ASX Announcement

30 July 2026

WA Kaolin Receives Notice of Significant Order Cancellations

WA Kaolin Limited (ASX: WAK) ("WAK" or the "Company") advises that it has received written notification from Dak Tai Trading Limited ("Dak Tai"), the Company's distributor to the fibreglass market in Asia, that it has decided to cancel the majority of its forward orders, except for approximately 2,496 tonnes scheduled for production and shipment over the next two weeks.

Dak Tai has advised that the cancellations are the result of its customers securing alternative sources of supply following the recent disruptions to WAK's production and delivery performance, including the successfully completed 3-week plant improvement shutdown in June. The cancelled volumes relate to the Company's fibreglass grade of kaolin, which carries the lowest margin in the WA Kaolin range and, at the prices supplied under these arrangements, does not recover its fully absorbed cost of production.

While the Company had already commenced a planned reduction in the percentage of fibreglass volumes and an increase in higher value products and markets, the cancellations represent a significant reduction in the Company's expected sales volumes over the coming months. However, the effect on gross margin is expected to be proportionately smaller and the Company is assessing the financial impact.

In response, the Board has commenced an immediate review of the Company's operating plan, including production scheduling, workforce requirements, inventory management and cost reduction initiatives. The review will also consider redeploying available plant capacity to higher margin grades. The objective of the review is to preserve cash while maintaining the Company's sales strategy to focus on our increasing demand for our premium high-end markets.

Given the potential material effect of the cancellation of orders on the financial position of the Company, the Company has applied for and been granted a trading halt by ASX to allow time for the review to be completed and the results to be announced, currently expected to occur no later than pre-open Monday 3 August 2026.

The Company remains in discussions with Dak Tai regarding future supply arrangements.

Forward-looking statements, if any, are subject to assumptions, risks and uncertainties, and do not constitute earnings guidance or financial product advice.

This announcement has been authorised for release by the Board of WA Kaolin Limited.

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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 644.5 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