prepetition and such transactions are common for enterprises like the Debtors, I understand that the Debtors have been advised that they may continue the Intercompany Transactions ordinary course under section 363(c)(1) of the Bankruptcy Code, without court approval. Consistent with their prepetition practice, the Debtors will maintain records of all transfers and can ascertain, trace, and account for all of the Intercompany Transactions. In addition, the Debtors request that the Intercompany Transactions be granted administrative expense priority status, which will facilitate the orderly and efficient operation of the Debtors' enterprise.

87. I believe that any disruption to the Cash Management System would materially impede the Debtors' operations and harm their estates and stakeholders. The Cash Management System is similar to those commonly utilized by corporate enterprises comparable to the Debtors in size and complexity and constitutes the Debtors' ordinary, usual, and essential business practices. If the Debtors were required to dismantle the Cash Management System, it would be very time consuming, difficult, and costly to establish an entirely new system of accounts, particularly given the relationship of the Debtors' bank accounts to their Prepetition Secured Lender (HSBC) and the factoring arrangement that forms an integral component of the Cash Management System, as well as the lack of available bank branches near their Trona, California operations.

B. Motion to Pay Employee and Payroll Obligations

88. The Debtors are seeking entry of interim and final orders authorizing, but not directing, the Debtors to (a) pay and/or perform prepetition obligations to current employees

(“**Employees**”), including accrued prepetition wages, salaries, and other cash and non-cash compensation claims (collectively, the “**Employee Claims**”), and pay obligations to or on account of independent contractors and temporary employees (collectively, the “**Independent Contractor/Temporary Employee Claims**”); (b) honor and continue in the ordinary course of business, until further notice, and pay (but not assume) the prepetition amounts associated with the Debtors’ vacation and holiday-time policies, employee benefit plans and programs, savings and retirement plans, and severance agreements, the most significant of which are described below, and to pay all fees and costs in connection therewith, except as otherwise set forth herein (collectively, the “**Employee Benefit Obligations**”); (c) reimburse Employees for prepetition Reimbursable Expenses (as defined below) consisting of out-of-pocket expenses incurred in the ordinary course of business (the “**Employee Expense Obligations**”); (d) pay over to the appropriate parties all prepetition withholdings from Employees and payroll-related taxes associated with the Employee Claims and the Employee Benefit Obligations (the “**Withholding Obligations**”); and (e) pay board fees and reimbursable expenses to the SVM Board (defined below) (the “**Board Fees**” and, together with the Employee Claims, the Independent Contractor/Temporary Employee Claims, the Employee Benefit Obligations, the Withholding Obligations, and the Employee Expense Obligations, the “**Prepetition Employee Obligations**”).

89. The following chart sets forth the approximate amounts outstanding for the Prepetition Employee Obligations, all of which will come due within the first 30 days of the Chapter 11 Cases (other than the incurred but not reported claim amounts under the Medical Plans and Dental Plan (collectively, the “**IBNR Amounts**”). There is a delay between the time claims under the Medical Plans and Dental Plan are incurred and ultimately reported to the Debtors. Thus, it is difficult for the Debtors to determine with precision the actual amount of incurred but not

reported claims under the Medical Plans and Dental Plan as of any particular time. However, based on historical figures, the Debtors estimate that approximately \$1,070,000 and \$24,200 of incurred but not reported claims remain outstanding under the Medical Plans and Dental Plan, respectively, as of the Petition Date.

Category	Prepetition Outstanding Amount	Interim Amount	Final Amount (IBNR Amounts)
Employee Wages	\$532,000	\$532,000	
Independent Contractor/Temporary Employee Wages	\$300,000	\$300,000	
Payroll Processing Fees	\$100,000	\$100,000	
Medical Plans	\$1,895,000	\$825,000	\$1,07,000
Dental Plan	\$56,200	\$32,000	\$24,200
Vision Plan	\$16,000	\$16,000	
Life & AD&D Insurance	\$24,000	\$24,000	
Short- and Long-Term Disability	\$8,600	\$8,600	
Additional Employee Benefits	\$9,700	\$9,700	
401(k) Plan	\$21,000	\$21,000	
Reimbursable Expenses	\$20,000	\$20,000	
Total	\$2,982,500	\$1,888,300	\$1,094,200

90. Following entry of the requested interim order and prior to the entry of the final order, none of the Debtors' Employees will receive payments in excess of the amount entitled to priority under Bankruptcy Code sections 507(a)(4) or 507(a)(5).

91. *The Debtors' Workforce.* As of the Petition date, the Debtors employ approximately 279 full-time Employees and one part-time Employee. The Debtors' Employees are all located in the United States. Approximately four of the Employees are represented by the International Association of Sheet Metal, Air, Rail and Transportation Workers Transportation Division GO-887 (the "Union"). All of the Union-represented Employees (the "Represented

Employees”) are employed by TRC. TRC’s relationship with the Union is reflected in a collective bargaining agreement (the “**CBA**”).

92. To supplement its workforce, Debtor SVM utilizes individuals who provide a range of services to the Debtors on a contractual basis (the “**Independent Contractors**”). The Debtors utilize approximately 12 Independent Contractors, each of whom are former employees, and two temporary employees (the “**Temporary Employees**”).

93. **Wages and Salaries.** Approximately 65 of the Debtors’ Employees are salaried, while approximately 214 are paid on an hourly basis (such compensations, the “**Employees’ Wages**”). Salaried Employees are paid monthly on the 20th day of each month (or the Friday prior to the 20th day of each month if such day falls on a weekend or a holiday), 20 days in arrears and 10 days in advance. Hourly Employees are paid biweekly on Fridays (or the day prior to Friday if the scheduled payroll Friday falls on a holiday), one week in arrears. Since April 2026, the average monthly payroll for the Debtors’ Employees has been approximately \$3.6 million including Employee Payroll Taxes (as defined below).²³

94. The Debtors use Collaboration Software Providers, LLC (“**CSP**”) to process payroll for Employees. The payroll processing services are crucial to the smooth functioning of the Debtors’ payroll system because they ensure that (a) the Employees are paid on time, (b) source deductions are appropriately determined, (c) payroll reporting is accurate, and (d) appropriate amounts are remitted to taxing authorities and other payees. As of the Petition Date, the Debtors estimate they owe approximately \$100,000 to CSP on account of payroll services (the “**Payroll Processing Fees**”).

²³ As noted *infra*, the Debtors significantly reduced their workforce in April 2026.

95. The Debtors estimate that as of the Petition Date, approximately \$532,000 is accrued and owing in the aggregate on account of Employee Claims and approximately \$300,000 for Independent Contractor/Temporary Employee Claims. Periodically, the states in which the Debtors have Employees adjust their unemployment tax rates and, in doing so, the Debtors may owe additional, unforeseen Employee Payroll Taxes (as defined below).

96. **Bonus Plans.** Certain salaried Employees are eligible to participate in an annual bonus plan, when and if payments under such plan (the “**Bonus Plan**”) are approved by SVM’s board of directors (the “**SVM Board**”). The Bonus Plan provides a cash reward to eligible Employees when the Employee achieves performance-based metrics and continues their employment with the Debtor through milestone dates.

