

# Developing the Lindi Jumbo Graphite Project

## Shareholder Engagement Forum

March 2019



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## Securities Disclaimer

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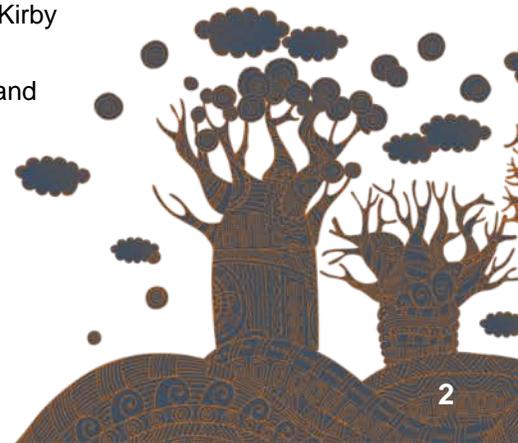
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## Competent Persons

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Cunningham, who is a Member of The AIG included in a list promulgated by the ASX from time to time. Andrew Cunningham is a director of Walkabout Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Andrew Cunningham consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Metallurgical test work and results is based on information compiled by Dr Evan Kirby, a Competent Person who is a member of Australian Institute of Mining and Metallurgy. Dr Kirby is a full time employee of Metallurgical Management Services, a specialist metallurgical consultancy and an independent consultant to Walkabout Resources Ltd. Dr Kirby has sufficient experience that is relevant to the style of mineralogy and type of deposit under consideration and the typical beneficiation thereof. Dr Evan Kirby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



# Recent Investment Highlights

- Updated Definitive Feasibility Study (DFS) confirms the quality of the Lindi Jumbo Graphite Project in southern Tanzania
- Updated Ore Reserve delivers 17.9% graphite Grade for Life of Mine
- Resettlement Action Plan (RAP) Approved and Final Sign Off received
- Recently confirmed increase in Global Resource is significant



# Corporate Snapshot



## Capital Structure

Share Price	15¢
Shares on Issue	304,249,748
Market Capitalisation*	~A\$45.6 million
Options**	40,664,321
Unlisted Options	7,000,000
Cash at Bank	~A\$5.0 million

## Board and Management

<b>Trevor Benson</b> Executive Chairman	Investment Banking, Global experience
<b>Allan Mulligan</b> Executive Director	Mining Engineer, extensive African project experience
<b>Andrew Cunningham</b> Technical Director	Geologist, extensive African experience
<b>Mike Elliott</b> Non-Executive Director	Global Accounting/Finance experience, independent

