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Prospectus

WA Kaolin Limited (ACN 083 187 017)

Fully underwritten pro-rata accelerated non-renounceable rights offer

This Prospectus contains:

(i) a pro rata accelerated non-renounceable entitlement offer of approximately 174,544,708 Shares at an issue price of $0.04 per Share to Eligible Shareholders on the basis of one (1) new Share for every three (3) Shares held as at the Record Date, together with one (1) free new unlisted Option for each two (2) new Shares issued ($0.09 exercise price, 30 June 2027 expiry) (**Attaching Options**) to raise up to approximately $7.0 million (before costs) (**Offer**); and

(ii) an offer to Eligible Shareholders (and other investors nominated by the Underwriter) to apply for additional Shares and Options comprising Shortfall Securities arising as a consequence of any Shares and Options not being applied for and issued under the Offer (**Shortfall Offer**).

Lead Manager and Underwriter - Canaccord Genuity (Australia) Limited.

Co-Managers – Leeuwin Wealth Pty Ltd and JP Equity Partners

The Retail Offer closes at 5.00pm (WST) on Wednesday 5 March 2025.

IMPORTANT NOTICE

This Prospectus is important and you should read it in its entirety before deciding to participate in the Offer. If, after reading this Prospectus, you have any questions about the Shares and Options being offered under this Prospectus or any other matter, you should consult your stockbroker, accountant, solicitor or other professional adviser. The Shares and Options offered by this Prospectus should be considered as highly speculative.

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Important Notices

General

This Prospectus is dated 5 February 2025 and was lodged with ASIC on that date with the consent of all Directors. None of ASIC, ASX or their respective officers or employees takes any responsibility for the contents of this Prospectus.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offer or Shortfall Offer. In particular, you should consider the risk factors set out in Section 6 of this Prospectus in light of your personal circumstances (including financial and taxation issues) and seek advice from your accountant, financial advisor, stockbroker, lawyer, tax advisor or other independent and qualified advisor if you have any questions.

Transaction Specific Prospectus

In preparing this Prospectus, regard has been had to the fact the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisors. This Prospectus is a transaction specific prospectus prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and it is intended to be read in conjunction with publicly available information in relation to the Company which has been notified to ASX.

No Exposure Period

An exposure period does not apply to the Offer.

Application for Securities

Applications for Securities offered pursuant to this Prospectus can only be submitted in accordance with the instructions on an original Entitlement and Acceptance Form or Shortfall Application Form.

Eligible Shareholders

The Offer is being made to all Shareholders as at the Record Date.

Overseas Shareholders

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of law.

No action has been taken to permit a public offer under this Prospectus in any jurisdiction other than Australia. This Prospectus may not be distributed to any person, and the Securities offered may not be offered or sold, to registered shareholders in any country outside Australia except to the extent permitted below.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct Act 2013* and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

WARNING: This Prospectus may be distributed in Hong Kong solely to existing shareholders of the Company. The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Singapore

This Prospectus and any other materials relating to the Securities offered pursuant to it have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document relating to the Securities may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this Prospectus nor any other document relating to the offer of Securities pursuant to this Prospectus has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Securities.

The Securities may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

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In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

European Union (excluding Austria)

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the Securities offered pursuant to this Prospectus be offered for sale, in any member state of the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Securities in each member state of the European Union is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors and excluding France); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Investors in the Netherlands should note:

Attention! This investment falls outside AFM supervision.
No prospectus required for this activity.



Taiwan

The Securities offered under this Prospectus have not been registered in Taiwan nor approved by the Financial Supervisory Commission ("FSC") of Taiwan. The Securities may be offered and sold in Taiwan only to institutional investors that have been approved, or meet qualifications promulgated, by the FSC. The Securities may not be offered to the public in Taiwan and purchasers of Securities may not resell them in Taiwan.

United States

The Securities offered under this Prospectus have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and applicable US state securities laws.

The Offer is being made in the United States only to a limited number of shareholders of the Company who are "accredited investors" (as defined in Rule 501(a) under the US Securities Act). In order to participate in the Offer, a US shareholder must sign and return a US investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the US shareholder is an accredited investor.

Notice to custodians and nominees

The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws. Return of a duly completed Entitlement and Acceptance Form, or payment by BPAY® or EFT in accordance with the Entitlement and Acceptance Form, will be taken by the Company to constitute a representation that there has been no breach of those requirements.

Nominees and custodians may not distribute this Prospectus and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia to beneficial shareholders resident in other countries unless lawful and practical for the Company to make the Offer.

Obtaining a copy of this Prospectus

You can obtain a copy of this Prospectus, free of charge, by contacting the Company Secretary on +61 8 9439 6300 during normal business hours or by email at asorensen@wakaolin.com.au.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Application Form. If you have not, please phone the Company on +61 8 9439 6300 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.wakaolin.com.au.

The Corporations Act prohibits any person from passing onto another person an Application Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version within Australia and New Zealand.

Where this Prospectus has been dispatched to or accessed by persons other than Eligible Shareholders, this Prospectus is provided for information purposes only.

Expiry Date

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

Not financial product advice

The information in this Prospectus is not financial product advice and has been prepared without taking into account your financial and investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional advisor before deciding to subscribe for Shares and Options under this Prospectus.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer or Shortfall Offer in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer or Shortfall Offer.

Except to the extent required by law, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company, the repayment of capital by the Company, the payment of a return on the Securities or the future value of the Securities. The business, financial condition, operating results and prospects of the Company may change after the date of this Prospectus. You should be aware that past performance is not indicative of future performance. Any new

or change in circumstances that arise after the date of this Prospectus will be disclosed by the Company to the extent required and in accordance with the Corporations Act.

Risk factors

Potential investors should be aware that subscribing for and holding Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed companies not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company and the Underwriter will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.wakaolin.com). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under this Prospectus. This means that, except where permitted by the Corporations Act, you cannot withdraw your Application once it has been accepted.

Privacy Statement

By applying for Securities, each Applicant agrees that the Company may use the information provided for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Underwriter, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act, the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

The Corporations Act requires the Company to include information about a Securityholder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a Securityholder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Securityholders) and compliance by the Company with legal and regulatory requirements. The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

A person who has provided such information has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Forward-looking statements

Some of the statements appearing in this Prospectus are in the nature of forward looking statements, including statements of intention, opinion and belief and predictions as to possible future events. Such statements are not statements of fact and are subject inherent risks and uncertainties (both known and unknown) which may or may not be within the control of the Company. You can identify such statements by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and are predictions or indicative of future events. Although the Directors believe these forward looking statements (including the assumptions on which they are based) are reasonable as at the date of this Prospectus, no assurance can be given that such expectations or assumptions will prove to be correct. Actual outcomes, events and results may differ, including due to risks set out in section 6 of this Prospectus.

The Company and its Directors, officers, employees and advisors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Website

No document or information included on our website is incorporated by reference into this Prospectus.

Offer subject to quotation

If ASX does not admit the Shares to Official Quotation before the expiration of three months after the Prospectus Date, or such period as varied by the ASIC, the Company will not allot or issue any Securities and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

Governing Law

This Prospectus, an Application Form and the contract formed on acceptance of an Application is governed by the law applicable in Western Australia and each Applicant submits to the exclusive jurisdiction of the Western Australian courts and courts competent to hear appeals from those courts.

Defined Terms and Interpretation

Defined terms and abbreviations used in this Prospectus are explained in the glossary in Section 9 of the Prospectus. A reference to a Section is a reference to a section in this Prospectus.

Questions

If you have any questions in relation to the Offer, please contact the Company Secretary on +61 8 9439 6300 during normal business hours or by email at asorensen@wakaolin.com.au.

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1. Key Offer Information

1.1 Indicative Timetable

Action	Date
Company enters trading halt	Mon 3 February 2025
Announce Offer / lodges Appendix 3B with ASX / lodgement of Prospectus with the ASIC and ASX	Wed 5 February 2025
Company conducts Institutional Offer	Thu 6 February 2025
Announcement of results of Institutional Offer	Pre-open Fri 7 February 2025
Trading resumes on an ex-entitlement basis	Fri 7 February 2025
Record Date for determining Retail Offer Entitlements	Mon 10 February 2025
Company issues Institutional Offer Securities / lodges Appendix 2A & 3G with ASX	Tue 11 February 2025
Dispatch of Prospectus for Retail Offer / Retail Offer Opens	Wed 12 February 2025
Last day to extend Closing Date of Retail Offer	Before 9am (WST) Thu 28 February 2025
Closing Date of the Retail Offer*	5pm (WST) Wed 5 March 2025
Announcement of results of the Retail Offer* / Issue date of Securities under the Retail Offer / Lodge Appendix 2A & 3G*	Before 9am (WST) Wed 12 March 2025

* The dates above are indicative only and are subject to change. The Directors may vary these dates subject to any applicable requirements of the Corporations Act or the Listing Rules. The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

1.2 Effect of Offer on capital structure[1]

Shares	Number
Shares on issue at the date of this Prospectus	523,634,125
Shares offered under the Offer[2]	174,544,708
Total Shares on issue after completion of the Offer	**698,178,833**

Options	Number
Unlisted Options currently on issue:	**56,212,503**
WAKAF: exercise price $0.35[4], expiring 20 November 2025	30,500,000
WAKAJ: exercise price $0.09, expiring 30 June 2027	24,962,503
Unlisted exercise price $0.35[4], expiring 9 January 2028	750,000
Options offered pursuant to the Offer[2]	
Unlisted Options exercisable at $0.09 per Option with a 30 June 2027 expiry (being Options on the same terms as WAKAJ)[3]	87,272,354

Corporate advisory fee unlisted Options exercisable at $0.09 per Option with a 30 June 2027 expiry (Options on the same terms as WAKAJ)	10,000,000
Total Options on issue after completion of the Offer [3]	**153,484,857**

Notes:

1 Based on the capital structure of the Company as at 3 February 2025, the last practical date prior to lodgement of this Prospectus, and based on the Assumption.

2 The number of Shares and attaching Options to be issued depends on the total number of Shares on issue, and the number of Eligible Shareholders, at the Record Date, and the effect of rounding.

3 The Company has agreed to issue the Corporate Advisor, on completion of the Offer, with 10 million Options on the same terms as the Options under the Offer in part consideration for corporate advisory services.

4 Exercise price will be reduced according to the formula provided for in the ASX Listing Rules as a result of the Offer. The Company will advise the new exercise prices following completion of the Offer.

