

7 May 2026

March 2026 Quarterly Activities Report

WA Kaolin Ltd (“**WA Kaolin**” or the “**Company**”) (**ASX: WAK**) is pleased to provide an update on its activities for the March 2026 quarter.

Overview

The March 2026 quarter performance reflects a business operating below optimal production levels, with sales of 9,787 tonnes generating revenue of \$1.97 million (approximately \$194 per tonne), remaining below current cost of production (approximately \$258 per tonne). While underlying demand for the Company’s products was strong, including an order book at the end of the quarter of approximately 32,000 tonnes, margins on sales remained negative (approximately \$64 per tonne) due to constrained plant output and the pricing mechanism in the existing offtake agreement.

The Company announced plans to conduct a Debt and Recapitalisation program during the quarter, via a Prospectus issued on 30 March 2026, which on the minimum subscription under the proposed partially underwritten, non-renounceable Entitlements Issue (Offer) will see debt reduced by c.\$10.1m and the balance sheet bolstered by a minimum additional c.\$4.7m in cash.

The Company’s shares remained suspended through the quarter, ahead of shareholders considering for approval among other matters, the above Offer and the aforementioned offtake agreement, and the closure of the Offer. A notice of meeting convening shareholders was sent on 30 March 2026 (and an addendum to the NOM was sent post quarter end on 24 April 2026) with the shareholder meeting scheduled for Friday 8 May 2026.

Financial

For the quarter ended March 2026

Cash inflow from operations for the quarter	\$0.359m
Cash outflow from other activities for the quarter	\$0.279m
Cash on hand at the end of the quarter	\$0.839m

Financial Performance

Sales for the quarter totalled 9,787 tonnes, generating \$1.9 million in revenue. The current sales mix remains weighted toward lower-margin product supplied to the Company's key commercial partner, Dak Tai (an entity associated with former director Sean Hu and his controlled trading entity, Stanco), which accounted for approximately 72% of revenue for the period.

Demand remains robust, with an order book of approximately 31.9kt as at late April 2026, including approximately 14kt of backorders. However, the Company's ability to diversify sales into higher-value markets remains dependent on achieving consistent production volumes that generate excess inventory above the contracted monthly obligations including reducing the backorders under the Dak Tai offtake agreement of between 4kt – 5kt/month.

Progress continued in the qualification of higher-value 'Wickefine' products across both domestic and export markets. In Australia, a paper customer and a ceramics customer are progressing internal testing and application assessment. Internationally, interest across China and India remained strong, with multiple customers undertaking application testing in coatings, paper, plastics and rubber segments.

Post quarter end, pricing adjustments were implemented to partially offset rising production input and logistics costs. Emergency Bunker Surcharges (EMS) imposed by shipping lines have been passed through to customers as incurred, typically in the order of approximately US\$150 per container. In addition and reflecting the current uncertainty around fuel supply out of the Middle East, a fuel-linked pricing mechanism has been introduced effective 1 April 2026, with monthly surcharges based on the AIP Terminal Gate Price. These measures are expected to progressively flow through to revenue for the June quarter.

Table 1. Kaolin Sales Revenue

	Q4 FY 2025	Q1 FY2026	Q2 FY2026	Q3 FY2026	Orders
Kaolin sales (dmt)	9,876	13,858	13,315	9,787	32,028 ¹
Revenue from sales (A\$m)	2.14	2.74	2.68	1.97	6.41 ²
Cost of Production (A\$m)	2.56	2.73	2.70	2.53	
Freight (A\$m)	0.83	0.94	0.92	0.67	
Gross Margin (A\$m)	(1.25)	(0.93)	(0.94)	(1.23)	

