ASX Announcement

21 March 2025

ASX Market Announcement
Via e-lodgment

CORRECTION TO HALF YEAR REPORT AND ACCOUNTS

WA Kaolin Ltd ("WA Kaolin" or the "Company") (ASX:WAK) wishes to advise of a change to a statement made in its Half Year reports and accounts lodged on 14 March 2025.

Under the heading "Operations" a statement was made as follows:

"The Project, which is one of the largest known remaining kaolin resources in the world, contains an Ore Reserve of 30.5 million tonnes which is included in the Mineral Resource (reported in accordance with JORC 2012) of 644.5 million tonnes of high-grade premium kaolinised granite".

This sentence has been corrected in the Report as it should have read as follows:

"The Project, which is one of the largest known remaining kaolin resources in the world, contains an Ore Reserve of 64.9 million tonnes, which is included in the Mineral Resource (reported in accordance with JORC 2012) of 643.0 million tonnes of high-grade premium kaolinised granite".

A revised Half Year reports and accounts with Appendix 4D is attached with the correction.

Yours faithfully

Andrew Sorensen
Company Secretary
WA Kaolin Limited

This announcement was authorised for market release by the Company Secretary of WA Kaolin Limited.

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ABN: 56 083 187 017

Appendix 4D

WA Kaolin Limited

ABN 56 083 187 017

FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Results for announcement to the market

Extracts of the WA Kaolin Limited results for the half year ended 31 December 2024

Revenues from continuing activities	Up	26.9%	to	$1,517,216
Loss from ordinary activities after tax attributable to members	Down	37.0%	to	$3,497,070
Comprehensive loss for the period attributable to members	Down	37.0%	to	$3,497,070

Dividends	Amount per share	Franked amount per share
Interim dividend	Nil	Nil
Final dividend	Nil	Nil

Record date for determining entitlements to the dividend: N/A

Other information

Net asset backing per ordinary share	$0.01 per share (2023: ($0.02) per share)
Net tangible asset backing per ordinary share	$0.01 per share (2023: ($0.02) per share)

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 December 2024 half-year financial statements.

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WA Kaolin Limited

ABN 56 083 187 017

Interim Financial Report
31 December 2024

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Contents **Page**

Corporate Information	**2**
Directors' Report	**3**
Auditor's Independence Declaration	**5**
Consolidated Statement of Profit or Loss and Other Comprehensive Income	**6**
Consolidated Statement of Financial Position	**7**
Consolidated Statement of Changes in Equity	**8**
Consolidated Statement of Cash Flows	**9**
Notes to the Financial Statements	**10**
Directors' Declaration	**17**
Independent Auditor's Review Report	**18**

CORPORATE INFORMATION

ABN 56 083 187 017

Directors

Dr John White (Non-Executive Chairman)

Mr Alfred Baker (Managing Director)

Mr Sean Hu (Non-Executive Director)

Mr Kenneth Hall (Non-Executive Director)

Mr Cameron Baker (Alternate)

Mr Brady Hall (Alternate)

Company secretary

Mr Andrew Sorensen

Registered office

Lot 3 Ward Road
EAST ROCKINGHAM WA 6168
Telephone: +61 8 9439 6300

Principal place of business

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Telephone: +61 8 9439 6300
Website: www.wakaolin.com.au

Share registry

Automic Share Registry
126 Phillip Street
SYDNEY NSW 2000
Telephone: 1300 288 664

Solicitors

EMK Lawyers
Suite 1, 519 Stirling Highway
COTTESLOE WA 6012

Bankers

Westpac Banking Corporation
108 St George's Terrace
PERTH WA 6000

Auditors

BDO Audit Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

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DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity ("Group") consisting of WA Kaolin Limited ("Company") and the entity it controlled at the end of, or during, the half-year ended 31 December 2024. In order to comply with the provisions of *the Corporations Act 2001*, the directors report as follows:

Directors

The names of directors who held office throughout the period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Dr John White
Mr Alfred Baker
Mr Kenneth Hall
Mr Sean Hu
Mr Cameron Baker (Alternate)
Mr Brady Hall (Alternate)

Principal Activities

The principal activities of the Group were the development of its mineral resources of high-grade premium kaolinised granite and operation of its proprietary production facility in Wickepin, Western Australia.

