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ASX Announcement

30 March 2026

DEBT RESTRUCTURE AND RECAPITALISATION TO UNLOCK PRODUCTIVITY AND VALUE

HIGHLIGHTS

Equitable capital raising

- Partially underwritten A$34.9 million (before costs) equity capital raising comprising a five (5) for one (1) entitlement offer, to recapitalise and strengthen the balance sheet.
- The Entitlement Offer is to be conducted at A$0.010 per share ("**Offer Price**") representing a 65% discount to the 10-day VWAP up to 29 January 2026.
- Century Horse Limited ("**Century Horse**") to subscribe for its full entitlement under the Offer, representing ~A$4.24 million.
- Boneyard Investments Pty Ltd ("**Boneyard**") has agreed to subscribe for A$0.5 million of its entitlements and has agreed to provide partial underwriting support of A$3.52 million, to be offset against its existing debt facility (debt-to-equity conversion).
- Wamco Industries Pty Ltd ("**Wamco**") has agreed to provide partial underwriting support of A$1.15 million, to be offset against its existing debt facility (debt-to-equity conversion).
- Scientific Management Associates (Operations) Pty Ltd ("**SMAO**") has agreed to provide partial underwriting support of A$5.46 million, to be offset against its existing debt facility (debt-to-equity conversion).
- The minimum subscription of A$15.3 million reduces debt by ~A$10.1 million and provides ~A$5.2 million of working capital (before costs), restructuring WAK's balance sheet and providing sufficient working capital to meet expansion in supply. The residual debt held by Scientific Management Associates (the Group) and Wamco will total A$17.2 million.
- **Minimum subscription** results in a market capitalisation @ A$0.010 of A$22.3 million, debt of A$17.8 million and cash of A$5.2 million (before costs), implying an enterprise value of A$34.9 million.
- Participants in the Offer will receive one (1) free attaching option for every two (2) shares taken up in the Offer ("**Attaching Options**"). The Attaching Options will be exercisable at A$0.02 and will expire 30 April 2030.
- Notice of General Meeting to be released for required shareholder approvals.

Operations update

- At conservative monthly production volumes of 3,600 – 4,000 tonnes output will be committed to the existing offtake agreement until Q2/Q3 FY2027.
- Supply into higher value and positive margin channels is targeted through Q2 – Q4 FY2027 once excess limited production over offtake supply comes on stream.
- Future sustainable cashflows are contingent upon increasing plant output, reducing total costs of operations and importantly, increasing average kaolin sale prices received by focussing sales into higher value markets.
- Management's immediate focus is on completing outstanding plant improvements which are anticipated to add revenue at substantially similar costs.
- Board and Management are developing a first-principles sales budget incorporating new sales lines, with detailed time-lines to product delivery and revenue, and rational market-based sales growth assumptions.
- A Company wide review of costs of operations will be conducted to reduce current per tonne operating costs.

WA KAOLIN LIMITED
ABN: 56 083 187 017

330 Sparks Road, East Wickepin
Western Australia 6370

+61 8 9439 6300

www.wakaolin.com.au

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WA Kaolin Ltd ("**WA Kaolin**" or the "**Company**") (ASX: WAK) is pleased to announce a partially underwritten non-renounceable entitlement offer to raise up to A$34.9 million ("**Entitlement Offer**" or the "**Offer**").

The Entitlement Offer will be offered to all eligible shareholders on a five (5) for one (1) ("**New Shares**") basis at an issue price of A$0.010 per share, representing a 65% discount to the 10-day VWAP up to 29 January 2026.

Participants in the Offer will receive one (1) free attaching option for every two (2) shares taken up in the Offer ("**Attaching Options**"). The Attaching Options will be exercisable at A$0.02 and will expire 30 April 2030.

The debt reduction and additional working capital will position the Company well to deliver a range of high-quality kaolin products into a structurally altered global market for supply and demand for high-quality kaolin products.