97. Target payouts under the Bonus Plan typically range from 5% to 50% (and are capped at 150%) of an Employee’s base salary, depending on a number of factors, such as the Employee’s job title, employment contract, years of service, and annual performance. Payouts under the Bonus Plan for Employees are scheduled for the first pay period of June each year. No bonus payments have been approved by the SVM Board for the current year.

98. **Vacation, Holiday, and Sick Time.** The Debtors offer their Employees other forms of compensation, including vacation time and paid holidays. I believe this form of compensation is usual, customary, and necessary if the Debtors are to retain qualified employees during the reorganization process.

99. The manner in which vacation time (“**Vacation Time**”) accrues is based on the Employee’s tenure. In general,²⁴ during an Employee’s first four years of employment with the

²⁴ Although the vast majority of the Employees accrue Vacation Time as described *supra* paragraph 99, certain experienced managers and similar Employees have negotiated higher accrual rates for Vacation Time.

Debtors, they can accrue up to 10 days of Vacation Time. From years five through nine, an Employee can accrue up to 15 days of Vacation Time. From years 10 through 19, an Employee can accrue up to 20 days of Vacation Time. And from year 20 and onward, an Employee can accrue 25 days of Vacation Time. At the end of each calendar year, any unused Vacation Time automatically carries over to the subsequent year. However, at no time can an Employee accrue more than 40 days of Vacation Time. The Debtors pay out any accrued but unused Vacation Time when an Employee is terminated.

100. Because Employees regularly accrue and use Vacation Time, it is difficult to quantify the cost of accrued Vacation Time as of the Petition Date. As of the Petition Date, the average amount of unused Vacation Time for Employees is approximately 26 days, and the Debtors estimate that the Employees have accrued an aggregate of approximately \$3 million worth of Vacation Time.

101. The Debtors also provide holiday time (“**Holiday Time**” and, together with the Vacation Time, “**PTO**”). Employees are given 10 days of Holiday Time, which are determined by the Debtors’ approved holiday schedule. Holiday Time does not accrue and is not paid out upon termination. The Debtors also provide Employees with 60 hours of annual sick time. Unused sick time accrues up to 80 hours, and the Debtors do not pay out unused sick time upon termination. The Debtors do not provide Employees with other forms of PTO not otherwise set forth herein. The Debtors anticipate that their Employees will use their PTO in the ordinary course of business without resulting in any material cash flow requirements beyond the Debtors’ normal payroll obligations. The Debtors’ PTO policies will remain subject to ordinary-course restrictions during these Chapter 11 Cases.

102. *Overview of Benefits Programs.* The Debtors provide benefit plans to eligible Employees, including medical plans, dental plans, vision plans, life insurance plans, and more, which are described in more detail below. The Debtors incurred a one-time brokerage fee, paid to the Debtors' insurance broker, Alliant Insurance Services, Inc. (the "**Broker**"), at the outset of the benefit (calendar) year on account of the procurement and negotiation of the Employee benefit plans. For the current benefit year, the Debtors paid an \$80,000 fee to the Broker. Accordingly, no brokerage fee is expected to come due and owing, including during these Chapter 11 Cases. To the extent any such or similar fees become due and owing during the Chapter 11 Cases, I understand that the Debtors have been advised that the payments of such fees would constitute a transaction in the ordinary course of business within the meaning of section 363(c)(1) of the Bankruptcy Code that does not require prior bankruptcy court approval.

103. *Medical Plans.* The Debtors provide eligible Employees with medical benefits pursuant to two different self-funded medical plans administered by BlueCross BlueShield of Kansas City ("**BCBS**"). Eligible Employees have the option to choose between two PPO plans, which both include prescription drug coverage and are similar in the types of services they cover but vary in terms of cost and provider access (the "**Medical Plans**").

104. As of the Petition Date, there are approximately 278 active Employees participating in the Medical Plans. The Debtors' cost of the Medical Plans is backstopped by a medical stop-loss policy (the "**Stop-Loss Policy**") issued and administered by BCBS. The Stop-Loss Policy reimburses the Debtors for claims paid out in excess of \$280,000 deductible per individual. The Medical Plans are funded through Employee contributions by participating Employees and by the Debtors. On average, approximately 70% of the cost of the Medical Plans is borne by the Debtors. Employees contribute to the Medical Plans through payroll deductions to pay for the balance.

Based on the Debtors' most current enrollment data, total annualized spend related to the Medical Plans, including the administrative fees of approximately \$2.4 million paid to BCBS, is approximately \$7.5 million.

105. As of the Petition Date, the Debtors estimate that approximately \$1,895,000 is currently owed under the Medical Plans (including approximately \$1.07 million of incurred but not reported claims).

106. **Dental Plan.** The Debtors also offer their eligible Employees dental benefits pursuant to a dental plan (the "**Dental Plan**") through Delta Dental of Kansas. As of the Petition Date, there are approximately 277 active Employees participating in the Dental Plan.

107. The Dental Plan is funded through contributions by participating Employees and by the Debtors. Approximately 80% of the cost of the Dental Plan is borne by the Debtors, and the remainder is paid through Employee contributions.

108. Total annualized spend related to the Dental Plan, based on the Debtors' most current enrollment data, is approximately \$380,000. As of the Petition Date, the Debtors estimate that approximately \$56,200 (including approximately \$24,200 of incurred but not reported claims) is currently owed under the Dental Plan.

109. **Vision Plan.** The Debtors also offer their eligible Employees vision benefits pursuant to a vision plan (the "**Vision Plan**") through VSP. As of the Petition Date, there are approximately 278 Employees enrolled in the Vision Plan.

110. The Vision Plan is funded through contributions by participating Employees and by the Debtors. Approximately 10% of the cost of the Vision Plan is borne by the Debtors, and the remainder is paid through Employee contributions.

111. Total annualized spend related to the Vision Plan, based on the Debtors' most current enrollment data, is approximately \$184,000. As of the Petition Date, the Debtors estimate that approximately \$16,000 is currently owed under the Vision Plan.

112. ***Life and A&D Insurance.*** The Debtors provide eligible Employees with life insurance in the amount of one and a half times the Employee's base annual earnings rounded to the next highest \$1,000, and capped at \$300,000 (the "**Company-Paid Life Insurance**"). In addition, the Debtors give Employees the option of purchasing additional life insurance coverage in \$1,000 increments, capped at, combined with Company-Paid Life Insurance, \$600,000 total (the "**Employee-Paid Life Insurance**"), and purchasing life insurance coverage for their spouse and/or dependents ("**Spouse & Dependent Life Insurance**" and, together with the Company-Paid Life Insurance and the Employee-Paid Life Insurance, the "**Life Insurance Plans**"), each administered by The Prudential Insurance Company of America ("**Prudential**").