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2. Chairman's Letter

Dear Shareholders,

WA Kaolin Limited (**Company**) is undertaking a fully underwritten pro-rata accelerated non-renounceable entitlement offer to Eligible Shareholders to raise approximately $7.0 million (before costs) by the issue of approximately 174,544,708 Shares at an issue price of $0.04 per Share, with Eligible Shareholders offered one (1) new Share for every three (3) Shares held as at the Record Date at an issue price of $0.04 per new Share, together with one (1) free new unlisted Option for each two (2) new Shares issued ($0.09 exercise price, 30 June 2027 expiry) (**Attaching Options**).

The Issue Price of Shares under the Offer represents a:

- 42.9% discount to the closing price of the Company's Shares on 31 January 2025 of $0.07; and
- 34.7% discount to the 15-day VWAP of A$0.061 per Share as at and including 31 January 2025.

The offer comprises an accelerated offer to key Shareholders Ken Hall, Century Horse Limited and Boneyard Investments to raise approximately $2.6 million (**Institutional Offer**) and an entitlement offer to all other Eligible Shareholders to raise approximately $4.4 million (**Retail Offer**) (together, the **Offer**).

The Lead Manager and Underwriter to the Offer is Canaccord Genuity.

Ken Hall, Century Horse Limited and Boneyard Investments have advised the Company they intend to subscribe for their full Entitlements under the Institutional Offer, while substantial Shareholder SMA has agreed to take up its full Entitlement of approximately $0.9 million under the Retail Offer.

In addition, key Shareholders Ken Hall and Boneyard Investments have agreed to sub-underwrite up to a total of $2.2 million of the Retail Offer while Co-Managers Leeuwin Wealth and JP Equity Partners have each agreed to sub-underwrite $0.5 million of the Retail Offer.

The proceeds of the Offer will be used as working capital to fund the sales ramp up, inventory build and minor allocations to safety and plant improvements to strive for positive free cash flow at the Company's Wickepin operations. Refer to section 4.3 for further details.

The information in this Prospectus should be read carefully in its entirety before deciding whether or not to participate in the Offer or Shortfall Offer. In particular, applicants consider the key risk factors outlined in Section 6 of this Prospectus.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support for our Company.

Your faithfully,



John White
Non-Executive Chairman
WA Kaolin Limited

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3. Details of the Offer

3.1 Summary of the Offer

The Offer is being made as a pro-rata accelerated non-renounceable entitlement offer of one (1) new Share for every three (3) Shares held by Eligible Shareholders registered at the Record Date at an issue price of $0.04 per Share together with one (1) unlisted Attaching Option for every two (2) new Shares issued.

The Attaching Options have an exercise price of $0.09 and expire on 30 June 2027.

As the Offer is accelerated, it has two components:

(a) an accelerated offer to certain key institutional Eligible Shareholders (**Institutional Offer**) of approximately 66 million Shares at an issue price of $0.04 per Share together with respective Attaching Options to raise up to approximately $2.6 million (before costs) and which is expected to settle on 11 February 2025; and

(b) an offer to all other Eligible Shareholders (**Retail Offer**) of approximately 108 million Shares at an issue price of $0.04 per Share together with respective Attaching Options to raise up to approximately $4.4 million (before costs) and which is expected to settle on 11 March 2025.

Both the Institutional Offer and the Retail Offer are non-renounceable, meaning that Entitlements cannot be traded on ASX, nor can they be sold, transferred or otherwise disposed of.

Fractional entitlements will be rounded down to the nearest whole number.

By submitting an Entitlement and Acceptance Form or otherwise paying for your Entitlement Shares (and any Shortfall Securities you apply for) through BPAY® or EFT in accordance with the instructions provided with an Application Form, you acknowledge that you have read this Prospectus and you have acted in accordance with and agree to the terms of the Offer detailed in this Prospectus.

The issued capital of the Company on a fully diluted basis as at the date of this Prospectus is 579,846,628 Shares and on completion of the Offer (assuming Fully Subscribed) would be 851,552,691 Shares.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 174,544,708 Shares and 87,272,354 Attaching Options may be issued pursuant to the Offer.

Assuming the Offer is fully subscribed then the Company will raise approximately $6,981,788 (before costs) under the Offer.

All of the Shares offered under this Prospectus following issue will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

The Attaching Options offered under the Offer will be issued on the terms and conditions set out in Section 5.2 of the Prospectus. All Shares issued on conversion of the Attaching Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised under the Offer are set out in Section 4 of this Prospectus.

3.2 Non-renounceable Offer

The Offer is non-renounceable, which means that Shareholders may not sell or transfer all or any part of their Entitlement to subscribe for Shares and Options under the Offer. If you do not take up your Entitlement to Shares and Options under the Offer by the Closing Date, the Offer to you will lapse. The Shares and Options in your Entitlement that are not taken up by you will form part of the Shortfall.

3.3 No minimum subscription

There is no minimum subscription for the Offer but the Offer is fully underwritten.

3.4 Institutional Offer

The Institutional Offer will be conducted from 6th February 2025. During the Institutional Offer period the following institutional Eligible Shareholders (**Institutional Offer Eligible Shareholders**) will be invited to participate in the Institutional Offer and will be afforded the opportunity to subscribe for all, part or none of their Entitlements at the issue price of $0.04 per Share (and one (1) Attaching Option for every two (2) Shares issued).

Institutional Offer Eligible Shareholder	Entitlement Shares	Entitlement Options	Entitlement Subscription
Ken Hall ATF Hall Park Trust	34,109,299	17,054,650	$1,364,372
Century Horse Limited	21,189,206	10,594,603	$847,568
Boneyard Investments	11,103,596	5,551,798	$444,144
Total	**66,402,102**	**33,201,051**	**$2,656,084**

The Institutional Offer Eligible Shareholders have indicated they intend to subscribe for their full Entitlements under the Institutional Offer.

Unless otherwise agreed by the Company, any of the Institutional Offer Eligible Shareholders that does not confirm their acceptance of the Institutional Offer by the close of the Institutional Offer will be deemed to have renounced all of their Entitlements and will not receive any value in respect of their Entitlement.

Shares and Options equal in number to those Entitlements not taken up by the Institutional Offer Eligible Shareholders (if any) will form part the Shortfall Offer. Further details in respect of the Shortfall Offer are set out in Section 3.7 of this Prospectus.

If:

(a) all the Institutional Offer Eligible Shareholders take up their full Entitlements under the Institutional Offer, the Voting Power of Ken Hall ATF Hall Park Trust will increase from 19.7% to 23.3% for the period between completion

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of the Institutional Offer and completion of the Offer (which is fully underwritten);

(b) only Ken Hall takes up his full Entitlement under the Institutional Offer, and the other Institutional Offer Eligible Shareholders take up none of their Entitlements (despite advising their intention is to take up their full Entitlements):

(i) his Voting Power will increase from 19.7% to 24.6% for the period between completion of the Institutional Offer and completion of the Offer: and

(ii) his Voting Power will increase above 20% for that period in reliance on Section 610 item 10A of the Corporations Act as notionally inserted by ASIC Corporations (Takeovers – Accelerated Rights Issues) Instrument 2015/1069 (**Item 10A Exception**).

Refer to Section 4.8 for further details on the effect on control of the Company.

3.5 Retail Offer

All Shareholders registered on the Record Date that are not Institutional Offer Eligible Shareholders (**Retail Offer Eligible Shareholders**) are invited to participate in the Retail Offer under the Prospectus on the same terms as the Institutional Offer.

The Entitlement of Retail Offer Eligible Shareholders to participate in the Retail Offer will be determined on the Record Date.

The Entitlement will be shown on the Entitlement and Acceptance form accompanying this Prospectus.

You may accept a lesser number of Shares should you wish to take up only part of your Entitlement.

Your Entitlement is non-renounceable which means the rights to your Entitlement it cannot be sold or transferred.

3.6 Existing Options

As at the date of this Prospectus, the Company has 56,212,503 Options on issue. Please refer to section 4.5 of this Prospectus for information on the material terms of the existing Options.

Holders of Options must exercise their Options prior to the Record Date in order to participate in the Offer in respect of the Shares underlying their Options.

Whilst the Board does not expect any Options to be exercised prior to completion of the Offer, if all Options are exercised (and the resultant Shares issued) before the Record Date, the Offer will increase by approximately 18,737,501 Shares and 9,368,751 Attaching Options, taking the aggregate Shares and Options that may be subscribed for and issued under the Offer to a total of approximately 193,282,209 Shares and 96,641,105 Options and the funds raised will increase by approximately $749,500 to a total of approximately $7,731,288 (before costs and rounding).

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3.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be $0.04, being the price at which Shares have been offered under the Offer, with one (1) Attaching Option for each two (2) new Shares issued ($0.09 exercise price, 30 June 2027 expiry).

All Securities issued under the Shortfall Offer shall be issued on the same terms as Securities being offered under the Offer (including the Issue Price).

Eligible Shareholders (unless a person subject to ASX Listing Rule 10.11 such as a Director) may apply for additional Securities under the Shortfall in accordance with the Entitlement and Acceptance Form and by paying the appropriate Application Monies in accordance with the instructions provided with the Entitlement and Acceptance Form.

Additionally, other investors who are not currently Shareholders who wish to participate in the Shortfall (and who are nominated by the Company in consultation with the Underwriter) may apply for Shortfall Securities by following the instructions provided with the Shortfall Application Form and paying the appropriate Application Monies. The Company or the Underwriter will provide nominated investors with access to a Shortfall Application Form for Shortfall Securities in their discretion.

If you are not a Shareholder and wish to participate in the Shortfall Offer, please contact the Company or the Underwriter.

3.8 Underwriting

The Offer is fully underwritten by Canaccord Genuity (**the Underwriter**) (subject to the Assumption), being $6,981,788 (**Underwritten Amount**), upon and subject to the terms and conditions of the Underwriting Agreement.

Under the Underwriting Agreement, the Company has agreed to pay the Underwriter the following fees for its services (ex GST):

(a) 1.5% of the Underwritten Amount (**Management Fee**), being $104,727; and

(b) 4.5% of an amount equal to the maximum possible Entitlements under the Retail Offer being $4,329,638) less:

  (i) Entitlements subscribed for by SMA under the Retail Offer (up to a maximum of $915,258); and

  (ii) the aggregate Issue Price of the Retail Offer Shares that Ken Hall and Boneyard Investments agree to sub-underwrite as Retail Offer Sub-underwriters (being a maximum of $2,200,000),

  as an underwriting fee (**Underwriting Fee**).

If the Institutional Offer is fully subscribed, SMA fully subscribes for its Entitlement, and Ken Hall and Boneyard investments agree to sub-underwrite a maximum of $2.2 million of the Retail Offer, Canaccord will be paid an Underwriting Fee of $54,647.The material terms of the Underwriting Agreement are summarised in section 7.4 of this Prospectus.