Non-executive Chair, Matt Shackleton said: "Chinese demand for kaolin products has undergone what appears to be a structural shift, with WAK's largest customers moving away from US based supply. The pressure on the Wickepin processing facility to meet this demand has caused bottlenecks in backorders and increased wear and concomitant maintenance requirements in the plant.

"The management team have developed a program of asset improvements (refer below) which they confidently consider will result in improved 'on-feed' time, higher monthly output and decreased costs of production.

"With the augmentation of skills at the board level, an increased focus is being brought to bear on corporate and financial governance. To this end, the independent directors are working closely with the management team to strengthen the sales strategy into new markets and higher margin products, and to rationalise the overall operating costs of the business.

"This is a critical, transformational period for WAK. The restructuring of the balance sheet and improvement in working capital will position the Company to leverage the corporate, sales and operational improvements we are all working diligently to deliver."

Operational and financial performance FY26 with production figures to date.

At 31 December 2025, the Company reported[1] the following which allows the calculation of the italicised performance indicators:

Item	31 December 2025	31 December 2024	% change YoY
Revenue from product sales (A$)	5,415,241	1,517,261	+257%
Total expenses BITDA (A$)	9,703,534	4,293,355	+126%
Tonnes of kaolin products sold (tonnes)	27,173	7,276[2],[3]	+273%
Calculated average tonnes per month (tonnes)	*4,529*	*1,213*	*+273%*
Calculated average price per tonne (A$)	*199.29*	*208.53*	*-4%*

[1] ASX announcement 17 March 2026 'Half Year Report and Accounts'. That announcement contains the relevant statements, data and consents referred to in this announcement. Apart from that which is disclosed in this document, WA Kaolin Limited, its directors, officers and agents: 1. Are not aware of any new information that materially affects the information contained in the 17 March 2026 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 17 March 2026 announcement continue to apply and have not materially changed.

[2] ASX announcement 31 January 2025 'Quarterly Activities/Appendix 5B Cash Flow Report'. That announcement contains the relevant statements, data and consents referred to in this announcement. Apart from that which is disclosed in this document, WA Kaolin Limited, its directors, officers and agents: 1. Are not aware of any new information that materially affects the information contained in the 31 January 2025 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 31 January 2025 announcement continue to apply and have not materially changed.

[3] ASX announcement 30 October 2025 'September 2024 Quarterly Activities and Appendix 5B'. That announcement contains the relevant statements, data and consents referred to in this announcement. Apart from that which is disclosed in this document, WA Kaolin Limited, its directors, officers and agents: 1. Are not aware of any new information that materially affects the information contained in the 30 October 2025 announcement, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 30 October 2025 announcement continue to apply and have not materially changed.

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Calculated cost of goods sold during the period (A$)	*254.65*	*314.33*	*-19%*
Calculated total costs during the period (A$)	*357.10*	*590.07*	*-39%*
Calculated total loss per tonne (A$)	*(157.81)*	*(381.54)*	*-58%*

The following production figures for the financial year to 23 March 2026 indicate that the plant is beginning to operate at a higher monthly tonnage production rate, on a more consistent basis (adjusting for an extended maintenance shutdown in October 2025 and production interruptions over the Christmas/New Year period) than it did in the 6 months to December 2024.

However, the operation is not generating a positive cash margin per tonne at these higher average monthly production tonnes.

Wickepin processing plant production statistics 1 July 2025 to 22 March 2026

	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	*22/03/2026 (incomplete)*	Average (excl. incomplete month)
Time on feed:	53.48%	40.93%	42.72%	28.73%	47.78%	47.61%	43.90%	37.90%	*53.2%*	42.87%
Time on scheduled downtime:	19.62%	31.62%	30.52%	56.96%	35.93%	36.33%	38.21%	39.20%	*41.1%*	36.05%
Time on unscheduled downtime:	26.91%	27.45%	26.76%	14.31%	16.30%	16.06%	17.89%	22.90%	*5.6%*	21.07%
Tonnes produced per day:	317.67	338.20	351.24	381.82	425.51	386.85	333.05	334.70	*358.9*	358.63
Number of days on feed in month:	13.90	10.64	11.53	6.90	11.93	9.78	10.32	9.566	*9.58*	10.57
Tonnes produced per month:	4,417	3,599	4,051	2,633	5,076	3,783	3,436	3,201	*3,439*	3,775
Notes	**Time on feed** is the actual hours reported by the SCADA system **Number of days on feed in month** is the Actual time on feed divided by 24 hours									