¹ - As at late April 2026, including 14,856 tonnes of backorders

² - Estimate based on selling price of \$200 per tonne

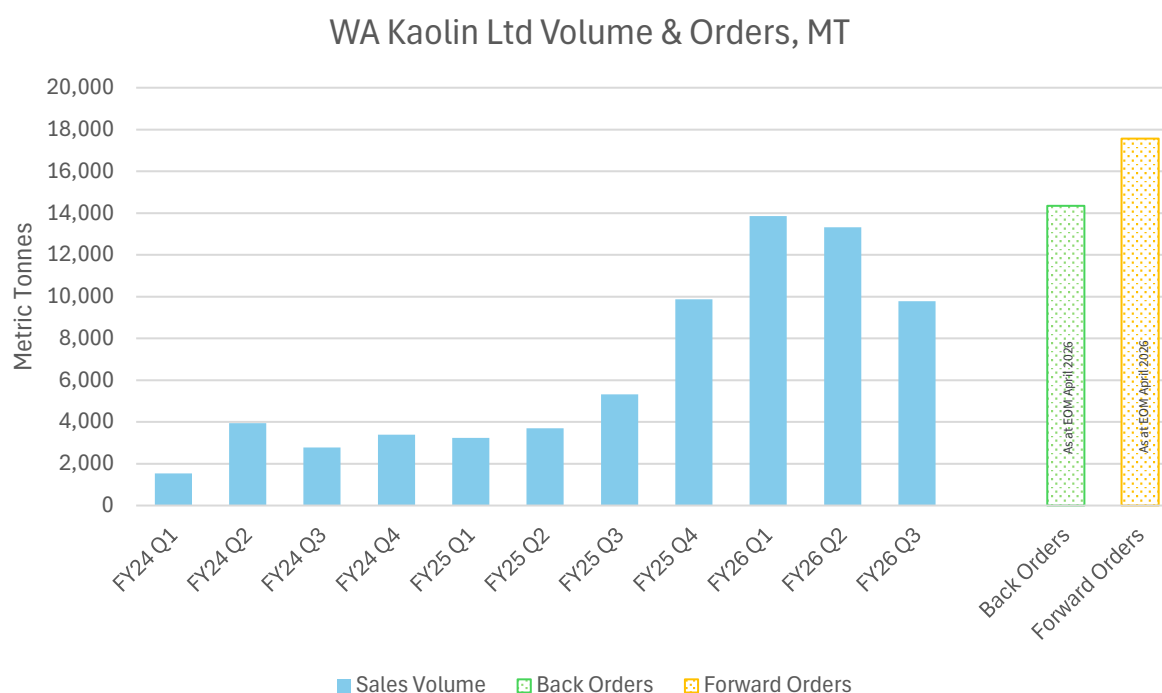


Figure 1 – Quarterly sales volume

Plant Performance and Production

Plant performance during the quarter remained below target levels, with production constrained by maintenance requirements. At the end of the quarter, plant ‘on-feed time’ was still trending slightly negative however post quarter end it began trending positively for the first time this financial year. No Accidents nor lost time injuries were recorded for the quarter.

Average production for the quarter was approximately 3,672 tonnes per month, with operations restricted to a single classifier circuit, limiting throughput to approximately 13–15 tonnes per hour. Time on feed averaged 43.5%, with unscheduled downtime of 15.1%.

Operationally, the primary constraint to improved financial performance remains plant availability and throughput. The Company requires sustained production levels in excess of approximately 4kt – 5kt per month to support contracted volumes and enable allocation of product into higher-margin markets.

A planned shutdown, currently scheduled for mid-June, is expected to address key maintenance and improvement items, including equipment upgrades and reliability improvements. The completion of this program is expected to improve plant availability and operating stability.

Research & Development (R&D)

Through the quarter, R&D Kwinana continued to support marketing with production of engineered and granulated kaolin products for the ceramics industry, after installing new ceramic testing apparatus in January 2026.

The R&D centre continues to work closely with grinding machine manufacturers in Europe and China to select the best system to further refine 'Wicefine' products for applications that require super fine kaolin.

Recapitalisation and Funding

During the quarter, the Company announced a proposed recapitalisation and funding strategy to strengthen its balance sheet and support ongoing operations. This includes a pro-rata non-renounceable entitlement offer and the conversion of approximately \$10.1 million of existing debt into equity, subject to shareholder approval.

A Prospectus for a non-renounceable 1:5 entitlement offer was lodged on 30 March 2026 (and a Replacement Prospectus was lodged post-quarter end on 9 April 2026). The Offer will allow a reduction in the Company's debt burden of approximately \$10.1m and provide working capital to support plant improvements and operating costs.

Financial Details

As of 31 March 2026, WA Kaolin's cash position stood at \$0.839 million.

