



WA Kaolin Limited  
330 Sparks Road | East Wickepin WA 6370  
[www.wakaolin.com.au](http://www.wakaolin.com.au)

20 June 2024

Dear Shareholders

### **GENERAL MEETING**

A General Meeting of WA Kaolin Limited (**Company**) is scheduled to be held on Tuesday, 23<sup>rd</sup> July 2024 at 10.00am (WST) (**Meeting**) at the offices of BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth, Western Australia.

In accordance with the *Treasury Laws Amendment (2021 Measures No.1) Act 2021*, the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has requested a hard copy. The Notice of Meeting can be viewed and downloaded from the link set out below.

The Company **strongly encourages Shareholders to lodge a directed proxy form prior to the Meeting**. Questions should also be submitted in advance of the meeting as this will provide management with the best opportunity to prepare for the meeting, for example by preparing answers in advance to Shareholder questions. However, votes and questions may also be submitted during the Meeting.

Please find below links to important Meeting documents:

- Notice of Meeting and Explanatory Memorandum: <https://www.wakaolin.com.au/investors-and-media/asx-announcements>

Alternatively, a complete copy of the Notice of Meeting and Explanatory Statement has been posted on the Company's ASX market announcements page.

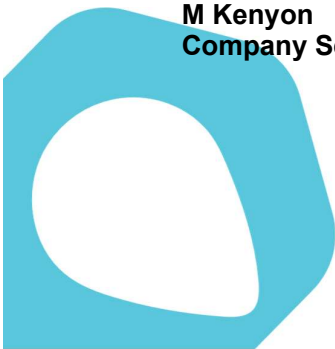
If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting and Explanatory Statement.

In order to receive electronic communications from the Company in future, please update your Shareholder details online at <https://investor.automic.com.au/#/home> and log in with your unique shareholder identification number and postcode (or country for overseas residents), where you can find your enclosed personalised proxy form. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab. If you are unable to access the Notice of Meeting and Explanatory Memorandum online please contact the Company Secretary, Michael Kenyon, on +61 8 9439 6300 or via email at [mkenyon@wakaolin.com.au](mailto:mkenyon@wakaolin.com.au).

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

Sincerely

**M Kenyon**  
Company Secretary and Chief Financial Officer





**WA Kaolin Limited  
ACN 083 187 017**

**NOTICE OF GENERAL MEETING**

**The General Meeting of WA Kaolin Limited will be held at  
the offices of BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring  
Street, Perth, Western Australia**

**on Tuesday, 23 July 2024 at 10.00am (WST).**

If you are unable to attend the meeting, you may complete the Proxy Form (enclosed) and return it to the Company as soon as possible and in any event so it is received by the Company Secretary at the place specified in the Proxy Form no later than 48 hours prior to the time of commencement of the meeting.

**THIS DOCUMENT IS IMPORTANT**

This Notice should be read in its entirety. If you do not understand it or are in any doubt about how to act, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary, Michael Kenyon, by telephone on +61 8 9439 6300.

## **NOTICE OF GENERAL MEETING**

Notice is hereby given that the General Meeting of shareholders of WA Kaolin Limited (**Company**) will be held at the offices of BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth Western Australia on Tuesday 23<sup>rd</sup> July 2024 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday 21<sup>st</sup> July 2024 at 5.00pm (WST). Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlements to vote.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## **AGENDA**

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### **1. Resolution 1 – Ratification of Tranche 1 Placement Shares**

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 34,200,001 Tranche 1 Placement Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 2. Resolution 2 – Ratification of Tranche 1 Placement Options

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,550,000 Tranche 1 Placement Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 3. Resolution 3 – Issue of Tranche 2 Placement Securities to major shareholder Century Horse Limited

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 17,505,500 Tranche 2 Placement Shares and 4,376,375 Tranche 2 Placement Options to Century Horse Limited on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Century Horse Limited and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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#### 4. Resolution 4 – Issue of Tranche 2 Placement Securities to related party Director Ken Hall

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 46,666,667 Tranche 2 Placement Shares and 11,666,667 Tranche 2 Placement Options to Director Mr Ken Hall on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf Ken Hall and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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#### 5. Resolution 5 – Issue of Tranche 2 Placement Securities to related party Silver Tropic Pty Ltd

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 16,666,667 Tranche 2 Placement Shares and 4,166,667 Tranche 2 Placement Options to Silver Tropic Pty Ltd, an entity controlled by Director Mr Alf Baker, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Silver Tropic Pty Ltd, Mr Alf Baker or any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 6. Resolution 6 – Issue of Tranche 2 Placement Securities to unrelated investor

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,666,667 Tranche 2 Placement Shares and 416,667 Tranche 2 Placement Options to Mrs Charlotte Grigg (or her nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mrs Charlotte Grigg, or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 7. Resolution 7 – Approval of SPP Securities

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 8,333,333 SPP Shares and 2,083,333 SPP Options to eligible Shareholders under the Share Purchase Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## 8. Resolution 8 – Approval of SPP Shortfall Securities

To consider and, if thought fit, to pass with or without amendment, the following as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 8,333,333 SPP Shortfall Shares and 2,083,333 SPP Shortfall Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**BY ORDER OF THE BOARD**

**Michael Kenyon**  
**Company Secretary**  
**Dated: 18 June 2024**

## **EXPLANATORY MEMORANDUM**

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### **1. Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be held at the offices of BDO, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth Western Australia on Tuesday 23<sup>rd</sup> July 2024 at 10.00am (WST). This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders when deciding whether or not to pass the Resolutions.