The following table summarises the offtake agreement for the calendar year 2026 with the Company's largest customer Dak Tai Trading Limited (an entity associated with former non-executive director Sean Hu, who resigned from the board in November 2025[4]) Due to lower plant output in January and February, the Company is anticipating a reduced delivery volume to Dak Tai for Q3 FY26 of approximately 10,500 tonnes.

Period	**Minimum (tonnes)**	**Minimum monthly production**	**Target (tonnes)**	**Target monthly production**
1 January 2026 – 31 March 2026 (Q3 FY26)	12,000[5]	4,000	15,000	5,000
1 April 2026 – 30 June 2026 (Q4 FY26)	10,800	3,600	13,500	4,500
1 July 2026 – 30 September 2026 (Q1 FY27)	12,000	4,000	15,000	5,000

[4] ASX announcement 24 November 2025 'Resignation of Director'.

[5] At the date of this announcement it is estimated that the tonnes produced for Dak Tai Trading for Q1 will be approximately 10,500 tonnes. The Company carries an average finished goods inventory of approximately $400,000 (based upon manual stock-counts conducted at each financial reporting date) which equates to approximately 2,000 tonnes of saleable kaolin at the average sales price of $199/tonne.

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1 October 2026 – 31 December 2026 (Q2 FY27)	12,000	4,000	15,000	5,000

The total volume of outstanding deliverable kaolin products to Dak Tai at the date of this announcement is approximately 48,000 tonnes. This amount includes amounts on backorder from calendar year 2025, amounts ordered and yet to be delivered under the 2026 offtake agreement, and amounts yet to be ordered under the 2026 offtake agreement. The majority, if not all, of monthly production for the balance of Q3 & Q4 FY2026, and Q1 & Q2 FY2027 is scheduled to be delivered into this total volume of deliverable products to Dak Tai. Volumes of kaolin produced in excess of agreed monthly deliveries to Dak Tai, and on complete satisfaction of the total contracted supply, will be produced to specifications suitable for high-value, positive margin markets. Until this time however, the Company will not generate sustainable (positive) cashflows.

The Company's board considers the minimum raise under the offer (A$4.7m after costs) will provide sufficient working capital to maintain operations until the end of August 2026. This conservatively assumes that production volumes average 3,600 tonnes per month over the ensuing period. It is likely that the Company will require further funding support to meet the negative margin generated by the offtake products and for the time period until production volumes exceed the minimum agreed monthly deliveries to Dak Tai. It is uncertain when the Company will be in a position to begin selling meaningful volumes of kaolin into high-value markets and when it will generate sustainable (positive) cashflows.

Operations reset

The Wickepin Project deposit stands as one of the largest known kaolin deposits globally, underpinned by Ore Reserves of 64.9Mt of ultra-bright, high purity kaolinised granite, a Mineral Resource of 643.0Mt, and a mine life of more than 73 years[6]. The Board and management team are undertaking a company-wide review of operating costs to improve current (negative) per tonne operating margins. In conjunction with the review, a first-principles sales budget incorporating new sales lines is being developed, with detailed timelines to product delivery and revenue, and rational, market-based sales growth assumptions.

Management's program of asset improvements

Following the commissioning of the plant and the installation of the classifiers, operational weaknesses emerged, especially as production became higher and continuous. The following are the main issues encountered, and improvements made or pending on closure of the offer, to improve plant efficiency.

