

PRE-QUOTATION CONFIRMATIONS

WA Kaolin Limited (ACN 083 187 017) (**Company**) provides the following confirmations to satisfy the conditions for admission of the Company's securities to quotation on ASX.

Capitalised terms used in this announcement not otherwise defined have the meaning given in the Company's prospectus dated 11 October 2020 (**Prospectus**).

1 Confirmation of completion of Offer

The Company confirms the issue of:

- (a) 110,000,000 Shares at an issue price of \$0.20 each pursuant to the Offer;
- (b) 47,821,875 Shares following the Note Conversion;
- (c) 10 Shares at an issue price of \$0.20 under the Ancillary Offer;
- (d) 10,000,000 Lead Manager Options as follows:
 - i. 5,000,000 options exercisable at \$0.25 and expiring three years from the date of the Company's listing to the Lead Manager or its nominees; and
 - ii. 5,000,000 options exercisable at \$0.30 and expiring four years from the date of the Company's listing to the Lead Manager or its nominees; and
- (e) 126,732,813 IPO Options (each exercisable at \$0.25 and expiring three years from the date of issue) as follows:
 - i. 71,732,813 IPO Options to the Noteholders; and
 - ii. 55,000,000 IPO Options to the Applicants;
- (f) 15,500,000 Incentive Options (each exercisable at \$0.35 and expiring five years from the date of issue) to directors, members of senior management and certain employees of the Company (or their associates) as follows:
 - i. 3,000,000 Incentive Options to John White;
 - ii. 6,000,000 Incentive Options to Alfred Baker;
 - iii. 1,500,000 Incentive Options to Linton Putland;
 - iv. 1,500,000 Incentive Options to Cathy Moises;
 - v. 1,500,000 Incentive Options to Andrew Sorensen;
 - vi. 1,000,000 Incentive Options to Michael Kenyon; and
 - vii. 1,000,000 Incentive Options to Nathan Allbut;
- (g) a further 15,000,000 Incentive Options to entities associated with, or nominees of, the founders of the Company as follows:
 - i. 7,200,000 Incentive Options to Alfred Baker;

- ii. 600,000 Incentive Options to Andrew Sorensen; and
 - iii. 7,200,000 Incentive Options to the Estate of Keith Snell; and
- (h) 27,500,000 nil exercise Performance Rights to entities associated with, or nominees of, the founders of the Company as follows:
- i. 13,200,000 Performance Rights to Alfred Baker;
 - ii. 1,100,000 Performance Rights to Andrew Sorensen; and
 - iii. 13,200,000 Performance Rights to the Estate of Keith Snell.

2 Intended despatch date

Despatch of:

- (a) in relation to all holdings on the CHESS sub-register, a notice from the Company under ASX Settlement Operating Rule 8.9.1;
- (b) in relation to all other holdings, issuer sponsored holding statements; and
- (c) any refund money,

occurred on 20 November 2020.

3 Restricted securities

The Company confirms the following securities will be subject to restriction pursuant to the ASX Listing Rules for the period set out below:

Type of security	Number subject to escrow	Escrow period
Shares	122,421,279	24 months from the date of official quotation of the Company's securities on the ASX (Listing).
Shares	1,166,667	12 months from the date of issue, until 26 May 2021.
Options issued to convertible noteholders, each exercisable at \$0.25 and expiring 3 years from the date of issue	2,578,125	24 months from Listing.
Options issued to the Lead Manager or its nominee(s), each exercisable at \$0.25 and expiring 3 years from the date of issue	5,000,000	24 months from Listing.
Options issued to the Lead Manager or its nominee(s), each exercisable at \$0.30 and expiring 4 years from the date of issue	5,000,000	24 months from Listing
Options issued to directors, senior management or their nominees, exercisable at \$0.35	28,500,000	24 months from Listing

each and expiring 5 years from the date of issue		
Performance Rights	27,500,000	24 months from Listing.

The Company confirms the following securities will be subject to voluntary restriction for the period set out below:

Type of security	Number voluntarily escrowed	Escrow period
Shares	38,192,111	3 years from expiry of the initial escrow period. ¹
Shares	101,531	24 months from Listing.
Shares ²	1,000,000	24 months from Listing.
Options ²	500,000	24 months from Listing.