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3.9 Sub-underwriting

The Underwriter has entered into general sub-underwriting agreements with following entities for $3.2 million of the Retail Offer as detailed below as at the date of this Prospectus (**Retail Offer Sub-underwriters**). The Underwriter may enter into additional sub-underwriting agreements with other Retail Offer Sub-underwriters during the course of the Offer Period.

Retail Offer Sub-underwriter	Retail Offer Securities sub - underwritten[1]	Sub - underwrite Subscription $	% of Retail Offer sub-underwritten
Ken Hall ATF Hall Park Trust	40,000,000	$1,600,000	37.0%
Boneyard Investments	15,000,000	$600,000	13.9%
Leeuwin Wealth	12,500,000	$500,000	11.6%
JP Equity Partners	12,500,000	$500,000	11.6%
TOTAL	**80,000,000**	**$3,200,000**	**74.1%**

Notes:

1. Plus one Attaching Option ($0.09 exercise price, 30 June 2027 expiry) for every two Shares subscribed.

Ken Hall ATF Hall Park Trust is a related party of the Company (**Related Party Sub-Underwriter**) by virtue of him being a Director of the Company and trustee and a beneficiary of the Hall Park Trust.

The terms of the Related Party Sub-Underwriter sub-underwriting agreement are summarised in Section 7.5. The Related Party Sub-Underwriter is a general sub-underwriter that does not have priority to Shortfall and will be treated equally with all other Retail Offer Sub-underwriters in respect of Shortfall. Refer to Section 3.10 for further in relation to the Company's allocation policy in respect of Shortfall.

If the Related Party Sub-Underwriter subscribes for its full Entitlement and sub-underwriting commitment and:

(a) the Offer is otherwise fully subscribed, the Voting Power will increase from 23.3% to a maximum of 25.4%;

(b) no other Shares are subscribed for under the Offer, even by the Underwriter or other Retail Offer Sub-underwriters, its Voting Power will increase from 23.3% to a maximum of 29.7%; and

(c) it will increase its Voting Power from above 20% in reliance on Section 610 item 13 of the Corporations Act.

The Related Party Sub-underwriter is not entitled to any fee from the Company or the Underwriter in respect of the amount of the Retail Offer it has agreed to sub-underwrite.

Refer to Section 4.8 for further details on the effect of the sub-underwriting on control of the Company.

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3.10 Allocation of Shortfall Securities

The Directors reserve the right to issue any Shortfall at their discretion, subject to the Underwriting Agreement.

The Board and the Underwriter intend to allocate Shortfall Securities as follow:

(a) firstly, to Eligible Shareholders (other than the Related Party Sub-underwriter or any other Institutional Offer Eligible Shareholders) who have validly applied for Shortfall Securities under the Shortfall Offer before the Closing Date with pro rata scale back if necessary. ,;

(b) then, in the Board's discretion, to new investors determined by the Board and the Underwriter that apply for Shortfall under the Shortfall Offer before the Closing Date;

(c) then, to the Retail Offer Sub-underwriters in equal priority, including the Related Party Sub-underwriter, with pro rata scale back if necessary; and

(d) then the Underwriter, in consultation with the Company, has the right to allocate the remaining Shortfall Securities;

with allocations (and any pro rata scale back) taking account the following factors, namely, the need to:

(a) give preference to existing Shareholders of the Company in recognition of their ongoing support;

(b) consider any new potential long-term or cornerstone investors identified; and

(c) ensure an appropriate Shareholder base for the Company.

No Shortfall Securities will be issued to a party under the Shortfall if the effect would be to increase that party's Voting Power in the Company to an amount greater than 20%, other than to the Related Party Sub-underwriter (see Sections 4.7 and 4.8 of this Prospectus for further details).

Given ASX Listing Rule 10.11, the Related Party Sub-underwriter can only acquire Shortfall Securities to the extent he sub-underwrites the Retail Offer.

Notwithstanding any other provision of this Prospectus, the Directors reserve the right to issue an Applicant a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. All decisions regarding the allocation of Shortfall Securities will be made by the Directors, in conjunction with the Underwriter, and will be final and binding on all Applicants under the Shortfall Offer. As such, there is no guarantee that any Shortfall Securities applied for will be issued to Applicants.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any application monies will be pro rata returned (without interest) in accordance with the provisions of the Corporations Act.

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3.11 Acceptance – what Eligible Shareholders may do

Your acceptance of the Offer must be in accordance with your Entitlement and Acceptance Form provided with this Prospectus.

You may participate in the Offer (and Shortfall Offer) as follows:

(a) accept your **full** Entitlement:

(b) accept your **full** Entitlement and apply for Shortfall under the Shortfall Offer;

(c) accept **part** of your Entitlement; or

(d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

3.12 No Return of Entitlement and Acceptance Forms

The Company has resolved that Applicants do NOT need to return their completed Entitlement and Acceptance Forms to the Company and payments must be made by BPAY®, or EFT (for Eligible Shareholders overseas and supported by an email address via which the Applicant can be contacted).

Eligible Shareholders can obtain their Entitlement and Acceptance Form details online at https://investor.automic.com.au/#/home.

3.13 No payment by cheque

The Company has resolved that Applications cannot be paid for by cheque.

3.14 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form which can be accessed online at the offer website https://investor.automic.com.au/#/home. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

(a) you do not need to submit the Entitlement and Acceptance Form if you pay by BPAY® but are taken to have made the declarations on that Entitlement and Acceptance Form; and

(b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies paid by BPAY®.

3.15 Payment by Electronic Funds Transfer (EFT)

If you are an Eligible Shareholder resident outside Australia, and unable to pay using BPAY®, you may make payment by Electronic Funds Transfer (**EFT**). Please follow the instructions on your Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

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(a) you must make payment to the entitlement offer bank account using your unique reference number for payment. **You must quote your unique reference number as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your Application and the Securities not being issued (and the funds refunded);** and

(b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

3.16 Cut-off for Receipt of BPAY® and EFT Payments

Applicants should be aware of the cut off time for payment to the Company's Share Registry, which is 4.00pm (WST) on the Closing Date. Applicants should also be aware of their own financial institutions cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure that funds are submitted correctly by the closing date and time including taking into account any delay that may occur as a result of payments being made after 5.00pm (WST) and/ or on a day that is not a business day.

Any application monies received for more than your final allocation of Shares (only where the amount is $1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

3.17 ASX quotation

Application for Official Quotation of the Shares offered pursuant to this Prospectus on the ASX will be made in accordance with the timetable set out at the commencement of this Prospectus.

If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three (3) months after the date of this Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and Options and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

The Company does not propose to apply for Official Quotation of the Options offered pursuant to this Prospectus.

3.18 Issue of Securities

Shares and Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus.

Shares and Options issued pursuant to the Shortfall Offer will be issued in accordance with Section 3.7 of this Prospectus.

Where the number of Shares and Options issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable.

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Pending the issue of the Shares and Options or payment of refunds pursuant to this Prospectus, all Application Monies will be held in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares and Options issued under the Offer will be provided in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus. Holding statements for any Shortfall Securities issued under the Shortfall Offer will be provided as soon as practicable after their issue.

3.19 CHESS and Issuer Sponsorship

The Company will not be issuing share certificates for the Shares and Options offered under this Prospectus. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Investors who are issued Shares and Options under this Prospectus will be provided with a holding statement (similar to a bank account statement) that sets out the number of Shares and Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.20 Rounding

Fractional entitlements will be rounded down to the nearest whole number. All references to numbers of Securities to be issued pursuant to this Prospectus are expressed subject to rounding.

3.21 Foreign Shareholders

The Offer is being made to all Shareholders on the Record Date, including those with registered addresses outside Australia. The Company therefore does not need to appoint a nominee for the purposes of section 615 of the Corporations Act.

3.22 Enquiries

Any questions concerning the Offer or Shortfall Offer should be directed to Andrew Sorensen, Company Secretary, on +61 8 9439 6300 or by email to asorensen@wakaolin.com.au.

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4. Purpose and effect of the Offer

4.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately $6,981,788 (based on the total number of Shares on issue as at the date of this Prospectus and subject to the Assumption.

4.2 Effect of the Offer

The principal effect of the Offer, subject to the Assumption, will be to:

(a) increase the cash reserves by approximately $6.67 million (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and

(b) increase the number of Shares on issue from 523,634,125 as at the date of this Prospectus to 698,178,833 Shares (assuming no other Shares are issued prior to the Record Date; and

(c) increase the number of Options on issue from 56,212,503 to approximately 153,484,857 Options following completion of the Offer (assuming no Options are exercised prior to the Record Date).

4.3 Use of Funds

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription ($)	%
1.	Market and product development	$1,800,000	26%
2.	Working capital – inventory build	$1,200,000	17%
3.	Working capital - debtors	$1,300,000	19%
4.	Working capital - other	$1,869,051	27%
5.	Plant improvements & safety	$500,000	7%
6.	Expenses of the Offer[1]	$312,737	4%
Total		**$6,981,788**	**100%**

Notes:

1. Refer to section 7.10 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

4.4 Pro-forma statement of financial position

The unaudited management accounts statement of financial position as at 31 December 2024 and the unaudited pro-forma statement of financial position as at 31

December 2024 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma statement of financial position has been prepared to provide an indication on the effect of the Offer on the financial position of the Company based on the Assumption. It has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 31/12/2024	UNAUDITED PRO-FORMA 31/12/2024
Current assets		
Cash and cash equivalents	1,120,207	7,748,071
Trade and other receivables	335,992	335,992
Other current assets	3,342,434	3,342,434
Total current assets	4,798,632	11,426,496
Non-current assets		
Plant and equipment	2,416,812	2,416,812
Other non-current assets	546,002	546,002
Exploration and evaluation expenditure	29,308,108	29,308,108
Total non-current assets	32,270,921	32,270,921
TOTAL ASSETS	**37,069,554**	**43,697,418**
Current liabilities		
Trade and other payables	2,632,178	2,632,178
Borrowings	16,905,231	16,905,231
Provisions	2,169,091	2,169,091
Total current liabilities	21,706,500	21,706,500
Non-current liabilities		
Borrowings	8,865,472	8,865,472
Provisions	15,766	15,766
Total non-current liabilities	8,881,238	8,881,238
TOTAL LIABILITIES	**30,587,738**	**30,587,738**
NET ASSETS (LIABILITIES)	**6,481,816**	**13,109,680**
Equity		

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	UNAUDITED 31/12/2024	UNAUDITED PRO-FORMA 31/12/2024
Equity	62,464,026	69,445,814
Reserves	37,385,293	37,385,293
Accumulated losses	(93,367,502)	(93,721,426)
TOTAL EQUITY	**6,481,816**	**13,109,680**

The pro-forma statement of financial position includes the following adjustments:

(a) $6,981,788 being raised under the Offer (assuming Fully Subscribed and that no Options are exercised prior to the Record Date and deducting the estimated expenses of the Offer of $353,924).