Table 1: Wickepin facility assets improvement program, Stage 1

ITEM	ISSUE	EFFECT	COMMENTS	REMEDY	STATUS	TIMING
1	Dust and Grits.	Damage to bearings, rollers, valves and all moving equipment	The pilot plant was largely outside and wind swept.	Systems upgraded throughout the plant with outrigger bearings, improved seals and air purging.	Improvements continue	Ongoing
2	Conveyors A) Finished Product	Belt conveyors have caused major flooding issues with dry refined kaolin especially on an incline.	Specified by consulting engineers. The pilot plant used Z style enclosed bucket elevators.	Initially the company changed out flat belts to 'chevron' style. Problems continued and the inclined conveyors were deleted and replaced in October 2025	No further problems in that area of the plant.	Complete

[6] The Mineral Resource estimate is inclusive of Ore Reserves and the 2023 Mineral Resource estimate. Please refer to the ASX announcements of 10 October 2023 'Wickepin Kaolin Project Ore Reserve More Than Doubles' and 'Wickepin Kaolin Project Mineral Resource and Ore Reserve Supplementary Announcement'. Apart from that which is disclosed in this document, WA Kaolin Limited, its directors, officers and agents: 1. Are not aware of any new information that materially affects the information contained in the 10 October 2023 announcements, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 10 October 2023 announcements continue to apply and have not materially changed.

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				with enclosed screw feeder, bucket elevator, and air slide		
3	Conveyors B) Waste	Overload and damage to bearings, rollers from dust and grits	Equipment not heavy duty enough	Split waste stream into two streams - coarse and fine. This will halve the duty onto the waste conveyors	Project is partly complete	April
4	Rotary Dryer	Running Gear failure	WA manufacturer replacing ring under warranty. WAK has undertaken temporary repairs. Production restricted pending replacement	7-10 day shutdown installation at WAK cost will be by independent contractor specified by manufacturer	Pending	May
5	Waste Mixer	Bearing failures	Not heavy enough duty. High maintenance and downtime	Improved design and duty rating to spare unit including bearings, seals, drive and shafts	>60% complete	April
6	Generators	Multiple failure of Alternators and switch gear	The Company installed three generators outside to keep them away from dusty operations. The prevailing E wind blows dust from the ROM stockpiles and enters the units.	Some dust proofing improvements have been implemented but the conditions they operate in puts them at ongoing risk. When both classifiers are running all three generators are required. The Company has invested in a fourth generator.	Purchased and being set up ready for installation	March/April
7	Bucket Elevators BE31	Multiple failures	Imported. Not heavy duty enough. Poor quality	Replacement unit from pilot plant refurbished and 80% ready to swap out at next shutdown	Installation cost high	May
8	Bagging Station	Dust and too slow due to aeration	Need to perfect the technique before duplication	Studying improved raise and lower filling technique	Concept Design	July

The above assets improvement program detailed in Table 1 is aimed at improving plant feed-time and throughput materially and has an anticipated capital cost of less than $500,000. Management have identified and assessed these improvements as being core to the delivery of consistent production averaging more than 7,000 tonnes per month. This production target includes progressive improvements towards an 85% on feed time operating six days a week/ 24 hours a day over the next four months.

Additional improvements programmed for use of funds should the Offer be subscribed above the minimum, that would enhance production rates, safety and efficiency include (but are not limited to) those in the following table.

Table 3: Asset improvement program Stage 2

ITEM	DESCRIPTION	METHOD	STATUS	BENEFIT
1	Waste Recovery from coarse waste stream	Install dry mixer to break up kaolin lumps and install an additional primary separator (T1C). Overflow goes via existing T3s to classifiers. Underflow goes to coarse sand waste.	Analysis shows 30% kaolin in waste. Pilot study progressing to show % recoverable at full scale	Recovers good kaolin from waste and adds approx. 4 tonnes per hour to finished product
2	2 x Additional Storage Silos		Quoted	Aids multiple grade storage without shutdown