113. The Debtors also provide accidental death and dismemberment insurance at no cost to eligible Employees in the amount of one and a half times the Employee's base annual earnings rounded to the next highest \$1,000, and capped at \$300,000, which pays the entire benefit in the case of loss of life, or a portion of the benefit for other covered losses ("**Company-Paid AD&D Insurance**"). In addition, the Debtors give Employees the option of purchasing additional accidental death and dismemberment insurance coverage in \$1,000 increments, capped at, combined with Company-Paid AD&D Insurance, \$600,000 total (the "**Employee-Paid AD&D Insurance**"), and purchasing accidental death and dismemberment insurance coverage for their spouse and/or dependents ("**Spouse & Dependent AD&D Insurance**" and, together with the Company-Paid AD&D Insurance and Spouse & Dependent AD&D Insurance, the "**AD&D Insurance Plans**"), also administered by Prudential. The Debtors pay approximately \$21,000 per

month in premiums on account of the Life Insurance Plans and AD&D Insurance Plans (collectively, the “**Life and AD&D Insurance**”). As of the Petition Date, the Debtors estimate that approximately \$24,000 in prepetition amounts is currently owed on account of the Life and AD&D Insurance.

114. *Short-Term and Long-Term Disability Benefits.* The Debtors provide eligible Employees with short-term and long-term disability, administered by Prudential. The Debtors currently provide approximately all Employees with short-term disability benefits (“**Short-Term Disability**”). Such coverage provides salaried Employees with a weekly benefit of 60% of their full salary with a maximum weekly benefit of \$2,500, beginning after seven days of disability. The Short-Term Disability provides benefits for a maximum of 25 weeks.

115. The Debtors also cover half of the cost of long-term disability insurance coverage (“**Long-Term Disability**”) for all Employees. The Long-Term Disability benefits consist of monthly payments equal to 60% of the Employee’s salary prior to the disability, up to \$12,000, beginning after 180 days of continuous disability.

116. The Debtors pay approximately \$8,000 per month in premiums on account of the Short-Term Disability and Long-Term Disability. As of the Petition Date, the Debtors estimate that \$8,600 is currently owed on account of the Short-Term and Long-Term Disability.

117. *Flexible Spending Accounts.* The Debtors offer eligible Employees the opportunity to contribute to tax-advantaged flexible spending accounts (“**FSA**”) to use pre-tax dollars toward the payment of medical, dental, vision, and dependent care expenses, administered by Surency Life & Health Insurance Company (“**Surency**”). Approximately 267 Employees maintain FSAs. Prior to the beginning of each calendar year, each FSA participant commits a set amount of funds to the FSA, and the Debtors collect and withhold a prorated amount each payroll

period. Participating Employees submit claims to Surency, and Surency reimburses the participating Employees for the claimed amount. Dollars remaining in each Employee's FSAs at year's end are forfeited. The Debtors pay about \$400 per month in administrative fees to Surency for FSA administration. The Debtors do not make any contributions to the FSAs. I understand that the Debtors, therefore, have been advised that the FSA amounts are held in trust by the Debtors and are not property of their estates.

118. ***Employee Assistance Program.*** The Debtors also provide an Employee Assistance Program ("EAP") through GuidanceResources, a confidential program that provides Employees with support in personal and family problems common in contemporary life. Under the EAP, Employees, their spouses, and their dependents are provided with face-to-face or telephonic consultations with a professional behavioral health clinician, and services under the EAP are available 24 hours a day, 365 days a year. The costs of the EAP are included with the fees the Debtors pay to Prudential on account of the Life and A&D Insurance, Short-Term Disability, Long-Term Disability, and accident and critical illness benefits (described below).

119. ***Other Programs.*** In addition to the foregoing, the Debtors have in place miscellaneous practices, programs, and policies that provide medical and welfare benefits to eligible Employees, including obligations under section 4980B of the Internal Revenue Code to administer continuation health coverage ("COBRA") to eligible former Employees, an identity theft protection program administered by Norton LifeLock, a legal program through MetLife, accident and critical illness benefits, business travel accident insurance, an education reimbursement program, and other various employee wellness programs (collectively, and together with the FSA and EAP, the "**Other Welfare Programs**"). I believe that the Other Welfare Programs are important to maintaining morale and assisting in the retention of the

Debtor's Workforce, in particular following the workforce adjustments made by the Debtors prior to the Petition Date. Based on the Debtors' most current enrollment data, total annualized spend related to the Other Welfare Programs, is approximately \$115,000. The approximate amount accrued under the Other Welfare Programs as of the Petition Date is \$9,700, all of which will come due within the first 30 days of the Chapter 11 Cases.

120. ***Employee Retirement Programs.*** The Debtors maintain a 401(k) plan for eligible Employees administered by Empower Retirement Plan Services (the "**401(k) Plan**"). Eligible Employees may contribute pre-tax, Roth, or post-tax compensation, consistent with IRS regulations, for investment in the 401(k) Plan.

121. Specifically, Employees may contribute pre-tax dollars to a 401(k) account and may also contribute after-tax dollars to a Roth 401(k) account. Employees' annual salary contributions to the 401(k) are limited by applicable IRS contribution limitations. The Debtors contribute 4% of each Employee's eligible compensation to the 401(k) regardless of whether the Employee makes a contribution of its own, and provide a match equivalent of up to 50% of the first additional 4% of each Employee's annual contributions (to a maximum match by the Debtors of up to 6%).

122. There are approximately 267 Employees with account balances in the 401(k) Plan. As of the Petition Date, the Debtors estimate that they owe approximately \$21,000 on account of their prepetition matching contributions under the 401(k) Plan.

123. ***Reimbursable Expenses.*** The Debtors reimburse Employees for approved expenses incurred in the scope of their employment on behalf of the Debtors, including, among other things, travel, lodging, meals, and other business expenses (collectively, the "**Reimbursable**

Expenses”).²⁵ Employees may incur out-of-pocket Reimbursable Expenses and seek reimbursement for their Reimbursable Expenses from the Debtors using the Debtors’ internal reimbursement system. Accordingly, Reimbursable Expenses are incurred by Employees with the understanding that they will be paid directly or reimbursed by the Debtors.

124. Certain prepetition Reimbursable Expenses may not have been paid as of the Petition Date because, among other reasons, amounts charged to Employees’ personal credit cards have not yet become due or Employees have not yet submitted a request for reimbursement. There is a lag time between the time expenses are incurred and the time expenses are submitted for reimbursement and paid. Thus, it is difficult for the Debtors to determine with precision the actual amount of incurred but not reported Reimbursable Expenses as of any particular time. Typically, however, the average aggregate monthly amount expended by the Debtors for the Reimbursable Expenses since April 2026 has been approximately \$25,154. Thus, based on historical figures, the Debtors estimate that approximately \$20,000 is outstanding on account of prepetition Reimbursable Expense as of the Petition Date.

125. ***Withholding Obligations.*** The Debtors are required by certain laws to withhold from the Employees’ Wages amounts related to federal, state, and local income taxes, Medicare taxes, Social Security, and state-issued employment insurance (collectively, the “**Employee Payroll Taxes**”) for remittance to the appropriate federal, state, or local taxing authority.