4.5 Effect on capital structure[1]

The effect of the Offer on the capital structure of the Company, assuming Fully Subscribed, is set out below.

Shares	Number
Shares on issue at the date of this Prospectus	523,634,125
Shares offered under the Offer[2]	174,544,708
Total Shares on issue after completion of the Offer	**698,178,833**

Options	Number
Unlisted Options currently on issue:	**56,212,503**
WAKAF: exercise price $0.35, expiring 20 November 2025	30,500,000
WAKAJ: exercise price $0.09, expiring 30 June 2027	24,962,503
Options offered pursuant to the Offer[2]	
Unlisted Options exercisable at $0.09 per Option with a 30 June 2027 expiry (being Options on the same terms as WAKAJ)	87,272,354
Corporate advisory fee unlisted Options exercisable at $0.09 per Option with a 30 June 2027 expiry (Options on the same terms as WAKAJ)[3]	10,000,000
Total Options on issue after completion of the Offer[3]	**153,484,857**

Notes:

1 Based on the capital structure of the Company as at 3 February 2025, the last practical date prior to lodgement of this Prospectus, and based on the Assumption.

2 The number of Shares and attaching Options to be issued depends on the total number of Shares on issue, and the number of Eligible Shareholders, at the Record Date, and the effect of rounding.

3 The Company has agreed to issue the Corporate Advisor, on completion of the Offer, with 10 million Options on the same terms as the Options under the Offer in part consideration for corporate advisory services.

The issued capital of the Company on a fully diluted basis as at the date of this Prospectus is 579,846,628 Shares and on completion of the Offer (assuming Fully Subscribed) would be 851,663,691 Shares.

4.6 Potential dilution of Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 25% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution

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may impact Shareholders are set out in the table below assuming they do not subscribe for any Shares under and the Offer.

Holder	Holding at Record Date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	20,000,000	3.82	6,666,667	20,000,000	2.86
Shareholder 2	10,000,000	1.91	3,333,333	10,000,000	1.43
Shareholder 3	3,000,000	0.57	1,000,000	3,000,000	0.43
Shareholder 4	800,000	0.15	266,667	800,000	0.11

Note:

1. The dilutionary effect shown in the table is the maximum percentage assuming those Entitlements not taken up by Eligible Shareholders are placed under the Shortfall Offer or subscribed for by the Underwriter or Retail Offer Sub-underwriters.

4.7 Details of substantial holders

Based on publicly available information, the Company's substantial holders (i.e. holders with a Relevant Interest of 5% or more in the Company's Shares) as at the date of this Prospectus, and their Entitlement under the Offer, are set out in the table below.

Substantial Holder	Existing Shares held	Relevant Interest[1]	Entitlement (Shares)[2]	Subscription Sum
Ken Hall[3]	102,327,898	19.5%	34,109,299	$1,364,372
Silver Tropic Pty Ltd [4]	70,062,741	13.4%	23,354,247	$934,170
Scientific Management Associates (Victoria) Pty Ltd[5]	68,644,334	13.1%	22,881,445	$915,258
Century Horse[6]	63,567,618	12.1%	21,189,206	$847,568
Boneyard Investments[7]	33,310,789	6.4%	11,103,596	$444,144
Total	**337,913,380**	**64.5%**	**112,637,793**	**$4,505,512**

Notes:

1. In the event all Entitlements are accepted by Eligible Shareholders there will be no change to the substantial holders on completion of the Offer.
2. Entitlement includes one Option ($0.09 exercise price, 30 June 2027 expiry) for every two Shares subscribed.
3. Ken Hall has indicated he intends to take up his full Entitlement under the Institutional Offer and has agreed to sub-underwrite $1.6 million of the Retail Offer (being a maximum of 40,000,000 Shares). The terms of Ken Hall's sub-underwriting agreement are summarised in Section 7.5. Refer to Section 4.8 for further details on the effect of this sub-underwriting on control of the Company.
4. Held as trustee for the WAMCO Industries Unit Trust other than 312,500 Shares held directly by Director Alf Baker. Director Alf Baker is a shareholder and a director of Silver Tropic and an indirect unit holder in the WAMCO Industries Unit Trust.

5. Held as trustee for the WAMCO Industries Unit Trust.
6. Director Sean Hu is an associate of Century Horse, being its Chief Executive Officer and nominated by Century Horse to be its nominee Director of the Company. Century Horse has indicated it will take up its full Entitlement under the Institutional Offer.
7. Boneyard Investments has indicated it intends to take up its full Entitlement under the Institutional Offer and has agreed to sub-underwrite $0.6 million of the Retail Offer (being a maximum of 15,000,000 Shares). Refer to Section 4.8 for further details on the effect of this sub-underwriting on control of the Company.

4.8 Effect of Offers on Control of the Company

The potential effect that the issue of the Shares and Options under the Offers will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including Eligible Shareholders interest in taking up their Entitlements and participation in the Shortfall Offer, as well as the level of participation by Eligible Shareholders and third party investors in taking up Securities under the Shortfall Offer.

4.8.1 Effect of Institutional Offer

The effect of the Institutional Offer, if fully subscribed by the Institutional Offer Eligible Shareholders, will be to dilute other Shareholders by 11.2% and increase the Voting Power of the Institutional Offer Eligible Shareholders for the period between completion of the Institutional Offer and completion of the Offer and Shortfall Offer as set out below assuming no other Shares are issued.

Institutional Offer Eligible Shareholders & Associates	**Current Shares held**	**Voting Power[1] %**	**Shares held post Institutional Offer**	**Voting Power %**
Ken Hall[2]	103,127,356	19.7	137,236,655	23.3
Century Horse Limited[3]	63,567,618	12.1	84,756,824	14.4
Boneyard Investments	33,310,789	6.4	44,414,385	7.5
Total	**199,206,305**	**38.0**	**265,608,407**	**45.2**

Notes:

1. Entitlement includes one Option ($0.09 exercise price, 30 June 2027 expiry) for every two Shares subscribed.
2. Ken Hall as trustee for the Hall Park Trust. 350,000 Shares held by Brady Hall and 449,448 Shares held by Melany Hall, who are both children of Director Ken Hall. Ken Hall also holds 11,366,667 Options ($0.09 exercise price, 30 June 2027 expiry),
3. Director Sean Hu is an associate of Century Horse, being its Chief Executive Officer and nominated by Century Horse to be its nominee Director of the Company.

As the Company is listed, any potential acquisition of Shares will be subject to the prohibitions set out in section 606 of the Corporations Act. Therefore, the Company may only issue Shares under the Institutional Offer to Ken Hall pursuant to one of the exceptions set out in section 611 of the Corporations Act.

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Ken Hall's Voting Power will increase above 20% for the period between completion of the Institutional Offer and completion of the Offer and Shortfall Offer in reliance on the Item 10A Exception.

4.8.2 Effect of Retail Offer

If, following the completion of the Institutional Offer, all Retail Offer Eligible Shareholders subscribe for their Entitlements, the Voting Power of the Institutional Offer Eligible Shareholders will be diluted back to their current Voting Power, and there is not expected to be any material effect on control of the Company.

The more likely event is that a proportion of Entitlements will be taken up under the Retail Offer and some or all of the Shortfall will be issued to Eligible Shareholders and third party investors, and to sub-underwriters and nominees of the Underwriter.

4.8.3 Effect of Underwriting

As at the date of this Prospectus, the Underwriter confirms that:

(a) its Voting Power in the Company is nil; and

(b) it and its Associates do not hold any Securities of the Company.

The table below sets out the Underwriter's Voting Power in several scenarios where a proportion of Entitlements are taken up under the Offer.

Event	Shares held by Underwriter	% Shareholding	Underwriter Voting Power
Date of Prospectus	0	0	0
Completion of Offer (including the Shortfall Offer)			
Offer Fully Subscribed	0	0	0
Offer 75% subscribed	43,636,177	6.3	6.3
Offer 50% subscribed	87,272,354	12.5	12.5
Offer 25% subscribed	130,908,531	18.8	18.8
Offer 0% subscribed	174,544,708	25.0	25.0

In the unlikely event that no Entitlements are taken up and no Shortfall is placed other than to the Underwriter (i.e. all sub-underwriting agreements are terminated), the Underwriter's Shareholding will increase to 25% of the Company (and its Voting Power to 25%).

The Underwriter could acquire more than a 20.0% Voting Power in the Company in this scenario without breaching section 606 of the Corporations Act in reliance on the underwriting exception in Section 611 item 13 of the Corporations Act. However, the Underwriter has advised it does not intend to increase its Voting Power in the Company above 20.0% as a result of the Offer.

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4.8.4 Effect of Sub-underwriting

As detailed in Section 3.9 of this Prospectus, the Retail Offer is sub-underwritten as at the date of this Prospectus as to $3.2 million by the following Retail Offer Sub-underwriters.

Retail Offer Sub-underwriter	Retail Offer Shares sub - underwritten	Sub - underwrite Subscription $	% of Retail Offer sub-underwritten
Ken Hall ATF Hall Park Trust	40,000,000	$1,600,000	37.0%
Boneyard Investments	15,000,000	$600,000	13.9%
Leeuwin Wealth	12,500,000	$500,000	11.6%
JP Equity Partners	12,500,000	$500,000	11.6%
TOTAL	**80,000,000**	**$3,200,000**	**74.1%**

In the unlikely event that no Entitlements are taken up and the Retail Offer Sub-underwriters take up their full right to Shortfall Securities, with the Underwriter taking up the rest of the Retail Shortfall, the Underwriter's Shareholding will increase to 94,544,708 Shares (and its Voting Power to 13.5%).

In the event that Ken Hall (the Related Party Sub-underwriter) and his Associates take up their full Entitlements, and there is sufficient Retail Shortfall that he is also issued all the Shortfall Securities he has agreed to sub-underwrite, assuming the Shortfall Offer is otherwise fully subscribed and no other Shares are issued, the Voting Power of the Related Party Sub-underwriter will increase as detailed in the table below.

