



**Delivering ultra bright,  
high purity Kaolin into a  
global market for  
decades to come**

**INVESTOR PRESENTATION**

**JUNE 2023**

**Production Ramp Up and Advancing Stage 2 at the World Class  
Wickepin Kaolin Operation**





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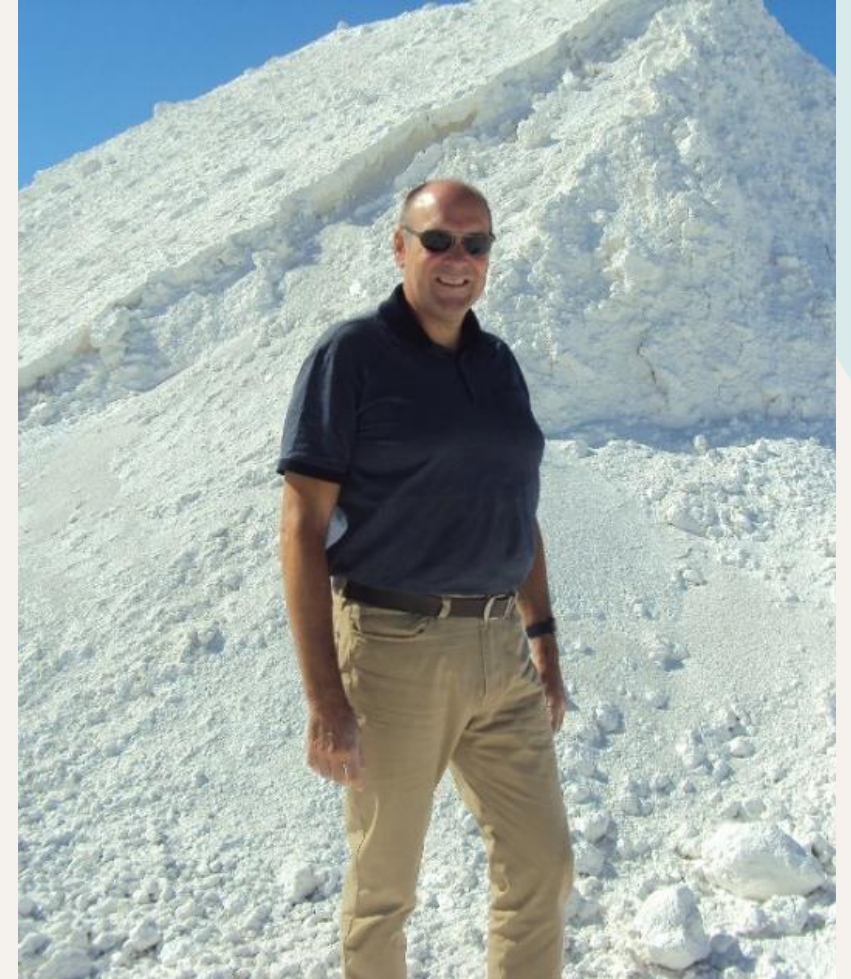


# Compelling Investment Proposition

Long-life supply of superior quality Kaolin, with a global competitive advantage through proximity to the dominant Asian end user market

## WA Kaolin is an Emerging Globally Significant Kaolin Producer

- One of the largest ultra bright high purity Kaolin deposits in the world
- Proven low-cost production via unique proprietary K99 process
- Product demand significantly in excess of current ramp up forecasts
- Wickepin product already achieving price premiums in excess of feasibility forecasts
- WAK has significant competitive advantage due to proximity for shipping to the dominant Asian Kaolin market (versus US and European based competitors)
- Continued incremental investment in the planned Stage 2 expansion
- Focus on strengthening balance sheet



*WA Kaolin CEO Andrew Sorensen at the Wickepin ROM stockpile ready for processing*

# WAK Ramping Up to 400,000 tpa and beyond

## Pilot Operations



### K99 Proof of Concept Plant Kwinana, WA

- Pilot Plant Production
- 5t/hour
- Growing market with small commercial sales to key customers
- Reverting to R&D Activities

✓ **COMPLETED**

## 2023 Stage 1 Ramp Up



### K99 Commercial Scale Wickepin, WA

- 25t/hour
- Production capacity of 200 ktpa Kaolin<sup>1</sup>
- Improved logistics further lowers Opex
- All production under existing offtakes and LOIs
- Forecast positive cashflow in H2 CY23

**UNDERWAY**

## 2024 Stage 2 Ramp Up



### K99 Capacity Expansion Wickepin, WA

- 50t/hour
- Production capacity of 400ktpa kaolin<sup>1</sup>
- Further reduction of Opex through economies of scale
- Planned entry into the high premium paper market (via unique processing circuit R&D)
- Estimated 12-month build, targeted outstanding funding to be completed via cashflow from operations
- Very strong demand from customers to accelerate Stage 2 timeline
- Stage 2 budget \$16m, to date \$4m has been spent

