ASX Announcement

15 January 2026

WA KAOLIN LTD – WAIVER OF ASX LISTING RULE 10.1 – LOAN AGREEMENTS

As announced to ASX on 31 December 2025, WA Kaolin Limited (ASX:WAK) (**Company** or **WAK**) executed comprehensive restructured loan agreements with its major shareholders and lenders: Scientific Management Associates (Victoria) Pty Ltd (**SMAV**), Scientific Management Associates (Operations) Pty Ltd (**SMAO**), and Wamco Industries Group Pty Ltd (**Wamco**).

SMAV Loan

The Company restructured existing facilities with SMAV (~$12.0 million) and SMAO (~$8.4 million) totalling approximately $20.4 million with maturity dates extended by 12 years to 31 December 2037 with total annual repayments of $1.0 million commencing 30 June 2027 (accelerated to 6 monthly repayments if the Company receives more than a $5.0 million capital injection after 31 March 2026 or achieves annual audited revenue of $30.0 million or higher) and interest payable quarterly. No further funds are being advanced under the restructured SMAV Loan. The restructured facility reduces short-term refinancing risk and allows cash flow to be prioritised for operational ramp-up.

The loan with SMAV (**SMAV Loan**) was historically secured by a first ranking general security over the Company's assets that was released prior to the Company's IPO on the ASX in 2020.

As a condition of agreeing to restructure the Loan, SMAV required, and the Company agreed, to the Loan again becoming secured by a first ranking general security over the Company's assets and undertakings (**SMAV Security**) subject to an ASX waiver of Listing Rule 10.1 first being obtained for the Company to grant the Security without Shareholder approval under that Listing Rule (or, if an ASX waiver is not granted, subject to Shareholder approval being obtained under Listing Rule 10.1 for the grant of the Security). If the security is not provided by 1 April 2026, the 5% pa interest rate will increase from that date to the Reserve Bank Cash Rate Target plus 7% pa.

As part of the restructuring terms, SMAV has been granted the right to appoint one non-executive director to the Board of WA Kaolin so long as the loan remains outstanding.

SMAV holds approximately 12.78% of the Company's issued shares and is therefore considered a substantial shareholder for the purposes of ASX Listing Rule 10.1.

In accordance with section 8.4 of ASX's Guidance Note 24, the Company confirms that:

(a) the SMAV Security is limited to the value of the SMAV Loan, being $12,040,368 (plus any interest and charges);

(b) the SMAV Security will be discharged once the SMAV Loan is repaid;

(c) if the SMAV Security is enforced, the secured property can only be disposed of to SMAV or their associate if the disposal is first approved by the Company's shareholders under Listing Rule 10.1; and

(d) if the holder of the security exercises, or appoints a receiver, receiver and manager or analogous person to exercise, any power of sale under the security, the assets must be sold to an unrelated party on arms' length commercial terms and the net proceeds of sale distributed to the Listing Rule 10.1 party in accordance with their legal entitlements.

Wamco Loan

The Company obtained a $1.5 million working capital facility from Wamco (**Wamco Loan**) (a related party of the Company as it is an associate of Managing Director Mr Alf Baker and 10.7% shareholder Silver Tropic Pty Ltd). Interest is payable on the Wamco Loan at a rate of 6% per annum.

The Wamco Loan, which is repayable by 31 December 2028, is to be secured (on a second-ranking basis) against the Company's assets (**Wamco Security**) subject to the Company first obtaining a waiver of ASX Listing Rule 10.1 to grant the security without shareholder approval or, alternatively, WAK obtaining shareholder approval under that rule to grant the security.

In accordance with section 8.4 of ASX's Guidance Note 24, the Company confirms that:

(a) the Wamco Security is limited to the value of the Wamco Loan, being $1,500,000 (plus any interest and charges);

(b) the Wamco Security will be discharged once the Wamco Loan is repaid;

(c) if the Wamco Security is enforced, the secured property can only be disposed of to Wamco or their associate if the disposal is first approved by the Company's shareholders under Listing Rule 10.1; and

(d) if the holder of the security exercises, or appoints a receiver, receiver and manager or analogous person to exercise, any power of sale under the security, the assets must be sold to an unrelated party on arms' length commercial terms and the net proceeds of sale distributed to the Listing Rule 10.1 party in accordance with their legal entitlements.