Financial Results and Review of Operations

Financial Results

The Group recorded a net loss after tax for the half year of $3,497,070 (31 December 2023: $5,550,474**)** and $322,156 for interest on borrowings (31 December 2023: $657,466).

Financial Position

At 31 December 2024, the Group had cash reserves of $1,120,207 (30 June 2024: $751,880)

The net asset position of the Group increased to $6,296,592 as of 31 December 2024 (30 June 2024: $5,970,497), largely as a result of share subscription of $3,823,165 finished in July 2024.

Review of Operations

Health, Safety and Environment

The Company is pleased to report that there were no significant health, safety or environmental incidents during the half year.

Operations

The Company is sole owner of a mining lease, a general-purpose lease, a miscellaneous licence and retention licences which comprise the Wickepin Kaolin Project (Project). The Project, which is one of the largest known remaining kaolin resources in the world, contains an Ore Reserve of 64.9 million tonnes which is included in the Mineral Resource (reported in accordance with JORC 2012) of 643.0 million tonnes of high-grade premium kaolinised granite.

The Company conducts mining operations at its mining tenement in East Wickepin, Western Australia and has developed a production plant to produce refined kaolin adjacent to its mining operations. The Company also has a research and development (R&D) centre located at a Company-leased facility in East Rockingham, Western Australia. At the R&D centre, the company is seeking to produce specialty products from its kaolin ore.

During the half-year, the Company continued stabilising Stage 1 operations at the Wickepin plant, with kaolin products sold to customers in Australia and internationally. The successful commissioning of the Classifiers a sophisticated piece of industrial equipment specifically designed to separate and sort kaolin particles based on their size and other physical properties during the period is expected to support:

- Production of finer products
- Increased production rates
- Improved yield

Upon achieving sustained operations at these levels, the Company intends to enhance the feed and drying system capacities to optimise the first processing train.

DIRECTORS' REPORT (continued)

The Company is primarily focused on establishing itself as the preferred supplier of high-grade premium kaolin products globally through:

- continued production ramp-up of its processing plant in East Wickepin, utilising the K99 Process;
- progressive increase in production to circa 200,000 tonnes per annum through the plant;
- expansion of production capacity at the Wickepin plant to 400,000 tonnes per annum through the installation of a second stage of production equipment;
- negotiation of sales agreements for product on suitable commercial terms with acceptable counterparties; and
- investigating further processing expansion including the construction of an additional wet processing plant to produce product suitable for use in premium paper and packaging markets.

Significant events after reporting date

Subsequent to the reporting period ended 31 December 2024, the Company completed a fully underwritten pro-rata accelerated non-renounceable entitlement offer (the "Offer") to raise approximately $6,981,788 (before costs). The Offer was made to eligible shareholders on the basis of one (1) new share for every three (3) shares held as at the Record Date, 10 February 2025, at an issue price of $0.04 per share. Shareholders also received one (1) free new unlisted option for each two (2) new shares subscribed, with an exercise price of $0.09 and an expiry date of 30 June 2027. The Offer closed on 5 March 2025, with the new shares and options admitted to official quotation on the ASX on 12 March 2025.

There are no other matters or circumstances that have arisen since 31 December 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Significant changes in state of affairs

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected or may significantly affect the Company's state of affairs in future financial years.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's Independence Declaration

Section 307C of *the Corporations Act 2001* requires our auditors, BDO Audit Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the review of the financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2024.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the Corporations Act 2001



Dr John White, Chairman
Melbourne, Victoria
14th March 2025

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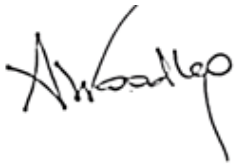
Level 9, Mia Yellagonga Tower 2
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Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF WA KAOLIN LIMITED

As lead auditor for the review of WA Kaolin Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of WA Kaolin Limited and the entity it controlled during the period.



