

## March 2025 Quarterly Activities Report

WA Kaolin Ltd (“**WA Kaolin**” or the “**Company**”) (**ASX: WAK**) is pleased to provide an update on its activities for the December 2024 quarter.

### Highlights

#### Overall

- With major increases in confirmed offtakes, the Company is very pleased that operations were upgraded with the two new classifiers in anticipation of strong sales growth.
- Production rates of 20 tonnes per hour (tph) including 5tph of a new technical grade kaolin (Kaosil) are being achieved per classifier.
- With the ability now to produce at higher rates with improved yield, and finer & engineered ceramics products, the company is in a good position to deliver into growing orders.

#### Sales and Marketing

- Sales for the March quarter were 5,525 tonnes for revenue of \$1,237k (an average of A\$224 per tonne).
- Forward orders for Q4 and onwards stand at 16,418 tonnes as follows:
  - April 2,143 tonnes
  - May 3,892 tonnes
  - June 5,160 tonnes
  - July and beyond 5,223 tonnes, and growing rapidly.
- The growth in sales is pushing our logistics chain to grow with the ramp-up of deliveries, as we prepare for record quantities to be shipped in May and beyond.
- Customer interest in China is gaining significant momentum with orders from new customers accelerating.

#### Finance

- The \$7.0 million ANREO was successfully completed with strong support from shareholders.
- The Company’s cash position stood at \$6.15m as of 31 March 2025.

## Operations

- The company has moved to 24-hrs/4-days production operating one classifier and will respond with additional shifts as required.
- The two new classifiers have both now achieved production rates of 20 tonnes per hour, including 5 tph of Kaosil. Optimising the plant systems both before and after the classifiers has commenced with low-cost improvements engineered and ordered, and expected to be completed by July.
- Therefore, when both classifiers are deployed and the systems feeding them are fine-tuned and/or modified to match the capacity of the classifiers, the first train of the plant will significantly exceed the 25tph nameplate capacity (25tph implies 200,000 tonnes per year at full 24/7 operation).
- The next mining campaign is well underway to bring sufficient ore to the plant ahead of winter rains.



*Figure 1 - Mining Operations at Wickepin*

- Work continues with the introduction of WAK's finer products to the paint and paper markets.
- WAK continues to build its operational team, but with the acceleration of offtakes, contractors have been called in to assist with the current mining campaign ahead of the winter wet season.
- The Company remains committed to and focused on continuous improvement of safety awareness and working conditions and is pleased to report an accident free quarter.

## Research & Development (R&D)

- Successful R&D efforts have led to two new engineered clay grades being launched into the ceramics market. With provisional specifications applied, the two products are EC-SAN for sanitary ware and EC-PLA for tableware and other applications where plasticity is important.
- R&D is also assisting marketing efforts to have finer grades approved for the paper and paint markets.
- First results of characterising the Company's kaolin for geopolymer concrete applications ('green cement') are encouraging, with efforts proceeding with a consulting group and Curtin University into 2025.

## Sales

WA Kaolin's sales for the March quarter were 5,525 tonnes for revenue of A\$1,236,943 at an average of A\$224 per tonne. The forward order book currently stands at 16,418 tonnes.

During the quarter the logistics chain experienced some growing pains and, as was the case in March, the sales revenue for April is being constrained by container shipping availability. The execution team have secured additional space and containers with the ship owners for May and beyond to support the sales ramp-up.

The Company has been engaged with an unprecedented level of inbound sales enquiries from China, which might be a direct function of macro events in the global trade landscape. During April, the company has secured orders from 2 new customers in China with more enquiries well advanced in the sales pipeline. This accelerating customer demand is being calibrated with shipping access.

**Table 1.** Kaolin Sales Revenue

	Q4 FY 2024	Q1 FY 2025	Q2 FY 2025	Q3 FY 2025	Q4 Orders
Kaolin sales (dmt)	3,398	3,244	3,705	5,525	11,195
Revenue from sales (\$)	\$772,000	\$672,000	\$836,904	\$1,236,943	\$2,500,000*

