ASX Announcement

31 July 2026

June 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 June 2026 quarter was a period of significant progress and transition for WA Kaolin. During the quarter, the Company addressed a number of important strategic, operational and regulatory matters, including strengthening Board capability, completing a complex recapitalisation, undertaking critical plant maintenance and improvements, and implementing the changes required to comply with new mining regulations. While these initiatives presented short-term operational and financial challenges, they establish a stronger platform for improved operational reliability, higher-value product development and sustainable long-term growth.

Financial

For the quarter ended June 2026

Cash outflow from operations for the quarter	$4.056m
Cash inflow from other activities for the quarter	$5,331m
Cash on hand at the end of the quarter	$2,090m

Sales and Marketing

Sales for the quarter totalled 10,037 tonnes, generating $1.95 million in revenue. WA Kaolin continued to maintain customer engagement across both domestic and export markets during the quarter, while managing the impact of a scheduled 3 week shutdown for plant maintenance and improvement in the month of June.

Sales to Stanco remained the cornerstone of revenue for the Company.

- Total sales of WAK products in the June quarter: $1,953,153
- Sales to Stanco in the June quarter: $1,422,586
- Proportion of total sales to Stanco in the June quarter 74%

Export sales activity remained focused on supporting existing customers, progressing product evaluations and advancing longer-term market development opportunities. Customer engagement across Asia remained active, with ongoing discussions covering ceramics, specialty paper, cosmetics and industrial mineral applications.Several customers indicated interest in increasing future purchasing volumes and progressing additional product trials.

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The Company continued to advance its higher-value product portfolio, including K999P and the Wickefine range. Customer evaluations across cosmetics, specialty paper and ceramics applications progressed during the quarter, with positive technical feedback received and further qualification programs underway.

In Asia, Imerys completed its evaluation of the Company's products for ceramics applications, resulting in product approval. In Australia, Visy advanced its evaluation program and has requested two tonnes of slurry for a plant-scale trial. Other market opportunities remain at various stages of customer evaluation and qualification.

Joint market development activities undertaken with strategic marketing partners continued to identify opportunities for WA Kaolin products across key Asian markets. The Company remains focused on developing sustainable long-term sales channels while broadening its exposure to higher-value applications.

Domestically, established customers continued to provide a base level of demand, while product evaluation programs progressed with several industrial customers. During the period, the Company also secured an initial commercial order from a new customer following successful product evaluation activities.

- Domestic sales in the June 2025 quarter: $82,943
- Proportion of Total sales in the June quarter: 4.2%

While the maintenance and improvement program impacted sales volumes during the quarter to the low margin fiberglass sector, customer engagement levels and ongoing evaluation programs provide encouragement regarding future demand opportunities continued to support the Company's strategy of developing higher-value markets.

Subsequent to the end of the quarter, Dak Tai Trading Limited notified the Company that it had cancelled the majority of its forward order book. While the Company had already commenced a planned reduction in the percentage of fibreglass volumes and an increase in higher value products and markets, as announced separately to the ASX the Board has commenced a review of the Company's operating plan, including production levels and cost reduction initiatives, in response to the reduced sales outlook.

Table 1. Kaolin Sales Revenue

	Q1 FY2026	Q2 FY2026	Q3 FY2026	Q4 FY2026	Orders[3]
Kaolin sales (dmt)	13,858	13,315	9,787	10,037	32,238[1]
Revenue from sales (A$m)	2.74	2.68	1.97	2.05	6.45[2]
Cost of Production (A$m)	2.73	2.70	2.53	3.01	
Freight (A$m)	0.94	0.92	0.67	0.95	
Gross Margin (A$m)	(0.93)	(0.94)	(1.23)	(1.90)	

1 – As at July 2026, including 16,974 tonnes[3] of backorders
2 – Estimate based on selling price of $200 per tonne
3 – Post Quarter end the quantity of orders on hand has been significantly reduced through the cancellation of orders by Dak Tai