Ashleigh Woodley

Director

BDO Audit Pty Ltd

Perth

14 March 2025

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Notes	31 December 2024	31 December 2023
		$	$
Continuing operations			
Revenue	2a	1,517,261	1,195,286
Other income	2b	79,342	149,568
Changes in inventories of finished goods and work in progress		(1,630,381)	(1,793,468)
Rental expenses and outgoings		(170,481)	(159,732)
Employee benefits expense		(1,644,586)	(2,571,816)
Depreciation and amortisation		(483,513)	(438,039)
Other expenses		(847,907)	(1,274,983)
Results from operating activities		(3,180,265)	(4,893,184)
Finance income		5,351	176
Finance costs		(322,156)	(657,466)
Net finance costs		(316,805)	(657,290)
Loss before income tax		**(3,497,070)**	**(5,550,474)**
Income tax (expense)/benefit		-	-
Loss after income tax from continuing operations		**(3,497,070)**	**(5,550,474)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or losses (net of tax)			
Other comprehensive loss for the period, net of income tax		-	-
Total comprehensive loss		**(3,497,070)**	**(5,550,474)**
Loss per share for the period attributable to the members of the Company			
Basic (loss)/profit per share (cents per share)		**$(0.007)**	**$(0.015)**
Diluted (loss)/profit per share (cents per share)		**$(0.007)**	**$(0.015)**

The accompanying notes form part of these financial statements

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	31 December 2024 $	30 June 2024 $
Assets			
Current assets			
Cash and cash equivalents		1,120,207	751,880
Trade and other receivables	3	672,774	1,359,422
Inventory	4	2,820,428	3,172,953
Total current assets		**4,613,409**	**5,284,255**
Non-current assets			
Right of Use Asset		525,569	665,632
Property, plant and equipment		2,416,812	2,563,400
Deposits		20,432	1,208,371
Mine development expenditure	5	29,308,108	26,906,981
Total non-current assets		**32,270,921**	**31,344,384**
Total assets		**36,884,330**	**36,628,639**
Liabilities			
Current liabilities			
Trade and other payables	6	2,632,178	2,999,150
Borrowings	7	21,818,402	21,550,587
Lease Liabilities		51,535	53,600
Provisions		216,424	235,045
Total current liabilities		**24,718,539**	**24,838,382**
Non-current liabilities			
Borrowings	7	3,739,717	3,656,875
Lease Liabilities		161,049	187,453
Provisions		1,968,433	1,975,432
Total non-current liabilities		**5,869,199**	**5,819,760**
Total liabilities		**30,587,738**	**30,658,142**
Net assets/(liabilities)		**6,296,592**	**5,970,497**
Equity			
Issued capital	8	62,464,026	58,640,861
Reserves		37,385,293	37,385,293
Retained losses		(93,552,727)	(90,055,657)
Total equity		**6,296,592**	**5,970,497**

The accompanying notes form part of these financial statements

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Issued capital	Accumulated losses	Asset revaluation reserve	Share-based payment reserve	Capital contribution reserve	Total equity
	$	$	$	$	$	$
Consolidated						
Balance at 1 July 2023	48,890,169	(76,474,972)	5,846,007	13,658,359	17,880,927	9,800,490
Loss for the period		(5,550,474)				(5,550,474)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	(5,550,474)	-	-	-	(5,550,474)
Transaction with owners:						
Fair value of performance rights	-	-	-		-	
Issue of shares – Net of costs	6,000,000	-	-	-	-	6,000,000
Balance at 31 December 2023	54,890,169	(82,025,446)	5,846,007	13,658,359	17,880,927	10,250,016
Balance at 1 July 2024	58,640,861	(90,055,657)	5,846,007	13,658,359	17,880,927	5,970,497
Loss for the period	-	(3,497,070)	-	-	-	(3,497,070)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period		(3,497,070)	-	-	-	(3,497,070)
Transactions with owners: Issue of shares – Net of costs						
Issue of shares – Net of Costs	3,823,165		-	-	-	3,823,165
Balance at 31 December 2024	62,464,026	(93,552,727)	5,846,007	13,658,359	17,880,927	6,296,592

