

# ASX ANNOUNCEMENT

21 December 2021



## Lindi Jumbo Project Update: Mine Processing Plant and Equipment En Route by Sea

Walkabout Resources Ltd (ASX: WKT) is pleased to advise that the first consignment of equipment has departed the Port of Shanghai, China and is en route to Dar es Salaam.

### HIGHLIGHTS

- First Shipment has departed China and is expected in Tanzania within 30 days.
- First consignments include mobile equipment and non-containerised processing plant equipment.
- Second containerised consignment to leave China within days.
- Equipment manufacturing progressing to plan and to budget.
- Construction activities at site are on target and within budget.
- Lindi Jumbo construction manager appointed.
- Tanzanian logistics Contractor and Camp Contractor appointed.
- Continued investments in our host communities.

**Walkabout Resources' CEO, Andrew Cunningham commented,** "Lindi Jumbo continues to deliver milestones with its first consignment of plant and equipment en route by sea from China to Tanzania. Our team has worked tirelessly to manage these unprecedented times of fractured supply chains and transport vulnerabilities to ensure Lindi Jumbo's construction schedule remains resilient. These persistent efforts stretched over three continents keeping us on budget and within the overall project development schedule - something that the entire team can be proud of."

### China – equipment manufacture, procurement, and logistics

Yantai Jinpeng Mining Machinery (Jinpeng), our EPC contractor, made good progress in the manufacture and acquisition of Lindi Jumbo processing plant and mobile equipment. All the constructed and procured items passed the stringent QA/QC controls put in place by the Company and Axis Group (representative in China overseeing EPC project management) and are being stored in a separate warehouse in Yantai. The shipment en route is for large equipment that will not be transported in containers.

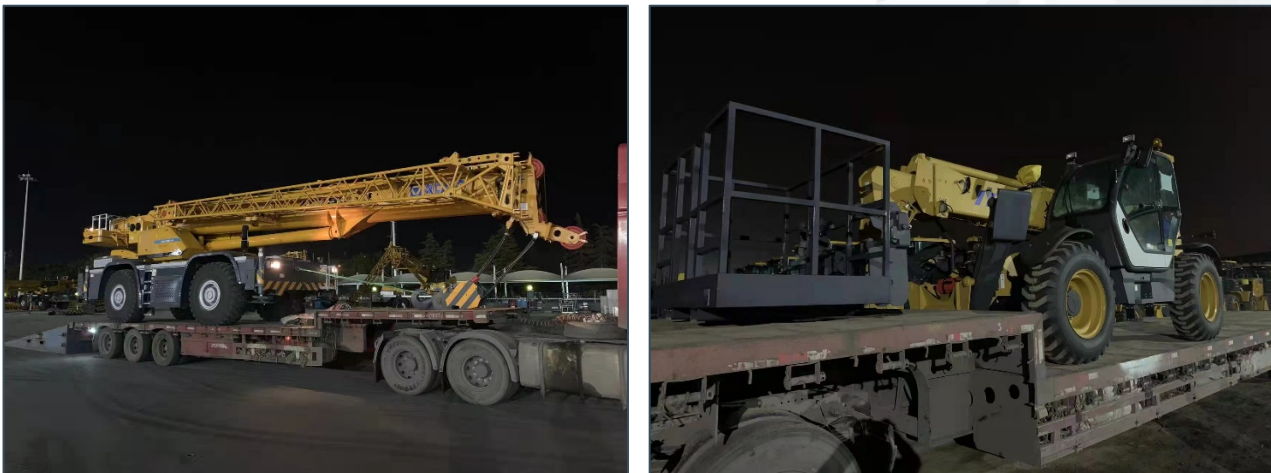
### The first shipments include:

- Mobile crane
- Telehandler
- Front end loaders
- 10 of the larger floatation cells

- Pre-cut steel plates for the raw ore, surge, fine ore and loader feed bins,
- Various pre-assembled structural steel structures needed as per the construction schedule.



*Figure 1: Flotation Cells being transported to and offloaded at the port of Shanghai.*



*Figure 2: 55 tonne Mobile crane and telehandler being transported to the port of Shanghai.*

Equipment received in Tanzania will be securely warehoused and/or transported to site as required during the construction schedule. A second shipment of approximately seven containers is expected to depart within days. While the first few shipments of equipment from China are not on the critical path, later shipments are intended to arrive closer to being required on site. Current disruptions in global shipping remain a risk for these later shipments and we have expanded the engagement terms for Axis International Group to include expediting future shipments from China.

