

## Three-Year Offtake Agreement Signed

### Highlights

- **Offtake Agreement signed for up to 13,500 tonnes over 3 years**
- **WA Kaolin has now secured Offtake and LOI Agreements covering 90% of its Stage 1 200,000tpa production rate**
- **Installation of all equipment and infrastructure now complete at Wickepin and all utilities connected**
- **Production on target for June 2022 commencement**

WA Kaolin Ltd (“WA Kaolin Ltd (“**WA Kaolin**” or the “**Company**”) (ASX:WAK) is pleased to advise it has signed an Offtake Agreement for a period of three years with a distributor in the ceramic and paint market in Vietnam.

The Offtake Agreement is for the period 1 July 2022 through to 30 June 2025. Any renewal of the Agreement will be negotiated by 31 March 2025.

Under the terms of the Offtake Agreement, WA Kaolin is to supply a targeted 4,500tpa (minimum 2,500tpa) for three years. Pricing for the Agreement will be competitive to the world kaolin market delivered on a cost and freight (CFR) basis. Pricing of at least the minimum quantity will be negotiated on a quarterly basis through mutual negotiation and agreement.

**Commenting on the Offtake Agreement, CEO Andrew Sorensen said,** “This is excellent news for WA Kaolin and builds further momentum as we near commencement of production for Stage 1 at the Wickepin Kaolin Project. Combining this with previous offtake agreements and LOI’s announced, we have now secured contracts covering 90% of our expected Stage 1 output, prior to production commencing”.

“As we near the Stage 1 production milestone, WA Kaolin is also well placed for expansion with funding to accelerate certain elements of Stage 2 development to increase production to 400,000tpa secured. We are now incredibly close to becoming a significant kaolin producer on the world stage in a strengthening global market environment for the resource.”

### Operational update

WA Kaolin is pleased to report that installation of all equipment and infrastructure required for the commencement of Stage 1 production is now complete. Additionally, the Company advises that all utilities are now connected.

The Company is now completing the final touches of the plant including materials handling chutes, ducting and pipework allowing WA Kaolin to continue commissioning the plant. The commissioning program will see some kaolin ore processed in May ahead of full production before the end of Q2 CY2022.

**This announcement was authorised for market release by the Board of WA Kaolin Limited.**

For further information, please contact:

Andrew Sorensen

CEO

asorensen@wakaolin.com.au

Victoria Humphries

Investor Relations

+61 (0) 431 151 676

victoria@nwrcommunications.com.au

## About WA Kaolin and the Wickepin Project

The Company acquired the Wickepin Project in 1999 from Rio Tinto which, through exploration, had discovered and drilled out a Mineral Resource and commissioned engineering and feasibility studies. The acquisition included the tenements covered by the Wickepin Project and all associated engineering and feasibility studies.

WA Kaolin's Wickepin Kaolin Project, 220km south-east of Perth, contains a Mineral Resource (JORC 2012) of 644.5 million tonnes<sup>1,2</sup> 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.

The project comprises a mining lease, a general-purpose lease, a miscellaneous licence and retention licences. It is one of the largest known remaining kaolin resources in the world, and contains:

- A **Probable Ore Reserve of 30.5 million tonnes** (on Mining Lease M70/1143) and a Mineral Resource (reported in 2019) of 109.1 million tonnes in the mining lease which is part of and included in;
- An **Inferred Mineral Resource (reported in 2017) of 644.5 million tonnes** of high-grade premium kaolinised granite across all tenements.

With more than \$42 million invested in the project to date, 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.

The Mineral Resources, Ore Reserves and production targets referred to in this announcement were previously reported in the Prospectus dated 11 October 2020 and released to the ASX on 24 November 2020 and the Definitive Feasibility Study announcements released on 24 and 25 November 2020. WA Kaolin confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates, production target or forecast financial information derived from a production target continue to apply and have not materially changed.

<sup>1</sup> The Mineral Resource estimate is inclusive of Ore Reserves and the 2019 Mineral Resource estimate.

<sup>2</sup> CSA Global Mineral Resource Estimate R280.2017