A Proxy Form is provided with this Explanatory Memorandum.

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### **2. Action to be taken by Shareholders and proxies**

#### **2.1 Action to be taken by Shareholders**

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### **2.2 Proxies**

A Proxy Form accompanies the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend, complete and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than Sunday 21<sup>st</sup> July at 10.00am WST, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

#### **2.3 COVID-19**

Should there be restrictions on indoor gatherings in Western Australia at the time of the General Meeting as a result of the COVID-19 pandemic, the Company



encourages shareholders not to attend the general meeting in person and to vote by proxy or on-line.

Please note that the Company will strictly comply with any applicable limitations on indoor gatherings in force at the time of the General Meeting. If any restrictions are in force at the time of the General Meeting voting by you at the General Meeting will not be possible if entry is denied to you unless a proxy is appointed by you and is in attendance at the meeting or you vote on-line.

If submitting a proxy form, it is strongly recommended that the chair is appointed as your proxy to ensure the proxy will be in attendance at the General Meeting. It is also recommended that you direct your proxy how to vote on the voting form.

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### **3. Resolutions 1 and 2 – Ratification of Tranche 1 Placement Securities**

#### **3.1 Background**

As announced to ASX on 1<sup>st</sup> May 2024, the Company is undertaking a two tranche placement to raise approximately \$7.0 million (before costs) (**Placement**) through the issue of up to approximately 116.7 million Share at an issue price of \$0.06 per Share, with one (1) free attaching Option (\$0.09 exercise price, expiring 30 June 2027) for every four (4) Placement Shares issued.

The Company also intends to undertake a share purchase plan (**SPP**) to raise up to \$500,000 from eligible Shareholders through the issue of Shares and attaching Options on the same basis as the Placement.

The funds raised from the Placement and SPP are to be used to fund an engineering solution to increase yield and capacity of premium kaolin products at the Company's Wickepin plant, to ramp up finer grade production, and for working capital.

Completion of the Placement and SPP are intended to position the Company to achieve positive operating cash flow by Q2 CY2025 without the need to raise further capital.

On 7<sup>th</sup> May 2024, the Company announced it had completed the first tranche of the Placement by issuing 34,200,001 Shares to professional and sophisticated investors at an issue price of \$0.06 per Share (**Tranche 1 Placement Shares**) to raise ~\$2.05 million before costs (**Tranche 1 Placement**).

The Company also issued recipients of the Tranche 1 Placement Shares with 8,550,000 free attaching Options on the basis of one (1) Option for every four (4) Tranche 1 Placement Shares issued (**Tranche 1 Placement Options**). The terms of the Tranche 1 Placement Options are set out in Schedule 2.

The Tranche 1 Placement Shares and Tranche 1 Placement Options (together the **Tranche 1 Placement Securities**) were issued using the Company's placement capacity under Listing Rule 7.1.

The issue price of the Tranche 1 Placement Shares was \$0.06 each, a 32.3% premium to the 15-day VWAP of \$0.045 as at 29 April 2024, the last trading day before the Company announced the Tranche 1 Placement.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 34,200,001 Tranche 1 Placement Shares.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 8,550,000 Tranche 1 Placement Options.

Resolutions 3 – 6 seek Shareholder approval for the issue of Shares and Options to complete the second tranche of the Placement.

Resolutions 7 and 8 seek Shareholder approval to issue Shares and Options under the SPP (and any shortfall under the SPP).

### **3.2 Resolutions 1 and 2 – Listing Rules 7.1 and 7.4**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Tranche 1 Placement Shares and Tranche 1 Placement Options did not fall within any of these exceptions and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under that rule.

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so no longer reduces the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder approval to the issue of the Tranche 1 Placement Shares and Resolution 2 seeks Shareholder approval to the issue of the Tranche 1 Placement Options for the purposes of Listing Rule 7.4.

