ASX Announcement

25 June 2021

Investor Presentation

WA Kaolin Ltd ("**WA Kaolin**" or the "**Company**") (ASX: WAK) is pleased to provide an updated Investor Presentation which CEO Andrew Sorensen is presenting at the Mines and Money Online Connect Conference this week.

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

For further information, please contact:

Andrew Sorensen
CEO
asorensen@wakaolin.com.au

Victoria Humphries
Investor Relations
+61 (0) 431 151 676
victoria@nwrcommunications.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[1,2] 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.

With more than $42 million invested in the project to date, WA Kaolin has developed a proprietary dry processing method, known as K99, to turn raw material into market suitable feedstock for global customers, and constructed a small-scale commercial processing plant on 3ha of portside industrial land at Kwinana, WA.

The Company is focused on increasing production from Wickepin to 400,000 tonnes per annum by 2023 with further modular increases to capacity to be implemented in tune with market demand and funding capability.

[1] The Mineral Resource estimate is inclusive of Ore Reserves and the 2019 Mineral Resource estimate.

[2] CSA Global Mineral Resource Estimate R280.2017

Mines & Money Online

June 2021

Production of High Purity Kaolin From One of the World's Largest Primary Resources

Important Notice and Disclaimer

- This presentation has been prepared by WA Kaolin Ltd (WAK). This document contains background information about WAK current at the date of this presentation. The presentation is in summary form, has not been independently verified and does not purport be all inclusive or complete nor does it contain all the information that a prospective investor may require in evaluating a possible investment in WAK or its assets.
- Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this presentation.
- This presentation is for information purposes only. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of securities in any jurisdiction. This document is not a prospectus and does not contain all of the information which would be required to be disclosed in a prospectus. This presentation may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction.
- This presentation does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek their own professional, legal, tax, business and/or financial advice when deciding if an investment is appropriate.
- All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. Recipients of this presentation who decide to invest in WAK do so at their own risk.
- To the fullest extent permitted by law, WAK and its related bodies corporate, its directors, officers, employees and representatives (including its agents and advisers), disclaim all liability, take no responsibility for any part of this presentation, or for any errors in or omissions from this presentation arising out of negligence or otherwise and do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts, conclusions or other representations contained in this presentation.
- This presentation may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on WAK's current expectations, estimates and assumptions about the industry in which WAK operates, and beliefs and assumptions regarding WAK's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of WAK. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law, WAK does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Investment Overview

A high quality, long life, permitted Kaolin Project located in Wickepin, 220km south-east of Perth.

WA Kaolin raised $22m on IPO (November 2020).

Global Demand Exceeds Supply

Global market dynamics are changing such that demand exceeds supply and product quality gaps are emerging.

WA location strongly aligns WAK with fast growing APAC market.

Global revenue demand from 2020-2027 is forecasted to grow at a CAGR of 3.5%.

World Class Mineral Resource

In-situ primary kaolin resource with high brightness and low impurities suitable for all kaolin market applications.

Ore Reserve Estimate (JORC 2012) of 30.5Mt[1] of kaolinised granite within Mining Lease – delivering a **31 year mine life**.

Access to 644.5Mt[2,3] of Mineral Resources provides potential to significantly increase mine life.

De-Risked through Investment

~$42 million invested since acquiring the assets in 1998 from **Rio Tinto** who had discovered and drilled out the Mineral Resource.

The $42 million has been spent on the acquisition cost, research and development to deliver WAK's proprietary K99 process, land, plant, equipment and market development, and tier 1 customer base.

Proven Low Cost Production

WAK engineered and built a small scale commercial plant operating in Kwinana, WA, validating the Company's proprietary K99 process which produces a high quality kaolin.

Combined with the high quality of the ore reserve, the K99 process delivers a high quality ultra-bright kaolin at a lower cost than conventional chemical bleaching and magnetic separation processing.

Customers & Offtake

Ten year distribution agreement and a six year offtake agreement signed with a Taiwanese distributor.

