

Commissioning Completed at Wickepin - First Ore Processed and Kaolin Shipped

Highlights

- **Commissioning of Stage 1 completed at the Wickepin Kaolin Project, with time limited operations commencing on 30 September 2022**
- **On commencement of the initial kaolin production phase, WAK has exceeded 80% plant design capacity and is rapidly approaching nameplate capacity of 25 tonnes per hour**
- **WA Kaolin has shipped its first customer order of kaolin produced at the new Wickepin processing plant**
- **WAK Board strengthened with the appointment of new non-executive director, Patrick Walta, effective 1st October**

WA Kaolin Ltd (“**WA Kaolin**” or the “**Company**”) (ASX: WAK) is pleased to advise that it has notified the Department of Water and Environmental Regulation (DWER) of the completion of the commissioning phase of the processing plant at the Company’s wholly owned Wickepin Kaolin Project and has commenced the initial production phase. The Company is already approaching nameplate capacity of 25 tonnes per hour production rate of its high purity kaolin, on time and within budget.

Please follow the link below to view a short video of our onsite operations at Wickepin Kaolin Project:

https://www.youtube.com/watch?v=HnQLd2nc_1I

Following the successful conclusion of the commissioning stage of the project on Thursday 29 September, WA Kaolin is pleased to report it has completed its first shipment of kaolin K99 produced at the new Wickepin processing plant to a Western Australian-based client later that day (see Figures 1 and 3).



Figure 1. Wickepin kaolin K99 being loaded for delivery to a Western Australian client

CEO Andrew Sorensen said, *“This has truly been a momentous occasion with the completion of the commissioning stage of our Wickepin processing plant and the successful first shipment of K99 produced at the plant. I wish to thank the entire WA Kaolin on-site and corporate team as well as all our consultants and service providers who have worked diligently to get to this first stage of production from our site at Wickepin.*

“Of great significance, which we want to reiterate, is that we have completed the commissioning phase at Wickepin with an outstanding safety record, which is something the WAK team is incredibly proud of. We look forward to reaching our target 200,000tpa production rate in the coming year whilst progressing with our Stage 2 development, which will see our production increased to 400,000tpa.”

The processing plant at Wickepin has been constructed to utilise WA Kaolin’s proprietary dry processing method, the **‘K99 Process’**, designed specifically for the high-grade Wickepin kaolin resource. The K99 Process will produce an ultra-bright, high-quality kaolin product at a low cost, in comparison to other methods which rely on chemical bleaching and multiple wet mechanical and magnetic separation methods.

WA Kaolin already has in place offtake agreements and LOIs securing contracts covering 90% of the targeted Stage 1 output of 200,000tpa kaolin.

The commencement of the Stage 1 operations at Wickepin now paves the way for the development of Stage 2 which will see WA Kaolin ramp up annual production rates of its ultra-bright, high-quality kaolin to 400,000tpa.

Board Appointment

Additionally, the Company wishes to advise of the appointment of non-executive director, Mr Patrick Walta, effective 1st October. Patrick is a qualified metallurgist, mineral economist and board executive and his appointment significantly strengthens WAK’s mining operations experience.

Patrick was previously Managing Director of New Century Resources Limited (ASX: NCZ), which he founded in 2017 following the successful negotiation and acquisition of the Century Zinc Mine in Queensland. Under Patrick’s leadership, the Century Zinc Mine was successfully restarted, commissioned, and ramped up to be the 13th largest zinc producer worldwide. These efforts led to the Century Mine being a finalist for the Mine of the Year Award (Australian Mining Prospect Awards) in 2021.

Patrick has also had an impressive career within the resources industry including previous experience at Rio Tinto, Citic Pacific Mining, Cradle Resources, Carbine Resources, Primary Gold and Clean TeQ. Throughout his career Patrick has received many industry accolades including the MNN Emerging Leader of the Year Award in 2018 and the Young Achiever of the Year award in 2015 at the Australian Mining Prospect Awards.