## 12 Month Share Price and Volume (as at 22<sup>nd</sup> Mar 19)

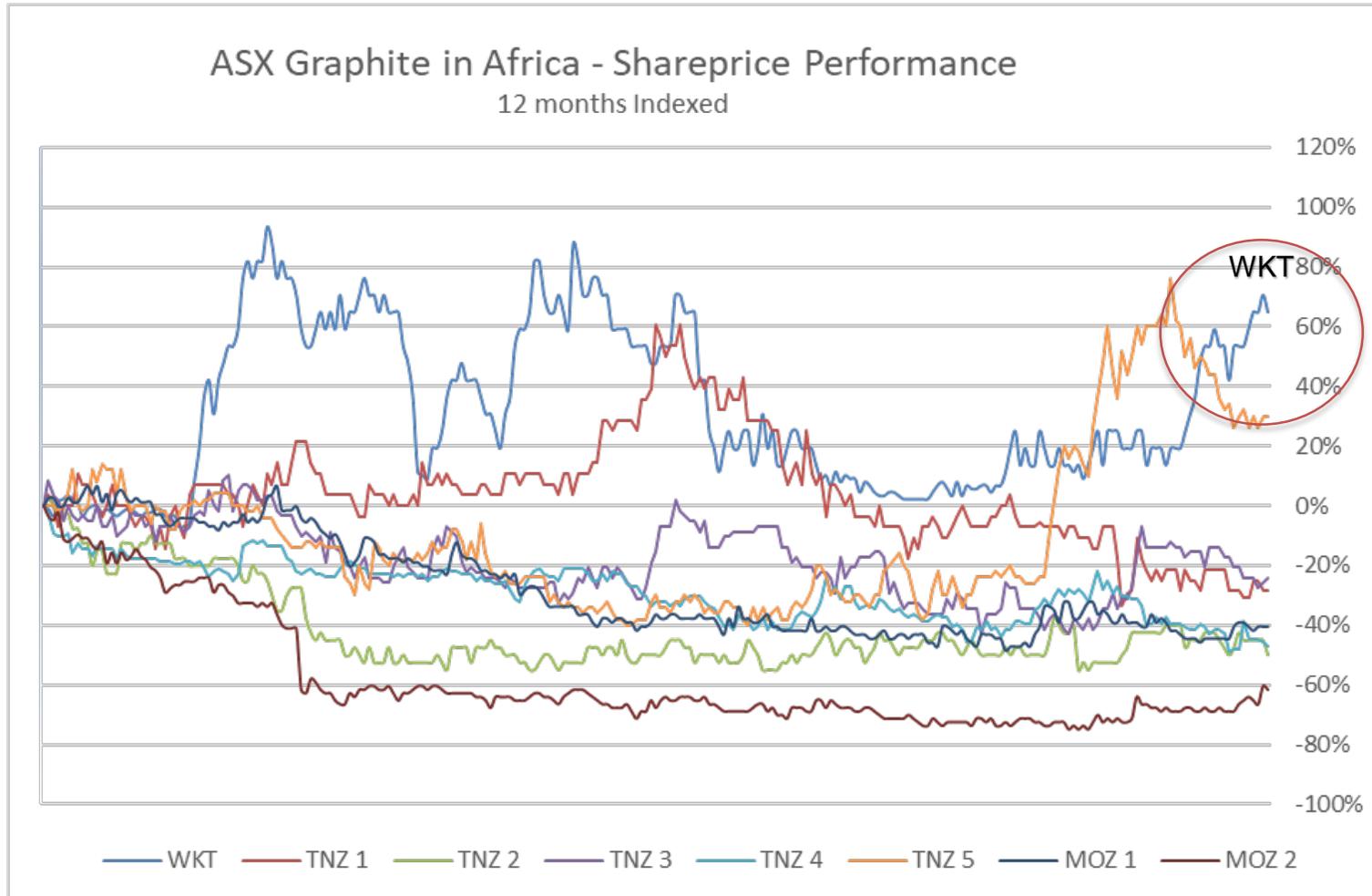


## Top Shareholders

1. Hong Kong Tiande Baorun	7.6%
2. BNP Paribas Nominees*	4.6%
3. Marcolongo Nominees*	4.2%
4. Michael Elliott*	4.0%
5. JR Turner*	3.0%
<b>Top 20 Shareholders</b>	<b>37%</b>

\* Consolidated

# Best Performing African Graphite Stock



Source: ASX data.

Only two of 8 ASX listed graphite company's have increased share price in last 12 months.

# Grade is King - Updated Definitive Feasibility Study



## Highlights of DFS Upgrade

- Based on the Ore reserve Upgrade Walkabout now has the highest reserve grade in Africa of 17.9% TGC for LOM of 24 years.
- Strong economics, Life of Mine revenue of US\$1.445B, a 21.6% increase.
- Very high cash margins of >US\$1000 per tonne FOB.
- Post-tax NPV<sup>10</sup> of US\$197m, a 9.4% increase.
- Post-tax IRR<sup>10</sup> of 119%, a 23% increase.
- Low development capital cost of \$US\$27.8m, a 6% reduction.
- Operational costs remain very low, ~US\$347/tonne (FOB Mtwara Port).
- Long mine life of 24 years, an increase of 4 years at 40ktpa of concentrate production.
- Based on current sales assumptions, weighted average basket price has been reduced to US\$1,515/tonne.

DFS Outcomes	Annual Averages	LOM Total (2019 Base Case)	Units
Revenue		1445	US\$m
Operating Costs (FOB Mtwara)		347	US\$/t
Capital Cost (Initial)		27.8	US\$m
EBITDA	44.3	1070	US\$m
WKT Free Cash	26.5	610	US\$m
Pre-Tax NPV <sup>10</sup>		325	US\$m
Pre-Tax IRR		142	%
Post-Tax NPV <sup>10</sup>		197	US\$m
Post-Tax IRR		119	%
Payback Period		<24	Mths
Operating Margin		77	%
<b>2017 Tanzanian Legislative Changes factored into Model</b>			
Royalties		41	US\$m
Taxes Paid		312	US\$m
TZ Government Dividend		118	US\$m
Total to Tanzania		472	US\$m

# Location, Logistics and Infrastructure

## Roads, Transport and Ports

- 200km from the container port of Mtwara.
- 460km from the deep-water port of Dar Es Salaam, 400km on bitumen.
- 40,000 tonne = 2,000 \* 20 tonne containers = ~40 containers/week

## Power

- Initially diesel generated power 3MW with the potential to hook into the gas pipeline ~40km away.
- Power to be supplements with planned solar energy.

