ASX ANNOUNCEMENT

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WALKABOUT RESOURCES LTD
ACN 119 670 370

ASX Code: WKT

admin@wkt.com.au
www.wkt.com.au

Level 3, 681 Murray St,
West Perth, WA 6872
P.O. Box 263,
West Perth WA 6005

T: +61 8 6298 7500
F: +61 8 6298 7501

DIRECTORS

Exec Chairman: Trevor Benson
Exec Dir: Allan Mulligan
Tech Dir: Andrew Cunningham
NED: Tom Murrell

ORDINARY SHARES
116,552,932

UNLISTED OPTIONS
26,550,019

PROJECTS
Lindi Jumbo Graphite Project
Tanzania (70%)

Takatokwane Coal Project
Botswana (60%)

Kigoma Copper Project
Tanzania (75%)

Lindi Jumbo Maiden Ore Reserve Statement

- *Proven and Probable Ore Reserves of 5 million tonnes @ 16.13% TGC for 809,081 tonnes of graphite concentrate*
- *Highest grade Ore Reserve in Tanzania totalling 42% of the current Measured and Indicated Mineral Resource*
- *No Inferred Resources used in defining the Proven and Probable Ore reserves*

Walkabout Resources (ASX: WKT) is pleased to announce the maiden Ore Reserve for its high grade Lindi Jumbo Graphite Project in south eastern Tanzania.

The Ore Reserve forms the basis of the recently announced Definitive Feasibility Study (ASX announcement of 7 February 2017) and has been classified in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”).

A DFS was completed by Walkabout Resources for the Lindi Jumbo Project with the study proposing an operation processing an average of 276,000 tonnes per annum to produce 40,000 tonnes of concentrate. The DFS found the project to be economically viable with a robust Internal Rate of Return (IRR) and a payback period of less than two (2) years. The DFS was based on production from Proven and Probable Ore Reserves resulting in a Life of Mine (LOM) of approximately 20 years.

The Ore Reserve Estimate was prepared and signed off by Bara International of Johannesburg, South Africa.

Executive Director of Walkabout Resources, Allan Mulligan commented;

“This Reserve delivers the highest mill feed grade of all the Tanzanian graphite projects and provides the Lindi Jumbo project with a huge technical and financial advantage over other start-up graphite projects.”

Ore Reserve

The resources considered for mining were based on the JORC 2012 Mineral Resource Estimate *(see ASX announcement of 6 December 2016)*. The Ore Reserve is based only on the Measured and Indicated Mineral Resources with no Inferred material considered in the current mining schedule, and is summarised in Table 1.

Table 1: Lindi Jumbo Project Ore Reserve.

Ore Reserves			
Category	**Tonnes (million)**	**TGC %**	**Contained Graphite (tonnes)**
Proven Ore Reserves	3.2	16.6	529,423
Probable Ore Reserves	1.8	15.4	279,580
Total Ore Reserves	**5.0**	**16.1**	**809,081**

The DFS is discussed in more detail in ASX announcement of 7 February 2017.

Mining

The orebody outcrops on surface and is well suited to conventional open pit mining, using excavators and trucks for loading and hauling. The mine design considered only measured and indicated mineral resources and the limit of the mine design was determined by a pit optimisation exercise.

The mining operation at Lindi will be outsourced to a contract mining company. Weathered ore and waste will be excavated using a hydraulic shovel and loaded onto dump trucks for hauling out of the pit to the RoM stockpile or waste dumps. Where the weathered material requires ripping by dozer before excavating this will be done using a tracked dozer. Fresh ore and waste will be drilled and blasted before being loaded and hauled in a similar manner.

The waste rock will be used for the construction of the outer wall of the tailings dam. During early mining and site construction a limited amount of waste will be used as construction material and fill.

Ore will be transported to the run of mine (RoM) pad adjacent to the processing plant in preparation for feeding to the plant. Ore will be placed in specific low and high grade stock pile areas on the RoM pad. The ore will be fed into the primary crusher using a front end loader. Blending of the ore and feeding of the crusher will be the responsibility of the plant operations personnel.

Waste and ore will be transported from the pit to the waste dump, RoM pad or stockpile by dump trucks of 30 tonne capacity. Loading and hauling of waste will be a 12-hour operation with a single day shift per day of 11 effective hours. Mining will only be carried out on day shift, to allow effective grade control to be maintained.

Selected Modifying Factors

Cut-off grade

A range of cut-off grades were applied during the pit optimisation exercise in order to test the sensitivity of the total operating cost (US$ per tonne of graphite in concentrate) to cut-off grade. The analysis showed that the operating cost was minimised when the cut-off grade reaches approximately 8% TGC, in-situ grade, after which the gradient of the cost line is fairly flat.

Considering this a cut-off grade of 7.5% TGC was selected as the cut-off grade and an optimum pit was selected from the nested pit shells produced when applying this cut-off grade.

Dilution and ore loss

Mining dilution of 5% was allowed for in the mine design and schedule. Considering the width of the orebody, typically 2 to 10m wide, and the small size of mining equipment selected mining will be accurate and allow for selective mining of high grade ore, low grade ore and waste.

The ore and waste are visibly distinguishable. All these factors contribute to facilitating accurate mining of the Lindi high grade ore.

An allowance was made for ore loss to account for ore which is not recovered during the mining process. This may be due to inefficient grade control or inaccurate mining. The factors discussed under Dilution, above contribute to ore loss as well.

Based on experience from other open pit operations with similar geometry, ore loss was set at 5%, or conversely 95% ore recovery.

Mine design

The selected pit shell from the pit optimisation exercise formed the basis of the final pit shell in the pit design. This defines the extent of the final pit at the end of the mine life.

In order to estimate the mined tonnages more accurately throughout the practical pit design and schedule needs to be developed. This design will incorporate the mine life through a selection of pit design stages, or cut-backs. These are intermediary pit designs, all falling within the final pit shell, which are mined sequentially to minimise the amount of waste mined early in the life of mine and to smooth the mining cost over the life of mine.

In addition, the practical pit design will include the design of haul roads, safety berms and any other design items required, which may affect the strip ratio or mining cost.

A set of design criteria was developed which was applied to the design of the open pit.

Production Rate, Mining Sequence and Schedule

The pit depletion has been scheduled into four sequential stages. Stage 1 and Stage 2 focus on the near surface, high grade, weathered ore and are mined first. Stages 3 and 4 progress the pit deeper to the final depth of 80 m below surface.

The production rate from the mine is planned to be 23,000 tonnes of RoM ore per month, or 276,000 tonnes per annum.