### **3.3 Technical information required by Listing Rule 14.1A**

If Resolution 1 is passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, the Tranche 1 Placement Shares will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is passed, the Tranche 1 Placement Options will be excluded in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is not passed, the Tranche 1 Placement Options will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

### 3.4 Technical Information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the Tranche 1 Placement Shares and Tranche 1 Placement Options:

- (a) the Shares and Options were issued to certain shareholders of the Company and a client of the lead manager Canaccord Genuity (Australia) Limited (**Canaccord Genuity**) as follows:

Recipient	Tranche 1 Placement Shares	Tranche 1 Placement Options	Subscription Amount
Boneyard Investments Pty Ltd	16,666,667	4,166,667	\$1,000,000.02
Scientific Management Associates (Victoria) Pty Ltd	16,666,667	4,166,667	\$1,000,000.02
Andrew Sorensen	666,667	166,666	\$40,000.02
Mr Simon Evans	200,000	50,000	\$12,000
<b>Total</b>	<b>34,200,001</b>	<b>8,550,000</b>	<b>\$2,052,000.06</b>

- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the issuees were related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisors of the Company or any associate of any of these parties, issued more than 1% of the issued capital of the Company, apart from Scientific Management Associates (Victoria) Pty Ltd (**SMA**), a 12.3% shareholder prior to the Tranche 1 Placement that was issued 16,666,667 Tranche 1 Placement Shares (equal to 3.9% of the Company's issued Shares prior to the Tranche 1 Placement) and 4,166,667 Tranche 1 Placement Options;
- (c) a total of 34,200,001 Tranche 1 Placement Shares and 8,550,000 Tranche 1 Placement Options were issued pursuant to the Company's placement capacity under Listing Rule 7.1;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Tranche 1 Placement Options were granted on the terms and conditions set out in Schedule 2;
- (f) the Tranche 1 Placement Shares and Tranche 1 Placement Options were issued on 7 May 2024;
- (g) the issue price was \$0.06 per Tranche 1 Placement Share, raising \$2,052,000.06 (before costs);
- (h) the Tranche 1 Placement Options were issued for nil consideration as they are free attaching to the Tranche 1 Placement Shares and so no funds were raised from their issue;

- (i) the purpose of the issue was to raise capital to fund an engineering solution to increase yield and capacity of premium kaolin products at the Company's Wickepin plant, to ramp up finer grade production, and for working capital. The Company has spent approximately \$300,000 of the funds raised from the Placement; and
- (j) the Tranche 1 Placement Shares and Tranche 1 Placement Options were issued under simple subscription agreements on industry standard terms with no material terms other than the issue price and number of Tranche 1 Placement Shares and Tranche 1 Placement Options to be issued.

### 3.5 Additional Information

The Board recommends that Shareholders vote in favour of Resolutions 1 and 2.

The Chairperson intends to exercise all available proxies in favour of Resolutions 1 and 2.

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## 4. Resolutions 3 to 5 – Issue of Tranche 2 Placement Securities to Listing Rule 10.11 entities

### 4.1 Background

As announced to the ASX on 1 May 2024, in addition to the Tranche 1 Placement, the Company has secured investors, subject to obtaining shareholder and necessary regulatory approvals, for a second tranche placement of 82,505,501 Shares (**Tranche 2 Placement Shares**) and 20,626,376 Options (**Tranche 2 Placement Options**) to raise approximately \$4.95 million (before costs) on the same terms and conditions as the Tranche 1 Placement (**Tranche 2 Placement**).

The Tranche 2 Placement investors are:

- (a) Century Horse Limited (**Century Horse**), a 15.0% shareholder as at 1 May 2024 with a right to appoint a nominee director while it has at least a 15.0% shareholding;
- (b) Ken Hall, a Director of the Company, as trustee for the Hall Park Trust;
- (c) Silver Tropic Pty Ltd (**Silver Tropic**), an entity controlled by Director Mr Alf Baker, as trustee for the Baker Family Trust; and
- (d) Mrs Charlotte Grigg, an unrelated investor introduced by the lead manager Canaccord Genuity (or her nominee).

Each of these investors has executed a subscription agreement for its Tranche 2 Placement Shares and Tranche 2 Placement Options (together, **Tranche 2 Placement Securities**) on the following material terms:

- (a) each investor agrees to subscribe for its Tranche 2 Placement Shares at an issue price of \$0.06 each, with one (1) free attaching Tranche 2 Placement Option for every four (4) Tranche 2 Placement Shares issued;
- (b) completion of the subscription by an investor is conditional on Shareholder approval for the purposes of ASX Listing Rules 7.1 or 10.11 (as applicable) and for all other purposes required by applicable laws, and the investor either

confirming FIRB Act approval is not required or has been obtained **(Conditions)**;

- (c) if the Conditions are not satisfied or waived within 90 days of the subscription agreement being executed (being on or around 30 July 2024), or such later date as the parties agree, either party may terminate the subscription agreement; and
- (d) completion will occur 5 Business Days after the Conditions are satisfied or waived (or such other date as agreed by the parties).