## Water

- Sufficient groundwater identified for plant and camp operations.



# Fully Permitted

- Full Environmental Certificate and monitoring compliance.
- Unconstrained Mining Licence granted for full development.
- Relocation Assistance Plan (RAP) finalised and ready for implementation.



# Simple Low-Cost Mining

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.

## Low Cost Mining

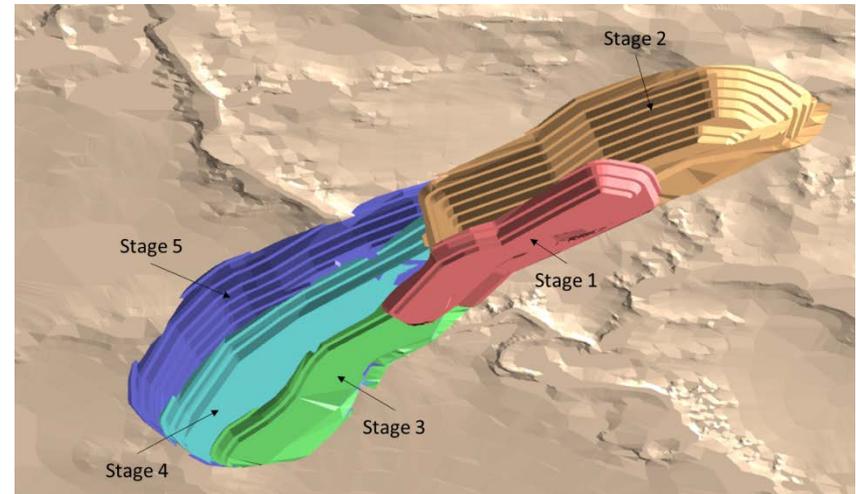
- Shallow Mining from surface.
- The pit has been divided into 5 stages.
- The high grade means reduced plant throughput per tonne of graphite produced.
- Mining contractor is to be paid according to graphite mined – not tonnage or volume.

## High Grade Mining

- Average grade in the pit is 17.9%
- High-grade zones above 20% TGC in early years.
- Opportunity to further high-grade the mining during the initial years.

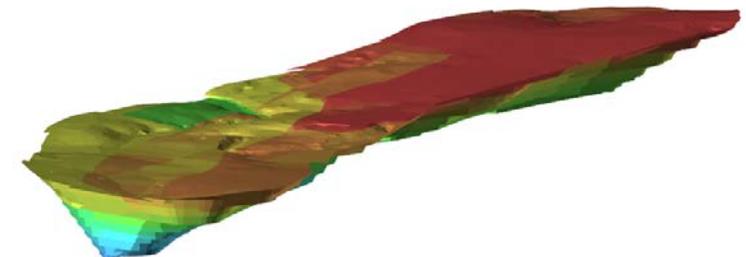
## Low Risk Mining

- Surface mining at reasonable quantities is easy to manage. Only 240,000 tonnes per annum milled.
- High grade is visually distinct and easy to see.
- Very modest mining fleet required.
- Easy to increase without compromising planning or grade.