In the first three years of production, the sum of the targeted sales in the offtake is 271kt, coupled with non-binding letters of intent of 280kt from other customers, amounts to 551kt.

This represents **83% of targeted production** of 664kt for those years.

Offtake negotiations in progress with other customers

1. CSA Global Ore Reserve (JORC 2012) ref R301.2020
2. The Mineral Resource estimate is inclusive of Ore Reserves and the 2019 Mineral Resource estimate.
3. CSA Global Mineral Resource Estimate R280.2017.

Low Capital Intensity

Simple Mining

Amenable to free digging, open cut campaign mining with a low strip ratio.

Presently trucked to Kwinana for processing, where 1 tonne contains 440kg of refined product.

Strong Potential for Cash Flow

A **Definitive Feasibility Study** (DFS) completed has delivered robust economics based ramp up of kaolin production to 400,000tpa in two stages only – **NPV(7) of $257m, IRR of 47% and average EBITDA of $29.2m** over a 31 year life of mine.

There is significant scope to further increase the production.

WAK intends to implement further 200ktpa modular increases to capacity subject to adequate demand and funding

Low CAPEX

Estimated capex of circa $18 million to construct Stage 1 scaled up processing plant in Wickepin that will utilise WAK's proprietary K99 process.

The brownfields expansion scales the project up in a modular/sequential manner to meet customer demand.

Staged Ramp Up

Stage 1 will deliver WAK's a plant providing a **production capacity of >200,000tpa[1] kaolin by 2021 year end**.

Stage 2 will utilise free cash flow to expand production capacity further to **>400,000tpa kaolin**.

Delivery Capability

The Board and Executive team have extensive experience in project delivery and business development.

1. Definite Feasibility Study (BDB Process) September 2020 (released to ASX 24 November 2020). Material assumptions of DFS continue to apply with no material changes.

About Kaolin

Overview

- A platy white clay derived from the mineral Kaolinite formed by hydrothermal weathering of igneous rock such as granite
- A common mineral, however, rarely occurs in large high-grade and low impurity deposits

Applications

- Chemically inert, nonabrasive material
- **Current Application Industries:** Paper and packaging, ceramics, paints and coatings, fibreglass, plastics, rubber, pharmaceuticals, cosmetics, concrete and agriculture
- **Future Applications:** Feedstock for High Purity Alumina (HPA) production. WA Kaolin's deposits are the purest known in Australia and being a primary deposit is free of any organic matter. This purity, particularly with respect to Iron Oxide, Titanium Dioxide and Sodium content, renders WA Kaolin's deposits an optimal feedstock for the direct synthesis of HPA 4N and 5N from kaolin ore

The Ceramics Industry

Kaolin increases the durability of ceramics as well as the smoothness and whiteness of the finished product.

The Fibreglass Industry

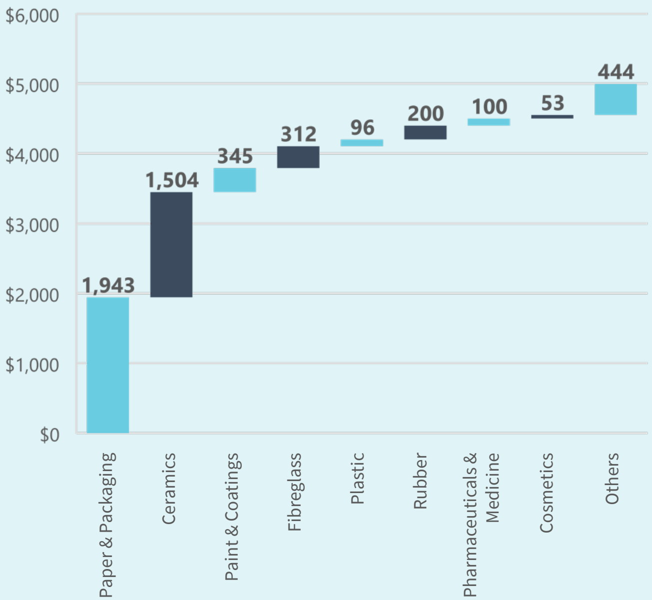
Kaolin is used in the production process of fibreglass.