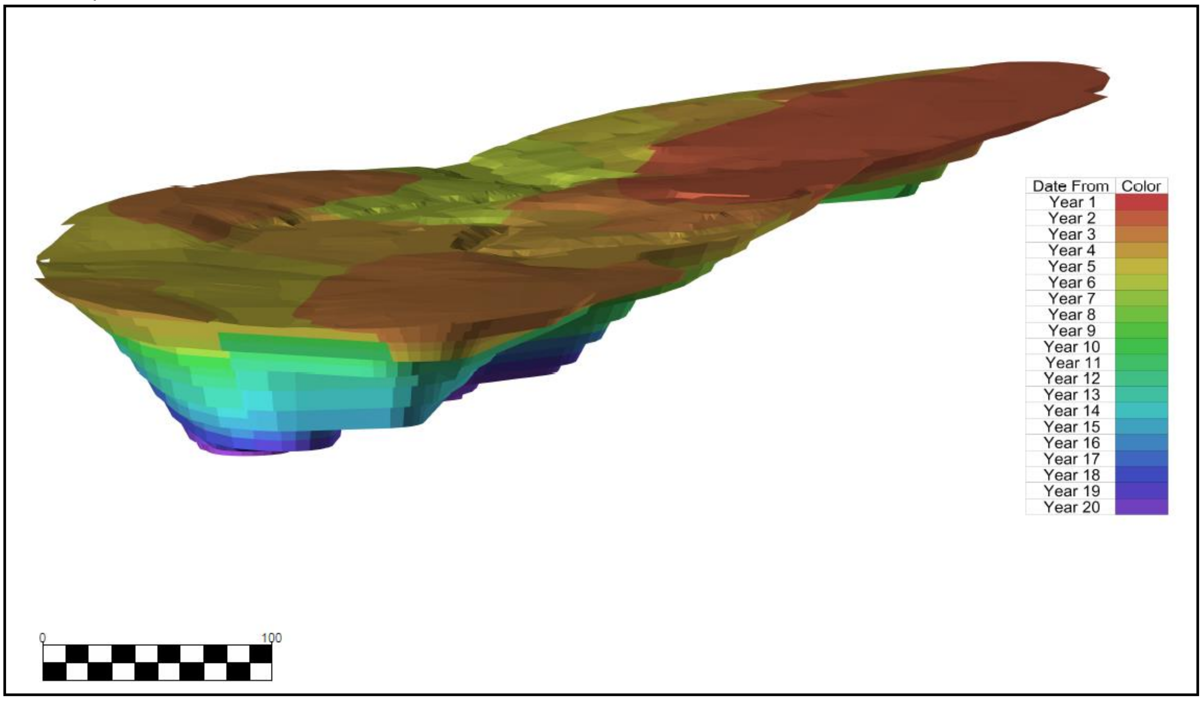


Figure 1: Illustrating the progression of the pit by year. It highlights the focus on the shallower, high grade material in the early years with the deepening of the pit taking place later in the life of mine.

About WKT

Walkabout is fast tracking the development of the Lindi Jumbo Project to take advantage of forecast market conditions for Flake Graphite deposits with high ratios of Large and Jumbo flakes. The Company has developed a proprietary processing technique based on an existing and proven flow-sheet used elsewhere in Africa and which yields exceptionally high ratios of Large (+180µm), Jumbo (+300µm) and Super Jumbo (+500µm) flakes into concentrate. This premium product will allow higher than average revenues to be achieved. The Company currently holds 70% of four licences at Lindi Jumbo with an option to acquire the remaining 30% share.

Details of Walkabout Resources' other projects are available at the Company's website, www.wkt.com.au

ENDS

Allan Mulligan (Executive Director)
+61 8 6298 7500

Competent Person's Statement

Mining Study

The information in this document that relates to mine design for a Definitive Level assessment is based on information compiled or reviewed by Clive Brown, a Member of the South African Institute of Mining and Metallurgy and Allan Mulligan who is a Member of the Australian Institute of Mining and Metallurgy (AUSIMM). Allan Mulligan is a full time employee of Walkabout Resources Ltd. Allan Mulligan consents to the inclusion in this document of the matters based on his information in the form and context in which it appears. Clive Brown is a full time employee of Bara Consulting Pty Ltd and provided technical, capital and operating cost estimates for the mine and associated infrastructure for the Lindi Jumbo Project financial model. The information in this document that relates to these inputs is based on information compiled or reviewed by Clive Brown. Clive Brown consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Appendix A

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *Rock samples of 2 to 3 kg were collected from in-situ outcrops.* • *2015 Samples were bagged as A and B samples from each locality due to the large size of the samples and numbered individually. 2016 Samples were bagged in clearly marked sample bags for transport to the prepatory laboratory in Dar es Salaam.* • *2016 Samples were sent to ALS prepatory laboaratory in Mwanza.* • *All 2016 samples were described and logged onto a paper logsheet. A summary of rock sample locations is included as Table 1.* • *Graphite quality and rock classifications were visually determined by field geologist. 2015 Reverse Circulation (RC) drilling was done and samples were split using a cone splitter into 1m samples. All primary samples as well as sample spoils are weighed and the results recorded.* • *2016 Reverse Circulation (RC) drilling was done and one metre samples were collected in a large sample bag beneath the cyclone. Individual one metre samples were split using a riffle splitter (75%/25% split). All large sample bags were weighed before splitting.* • *All RC intervals were geologically logged by a suitably qualified geologist and mineralized intersects (graphitic zones) dispatched to SGS in Mwanza or BV in Dar es Salaam, Tanzania for processing.* • *Diamond drilling (DD) was done to collect adequate samples for metallurgical and ore characterization testwork. Graphitic zones were sampled (1/2 and ¼ HQ3 core) using a diamond saw.* • *Trenches: Standardized sampling methods include continuous chip samples of approximately 4 cm wide being collected along the northern edge of the trench floor consisting of about 3 kg to 4 kg of material per sample. Hammers and chisels were used to gently dislodge the weathered rock along the channel profile. A large plastic bag was laid out on the trench floor beneath each sample to collect the chip samples. This ensured that the sample was not contaminated by rubble or fines from the trench floor.* • *Graphite quality and rock classifications were visually determined by field geologist.*
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Reverse Circulation and Diamond Drilling was conducted* • *RC Sampling was done with a 5 ½" face sampling bit (2015 and 2016).* • *Core size was HQ3 (61.1mm diameter) triple tube system. All inclined core holes were oriented using a Reflex ACTZ orientation tool.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample*	• *RC (2015) recovery was recorded by visual estimation of recovered sample bags and all sample rejects from the cone splitter were weighed and the weights recorded. All A and B samples were weighed to assess the accuracy of the*