## **4.2 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, shareholder approval to be obtained where an entity issues, or agrees to issue, equity securities to any of the following:

- 10.11.1 A related party.
- 10.11.2 A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company.
- 10.11.3 A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to sit on the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so.
- 10.11.4 An associate of any of the above.
- 10.11.5 A person whose relationship with the Company or a person referred to above is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders.

Century Horse falls under Listing Rule 10.11.3 as a substantial (10%+) shareholder in the Company that has nominated a Director, being Mr Sean Hu, under an agreement with the Company that gave Century Horse the right to appoint a nominee Director provided it maintained a 15.0% shareholding.

Mr Ken Hall and Silver Tropic fall under Listing Rule 10.11.1 as related parties of the Company, in the case of Mr Ken Hall as he is a Director, and in the case of Silver Tropic as an entity controlled by Director Mr Alf Baker.

The Company considers that none of the exceptions in Listing Rule 10.12 apply.

## **4.3 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

If Resolution 4 is approved, it will result in the issue of Tranche 2 Placement Shares and Tranche 2 Placement Options (together **Tranche 2 Placement Securities**) which constitutes giving a financial benefit. Ken Hall is a related party of the Company by virtue of being a Director.

The Directors (other than Ken Hall who has a material personal interest in Resolution 4) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 4 because the Tranche 2 Placement Securities proposed to be issued to Ken Hall will be issued on the same terms as those issued to all other investors in the Tranche 1 Placement and Tranche 2 Placement and as such the giving of the financial benefit is on arm's length terms.

If Resolution 5 is approved, it will result in the issue of Tranche 2 Placement Securities which constitutes giving a financial benefit. Silver Tropic is a related party of the Company by virtue of being controlled by Director Mr Alf Baker.

The Directors (other than Alf Baker who has a material personal interest in Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Resolution 5 because the Tranche 2 Placement Securities to be granted to Silver Tropic will be issued on the same terms as those issued to all other investors in the Tranche 1 Placement and Tranche 2 Placement and as such the giving of the financial benefit is on arm's length terms.

#### **4.4 Technical Information required by Listing Rule 14.1A**

If Resolutions 3, 4 or 5 are passed, Century Horse, Ken Hall and Silver Tropic (as relevant) will be able to participate in the Tranche 2 Placement (subject to any necessary regulatory approval being obtained) and the Company will benefit from the additional funds raised.

If any of Resolutions 3 to 5 not are passed, Century Horse, Ken Hall and Silver Tropic (as relevant) will not be able to participate in the Tranche 2 Placement and the Company will not benefit from their additional funds and will need to consider alternatives to raise further capital in order to implement its plans to achieve positive operational cash flow, which capital may only be able to available on less attractive terms, if at all.

#### **4.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Tranche 2 Placement Securities will be granted to the following persons who meet a category under Listing Rule 10.11 (**Participants**):
  - (i) Century Horse;
  - (ii) Kenneth Joseph Hall as trustee for the Hall Park Trust; and
  - (iii) Silver Tropic as trustee for the Baker Family Trust;
- (b) Century Horse meets the category under Listing Rule 10.11.3 as a substantial (10%+) shareholder in the Company that has nominated a Director, being Mr Sean Hu, under an agreement with the Company that gave Century Horse the right to appoint a nominee Director provided it maintained a 15.0% shareholding;
- (c) Mr Ken Hall meets the category under Listing Rule 10.11.1 as a related party of the Company by virtue of being a Director;

- (d) Silver Tropic meets the category under Listing Rule 10.11.1 as a related party of the Company by virtue of being controlled by Director Mr Alf Baker;
- (e) the number and class of Tranche 2 Placement Securities to be issued is as follows:

<b>Participant</b>	<b>Tranche 2 Placement Shares</b>	<b>Tranche 2 Placement Options</b>	<b>Subscription Amount</b>
Century Horse	17,505,500	4,376,375	\$1,050,330.00
Ken Hall	46,666,667	11,666,667	\$2,800,000.02
Silver Tropic	16,666,667	4,166,667	\$1,000,000.02
<b>Total</b>	<b>80,838,834</b>	<b>20,209,709</b>	<b>\$4,850,330.04</b>