126. The Debtors also routinely deduct certain amounts from Employees’ Wages, including, without limitation, (a) garnishments, service charges, and other similar deductions, (b) other pre- and post-tax deductions payable pursuant to certain of the employee health benefits

²⁵ The Debtors also maintain active corporate credit cards and purchasing cards. Relief sought in connection with these cards is included in the Cash Management Motion.

including the Medical Plans, Dental Plan, Vision Plan, FSA, 401(k) Plan, Life and AD&D Insurance, Short-Term Disability, and Long-Term Disability, and (c) other withholdings as may be required in the various jurisdictions in which the Debtors operate (collectively, the “**Deductions**”).

127. In addition, as noted above, the Debtors have approximately four Represented Employees. Pursuant to the CBA, the Debtors deduct Union dues and assessments (the “**Union Deductions**”) from the pay of each Represented Employee who voluntarily authorizes the Company to do so, and remits the Union Deductions to the Union. All Union Deductions are immediately remitted to the Union on account of monthly dues and assessments owed pursuant to the CBA. As of the Petition Date, there were no unremitted Union Deductions other than the accrual of dues and assessments associated with the Represented Employees’ service that will be deducted from the Represented Employees’ next paychecks.

128. I understand that the Debtors have been advised that the Employee Payroll Taxes, the Deductions, and the Union Deductions (collectively, the “**Withholding Obligations**”) are generally held in trust by the Debtors and are not property of their estates. As such, I understand that the Debtors do not believe they need authority to remit such payments to the appropriate third parties.

129. *Severance Arrangements.* In addition to the Debtors’ other benefit plans and programs, the Debtors provide severance pay to certain full-time Employees. Such Employees are awarded severance in accordance with the terms of a formal severance plan (the “**Severance Plan**”). Pursuant to the Severance Plan, eligible Employees receive one week’s salary for each full year of service through 10 years of service; 1.25 week’s salary for each full year of service

over 10 years of service through 20 years of service; 1.5 week's salary for each full year of service over 20 years through 30 years; and 2.0 week's salary for each full year of service over 30 years.

130. As of the Petition Date, the Debtors do not have any outstanding accrued obligations arising under the Severance Plan.

131. *Board Fees and Expenses.* In the ordinary course of business, the Debtors pay fees ("**Board Fees**") to, and reimburse the business-related expenses (e.g., travel expenses to and from board meetings) of, certain members of the SVM Board (the "**Compensated Board Members**") and the independent director recently retained by the Debtors (the "**Independent Director**"), who collectively oversee all of the Debtors' operations. The Board Fees are generally paid quarterly in arrears by the Debtors to the Compensated Board Members and total approximately \$50,000 annually. The Independent Director is compensated monthly in advance in the amount of \$45,000 and the Debtors also reimburse the Independent Director's reasonable out-of-pocket expenses incurred in connection with his board service. As of the Petition Date, the Debtors do not have any outstanding accrued Board Fees.

132. I understand that, following the entry of the interim order and prior to entry of the final order, no Employee will receive payments in excess of the amount entitled to priority under sections 507(a)(4) or 507(a)(5) of the Bankruptcy Code. As such, because the vast majority of the Prepetition Employee Obligations constitute priority claims, I understand that the relief the Debtors are requesting affects only the timing of payment and will not prejudice general unsecured creditors.

133. I believe that payment of the Prepetition Employee Obligations and continuation of the Employee Compensation and Benefits programs is critical to maintaining the morale of the Debtors' workforce, which is essential to maximizing the value of the estates and preserving the

going-concern value of the Debtors' business through the sale process. The Employees perform critical services for the Debtors, and the vast majority rely exclusively on their compensation and benefits to pay their daily living expenses. Absent an order granting the requested relief, many Employees may seek other employment alternatives, causing severe disruption and harm to the Debtors' operations and the sale process.

C. Insurance Motion

134. Pursuant to the Insurance Motion, the Debtors are seeking entry of interim and final orders authorizing, but not directing, the Debtors to (a) maintain existing insurance policies (the "**Insurance Policies**"), the Surety Bonds (as defined below), and the Surety Standby Letter of Credit (as defined below), and pay on an uninterrupted basis all premiums, taxes, deductibles, administration costs, consulting fees, brokers' fees, assessments, or other fees arising thereunder or in connection therewith that are paid for by the Debtors in the ordinary course of business (the "**Insurance Obligations**"), including any Insurance Obligations for prepetition periods; (b) continue to honor insurance premium financing obligations (the "**Premium Financing Obligations**"); and (c) renew, revise, extend, supplement, change, or enter into new insurance policies and/or premium finance agreements as needed in their business judgment without further order of the Court. The Debtors seek authority, but not direction, to pay Insurance Obligations and the Worker's Compensation Obligations (as defined herein) in the amount of approximately \$166,250 that will become due and owing within the first 30 days of the Chapter 11 Cases.

135. *Insurance Policies.* In connection with the operation of their businesses, the Debtors maintain insurance policies for, among other things, automobile liability, cargo, railroad liability, directors' and officers' liability (the "**D&O Policy**"), equipment breakdown liability, general liability, property, marine, foreign package, terrorism, stock throughput, and workers' compensation liability. The Insurance Policies have been obtained through third-party insurance

carriers (collectively, the “**Insurance Carriers**”). The current annual premiums and brokerage fees under the Insurance Policies total approximately \$5.1 million. The premiums for all of the Debtors’ Insurance Policies are generally due on an annual basis; however, the Debtors finance a portion of the property insurance premiums under a commercial premium financing agreement. The majority of the Insurance Policies were renewed in March 2026, and for a number of Insurance Policies set to renew as of the Petition Date, the Debtors have negotiated extensions of coverage until March 2027 in most cases.

136. The Debtors typically obtain the Insurance Policies through their insurance broker, Alliant Insurance Services, Inc. (the “**Insurance Broker**”), pursuant to an engagement letter (the “**Broker Contract**”). The Broker Contract provides for an annual fee payable to the Insurance Broker of \$325,000 for services related to covered policy placements and administration (the “**Brokerage Fees**”). The annual fee is payable in quarterly installments, and as of the Petition Date, the Debtors have made two quarterly payments towards the annual fee totaling \$162,500. The next installment of \$81,250 will become due and owing within the first 30 days of the Chapter 11 Cases.

137. *Premium Financing Agreement.* The Debtors also seek authority to continue performing under a commercial premium financing agreement (the “**PFA**”) with third-party lender IPFS Corporation (“**IPFS**”) under which the Debtors make monthly payments towards the property insurance policy premiums. For the policy year ending October 2026, the PFA required the Debtors to make an initial down payment of \$655,597, followed by 9 monthly, equal installment payments in the amount of \$308,614, beginning November 1, 2025. As of the Petition Date, the Debtors have made all payments required to date under the PFA, totaling \$2,468,912. The next installment payment is due July 1, 2026. The PFA grants IPFS a security interest in each

of the named Debtor's respective interests in the unearned premiums and certain loss payments under, and any state guarantee funds relating to, the property insurance policy covered under the PFA. If the Debtors are unable to continue making payments on the PFA, the PFA permits IPFS to terminate the property insurance policy financed through the PFA. The Debtors would then be required to obtain replacement insurance on an expedited basis and at significant cost to the estates, if they were able to obtain such replacement insurance at all. Moreover, if the Debtors are required to obtain replacement insurance and to pay a lump-sum premium for such insurance policy in advance, this payment would likely be greater than what the Debtors currently pay.

