



WA Kaolin Limited
Lot 3 Ward Rd | East Rockingham WA 6168
www.wakaolin.com.au

26 October 2024

Dear Shareholders

ANNUAL GENERAL MEETING

The Annual General Meeting of WA Kaolin Limited (**Company**) is scheduled to be held on Thursday, 28 November 2024 at 10.30am (WST) (**Meeting**).

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/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.

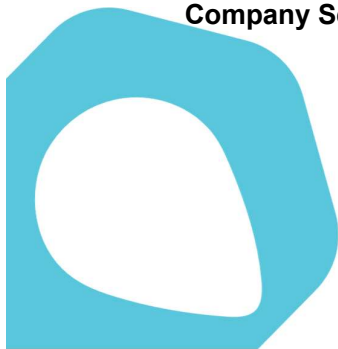
If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting and Explanatory Statement.

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.

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 ANNUAL GENERAL MEETING

**The Annual 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 Thursday, 28 November 2024 at 10.30am (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.

The **2024 Annual Report** can be viewed on the Company's website at www.wakaolin.com.au

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual 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 28 November 2024 at 10.30am (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 26 November 2024 at 4.00pm (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

Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2024, which includes the Financial Report, the Directors' Report and the Auditor's Report.

Note: There is no requirement for Shareholders to approve these statements.

1. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass with or without amendment, the following as a non-binding ordinary resolution:

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2024."

The vote on this Resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Voting Prohibition

A vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast.

However, a vote may be cast by such persons if the vote is not cast on behalf of such a person, and the person:

- (a) is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, and expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Director – Mr Kenneth Hall

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

"That, pursuant to and in accordance with article 6.1(e) of the Constitution and for all other purposes, Mr Kenneth Hall, a director, retires and being eligible, is re-elected as a director on the terms and conditions set out in the Explanatory Memorandum."

3. Resolution 3 – Re-election of Director – Mr Sean Hu

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

"That, pursuant to and in accordance with article 6.1(e) of the Constitution and for all other purposes, Mr Sean Hu, a director, retires and being eligible, is re-elected as a director on the terms and conditions set out in the Explanatory Memorandum."

4. Resolution 4 – Re-election of Director – Dr John White

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

"That, pursuant to and in accordance with article 6.1(f) of the Constitution and for all other purposes, Dr John White, a director, retires and being eligible, is re-elected as a director on the terms and conditions set out in the Explanatory Memorandum."

5. Resolution 5 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, the following as a **special resolution**:

"That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue Equity Securities provided for under Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement."

6. Resolution 6 – Issue of 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 Placement Shares and 4,376,375 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:

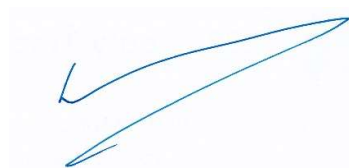
- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, 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.

7. Resolution 7 – Appointment of Auditor at AGM to Fill Vacancy

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

“That, for the purposes of section 327B of the Corporations Act and for all other purposes, BDO Audit Pty Ltd having been nominated by a Shareholder and having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the close of the Meeting.”

BY ORDER OF THE BOARD



Michael Kenyon
Company Secretary
Dated: 26 October 2024

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted on Thursday, 28th November 2024 at 10.30am (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 located at the end of this Explanatory Memorandum.

1. Action to be taken by Shareholders and proxies

1.1 Action to be taken by Shareholders

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

1.2 Proxies

A Proxy Form is attached to 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 10.30am (WST) on 26th November 2024, being at least 48 hours before the Meeting.

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

2. Annual Report

In accordance with section 317(1) of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report,

the Directors' Report and the Auditor's Report for the financial year ended 30 June 2024.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available by contacting the Company Secretary, Michael Kenyon, at the Company's registered office on +61 8 9439 6300 or emailing mkenyon@wakaolin.com.au;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five (5) Business Days before the Meeting to the Company Secretary at the Company's registered office.

3. Resolution 1 - Adoption of Remuneration Report

3.1 Background

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified management and non-executive Directors.

In accordance with subsection 250R (3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report will cease to hold office and may stand for re-election (**Spill Resolution**).

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, a Spill Resolution will not be relevant for this Annual General Meeting.

The Chairperson will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

3.2 Recommendation

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

The Board recommends that Shareholders vote in favour of Resolution 1.

4. Resolution 2 - Re-election of Director – Mr Kenneth Hall

4.1 Background

Clause 6.1(e) of the Constitution requires that a director, other than the managing director, appointed casually by the Board under rule 6.1(d) of the Constitution must retire from office at the next annual general meeting following his or her appointment.