- (f) the Tranche 2 Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Tranche 2 Placement Options will be granted on the terms and conditions set out in Schedule 2;
- (h) subject to subparagraph (i) below, the Tranche 2 Placement Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Placement Securities will occur on a progressive basis;
- (i) the Company has obtained a waiver of Listing Rule 10.13.5 such that Tranche 2 Placement Securities may be issued to Century Horse no later than the earlier of:
- (i) 3 business days after Century Horse receives an approval or notice of no objection (as appropriate) by the Foreign Investment Review Board to acquire the Tranche 2 Placement Securities; and
  - (ii) 3 months after the date of the Meeting;
- (j) the issue price of the Tranche 2 Placement Shares will be \$0.06 each. The Tranche 2 Placement Options will be issued for nil cash consideration as they will be free attaching to the Tranche 2 Placement Shares and so no funds were raised from their issue. Accordingly, the Company will raise the following funds (before costs and assuming all necessary regulatory approvals are obtained):
- (i) if Resolution 3 is passed: \$1,050,330.00;
  - (ii) if Resolution 4 is passed: \$2,800,000.02; and
  - (iii) if Resolution 5 is passed: \$1,000,000.02;
- (k) the purpose of the issue is to raise up to approximately \$4,850,330.04 (before costs). The Company intends to use the funds raised for the same purposes as funds raised under the Tranche 1 Placement as set out in section 3.1 of this Explanatory Statement;
- (l) the Tranche 2 Placement Securities are being issued under subscription agreements, the material terms of which are set out in Section 4.1 of this Explanatory Statement;

- (m) the table below sets out the interests of the Participants in Securities of the Company as at the date of this Notice of Meeting and assuming the Tranche 2 Placement is fully completed:

Participant	Existing Securities	% Shareholding	Securities after Tranche 2 Placement	% Shareholding
Century Horse	63,567,618 Shares	13.9%	81,073,118 Shares 4,376,375 Options <sup>1</sup>	15.0%
Ken Hall <sup>2</sup>	55,661,231 Shares	12.2%	102,327,898 Shares 11,666,667 Options <sup>1</sup>	18.9%
Silver Tropic <sup>3</sup>	53,396,074 Shares 13,200,000 Options <sup>4</sup>	11.6%	69,750,241 Shares 17,366,667 Options <sup>5</sup>	12.9%

Notes:

- Tranche 2 Placement Options on the terms set out in Schedule 2.
- Held as trustee for the Hall Park Trust.
- Held as trustee for the WAMCO Industries Unit Trust. 312,500 Shares held directly by WAMCO Industries Pty Ltd (**WAMCO Industries**). Alf Baker is the sole director of WAMCO Industries and an indirect shareholder and is a director of Silver Tropic and an indirect unit holder in the WAMCO Industries Unit Trust.
- \$0.35 exercise price, 20 November 2025 expiry. 6,000,000 Options held by WAMCO Industries. 7,200,000 Options held by Silver Tropic ATF the WAMCO Industries Unit Trust.
- See Note 4, plus 4,166,667 Tranche 2 Placement Options on the terms set out in Schedule 2.

- (n) if all Tranche 2 Placement Options issued to the Participants are exercised, a total of 20,209,709 Shares would be issued. This will increase the number of Shares on issue (assuming the Tranche 2 Placement is fully completed) from 540,489,623,122 to 560,699,332 (assuming that no other Shares are issued in the meantime or pursuant to any other Resolution) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.6%, comprising 0.8% by Century Horse, 2.1% by Ken Hall, and 0.7% by Silver Tropic (assuming all Participant Tranche 2 Placement Options are exercised and no other Shares are issued);

- (o) some details of the trading history of the Shares on ASX in the 12 months before the date of this Notice are set out below:

	Price	Date
Highest	16 cents	6 July 2023
Lowest	4 cents	18 April 2024
Last	4.3 cents	17 June 2024

- (p) Dr John White, Chair of the Company, recommends that Shareholders vote in favour of Resolutions 3 – 5 to allow Century Horse, Ken Hall and Silver Tropic to participate in the Tranche 2 Placement;

- (q) Mr Sean Hu does not wish to make a recommendation to Shareholders in relation to Resolution 3 due to having a material personal interest in the outcome of the Resolution (as the Chief Executive Officer of Century Horse and the son of its ultimate controller). However, in respect of Resolutions 4 and 5 he recommends that Shareholders vote in favour of each of those



Resolutions so as to allow Ken Hall and Silver Tropic to participate in the Tranche 2 Placement;

- (r) Mr Ken Hall does not wish to make a recommendation to Shareholders in relation to Resolution 4 due to having a material personal interest in the outcome of the Resolution. However, in respect of Resolutions 3 and 5 he recommends that Shareholders vote in favour of each of those Resolutions so as to allow Century Horse and Silver Tropic to participate in the Tranche 2 Placement;
- (s) Mr Alf Baker does not wish to make a recommendation to Shareholders in relation to Resolution 5 due to having a material personal interest in the outcome of the Resolution. However, in respect of Resolutions 3 and 4 he recommends that Shareholders vote in favour of each of those Resolutions so as to allow Century Horse and Ken Hall to participate in the Tranche 2 Placement;
- (t) the Chairperson intends to exercise all available proxies in favour of Resolutions 3 to 5;
- (u) except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 3 to 5; and
- (v) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3 to 5.