## Future Scale Up



### Further K99 Expansion Wickepin, WA

- After Stage 2 ramp up completion Wickepin will represent just 2% of global output
- Continued opportunity to build market share, particular in Asia, due to material shipping cost competitive advantage
- WAK intends to implement further 200ktpa modular increases to cater for product demand growth

<sup>1</sup> Based on 24 hours / 7 days a week





# Growing Production

## Stage 1 Ramp up & Operational Cash Flow

- Production volumes increasing as we implement modifications and installation to reach nameplate capacity and efficiency across all grades of kaolin
- Wickepin forecast to be cash flow positive within FY24
- Cost structure certainty built in during ramp up
- Operations at Wickepin K99 plant successfully transitioned to 24-hour operation
- Transition of business over the next 12 months into a highly sought after kaolin producing asset

## Sales Agreements

- Wickepin quality attracting sales premium above expectation, average FOB is well head of the 2020 Prospectus estimate of A\$240/t
- Increased customer enquiries and demand for Wickepin quality premium Kaolin continues from European and Asian customers
- Commissioning of 20kg packaging plant imminent providing access to higher margin markets





# Strengthening Balance Sheet

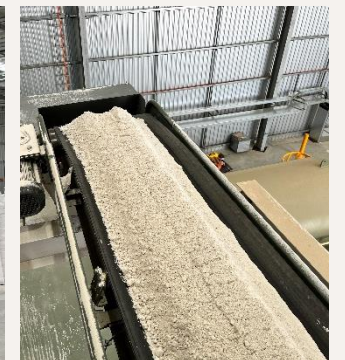
## Sale of Kwinana Property

- Term sheet signed for sale of Kwinana property for \$7 million (above book value)
- Debt reduction: The existing debt of \$5m secured by property paid out
- New debt facility: Unsecured \$3m debt facility established with the purchaser of the property
- Favourable lease back terms for use of property over next 3 years
- Net improvement to cash position of \$5 million
- Operations at the Kwinana plant will focus on research and development into new product offerings and value-added products in the kaolin market

## Company Debt

- After the sale of the Kwinana property, total company debt will be reduced from \$25.4m to \$23.4m with a weighted average interest rate of 3.2%
- The long term loans from founders of \$20.4m is unsecured and will only be repaid from free cash flow

**Bolstering balance sheet provides the working capital for the ramp up of operations to full production, contributing to the long-term growth of the Wickepin Project.**







# Corporate Snapshot

## Corporate Structure

SHARES ON ISSUE	378,258,170
MARKET CAPITALISATION @ 15.0c PER SHARE	\$56.7m
UNLISTED OPTIONS <sup>1</sup>	168,732,813
PERFORMANCE RIGHTS	27,500,000

<sup>1</sup> Weighted average option exercise price is \$0.27 and expiring between Nov-23 to Nov-25

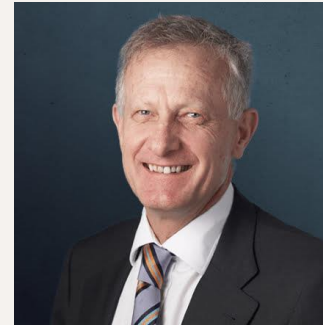
CASH AT BANK 31/03/2023	\$2.7m
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## Substantial Shareholders<sup>2</sup>