Criteria	JORC Code explanation	Commentary
	recovery and ensure representative nature of the samples. • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	*sampling process. Recovery was generally of good quality.* • *RC (2016) recovery was recorded by visual estimation of recovered sample bags with all primary one metre samples collected through a* *cyclone weighed and the weights recorded.* • *Sample recovery was Measured and recorded for each core run* • *Downhole depths were validated against core blocks and drillers sheets* • *Minor core loss was recorded in the weathered zones* • *Twin hole comparison of RC vs Diamond Indicated that there is no sample bias for graphite assays* • *There does not appear to be any relationship between sample recovery and grade.*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *The logging and classification of graphite rock samples was based on a visual percentage estimate of graphite content by field geologists using rock specimens and outcrops. In general, rocks containing less than 10% graphite were identified as graphite gneiss, 10-70% graphite schist, and greater than 70% graphite as massive graphite.* • *Visual estimates and geological is subjective.* • *All drillholes were geologically logged in full by an independent geologist.* • *All data is initially captured on paper logging sheets and transferred to pre-formatted excel tables and loaded into the project specific drillhole database.* • *The logging and reporting of visual graphite percentages on preliminary logs is semi-quantitative. A reference to previous logs and assays is used as a reference.* • *All logs are checked and validated by an external geologist before loading into the database. Logging is of sufficient quality for current studies.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *2016 Rock Samples were dispatched to ALS Mwanza, Tanzania for prep and the pulps dispatched to ALS in South Africa for analyses.* • *Each sample weighed approximately 3 and each sample was packed in separate clearly marked sample bags.* • *All samples were dried at 105°C, separately crushed and pulverized via LM2 to nominal 90% passing -75µm.* • *Sample pulverizers were cleaned mechanically and/or with vacuum. Quartz or blue metal washes were utilized to ensure no carry over contamination between samples.* • *Particle size analysis is conducted by the lab on selected samples in each batch to ensure correct grain size is achieved.* • *Reverse Circulation (RC) samples were split using a cone splitter (2015) and riffle splitter (2016) into 1m samples. All primary samples and RC spoils were weighed and the results recorded. The vast majority of the samples were dry.* • *Duplicate samples were taken approximately 1:20 and were collected by spearing approximately 3kg from the representative 1m interval sample reject (2015) or by splitting the 75% reject to obtain a duplicate sample (2016).* • *QC measures include field duplicate samples, blanks and certified standards (1:20) over and above the internal controls at the laboratories (SGS and NAGROM).* • *All sampling was carefully supervised. Ticket books were used with pre-numbered tickets placed in the sample bag and double checked against the ticket stubs and field sample sheet to guard against sample mix ups.*

Criteria	JORC Code explanation	Commentary
		• *All RC intervals were geologically logged and mineralized intersects dispatched to SGS in Mwanza or BV in Dar es Salaam for sample preparation, and subsequently to Perth for assaying of pulps.* • *All samples were separately crushed and pulverized to 75% passing 2 mm, split, pulverize <1.5 kg to 85% passing 75 um.* • *SGS: Graphitic Carbon Leco Method by CSA05V (0.01% lower detection and 40% upper detection limit), HNO3 leach, LECO Ash and total digest of carbon samples for multi element analyses. The solution from the above DIA40Q digest is presented to an ICP-OES for the quantification of the elements of Interest (V) with 1 ppm lower detection limit and a 10,000ppm upper limit (2015).* • *NAGROM: Labfit CS2000 combustion/IR analyser was used for Graphitic Carbon (0.1 % to 100% detection limits).* • *Diamond core samples were cut lengthwise using a manual core saw on site. The core was cut in half, and then one half was quartered to provide samples for metallurgical testwork and assaying respectively.* • *Individual meter samples within graphitic zones were packed and sealed in clearly labeled plastic bags for transport* • *Duplicate samples were inserted at the NAGROM Lab in Perth using a coarse crushed split of the specified sample interval. Coarse duplicates were inserted approximately 1:20 samples.* • *The quarter core analytical samples were separately crushed to 2mm, dried at 105°then pulverized to 95% passing 75 µm.* • *Graphitic Carbon (TGC; CS003, 0.1% lower detection), and Total Carbon analysis (TC; CS001, 0.1% detection limit) is analysed by Total Combustion Analysis.* • *For TC and TGC, the prepared sample is dissolved in HCl over heat until all carbonate material is removed. The residue is then heated to drive off organic content. The final residue is combusted in oxygen with a Carbon-Sulphur Analyser and analysed for Total Graphitic Carbon (TGC) and Total Carbon (TC).* *Sample size is appropriate for the material being tested.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *QC measures include duplicate samples, blanks and certified standards (1:20) over and above the internal controls at the laboratories* • *Due to the systematic, robust and rather intensive nature of quality control procedures adopted, WKT is confident that the assay results are accurate and precise and that no bias has been introduced.*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• *An external geological consultant conducted a site visit in September 2015 and August 2016 during the drilling programs to observe all drilling and sampling procedures.*

Criteria	JORC Code explanation	Commentary
	• *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	*All procedures were considered industry standard, well supervised and well carried out.* • *All data is initially captured on paper logging sheets, and transferred to pre-formatted excel tables and loaded into the project specific drillhole database. Paper logs are scanned and stored on the companies server. Original logs are stored at a secure facility in Ruangwa.* • *Assay data is provided as .csv files from the laboratory and entered into the project specific drillhole database. Spot checks are made against the laboratory certificates.* • *Primary data is stored in original electronic lab files, (both PDF and Excel) and also in working database files for company workflow.* • *As discussed in the previous section, A and B samples for the same location were submitted and used as duplicates for most samples.* • *As A and B samples are considered essentially identical or duplicates (although treated separately), the samples have been combined to produce an average value for reporting purposes.* *Sample results were also compared to geological logging for verification.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Collar positions were set out using a handheld Garmin GPS with reported accuracy of 5m and reported using WGS84, SUTM Zone 37.* • *Three pegs were lined up using a Suunto compass and a rope laid out on the ground between the three pegs to align the rig. Once the drilling was complete the final collar position was recorded using a handheld Garmin GPS.* • *Downhole surveys (dip and azimuth) were taken using a Reflex electronic multi shot instrument.* • *An accurate collar position survey was conducted by an independent surveyor and the survey reports have been received* • *Sample points for rock samples were taken using a Garmin handheld GPS.* • *See Table 3 for sample positions and results.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *2015 Drillholes were to test pre-determined geophysical targets and are thus not on a pre-determined grid.* • *The 2016 infill drilling program was conducted on a pre-determined grid with the aim increasing the confidence of the resource.* • *Infill drilling over a large portion of the deposit was done on a grid of 50m x 50m* • *No sample compositing has been done.* • *Discontinuous spacing as determined by available outcrop and field observations, all GPS tracked.* • *Data and sampling is reconnaissance in nature and insufficient for Mineral Resource estimations.* • *(2015) As A and B samples are considered essentially identical or duplicates (although treated separately), the samples have been combined to produce an average value for reporting purposes.* • *No sample compositing was applied for the 2016 sampling.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• *Surface mapping and interpretation of the VTEM data shows that the lithologies dip between 15 and 50 degrees to both the NW and SE on the limbs of various syn- and antiforms in the area.* • *Drillholes were planned to intersect the*