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## **5. Resolution 6 – Issue of Tranche 2 Placement Securities to unrelated investor**

### **5.1 Background**

Resolution 6 seeks Shareholder approval for the issue of 1,666,667 Tranche 2 Placement Shares and 416,667 Tranche 2 Placement Options to Mrs Charlotte Griggs, an unrelated investor who is a client of the lead manager, Canaccord Genuity.

### **5.2 Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

### **5.3 Technical Information required by Listing Rule 14.1A**

If Resolution 6 is passed, the Tranche 2 Placement Securities to be issued to Mrs Grigg (or her nominee) will be excluded from the calculation of the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date. The issue of the Tranche 2 Placement Shares will dilute existing Shareholders (assuming no other Shares are issued) by approximately 0.4%.

If Resolution 6 is not passed, Tranche 2 Placement Securities to be issued to Mrs Grigg (or her nominee) will reduce the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

Resolution 6 seeks Shareholder approval for the proposed issue of the Tranche 2 Placement Securities to Mrs Grigg for the purpose of Listing Rule 7.1.

#### **5.4 Technical Information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Placement Securities the subject of Resolution 6:

- (a) the Securities will be issued to Charlotte Grigg who is not a related party of the Company, a member of the Company's Key Management Personnel, a substantial holder of the Company, an advisor of the Company or an associate of any of these parties;
- (b) 1,666,667 Tranche 2 Placement Shares and 416,667 Tranche 2 Placement Options are to be issued;
- (c) the Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 2 Placement Options to be granted will be granted on the terms and conditions set out in Schedule 2;
- (e) the Tranche 2 Placement Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and will occur on the one date;
- (f) the issue price will be \$0.06 per Tranche 2 Placement Share and nil per Tranche 2 Placement Option. The Tranche 2 Placement Options are being granted on a one (1) for four (4) basis and are free attaching to the Tranche 2 Placement Shares;
- (g) the purpose of the issue is to raise up to approximately \$100,000.02 (before costs). The Company intends to use the funds raised for the same purposes as all other funds raised under the Tranche 1 Placement as set out in section 3.1 of this Explanatory Statement; and
- (h) Charlotte Grigg has entered into a subscription agreement to subscribe and be issued 1,166,667 Tranche 2 Placement Shares and 416,667 Tranche 2 Placement Options for total consideration of \$1,000,000.02. The material terms of the subscription agreement are detailed in section 4.1.

#### **5.5 Additional Information**

The Board recommends that Shareholders vote in favour of Resolution 6.

The Chairperson intends to exercise all available proxies in favour of Resolution 6.

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## **6. Resolution 7 – Approval of SPP Securities**

### **6.1 Background**

As announced to ASX on 1 May 2024, the Company intends to undertake a Share Purchase Plan (**SPP**) to raise up to \$500,000 from eligible Shareholders on the same terms as the Tranche 1 and Tranche 2 Placements.

Resolution 7 seeks Shareholder approval to issue and allot up to a maximum of 8,333,333 Shares under the SPP (**SPP Shares**) at an issue price of \$0.06 per Share and up to a maximum of 2,083,333 Options (**SPP Options**) (free attaching on a one for four basis) to existing eligible Shareholders to raise up to \$500,000 (before costs).

The SPP Shares and SPP Options (**SPP Securities**) will be issued on the same terms as the Shares and Options issued under the Tranche 1 and Tranche 2 Placements.

The SPP Options are exercisable at \$0.09 with an expiry date of 30 June 2027. A copy of the full terms and conditions of the SPP Options are set out in Schedule 2 to this Notice.

Canaccord Genuity is acting as lead manager to the SPP offer.

ASX Listing Rule 7.2 (Exception 5) permits a listed company to issue securities under a share purchase plan without that issuance counting towards the Company's placement capacity under Listing Rule 7.1 where the issuance satisfies the conditions of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Relief**).

One of the conditions of the ASIC Relief is that the issue price of Shares offered under the SPP is less than the market price of the Shares during a specific period in the 30 days before either the date of the SPP offer or the date the SPP Shares are issued (**Discount Condition**).

The issue price of Shares under the SPP (\$0.06 per Share) is above the current market price of Shares on the ASX. As such, the Company does not currently meet the Discount Condition and cannot rely on Listing Rule 7.2 (Exception 5).

While the Share price may increase to at least \$0.06 before the date the SPP Shares are issued (which would allow the Company to meet the Discount Condition and rely on Listing Rule 7.2 (Exception 5), the Share price may not increase sufficiently by that time, in which case the issue of the SPP Shares will reduce the Company's placement capacity under ASX Listing Rule 7.1.

To avoid the SPP Shares reducing the Company's placement capacity, Resolution 5 seeks Shareholder approval for the issue of the SPP Shares under Listing Rule 7.1.

The Company is also offering SPP Options under the SPP. Listing Rule 7.2 (Exception 5) does not apply to SPP Options, so to avoid the SPP Options reducing the Company's placement capacity, Resolution 5 also seeks Shareholder approval for the issue of the SPP Options under Listing Rule 7.1.