The accompanying notes form part of these financial statements

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Notes	31 December 2024 $	31 December 2023 $
Cash flows from operating activities			
Receipts from product sales		1,751,453	711,182
Payments to suppliers and employees		(3,925,791)	(7,182,402)
Interest received		5,971	176
Other income		17,500	-
Government grants, subsidies and concessions		610,215	91,245
Net cash outflow from operating activities		(1,540,652)	(6,379,799)
Cash flows from investing activities			
Purchase of property, plant and equipment		(223,488)	(859,327)
Sale of property, plant and equipment			7,693,387
Mine development expenditure		(1,365,339)	-
Net cash (outflow)/inflow from investing activities		(1,588,827)	6,834,060
Cash flows from financing activities			
Loan interest paid		(24,927)	(271,077)
Repayment of Borrowings		(288,848)	(5,366,548)
Equity transaction fees		(127,419)	-
Issue of shares	8	3,939,000	6,000,000
Net cash inflow/ (Outflow) from financing activities		3,497,806	362,375
Net increase in cash held		368,327	816,636
Cash and cash equivalents at the beginning of the period		751,880	3,093,776
Cash and cash equivalents at the end of the period		1,120,207	3,910,412

The accompanying notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION

a) Reporting entity

WA Kaolin Limited ("WAK" or "Company") is a company domiciled in Australia. The balances of the Company for the half-year ended 31 December 2024 include the Company and the entity it controlled at the end of, or during, the half-year.

b) Material Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding half year reporting period, as disclosed in the 30 June 2024 annual report.

c) Statement of compliance

These half-year financial statements are general purpose consolidated financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 '*Interim Financial Reporting*', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 '*Interim Financial Reporting*'.

This half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with the financial statements of WA Kaolin Limited for the year ended 30 June 2024 and any public announcements made by WA Kaolin Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

d) Significant accounting judgements and key estimates

The preparation of half-year financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2024.

e) Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2024

In the half-year ended 31 December 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2024. There are none that have a material impact on the Company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (continued)

New Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2024. As a result of this review, the Directors have determined that there is no material impact of the Standard and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to its accounting policies.

No other new standards, amendments to standards or interpretations are expected to affect the Company's financial statements.

f) Segment reporting

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The Company only has one operating segment. With the incorporation of Malaysian entity on 9 August 2023, the Company now operates in multiple geographical locations, however for segment reporting purposes, these locations are not identified as separate operating segments based on the immaterial nature of transactions in Malaysia.

g) Going concern

For the half-year ended 31 December 2024, the Company recorded a loss from continuing operations after income tax of $3,497,070 (2023: $5,550,474) and had net cash outflows from operating activities of $1,540,652 (2023: $6,379,799) and working capital deficit of $20,105,130 (30 June 2024: working capital deficit of $19,554,126).

The ability of the Company to continue as a going concern is dependent on maintaining the support of its existing and potentially new financiers, increased sales of WA Kaolin's product and securing additional funding through raising of debt or equity to continue to fund the development activities and expansion of its business platform.

These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- Existing and new orders will be filled as production is ramped up during financial year 2025;
- Support from borrowers to extend $21,818,402 of loans (note 9) for a further 12 months.
- In February 2025, the Company completed a fully underwritten Accelerated Non-Renounceable Entitlement Offer (ANREO) to raise approximately $6.98 million (before costs). The offer was made to eligible shareholders on the basis of one (1) new share for every three (3) shares held as at the Record Date, 10 February 2025, at an issue price of $0.04 per share. The offer closed on 5 March 2025, and the new shares were admitted to official quotation on the ASX on 12 March 2025
- The Company's Classifier project has been successfully installed, enabling the plant to produce finer products, supporting additional cash flow generation through expansion into Asian markets.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