138. ***Workers' Compensation Program.*** In the ordinary course of business, as required by applicable law, the Debtors maintain workers' compensation insurance coverage for claims arising from, or related to, employment with the Debtors (the "**Workers' Compensation Program**"). The Debtors maintain a Workers' Compensation Policy provided by XL Specialty Insurance Company. The current Workers' Compensation Policy runs from 3/31/25 through 7/31/26, with a total premium of approximately \$649,000. In connection with the Workers' Compensation Policy, the Debtors utilize the services of TRISTAR Insurance Group ("**TRISTAR**") as a claims manager for all claims filed under the Workers' Compensation Program. The amount outstanding on account of TRISTAR services is \$85,000, all of which will become due and owing within the first 30 days of the Chapter 11 Cases..

139. Failure to maintain workers' compensation insurance could result in administrative or legal proceedings against the Debtors and their officers and directors. The Debtors seek (a) authority, but not direction, to pay any outstanding prepetition obligations in connection with the Workers' Compensation Program, including prepetition premiums, payments to TRISTAR, fees and deductibles (the "**Workers' Compensation Obligations**") and to maintain the Workers'

Compensation Program in the ordinary course of business on a postpetition basis; and (b) a limited modification of the automatic stay to permit select employees to proceed with workers' compensation claims in the appropriate judicial or administrative forum, as determined by the Debtors.

140. ***Surety Bonds.*** In the ordinary course of business, the Debtors are required to maintain various surety bonds (each, a "**Surety Bond**" and, collectively, the "**Surety Bonds**") that allow the Debtors to conduct core aspects of their business, guarantee their ability to perform certain actions, and secure their performance obligations (the "**Surety Bond Program**"). As of the Petition Date, the Debtors, through Zurich, maintain approximately ten Surety Bonds in an aggregate bond amount of approximately \$10,685,00. The Surety Bonds primarily guarantee the Debtors' performance with respect to certain utilities, mining and drilling obligations, local county franchise obligations, and environmental obligations. For example, the Debtors must maintain bonds in order to conduct their mining operations under their mineral lease with the Bureau of Land Management. Additionally, the Debtors maintain a performance bond to demonstrate financial responsibility to ensure adequate funds are available to cover the costs of well closure and site remediation in compliance with federal regulations related to underground injection control. The Surety Bonds are supported by a standby letter of credit (the "**Surety Standby Letter of Credit**") with HSBC Bank USA, NA ("**HSBC**"), as the fronting bank and Zurich as the beneficiary. Historically, the Debtors have spent approximately \$174,000 per year on account of the Surety Bond Program.

141. I believe that maintaining the Debtors' insurance coverage is required by applicable law, essential to preserving the value of the Debtors' businesses and estates, and necessary to protect employees, customers, and other third parties. Any lapse in insurance coverage could

expose the Debtors to substantial uninsured liability, violate contractual obligations, and jeopardize the Debtors' ability to continue operating their businesses during the Chapter 11 Cases.

D. Taxes Motion

142. The Debtors are seeking entry of interim and final orders authorizing, but not directing, the Debtors to negotiate, remit, and pay (or use tax credits or other attributes to offset or otherwise satisfy) undisputed Taxes and Assessments (as defined below) to various federal, state, county, and city taxing, licensing, and other authorities (the "**Applicable Authorities**") in the ordinary course of business, whether such obligations accrued or arose before, on, or after the Petition Date, without prejudice to the Debtors' rights to contest the amounts of any Taxes and Assessments on any grounds available under applicable law.

143. In the ordinary course of business, the Debtors incur various tax obligations and are required to collect, withhold, and remit certain taxes and assessments (collectively, the "**Taxes and Assessments**") to various Applicable Authorities. The Debtors pay or remit the Taxes and Assessments as incurred, or monthly, quarterly, semiannually, or annually, as required by applicable laws and regulations. As of the Petition Date, the Debtors estimate that approximately \$4,837,000 of Taxes and Assessments relating to the prepetition period are outstanding, \$237,000 of which will become due and payable to the Applicable Authorities within the first 30 days of the Chapter 11 Cases. The Taxes and Assessments fall into the following categories:

144. **Income Taxes.** The Debtors are subject to income taxation by the federal government and certain state governments (collectively, "**Income Taxes**"). Because the Debtors are operating at a net loss for the prepetition period, the Debtors have little or no Income Tax liability as of the Petition Date. Out of an abundance of caution, the Debtors seek authority to pay

any Income Taxes that come due during the Chapter 11 Cases, whether or not attributable to the prepetition period.

145. **Property Taxes.** Various state and local governments in U.S. jurisdictions where the Debtors operate have the authority to levy property taxes against the Debtors' owned and leased real property (the "**Property Taxes**"). The Debtors typically pay Property Taxes in the ordinary course as such taxes are invoiced. On an annual basis, the Debtors remit approximately \$4,600,000 on account of Property Taxes, which is payable in installments due in December and March annually. As of the Petition Date, the Debtors had not made payments for 2026, and currently owe \$4,600,000. Payment of Property Taxes is critical, as failure to pay certain Property Taxes may give rise to liens in favor of the Applicable Authority on the Debtors' relevant property to secure payment of those taxes, and nonpayment could also result in additional fees and penalties.

146. **Sales and Use Taxes.** In the ordinary course of business, the Debtors collect and remit certain U.S. taxes related to the sale, use, and consumption of goods and services arising from the sale, use, and purchase of products, inventory, supplies, or other goods in the Debtors' businesses (the "**Sales Taxes**"). The Debtors also incur use taxes when they purchase materials and services from a vendor that is not registered to collect sales taxes for the state where the product is delivered or the services are provided (the "**Use Taxes**"). In these circumstances, vendors are not obligated to charge or remit sales taxes, and the Debtors must self-assess and pay the Use Taxes to the Applicable Authority. The Debtors remit the Sales and Use Taxes on a monthly basis and estimate the prepetition liability for Sales and Use Taxes to be approximately \$147,000, all of which will become due and payable during the first 30 days of the Chapter 11 Cases.

147. **Franchise and Regulatory Taxes.** Certain states require the Debtors to pay state franchise taxes in order to conduct business within those states. In addition, laws and regulations

in jurisdictions in which the Debtors operate require the Debtors to pay regulatory and licensing fees to obtain a range of licenses and permits from a number of different Applicable Authorities (together with the state franchise taxes, the “**Franchise and Regulatory Taxes**”). The methods for calculating amounts due for such licenses and permits, and the deadlines for paying such amounts, vary by jurisdiction. As of the Petition Date, the Debtors estimate prepetition liability for Franchise and Regulatory Taxes to be approximately \$90,000, all of which will become due and payable during the first 30 days of the Chapter 11 Cases.

