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ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER (ANREO) TO RAISE A$7.0 MILLION

- **WA Kaolin Limited to undertake a fully underwritten Accelerated Non-Renounceable Entitlement Offer (ANREO) to raise up to a total of A$7.0 million.**
- **Proceeds of the ANREO used to provide general working capital for WA Kaolin to pursue its sales ramp up and look to achieve cash flow positivity.**
- **The Offer is strongly supported by the Company's key shareholder group who have committed A$2.6m in accelerated rights and A$2.2m of sub-underwriting of the retail entitlement offer.**
- **WAK's classifier project, as announced to the ASX on 22 January 2025, has proven more successful than previously indicated, with all three objectives on the project being achieved 1) finer grades, 2) higher production rates and 3) improved yield.**
- **Having demonstrated volume and specification, the Offer places the Company in a position to ramp up sales from production at the Wickepin Project.**
- **Operations at the Wickepin Project have been streamlined with staff numbers calibrated to a production profile capable of delivering circa 50% of nameplate capacity and designed to generate positive EBITDA.**

WA Kaolin Limited (ASX: WAK, "**WA Kaolin**" or the "**Company**") is pleased to announce that it is to undertake an underwritten Accelerated Non-Renounceable Entitlement Offer of one (1) new fully paid ordinary shares in the Company (**New Shares**) for every three (3) existing share held by Eligible Shareholders (defined below) at an issue price of A$0.04 per New Share to raise approximately A$7.0 million (before costs) (**ANREO**, **Entitlement Issue** or the **Offer**). The Offer will include one (1) free unlisted attaching option for every two (2) New Shares subscribed for, exercisable at A$0.09 on or before 30 June 2027 (**Attaching Options**). The Entitlement Issue will be made under a Prospectus lodged with ASIC on or about 5 February 2025.

The issue price represents a 42.9% discount to the Company's last closing price of A$0.07 on 31 January 2025 and a 37.5% discount to the Company's theoretical ex-rights price ("**TERP**") of A$0.064.

Major shareholders of the Company have committed to providing A$2.6 million of accelerated entitlements in the accelerated portion of the Offer ("**Institutional Entitlement Offer**"). The remainder of the Offer is to be offered pro rata to the Company's other eligible shareholders ("**Retail Entitlement Offer**").

The Offer is fully underwritten by Canaccord Genuity. The Company's major shareholders have provided A$2.2 million of sub-underwriting support to the Retail Entitlement Offer. The Company has received a commitment from Scientific Management Associates (Victoria) Pty Ltd (13.1% shareholder) to subscribe for its entitlement of approximately A$0.92 million in the Retail Entitlement Offer.

Alf Baker, Managing Director, commented:

"I am very pleased to confirm that the company is at an exciting turning point following the successful classifier plant upgrade to efficiently meet finer product specifications. This opens a whole range of additional sales opportunities: higher market share in the fiberglass business, participation in the paint and paper markets.
Also exciting are the new products developed by our R&D department for the ceramic industry.
I believe the company has a very positive future and give personal assurance that the focus is now full on and unrestricted in the build-up of sales and resultant profitability"

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Overview of the Institutional Entitlement Offer:

Eligible major shareholders, including Board and Management were invited to participate in the Institutional Entitlement Offer, with major shareholders committing to providing A$2.6 million of accelerated Entitlements.

Institutional Entitlements can not be traded on the ASX or be transferred.

The Institutional Entitlement Offer will raise a total of A$2.6 million, comprising the issue of 66.0 million New Shares and 33.0 million Attaching Options. The balance of the A$7.0 million ANREO will be offered to the Company's other eligible shareholders in the Retail Entitlement Offer as defined below.

The Institutional Entitlement Offer is to settle on an accelerated basis, with settlement of funds due on Tuesday 11 February 2025.

Overview of the Retail Entitlement Offer:

Shareholders registered as at 5pm (AWST) on Monday 10 February 2025 (**Record Date**) will be eligible to participate in the Retail Entitlement Issue (**Eligible Shareholders**). The Retail Entitlement Issue is expected to open on or about Wednesday 12 February 2025.