Mr Kenneth Hall, who was appointed as a director on 1 December 2024, will retire pursuant to Clause 6.1(e) and, being eligible, seeks re-election as a director.

The Board considers that Mr Hall is an independent Director.

A brief CV of Mr Hall is included in the Company's 2024 Annual Report.

4.2 Recommendation

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr Hall) recommends that Shareholders vote in favour of Resolution 2.

5. Resolution 3 - Re-election of Director – Mr Sean Hu

5.1 Background

Clause 6.1(e) of the Constitution requires that a director, other than the managing director, appointed casually by the Board under rule 6.1(d) of the Constitution must retire from office at the next annual general meeting following his or her appointment.

Mr Sean Hu, who was appointed as a director on 6 March 2024, will retire pursuant to Clause 6.1(e) and, being eligible, seeks re-election as a director.

The Board considers that Mr Hu is not an independent Director.

A brief CV of Mr Hu is included in the Company's 2024 Annual Report.

5.2 Recommendation

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

The Board (excluding Mr Hall) recommends that Shareholders vote in favour of Resolution 3.

6. Resolution 4 - Re-election of Director – Dr John White

6.1 Background

Clause 6.1(f)(i)(A) of the Constitution requires that, excluding any director who was appointed casually by the Board and has to retire at the Meeting under clause 6.1(e) of the Constitution, and the managing director, one third of the remaining directors (rounded down to the nearest whole number) must retire from office as a director at the Meeting.

Dr White, who was last re-elected as a director at the 2021 AGM, will retire pursuant to Clause 6.1(f) and, being eligible, seeks re-election as a director.

Dr White has been a director and the Company's chairman for a period of approximately 4 years and 5 months since 22 May 2020.

A brief CV of Dr White is included in the Company's 2024 Annual Report.

The Board considers that Dr White is an independent Director.

6.2 Recommendation

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

The Board (excluding Dr White) recommends that Shareholders vote in favour of Resolution 4.

7. Resolution 5 – Approval of 10% Placement Facility

7.1 General

ASX Listing Rule 7.1A provides that, in addition to the 15% placement capacity permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period as adjusted in accordance with the formula in ASX Listing Rule 7.1 (**10% Placement Facility**).

An eligible entity is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis). The Company is an eligible entity.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company has one class of quoted equity securities on issue, being ordinary shares (ASX Code: WAK).

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue quoted Equity Securities under the 10% Placement Facility available under ASX Listing Rule 7.1A. The maximum number of quoted Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue quoted Equity Securities without Shareholder approval available under ASX Listing Rule 7.1A, and will remain subject to the 15% limit on issuing (or agreeing to issue) Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

7.2 Description of Listing Rule 7.1A and information required by Listing Rule 7.3A

(a) 10% Placement Period

If Shareholders approve Resolution 3, the Company's ability to issue quoted Equity Securities under the 10% Placement Facility will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12-months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 or 11.2,

(the 10% Placement Period).

(b) Minimum Issue Price

The issue price of quoted Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of not less than 75% of the volume weighted average market price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or

- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(c) **Purpose of Funds Raised**

Funds raised from the issue of quoted Equity Securities under the 10% Placement Facility are intended to be used towards advancing existing assets and investments, the acquisition and development of new assets and investments, corporate and administration costs and working capital.

(d) **Economic and Voting Dilution Risk**

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table on the following page shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.025 (50% decrease in current issue price)	\$0.049 (Current issue price)	\$0.98 (100% increase in current issue price)
523,634,125 (Current Variable A)	Shares issued – 10% voting dilution	52,363,413		
	Funds raised	\$1,309,085	\$2,565,807	\$5,131,614
785,451,188 (50% increase in Variable A)	Shares issued – 10% voting dilution	78,545,119		
	Funds raised	\$1,963,628	\$3,848,711	\$7,697,422
1,047,268,250 (100% increase in Variable A)	Shares issued – 10% voting dilution	104,726,825		
	Funds raised	\$2,618,171	\$5,131,614	\$10,263,229

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100% and the voting dilution impact of such an increase. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of

Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

The table has been prepared on the following assumptions.

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options or Performance Rights (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused by their own shareholding depending on the specific circumstances.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The current issue price is \$0.049 being the closing price of the Shares on the ASX on 15 October 2024.
- (viii) The Company will only issue the Equity Securities during the 10% Placement Period.