The Packaging & Paper Industry

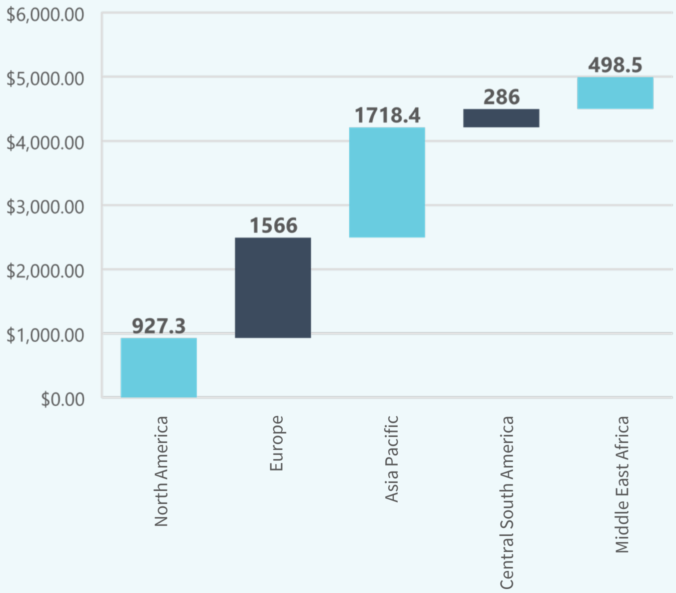
Kaolin is used as a filler or coating in the filler industry. This increases gloss, smoothness, brightness and ink absorbency of the paper, which improves the printability.

Kaolin Market

Kaolin Market by Application (US$m)

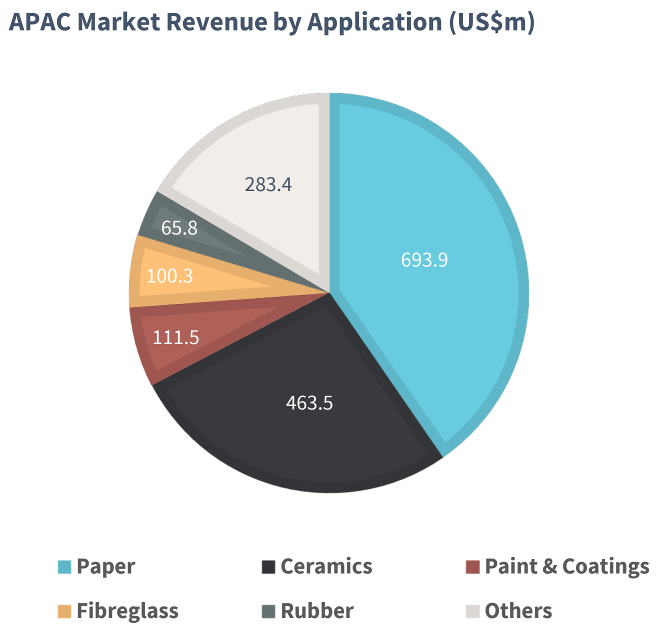


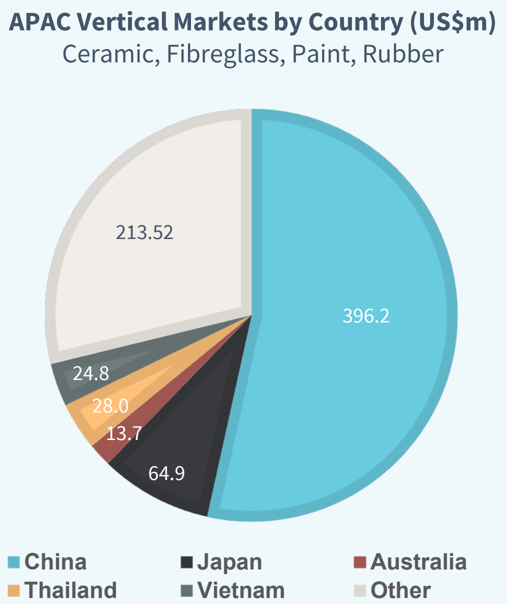
Kaolin Market by Region (US$m)