Patrick holds degrees in Chemical Engineering and Science, from Melbourne University and has completed postgraduate studies including an MBA, Master of Science (Mineral Economics) and a Diploma of Project Management and is a graduate of the AICD’s Company Directors Course.

On his appointment to the WA Kaolin board Patrick stated, *“I am very pleased to join the WA Kaolin team at such an exciting time in the continued evolution of the Company. Alf, Nathan, Andrew, and the entire team should be commended for their efforts in achieving the significant milestones that have now led to the commencement of operations at the Wickepin Kaolin Project. I look forward to contributing to the continued growth of the Company.”*

CEO Andrew Sorensen continued, *“We are delighted to welcome Patrick to the board as a non-executive director. His experience will prove invaluable to WA Kaolin as we enter our next phase of growth in operations as a significant kaolin producer.”*



Figure 2. Conditioned ore being fed into rotary kiln



Figure 3. WA Kaolin onsite team at Wickepin celebrating the loading of the first kaolin K99 shipment from the newly commissioned Wickepin Plant

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

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Project Background

WA Kaolin holds the Wickepin Kaolin Project, 220km south-east of Perth, which has a 644.5 million tonnes Mineral Resource, including an Ore Reserve Estimate of 30.5 million tonnes of kaolinised granite. The Wickepin Project produces kaolin products for tier one customers and the Company aims to expand its production to 400,000tpa in a two-stage strategy.

WA Kaolin has a two-stage ramp up strategy. Stage 1 will see the production rate optimised up to 200,000tpa followed by the second stage which will expand production to 400,000 tpa.

The Company acquired the Wickepin Project in 1999 from Rio Tinto which, through exploration, had discovered and drilled out a Mineral Resource and commissioned engineering and feasibility studies. The acquisition included the tenements covered by the Wickepin Project and all associated engineering and feasibility studies.

Since then and prior to the Company's IPO in November 2020, WA Kaolin co-founders and owners invested over \$42 million to develop and progress the Wickepin Project. Through extensive R&D of product and processes, the Company has spent significant time and funds in optimising its proprietary dry processing method for kaolin ("K99 Process") to build and extend on its success as a kaolin producer and exporter to global markets.

As part of the process, the Company has undertaken trial mining and processing to ensure proof of concept and to produce product for, amongst other things, establishing customer confidence and price discovery.

The project comprises a mining lease, a general-purpose lease, a miscellaneous licence, and retention licences. It is one of the largest known remaining kaolin resources in the world, and contains:

- A **Probable Ore Reserve of 30.5 million tonnes** (Table 1) in the mining lease which is part of and included in;
- An **Inferred Mineral Resource (reported in 2017) of 644.5 million tonnes** (Table 2) of high-grade premium kaolinised granite across all tenements.

Table 1. Ore Reserves by JORC Classification

JORC classification	Tonnes (Mt)	ISO brightness (%)	Yield (%) ($<45 \mu\text{m}$ in size)	In situ Kaolin (Mt)
Proved				
Probable	30.5	83.7	51.8	15.8
Total	30.5	83.7	51.8	15.8

Source: CSA Global Report No. R301.2020 – 30th July 2020

Table 2. Inferred Mineral Resources ($<45 \mu\text{m}$), WA Kaolin Project

	Kaolinized granite (Mt)	ISO brightness (%)	Yield (%)	Kaolin (Mt)
Total	644.5	75.8	44.0	283.6

Source: CSA Global Report No. R280.2017 – 3rd August 2017

Estimates and production targets

The Mineral Resources, Ore Reserves and production targets referred to in this announcement were previously reported in the Prospectus dated 11 October 2020 and released to the ASX on 24 November 2020 and the Definitive Feasibility Study announcements released on 24 and 25 November 2020. WA Kaolin confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates, production target or forecast financial information derived from a production target continue to apply and have not materially changed.

Forward Looking Statements

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

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

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 prior to the Company's IPO in November 2020, 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 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.

² CSA Global Mineral Resource Estimate R280.2017