NOTE 2: REVENUE AND EXPENSES

	31 December 2024	31 December 2023
	$	$
(a) Revenue		
Sale of products – domestic	47,532	178,455
Sale of products – export	1,469,729	1,016,831
	1,517,261	1,195,286
(b) Other income		
Fuel tax credit	75,783	94,067
Other income	3,559	55,501
	79,342	149,568

NOTE 3: CURRENT TRADE AND OTHER RECEIVABLES

	31 December 2024	30 June 2024
	$	$
Trade receivables	305,177	510,159
	305,177	**510,159**
Sundry debtors	30,815	565,735
Prepayments	336,782	283,528
	367,597	**849,263**
Total trade and other receivables	**672,774**	**1,359,422**

The decrease in sundry debtors is attributable to the receipt of the research and development grant in July 2024.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

NOTE 4: INVENTORY

	31 December 2024	30 June 2024
	$	$
Ore stockpiles	1,704,189	1,887,681
Finished goods	540,374	636,391
Packaging & consumables	575,865	648,881
	2,820,428	3,172,953

Stockpiles recognised within raw materials are measured by estimating the number of tonnes added and removed from the stockpile, and the estimated recovery percentage. Stockpile tonnages are verified to periodic surveys. Such estimates and assumptions may change as new information becomes available and could impact on the carrying value of inventories.

NOTE 5: MINE DEVELOPMENT EXPENDITURE

	31 December 2024	30 June 2024
	$	$
Cost or fair value	32,822,906	30,412,329
Accumulated depreciation and impairment	(3,514,798)	(3,505,348)
Carrying amount at the end of the period	29,308,108	26,906,981

	31 December 2024	30 June 2024
	$	$
Balance at beginning of period	26,906,981	28,395,734
Additions	2,410,577	2,016,595
Impairment Losses	-	(3,485,000)
Depreciation	(9,450)	(20,348)
Carrying amount at the end of the period	29,308,108	26,906,981

NOTE 6: TRADE AND OTHER PAYABLES

	31 December 2024	30 June 2024
Current	$	$
Trade payables	1,587,057	2,120,581
Accruals	906,321	794,810
Other employment-related payables	138,800	83,759
	2,632,178	2,999,150

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

NOTE 7: BORROWINGS

	31 December 2024	30 June 2024
Current	**$**	**$**
Loans from related parties (i)	1,150,000	1,150,000
Loans from other parties (ii)(c) and (d)	20,366,350	20,121,900
Toyota Finance	302,052	278,687
	21,818,402	21,550,587
Non-current		
Loans from other parties (ii)(a)	3,361,644	3,240,658
Toyota Finance	378,073	416,217
	3,739,717	3,656,875
Total borrowings	**25,558,119**	**25,207,462**

(i) The Company has the following executed loan agreements in place with its related parties at the reporting date with the respective terms and conditions:
Lender: Wamco Industries Group Pty Ltd
Agreement date: 20 September 2019
Expiry date: 30 June 2027
Interest rate: 0%
Collateral securities: None
Amount due in less than 1 year: $1,150,000.
The lender has confirmed, they will not call on the entire debt 12 months from the date of the approval of the half-year financial statements.

(ii) The Company has the following executed loan agreements in place from other parties at the reporting date with the respective terms and conditions:

(a) Lender: Boneyard Investments Pty Ltd
Agreement date: 30 June 2023
Expiry date: 30 June 2026
Interest rate: 8% per annum (Interest will accumulate unpaid for a period of two years, following which it will be disbursed on a quarterly basis.
Repayments: The entire loan amount will be settled in a single payment upon the expiry date, or it can be converted into equity, contingent upon shareholders' approval.
Conversion: Number of shares determined by dividing the outstanding loan amount by conversion price. Conversion price is calculated by 20% discount to the value of weighted average market price on the ASX.
Amount due in more than 1 year: $3,120,986.

(b) Lender: Scientific Management Associates (Operations) Pty Ltd
Agreement date: 20 September 2019
Expiry date: 30 June 2027
Interest rate: 6% per annum
Collateral securities: None
Amount due in less than 1 year: $8,000,000
The lender has confirmed, they will not call on the entire debt 12 months from the date of the approval of the half-year financial statements.