Related Party Sub-underwriter	Shares held at date of Prospectus[1]	Voting Power[2]	Shares held on completion of Offer[3,4]	Voting Power
Ken Hall & Associates	103,127,346	19.7%	177,503,128	25.4%

Notes to table:

1. 102,327,898 Shares held by Ken Hall as trustee for the Hall Park Trust 350,000 Shares held by Brady Hall and 449,448 Shares held by Melany Hall, who are both children of Director Ken Hall.
2. If all the Institutional Offer Eligible Shareholders take up their full Entitlements under the Institutional Offer Ken Hall's Voting Power will increase from 19.7% to 23.3% for the period between completion of the Institutional Offer and completion of the Offer and Shortfall Offer. If only Ken Hall takes up his full Entitlement under the Institutional Offer, and the other Institutional Offer Eligible Shareholders take up none of their Entitlements (despite advising their intention is to take up their full Entitlements), his Voting Power will increase from 19.7% to 24.6% for the period between completion of the Institutional Offer and completion of the Offer and Shortfall Offer.
3. Comprising 103,127,356 existing Shares, 34,375,782 Shares under their Entitlements and 40,000,000 Shares under Ken Hall's sub-underwriting agreement.
4. A total of 37,187,893 Options will also be acquired by the Related Party Sub-underwriter and its Associates which, if fully exercised, and assuming no other Shares are issued other than under the Offer and the 37,187,893 Options, would increase the total number of Shares on issue to 782,033,393 and the Related Party Sub-underwriter's Voting Power to 29.1%. If the existing Any increase above 20.0% can only occur if and to the extent, at

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the time the Options are exercised, an exception to the takeover prohibition in section 606 of the Corporations Act applies.

The Related Party Sub-underwriter could acquire more than a 20.0% Voting Power in the Company in the above scenarios without breaching section 606 of the Corporations Act in reliance on the sub-underwriting exception in Section 611 item 13 of the Corporations Act.

In the unlikely event that no Entitlements are taken up other than by the Related Party Sub-underwriter, and the Underwriting Agreement is terminated (such that all sub-underwriting agreements also terminate), the Related Party Sub-underwriter will retain up to a maximum 24.6% Voting Power acquired as a result of the Institutional Offer assuming no other Shares are issued.

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5. Rights and Liabilities attaching to Shares and Options

5.1 Shares

The following summary reflects the rights attaching to Shares.

General

The rights attaching to ownership of the Shares are detailed in the Constitution of the Company and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law. A copy of the Company's constitution may be inspected during normal business hours at the registered office of the Company.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to the Company's Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

All Shares issued pursuant to this Prospectus will, from the time that they are issued, rank equally with the Company's existing issued Shares.

Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each fully paid Share held. On a poll, partly paid Shares confer a fraction of a vote pro-rata to the amount paid up on the Share.

A poll may be demanded before a vote for a show of hands is taken, or before or immediately after the declaration of the result of the show of hands by the chair of the meeting, by at least five Shareholders present and entitled to vote on the resolution or by any one or more Shareholders representing at least 5% of the votes that may be cast on the resolution on a poll.

Dividends

Subject to the Corporations Act, the ASX Listing Rules, and the Constitution, the Directors may pay interim, special or final dividends as, in their judgment, the financial position of the Company justifies.

Subject to any special terms and conditions of issue, the amount which the Directors from time to time determine to distribute by way of dividend are divisible among the members in proportion to the amounts paid up on the Shares held by them. Interest is not payable by the Company in respect of any dividend.

Issue of shares

Subject to the Constitution, the ASX Listing Rules and the ASX Settlement Operating Rules, the Directors have the right to issue shares or grant options over unissued shares to any person and they may do so at such times as they think fit and on the conditions they think fit. Such shares may have preferred, deferred or other special

rights or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise as the Directors think fit.

Variation of class rights

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

(a) with the written consent of the holders of 75% of the shares of the class; or

(b) by a special resolution passed at a separate meeting of the holders of shares of the class.

Transfer of shares

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, holders of Shares may transfer them by a proper transfer effected in accordance with the ASX Settlement Operating Rules or an instrument in writing in any usual form or in any other form that the Directors approve.

The Directors may ask ASX Settlement to apply a holding lock, or decline to register a transfer of Shares for reasons including where the transfer is not in registrable form or where the refusal to register the transfer is permitted under the ASX Listing Rules or the ASX Settlement Operating Rules. If the Directors request a holding lock or, decline to register a transfer, the Company must give the holder of the shares (in circumstances of a holding lock request), or the party lodging the transfer (in circumstances of a refusal to register), written notice of the refusal and the reason for refusal. The Directors decision to decline to register the transfer or to apply for a holding lock is not invalidated if that notice is not given.

Small holdings

The Directors may sell the Shares of a Shareholder if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed. A non-marketable parcel of Shares is defined in the ASX Listing Rules and is, generally, a holding of shares with a market value of less than $500.

Restricted Securities

In the event of a breach of the ASX Listing Rules or a breach of a restriction agreement entered into by the Company under the ASX Listing Rules relating to Restricted Securities (as defined in the ASX Listing Rules), the Shareholder holding the Restricted Securities in question shall cease to be entitled to any dividends, distribution or any voting rights in respect of those Restricted Securities during the period of such breach.

General meetings and notices

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act. Shareholders may requisition meetings in accordance with the Corporations Act and the Constitution.

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Winding up

Subject to any special or preferential rights attaching to any class or classes of shares, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the shares held by them, less any amounts which remain unpaid on these shares at the time of distribution. Any amount unpaid on a share is the property of the Company and may be required to be contributed to the Company in the event of a winding up.

Directors – appointment and removal

The minimum number of Directors is three and the maximum is twelve or such lower number as the Directors are authorised to determine. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that one third of the Directors and any Director who has held office for three or more years or three or more annual general meetings (excluding the managing director or, if there is more than one managing director, the first of them to be appointed) retires at each annual general meeting of the Company. The Directors may also appoint a Director to fill a casual vacancy on the Board in addition to the existing Directors who will then hold office until the next annual general meeting of the Company.

Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the Chair has a second or casting vote. Where only two directors are present or qualified to vote at a meeting of directors and there is a tied vote, the Chair does not have a second or casting vote.

Directors' remuneration

Each Director is entitled to remuneration out of the funds of the Company as the Directors determine, but the remuneration of non-executive Directors may not exceed in any year the amount fixed in general meeting. The Constitution also makes provision for the Company to pay all expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or special exertions. The total aggregate fixed sum per annum to be paid to Directors (excluding salaries of executive Directors) shall be set by the Company in a general meeting.

Reduction of share capital

Subject to the ASX Listing Rules, the Constitution and the Corporations Act, the Company may reduce its share capital including by way of an in-specie distribution of the assets of the Company.

Preference shares

The Company may issue preference shares including preference shares which have certain redemption and conversion rights. The rights attaching to preference shares are those set out in the Constitution.

Variation of the Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members present and entitled to vote at a general meeting of the Company. From Listing, the Company

must give at least 28 days' written notice of its intention to propose the special resolution.

Share buy-backs

The Company may buy back shares in accordance with the provisions of the Corporations Act.

Dividend reinvestment plan

The Constitution contains a provision allowing Directors, on the terms and conditions they think fit, to implement a dividend reinvestment plan (under which any Shareholder or any class of shareholders may elect that the dividends payable by the Company be reinvested by a subscription for Shares in the Company)

ASX Listing Rules

The Constitution provides that notwithstanding anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the ASX Listing Rules require to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the ASX Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

5.2 Options

The Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

(a) Each Option gives the Option Holder the right to subscribe for one Share. To obtain the right given by each Option, the Option Holder must exercise the Option in accordance with the terms and conditions of the Option.

(b) The Options will expire at 5.00 pm (WST) on 30 June 2027 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) The amount payable upon exercise of each Option will be $0.09 (**Exercise Price**).

(d) The Options held by each Option Holder may be exercised in whole or in part, and if exercised in part, multiples of 5,000 must be exercised on each occasion. Where less than 5,000 Options are held, all Options must be exercised together.

(e) An Option Holder may exercise their Options by lodging with the Company, before the Expiry Date:

(i) a written notice of exercise of Options specifying the number of Options being exercised; and

(ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

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(**Exercise Notice**).

(f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(g) Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(h) The Options are only transferable with the consent of the Board.

(i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.

(j) If at any time the issued capital of the Company is reorganised, all rights of an Option Holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(k) There are no participating rights or entitlements inherent in the Options and Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

(l) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

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6. Risk factors

6.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, publicly available information, circumstances peculiar to them and that they consult their professional advisers before deciding whether to apply for Shares and Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many if not all of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific risks

(a) Dilution

Upon completion of the Offer, based on the Assumption, the number of Shares in the Company will increase from 523,634,125 currently on issue to 698,178,833. This means that each Share will represent a significantly lower proportion of the ownership of the Company and a Shareholder who does not take up its Entitlement will be diluted by 25%.

(b) Effect on control of the Company

Shareholders should be aware that the Offer, unless it is fully Subscribed, may result in the Related Party Sub-underwriter, who is currently a substantial Shareholder, increasing his Voting Power of the Company. Please refer to Section 4.8 for further details.

(c) Production ramp up

The Company intends to ramp up its mining and processing operations. There is a risk that any ramp up may take longer than planned, not achieve desired kaolin product levels, revenues may be less than anticipated or costs may be higher than anticipated.

(d) Going concern

The Company has relied on the support of its shareholders to complete its capital expenditure and to fund its ongoing operations. The Company expects to achieve positive operating cashflow however is reliant upon its shareholders to ensure this position is achieved. In the event that positive

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operating cashflow is not achieved or shareholders do not continue to support the Company, the Company may not be able to continue as a going concern.

(e) Additional requirements for capital

The Company believes that the funds raised under the Offer, together with existing cash flow, will be sufficient to increase production and reach positive operating cash flow.

The further development of the Company's mine and mine plant, as well as any working capital needs, may require additional funding. The Company's future capital requirements, and the Company's ability to satisfy those requirements, depend on numerous factors, many of which are beyond the control of the Company.

Any additional equity financing may dilute shareholdings. Any debt financing, if available, may involve restrictions on the Company's activities. If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations or dispose of assets, as the case may be.

The Company's ability to raise funds through the issue of Shares or other securities is subject to share market conditions from time to time.

There is no certainty that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and its Shareholders.

(f) Operational activities

The Company's operational activities include mining and supply of kaolin products, which are subject to operating risks that could impact the amount and quality of kaolin produced or increase the cost of production for varying lengths of time. Such difficulties include: increased costs of mining, processing, loading and equipment failures, safety incidents and accidents, freight capacity constraints and a shortage of labour. If any of these or other conditions occur in the future, they may increase the cost of the Company's activities which could adversely affect the Company's results or decrease the value of its assets.

(g) Kaolin prices and foreign exchange

As a significant portion of the Company's kaolin products are exported overseas, prices may fluctuate and may be affected by a number of factor beyond the control of the Company. Potential future production from the Company's mining tenements will be dependent upon the sustainable price of kaolin. The Company has certain agreements and orders with various customers including those in Australia and overseas. The Company's financing is denominated in Australian dollars and most of any future development and operational activities are also denominated in Australian dollars. A significant portion of its sales revenue will be denominated in US dollars and the Company's ability to fund activities and make debt repayments may be adversely affected if the Australian dollar rises against the US dollar. The Company has a hedging policy in place and will undertake hedging of its foreign exchange risks to alleviate any pressure this may cause.