In accordance with Listing Rule 5.3.1, the Company confirms that no further exploration activities were undertaken during the quarter ended 31 March 2026.

In accordance with Listing Rule 5.3.2, the Company advises that it spent approximately \$1.48m during the quarter on production costs, largely related to freight costs (\$0.59m), mining costs (\$0.31m) and cost of diesel, inventory & others (\$0.58m). No funds were spent during the quarter on development costs.

In accordance with Listing Rule 5.3.5, \$194,664 was paid to related parties or their associates during the quarter. The payments comprise the following:

- Salary, Directors' fees and superannuation (including all executive and non-executive directors): \$30,791.
- Fees, reimbursements and royalties paid to the Managing Director or associates of the Managing Director:
 - Fees paid to the Managing Director in lieu of salary: \$69,434 (per executed consultancy deed);
 - Business expense reimbursements & contractor payments paid to an entity associated with the Managing Director (at cost): \$410;
 - Royalties paid to an entity associated with the Managing Director and the Executive Director: \$22,727; and
 - Salary, superannuation, vehicle allowance and expenses reimbursements to the daughter of the Managing Director (per arm's length contract of employment as the Company's Territory Sales Executive): \$17,750.
- Salary, superannuation, and expenses reimbursements to the Executive Director (per contract of employment as the Company's Director, Sales & Marketing): \$53,552.

Mining Tenements

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

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
R70/44	Doraking	100%	Nil
L70/156	Wickepin	100%	Nil
G70/251	Wickepin	100%	Nil

M – Mining Lease (granted)

R – Retention Licence (granted)

L

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Miscellaneous

Licence

(granted)

G – General Purpose Lease (granted)

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

For further information, please contact:

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About WA Kaolin

WA Kaolin's Wickepin Kaolin Project, 220km south-east of Perth, contains a Mineral Resource (JORC 2012) of 643 million tonnes^{1,2} of high-grade premium kaolinised granite. This world-class resource at Wickepin is one of the largest known remaining premium primary resources of kaolin globally. It is characterised by its purity, quality and brightness, producing kaolin products that typically attract higher prices from a growing collection of top tier customers.

¹ The Mineral Resource estimate is inclusive of Ore Reserves and the 2023 Mineral Resource estimate. Please refer to the ASX announcements of 10 October 2023 'Wickepin Kaolin Project Ore Reserve More Than Doubles' and 'Wickepin Kaolin Project Mineral Resource and Ore Reserve Supplementary Announcement'. Apart from that which is disclosed in this document, WA Kaolin Limited, its directors, officers and agents: 1. Are not aware of any new information that materially affects the information contained in the 10 October 2023 announcements, and 2. State that the material assumptions and technical parameters underpinning the estimates in the 10 October 2023 announcements continue to apply and have not materially changed.

² CSA Global Mineral Resource Estimate R313.2023

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

WA KAOLIN LIMITED

ABN

56 083 187 017

Quarter ended ("current quarter")

31 March 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,694	8,785
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(1,483)	(6,915)
(d) staff costs	(1,554)	(4,540)
(e) administration and corporate costs	(416)	(1,299)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(7)	(153)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	125	1,000
1.8 Other (provide details if material)	-	35
1.9 Net cash from / (used in) operating activities	359	(3,087)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(93)	(674)
(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	-	-
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(93)	(674)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(44)	(44)
3.5	Proceeds from borrowings	.	1,500
3.6	Repayment of borrowings	(142)	(409)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(186)	1,047
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	774	3,581
4.2	Net cash from / (used in) operating activities (item 1.9 above)	359	(3,087)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(93)	(674)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(186)	1,047

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
4.5	Effect of movement in exchange rates on cash held	(15)	(28)
4.6	Cash and cash equivalents at end of period	839	839

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	839	774
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	839	774

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	195
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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)	-	-
7.4 Total financing facilities	4,500	4,150
7.5 Unused financing facilities available at quarter end		350
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 2025 (unsecured).</i></p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	359
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)	359
8.4 Cash and cash equivalents at quarter end (item 4.6)	839
8.5 Unused finance facilities available at quarter end (item 7.5)	350
8.6 Total available funding (item 8.4 + item 8.5)	1,189
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<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?	
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?	

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

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?

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.

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: 07 May 2026

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.