SPP Securities cannot be issued to any related parties of the Company without Shareholder approval under Listing Rule 10.11 unless an exception applies. ASX Listing Rule 10.12 (Exception 4) permits a listed company to issue securities under a securities purchase plan to related parties without Shareholder approval under Listing Rule 10.11 where the SPP issue satisfies the conditions of the ASIC Relief.

As noted above the Company currently cannot rely on the ASIC Relief as it does not meet the Discount Condition. If the Discount Condition is not met by the time the SPP Securities are issued, the Company cannot rely on Listing Rule 10.12 (Exception 4) and so cannot issue SPP Securities to any related parties of the Company without Shareholder approval under Listing Rule 10.11.

While the Share price may increase to at least \$0.06 before the date the SPP Shares are issued (which would allow the Company to meet the Discount Condition and rely on Listing Rule 10.12 (Exception 4) to issue SPP Securities to related parties of the

Company without Shareholder approval under Listing Rule 10.11), there can be no assurance this will occur.

The Company is not seeking any approval under Listing Rule 10.11 for any related parties of the Company to participate in the SPP. The Company will only issue SPP Securities to any related parties who apply under the SPP if the Share price increases to at least \$0.06 by the time the SPP Securities are to be issued such that the Company can rely on Listing Rule 10.12 (Exception 4).

The Directors have advised they do not intend to participate in the SPP. Directors Ken Hall, Alf Baker and Sean Hu are indirectly participating in the Tranche 2 Placement (subject to Shareholder approval of Resolutions 3 to 5 as applicable).

As the Company is unable to rely on the ASIC Relief in respect of the SPP Options, the SPP will be undertaken via a Prospectus containing all the information required to be disclosed to eligible Shareholders under section 713 of the Corporations Act.

## **6.2 ASX Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue does not fall within any of the exceptions.

## **6.3 Technical Information Required by ASX Listing Rule 14.1A**

Resolution 7 seeks Shareholder approval for the proposed issue of the SPP Securities for the purpose of Listing Rule 7.1.

If Resolution 7 is passed, the SPP Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date

The issue of the SPP Shares will dilute existing Shareholders (based on 457,984,122 Shares being on issue as at the date of this Notice of Meeting and assuming no other Shares are issued) by approximately 1.8%.

If Resolution 7 is not passed, the SPP Securities will reduce the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

## **6.4 Technical Information Required by ASX Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the SPP Securities offer:

- (a) the SPP Securities will be issued to eligible shareholders, being Shareholders as at the SPP Record Date of 29 April 2024 with registered addresses in Australia and New Zealand (**SPP Eligible Shareholders**) who apply under the SPP. In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the issueses will be:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisors of the Company or any associate of any of these parties; and
- (ii) issued more than 1% of the issued capital of the Company;
- (b) the maximum number of SPP Securities that will be issued under the SPP is 8,333,333 SPP Shares and 2,083,333 SPP Options;
- (c) the SPP Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the SPP Options are exercisable at \$0.09 with an expiry date of 30 June 2027. A copy of the full terms and conditions of the SPP Options are set out in Schedule 2 to this Notice;
- (e) the SPP Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the issue price of the SPP Shares will be \$0.06 per Share;
- (g) the SPP Options will be offered for nil cash consideration as they are free attaching Options on the basis of one (1) attaching SPP Option for every four (4) SPP Shares issued under the SPP. Accordingly, no funds will be raised from the issue of the SPP Options; and
- (h) the purpose of the SPP is to raise up to \$500,000 (before costs). The Company intends to use the funds raised for the same purposes as funds raised under the Placement as set out in section 3.1 of this Explanatory Statement.

## 6.5 Additional Information

The Board recommends that Shareholders vote in favour of Resolution 7.

The Chairperson intends to exercise all available proxies in favour of Resolution 7.

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## 7. Resolutions 8 – Approval of SPP Shortfall Securities

### 7.1 Background

The Company may offer SPP Securities that are not applied for by SPP Eligible Shareholders (**SPP Shortfall Securities**) to Shareholders and other investors who are not related parties of the Company, including clients of Canaccord Genuity, under a shortfall offer (**Shortfall Offer**) so that the Company can raise the entire \$500,000 under the SPP.

The number of Shortfall Securities will only be known once the SPP has been completed.

Refer to Section 6.1 of this Explanatory Memorandum for further information with respect to the SPP.

## **7.2 ASX Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of SPP Shortfall Securities does not fall within any of the exceptions.

## **7.3 Technical Information Required by ASX Listing Rule 14.1A**

Resolution 8 seeks Shareholder approval for the proposed issue of the SPP Shortfall Securities for the purpose of Listing Rule 7.1.