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A material and extended fall in kaolin prices will likely affect the timing, viability and profitability of WA Kaolin's future operations, earnings and financial position (because the cost of extraction is higher than the likely return).

(h) Tenure risks and native title

Mining tenements are only granted for a specified term and subject to periodic renewal. The renewal of the term of granted tenements is also subject to the discretion of the Minister and the Company's ability to meet the conditions imposed on the relevant licence, including payment of annual rents and meeting prescribed expenditure commitments which, in turn, is dependent on the Company being sufficiently funded. The inability of the Company to meet those conditions may have a materially adverse effect on the operations, financial position and/or overall performance of the Company.

(i) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

(i) developing an economic process route to produce a saleable product; and

(ii) changes in mineralogy in the ore deposit can result in inconsistent product recovery, affecting the economic viability of the project.

If the Company does not meet agreed product specifications, the Company's ability to sell kaolin to those distributors or customers, or to sell the kaolin at the anticipated price, will be adversely affected.

(j) Technology

Any failure or delay in developing new technology or an inability to exploit technology as successfully or cost-effectively as competitors, could result in a decrease in customer demand, which could have a material adverse effect on the Company's business and cash flows, prospects for growth, financial condition and results of its operations.

(k) Executive Management

The responsibility of overseeing the day-to-day operations and the Company's strategic management depends substantially on its senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(l) Financial Indebtedness

WAK owes approximately $24,877,994 to loan creditors of which approximately 53% is on an interest-free basis. It also owes $680,125 to asset financiers (hire purchase), $212,587 (Lease Liability) and approximately $2,632,178 to trade creditors (including related parties). WAK has entered agreements with those creditors that have loaned it money and certain trade creditors to document the manner in which its debts will be repaid, which includes repayments in pre-defined instalments in quarterly repayments when WAK achieves free cash flow in the previous quarter.

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Certain of the agreed repayments are conditional on WAK having free cash flow. Asset financing payments continue to occur in the ordinary course of business.

(m) Unforeseen expenses

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

(n) Customers

The Company is currently negotiating offtake agreements for its intended expanded production. The Company has customers in place for current production and letters of intent for a certain quantity of the intended expanded production. However, there is a risk that the Company may not secure offtake agreements in respect of any, or all, of its intended expanded production or that any offtake agreement may not be on favourable terms having regard to the differing grades of product. If the customers reneged on their contractual obligations or otherwise failed to pay for kaolin product delivered, or declined to receive further kaolin product, this would have a consequential effect on the Company's financial position.

(o) Counterparty

The Company's ability to receive payment for kaolin product produced, sold and delivered will depend on the continued creditworthiness of and contractual performance by its distributors, customers and other counterparties. If deterioration of the creditworthiness of these counterparties occurs, or if they otherwise fail to adhere to or terminate arrangements, the Company's business could be adversely affected.

6.3 Industry specific risks

(a) Resource and reserve estimates

Any resource or reserve estimates released by the Company in the future will be expressions of judgement based on knowledge, experience and industry practice. Estimates which are valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations and financial performance.

(b) Development, mining, processing and production

The business of minerals development, mining, processing and production involves many risks and may be impacted by factors including ore tonnes, yield, input prices (some of which are unpredictable and beyond the Company's control), overall availability of free cash to fund continuing

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development activities, labour force disruptions, cost overruns, change in the regulatory environment and other unforeseen contingencies.

Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents and occupational and health hazards. Such occurrences could result in damage to, or destruction of, production and processing facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of a mine or processing plant. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities in an area for which it was not responsible.

(c) Infrastructure and transport

The Company's ability to achieve production targets, receive goods and services and export products may be restricted by access to power networks, roads and other infrastructure.

(d) Environmental

The Company's current and proposed activities are subject to state and federal laws and regulations concerning the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining and processing operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

(e) Safety legislation

Mines and processing plant are subject to a range of safety legislation which may change in a manner that may include requirements in addition to those now in effect, and a heightened degree of responsibility for companies and their directors and employees.

(f) Competition risk

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The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operation and financial performance of the Company's projects and business.

(g) Industrial action

The Company is subject to the risk of industrial action and work stoppages by employees and contractors who provide services which are necessary for the continued operation of the Company's businesses.

(h) Pandemic

Outbreaks of pandemics or diseases, including, for example, the outbreak of the coronavirus disease (COVID-19), may have a material adverse effect on the Company's business. The Company's share price may be adversely affected by economic uncertainty caused by pandemics such as COVID-19.

(i) Climate change

There has been increasing concern by the public and regulators globally on climate change issues. As a mining company, the Company is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes and, if demand for kaolin declines, the Company will find it difficult to commercialise any resources it discovers. Physical risks resulting from climate change can be acute or chronic. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks refer to longer term shifts in climate patterns (for example, sustained higher temperatures) that may cause sea level rises or chronic heat waves. The transition and physical risks associated with climate change (including also regulatory responses to such issues and associated costs) may significantly affect the Company's operating and financial performance.

6.4 General risks

(a) Stock market fluctuations and economic conditions

The Shares to be issued under this Prospectus will be quoted on the ASX. The price of Shares may rise or fall and there is no certainty in respect of profitability, dividends, return of capital, or the price at which the Shares may trade on the ASX.

The selling value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company, and the Directors and officers of the Company. Such factors include, but are not limited to:

(i) the demand for and availability of Shares;

(ii) movements in domestic interest rates;

(iii) exchange rates

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(iv) general and domestic economic activity; and

(v) fluctuations in the Australian and international stock markets.

Returns from an investment from the Shares may also depend on general stock market conditions as well as the performance of the Company. There can be no guarantee that there will be an active market in the Shares.

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals which underpin the projected growth of the Company's target markets or its cost structure and profitability. Adverse changes in such things as the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending and employment rates, amongst others, are out of the control of the Company and may result in material adverse impacts on the business or its operating results.

(b) Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of subscribing for Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(c) Liquidity of Shares

There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in a market price being received which is less than the price that Shareholders paid to acquire their Shares.

(d) Investment risks

As with any stock market investment, there are various risks associated with investing in the Company. Potential investors should consider whether the Shares offered under this Prospectus are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out in this section. Many of these risk factors are outside the Directors' control. Whilst some common risk factors are set out in this section, it is not possible to produce an exhaustive list. The Directors recommend that potential investors consult their professional advisers before deciding whether to apply for Securities.

(e) Adverse changes to government policy and taxation

Changes in relevant taxation laws, interest rates, other legal, legislative and administrative regimes, and government policies, may have an adverse effect on the assets, operations and ultimately the Company's financial performance. These factors may ultimately affect the Company's financial performance and the market price of the Securities.

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(f) Insurance risks

The Company's operations are insured in accordance with industry practice, however in certain circumstances, the Company's insurance may not be of a nature or the level to provide adequate insurance cover. The occurrence of an event that is not covered or not fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) Claims, liability and litigation

Although the Company is not currently involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company, the risk of litigation remains a general risk to the Company. The Company may incur costs in making payments to settle any such claims which may not be adequately covered by insurance or at all. Any litigation or settlement may have an adverse impact on the Company's financial position.

6.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares under this Prospectus.

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7. Additional information

7.1 Litigation

As at the date of this Prospectus, the Company Group is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company Group.

7.2 Continuous disclosure obligations

The Company is a "disclosing entity" for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Under section 677 of the Corporations Act, a reasonable person is taken to expect information to have a material effect on the price or value of the Company's quoted securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's quoted securities.

The Offer is an offer of Shares which are 'continuously quoted securities' for the purposes of the Corporations Act, and Options to acquire Shares.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is primarily required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities (and where options are offered, the rights attaching to the underlying securities). It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is issued in circumstances where significant publicly available information in relation to the Company exists by virtue of disclosures to ASX. This Prospectus does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors are encouraged to have regard to the other publicly available information available through the ASX in relation to the Company before making a decision whether or not to invest.

Information that is already in the public domain has not generally been included in this Prospectus other than certain information required to be included in this Prospectus by the Corporations Act.

The Company, as a disclosing entity under the Corporations Act, states that:

(a) the Company is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the offices of the ASIC; and

(c) the Company will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

(i) the annual financial report most recently lodged by the Company with ASIC;

(ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

(iii) any continuous disclosure notices given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected, or a copy obtained, at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the date of lodgement of this Prospectus with ASIC are set out in the table below.

Date	**Description of Announcement**
04/02/2025	Change in substantial holding
04/02/2025	Becoming a substantial holder
03/02/2025	Trading Halt
31/01/2025	Quarterly Activities/Appendix 5B Cash Flow Report
31/01/2025	Notification of cessation of securities - WAK
24/01/2025	Change in substantial holding
22/01/2025	WAK - Market Update
11/12/2024	Company Secretary Resignation and Appointment
28/11/2024	Results of Meeting
27/11/2024	WAK - Market Update
31/10/2024	Appendix 4G
31/10/2024	2024 Corporate Governance Statement
30/10/2024	September 2024 Quarterly Activities Report and Appendix 5B
29/10/2024	AGM Notice of Meeting and Notice Letter
03/10/2024	Listing Rule 3.13.1 Disclosure
30/09/2024	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. Copies of all documents released by the Company to the ASX are available on the ASX website at www.asx.com.au.

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7.3 Market price of Shares

The highest, lowest and last market sale prices of the Shares on ASX during the three (3) months immediately preceding the date of lodgement of this Prospectus with the ASIC and the last respective date of those sales were:

	Price	Date
Highest	8.7 cents	30 January 2025
Lowest	4.75 cents	7 January 2025
Last	7.0 cents	31 January 2025

7.4 Underwriting Agreement

The Company has entered into an underwriting agreement with Canaccord Genuity (**Underwriter**) to fully underwrite the Offer.

Under the Underwriting Agreement, the Company has agreed to pay the Underwriter the following fees for its services (ex GST):

(a) 1.5% of the Underwritten Amount (being $6,981,788) (**Management Fee**); and

(b) 4.5% of an amount equal to the maximum possible Entitlements under the Retail Offer (being $4,329,638) less:

(i) Entitlements subscribed for by SMA under the Retail Offer (up to a maximum of $915,258); and

(ii) the aggregate Issue Price of the Retail Offer Shares that Ken Hall and Boneyard Investments agree to sub-underwrite as Retail Offer Sub-underwriters (being $2,200,000),

as an underwriting fee (**Underwriting Fee**).

The Underwriter may terminate its obligations to underwrite the Offer under the Underwriting Agreement in circumstances typically found in agreements of this nature if the circumstances arise in relation to the Offer.

