

11 December 2020

Stage 1 Progresses at Wickepin Kaolin Project

WA Kaolin Ltd (“**WA Kaolin**” or the “**Company**”) (ASX:WAK) is pleased to provide shareholders with an operational update, highlighting some significant steps taken by the Company since its recent IPO on the ASX. These include commencing the planned Stage 1 ramp up to 200,000 tpa at the Wickepin Kaolin Project, located 220km south east of Perth, WA.

The Wickepin Kaolin Project has one of the world’s largest known remaining primary resources delivering a long life of mine of more than 30 years with high brightness and low impurities – suitable for all kaolin market applications. The Project contains a Mineral Resource (JORC 2012) of 644.5 million tonnes¹ of high-grade premium kaolinised granite.

Stage 1 Activities Update

The Company reports that the earthworks on site for preparing for the plant building slab and drainage works have now been completed. The demountable building foundations have also been completed with the delivery of the demountable offices, crib room and facilities scheduled for completion this week, and a 150,000 litre water tank has now been installed and filled.



Figures 1 and 2: Plant preparation earthworks completed on site at Wickepin

In recent weeks, the Company has awarded a number of significant contracts which are key in the construction of Stage 1, including:

- Building Structural Design & Construction to AUSPAN
- Rotary Kiln to ANERGY (Anzac)
- Product Silos
- Automated Container loading system to TEH Latvia
- Water Tanks

With the exception of the TEH item, all of these contracts were awarded to West Australian companies.

WA Kaolin has also now completed the purchase of key items of machinery integral to the construction program including the Telescopic Handler (“Telehandler”) and Construction Power Genset. Additionally, construction of the bagging stations has commenced which involves the fabrication of 8 bulk bag filling frames ready to accept the materials handling automation equipment.

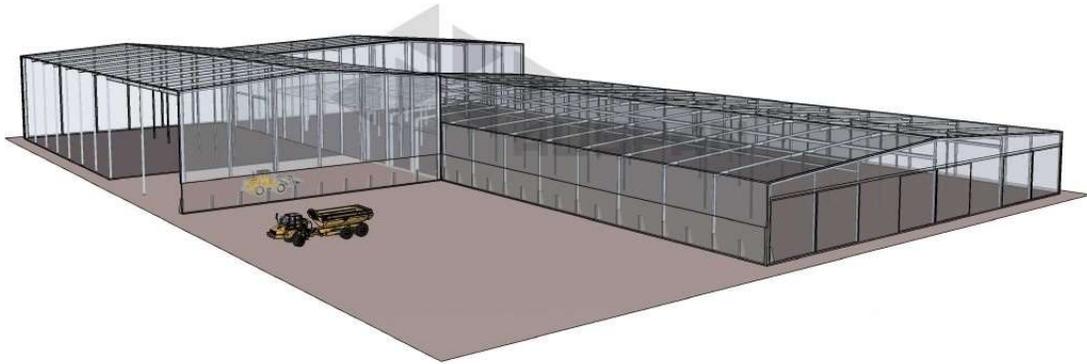


Figure 3: AUSPAN building construction plan



Figure 4: AUSPAN 3D Concept Image

Anzac, who has been awarded the contract to design and build the rotary kiln onsite at Wickepin, is a globally recognised brand of Anergy Australia Pty Ltd, specialising in the development, design, manufacture and supply of quality engineered equipment for applications in the industrial and mining market.

Commenting on the contract win, Anzac General Manager Tim O’Byrne said: *“Having worked together with the WA Kaolin team since 2017 to find the right solution for this highly specialist process, the equipment we have designed is equally both a unique piece of plant tailored to suit WA Kaolin’s needs, yet one which squarely fits into Anzac’s core thermal product range.*

“The close relationship with WA Kaolin ensures that our design team incorporates all observations and learnings from the existing processing plant in Kwinana, observations from a trial and demonstration campaign at Anzac’s test facility, to produce a superior product delivering scalable efficiency and optimal conditions to the client.”