The right to subscribe for the New Shares and Attaching Options under the Retail Entitlement Issue will be non-renounceable. All New Shares issued will rank equally with the Company's existing shares on issue and the Company will apply for quotation of the New Shares in accordance with the indicative timetable below. Attaching Options will be unlisted on the same terms as the Company's existing WAKAJ Options ($0.09 exercise price, 30 June 2027 expiry).

Eligible retail shareholders who take up their entitlement in full can also apply for additional New Shares and Attaching Options in excess of their entitlement under a shortfall offer which will also be available to new investors in the Company' discretion.

The Entitlement Issue is expected to close at 5pm (AWST) on Wednesday 5 March 2025. Valid applications must be received before that time.

Eligible retail shareholders who do not take up their entitlement under the Retail Entitlement Offer, in full or in part, will not receive any value in respect to those entitlements.

Further details about the Retail Entitlement Offer will be set out in the Prospectus lodged with ASX today and to be dispatched to eligible retail shareholders on 12 February 2025. The Prospectus will also enclose personalised entitlement and acceptance forms.

Broker Syndicate:

Canaccord Genuity is acting as underwriter to the Offer (**Underwriter**).

Leeuwin Wealth Pty Ltd is acting as Corporate Advisor to the Offer (**Corporate Advisor**).

Leeuwin Wealth Pty Ltd and JP Equity Partners are both acting as Co-Managers to the Offer (**Co-Managers**)

Further details of the terms and conditions of the Underwriting Agreement and the underwriting and sub-underwriting commitments are contained in the Prospectus which will be despatched to Eligible Shareholders in accordance with the indicative timetable below.

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Use of Funds:

Funds raised from the Entitlement Issue are to be used to fund the below:

Uses of Funds	Amount (A$m)
Market and Product Development	1.8
Working Capital – inventory build	1.2
Working Capital – debtors	1.3
Working capital - other	1.9
Plant improvements & safety	0.5
Offer Costs	0.3
Total	**7.0**

Indicative Timetable*:

Summary of Key Dates	Date/Time (Perth time)
Trading Halt	Monday, 3 February 2025
Announce Offer / lodges Appendix 3B with ASX / lodgement of Prospectus with the ASIC and ASX	Wednesday, 5 February 2025
Company conducts Institutional Offer	Thursday, 6 February 2025
Announcement of results of Accelerated Portion of Entitlement Offer	Pre-open Friday, 7 February 2025
Trading resumes on an ex-entitlement basis	Friday, 7 February 2025
Record Date for determining Entitlements	Monday, 10 February 2025
Company issues Institutional Offer Securities / lodges Appendix 2A & 3G with ASX	Tuesday, 11 February 2025
Dispatch of Prospectus and Entitlement and Acceptance Forms for Retail Offer / Company announces dispatch has been completed / Retail Offer and Shortfall Offer Opens	Wednesday, 12 February 2025
Last day to extend closing date of Retail Entitlement Offer	Before 9am (WST) Thursday, 28 February 2025
Closing Date of Retail Entitlement Offer	5pm (WST) Wednesday, 5 March 2025
Announcement of Results of Retail Entitlement Offer Settlement of Retail Entitlement Offer and Shortfall Lodge Appendix 2A and 3G	Before 9am (WST) Wednesday, 12 March 2025

*Timetable is indicative and subject to change.

This ASX announcement was authorised for release by the Board of WA Kaolin Limited.

For further information please contact:

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Forward Looking Statements

This ASX announcement may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on WAK's current expectations, estimates and assumptions about the industry in which WAK operates, and beliefs and assumptions regarding WAK's future performance. Any forward-looking statements, which are inconsistent with previous forward-looking statements made by the Company supersede those previous statements or prevail to the extent of any inconsistency. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of WAK. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law, WAK does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward looking statement is based.

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