The Underwriter may terminate the Underwriting Agreement on the occurrence of any of the following events:

(a) the Company ceases to be admitted to the official list of ASX or the Shares are suspended from trading on, or cease to be quoted on ASX or it is announced by ASX or the Company that such an event will occur;

(b) the Company or a subsidiary which represents 5% or more of the consolidated assets or earnings of the Group (Material Subsidiary) is Insolvent or there is an act or omission, or a circumstance arises, which is likely to result in the Company or a Material Subsidiary becoming Insolvent;

(c) the Company withdraws all or any part of the Offer;

(d) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Governmental Agency, which makes it illegal for

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the Lead Manager to satisfy a material obligation of this agreement or to market, promote or settle the Offer;

(e) the Company is unable to issue or prevented from issuing Offer Shares as contemplated by this agreement by virtue of the ASX Listing Rules, applicable laws, a Governmental Agency or an order of a court of competent jurisdiction;

(f) a director or the chief executive officer or chief financial officer of the Company is charged with an indictable offence or fraudulent conduct, any director of the Company is disqualified under the Corporations Act from managing a corporation, or any regulatory body commences any public action against the Company, or any director or the chief executive officer or chief financial officer of the Company, or publicly announces that it intends to take any such action;

(g) there is a change (or a prospective change is announced) in the chief executive officer, chief financial officer or chairman of the Company, other than one which has already been disclosed to ASX or in any Public Information or disclosed to the Underwriter before the date of the Underwriting Agreement;

(h) Except as previously disclosed there is an alteration to the Company's capital structure without the prior consent of the Underwriter (such consent not to be unreasonably withheld or delayed) or as otherwise provided in this agreement;

(i) the S&P/ASX 300 Index falls to a level which is 12.5% or more below the level of that index on the close of trading on the Business Day before the date of the Underwriting Agreement and closes at or below that level;

(j) ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Offer, the issue of the Offer Shares or any information document, holds, or gives notice of intention to hold, a hearing, inquiry or investigation in relation to the Offer, the issue of the Offer Shares or any information document, or prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Offer, the issue of the Offer Shares or any information document except in circumstances where the existence of the application, hearing, inquiry, investigation, prosecution or notice has not become public and it has been withdrawn;

(k) there is an application to a governmental agency (including the Takeovers Panel) for an order, declaration (including of unacceptable circumstances) or other remedy in connection with the Offer (or any part of it), except in circumstances where the existence of the application has not become public and has been withdrawn, discontinued or terminated;

(l) ASIC makes a determination under subsection 708AA(3) of the Corporations Act;

(m) any material licence, lease, permit, concession, tenement, authorisation or concession of the Group (Authorisation) is, or is likely to be, invalid, revoked or unenforceable, including as a result of the introduction of new legislation in the relevant jurisdiction or any authorisation is breached or not complied with in a material respect;

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(n) a certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required, or if furnished is untrue, incorrect or misleading or deceptive in any material respect (including by omission);

(o) unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Offer) by ASX for official quotation of the Offer Shares is refused or is not granted by the time required to issue the relevant Offer Shares in accordance with the Timetable or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of the Offer) or withdrawn; or

(p) any event specified in the Timetable is delayed other than in accordance with the Underwriting Agreement.

The Underwriter may also terminate the Underwriting Agreement on the occurrence of any of the following events:

(a) the Company fails to perform or observe any of its obligations under the Underwriting Agreement;

(b) any of the documents required to be provided under the due diligence process outline, including the due diligence report, having been withdrawn, or materially varied without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);

(c) the due diligence report or the information provided by or on behalf of the Company to the Underwriter in relation to the due diligence program, the information documents or the Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);

(d) a representation or warranty made or given by the Company under this agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;

(e) legal proceedings against the Company, any other group member or against any director of the Company or any other group member in that capacity is commenced or any regulatory body commences any enquiry or public action against a group member;

(f) the Company or any of its Directors or officers engages in misleading or deceptive conduct or activity in connection with the Offer;

(g) a new circumstance arises which is a matter adverse to investors in Offer Shares and which would have been required by the Corporations Act to be included in the Prospectus had the new circumstance arisen before the Prospectus was given to ASX;

(h) the Company commits a breach of the Corporations Act, ASX Listing Rules, the Constitution, or other applicable laws;

(i) there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company or the group (in so far as the position in relation to any entity in the group affects the overall position of the Company);

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(j) any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an information document or public information is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;

(k) any statement in an information document is or becomes false, misleading or deceptive or likely to mislead or deceive or information document does not contain all information required to comply with all applicable laws;

(l) the Company issues an information document without the prior approval of the Underwriter (such approval not to be unreasonably withheld) or the Company varies or withdraws an existing information document without the prior approval of the Underwriter (such approval not to be unreasonably withheld);

(m) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or prospective law or any new regulation is made under any law, or a Governmental Agency or the Reserve Bank of Australia adopts a policy, or there is an official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that such a law or regulation will be introduced or policy adopted (as the case may be) (other than a law or policy that has been announced before the date of this agreement), any of which does or is likely to prohibit or regulate the Offer or adversely affects the group;

(n) a general moratorium on commercial banking activities in Australia, New Zealand, the United States, Singapore, the United Kingdom, China or Hong Kong (the Specified Jurisdictions) is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries, trading in all securities quoted or listed on the ASX, the London Stock Exchange, the New York Stock Exchange or the Shanghai Stock Exchange, is suspended or limited in a material respect or the occurrence of any other adverse change or disruption to financial, political or economic conditions in a Specified Jurisdiction, or any change or development involving such a prospective adverse change in any of those conditions;

(o) major hostilities not existing at the date of this agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of the Specified Jurisdictions, or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world;

(p) there is a major escalation of hostilities in Ukraine involving biological or nuclear weapons or the direct involvement of any NATO member state; or

(q) a prescribed occurrence (as defined in the Underwriting Agreement) in respect of the Company occurs during the Offer Period, other than, as contemplated by the Underwriting Agreement or pursuant to the Offer, in a manner described in ASX release or any public information lodged with ASX on or before the date of the Underwriting Agreement or the Company issued securities pursuant to the exercise or conversion of any security, employee

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incentive scheme or distribution reinvestment plan on issue as at the date of the Underwriting Agreement or as permitted by the Underwriter.

As is customary with underwriting agreements, the Company has agreed to indemnify the Underwriter, its officers, employees and agents and advisers against losses incurred in connection with the Offer, Prospectus and the appointment of the Underwriter pursuant to the Underwriting Agreement other than were losses result from fraud, wilful misconduct, recklessness or gross negligence of the indemnified person or in other circumstances. The Company has also provided a full range of warranties and representations to the Underwriter, including about the Offer and its compliance with applicable laws.

The Underwriting Agreement is otherwise on terms and conditions that are standard for an agreement of this nature.

7.5 Related Party Sub-underwriting Agreement

The Underwriter has entered into general sub-underwriting agreements with the Retail Offer Sub-underwriters for $3.2 million of the Retail Offer as detailed in Sections 3.9 and 4.8.4 of this Prospectus (**Sub-underwriting Agreements**) including with the Related Party Sub-underwriter.

Under the Related Party Sub-underwriting Agreement, any Shortfall to the Retail Offer is to be allocated between the Retail Offer Sub-underwriters in proportion to the percentage of the Retail Offer they sub-underwrite, with the obligation being scaled back proportionally across all Retail Offer Sub-underwriters.

The Related Party Sub-underwriter's obligation to sub-underwrite only lapses in limited circumstances being:

(a) the Offer does not proceed or any part of it is withdrawn by the Company;

(b) the Underwriting Agreement is terminated in accordance with its terms or the Underwriting Agreement otherwise ceases, including as a result of a condition not being satisfied for any reason and the Underwriter does not waive such non satisfaction;

(c) the Related Party Sub-underwriter's right to participate in the sub-underwriting lapses for any reason;

(d) the Related Party Sub-underwriter breaches the agreement and the Underwriter elects to terminate; or

(e) the Company does not pay to the Underwriter the fees due to it in accordance with the Underwriting Agreement. The Related Party Sub-underwriting Agreement is otherwise on terms and conditions that are standard for an agreement of this nature.

7.6 Corporate Advisor Mandate

The Company has entered into a Corporate Advisory mandate with Leeuwin Wealth dated 1 February 2025 for Leeuwin Wealth to act as exclusive corporate advisor to the Company including in respect of the Offer. In consideration for these services, the Company has agreed to:

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(a) pay Leeuwin Wealth a corporate advisory fee of $80,000 plus GST upon the Offer raising at least $6.0 million; and

(b) issue Leeuwin Wealth 10 million Options, on the same terms as the Option offered under the Offer, on completion of the Offer.

The agreement is otherwise on standard terms and conditions for an agreement of this nature.

7.7 Directors' interests and benefits

Other than as set out in this Prospectus, no Director holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

(a) to a Director as an inducement to become, or to qualify as, a Director; or

(b) to a Director for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

7.7.1 Director Interests

The Relevant Interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement under the Offer, is set out in the table below.

Director	Current Security Holdings		Offer Entitlement		Total Subscription Price ($)
	Shares	Options	Shares	Options[4]	
Dr John White[1]	Nil	3,000,000[2]	Nil	Nil	N/A
Ken Hall[3]	103,127,356	11,666,667[4]	34,375,785	17,187,893	$1,375,031
Alf Baker	70,062,7411[5]	11,366,667[6]	23,354,247	11,667,124	$934,170

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Sean Hu[7]	63,567,618	4,166,667[2]	21,189,206	10,594,603	$847,568

Notes:

1. 3,000,000 Options are held by JJIS Pty Ltd ATF The White Family Settlement Account of which Dr White is a director of the trustee company and a beneficiary of the trust.
2. $0.35 exercise price, 20 November 2025 expiry.
3. 350,000 Shares are held by Brady Hall and 449,448 Shares held Melany Hall, who are both children of Director Ken Hall. Ken Hall has advised he intends to subscribe for his full Entitlement under the Institutional Offer and has agreed to sub-underwrite up to 40,000,000 Shares to the Retail Offer. Refer to Section for details. Please refer to Sections 3.9 and 4.7 for details.
4. $0.09 exercise price, 30 June 2027 expiry.
5. Shares held by Silver Tropic Pty Ltd (**Silver Tropic**) ATF the WAMCO Industries Unit Trust other than 312,500 Shares held directly by Alf Baker. Alf Baker is a shareholder and director of Silver Tropic and an indirect unit holder in the WAMCO Industries Unit Trust.
6. 6,000,000 Options ($0.35 exercise price, 20 November 2025 expiry) held by WAMCO Industries. 7,200,000 Options ($0.35 exercise price, 20 November 2025 expiry) and 4,166,667 Options ($0.09 exercise price, 30 June 2027 expiry) held by Silver Tropic ATF the WAMCO Industries Unit Trust.
7. Held by Century Horse of which Mr Hu is an associate as its Chief Executive Officer and its nominee Director of the Company. Options

7.7.2 Director Remuneration

The remuneration of an executive director is decided by the Board, without the affected executive director participating in that decision-making process. The total maximum remuneration of non-executive directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules as applicable. The current amount has been set to not exceed $400,000 per annum.