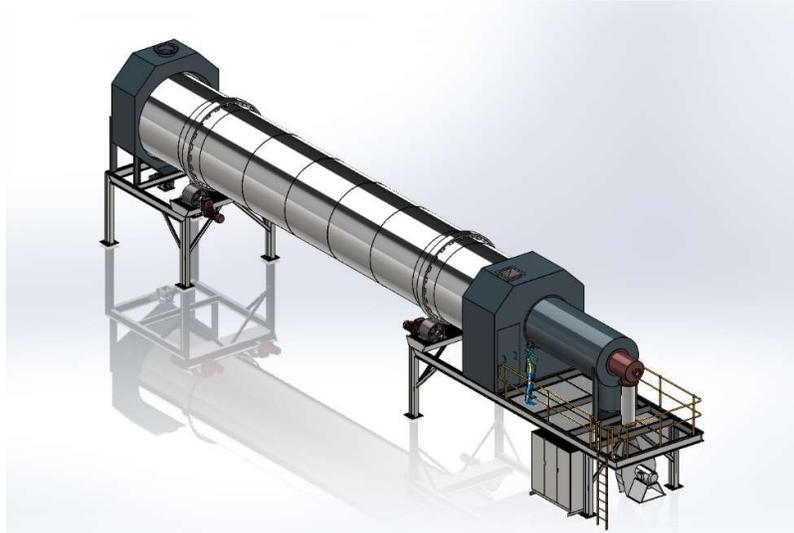


Figure 5: ANERGY (Ansac) designed specifically for WA Kaolin rotary kiln



Figures 6 and 7: Water Tank and Portable Buildings in place on site at Wickepin

Kwinana Operations Update

At the Kwinana operations, where the Company is already producing at a rate of up to 5 tonnes per hour, strong orders are continuing to the point that the Company has reduced its Christmas break period to one week - in order to meet the increased orders.

Significantly, WA Kaolin received its first commercial order for our new product **CG-15** from Japan last week.

The CG-15 is a new granulated product provided for the ceramics industry that WA Kaolin has been developing over the last 18 months. Following a successful trial order in July, the first commercial order was placed in early December.

CEO Andrew Sorensen said: *“Following our successful IPO on 26th November it has been very much a case of pedal to the metal commencing the Stage 1 ramp up at Wickepin. Our founder and executive director Alf Baker has been onsite at Wickepin for three weeks now, overseeing the start of construction. Most significantly, the completion of the Earthworks on site paves the way for the laying of foundations and pouring the slab for the plant building.*

“Simultaneously we have awarded numerous key contracts that will prove to be integral in the ramp up, in addition to purchasing some of the larger items required to boost the production rates at Wickepin.

“At our Kwinana plant not only have we witnessed a steady flow of orders from our customer base, in January we will commence commercial production to supply a new granulated product, CG-15, used within the ceramics industry. This is a fantastic result for WA Kaolin as we have spent a number of years developing the granular product form and it is fantastic to roll it out.

“I am very pleased with our activities carried out in our first weeks as a listed entity and I look forward to providing shareholders with further updates as we continue in the construction of Stage 1 at Wickepin.”

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 tonnes¹ 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.

With more than \$42 million invested in the project to date, with a further \$18m currently being invested from money raised through the recent IPO, WA Kaolin has developed a proprietary dry processing method, known as K99, to turn raw material into market suitable feedstock for global customers, and constructed a small scale commercial processing plant on 3ha of portside industrial land at Kwinana, WA.

The Company is focused on increasing production from Wickepin to 400,000 tonnes per annum by 2023 with further modular increases to capacity to be implemented in tune with market demand and funding capability.

¹ The Mineral Resource estimate is inclusive of Ore Reserves and the 2019 Mineral Resource estimate.

² CSA Global Mineral Resource Estimate R280.2017