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3	2 x additional bagging stations		Estimated	Improves packaging output and aids multiple grade packaging
4	Relocate loading hopper to dry ore store	Alternatively enclose the existing area	Estimated	Reduce dust and improve working conditions in process area
5	Wind break walls to protect generator compound		Estimated	Protect generator failure from dust ingress
6	Road Sealing			Dust reduction
7	Pallet Racking			Efficiency of storage
8	Classifier Waste Recovery	Develop grinding plant to grind waste to below 45 micron and reinclude in appropriate products	Analysis shows 70% of kaolin in the waste stream. Studies have commenced into grinding methods and equipment.	Recovers good kaolin from waste and adds approx. 4 tonnes per hour to finished product

Sale and marketing strategy reset

WA Kaolin is currently selling into Asia-Pacific markets including Japan, China, Korea, Taiwan and Southeast Asia, with sales primarily executed through established regional distributors who provide technical marketing, customer qualification and logistics support.

The bulk (c.85%) of the Company's supply is into the Asia-Pacific fibreglass market, with smaller volumes being sold domestically and internationally into industrial customers across the coatings, polymers, ceramics and rubber sectors. Repeat orders following successful product qualification programs are increasing.

In Q2 FY2026 the Company launched its Wickefine product at the ChinaCoat 2025 Trade Fair, Shanghai. Samples of this high-performance premium grade kaolin product are currently passing through customer qualification processes with management anticipating small yet increasing demand tonnes out to December 2026 of c.3,000 – 4,000t. Products of this type and quality are selling on average for between US$200 – US$350 per tonne.

Notwithstanding that the current outstanding deliverable volumes of kaolin to Dak Tai's offtake agreement at least equal current production, sales efforts are prioritised toward higher-value applications—particularly architectural and industrial coatings and engineered fillers—where WA Kaolin's product quality delivers performance advantages. Time-frames to develop customers in new markets are to a degree driven by customer qualification programs with multiple programs currently underway. This sales focus is anticipated to convert to commercial sales over the coming quarters, subject to plant output.

The Company is using import and export data to identify target customers and competing suppliers across key markets including China, Taiwan, Vietnam, Thailand and the Philippines, analysing volumes, pricing and product flows to prioritise the highest value and best-fit opportunities for conversion through its distributor network.

Entitlement Offer

The Company has held discussions with its substantial shareholders and major creditors in relation to the Offer. As a result of those discussions:

- Century Horse (12.14% shareholder) has provided a firm commitment to subscribe for its entire entitlement under the Offer (~$4.2 million);
- Boneyard (7.5% shareholder), has provided a firm commitment to subscribe for $0.5 million of its entitlement under the Offer; and
- the Company's major creditors (including Boneyard) have provided firm commitments to convert ~$10.1 million of debt by partially underwriting the Offer ("**Debt Conversion**").

The Debt Conversion comprises:

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- ~$5.5 million in debt owed to SMAO an associate of 12.8% shareholder Scientific Management Associates (Victoria) Pty Ltd ("**SMAV**");
- ~$3.5 million in debt owed to Boneyard; and
- ~$1.1 million in debt owed to Wamco, an associate of Silver Tropic Pty Ltd ("**Silver Tropic**", 10.7% shareholder). Wamco and Silver Tropic are related parties of the Company as both are controlled by Managing Director Alf Baker.

If the Minimum Subscription (as below) is achieved, the respective Voting Power of the major creditors and their associates will increase to ~28.5% (SMAO/SMAV), ~20.6% (Boneyard) and ~8.5% (Wamco Industries/Silver Tropic) and Century Horse's Voting Power will increase to ~22.8%.

Leeuwin Wealth Pty Ltd ("**Leeuwin Wealth**") will act as Corporate Advisor and Lead Manager to the Offer.

The Company has sought, and been granted, a waiver from ASX of Listing Rule 7.11.3 to permit the Offer to be undertaken on a non-renounceable basis. The waiver is subject to a condition that the Offer is made subject to shareholder approval and, accordingly, the Company will seek shareholder approval for the Offer in due course. The votes of substantial shareholders, underwriters or sub-underwriters of the Offer, any brokers or managers of the Offer, and any of their respective associates will be excluded from voting on the relevant resolutions.

