

13<sup>th</sup> October 2016

Dear Shareholder,

I wish to take this opportunity to introduce myself and discuss the short and medium term outlook for the graphite market, the Lindi Jumbo Project and our Company.

The graphite market is forecast to grow considerably over the next seven years as increased demand for battery grade graphite for home and electric vehicle applications is realised. We also know that supply of a premium product graphite concentrate with the highest ratio of larger flake sizes and the highest purity of grade will command premium prices and will remain in price tension even when other graphite is over-supplied to the market.

At the Lindi Jumbo Graphite Project in Tanzania, the Walkabout team have systematically designed a project that will produce a premium product highly sought after by the market. The resource is ideal for the commencement of a low risk mining operation. The metallurgical testwork has been shown to have the highest ratio of +500um and +300um graphite flakes in the industry and the intended scale of the project will facilitate an early start up with robust economics.

The recent drilling campaign on site has yielded more high grade and wide graphite intersections and will result in a resource upgrade during this quarter. This will provide the technical platform upon which the Company will fast-track the development of the Lindi Jumbo Graphite Project. Recent assay results announced 5<sup>th</sup> Oct 2016, include 18m @ 26.4% TGC and 9.3m @ 22.6% TGC.

Furthermore, there is the potential for significant follow-up exploration to enable rapid expansion of the current project.

The Lindi Jumbo product has now been certified as highly suitable for the low cost manufacture of expandable graphite and graphite foil with expandability rates exceeding four times those of Chinese graphite. Graphite foil can sell for as much as US\$50,000 per tonne.

The Company has now initiated a capital raising via a rights issue in order to complete a Definitive Feasibility Study, finalise its Mining Licence Application and commence with initial project works.

Importantly, I have been mandated by the Board to optimise the corporate structure for shareholders and secure financial partnerships upon which to support the marketing of the product, the funding of project construction and ultimately, the financial security of the Company.

Your Company is very well positioned with a world class asset and first class experienced team capable of managing and developing the Lindi Jumbo project in order to maximize shareholder value.

The Board and management are very positive as to the potential of this project and are a highly experienced team with technical experience in mine planning and design, geology, metallurgy, marketing, capital raising and investor relations. We are confident of building a successful resources company with growth potential well into the future.

The Board will be participating in the Rights Issue and in any Shortfall that may arise from the issue, as outlined in the Prospectus.

This is a very good opportunity for shareholders to participate through the Rights Issue and once again assist the Company in developing the Lindi Jumbo Graphite Project.

Kind Regards,

**Trevor Benson**  
**Non-Executive Chairman**