Criteria	JORC Code explanation	Commentary
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	*lithology/mineralisation at right angles or as close as possible to right angles.* • *Outcrop structural readings of strike, dip and dip direction were recorded using geological compass for geological mapping and trend purposes* • *The observation points were used to interpret the graphite trend in the property.* • *The location of structural measurements is controlled by available in-situ outcrop*
Sample security	• *The measures taken to ensure sample security.*	• *Samples were split and sealed (tied off in calico or plastic bags) at the drill site and transported to the Exploration Camp for processing. All samples picked for analyses are placed in clearly marked polyweave bags (10 per bag), and were stored securely on site before transported via a courier company to the prep labs in Mwanza and Dar es Salaam.* • *Rock Samples samples were packed by the technician and geologist in the field. All samples were sealed in plastic bags for sample transport to the Lab in Mwanza.* • *Export permits were applied for and samples boxed up for transport with a sample dispatch number.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	*An external geological consultant conducted a site visit in September 2015 and August 2016 during the drilling and regional sampling programs to observe all drilling and sampling procedures. All procedures were considered industry standard, well supervised and well carried out.*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The drilling was located on one granted Exploration License (PL9992/2014). The Company currently holds 70% of four licenses at Lindi Jumbo with an option to acquire the remaining 30% share. WKT, through its 100% Tanzanian subsidiary, Lindi Jumbo Limited (Company Registration Number 124563), now has registered title to the four licenses subject to anniversary payments being made to the Vendor for three years from the date of the Memorandum of Understanding, 13 May 2015.* • *The rock sampling was located on two granted Exploration Licenses (Pl9992/2014 & PL9993/2014). The Company currently holds 70% of four licenses at Lindi Jumbo with an option to acquire the remaining 30% share. WKT, through its 100% Tanzanian subsidiary, Lindi Jumbo Limited (Company Registration Number 124563), now has registered title to the four licenses subject to anniversary payments being made to the Vendor for three years from the date of the Memorandum of Understanding, 13 May 2015.* • *The company is not aware of any impediments relating to the licenses or area.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *As far as the company is aware no exploration for graphite has been done by other parties in this area. Some gemstone diggings for tourmaline are present in the PL.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The project area is situated in the Usagaran of the Mozambique belt and consists of graphitic gneisses and schists interpreted to occur along the flanks of various anti- and synforms in the area with the lithological units dipping at between 15 and 50 degrees to the NW and SE.*

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• *Trench and Drillhole coordinates and orientations are provided in Table 3 of previous reports.*
		• *Drillhole coordinates previously reported (see ASX announcement of 19 January 2016; 1 September 2016 and 12 December 2016).*
		All azimuths are approximately 120 degrees.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually*	• *Trench results: weighted averages are used with a 5% TGC cut-off and ≤3m internal waste (<5% TGC). Results are rounded to the nearest 10^{th}.* *RC: Aggregate graphite intersections are quoted using*

Criteria	JORC Code explanation	Commentary
	Material and should be stated. • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	*a cutoff of 5% TG and were averaged as all sample intervals are equal.* *DD: weighted averages are used with a 5% TGC cut-off and ≤3m internal waste (<5% TGC). Results are rounded to the nearest 10th.* *DD and Trench: Individual sample intervals are ≥50cm and ≤150cm.* • *No metal equivalent values have been reported.*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *The drilling is at right angles (or as close as possible to) the mapped strike of the outcropping lithologies.* • *All intercepts are reported as down-hole lengths and are aimed at being as perpendicular to mineralisation as practical.* • Widths for mineralised units sampled through the rock sampling programs are undetermined due to extensive soil cover in the sampling areas.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *A sample location plan is provided in Figure 2.*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	*All samples from the 2016 sampling program are reported in Table 3 of previous ASX reports(see below).*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Previous announcements include the release of assay data related to surface "dig and grab" samples (ASX: 14 May 2015 18/10/2016) and also to the results of an Airborne VTEM Survey (ASX: 19 September 2015).* • *Graphite characterization Petrography results (ASX: 30 July 2015), and initial metallurgy (ASX: 3 June 2015).* • *Drill assay results (4/11/2015, 16/11/2015, 24/11/2015, 1/12/2015, 8/12/2015, 21/12/2015 and 27/9/2016 & 12/12/2016).* • *Metallurgical Results (8/01/2016, 18/02/2016, 2/06/2016, 07/07/2016)* *Maiden JORC Resource (19/01/2016)*
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Exploration drilling will be ongoing. Further holes are planned to test targets generated through the VTEM survey and surface mapping on the various licenses.*

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data Validation procedures used.*	• *The database was compiled by WKT using Microsoft Office software.* • *The database was supplied for use for resource estimation as a Microsoft Access database.* • *The database was imported to Leapfrog™ software and also linked to Geovia Surpac™ (industry standard resource modelling and estimation software). No errors were identified in the database supplied in visual checks and through the Leapfrog and Surpac importing/connect processes.* • *Normal data validation checks were completed on import to the Access database.* • *All logs were supplied as Excel spreadsheets and any discrepancies checked and corrected by field personnel. Data has been checked back to hard copy results*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• *Andrew Cunningham (appointed 13 November 2015 Director Walkabout Resources Ltd, and Competent Person) initially visited the site in July 2015 followed by a further visit in September 2015 whilst an independent geological consultant.* *Aidan Platel, Competent Person (Platel Consulting PTY Ltd) completed a site visit in August 2016 covering all aspects of the site work and the 2016 drilling program.* • *All drilling and sampling procedures were considered industry standard, well supervised and well carried out.*
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• *The confidence in the geological interpretation is considered robust for the purposes of reporting a Measured, Indicated and Inferred Resource. Graphite is hosted within graphitic schists and gneisses of the Neoproterozoic Mozambique Belt. These graphite rich zones dip to the north-west and south-east at 15-45° and are interpreted to occur on the flanks of various syn- and antiforms in the area.* • *Four main zones are modelled, with the main zone (Zone 1) including three internal high grade veins as separate domains (7, 8 and 9) which shown clear continuity.* • *The geological interpretation is supported by geological mapping, trenching and drill hole logging and mineralogical studies completed on Walkabout's recent drillholes plus geophysical survey data (VTEM).* • *Weathered zones (oxide and transition) of reasonably uniform depth (averaging 2-3m and 6-10m) were interpreted based on the geological logs and coded into the block model.* • *No alternative interpretations have been considered at this stage.* • *Logged graphite rich zones in the graphitic schists correlate extremely well with TGC assay grades.* • *The key factors affecting continuity (known to date) are the presence of graphitic schist host rocks plus VTEM conductors.*

Criteria	JORC Code explanation	Commentary
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• *The modelled mineralised zone has dimensions of 1,400m (surface trace striking 030) with four main mineralised zones (one with a high-grade core) ranging in thickness up to 35m (Domain 1 including high grade core), 10m (Domain 3), 20m (Domain 6) and 30m (Domain 4 – eastern lower grade zone) ranging between 100m and 245m RL (AMSL).*
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• *Grade estimation using Ordinary Kriging (OK) was completed using Geovia Surpac™ software for TGC (%).* • *Drill spacing typically ranges from 35m to 160m with one section break of 300m.* • *Drillhole samples were flagged with wireframed domain codes. Sample data was composited for TGC 1m using a best fit method with a minimum of 50% of the required interval to make a composite.* • *Influences of extreme sample distribution outliers were analysed for potential top-cutting on a domain basis. Top-cuts were decided by using a combination of methods including grade histograms, log probability plots and statistical tools. Based on this statistical analysis of the data population, top-cuts for TGC were not required.* • *Directional variograms were modelled by domain using traditional variograms. Nugget values for TGC are moderate (between 20 and 35%) for the lower grade domains and structure ranges up to 230m. Block model was constructed with parent blocks of 10m (E) by 25m (N) by 10m (RL) and sub-blocked to 2.5m (E) by 6.25m (N) by 2.5m (RL). All estimation was completed to the parent cell size. Discretisation was set to 5 by 5 by 2 for all domains.* • *Three estimation passes were used.* • *The first pass had a limit of 75m, the second pass 150m and the third pass searching a large distance to fill the blocks within the wireframed zones. Each pass used a maximum of 12 samples, a minimum of 6 samples and maximum per hole of 4 samples.* • *Search ellipse sizes were based primarily on a combination of the variography and the trends of the wireframed mineralised zones. Hard boundaries were applied between all estimation domains.* • *Validation of the block model included a volumetric comparison of the resource wireframes to the block model volumes. Validation of the grade estimate included comparison of block model grades to the declustered input composite grades plus swath plot comparison by easting, northing and elevation. Visual comparisons of input composite grades vs. block model grades were also completed.* • *One previous resource estimation exists for this deposit as reported by Walkabout in January 2016 (Inferred Mineral Resource of 15.3Mt @ 10.1% TGC).*
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content*	• *Tonnes have been estimated on a dry basis.*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *Grade envelopes have been wireframed to an approximate 5% TGC cut-off for Domains 1, 3 and 6 allowing for continuity of the higher-grade zone. The*