Reference: Grand View Research report, Kaolin Market Update

APAC Region Breakdown





Reference: Grand View Research report, Kaolin Market Update

The Wickepin Project

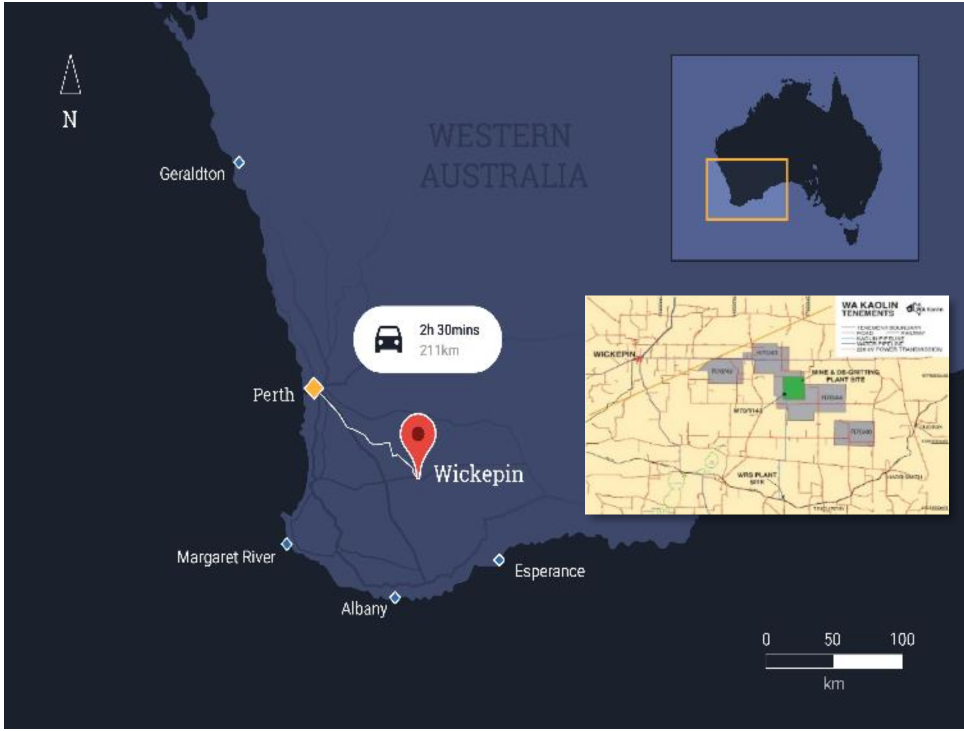
Wickepin Project Overview

Location

- WAK's project is located in Wickepin, 220 km south-east of Perth, Western Australia
- Existing processing plant is currently located on portside industrial land in Kwinana, south of Perth in Western Australia
- All infrastructure located close to WAK's mine and processing plants to support future expansion – power, water, road, rail, town and access to ports in Fremantle (220 km) and Bunbury (230 km)

World Class Resource

- **Ore Reserve:** 30.5mt[1] of high-grade premium kaolinised granite within Mining Lease
- **Mineral Resource:** 109.1mt[2] of kaolinised granite within Mining Lease and 535.4mt[3] of kaolinised granite within the Retention Licences
- The mineralised zone is free dig, open cut, a low strip ratio with overburden thickness varying from 2-9 metres and is between 15-35 metres in thickness.



Road Route from Wickepin to Perth

1. CSA Global Ore Reserve (JORC 2012) ref R301.2020
2. CSA Global Mineral Resource (JORC 2012) ref R351.2019
3. Mineral Resource (JORC 2012) ref R280.2017

One of the World's Largest Remaining Primary Resources

Producer	Country	Type	Reserves of Kaolin (mt)[1]	Resources of Kaolin (mt)[1]
WA Kaolin	**Australia**	**Primary**	**13.4**[2]	**270.0**[2]
Imerys (Listed Conglomerate)	All Areas	Primary/Secondary	98.9	151.7
KaMin (Private)	All Areas	Secondary	120.8	0
BASF (Private)	All Areas	Secondary	53.0	0
THIELE (Private)	Georgia	Secondary	53.2	0

1. Reserves and Resources in accordance with the "Public reporting of industrial minerals, cement feed materials and construction raw materials" section of the PERC Reporting Standard
2. Reserve and Resources of reported kaolinised granite at a dry yield of 44%.

