

ASX ANNOUNCEMENT

16 June 2022



Development Activities Continue at Lindi Jumbo as it advances towards Commissioning

Walkabout Resources Ltd (ASX:WKT, 'Walkabout' or the 'Company') is pleased to advise that construction activities are continuing at Lindi Jumbo, in addition to the nearing of completion of the manufacture and acquisition of major processing equipment in China. This is despite the delayed drawdown of the USD20 million project debt facility through CRDB Bank Plc (CRDB) announced on 6 June 2022.

HIGHLIGHTS

- Established and trusted relationships with all major contractors have seen the continuation of works while the last condition precedent (CP) for debt drawdown is being finalised.
- Development progress on the ground is more than 50% complete against the construction schedule.
- Key milestones advancing commissioning include:
 - Manufacture and acquisition of major processing equipment complete by EPC contractor, Yantai Jinpeng Mining Machinery (Jinpeng), with shipment of items not already on-site pending debt drawdown.
 - Arrival of major equipment in the processing plant flow onsite and awaiting installation.
 - Completion of crushing, grinding, conveyors and thickener civils, enabling commencement of steelwork and equipment erection.
 - Completion of pre-strip of the starter pit, with drilling underway in preparation of the first blast.
 - Continuation of tailings storage facility (TSF) groundworks with application of an impervious clay base and all fill of the keys nearing completion.
- TANESCO, the Tanzanian Electrical Supply Company, has commenced connection of the Lindi Jumbo site to the national grid and provided written confirmation of the planned sufficient supply of grid power for the entire operation, expected to result in a significant reduction in operating costs.
- Offtake negotiations have continued with a focus on finalising the key commercial terms including pricing and off-take profile.

Walkabout Resources' CEO, Andrew Cunningham commented, *"The support and trust from our major contractors has been overwhelming and is testament to our long-term relationships, project viability and commitment to 'local first', with teams remaining mobilised and continuing development as scheduled despite temporary setbacks.*

The processing plant, supporting infrastructure and mining area are now rapidly taking shape as we continue to advance Lindi Jumbo safely towards commissioning and achieve Tanzania's first sustainable graphite production under the new Administration."

DEBT DRAWDOWN

As announced on 6 June 2022, the Company is working towards securing the final conditions precedent (“CP”) that needed to be fulfilled before drawdown of the USD20 million debt facility could commence. Progress is made on various fronts towards fulfilling this last CP and the market will be informed as soon as resolved. Lindi Jumbo continues to be supported by CRDB and various other parties as we work towards this.

MINE DEVELOPMENT ACTIVITIES

EARTHWORKS AND CIVILS

Since the last update the project has not recorded any lost time injuries. More than 150 workers continue to progress earthworks and civils with processing plant civil works reaching 78% completion and strong headway making up for some of the minor delays caused by the heavy rains since the beginning of the year.

Concrete works were aligned with the shipping schedule and various work fronts have been opened for simultaneous steelwork construction by the EPC team, Jinpeng. Since May, and further to the announcement on 30 April 2022, the following progress has been made:

- Thickener civils complete
- Conveyors civils complete
- Fine Ore Bin civils complete
- Crusher Civils complete
- Screen civils complete
- Concentrator building and mill bases casted
- TSF - 37% complete:
 - fill pre-deposition of the embankments in progress
 - piping delivered and partially installed
 - lining in country



Figure 1: Oblique view from the south of the TSF. Clay filled cut-off keys around the TSF footprint are clearly visible (left). Excavation of the stormwater cut off trench at the TSF (right).



Figure 2: Top view of the processing plant area. Numerous pieces of equipment visible including the floatation cells, filter presses, crushers, screw classifiers, fine ore bin sections and laydown of the structural steel components.

ENGINEERING, PROCUREMENT AND CONSTRUCTION PROGRESS

EPC Contractor, Jinpeng, has completed the manufacture and acquisition of the majority of the major equipment for the processing plant. While all previous shipments of equipment have been delivered to the Lindi Jumbo site, several batches of factory acceptance tested equipment are in storage in China and remain on standby for loading. Shipping of the equipment will commence upon drawdown of the project debt (see announcement on 6 June 2022).