TOP 20 SHAREHOLDERS	69.3%
BOARD & FOUNDERS	30.2%
NO. OF SHAREHOLDERS	1,416

<sup>1,2</sup> At 12 June 2023

## Board & Management



**John White**

Non-Executive Chairman



**Alf Baker**

Executive Director



**Cathy Moises**

Non-Executive Director



**Patrick Walta**

Non-Executive Director



**Andrew Sorensen**

Chief Executive Officer



**Michael Kenyon**

Chief Financial Officer &  
Company Secretary



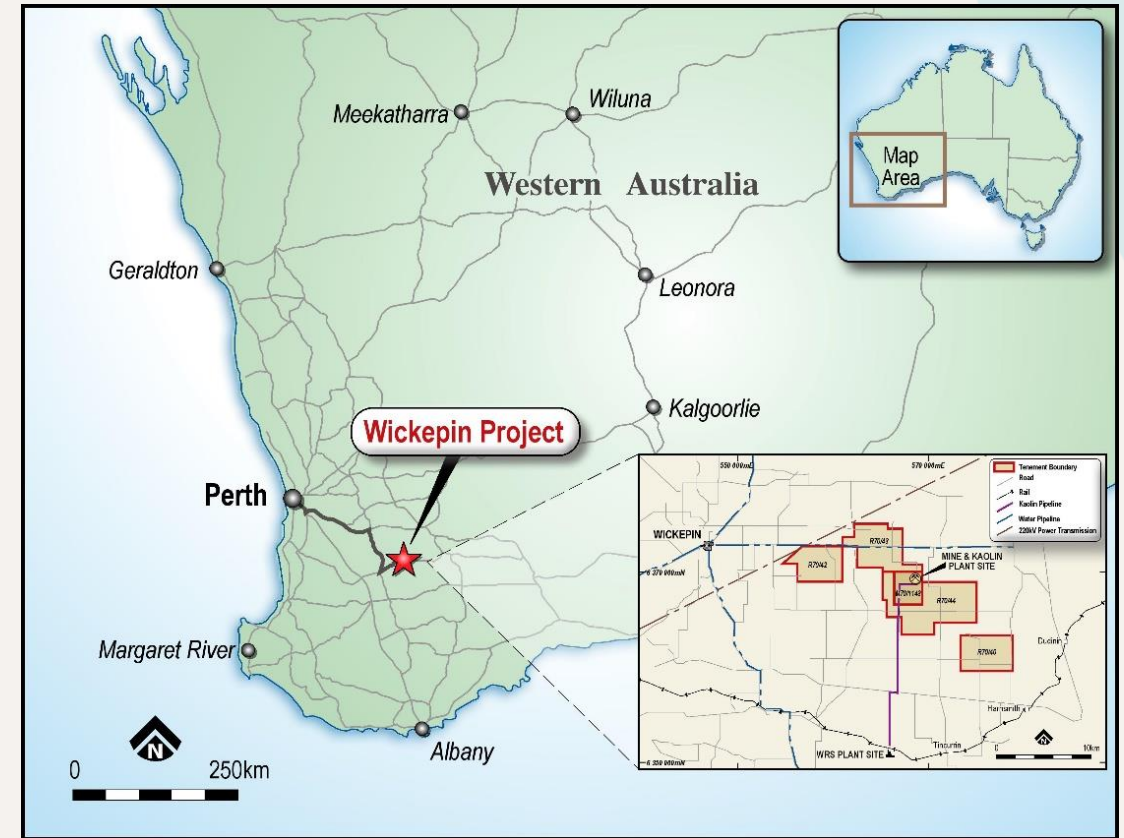
# Wickepin Kaolin Operation: Overview

## World Class Deposit

- Discovered by Rio Tinto in 1980's (acquired by WA Kaolin in 1999)
- **Ore Reserve:** 30.5 mt<sup>1</sup> of ultra bright, high purity kaolinised granite
- **Mineral Resource:** 644.5mt<sup>2</sup> of ultra bright, high purity kaolinised granite (includes ore reserve)
- 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

## Strong Logistics Infrastructure

- Proximity to water, road, rail, towns
- Access to ports in Fremantle (220 km) and Bunbury (230 km)
- WA Government has committed to funding Tier 3 rail infrastructure including \$72m to be spent on recommissioning the Tier 3 Narrogin-to-Kulin line that closed in 2013.



Wickepin location and tenement map

<sup>1</sup> CSA Global Report No. R301.2020 – 30th July 2020\*

<sup>2</sup> CSA Global Report No. R280.2017 – 3rd August 2017\*

\* Refer slide 14 for information and disclaimer relating to Estimates and Production Targets





# Kaolin Market Growing Strongly

## Market Size & Growth

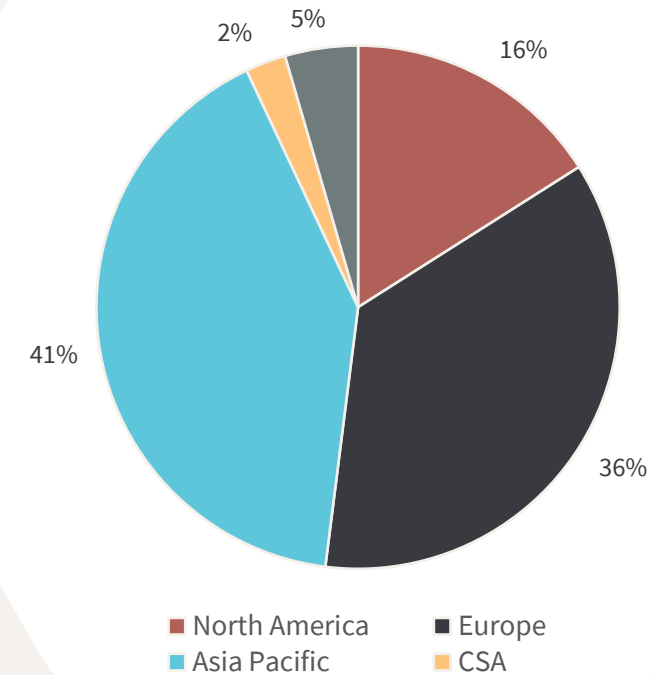
- **2021: Over US\$4.2 billion in global kaolin market sales**
- Continued strong global Kaolin market growth, forecast 3.7% compound annual growth 2022-2030
- Asia dominates end user demand (41% market 2021), primarily in China, India, Malaysia and South Korea