Criteria	JORC Code explanation	Commentary
		lower grade Domain 4 is wireframed to an approximate 3-4% TGC cut-off. Based on visual and statistical analysis of the drilling results and geological logging of the graphite rich zones, this cut-off tends to be a natural geological change and coincides with the contact between the graphite rich schists and the other host rocks (i.e. biotite schists and gneisses, garnet gneisses and occasional dolomites). • *The material from within the modelled oxide/transition zone has been included in the reported Inferred Resource for now. It is noted there is a risk that future metallurgical testwork may deem this material unusable.*
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• *Based on the orientations, thicknesses and depths to which the graphitic rich zones have been modelled, plus their estimated grades for TGC, the potential mining method is considered to be open pit mining.*
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• *Perth based NAGROM Metallurgical plus specialist metallurgical consultants, Battery Limits Pty Ltd and Dr Evan Kirby of Metallurgical Management Services have completed extensive metallurgical testwork and have recovered graphite flake of marketable qualities.* • *Metallurgical composite samples were prepared from half HQ core (fresh material for high-grade and low-grade composites) along the strike of the orebody, as well as from weathered high grade material in outcrop.*
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• *Appropriate environmental studies and sterilisation drilling have been completed to determination of the location of any potential waste rock dump (WRD) and TSF facilities.* • *Environmental monitoring is underway and the detailed project scale environmental study is well advanced*

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been Measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *Walkabout Resources completed specific gravity testwork on 307 drill core samples across the deposit using Hydrostatic Weighing (spray seal coated).* • *Of these 307 samples, 175are from within the modelled mineralised domains.* • *Statistical analysis of the samples and comparison against depth and TGC grade identified a clear relationship between bulk density (BD) and TGC grade for Domain 1 (plus the high grade core domains). As such, the BD within these two domains was calculated by the equation: BD = (-0.0113x TGC%) + 2.8255.* • *For Domains 3 and 6, the relationship was not so clear so the average BD for the zone of 2.5 g/cm3 was used.* • *Domain 4 was not intersected by any of the diamond core holes, so the average of 2.5 g/cm3 was applied.* *For the modelled oxide/transition zone, a reduced BD of 2.0 g/cm3 was used.*
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *The Mineral Resource has been classified on the basis of confidence in the geological model, continuity of mineralised zones, drilling density, confidence in the underlying database and the available bulk density information.* • *All factors considered; the resource estimate has in part been assigned to Measured, Indicated and Inferred Resources.*
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• *Whilst Mr. Barnes (Competent Person) is considered Independent of Walkabout Resources, no third party review has been conducted.*
Discussion of relative accuracy/confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where*	• *The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.* • *The statement relates to global estimates of tonnes and grade.*

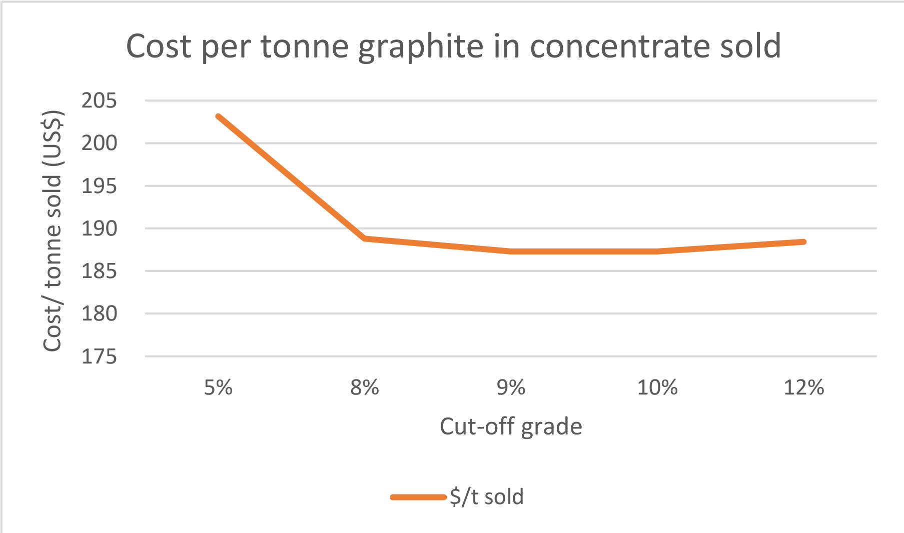
Criteria	JORC Code explanation	Commentary
	available.	

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in section 2 and 3, also apply to this section.)