148. *Business Taxes, Annual Reporting Fees, and Other Miscellaneous Taxes.*

Certain states require the Debtors to pay various business taxes, annual reporting fees, and other miscellaneous Taxes and Assessments to remain in good standing in order to conduct business within the state (the “**Miscellaneous Fees and Business Taxes**”). The manner in which such fees and taxes are computed varies according to the law of the applicable jurisdiction. As they come due, the Applicable Authorities to whom these Miscellaneous Fees and Business Taxes are owed may be entitled to a priority claim.

149. Certain of the Taxes and Assessments (such as the Sales and Use Taxes) may constitute so-called “trust fund” obligations that are required to be collected from third parties and held in trust for payment to the Applicable Authorities. Because these trust fund taxes are collected from third parties and held in trust, they may not constitute property of the Debtors’ estates under section 541(d) of the Bankruptcy Code. The Debtors’ officers and directors may have personal liability in the event of nonpayment of certain trust fund obligations, and efforts by the Applicable Authorities to collect such amounts would unnecessarily divert the Debtors’ officers and directors from their efforts to maximize value. Additionally, many of the Taxes and Assessments are priority claims pursuant to section 507(a)(8) of the Bankruptcy Code and, therefore, must be paid

in full under any chapter 11 plan. Thus, timely payment of such Taxes and Assessments in the ordinary course of business will affect only the timing of the payments and not the amounts to be received by the Applicable Authorities.

150. I believe that payment of the Taxes and Assessments is necessary to avoid immediate and irreparable harm to the Debtors' estates. Failure to pay the Taxes and Assessments could result in the Applicable Authorities taking actions adverse to the Debtors' business operations, including: (a) the imposition of penalties and interest that would increase the amount of the Debtors' obligations; (b) the commencement of audits or enforcement proceedings that would distract management and consume estate resources; (c) the suspension or revocation of the Debtors' licenses or permits necessary to conduct their mining and processing operations; and (d) the filing of liens against the Debtors' assets.

E. Utilities Motion

151. The Debtors are seeking entry of interim and final orders (a) approving the Debtors' proposed form of adequate assurance of postpetition payment to their utility companies, as that term is used in section 366 of the Bankruptcy Code, (the "**Utility Companies**"), (b) approving procedures (the "**Adequate Assurance Procedures**") for resolving any objections by the Utility Companies relating to the Proposed Adequate Assurance (as defined herein); and (c) prohibiting the Utility Companies from altering, refusing, or discontinuing service to, or discriminating against, the Debtors on the basis of the commencement of these Chapter 11 Cases or a debt owed by the Debtors for services rendered prior to the Petition Date, or on account of any perceived inadequacy of the Debtors' Proposed Adequate Assurance.

152. The Debtors receive electricity, natural gas, water, and other utility services (collectively, the "**Utility Services**") from various Utility Companies in connection with their mining and processing operations. The Debtors propose to deposit into a segregated,

interest-bearing account (the “**Utility Deposit Account**”) an amount equal to approximately two weeks of Utility Services for each Utility Company, calculated based on the Debtors’ historical average cost of Utility Services (the “**Proposed Adequate Assurance**”). On average, prior to the Petition Date, the Debtors spent approximately \$3.6 million each month on account of the Utility Services. The Debtors estimate that the Utility Deposits will total approximately \$1.8 million.

153. The Debtors propose the following Adequate Assurance Procedures: any Utility Company seeking additional assurance beyond the Proposed Adequate Assurance must serve a written request (an “Additional Assurance Request”) within 30 days of entry of the order. Should the Debtors be unable to reach a resolution with respect to an Additional Assurance Request, the Debtors will file a motion requesting the Court determine the adequacy of assurance of payment. Any Utility Company that does not timely serve an Additional Assurance Request will be deemed to have received adequate assurance of payment satisfactory to such Utility Company within the meaning of section 366(c)(2) of the Bankruptcy Code.

154. I believe that the Utility Services are essential to the Debtors’ mining and processing operations and that any interruption of such services would cause severe harm to the Debtors’ operations and diminish the value of the Debtors’ estates. The Proposed Adequate Assurance, combined with the Debtors’ ability to pay for postpetition Utility Services in the ordinary course of business, provides the Utility Companies with sufficient assurance that they will be paid for postpetition services.

F. Critical Vendors Motion

155. The Debtors are seeking entry of interim and final orders authorizing, but not directing, the Debtors to pay certain prepetition claims of certain vendors and service providers whose goods and services are critical to the Debtors’ operations (the “**Critical Vendors**” and their prepetition claims, the “**Critical Vendor Claims**”). The Debtors seek authority to pay the Critical

Vendor Claims in an aggregate amount not to exceed \$1.5 million on an interim basis (the “**Interim Cap Amount**”), and to pay the Critical Vendor Claims in an aggregate amount not to exceed \$2.0 million on a final basis (the “**Final Cap Amount**”), to be allocated in the Debtors’ sole discretion, without prejudice to seek additional relief, including on an emergency basis. the Debtors estimate that they have approximately \$41.3 million of total outstanding trade accounts payable as of the Petition Date. The Final Cap Amount represents less than 5% of the total outstanding trade accounts payable as of the Petition Date.

156. In the course of the Debtors’ operations, the Debtors depend on a network of vendors to provide chemical supplies for the Debtors’ manufacturing process, freight services of the Debtors’ products, and specialized maintenance and machinery repair, among other vendor goods and services. These vendors are integral to the Debtors’ ability to operate and provide a continuous flow of products to the Debtors’ current customers. Moreover, certain of these vendors may be foreign vendors who may not be comfortable with, understand, or feel themselves bound by, orders of a U.S. bankruptcy court. Additionally, certain Critical Vendors, primarily the freight providers, may have a lien on the goods in their possession that secures payment, and such lien-holding Critical Vendors may refuse to release the Debtors’ property, thereby disrupting the Debtors’ ability to continue to fulfill its contracts to supply soda ash and boron.

157. To identify the Critical Vendors, the Debtors, in consultation with their advisors, closely reviewed their accounts payable and prepetition vendor list, and consulted with the employees most familiar with the Debtors’ vendors to identify those vendors that are most critical to the Debtors’ operations. The criteria considered included whether a vendor is a sole- or limited-source supplier, whether alternative vendors are available, the degree to which replacement costs exceed the amount of a vendor’s prepetition claim, and whether an agreement exists by which the

Debtors could compel a vendor to continue performing on prepetition terms. The Debtors identified Critical Vendors that provide essential goods and services to the Debtors' business in the following categories, each of which is critical to the continuing operation of the Debtors' businesses: chemical suppliers, freight and rail services, machinery maintenance and repair, brokerage services and environmental compliance

158. The Debtors propose to condition any payment on account of Critical Vendor Claims on the applicable Critical Vendor's agreement to continue supplying goods and services to the Debtors on Customary Trade Terms, representing the most favorable trade terms to the Debtors within the 365-day period preceding the Petition Date.