Commercial rationale

The Company's current financial position necessitated the restructuring of its existing debt facilities and the securing of additional working capital funding to ensure ongoing operations and execution of its commercial strategy. At the time of entering into the restructured SMAV Loan and the Wamco Loan, the Company faced constrained liquidity, limited access to conventional third-party debt markets, and heightened refinancing risk in the absence of near-term operational cash flows at scale.

The restructured SMAV Loan addresses a material balance sheet risk by extending the maturity of approximately $12 million of existing debt by 12 years, materially reducing short-term repayment pressure and enabling the Company to prioritise capital expenditure and operational ramp-up. Without this restructuring, the Company would have faced significant refinancing risk and uncertainty as to its ability to continue to fund operations on acceptable terms. The requirement to grant first-ranking security to SMAV reflects the commercial reality that SMAV is the Company's largest lender and has agreed to long-dated maturity extensions without the advancement of new funds. The Company considers that agreeing to provide security in these circumstances was commercially necessary to secure SMAV's ongoing support and avoid materially less favourable outcomes for shareholders.

The Wamco Loan was obtained to meet immediate working capital requirements at a time when alternative funding options were limited, uncertain, or available only on terms that were materially less favourable to the Company. The Company engaged with third-party financiers; however, those discussions did not result in funding proposals that matched the combination of pricing, flexibility, timing, and certainty offered by Wamco. In particular, the Wamco Loan was advanced promptly to address urgent funding needs, carries an interest rate that the Board considers to be reasonable in the circumstances, and was initially provided on an unsecured basis pending the outcome of the Listing Rule 10.1 waiver process or shareholder approval.

The selection of SMAV and Wamco as lenders reflects their existing financial exposure to the Company, their willingness to support the Company through a period of financial constraint, and their capacity to provide funding on terms that management and the independent non-executive directors consider to be in the best interests of the Company. In both cases, the alternative to entering into the relevant loan arrangements on the agreed terms would likely have involved materially higher funding costs, more restrictive covenants, accelerated repayment profiles, or a heightened risk of insolvency or operational disruption.

The requirement for waivers of ASX Listing Rule 10.1 arises solely because the provision of security is a condition imposed by related party lenders in circumstances where the Company does not have ready access to equivalent arm's-length funding from unrelated parties. The Company considers that seeking shareholder approval would have introduced material timing risk and uncertainty, which could have adversely impacted the Company's ability to continue operations and meet its short-term obligations. Accordingly, the waivers were sought to facilitate the timely implementation of funding arrangements that management considers critical to the Company's ongoing viability.

The Board (with related directors abstaining) has determined that the grant of the SMAV Security and the Wamco Security, and the entry into the respective loan arrangements, are fair and reasonable to shareholders and in the best interests of the Company as a whole. While the grant of security increases the priority of those lenders in an enforcement scenario, the Board considers that this risk is outweighed by the benefit to shareholders of securing continued funding, reducing refinancing risk, and preserving the Company's ability to progress toward revenue generation and long-term value creation.

Waivers

The Company has obtained two waivers from ASX Listing Rule 10.1 to allow the SMAV Security and Wamco Security to be granted to SMAV and Wamco respectively without Shareholder approval under that Listing Rule (each, an **ASX Waiver**) as detailed below.

Waiver Decision – ASX Listing Rule 10.1 – SMAV Security

The ASX Waiver obtained by the Company is on the following terms and conditions:

Based solely on the information provided, ASX grants WA Kaolin Limited (the 'Company') a waiver from Listing Rule 10.1 to the extent necessary to permit the Company to grant a security over all the assets held by the Company (**SMAV Security Interest**) to its major shareholder Scientific Management Associates (Victoria) Pty Ltd (the '**Substantial Holder Lender**') to secure the Company's obligations under a loan of ~$12.04 million provided by the Substantial Holder Lender (**SMAV Loan**) without obtaining shareholder approval, on the following conditions:

1.1 the SMAV Security Interest documents expressly provide that:

1.1.1 the SMAV Security is limited to the funds due under the SMAV Loan;

1.1.2 the SMAV Security will be discharged when the funds due under the SMAV Loan have been paid in full;

1.1.3 in the event the SMAV Security is enforced, the assets can only be disposed of to the 10.1 party or an associate of the 10.1 party if the disposal is first approved by the entity's security holders under Listing Rule 10.1; and

1.1.4 otherwise, if the holder of the SMAV Security exercises, or appoints a receiver, receiver and manager or analogous person to exercise any power of sale under the SMAV Security, the assets must be sold to an unrelated third party on arm's length commercial terms and the net proceeds of sale distributed to the 10.1 party in accordance with their legal entitlements;

1.2 any variation to the terms of the SMAV Loan or the SMAV Security Interest which:

1.2.1 advantages the 10.1 party in a material respect;

1.2.2 disadvantages the entity in a material respect; or

1.2.3 is inconsistent with the terms of the waiver,

must be subject to security holder approval under Listing Rule 10.1; and

1.3 for each year while they remain on foot, a summary of the material terms of the SMAV Loan and the SMAV Security Interest is included in the related party disclosures in the Company's audited annual accounts.