(e) **Allocation Policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors set out in the Company's allocation policy, including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;

- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing Substantial Holders and/or new Shareholders who are not related parties or associates of a related party of the Company.

(f) **Use of 10% Placement Facility in prior 12-months**

The Company obtained Shareholders approval for its 10% Placement Facility at its previous annual general meeting held on 24 November 2023.

During the 12-month period preceding the date of this Meeting, being on and from 28 November 2023, the Company has issued a total of 16,114,186 Equity Securities under ASX Listing Rule 7.1A.2, which represents 3.95% of the total number of the Equity Securities on issue in the Company on 28 November 2023, which was 407,669,935.

Date	Quantity	Class	Recipient	Issue price and discount to Market Price (if applicable)	Form of consideration
22/12/23	5,882,353	Fully paid ordinary shares ¹	Century Horse Limited	\$0.17 per share. Discount N/A	Cash to be received = \$1,000,000.01. Cash used towards working capital, capital expenditure and general corporate purposes.
24/01/2024	5,882,353	Fully paid ordinary shares ¹	Century Horse Limited	\$0.17 per share. Discount N/A%.	Cash to be received = \$1,000,000.01. Cash used towards working capital, capital expenditure and general corporate purposes.
12/02/2024	4,349,480	Fully paid ordinary shares ¹	Century Horse Limited	\$0.17 per share. Discount N/A%.	Cash to be received = \$739,411.60. Cash used towards working capital, capital expenditure and general corporate purposes.
Total	16,114,186				

Note: (1) Fully paid ordinary shares in the capital of the Company, ASX Code: WAK (terms are set out in the Constitution).

(g) **Voting Exclusion**

A voting exclusion statement is not included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security

holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8. Resolution 6 - Issue of Placement Securities to major shareholder Century Horse Limited

8.1 Background

On 1st May 2024 the Company announced 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) Shares issued.

The Placement included, subject to Shareholder and FIRB approval, the issue of 17,505,500 Shares and 4,376,375 Options to Century Horse Limited (**Placement Securities**) to raise \$1,050,330.

Shareholder approval under Listing Rule 10.11 was and is required for the issue of the Placement Securities to be completed as Century Horse is a 12.1% shareholder as at 10 October 2024 that has nominated a director to the Board (being Mr Sean Hu) under a staged placement subscription agreement dated 1 August 2023 as previously announced.

At a Shareholder meeting held on 23 July 2024, Shareholders approved the issue of the Placement Securities to Century Horse for the purposes of Listing Rule 10.11. In accordance with an ASX waiver of Listing Rule 10.13.5 granted on 7 June 2024, the approval expired on the earlier of 23 October 2024 (being 3 months after the Shareholder meeting) and 3 business days after FIRB approval.

The Company has been advised by Century Horse that FIRB is to assess the issue of the Placement Securities during November 2024.

The Company is therefore seeking to refresh Shareholder approval for the issue of the Placement Securities to Century Horse.

If Shareholders approve Resolution 6, the Company may, if FIRB grants approval, in accordance with an ASX waiver of Listing Rule 10.13.5 granted to the Company on 25 October 2024, complete the issue of the Placement Securities to Century Horse no later than the earlier of:

- (a) 3 business days after Century Horse receives an approval or notice of no objection (as appropriate) by the FIRB to acquire the Placement Securities; and
- (b) three months after the date of the Meeting,

and the Company will benefit from the additional funds raised.

If Shareholders do not approve Resolution 6, the Company will not be able to proceed with the issue of the Placement Securities to Century Horse, even if approved by FIRB, and the Company will not benefit from the 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.

8.2 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.

8.3 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 Century Horse Placement:

- (a) the Placement Securities will be issued to Century Horse which 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;
- (b) the number and class of Placement Securities to be issued to Century Horse is as follows:

Placement Shares	Placement Options	Subscription Amount
17,505,500	4,376,375	\$1,050,330.00

- (c) the 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;
- (d) the Placement Options will be granted on the terms and conditions set out in Schedule 2;
- (e) in accordance with an ASX waiver of Listing Rule 10.13.5 granted to the Company on 25 October 2024, the Placement Securities will be issued no later than the earlier of 3 business days after Century Horse receives an approval or notice of no objection (as appropriate) by the FIRB to acquire the Placement Securities and 3 months after the date of the Meeting and it is intended that issue of the Placement Securities will occur on the same date;