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral Resource estimate for conversion to Ore reserves</td><td>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.
Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</td><td>Gilbert Arc Graphite Deposit (Lindi Jumbo Project) December 2017 Mineral Resource Estimate using a 5% TGC cut-off.
<table>
<tr><th>Classification</th><th>Domain</th><th>Tonnes (millions)</th><th>TGC %</th><th>Contained TGC (tonnes)</th></tr>
<tr><td>Measured</td><td>1
3
7 (HG)
8 (HG)
9 (HG)</td><td>3.9
0.9
0.5
0.5
0.7</td><td>7.1
13.2
20.7
24.9
24.1</td><td>276,900
118,800
103,500
124,500
168,700</td></tr>
<tr><td></td><td>Sub-Total</td><td>6.4</td><td>12.2</td><td>780,800</td></tr>
<tr><td>Indicated</td><td>1
3
7 (HG)
8 (HG)
9 (HG)</td><td>3.6
0.7
0.4
0.4
0.5</td><td>6.9
12.0
20.9
21.8
23.0</td><td>248,400
84,000
83,600
87,200
115,000</td></tr>
<tr><td></td><td>Sub-Total</td><td>5.5</td><td>11.0</td><td>605,000</td></tr>
<tr><td>Inferred</td><td>1
3
4
6
7 (HG)
8 (HG)
9 (HG)</td><td>11.8
2.7
0.3
1.3
0.5
0.3
0.9</td><td>8.4
12.2
5.4
9.9
19.7
22.8
24.9</td><td>991,200
329,400
16,200
128,700
98,500
68,400
224,100</td></tr>
<tr><td></td><td>Sub-Total</td><td>17.9</td><td>10.5</td><td>1,879,500</td></tr>
<tr><td>Total</td><td>Combined</td><td>29.8</td><td>10.9</td><td>3,256,000</td></tr>
</table>
<table>
<tr><td colspan="2">Total Excluding (LG) Domain 4</td><td>29.6</td><td>11.0</td><td>3,248,200</td></tr>
</table>
Note: Appropriate rounding applied
The Mineral Resources are declared inclusive of Ore Reserves.</td></tr>
<tr><td>Site visits</td><td>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.
If no site visits have been undertaken indicate why this is the case.</td><td>The CP visited the site from23rd to 26th July 2016 and was accompanied by a mine infrastructure engineer and a geotechnical engineer.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
Study Status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	A definitive feasibility study level mine development plan document was produced in February 2016. This included mineral resources, mine design, process design and all the peripheral infrastructure. It included cost estimates and a financial model. The work in the Mine Development Plan is predominantly to definitive feasibility level of accuracy with limited items, which have been clearly identified and specified, to pre-feasibility level of study. The Mine Development plan is based on the Mineral Resources as declared in December 2016, and tabled above. The Mine Development Plan has demonstrated that the project is technically achievable and financially viable and sustainable based on the modifying factors described in the Plan.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	A range of cut-off grades were applied in order to test the sensitivity of the total operating cost (US$ per tonne of graphite in concentrate) to cut-off grade. The analysis showed that the operating cost was minimised when the cut-off grade reaches approximately 8% TGC, in-situ grade, after which the gradient of the cost line is fairly flat. The figure below shows the curve developed for $/tonne produced versus cut-off grade.



OPERATING COST ($/T PRODUCED) VERSUS CUT-OFF GRADE

**Note: Cost stated in Figure are preliminary costs from scoping study and will not equate to overall mining cost in the final DFS cost estimate*

A cut-off grade of 7.5% TGC was selected as the mining cut-off grade.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	Pit optimisations were carried out for the Lindi Graphite Project using Whittle optimisation software. The following process was followed for each of the optimisations undertaken: • A block model was provided by Walkabout Resources for the site and imported into the optimisation software. The veracity and suitability of the models for use with the Whittle software was checked before work commenced. • A techno-economic data set was generated on which to base the pit optimisations. As the optimisations occur early in the design process, input data preliminary estimates are used as the basis of the optimisation. The data set included the following parameters: ✓ Geotechnical data, based on work completed by Bara. ✓ Modifying factors, based on work completed in the Scoping Study and agreed upon with Walkabout Resources. ✓ Mining operating costs, based on contractor estimates from work completed in the Scoping Study ✓ Processing costs, provided by Walkabout Resources ✓ Financial assumptions, provided by Walkabout Resources. • The data set was input into the optimisation model and the geological model was evaluated on this basis. • The output from Whittle is a set of nested pit shells, each pit shell will have an associated NPV, ore tonnage, waste tonnage, graphite content and strip ratio. In conjunction with Walkabout, the optimal pit shell was selected. This optimal pit shell formed the basis for the pit design work. Geotechnical parameters were applied based on work completed by Bara. The mining area was split into four sectors for the calculation of slope angles. Overall slope angles for each material type within each sector were calculated for application in the Whittle optimisation. The Table below summarises the slope angles applied for each material type and sector.

GEOTECHNICAL SLOPE ANGLES			
Sector 1, 3 & 4			
Material	**Free-Dig**	**Weathered**	**Fresh**
Berm Width	5.5	5.5	5.5
Bench Height	5	10	10
Bench Face Angle	60	60	80
Benches	1	1	5
Stack Angle	30.8	41.6	54.0
Sector 2			
Material	**Free-Dig**	**Weathered**	**Fresh**
Berm Width	5.5	5.5	5.5
Bench Height	5	10	10
Bench Face Angle	60	60	60

Criteria	JORC Code explanation	Commentary

Benches	1	1	5
Stack Angle	30.8	41.6	41.6

Mining modifying factors were applied. Process modifying factors were provided by Walkabout Resources based on testwork completed to date. The modifying factors applied during the Whittle optimisation and mine design are summarised below.

MODIFYING FACTORS		
Description	**Value**	**Unit**
Mining Dilution	5.0%	%
Mining Recovery	5.0%	%
Cut-off Grade	7.5%	TGC

Mining costs were estimated based on estimates provided by TNR mining contractors based on work completed in the scoping study. Different mining costs were applied for ore and waste, varying to account for free-dig material in the upper regions. Table 7.9 S**Error! Reference source not found.**ummarises the project operating costs over the life of mine of the project.

TABLE Error! No text of specified style in document.**-1 – OPERATING COST ESTIMATES (LOM AVERAGES)**

On-Mine Operating Cost	**LOM Total [USD'million]**	**Unit Cost [USD/t ROM]**	**Unit Cost [USD/t conc]**
Mining	81	16	107
Processing	88	18	116
Shared Services	55	11	72
Storage Facilities	1	0	1
Total	**225**	**45**	**296**

In order to estimate the mined tonnages more accurately throughout the mine life a practical pit design and schedule needs to be developed. This design incorporates the selection of pit design stages, or cut-backs. These are intermediary pit designs, all falling within the final pit shell, which are mined sequentially to minimise the amount of waste mined early in the life of mine and to smooth the mining cost over the life of mine.
The pit will consist of benches of 10 m height. The orebody will be mined in flitches of 5.0 m in order to minimise dilution. It is not anticipated that regular drilling and blasting will be required in the first 5 m of weathered material. Thereafter drilling and blasting of all waste and ore is envisaged. Blasting will make use of industry standard controlled blasting techniques to ensure minimal movement of the blasted muckpile and is described elsewhere in the study . Loading will then be carried out in flitches of 5.0 m using hydraulic shovels.