The Company has also been granted a waiver of ASX Listing Rule 7.15 to permit the Company to undertake the Offer with a record date that is prior to the shareholders' meeting to approve the Offer, conditional upon the Company's securities not being reinstated to trading prior to that general meeting.

As announced to ASX on 20 March 2026, the Company's shares are currently voluntarily suspended from trading until the earlier of an announcement confirming the completion of a recapitalisation and 8 May 2026. The recapitalisation is critical to overcome a shortfall in working capital created through ongoing challenges with the Wickepin kaolin plant tied to the rapid escalation of supply from the Wickepin operation (as most recently disclosed to ASX on 31 December 2025) and to substantially reduce the Company's debt levels.

Minimum Subscription

The Company intends to set a minimum subscription under the Offer of 1.53 billion shares, with ~520 million Shares proposed to be issued for cash totalling ~$5.2 million (with $4.2 million of this being Century Horse's firm commitment and $0.5m being Boneyard's firm commitment) and ~1.01 billion Shares issued for the Debt Conversion.

The Minimum Subscription to the Offer would allow the Company to:

- convert ~$10.1 million in debt into Shares through the Debt Conversion and secure working capital of ~$5.2 million (before Offer costs);
- expects that ~$5.2 million (before costs) will provide sufficient working capital until end August 2026, allowing it to address its short-term cash flow shortfall and undertake improvements to the Wickepin kaolin plant to increase production by completing minor outstanding plant improvements and progressing the first of two waste recovery initiatives; and
- considers that increasing production at the Wickepin kaolin plant, together with the proposed Debt Conversion of ~$10.1 million, will put the Company in a strong position to raise additional working capital when required later in calendar year 2026, with the objective being for any additional capital raising to be sufficient for the Company to fund operations until Q2 FY2027.

Summary Financial Outcomes

Subject to the level of shareholder entitlement subscriptions, the Company's summary financial position would emerge along the following lines:

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	Equity Raised Entitlement Issue ($m)	Shares Issued (m)*	Share Price	MCap ($m)	Indicative Liabilities ($m)	Cash ($m)**	EV ($m)**	Net Liabilities / MCap (%)	SMA Group Debt ($m)
Last Sale		698	$0.025	17.5	(27.0)	1.0	43.5	155%	20.0
Entitlement Issue Price		698	$0.010	7.0	(27.0)	1.0	33.0	387%	20.0
Minimum Subscription	15.3	2,228	$0.010	22.3	(16.9)	5.2	34.0	76%	15.3
	20.0	2,698	$0.010	27.0	(16.9)	9.9	34.0	63%	15.3
	25.0	3,198	$0.010	32.0	(14.0)	12.0	34.0	44%	12.7
	30.0	3,698	$0.010	37.0	(9.0)	12.0	34.0	24%	8.2
Full Subscription	34.9	4,189	$0.010	41.9	(4.1)	12.0	34.0	10%	3.8

*Undiluted market capitalisation, new options are exercisable at $0.02

**Before costs of the Offer

Summary Ownership Outcomes

If the Offer is Fully Subscribed, the Voting Power of the substantial shareholders will not change. If only the Minimum Subscription is achieved, the substantial shareholders' Voting Power will change as set out below.

	Equity Raised ($m)	Shareholder Cash Subscriptions (before costs) ($m)	SMA Group Ownership (%)*	Boneyard Ownership (%)*	Wamco Ownership (%)*	Century Horse Ownership (%)*
Current Ownership			12.8%	8.1%	10.7%	12.1%
Minimum Subscription	15.3	5.2	28.5%	20.6%	8.5%	22.8%

*Assumes full Debt Conversion and substantial shareholders do not take up Entitlements under the Offer other than $0.5m by Boneyard and ~$4.24m by Century Horse.