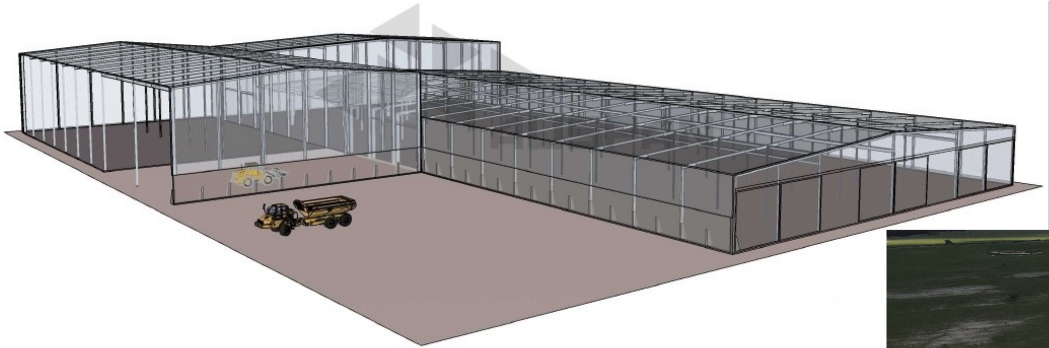
Reference: Wilson I.R. 2019

Staged Ramp Up to 400,000 tpa and beyond

Current Operations	2021 Stage 1 Ramp Up	Stage 2 Ramp Up	Future Scale Up
K99 Proof of Concept Plant, Kwinana, WA	**K99 Commercial Scale, Wickepin**	**Expand K99 Capacity, Wickepin**	**Further Expansion of K99 Capacity, Wickepin**
▪ Existing Production ▪ 5t/hour ▪ Production capacity of 40ktpa Kaolin[1] ▪ 5 staff plus 3 operators per shift ▪ Growing market with small commercial sales to key customers ▪ Continue to supply existing customers	▪ 25t/hour ▪ Production capacity of 200ktpa Kaolin[1] ▪ 54 staff ▪ Improved logistics lowers Opex ▪ Focus on expanding markets ▪ 12 month build ▪ LOI for majority of capacity output	▪ 50t/hour ▪ Production capacity of 400ktpa kaolin[1] ▪ 90 staff ▪ Further reduction of Opex through economies of scale ▪ Finalising R&D for entry into the wet process market ▪ 12 month build	WAK intends to implement further 200ktpa modular increases to capacity subject to adequate demand and funding