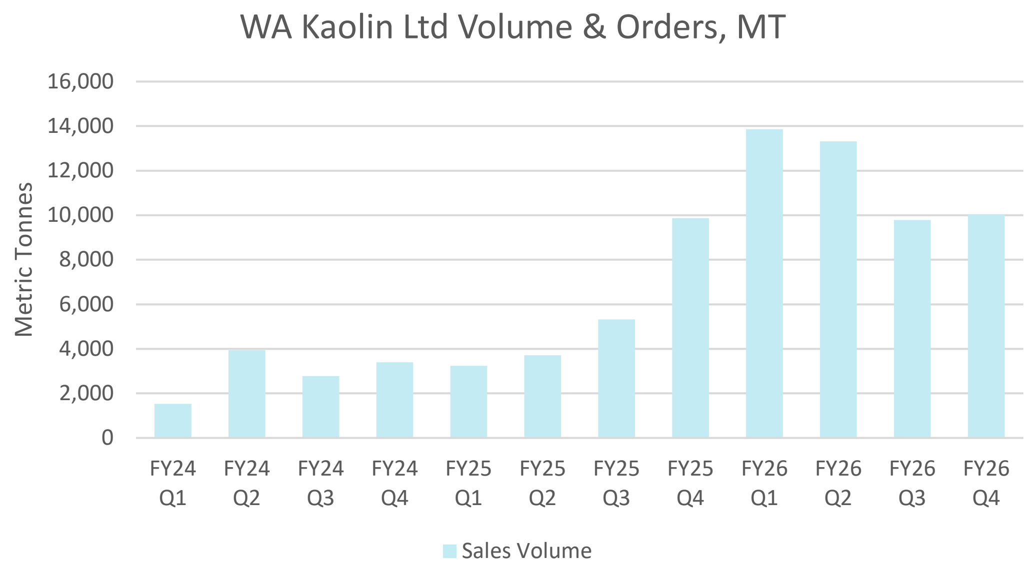

Figure 1 – Quarterly sales volume

Plant Performance and Production

In June of this quarter the company, in a three-week shutdown, finally attended to overdue maintenance and improvement items. This meant that production was reduced especially in June. The rotary drier had a faulty drive system and the supplier provided replacement components under warranty. The kiln required weekly patch ups for many months until it could not continue without the upgrade which required cranes and over two weeks of the shutdown.

No accidents nor lost time injuries were recorded during the quarter

The company needed to add consulting contractors with quarry management and site supervision qualifications in order to comply with new mining regulations that came into effect at the end of March 2026. The company has registered several of its employees to sit exams and complete units so as to be similarly qualified and reduce contractor involvement.

Dust and grit emission remain high on the agenda as the company implants anti wear panels in strategic areas of the plant. The waste recovery project will substantially reduce the volume of dusty kaolin going to waste and also reduce water consumption

Generator issues continued in the quarter, but the fourth generator was finally commissioned, and next quarter should see a major improvement in power supply reliability.

Research & Development (R&D)

Product R&D for the ceramics industry has resulted in increased approvals and sales are expected to continue to grow as a result.

The Kwinana facility is now focussed on waste recovery systems and development of superfine grades for the paper and coatings industry

Recapitalisation and Funding

During the quarter the Company completed a comprehensive recapitalisation of its balance sheet, materially reducing debt while securing new working capital to support the continued ramp-up at the Wickepin Kaolin Project.

2.0The recapitalisation was undertaken by way of partially underwritten, pro-rata non-renounceable entitlement offer of five new shares for every one share held at an issue price of $0.01 per share, together with one free attaching option exercisable at $0.02 and expiring 30 April 2030 for every two new shares issued. Shareholders approved the transaction at a general meeting held on 08 May 2026.

The offer closed with the Company raising $6.0 million in new cash before costs and converting $10.13 million of existing debt into equity — a combined balance sheet improvement of more than $16 million, satisfying the minimum subscription condition of the offer. The Directors are continuing to evaluate funding options to ensure the Company remains sufficiently funded trading in the Company's securities recommenced following completion of the recapitalisation on 19 May 2026.