159. I believe that the Debtors' payment of Critical Vendor Claims is necessary to avoid disruptions in the supply chain that could have adverse consequences for the Debtors' operations, their downstream customers, their employees, and all stakeholders. To the extent the Debtors are unable to pay the Critical Vendor Claims, the Debtors' trade relationships may materially deteriorate, thereby disrupting the Debtors' operations and jeopardizing the Debtors' restructuring efforts and proposed sale process.

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Dated: New York, New York
June 15, 2026

By: /s/ *Adrian Frankum*
Name: Adrian Frankum
Title: Senior Managing Director
Aknura Consulting Group, LLC

EXHIBIT A

Corporate Organizational Chart

Corporate Organizational Structure

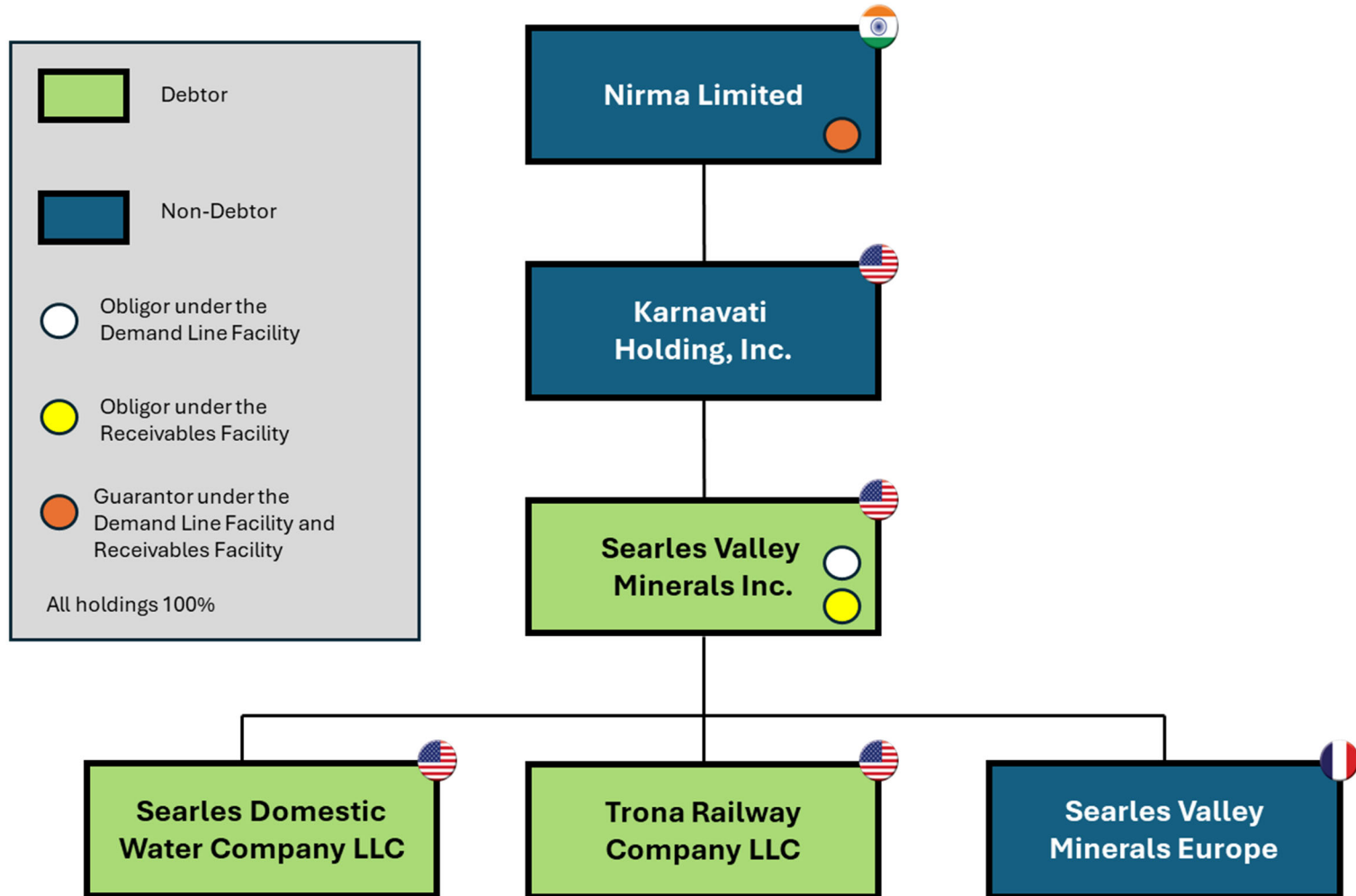


EXHIBIT B

List of Papers Seeking First Day Relief

1. Motion of Debtors for Entry of Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief (the “**Joint Administration Motion**”).
2. Application of Debtors for Entry of an Order Appointing Stretto, Inc. as Claims and Noticing Agent *Nunc Pro Tunc* to the Petition Date (the “**156(c) Application**”).
3. Motion of Debtors for Entry of Order (I) Authorizing the Debtors to Redact Certain Personally Identifiable Information and (II) Granting Related Relief (the “**PII Redaction Motion**”).
4. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Continue Operating Their Cash management System, (B) Honor Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, (D) Continue to Perform Intercompany Transactions; (II) Granting Administrative Expense Status to Postpetition Intercompany Transactions; and (III) Granting Related Relief (the “**Cash Management Motion**”).
5. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Pay Certain Prepetition Employee Obligations and (B) Continue Employee Benefits Programs and (II) Granting Related Relief (the “**Wages and Benefits Motion**”).
6. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to Pay Certain Prepetition Taxes and Assessments; and (II) Granting Related Relief (the “**Taxes Motion**”).
7. Motion of Debtors for Entry of Interim and Final Orders (I) Approving Debtors’ Proposed Form of Adequate Assurance of Payment; (II) Establishing Procedures for Resolving Objections by Utility Companies; (III) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Service; and (IV) Granting Related Relief (the “**Utilities Motion**”).
8. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Maintain Existing Insurance Policies and Pay All Insurance Obligations Arising Thereunder and (B) Renew, Revise, Extend, Supplement, Change, and Enter into New Insurance Policies; and (II) Granting Related Relief (the “**Insurance Motion**”).
9. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Claims of Critical Vendors and (II) Granting Related Relief (the “**Critical Vendors Motion**”).
10. Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Junior Postpetition Financing; (II) Authorizing Debtors to Use Cash Collateral; (III) Granting Adequate Protection to Prepetition Secured Lender; (IV) Modifying the

Automatic Stay; (V) Scheduling Final Hearing; and (VI) Granting Related Relief (the “**DIP Motion**”).

11. Motion of Debtors for Entry of Interim and Final Orders Authorizing the Debtors to Assume Soda Ash Supply and Liquidity Agreement and Obtain Unsecured Financing Thereunder (the “**Supply and Liquidity Agreement Motion**”).