A director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors. This does not include any reimbursements that the Directors may receive for work related expenses.

Director	Current Financial Year	Financial year ending 30 June 2024	Financial year ending 30 June 2023
Dr John White[1]	$72,000	$72,000	$79,560
Alfred Baker[2]	$234,000	$224,166	$231,664
Ken Hall[3]	$48,000	$28,000	Nil
Sean Hu[4]	$48,000	Nil	Nil

Notes:

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1. Annual fixed salary of $72,000 (plus statutory superannuation), increasing to $96,000 on the Company's first operational cash flow positive quarter.
2. Comprising consultancy fees under a consultancy agreement with WAMCO Industries, an entity controlled by Mr Baker, and $24,000 per annum (plus statutory superannuation) for director's fees (increasing to $33,000 on the Company's first operational cash flow positive quarter).
3. Annual fixed salary of $48,000 (plus statutory superannuation), increasing to $66,000 on the Company's first operational cash flow positive quarter.
4. Sean Hu was appointed on 6 March 2024.

As at the date of this Prospectus, Alf Baker has agreed to defer $157,000 in past director and consulting fees until such time as the Company's cash flow allows repayment.

7.7.3 WAMCO benefits

The Company must pay two royalties to WAMCO Industries Group Pty Ltd (of which Director Alf Baker is a sole director and sole shareholder) (**Royalties**) until the earlier of 1 July 2049 and the date the Company relinquishes, surrenders or conveys to WAMCO all of the Tenements (other than L70/156 and G70/251).

The first Royalty is the greater of:

(a) $1.50 per tonne of dry kaolin ore or product sold in a quarter, provided that if kaolin product has been sold after processing, then tonnage used to calculate the royalty will be twice the actual tonnage of the processed kaolin; and

(b) 1.5% of the price received for the sale of kaolin ore or product in a quarter.

The second Royalty is $1.25 per tonne of dry kaolin ore or product sold in a quarter, provided that if kaolin product has been sold after processing, then tonnage used to calculate the royalty will be twice the actual tonnage of the processed kaolin.

As at the date of this Prospectus, the Company has paid WAMCO Industries Group Pty Ltd a total of $128,793 (plus GST) under the two Royalties.

As at the date of this Prospectus, the Company owes $1,150,000 to WAMCO Industries Group Pty Ltd, of which Alf Baker is a director and sole shareholder, with nil interest, and several principal payments now overdue, however they are nonetheless only repayable out of the Company's free cash flow and ultimately to be agreed by the directors acting reasonably, but no later than 30 June 2027.

WAMCO Industries Group Pty Ltd as trustee for Wamco Industries Unit Trust is the legal and beneficial owner of Lot 7495 on DP 233525 and Lot 14431 on DP 155015, over which the Company holds a mining lease (M70/1143). Director Alf Baker is a director and beneficial interest holder in the Wamco Industries Unit Trust. Pursuant to an Access Agreement and Landowner Compensation letter dated 11 June 2020, the Company has the sole and exclusive right to access and use that part of the land to conduct its mining operations. The Company must pay WAMCO Industries Group Pty Ltd nominal compensation of $525 per hectare per annual for land used for mining. To date, accrued amounts have been waived and no amounts have been paid.

7.8 Interests of other relevant persons

Other than as set out below or elsewhere in this Prospectus, no:

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(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in:

(d) the formation or promotion of the Company;

(e) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offer.

EMK Lawyers has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay EMK Lawyers $30,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, EMK Lawyers has been paid fees totalling $73,387 (excluding GST and disbursements) for legal services provided to the Company.

Canaccord Genuity (Australia) Limited is acting as Lead Manager and Underwriter to the Offer and will be paid fees as detailed in Section 7.4. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Underwriter has been paid fees totalling $683,034.53 including GST by the Company.

Leeuwin Wealth is acting as Corporate Advisor to the Company and the Offer and Co-Manager and will be paid fees as detailed in Section 7.6. During the 24 months preceding lodgement of this Prospectus with the ASIC, Leeuwin Wealth has been paid fees totalling $nil by the Company.

7.9 Consents

Each of the parties referred to in this section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its

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name and a statement included in this Prospectus with the consent of that party as specified in this section.

EMK Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus and have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

Canaccord Genuity (Australia) Limited has given its written consent to being named as Underwriter of the Offer in this Prospectus, to the inclusion of statements in the Prospectus said to be by it, or based on statements by it. and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Leeuwin Wealth has given its written consent to being named as Corporate Advisor to the Company and Co-Manager to the Offer in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

JP Equity Partners has given its written consent to being named as Co-Manager to the Offer in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Ken Hall, Boneyard Investments, Century Horse and SMA have given their written consent to the inclusion of statements in the Prospectus said to be by them, or based on statements by them, in the form and context in which they are included and have not withdrawn that consent prior to the lodgement of this Prospectus with the ASIC.

7.10 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately $353,924 (excluding GST) and are expected to be applied towards the items set out in the table below:

	$
ASIC fees	3,206
ASX fees	20,158
Underwriter fees	200,561
Corporate Advisory fee	80,000
Legal fees	35,000
Printing and distribution	10,000
Miscellaneous	5,000
Total	**353,924**

7.11 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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8. Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Dr John White

Non-Executive Chairman
For and on behalf of
WA Kaolin Limited

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9. Glossary

$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares and Options pursuant to the Offer or a Shareholder or other party who applies for Shares and Options pursuant to the Shortfall Offer.

Application means an application to subscribe for Shares and Options under this Prospectus.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

Associates has the meaning given in section 12 of the Corporations Act.

Assumption means the assumption that the Offer is Fully Subscribed and no additional Shares, other than those issued under the Offer, are issued after the date of this Prospectus and before completion of the Offer.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Attaching Options means one (1) free new unlisted attaching Option from each two (2) new Shares issued under the Offer exercisable at $0.09 on or before 30 June 2027, the term of which are set out in Section 5.2.

Board means the board of Directors unless the context indicates otherwise.

Boneyard Investments means Boneyard Investments Pty Ltd (ACN 161 625 734).

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Canaccord Genuity means Canaccord Genuity (Australia) Limited (ACN 075 071 466).

Century Horse means Century Horse Limited (incorporated in the British Virgin Islands).

CHESS means the Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Ltd.

Closing Date means 5.00pm (WST) on the date specified in the timetable as the Retail Offer Closing Date set out in Section 1 of this Prospectus (unless extended).

Company means WA Kaolin Limited (ACN 083 187 017).

Company Group means the Company and its Subsidiaries.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporate Advisor means Leeuwin Wealth.

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Corporate Advisor Mandate means the document summarised in Section 7.6 of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder of the Company as at the Record Date.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or provided with this Prospectus.

Fully Subscribed means that all Entitlements are taken up on the assumption that no further Shares are issued by the Company prior to the Record Date (whether on the exercise of Options or otherwise).

Institutional Offer means the offer of Shares and Options to Institutional Offer Eligible Shareholders under the Offer.

Institutional Offer Eligible Shareholders means Ken Hall, Century Horse and Boneyard Investments.

Issue Price means $0.04 per Share.

JP Equity Partners means JP Equity Partners Pty Ltd (ABN 85 626 069 467) holder of AFSL 512529.

Ken Hall means, in respect of a Shareholder, Kenneth Hall ATF Hall Park Trust, and in respect of a Director, Kenneth Hall.

Leeuwin Wealth means Leeuwin Wealth Pty Ltd (ABN 62 679 320 720).

Offer means the non-renounceable entitlement issue of new Shares and Attaching Options the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the time and date specified in the timetable set out Section 1 of this Prospectus (unless extended).

Related Party Sub-underwriter has the meaning given in Section 3.9 of this Prospectus.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Retail Offer means the offer of Shares and Options to Retail Offer Eligible Shareholders under the Offer.

Retail Offer Closing Date means the date specified in the timetable set out Section 1 of this Prospectus (unless extended).

Retail Offer Eligible Shareholder means a Shareholder on the Record Date who is not an Institutional Offer Eligible Shareholder.

Retail Offer Sub-underwriters means sub-underwriters of the Retail Offer.

Securities means securities in the capital of the Company.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

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Share Registry means the share registry of the Company as noted in section 0 of this Prospectus.

Shortfall means the Shares and Attaching Options not applied for under the Offer (if any) and the Shortfall Offer.

Shortfall Application Form means the shortfall application form provided with this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in section 3.7 of this Prospectus.

Shortfall Securities means those Shares and Options not issued pursuant to the Offer or Shortfall Offer.

SMA means Shareholder Scientific Management Associates (Victoria) Pty Ltd ATF WAMCO Industries Unit Trust.

Subsidiaries has the meaning given in the Corporations Act.

Underwriter means Canaccord Genuity (Australia) Limited (ACN 075 071 466).

Underwriting Agreement means the agreement dated on or around 5 February 2025 between the Company and the Underwriter appointing the Underwriter as underwriter to the Offer, as summarised in Section 7.4 of this Prospectus.

Voting Power has the meaning given in section 610 of the Corporations Act.

WAMCO Industries means WAMCO Industries Pty Ltd (ACN 006 092 655).

WST means Western Standard Time as observed in Perth, Western Australia.

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10. Corporate directory

Directors

Dr John White
(Non-Executive Chair)

Alfred Baker
(Executive Director)

Ken Hall
(Non-Executive Director)

Sean Hu
(Non-Executive Director)

Company Secretary

Andrew Sorensen

Registered office

Lot 3, Ward Road
East Rockingham WA 6168

Telephone: +61 9439 6300
Facsimile: +61 8 439 6300
Email: admin@wakaolin.com.au
Website: www.wakaolin.com.au

Auditor*

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Share Registry*

Automic Registry Services
Level 5
191 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664
Email: hello@automic.com.au
Website: www.automicgroup.com.au

Corporate Advisor

Leeuwin Wealth Pty Ltd
Suite 1, 1292
Hay Street
West Perth WA 6005

Solicitors

EMK Lawyers
Suite 1
519 Stirling Hwy
Cottesloe WA 6011

Underwriter

Canaccord Genuity (Australia) Limited
Level 42, 101 Collins Street
Melbourne, Victoria, 3000
Ph: (08) 9263 1111

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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