\*Note: estimate based on selling price \$224 per tonne

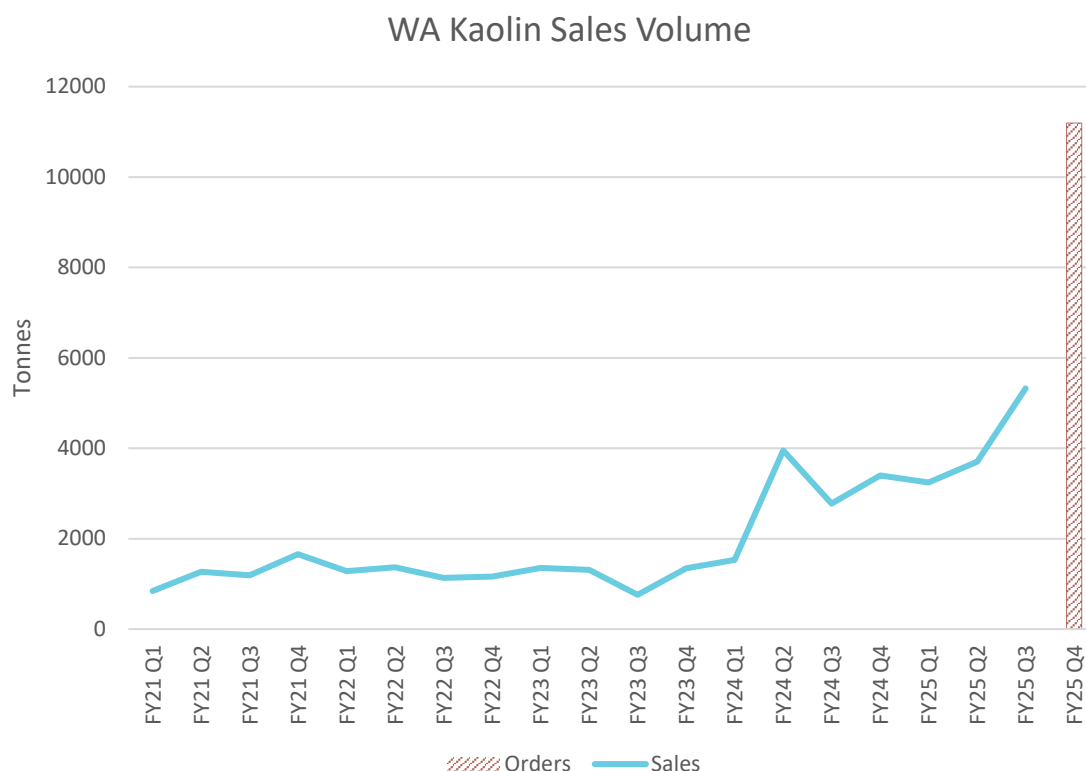


Figure 2 – Quarterly sales volume

## Financial Details

As of 31 March 2025, WA Kaolin's cash position stood at \$6.15 million.

In accordance with Listing Rule 5.3.1, the Company confirms that further exploration activities were undertaken during the quarter ended 31 March 2025.

In accordance with Listing Rule 5.3.2, the Company advises that it spent approximately \$0.77m during the quarter on production costs, largely related to cost of gas and diesel (\$0.27m), and freight costs (\$0.39m). No funds were spent during the quarter on development costs, as this cost was expended in previous quarters.

In accordance with Listing Rule 5.3.5, \$161,208 was paid to related parties or their associates during the quarter. The payments comprise the following:

- Directors' fees and superannuation: \$32,446
- Salary, superannuation, vehicle allowance and expenses reimbursements to the daughter of managing director (per contract of employment (at arm's length) as the Company's Territory Sales Executive): \$16,479
- Fees paid to the Managing Director in lieu of salary: \$45,500 (per executed consultancy deed)
- Landowner compensation and tenements rental paid to an entity associated with the executive director \$27,825
- Fees paid to two family members of the Executive Director relating to the construction of elements relating to the Company's classifier project at its Wickepin plant, through an entity associated with the executive director (at arm's length, 10% mark-up applied): \$16,459
- Royalties paid to an entity associated with the executive director: \$22,499

## Mining Tenements

In accordance with Listing Rule 5.3.3, the Company advises that it held the following tenements at the end of the quarter are listed in table 2.

**Table 2.** Tenements

Tenement	Prospect	Ownership (%)	Change
M70/1143	South West Kaolin	100%	Nil
R70/40	Balgulpinn	100%	Nil
R70/42	Levi	100%	Nil
R70/43	Walters Hill	100%	Nil

Tenement	Prospect	Ownership (%)	Change
R70/44	Doraking	100%	Nil
L70/156	Wickepin	100%	Nil
G70/251	Wickepin	100%	Nil

M – Mining Lease (granted)

R – Retention Licence (granted)

L – Miscellaneous Licence (granted)

G – General Purpose Lease (granted)

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

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## Forward Looking Statements

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

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

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

<b>WA KAOLIN LIMITED</b>
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ABN

56 083 187 017
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Quarter ended ("current quarter")

31 March 2025
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	923	2,675
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(776)	(2,234)
(d) staff costs	(1,127)	(2,778)
(e) administration and corporate costs	(360)	(1,266)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	6
1.5 Interest and other costs of finance paid	(13)	(39)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	57	667
1.8 Other (provide details if material)	-	18
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,296)</b>	<b>(2,951)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(214)	(1,809)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	32
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(214)</b>	<b>(1,777)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,982	10,921
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(282)	(398)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(159)	(447)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>6,541</b>	<b>10,076</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,120	720
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,296)	(2,951)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(214)	(1,777)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,541	10,076

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	83
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,151</b>	<b>6,151</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	6,151	1,120
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,151</b>	<b>1,120</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	145
6.2	Aggregate amount of payments to related parties and their associates included in item 2	16

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	4,500	4,150
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>4,500</b>	<b>4,150</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>350</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>1) <i>Toyota Fleet Management – 6 x Hire Purchase agreements at varying fixed interest rates for mobile equipment and motor vehicle (secured)</i></p> <p>2) <i>\$3m Convertible Loan Agreement with Boneyard Investments Pty Ltd, 3-year term from June 2023, 8% interest rate however interest accrued (not paid) until 31 December 2024 (unsecured).</i></p>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,296)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,296)
8.4 Cash and cash equivalents at quarter end (item 4.6)	6,151
8.5 Unused finance facilities available at quarter end (item 7.5)	350
8.6 Total available funding (item 8.4 + item 8.5)	6,501
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>5.02</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2025

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

## **Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.