Indicative Timetable

A summary of the key dates associated with the recapitalisation is as follows:

Action	Date
Announce Offers / lodge Appendix 3B with ASX / Lodge Prospectus with the ASIC and ASX Lodge Notice of Meeting with ASX and dispatch	Monday 30 March 2026
Ex-date for Offer	Thursday 2 April 2026
Record Date for determining Entitlements	7.00pm (AEDT) Tuesday 7 April 2026
Prospectus and personalised Application Forms made available and announced to ASX Offers open	Friday 10 April 2026
Last day Company can extend Offer Closing Date	Before 12.00pm (AEST) Friday 24 April 2026
Shareholder meeting date	Wednesday 29 April 2026

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Closing Date of the Offer*	5.00pm (WST) Wednesday 29 April 2026
Unless otherwise determined by ASX, Shares quoted on a deferred settlement basis from market open	Thursday 30 April 2026
Announcement of results of the Offer* Issue date of Securities under the Offer to Eligible Shareholders and to Underwriters or nominees / Issue of Shortfall Securities* Lodge Appendix 2A and Appendix 3G*	Before 12.00pm (AEST) Wednesday 6 May 2026

* The above timetable is indicative only and is subject to change. The Directors may extend the closing date of the Offer by giving at least three business days' notice. Accordingly, the date that shares are expected to commence trading on ASX may vary. Any securities not taken up by eligible shareholders under the Offer (Shortfall Securities) will be issued progressively by the Company, with Shortfall Securities subscribed for prior to the issue date of Securities under the Offer intended to be issued at the same time as the Offer Securities. The Shortfall Securities may be placed by the Directors in accordance with the Prospectus within three months after the Closing Date, at the Directors' discretion.

Use of Funds

If the Offer only achieves the Minimum Subscription, the Company will convert ~$10.1 million in debt into Shares through the Debt Conversion and secure working capital of ~$5.2 million (before Offer costs).

The funds raised from the Offer are planned to be used in accordance with the table set out below on a minimum and full subscription basis:

Item	Proceeds of the Offer	Minimum Subscription ($m)	%	Full Subscription ($m)	%
1.	Debt reduction	$10.1	66%	$22.5	64.5%
2.	Working capital & Costs of the Offer	$5.2	34%	$12.4	35.5%
Total		**$15.3**	**100%**	**$34.9**	**100%**

To the extent the Company raises more than $5.2 million (before costs) in cash from the Offer, it intends to apply ~$7.2 million in additional funds towards costs of the offer, plant improvements and working capital before any further debt is repaid. As with any budget, intervening events 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.

Capital Structure

Set out below is a pro forma capital structure setting out the securities to be issued by the Company under the recapitalisation contemplated in this announcement:

Shares	Number	Number
Shares on issue at the date of the Prospectus	698,178,419	698,178,419
	Minimum Subscription	**Fully Subscribed**
Shares offered under the Offer[2]	1,530,000,000	3,490,892,095
Total Shares on issue after completion of the Offer	**2,228,178,419**	**4,189,070,514**

Options	Number	Number
Unlisted Options currently on issue:	**122,984,600**	**122,984,600**
WAKAJ: exercise price $0.09, expiring 30 June 2027	122,234,600	122,234,600

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WAKAN: exercise price $0.34[3], expiring 9 January 2028	750,000	750,000
Options offered pursuant to the Offer	**Minimum Subscription**	**Fully Subscribed**
Attaching Options (exercise price $0.02, expiring 30 April 2030)[2]	765,000,000	1,745,446,047
Lead Manager Options (exercise price $0.02, expiring 30 April 2030)[2]	40,000,000	40,000,000
Total Options on issue after completion of the Offers	**927,984,600**	**1,908,430,647**

Notes:

1 Based on the capital structure of the Company as at 24 February 2026.

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 exercise price of the WAKAN Options will be reduced under Listing Rule 6.22.2 as a result of the Offer. The Company will advise the new exercise price following completion of the Offer and lodge the required documentation with ASX.

Notice of General Meeting

The Company will shortly release a Notice in relation to the EGM for the purpose of seeking the requisite shareholder approvals under the waiver application conditions and the Offer.