If Resolution 8 is passed, the SPP Shortfall Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date

If Resolution 8 is not passed, the SPP Shortfall Securities will reduce the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

## **7.4 Technical Information Required by ASX Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the SPP Shortfall Securities:

- (a) the SPP Shortfall Securities will be offered to Shareholders and other investors who apply for SPP Shortfall Securities. In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the issuees will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisors of the Company or any associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (b) the maximum number of SPP Shortfall Securities that will be issued under the Shortfall Offer is up to 8,333,333 Shortfall Shares and 2,083,333 Shortfall Options. The actual number will depend how many SPP Securities are issued to SPP Eligible Shareholders under the SPP offer;
- (c) the SPP Shortfall Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the SPP Shortfall Options are exercisable at \$0.09 with an expiry date of 30 June 2027. A copy of the full terms and conditions of the SPP Shortfall Options are set out in Schedule 2;

- (e) the SPP Shortfall Securities will be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the issue price of the SPP Shortfall Shares will be \$0.06 per Share;
- (g) the SPP Shortfall Options will be offered for nil cash consideration as they are free attaching Options on the basis of one (1) attaching Option for every four (4) Shares issued under the Shortfall Offer. Accordingly, no funds will be raised from the issue of these Shortfall Options; and
- (h) the purpose of the Shortfall Offer is to allow the Company to raise in aggregate up to \$500,000 (before costs) from the SPP offer and the Shortfall Offer. The Company intends to use the funds raised for the same purposes as funds raised under the Tranche 1 Placement as set out in section 3.1 of this Explanatory Statement.

## **7.5 Additional Information**

The Board recommends that Shareholders vote in favour of Resolution 8.

The Chairperson intends to exercise all available proxies in favour of Resolution 8.

## SCHEDULE 1 - DEFINITIONS

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASIC** means *Australian Securities and Investments Commission*.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the board of Directors of the Company.

**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 the ASX declares is not a business day.

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

**Century Horse** means Century Horse Limited, a company incorporated in British Virgin Islands.

**Chairperson** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

**Company** or **WA Kaolin** means WA Kaolin Limited ACN 083 187 017.

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

**Director** means a director of the Company as at the date of this Notice.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Memorandum** or **Explanatory Statement** means this explanatory memorandum which forms part of the Notice.

**FIRB Act** means the *Foreign Acquisitions and Takeovers Act 1976 (Cth)*.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company or, if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Option** means an option to be issued a Share.

**Participants** has the meaning given in Section 4.5.

**Placement** has the meaning given in Section 3.1.



**Prospectus** means the prospectus to be lodged by the Company in accordance with section 713 of the Corporations Act under which the Company is offering the SPP Securities.

**Proxy Form** means the proxy form accompanying to the Notice.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

**Securities** means Shares and Options.

**Share** means an ordinary share in the issued capital of the Company.

**Shareholder** means a shareholder of the Company.

**SMA** means Scientific Management Associates (Victoria) Pty Ltd.

**SPP** has the meaning given in Section 3.1.

**SPP Eligible Shareholders** has the meaning given in Section 6.4.

**SPP Options** has the meaning given in Section 6.1.

**SPP Securities** means SPP Shares and SPP Options.

**SPP Shares** has the meaning given in Section 6.1.

**SPP Shortfall Securities** means SPP Shares and SPP Options not taken up by SPP Eligible Shareholders.

**SPP Shortfall Options** has the meaning given in Section

**Tranche 1 Placement** has the meaning given in Section 3.1.

**Tranche 1 Placement Options** has the meaning given in Section 3.1.

**Tranche 1 Placement Securities** means Tranche 1 Placement Shares and Tranche 1 Placement Options.

**Tranche 1 Placement Shares** has the meaning given in Section 3.1.

**Tranche 2 Placement** has the meaning given in Section 4.1.

**Tranche 2 Placement Options** has the meaning given in Section 4.1.

**Tranche 2 Placement Securities** means Tranche 2 Placement Shares and Tranche 2 Placement Options.

**Tranche 2 Placement Shares** has the meaning given in Section 4.1.

**WST** means Western Standard Time, being the time in Perth, Western Australia

## SCHEDULE 2 – OPTION TERMS

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

- 1.1 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.
- 1.2 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.
- 1.3 The amount payable upon exercise of each Option will be \$0.09 (**Exercise Price**).
- 1.4 The Options held by each Option Holder may be exercised in whole or in part, and if exercised in part, multiples of 100,000 must be exercised on each occasion. Where less than 100,000 Options are held, all Options must be exercised together.
- 1.5 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;

**(Exercise Notice).**

- 1.6 An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- 1.7 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.
- 1.8 The Options are only transferable with the consent of the Board.
- 1.9 All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- 1.10 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.
- 1.11 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.
- 1.12 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.

Your proxy voting instruction must be received by **10.00am (AWST) on Sunday, 21 July 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

#### WEBSITE:

<https://automicgroup.com.au/>

#### PHONE:

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