## Product End Use Growth

- The global kaolin market is expected to show a compound annual growth rate (CAGR) of 3.7% from 2022-2030. Revenue forecast is estimated to be US\$5.87 billion in 2030
  - Ceramics (33% end use market) – forecast 4.6% compound growth 2022-2030
- Countries including China, India, Vietnam, Malaysia and South Korea are set to be the main contributors to this growth during the period

Reference: Grand View Research report, Kaolin Market Size & Share Report, 2022-2030

## Global Kaolin Market



CSA – Central & South America. MEA – Middle East & Africa

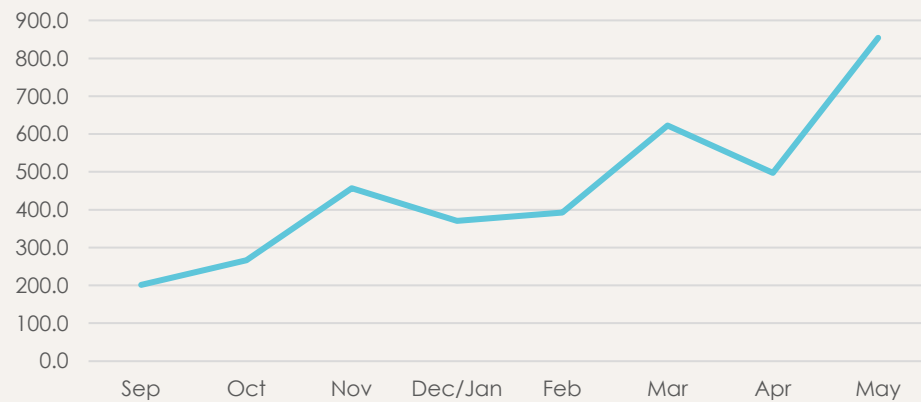


# Wickepin Operation

## Stage 1 Production

- Production commenced September 2022
- Total BCM processed increasing quarter on quarter
- Slower than expected ramp-up in first 9 months impacted by delay in gas commissioning of the kiln and site power systems
- Implementing equipment modifications and installation to reach nameplate across all grades of kaolin
- Production of 2 out of the 4 main grades of kaolin produced successfully while ramp up of the remaining grades continues

Wickepin K99 Kaolin Production





# Kaolin Sales

- Offtake agreements and LOIs covering 90% of Stage 1 production in place
- March quarter avg FOB higher than estimates, continuing in June quarter
- Increased inbound enquiries for additional supply from existing customers as well as new clients that we are processing and converting to sales contracts.
- Receipt of largest order in company history in the March quarter 2023, from Stanco, our number one offtaker and substantial shareholder.

SALES	YTD FY2023
Kaolin sales (dmt)	4,491
Revenue from sales (\$)	\$1,339,411







# Conclusion

- Strengthening financial position with sale of Kwinana property and very favourable debt arrangements
- Ramping up stage 1 with positive operational cash flow forecast in FY24
- Kwinana pilot plant focusses on research and development into value adding products and finer kaolin grades for the remaining markets – e.g. paper
- Wickepin operations represent **a long-life supply of superior quality product**, that will supply the growing global Kaolin market for decades to come
- WA Kaolin is an **emerging major player in the Kaolin market**, with a **strong competitive advantage** through proximity to end users in Asia





A blue hexagonal icon with a white location pin inside.

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# Reserves and Resources

## Reserves & Resources

It is one of the largest known remaining kaolin resources in the world, and contains:

- 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

## Tenements

- The Project comprises a mining lease, a general-purpose lease, a miscellaneous licence and retention licences

*Table 1. Ore Reserves by JORC Classification*

JORC CLASSIFICATION	TONNES (MT)	ISO BRIGHTNESS (%)	YIELD (%) (<45 µM IN SIZE)	IN SITU KAOLIN (MT)
<b>Proved Probable</b>	30.5	83.7	51.8	15.8
<b>Total</b>	30.5	83.7	51.8	15.8

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

*Table 2. Inferred Mineral Resources (<45 µm), WA Kaolin Project*

	KAOLINIZED GRANITE (MT)	ISO BRIGHTNESS (%)	YIELD (%)	KAOLIN (MT)
<b>Total</b>	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 presentation 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.