- (f) the issue price of the Placement Shares will be \$0.06 each. The Placement Options will be issued for nil cash consideration as they will be free attaching to the Placement Shares and so no funds will be raised from their issue. Accordingly, the Company will raise \$1,050,330.00 if Resolution 6 is passed:
- (g) the purpose of the issue is to raise \$1,050,330.00 (before costs). The Company intends to use the funds raised 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;
- (h) the Placement Securities are being issued under a subscription agreement dated 30 April 2024 between the Company and Century Horse with the following material terms:
 - (i) Century Horse agrees to subscribe for its Placement Shares at an issue price of \$0.06 each, with one (1) free attaching Placement Option for every four (4) Placement Shares issued;
 - (ii) completion of the subscription 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 Century Horse either confirming FIRB Act approval is not required or has been obtained (**Conditions**);
 - (iii) 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. The parties have agreed in writing to extend the Conditions end date to 31 January 2025; and
 - (iv) completion will occur 5 Business Days after the Conditions are satisfied or waived (or such other date as agreed by the parties).

The interests of Century Horse in Securities of the Company as at the date of this Notice of Meeting, and assuming the Placement Securities are issued, are set out below:

Existing Securities	% Share-holding	Securities after Placement Securities issued	% Share-holding
63,567,618 Shares	12.1%	81,073,118 Shares 4,376,375 Options ¹	15.0%

Notes:

- 1. Option terms are set out in Schedule 2.

Mr Sean Hu does not wish to make a recommendation to Shareholders in relation to Resolution 6 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).

The Directors (other than Mr Hu) recommend that Shareholders vote in favour of Resolution 6 so as to allow the Placement Securities to be issued.

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

9. Resolution 7 – Appointment of Auditor at AGM to Fill Vacancy

Section 327C(1) of the Corporations Act provides that if a vacancy occurs in the office of auditor of a public company the directors must within 1 month appoint an auditor to fill the vacancy. Section 327C(2) of the Corporations Act provides that an auditor so appointed holds office until the Company's next annual general meeting.

As announced by the Company to ASX on 30 July 2024, BDO Audit Pty Ltd (BDO Audit) was appointed as auditor of the Company. The appointment follows the resignation of BDO Audit (WA) Pty Ltd (BDO WA) and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act. The change of auditor arose as a result of BDO WA restructuring its audit practice whereby audits will be conducted by BDO Audit, an authorised audit company, rather than BDO WA.

Under Section 327(C)(2) of the Corporations Act BDO Audit retires at the Annual General Meeting. As BDO Audit is eligible for election as auditor of the Company as and from the Annual General Meeting, Resolution 7 proposes the election of BDO Audit as auditor of the Company.

BDO Audit Pty Ltd has given its written consent to act as the Company's auditor, subject to Shareholder approval.

If Resolution 7 is passed, the appointment of BDO Audit Pty Ltd as the Company's auditor will take effect from the close of the Annual General Meeting.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for BDO Audit Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

The Directors of the Company believe Resolution 7 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

SCHEDULE 1 - DEFINITIONS

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

\$ means Australian Dollars.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2024.

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.

Auditor's Report means the auditor's report on the Financial Report.

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.

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.

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth).

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

Constitution means the constitution of the Company as at the date of the Meeting.

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

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

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

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 means this explanatory memorandum which forms part of the Notice.

Financial Report means the financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

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.

Officer has the same meaning, as the context requires, given in paragraphs (a) and (b) of the definition of 'officer' of a corporation, or in paragraphs (a) and (b) of the definition of 'officer' of an entity that is neither an individual nor a corporation, in each case in section 9 of the Corporations Act.

Option means an option to be issued a Share.

Placement Options means 4,376,375 Options to be granted on the terms set out in Schedule 2.

Placement Securities means the Placement Shares and the Placement Options.

Placement Shares means 17,505,500 Shares to be issued at an issue price of \$0.06 each.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company in the Directors' Report.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Substantial Holder has the meaning given in the Listing Rules.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

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

SCHEDULE 2 – PLACEMENT 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:
 - 1.5.1 a written notice of exercise of Options specifying the number of Options being exercised; and
 - 1.5.2 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.

ANNEXURE A – NOMINATION OF AUDITOR

15 October 2024

WA Kaolin Limited
Lot 3, Ward Road
East Rockingham, Western Australia 6168

I, Andrew Sorensen, being a member of WA Kaolin Limited (**Company**), nominate BDO Audit Pty Ltd in accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Act**) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

Signed and dated 15 October 2024:

A handwritten signature in blue ink, appearing to be 'A. Sorensen', with a long horizontal flourish extending to the right.

Your proxy voting instruction must be received by **10.30am (AWST) on Tuesday, 26 November 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://automicgroup.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:

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Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

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