Note 1: Under the relevant voluntary escrow deeds, the parties have agreed that a further 3-year voluntary escrow period will apply from the expiry of the initial 24 month mandatory escrow period to 75% of the Shares held (excluding any Shares issued upon conversion of the Incentive Options or Performance Rights during this period).

Note 2: Will also include any securities in the Company attaching to or arising out of those Shares or IPO Options.

4 Capital structure

The Company's capital structure as at the date of admission is as set out below:

Security	Number
Shares	282,821,885
Options ¹	167,232,813
Performance Rights	27,500,000

Note 1: Comprising:

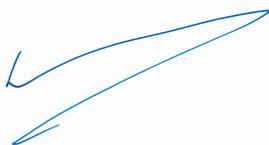
- a) 10,000,000 Lead Manager Options;*
- b) 126,732,813 IPO Options; and*
- c) 30,500,000 Incentive Options.*

5 ASX waiver

ASX granted the Company a waiver from ASX Listing Rule 1.1 Condition 12 to have on issue 27,500,000 Performance Rights with an exercise price of less than \$0.20 each on the condition that the material terms and conditions of the Performance Rights were clearly disclosed in the Prospectus.

ASX confirmed that the terms of the IPO Options and Performance Rights are appropriate and equitable for the purpose of ASX Listing Rule 6.1, subject to the conditions set out in Annexure A.

Authorised for release by the Board



Michael Kenyon
Company Secretary

Annexure A

The confirmation is subject to the following conditions:

- The Company's initial public offering prospectus includes sufficient information about the terms and conditions of the Attaching Options and the Performance Rights, including:
 - a statement that Performance Rights are being issued to remunerate or incentivise a director or employee and are not ordinary course of business remuneration securities;
 - details of the role (if any) the director or employee will play in meeting the respective performance milestones;
 - details of the existing total remuneration package of the director or employee;
 - if the director or employee or any of their associates hold securities in the entity, details of those securities and the consideration they paid or provided for those securities;
 - in light of the above, an explanation why it is considered necessary or appropriate to further remunerate or incentivise the director or employee to achieve the applicable performance milestone;
 - details of how WAK determined the number of Performance Rights to be issued to the director or employee and why it considers that number to be appropriate and equitable;
 - the full terms of the Performance Rights;
 - the number of ordinary shares that the Performance Rights will convert into if the applicable performance milestone is met and the impact that will have on the entity's capital structure;
 - if the Performance Rights convert into ordinary shares on the basis of a formula, the impact on WAK's capital structure for different scenarios that indicate a reasonable low, mid and high case for the number of ordinary shares that might be issued based on the formula; and
 - a statement confirming that the revenue milestone is based on operating revenue from the Wickepin Project.
- The Performance Rights and Attaching Options are not quoted.
- The Performance Rights and Attaching Options are not transferable.
- The Performance Rights and Attaching Options do not have voting rights, subject to those required by law.
- The Performance Rights and Attaching Options do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.
- The Performance Rights and Attaching Options do not carry an entitlement to a dividend.
- Each Performance Right is converted into one ordinary share on achievement of the relevant milestone. Each Attaching Option is converted into one ordinary share upon exercise.
- If a Performance Right or Attaching Option has not converted into one ordinary share by the relevant expiry date, each of the Performance Rights will be automatically lapse.

- The Company makes an announcement immediately upon the conversion of any Performance Rights or exercise of any Attaching Options.
- The terms and conditions of the Performance Rights and Attaching Options, including without limitation the relevant conditions that have to be satisfied before each class of Performance Rights is converted into ordinary shares, are not to be changed without the prior approval of ASX and the Company's shareholders.
- Upon conversion of the Performance Rights and Attaching Options into shares, the Company will apply to the ASX for quotation of the shares within the requisite time period.
- The Company discloses the following in each annual report, annual audited accounts, half-yearly report and quarterly cashflow report issued by the Company in respect of any period during which any of the Performance Rights and Attaching Options remain on issue or were converted or cancelled.
- The number of Performance Rights and Attaching Options on issue during the relevant period.
- A summary of the terms and conditions of the Performance Rights and Attaching Options, including without limitation the number of shares into which they are convertible and the relevant performance milestones.
- Whether any of the Performance Rights and Attaching Options were converted or cancelled during that period.
- Whether any vesting conditions were met during the period.