Financial Information

Set out in the Annexure is a pro forma statement of financial position for the Company assuming completion of the recapitalisation contemplated by this announcement.

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

For further information, please contact:

Alf Baker
Managing Director
+61 (0) 419 314 283
abaker@wakaolin.com.au

Andrew Sorensen
Executive Director
+61 (0) 418 338 488
asorensen@wakaolin.com.au

ABOUT WA KAOLIN

WA Kaolin's Wickepin Kaolin Project, 220km south-east of Perth, contains a Mineral Resource (JORC 2012) of 644.5 million tonnes[Error! Bookmark not defined.] of high-grade premium kaolinised granite. This world-class resource at Wickepin is one of the largest known remaining premium primary resources of kaolin globally. It is characterised by its purity, quality and brightness, producing kaolin products that typically attract higher prices from a growing collection of top tier customers.

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ANNEXURE A – PRO FORMA BALANCE SHEET

	AUDITED 30/06/2025	REVIEWED 31/12/2025	UNAUDITED PRO-FORMA 31/12/2025 Minimum Subscription	UNAUDITED PRO-FORMA 31/12/2025 Full Subscription
Current assets				
Cash and cash equivalents	3,581,113	774,215	5,513,490	11,974,215
Trade and other receivables	1,619,890	1,531,438	1,531,438	1,531,438
Inventory	2,588,854	2,568,423	2,568,423	2,568,423
Total current assets	**7,789,857**	**4,874,076**	**9,613,351**	**16,074,076**
Non-current assets				
Right of use asset	389,375	253,181	253,181	253,181
Deposit paid	20,433	20,433	20,433	20,433
Property, plant and equipment	2,333,257	2,277,909	2,277,909	2,277,909
Mine development expenditure	29,142,604	29,544,438	29,544,438	29,544,438
Total non-current assets	**31,885,669**	32,095,961	32,095,961	32,095,961
TOTAL ASSETS	**39,675,526**	36,970,037	41,709,312	48,170,037
Current liabilities				
Trade and other payables	3,174,568	3,733,465	3,733,465	3,733,465
Lease liabilities	53,844	249,756	249,756	249,756
Borrowings	25,401,228	5,034,669	361,416	361,416
Provisions	211,504	56,259	56,259	56,259
Total current liabilities	**28,841,144**	9,074,149	4,400,896	4,400,896
Non-current liabilities				
Borrowings	253,348	22,396,024	17,444,257	5,076,063
Lease liabilities	133,608	104,799	104,799	104,799
Provisions	1,786,921	1,802,346	1,802,345	1,802,345
Total non-current liabilities	**2,173,877**	24,303,169	19,351,401	6,983,207
TOTAL LIABILITIES	**31,015,021**	33,377,318	23,752,297	11,384,103
NET ASSETS (LIABILITIES)	**8,660,505**	3,592,719	17,957,015	36,785,934

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	AUDITED 30/06/2025	REVIEWED 31/12/2025	UNAUDITED PRO-FORMA 31/12/2025 Minimum Subscription	UNAUDITED PRO-FORMA 31/12/2025 Full Subscription
Equity				
Issued capital	69,137,747	69,125,387	83,997,915	102,826,834
Reserves	37,385,293	37,385,293	37,385,293	37,385,293
Accumulated losses	(97,862,535)	(102,917,961)	(103,426,193)	(103,426,193)
TOTAL EQUITY	**8,660,505**	**3,592,719**	**17,957,015**	**36,785,934**

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

A. The Offer raising $5.2 million in cash (Minimum Subscription) and $34,908,921 (on a Fully Subscribed basis) before deducting the estimated expenses of the Offer of $427,472 (Minimum Subscription) and $1,207,474 (Full Subscription). The total amount raised under the Offer will be reduced by the amounts the Underwriters subscribe for under their Underwritten Amount (as their Underwriting commitment will be satisfied through the discharge of an equivalent amount of debt owed by the Company to them); and

B. Material adjustments for the period of the offer have been made in the above Pro-forma balance sheet.