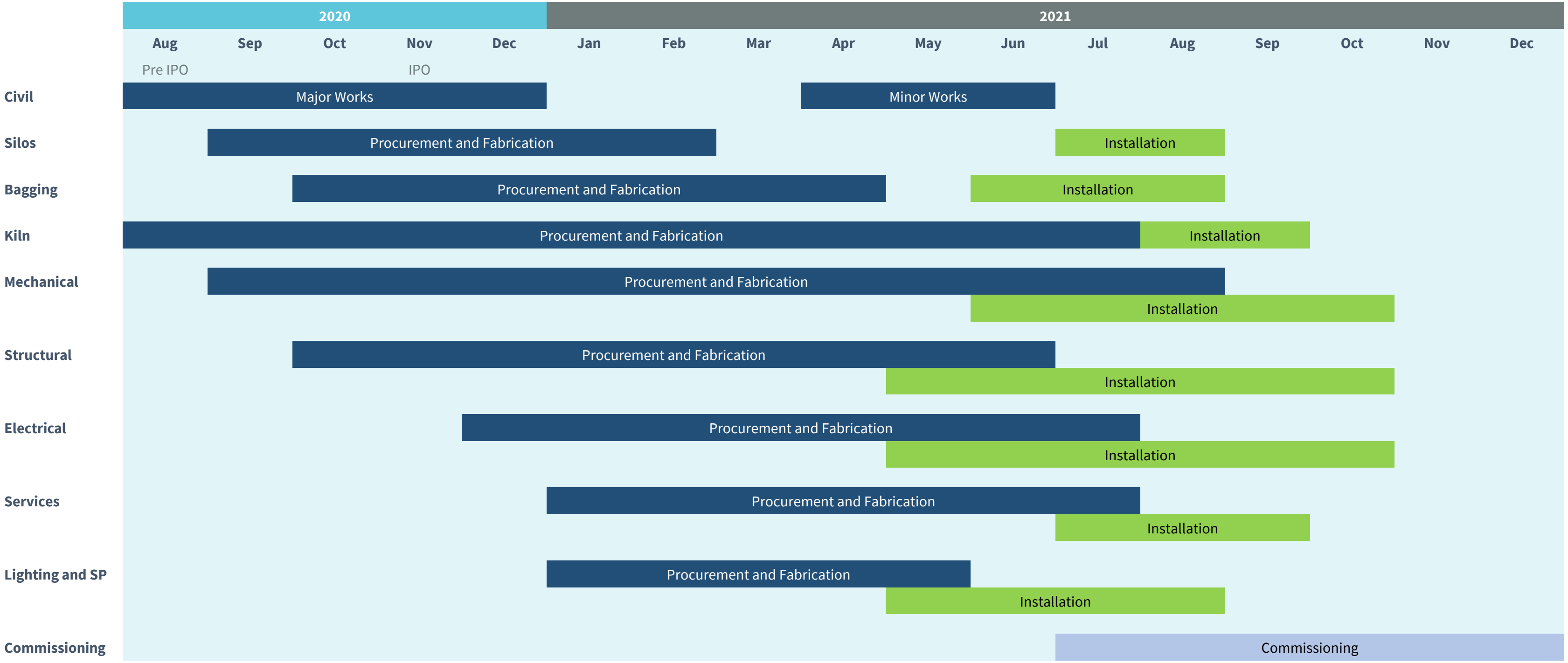
1. Based on 24 hours / 7 days a week

Stage 1 – Concept to Construction



The Plant and The Pit

Stage 1 Project Program



Existing Customers

- Demand for WAK's kaolin products from existing customers is driving the expansion timing and strategy.
- A Taiwanese distributor has executed a 10-year distribution agreement with a 6 year offtake agreement. The target offtake of 432kt of kaolin in the six years.
- In years 1 to 3 of production at Wickepin, the sum of the Stanco offtake of 271kt, which when coupled with non-binding letters of intent of 280kt from other customers, amounts to a total target offtake for the first 3 years of 551kt. This represents 83% of targeted production of 664kt for those years. Offtake negotiations in progress with other customers.

Existing WA Kaolin Customers

Country	FY2019 % of Production	Vertical	About
China & Taiwan	48%	Fibreglass	Executed Offtake - Distributor servicing the fibreglass market in China and Taiwan
Taiwan	10%	Ceramics	Distributor servicing SE Asia ceramics markets
Japan	2%	Ceramics	Distributor servicing the tableware market in Japan
Japan	23%	Ceramics	Tableware manufacturer and ceramic technology provider to Japan market
Australia	3%	Soil Treatment	Soil remediation using kaolin as an absorption media
Customers added FY 2020	**Product Form**	**Vertical**	**About**
Australia	K99 Powder	Plasterboard	Plasterboard producer based in WA
China	K99 Powder and Ore	Paper & Packaging, Paints & Coatings	Executed LOI - Large calcined kaolin producer selling WAK products to customer network
China	Ore	Kaolin Supplier	Distributor servicing the kaolin producers in China