Stage Design for Open Pit

Description	Color
Year 1	Red
Year 2	Red-Orange
Year 3	Orange
Year 4	Orange-Yellow
Year 5	Yellow
Year 6	Yellow-Green
Year 7	Light Green
Year 8	Green
Year 9	Green
Year 10	Green
Year 11	Green
Year 12	Green
Year 13	Green
Year 14	Green
Year 15	Green
Year 16	Green
Year 17	Green
Year 18	Green
Year 19	Green
Year 20	Green
Year 21	Green
Year 22	Green
Year 23	Green
Year 24	Green
Year 25	Green
Year 26	Green

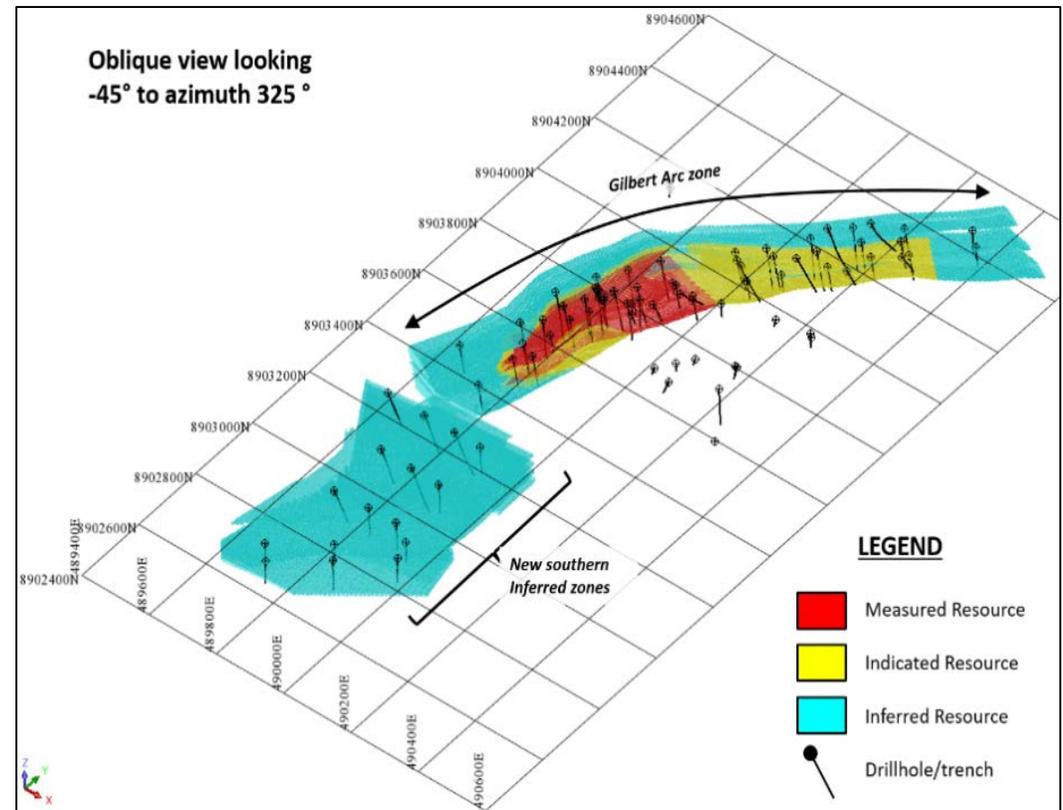


Progress of Pit by Year

# Mineral Resource and Reserve

- High grade Mineral Resource:** 41.8Mt at an estimated grade of 10.8% TGC. Contains a super high grade core of 5.0 million tonnes (Mt) at 22.5% TGC for 1.1Mt of contained graphite.
- Ore Reserve (Highest grade in Tanzania):** The Proven and Probable Ore Reserve of 5.51 Mt at 17.9% TGC and based on 37% of the 2018 Measured and Indicated Resource.
- The Ore Reserve is based only on the Measured and Indicated Mineral Resources in the current mining schedule:** will be used in an updated DFS to be released Q1 2019. The Inferred Resource zone to the south of the mining pit is not currently included in the mine design reserves and remains available for further consideration or potential expansion opportunities.

Category	Tonnes (million)	TGC %	TGC (t)
Proven Ore Reserves	2.5	19.3	489,000
Probable Ore Reserves	1.8	16.7	498,000
<b>Total Ore Reserves</b>	<b>5.5</b>	<b>17.9</b>	<b>987,000</b>
Category	Tonnes (million)	TGC %	TGC (t)
Measured	6.5	12.1	781,800
Indicated	8.4	10.5	887,300
Inferred	26.9	10.5	2,837,600
<b>Total Resource</b>	<b>41.8</b>	<b>10.8</b>	<b>4,506,700</b>



# Simple Processing

**High Grade = Small Processing Facility = Improved Control and Management = Low Capex**

## Proprietary Flowsheet Design

Flowsheet designed to protect and retain large flake sizes.