The face angle or batter angle for each bench will be based on the geotechnical recommendations and will be dependent on the geozone that the bench is in, 60 degrees in weathered material (fist bench), 80 degrees in Sectors 1, 3 and 4 in fresh material and 60 degrees in fresh material in Sector 2.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>The pit access ramps will be at an inclination of 10% or 5.7 degrees. This is the standard inclination for ramps in pits where rigid bodied dump trucks are used. The ramps will be 18 m wide to allow for the use of 40 tonne dump trucks of the class of the Bell 40D, which is 4.2 m wide. Ramps should be wide enough for trucks to pass safely and for a safety berm on the pit side of the road.
Only measured and indicated mineral resources have been considered in the mine plan. Inferred resources were not considered as ore. Although inferred and unclassified material was included in the block model, this was not included in the mine design and mining inventory.
Capital and operating estimates have been made for the infrastructure required to support mining including the following items:
• Power supply and reticulation – Electrical supply will be from diesel driven generators, located on site.
• Water supply and reticulation – Make-up water will be supplied from bore-fields located on site.
• Accommodation an feeding – a camp will be established on site which will house skilled workers. Semi-skilled workers will be locally recruited and will live at home, off site.
• Offices
• Workshops and stores
• Access and haul roads
• Ancillary vehicle fleet (non-mining equipment)</td></tr>
<tr><td>Metallurgical factors or assumptions</td><td>• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.
• Whether the metallurgical process is well-tested technology or novel in nature.
• The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.
• Any assumptions or allowances made for deleterious elements.
• The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the</td><td>Extensive metallurgical testwork has been carried out of the material in a Perth based independent laboratory. Following extensive metallurgical testwork of existing and new flowsheet applications for graphite, the Company has adopted a process flowsheet very similar to that used successfully in a previous graphite mining operation in Africa. Further attritioning optimisation of this flowsheet in order to preserve natural flake sizes has been proven in test work by the Company. The combined use of the proven flowsheet application and the optimised attritioning regime have resulted in flake size retention into concentrate amongst the best in the industry.
The plant has been sized for a feed of 300 thousand tons per annum (ktpa) of ore with a grade of 15% Total Graphitic Carbon (TGC), to produce 40 ktpa of graphite flake concentrate with an average grade of 97% TGC. This corresponds to a graphitic carbon recovery of about 90%. The design basis was 1000 tons of ore per day for 300 days per year (50 weeks, 6 days per week, with an availability of 92% giving a running time of 6,600 hours per year.
The processing plant design has been developed based on testwork results and on fundamental considerations of the nature of the ore and the need to interface with mining operations.

Two metallurgical domains have been identified as shown in the table below.
<table><tr><th>Ore type</th><th>Recovery (%)</th></tr><tr><td>Weathered ore</td><td>95%</td></tr><tr><td>Fresh ore</td><td>90%</td></tr></table>
The final graphite proportions differ in the two ore types as tabled below.
<table><tr><th>Product</th><th>Weathered Ore</th><th>Fresh Ore</th></tr><tr><td>Super Jumbo (+500µm) Size Fraction</td><td>15%</td><td>20%</td></tr><tr><td>Jumbo (+300µm / -500µm) Size Fraction</td><td>35%</td><td>35%</td></tr><tr><td>Large (+180µm / -300 µm) Size Fraction</td><td>32%</td><td>18%</td></tr></table></td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	orebody as a whole. • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	<table><tr><td>Blended (-180µm) Size Fraction</td><td>18%</td><td>27%</td></tr></table>
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	An Environmental Scoping Document has been approved by the National Environmental Management Council of Tanzania. Furthermore, an Environmental Impact Assessment study has been submitted to the NEMC and has undergone due process. While the EIA is not yet approved, the Company has made a material assumption that any matters raised will not be material to the success of the Project as these will have been highlighted by the professional consultant. The test work completed on both ore and waste rock indicate that it has acid making potential. This has been accounted for in the mine design, with all waste rock being incorporated into the rock wall of the tailings facility. Appropriate lining and water collection designs have been included in the feasibility study level design which has been completed for the tailings storage facility.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	An assessment of public infrastructure has been carried out. On mine infrastructure has been designed according to industry practice and firm quotations received. Power will be generated on site by diesel driven generators. Make-up water will be sourced from a bore field on site. A hydrological study has been completed which has identified potential drill sites and estimated the water yields. The current access road to the site will be rerouted to avoid the village of Matambalale. The cost of the access road has been accounted for. A camp will be established on site which will house most of the work force. The camp will be constructed and operated by a specialist accommodation and services service provider. Medical and training facilities will also be provided by this service provider. The manpower plan includes a limited number of ex-patriate personnel with the vast majority of the employees being recruited from within Tanzania. Semi-skilled labour will be sourced locally from the villages around the mine site.

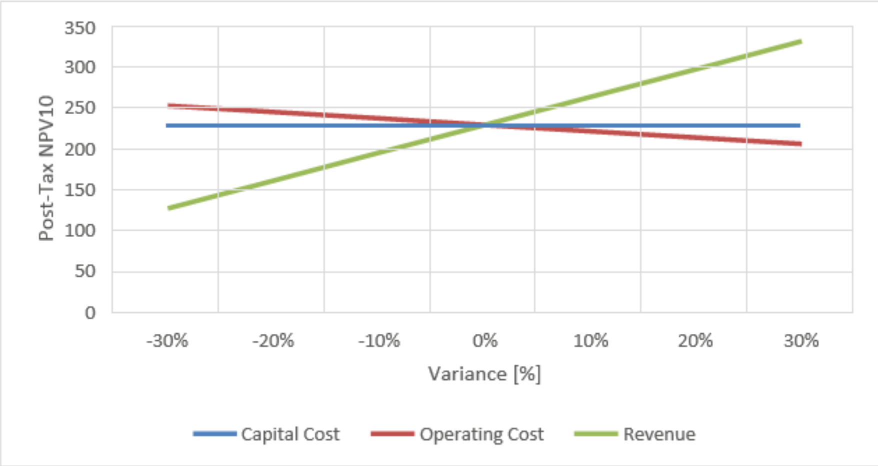
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.*
	• *The methodology used to estimate operating costs.*
	• *Allowances made for the content of deleterious elements.*
	• *The source of exchange rates used in the study.*
	• *Derivation of*
		Capital estimates have been developed using a combination of enquiry to suppliers, benchmark projects and consultant databases.
		
		The Capital cost estimate includes:
		• The cost of the processing plant, which includes all infrastructure related to processing the ROM ore and disposing of the tailings based on a firm tender response.
		• The cost of mine support infrastructure, including infrastructure required for explosives, in pit power and pumping.
		• The cost for the mobilisation of the mining contractor.
		• TIndirect project costs, such as engineering costs, freight and contingency.
		• The cost for the purchase of 30% of the licence PL9222/2014 from the vendor. The capital costs do not make provision for the following:
		  • Head office costs.
		  • Mine closure costs.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>transportation charges.
The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.
The allowances made for royalties payable, both Government and private.</td><td>Operating Costs have been defined as the cost of all ongoing mining, processing and operational activities. Operating costs therefore comprise:
The cost of mining the ore and waste material from the open pit, including the cost of man power, consumables and bulk supply.
The cost of processing the ore to saleable products, including the cost of man power, consumables and bulk supply.
The cost of shared services for the support of the operation, including the cost of on- site labour, infrastructure, camp costs and bulk supply.
The cost of transporting the ore to the point of sale.
Operating costs have been determined through database costs, quotes and estimations based on similar operations. The costs presented have a base date of January 2017, are presented in United States Dollars.