WA Kaolin

Corporate Overview

Substantial Shareholders

Top 20 Shareholders	68.53%
Owners & Board	38.34%
No. of Shareholders	1,447

Corporate Structure (@ 16th June 2021)

Shares on Issue	282,821,885
Market Capitalisation	$62.2m
Unlisted Options	167,232,813
Performance Rights	27,500,000
Cash	$11.3m

Ongoing plant construction at Wickepin, open pit operations in the background

Experienced & Invested Executive Team

Dr John White
Chairman

Director and/or CEO of several publicly listed and private Australian companies, formerly the Chairman of the Federal Government's Uranium Industry Framework Council, a member of the Federal Government's Defence Procurement Board and Director of the Defence SA Advisory Board. Extensive involvement with Woodside's North West Shelf Offshore Gas and LNG Development from 1978 to 1984. Formerly Chief Executive of Transfield Defence Systems Pty Ltd and Global Chief Executive of the recycling/packaging group, Visy Industries. John is currently Chairman of Regenerative Australian Farmers Pty Ltd and Birdon Pty Ltd.

Andrew Sorensen
CEO

Over 30 years' experience in operations management across a broad range of industries. Bachelor degree in Applied Science (Information Management) and a Masters of Business Administration from the University of Queensland. Previously held various senior leadership positions, including Vice President / General Manager (Asia Pacific) for Potters Industries Inc. and Manufacturing Manager for PQ Australia Pty Ltd. Proven track record in marketing and management in Industrial Minerals space and Is responsible for driving standards in Health, Safety, Security, Environment, IT, Procurement and Knowledge Management.

Alf Baker
Executive Director

(17.64% Current Ownership)
Over 40 years' engineering experience in process technology and co-founder of WAK. An experienced and successful businessman, authoring several patents and designs over the course of his career, having founded and directed EMC Pacific Aust P/L, Australia's only manufacturer of power distribution insulators and Pacific Polymers, a mineral treatment plant operating in Victoria using patented technology. From 1976 – 1996, MD and co-founder of the highly successful PQ Australia, producing the inorganic chemical, Sodium Silicate, in both glass and liquid form and patented valuable downstream product 'Q-Cel' hollow microspheres. In all cases, innovation, hands-on determination and training of younger executives have led to success and lowest cost producer status.

Linton Putland
Non-Exec Director

Degrees in mining engineering (B Eng, WA School of Mines) and a masters in science (Mineral Economics, Western Australian School of Mines) with over 30 years' experience in mining operations, joint ventures and corporate management, in Australia, Africa and the Americas over a range of commodities. Principal of LJ Putland & Associates, a private mining consultancy company which was founded in 2002, providing advisory and consultancy services in mining project and company evaluation and due diligence appraisals. Currently NED Breaker Resources NL and previously NED Pacific Energy Limited and Azumah Resources Limited, and held corporate / senior management roles in IAMGOLD, AurionGold, Delta Gold and Pancontinental Mining.

Cathy Moises
Non-Exec Director

Bachelor of Science (Hons) Geology in addition to a Securities Institute of Australia Diploma of Finance and Investment. Over 30 years experience working within the resources industry primarily as a financial analyst. She has extensive capital markets, company management, financial analysis and Institutional Investor engagement experience having worked for a number of the most prominent stock broking firms within Australia including Merrill Lynch, Citigroup, Evans and Partners (as a partner) and most recently worked as Head of Research for Patersons Securities. Currently Non Exec Chair PacGold Limited and NED for Arafura Resources Limited, Australian Potash Limited and Podium Minerals Limited.

Michael Kenyon
CFO & CoSec

Senior roles with both private and ASX-listed corporations over the past 22 years. Bachelor of Business degree from Edith Cowan University, a Chartered Accountant and a graduate member of the Australian Institute of Company Directors. Commenced finance career with roles at then 'Big 6' professional services firms, Ernst & Whinney and Price Waterhouse before joining diversified industrial company, Vysarn Pty Ltd in 1997 as CFO. Previously held CFO roles with ASX-listed Forge Group Ltd, Matrix Composites and Engineering Ltd, Pacific Energy Ltd and is currently CFO of Resource Development Group Ltd. NED for ASX-listed Babylon Pump & Power and a leading Catholic health and aged care services provider in Perth, WA.