(c) Lender: Scientific Management Associates (Victoria) Pty Ltd
Agreement date: 20 September 2019
Expiry date: 30 June 2028
Interest rate: 0%
Collateral securities: None
Amount due in less than 1 year: $12,040,000

The lender has confirmed, they will not call on the entire debt 12 months from the date of the approval of the half-year financial statements

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

NOTE 8 CAPITAL AND RESERVES

	31 December 2024		30 June 2024	
	Number of shares	$	Number of shares	$
(a) Paid up capital	523,634,125	62,464,026	457,984,122	58,640,861

(b) Movements in ordinary share capital

	Year to 31 December 2024		Year to 30 June 2024	
	Number of shares	$	Number of shares	$
Balance at beginning of year	457,984,122	58,640,861	378,258,170	48,890,169
Issue of shares to third parties	65,650,003	3,939,000	79,725,952	9,750,692
Capital raising costs	-	(115,835)	-	-
Balance at end of year	523,634,125	62,464,026	457,984,122	58,640,861

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(c) Movements in unlisted options

	Period to 31 December 2024		Year to 30 June 2024	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Balance at beginning of financial period	$0.295	44,800,000	$0.27	168,732,813
Options expired during the year	$0.30	(5,000,000)	$0.25	(132,482,813)
Issue of options – Others	$0.09	16,412,503	$0.09	8,383,333
Issue of options to KMP	$0.09	-	$0.09	166,667
Balance at end of financial period	$0.235	56,212,503	$0.295	44,800,000

The Company issued 16,412,503 options as part of a capital raising in July 2024 which relates to tranche 2 placement securities, these options carry an exercise price of $0.09 each and are set to expire on 30 June 2027

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

NOTE 9: COMMITMENTS AND CONTINGENCIES

Contractual commitments

No new contractual commitments noted as at 31 December 2024.

Contingencies

There were no new contingencies noted as at 31 December 2024 (30 June 2024 Nil).

NOTE 10: EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period ended 31 December 2024, the Company completed a fully underwritten pro-rata accelerated non-renounceable entitlement offer (the "Offer") to raise approximately $6,981,788 (before costs). The Offer was made to eligible shareholders on the basis of one (1) new share for every three (3) shares held as at the Record Date, 10 February 2025, at an issue price of $0.04 per share. Shareholders also received one (1) free new unlisted option for each two (2) new shares subscribed, with an exercise price of $0.09 and an expiry date of 30 June 2027. The Offer closed on 5 March 2025, with the new shares and options admitted to official quotation on the ASX on 12 March 2025.

No other matters or circumstances have arisen since 31 December 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

NOTE 11: RELATED PARTIES

Payments to related parties

During the period ended 31 December 2024, the Company made the following payments to related parties:

(i) director fees and superannuation of $205,277 (2023: $205,052)

(ii) salary, superannuation and vehicle allowance of $ $32,958 (2023: $38,236) to a part-time sales executive, who is the daughter of the Company’s executive director

(iii) various payments detailed below to an entity controlled by the Company’s executive director:

1) Consulting fees - $49,074 (2023: $105,000)
2) Royalties - $64,342 (2023: $17,413)
3) Expense reimbursements (at cost) - $ $5,589 (2023: $13,695)
4) Payment for contractors supplied - $118,667 (2023: $8,085)

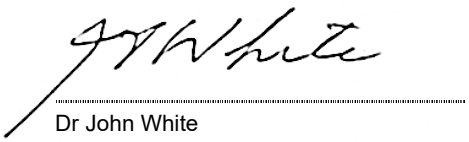
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DIRECTORS' DECLARATION

In the opinion of the directors of WA Kaolin Limited (the 'Company'):

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
   a. giving a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the half-year then ended; and
   b. complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.
2. Subject to the disclosures in note 1(g), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. The directors have modified their solvency statement to reflect the uncertainty.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Dr John White

Chairman

Dated this 14th day of March 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of WA Kaolin Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of WA Kaolin Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB *134 Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1(g) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



Ashleigh Woodley

Director

Perth, 14 March 2025

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