Financial Details

As of 30 June 2026, WA Kaolin's cash position stood at $2.090million.

In accordance with Listing Rule 5.3.1, the Company confirms that no further exploration activities were undertaken during the quarter ended 30 June 2026.

In accordance with Listing Rule 5.3.2, the Company advises that it spent approximately $3.46m during the quarter on production costs, largely related to freight costs ($1.54m), mining costs ($0.47m) and cost of diesel, inventory & others ($1.45m). No funds were spent during the quarter on development costs.

In accordance with Listing Rule 5.3.5, $287,004 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): $22,372.
- 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: $68,600 (per executed consultancy deed);
    - Business expense reimbursements & contractor payments paid to an entity associated with the Managing Director (at cost): $1,777;
    - Royalties paid to an entity associated with the Managing Director and the Executive Director: $106,085; 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): $70,420.

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 – 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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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	Quarter ended ("current quarter")
56 083 187 017	30 June 2026

Consolidated statement of cash flows			**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		1,718	10,503
1.2	Payments for			
	(a)	exploration & evaluation	-	-
	(b)	development	-	-
	(c)	production	(3,476)	(10,391)
	(d)	staff costs	(1,707)	(6,247)
	(e)	administration and corporate costs	(682)	(1,981)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		-	-
1.5	Interest and other costs of finance paid		(6)	(159)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		97	1,097
1.8	Other (provide details if material)		-	35
1.9	**Net cash from / (used in) operating activities**		**(4,056)**	**(7,143)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	(76)	(750)
	(d)	exploration & evaluation	-	-
	(e)	investments	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	3	3
	(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**	**(73)**	**(747)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,990	5,990
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	(472) -	(516) -
3.5	Proceeds from borrowings	.	1,500
3.6	Repayment of borrowings	(114)	(523)
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**	**5,404**	**6,451**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	839	3,581
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,056)	(7,143)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(73)	(747)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,404	6,451

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	(24)	(52)
4.6	**Cash and cash equivalents at end of period**	**2,090**	**2,090**

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	2,090	839
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)**	**2,090**	**839**

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	287
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	1,500	1,150
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	1,500	1,150

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.

Toyota Fleet Management – 6 x Hire Purchase agreements at varying fixed interest rates for mobile equipment and motor vehicle (secured)

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,056)
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)	(4,056)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,090
8.5	Unused finance facilities available at quarter end (item 7.5)	350
8.6	Total available funding (item 8.4 + item 8.5)	2,440
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.6

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.

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: No. The net operating cash outflow for the quarter is not expected to recur at that level. The quarter included a substantial reduction in aged supplier balances carried forward from earlier quarters, funded from the capital raising completed during the quarter. That catch-up is not expected to repeat. The Company expects the quarterly operating cash outflow to reduce materially, but does not expect positive net operating cash flows in the September 2026 quarter.

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: Yes. The Company has taken steps to strengthen its balance sheet and to fund its ongoing operations. Capital Raising: The Company completed a capital raising during the quarter, receiving gross proceeds of approximately $6.0 million before cost. Debt Conversion: During the quarter loans to the company were converted into equity, removing the obligation to repay that amount on maturity. This follows the restructure of the Company's major debt facilities announced on 31 December 2025, under which maturities were extended to December 2037, together with the drawdown of a $1.5 million working capital facility at that time. Research and Development Tax Incentive: The Company has received a research and development tax incentive refund since the close of June quarter. Ongoing Funding Assessment: The Directors are currently evaluating various funding options to ensure the Company remains sufficiently funded. No final decision has been made regarding the specific structure or timing of any additional funding.
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: Yes, subject to the Company securing additional funding. As announced on ASX dated 30 July 2026 regarding the cancellation of order by Dak Tai, the Company is conducting an immediate review of its operating plan, and cost reduction initiatives to preserve cash, while maintaining its sales strategy. As part of the review, the Company is considering potential sources of additional funding to improve the Company's financial position. The Company will request a trading halt or voluntary suspension if necessary to allow any additional necessary funding to be negotiated and secured.

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: 31 July 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.