### **Tanzania – mine development activities**

With site development and concrete works due to commence, experienced Tanzanian construction manager, Chediel Mashana was appointed to oversee delivery of the project, providing guidance to contractor groups and ensuring project safety and quality.

With good operating conditions over the past few months, several critical tasks were completed and works to date continue to support commissioning of the plant in the third quarter of 2022. Jinpeng has sent an engineer to site to sign off on civil works undertaken by TNR to ensure they meet the specifications for plant erection.

## Progress on site includes:

- Earthworks – Terracing, Compaction and Plant roads – Complete
- ROM Retaining wall (Terra Trel wall) – In progress and to schedule
- Raw water pond – In progress and to schedule
- Access drift - Complete
- Mine Boundary Demarcation – Complete
- TSF Topsoil removal and topsoil stockpiling – In progress and to schedule



*Figure 3: Raw Water Pond located within the prepared processing plant area.*



*Figure 4: ROM Retaining wall (Terra Trel wall) as of 06 December 2021.*

During the past month, the Company appointed the Tanzanian logistics contractor responsible for the customs clearance of imported equipment through the port of Dar es Salaam and subsequent transport to a holding warehouse and site as needed. The Tanzanian logistics team supported by Lindi Jumbo management in Dar es Salaam, together with Jinpeng and Axis Group in China are working collaboratively to ensure supply chain activities proceed as smoothly as possible. This includes putting necessary documentation in place with necessary approvals by Tanzanian authorities before the shipments arrive.

The Company has also appointed the preferred supplier of the mine camp on site under a BOOT arrangement. We have therefore deferred the establishment of the camp until the second quarter of 2022 to limit unnecessary running costs and associated infrastructure until it is needed. The camp will include:

- Offices
- Accommodation
- Dining & Canteen
- Water purification & sewage plants
- Medical
- Training Centre
- Change rooms

Under a BOOT arrangement, upfront CAPEX costs will reduce but provide a modest increase in OPEX during the first five years.

With the arrival of grid power to site this month, our contracted electrical engineers have been actively integrating the grid power with our amended plant power supply options. Selection of the final power model will be determined within coming weeks.

### Community Engagement – COVID-19 Vaccination Clinics

The Lindi Jumbo team has been active in our local communities, continuing to build our social licence to operate. Practical measures during the month included our ongoing support of a COVID-19 vaccine rollout to educate and protect workers and communities in the project surrounds (see announcement 25 October 2021). More than 200 community members have been vaccinated in December to date in the villages of Matambarale, Namikulu and Namilema.

Lindi Jumbo has also committed to improve the local mine bypass road to an all-weather condition.



*Figure 5: Recent vaccination program at the village of Matambarale*

### General

A number of other Tanzanian miners signed framework agreements with the government during the month. Lindi Jumbo had previously received written agreement from the government in November 2019 of its 16% free carried interest. It was confirmed that the FCI was only payable to the government on the payment of dividends from Lindi

Jumbo. The timing of the issue of Lindi Jumbo B class shares to the government is yet to be agreed but is not required before either construction or production.

Further increases in global prices and likely shortages in supply for all sizes of flake graphite augurs well for the setting of prices under the previously announced Lindi Jumbo binding offtake term sheets during the coming months. The prospect of supply shortages as we come into production has also expanded the number of parties contacting the company for potential offtake.

This announcement is authorised for release by the Board.

-ENDS-

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**ABOUT WKT**

Walkabout is developing the high-grade Lindi Jumbo Graphite Project in South East Tanzania to take advantage of forecast market conditions for Large and Jumbo flake graphite products. The Company holds 100% of a Mining Licence and between 70% and 100% of adjacent graphite prospecting licences at Lindi Jumbo with an enduring option to acquire the remaining 30% share. A high-grade graphite Mineral Reserve has been delineated within the Mining Licence area.

In addition to the Lindi Jumbo Project, Walkabout is also exploring in south west Tanzania at the Amani Hard Rock Gold Project. The Company has also acquired an exciting exploration portfolio for gold and base metals in Scotland and Northern Ireland and is conducting ongoing mineral exploration in these areas.

Learn more at [wkt.com.au](http://wkt.com.au)