The operating costs do not make provision for the following:
Head office costs.
Off-site costs.
Social responsibility costs.
The costs presented are real costs and are exclusive of escalation. The Company believes that on- site operating costs will be within the lower quartile of the industry peer group. The basis for this assumption is the ability to discretely mine high grade Resource Domains 7,8 and 9 which enable a very high mill head feed grade (circa 16%TGC), and the very low cost of mining due to the surficial nature of the mineral deposit. The mining operation is simple and small requiring only 25,000 tonnes per month of feed grade material.</td></tr>
<tr><td>Revenue factors</td><td>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.
The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</td><td>Revenue is a function of graphite prices. The Company has established the characteristics of the expected final product through extensive test work programs in Perth, China and Europe. Price forecasts have been assumed from an examination of other studies, discussion with end users and market forecasts. The split of product ranges from test work is tabled below.
The Company and its consultants have considered several issues when establishing a benchmark product revenue for the valuation. The following factors were considered:
Potential product specifications supported by metallurgical test work and discounted,
Specialist commodity analysts forecasts,
Current prices across several product specifications,
Discussions with various end-users, traders and industry specialists which led to the “Consensus Forecast”.
The Company then developed a template of the above results and positioned the Lindi Jumbo mine concentrate product (not “upgraded”) into the list derived from the above.
<table>
<tr><th colspan="3">Industry Technical Analysts US$ per size Category</th><th>+500µm</th><th>+300µm</th><th>+180µm</th><th><180 µm</th></tr>
<tr><td colspan="3">Spot Prices BMI 2016 Nov</td><td></td><td>1,250</td><td>850</td><td>675</td></tr>
<tr><td colspan="3">Stormcrow Forecast 2018</td><td>2,596</td><td>811</td><td>650*</td><td>414</td></tr>
<tr><td colspan="3">Stormcrow Forecast 2019</td><td>3,573</td><td>947</td><td>728*</td><td>508</td></tr>
<tr><td colspan="3">Stormcrow Forecast 2020</td><td>6,175</td><td>1,165</td><td>841*</td><td>517</td></tr>
<tr><td colspan="3">Consensus Forecast beyond 2020</td><td>3,500</td><td>2,000</td><td>1,250</td><td>750</td></tr>
<tr><td colspan="3">Life of Mine Modelled Ratio</td><td>20%</td><td>35%</td><td>19%</td><td>26%</td></tr>
<tr><td colspan="3">Average</td><td>3,961</td><td>1,235</td><td>1,005</td><td>529</td></tr>
<tr><td colspan="3">Lowest</td><td>2,596</td><td>811</td><td>811</td><td>414</td></tr>
<tr><td colspan="3">Highest</td><td>6,175</td><td>2,000</td><td>1,165</td><td>750</td></tr>
<tr><td rowspan="3">Lindi Jumbo</td><td>Low</td><td>1,110</td><td>2,000</td><td>1,250</td><td>850</td><td>675</td></tr>
<tr><td>Base Case</td><td>1.687</td><td>3.500</td><td>1.750</td><td>1.000</td><td>750</td></tr>
<tr><td>High</td><td>2,088</td><td>4,000</td><td>2,500</td><td>1,750</td><td>875</td></tr>
</table>
*Adjusted for comparison

The Company believes that combining the three elements of Stormcrow Forecast 2014, BMI actual index prices and the Consensus Forecast from discussions with end users and traders provides a reasonable basis for the valuation of the pricing model.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		The Consensus Forecast is derived from discussions with industry end users, analysts and traders related to the latest supply and demand forecasts considering the potential future growth of the battery and expandable products market in the medium term. Risks associated with these assumptions are that the product split is not achieved and/or that the price assumptions are not met by the prevailing graphite market. The Company has based these assumptions on publicly available market forecasts by expert industry analysts and has taken a conservative position on both sets of assumptions. The assumed basket price used is more conservative than other more advanced projects.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	The international graphite market is expected to expand significantly over the next 5 years. Much market attention has been dedicated to this matter. The Company has tested its product with several end-user and trading house participants and has been informed that the product is marketable and within specification. The Company has assumed, at this time, that the product will be sold.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	The costs presented are real costs and are exclusive of escalation. The financial model has assumed the following financial parameters; • Life of Mine modelling – 20 years of production • Discount Rate – 10% considered appropriate for mid-scale East African projects • Tax Rate – 30% engaged after capital allowance has been reached • Royalty Rate – 3% as per other projects • Contingency – 11.8% calculated as a function of accuracy of cost and quantity • Equity – 100% based on the premise that the option to acquire the remaining 30% will be exercised • Accuracy – This study, by measured definition can be considered within 10% to 15% accurate A discount rate of 10% has been used for financial modelling. This number was selected as a generic cost of capital and considered a prudent and suitable discount rate for project funding and economic forecasts in Africa. The model has been terminated at 20 years even though many years of resource still remain. Sensitivity calculations were derived for the main economic drivers, capital, operating costs and revenue. The model was tested by a 30% variation to both the negative and positive. The outcome of this modelling is that the highest sensitivity is to revenue, although a 30% reduction in revenue still yields a post tax NPV10 of US$127m.

Criteria	JORC Code explanation	Commentary
		 Graph 1. NPV10 sensitivity to revenue, costs and capex.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	The Company has embarked on several exercises in relation to the local communities in the area. General acceptance of the project is good. No material risks have been identified in this regard.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study.*	There are no known naturally occurring material risks to the Lindi Jumbo Graphite Project. No off-take agreement is in place for the product from this project. While this does pose a risk to the project it is the Company's opinion that due to the high quality of the graphite flakes produced at Lindi and the relatively small quantity of product to be produced, in global terms, that securing a market for the product will be achieved. The issuing of the mining permit for Lindi Jumbo is dependent on approval of the EIA. This document has been submitted and is under review by the Tanzania authorities. While the EIA is not yet approved, the Company has made a material assumption that any matters raised will not be material to the success of the Project as these will have been highlighted by the professional consultant.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</td><td></td></tr>
<tr><td>Classification</td><td>The basis for the classification of the Ore Reserves into varying confidence categories.
Whether the result appropriately reflects the Competent Person's view of the deposit.
The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</td><td>The classification of the Ore Reserves is tabled below.
<table>
<tr><th colspan="4">ORE RESERVE STATEMENT</th></tr>
<tr><th>Category</th><th>Tonnes (million)</th><th>TGC %</th><th>TGC (t million)</th></tr>
<tr><td>Proven Ore Reserves</td><td>3.197</td><td>16.1</td><td>0.53</td></tr>
<tr><td>Probable Ore Reserves</td><td>1.819</td><td>15.4</td><td>0.280</td></tr>
<tr><td>Total Ore Reserves</td><td>5.016</td><td>16.1</td><td>0.809</td></tr>
</table>
All Measured Mineral Resources that are included in the pit shell have been converted to Proven Ore Reserves by application of the relevant modifying factors described above. All Indicated Mineral Resources that are included in the pit shell have been converted to Probable Ore Reserves by application of the relevant modifying factors described above.

The confidence level of the declared Ore Reserves reflects the Competent Person's view of the deposit.</td></tr>
<tr><td>Audits or reviews</td><td>The results of any audits or reviews of Ore Reserve estimates.</td><td>The mining and processing and infrastructure components of the DFS study were independently reviewed by Walkabout specialist consultants. No material issues were identified by the reviewers.</td></tr>
<tr><td>Discussion of relative accuracy/ confidence</td><td>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the</td><td>The accuracy and confidence level of the selected modifying factors are commensurate with a definitive feasibility study.

The accuracy and confidence in the cost estimation, which is based primarily on proposals and quotations from contractors and suppliers is estimated to be in the upper limit of feasibility accuracy. The costs are based on a base date of January 2017.</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	