Appendix 1

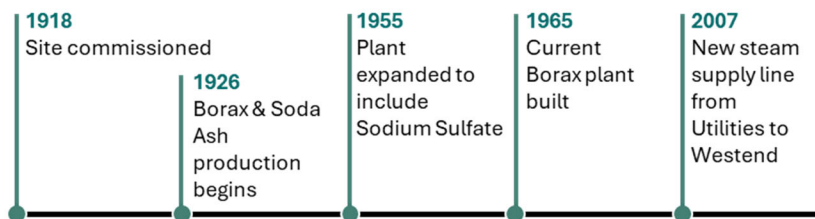
Operating Facilities Overviews

Westend Facility Overview

Technical Overview

Nameplate Capacity	270k st Primary Borax, 135k st VBOR 250k st Sodium Sulfate
Products	Primary Borax, VBOR, and Sodium Sulfate
Approx. Headcount	57
Safety	2.0 LTIF
Location	Searles Valley, California
Key Equipment	Crystallizer vessels, rotary dryers, Borax screeners, pumps, hydroseparators, rake classifier, filters
Logistics	Road & Rail

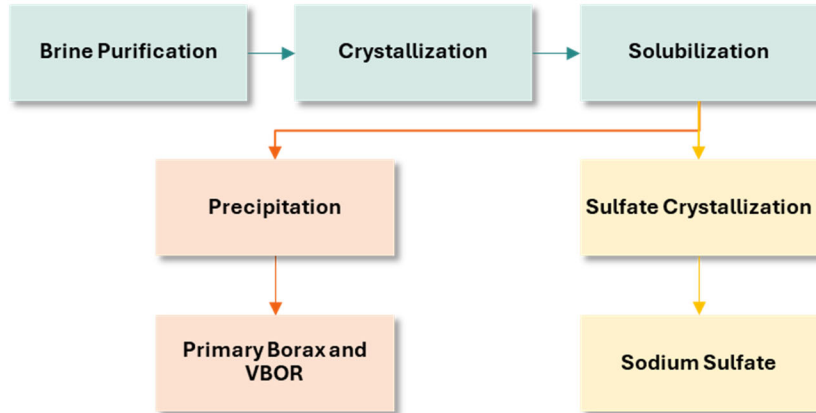
Key Milestones



Site Overview



Production Processes



Argus Facility Overview

Technical Overview

Nameplate Capacity	1,500k st Soda Ash, 20k st Sodium Bicarbonate
Products	Soda Ash, Sodium Bicarbonate
Approx. Headcount	0
Safety	5.0 LTIF
Location	Trona, California
Key Equipment	Plant boiler, compressors, carbonators, heat recovery system, crystallizer, rotary dryer, drum filter
Total Storage	10k st Soda Ash
Logistics	Road & Rail

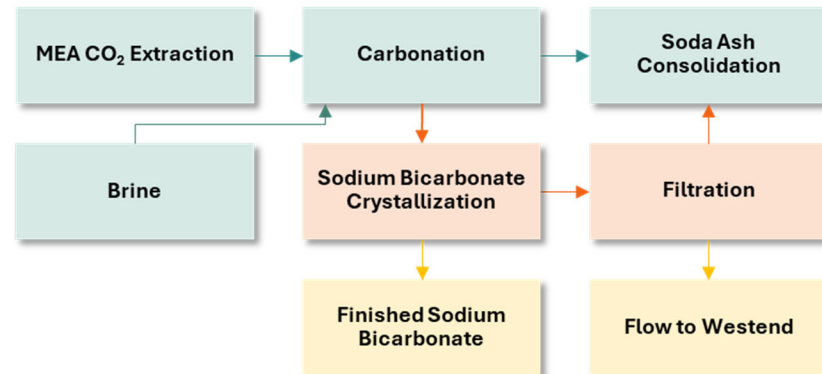
Key Milestones



Site Overview



Production Processes

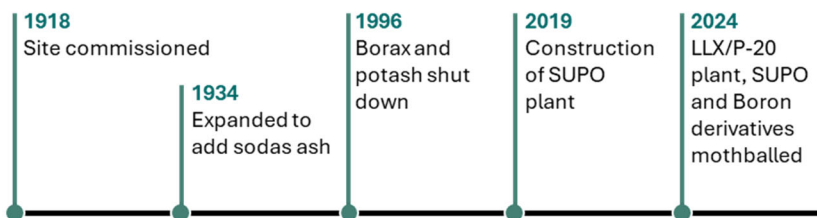


Trona Facility Overview

Technical Overview

Nameplate Capacity	46k st Boric Acid; potential for 75k st of SUPO
Products	Boric Acid
Approx. Headcount	0
Safety	0.0 LTIF
Location	Searles Valley, California
Key Equipment	Screw conveyer, bucket elevator, mixing tank, overflow tank, intermediate storage tanks, heat exchangers
Total Storage	650k gallons Sulfuric acid
Logistics	Road & Rail

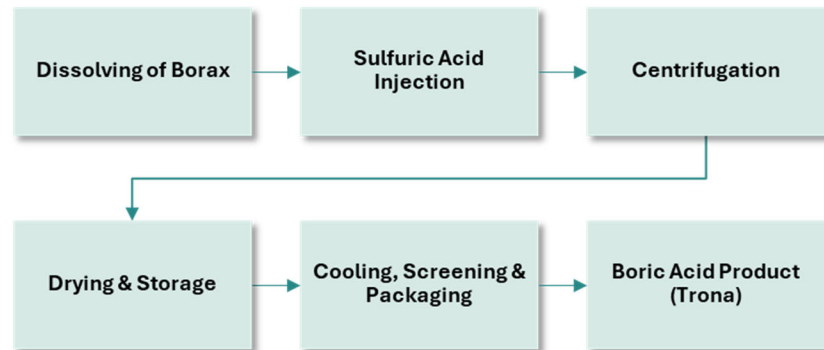
Key Milestones



Site Overview



Production Processes

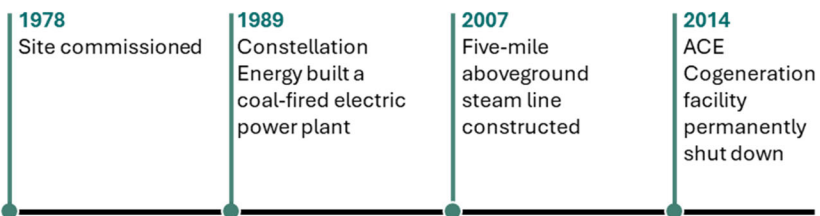


Utilities Plant Overview

Technical Overview

Storage Capacity	60k st coal, 1,000gpm ⁽¹⁾ condensate
Products	Steam, Electricity
Approx. Headcount	40
Safety	2.1 LTIF
Location	Trona, California
Key Equipment	Coal-fired boilers, non-condensing turbine generators, wet scrubbers, pulverizers, cooling tower, gas boilers
Logistics	High pressure steam pipeline

Key Milestones



Site Overview



Production Processes