Definitive Feasibility Study Complete

DFS[1] carried out by BDB Process Pty Ltd in 2020

- DFS confirms positive outcomes for the development of the Wickepin Project:
    - Stage 1 initial production of 200,000 tonnes per annum (tpa) of kaolin product
    - Stage 2 see ramp up to 400,000 tpa
- Life Mine of 31 years based on 2020 Ore Reserves; potential for delineation of additional resources to increase this life significantly (First 20 years is reported as Ore Reserve and remaining as Life of Mine)
- Significant scope exists to further increase the production - As per Stages 1 and 2 construction and ramp-up, the Company intends to implement further 200,000 tpa modular increases to capacity subject to adequate demand and funding
- Robust economics based on Stage 2 – initial project plus expansion (400,000 tpa kaolin):
    - NPV(7) of $257 million
    - IRR of 47%
- Stage 1 production capex of $18.07 million, with an additional $13.57 million for expansion in Stage 2
- Stage 1 funded from IPO funds with Stage 2 to be funded from cash flow from operations
- Stage 1 generates positive EBITDA in the first year of production and becomes cashflow positive by Year 3
- Construction of Stage 1 scheduled for completion over a 39-week period, with subsequent commissioning and production ramp-up for Stage 2 scheduled over 13 weeks
- Global kaolin market demand expected to grow by 28% from 29 million tonnes in 2019 to more than 37 million tonnes in 2027, with a CAGR of 3.1% p.a. from 2020 to 2027

1. Definite Feasibility Study (BDB Process) September 2020 (released to ASX 24 November 2020). Material assumptions of DFS continue to apply with no material changes.

Key DFS Outcomes

Key Financial Parameters		Value	Average
NPV$_{(7)}$ LOM ($k)		**256,709**	
IRR		**47%**	
Kaolin Sold			
	t	3,760	313
	$k	1,208,159	100,680
	Average $/t	321	
Cost of Sales			
	$k (incl freight to Port)	(601,737)	(50,145)
	$/t	(160)	
Gross Margin			
	$k	606,421	50,535
	% of Sales Revenue	50%	
Total Operating Expenses			
	$k	(253,628)	(21,136)
	$/t	(67)	
EBITDA			
	$k	350,594	29,216
Profit Before Tax			
	$k	342,200	28,517
	% of Sales Revenue	28%	
Profit After Tax			
	$k	261,276	21,773
	% of Sales Revenue	22%	
Cashflow from Operations		250,423	20,869

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

Assets	31 December 2020 $	30 June 2020 $
Current assets		
Cash and cash equivalents	18,175,691	2,020,295
Trade and other receivables	572,642	257,206
Total current assets	18,748,333	2,277,501
Non-current assets		
Property, plant and equipment	3,796,749	3,843,902
Mine development expenditure	3,523,818	-
Deferred exploration and evaluation expenditure	-	1,756,132
Total non-current assets	7,320,567	5,600,034
Total assets	26,068,900	7,877,535
Liabilities		
Current liabilities		
Trade and other payables	2,611,731	2,548,241
Borrowings	854,245	9,155,327
Provisions	45,482	65,563
Total current liabilities	3,511,458	11,769,131
Non-current liabilities		
Borrowings	18,300,757	17,710,243
Total non-current liabilities	18,300,757	17,710,243
Total liabilities	21,812,215	29,479,374
Net assets/(liabilities)	**4,256,685**	**(21,601,839)**
Equity		
Issued capital	33,614,901	3,070,081
Reserves	33,316,065	19,828,645
Accumulated loss	(62,674,281)	(44,500,565)
Total equity	**4,256,685**	**(21,601,839)**

WA Kaolin

Andrew Sorensen
CEO

asorensen@wakaolin.com.au
+61 8 9439 6300
wakaolin.com.au

Investor Relations
Victoria Humphries
victoria@nwrcommunications.com.au