The delay in despatch of these remaining shipments will impact the overall project schedule and as logistics become clearer this will be communicated to the market.

With the mechanical construction team on site since April, the erection of the steelwork had commenced focussing on the fine-ore bin, thickener, front-end (ROM Bin) and conveyor areas of the processing plant. The civils completed to date were prioritised to these areas.

Equipment awaiting despatch to Tanzania includes:

- Various samplers;
- Drum Scrubber;
- Graphite degglomerator;
- Various silos;
- BGRIMM Attritioning mills;
- Crane beams and hoists;
- Dust collectors;
- Various spiral conveyors;
- Dryer;
- Concentrate bag packaging equipment;
- Steel Structures for various of the processing plant buildings; and
- Rotex screens manufactured and assembled in Melbourne, Australia (refer Figure 4).



Figure 3: Graphite concentrate bagging equipment undergoing factory testing in China.



Figure 4: Rotex Screens assembled at the workshop in Melbourne.



Figure 5: Steelwork construction on site using the Lindi Jumbo 55-ton crane (left) and transport of an assembled section of the fine-ore bin for installation (right).

STARTER PIT

Earthworks, including the removal and stockpiling of the topsoil, the removal of the clay rich saprolitic material, and the exposure of the bedrock in preparation of drilling and blasting at the starter pit area is nearing completion the first blast planned for late June (refer Figure 6 and 7). The starter pit has been chosen to generate maximum waste rock and clay

rich material for the construction of the TSF retainer wall, while at the same time exposing and selected excavation of the high-grade graphitic material for the commissioning and start-up of the processing plant. Care was taken to avoid the highly visible super high-grade zones that will form the baseload of the run of mine stockpile.

The waste rock generation starter pit will potentially have a positive knock-on effect on the operating costs for the initial period of the proposed mine plan with a higher ratio of ore to be produced. As with all of the construction areas, care is taken to keep the operational footprint as small as possible in line with the Company's efforts to minimise the environmental and carbon footprint.



Figure 6: Starter pit pre-strip. The area is approximately 700m to the west of the Processing Plant area. Approximately 0.30 to 1m of clay rich saprolitic waste material has been used in the construction of the TSF.



Figure 7: Drilling in preparation of the first blast.

SUPPLY OF GRID POWER TO LINDI JUMBO CONFIRMED

Lindi Jumbo has received confirmation from the Tanzanian Electrical Supply Company (TANESCO) of their commitment to extend the existing 33Kv line to the Lindi Jumbo site and that the power infrastructure can handle the expected load of 4.5MW for continuous plant operations. The supply of grid power to site is expected to:

1. Significantly, lower operational costs in comparison to the diesel generators scoped in the feasibility study. Previously, power related expenses represented the largest operating cost of the processing plant with grid power a gamechanger at only a fraction of the cost;

2. Reduce Lindi Jumbo's carbon footprint and improve the project's ESG credentials due to its large hydro power component; and
3. Align with Walkabout's 'local first' commitment, through fiscal contribution to Tanzania by purchasing of power from the national grid.

In establishing the connection to site, it will be the financial responsibility of Lindi Jumbo to provide the necessary transformer. However, as an interim measure TANESCO has agreed to loan the necessary equipment to the mine site. While it is still the ambition of Lindi Jumbo to ultimately install renewable power, back-up diesel generators have been ordered for initial operations.

OFFTAKE NEGOTIATIONS CONTINUE

As the mine nears first production and in global markets demand outstrips supply, the Company continues to receive regular enquiries from potential customers for offtake. End-users outside of China are actively seeking diversification of supply for their needed raw materials.

Product marketing activities have primarily focused on finalisation of the key commercial terms of the offtake arrangements with our existing partners. These agreements are expected to be completed during June. Work is also being undertaken to ensure a robust outbound supply chain is in place from mine to market.

This announcement is authorised for release by the Board.

-ENDS-

For further information, please contact:

Andrew Cunningham
Chief Executive Officer
+61 8 6298 7500

Or

Skye Gilligan
Media Liaison
+61 416 854 264
skye@gilligangroup.com.au

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