1.4 the Company releases an announcement to the market that provides:

1.4.1 the reasons for seeking the waiver; and

1.4.2 the material terms of the SMAV Loan, the SMAV Security Interest, and of this waiver from Listing Rule 10.1.

1.5 The waiver is granted on the condition that the Company releases an announcement to the market that discloses the nature and effect of the waiver and the Company's reasons for seeking the waiver within one business day of ASX communicating to the Company that the waiver has been granted, except when the waiver relates to a confidential and incomplete proposal or negotiation. If the waiver relates to a confidential and incomplete proposal or negotiation, disclosure must be made when the matter ceases to be confidential or incomplete. ASX may direct the announcement to be made at another time.

2. ASX has considered Listing Rule 10.1 only and makes no statement as to the Company's compliance with other listing rules.

Waiver Decision – ASX Listing Rule 10.1 – Wamco Security

The ASX Waiver obtained by the Company is on the following terms and conditions:

Based solely on the information provided, ASX grants WA Kaolin Limited (the 'Company') a waiver from Listing Rule 10.1 to the extent necessary to permit the Company to grant a security over all the assets held by the Company (**Wamco Security Interest**) to its related party Wamco Industries Pty Ltd (the '**Related Lender**') to secure the Company's obligations under a loan of $1.5 million provided by the Related Lender (**Wamco Loan**) without obtaining shareholder approval, on the following conditions:

1.1 the Wamco Security Interest documents expressly provide that:

1.1.1 the Wamco Security is limited to the funds due under the Wamco Loan;

1.1.2 the Wamco Security will be discharged when the funds due under the Wamco Loan have been paid in full;

1.1.3 in the event the Wamco Security is enforced, the assets can only be disposed of to the 10.1 party or an associate of the 10.1 party if the disposal is first approved by the entity's security holders under Listing Rule 10.1; and

1.1.4 otherwise, if the holder of the Wamco Security exercises, or appoints a receiver, receiver and manager or analogous person to exercise any power of sale under the Wamco Security, the assets must be sold to an unrelated third party on arm's length commercial terms and the net proceeds of sale distributed to the 10.1 party in accordance with their legal entitlements;

1.2 any variation to the terms of the Wamco Loan or the Wamco Security Interest which:

1.2.1 advantages the 10.1 party in a material respect;

1.2.2 disadvantages the entity in a material respect; or

1.2.3 is inconsistent with the terms of the waiver,

must be subject to security holder approval under Listing Rule 10.1; and

1.3 for each year while they remain on foot, a summary of the material terms of the Wamco Loan and the Wamco Security Interest is included in the related party disclosures in the Company's audited annual accounts.

1.4 the Company releases an announcement to the market that provides:

1.4.1 the reasons for seeking the waiver; and

1.4.2 the material terms of the Wamco Loan, the Wamco Security Interest, and of this waiver from Listing Rule 10.1; and

1.4.3 a description of the reasons why the Company has chosen to obtain Wamco Loan from the Related Lender rather than a lender that is not a Listing Rule 10.1 party and the steps the board has taken to satisfy itself that the transaction is being entered into on arm's length terms and is fair and reasonable from the perspective of the holders of the Company's ordinary securities.

1.5 The waiver is granted on the condition that the Company releases an announcement to the market that discloses the nature and effect of the waiver and the Company's reasons for seeking the waiver within one business day of ASX communicating to the Company that the waiver has been granted, except when the waiver relates to a confidential and incomplete proposal or negotiation. If the waiver relates to a confidential and incomplete proposal or negotiation, disclosure must be made when the matter ceases to be confidential or incomplete. ASX may direct the announcement to be made at another time.

2. ASX has considered Listing Rule 10.1 only and makes no statement as to the Company's compliance with other listing rules.

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 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