Particular care taken not to “damage or break” large flakes liberated in subsequent process stages.

Innovative process to increase product grade above 95% TGC while preserving and maintaining exceptional large flake size distribution.

## Process Integrity

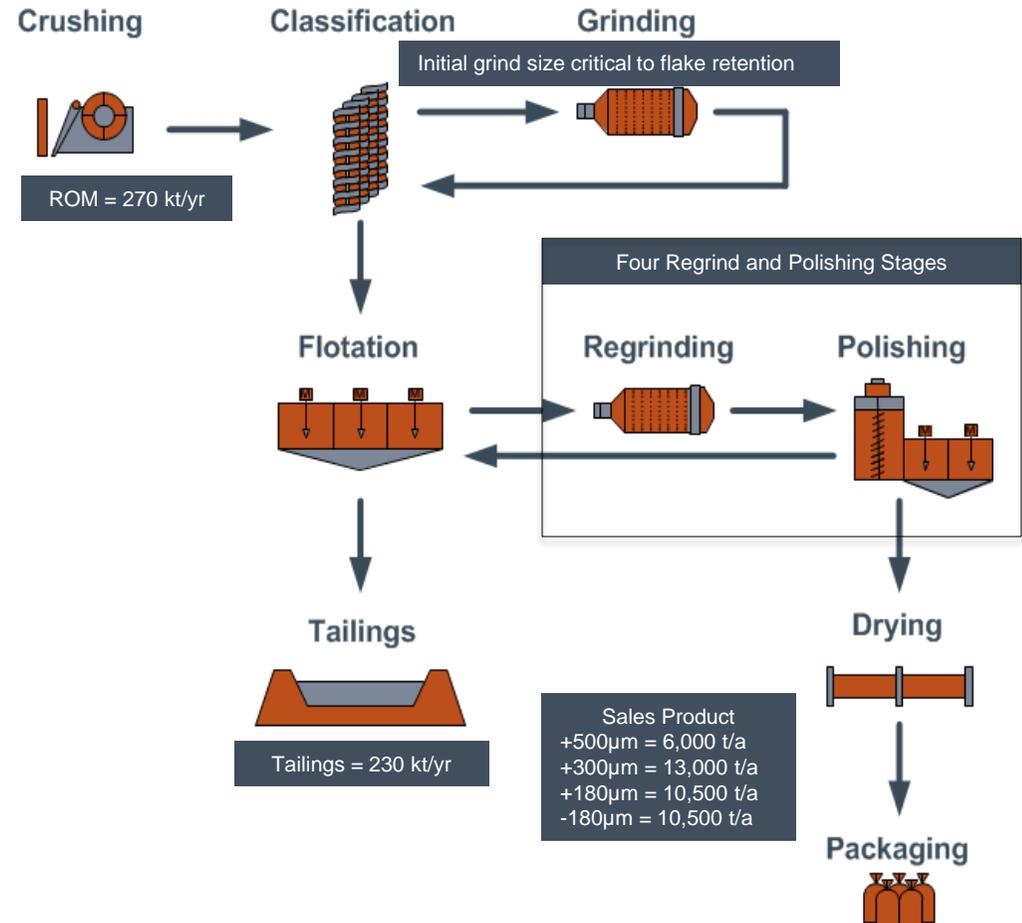
Flow Sheet tested in Australia and independently in China with Beijing graphite process experts.

Nature of the ore results in simple process to liberate and upgrade graphitic flakes in concentration.

Normal graphite processing in China requires up to 12 regrind stages. At Lindi Jumbo there are only 4 regrind and polish stages.

## Advantages of Grade

High grade ROM feed assists process efficiency and upgrades.



# Exceptional Flakes and Product



## Extensive Metallurgical Test Work

- Nagrom in Perth.
- BGRIMM in Beijing
- Bureau Veritas Perth
- NGS in Leinburg Germany

## Validation

- This testwork validates that the Lindi Jumbo Project can produce a final product that contains an exceptional flake distribution of up to 75% above 180 microns ( $\mu\text{m}$ ) of at a high purity (>95% TGC) through an industry standard but innovative floatation process.

## Premium

- This product mix leads to a higher than average basket price realisation.
- Low ash content in final product.

## Downstream Product Suitability

- Testwork indicates that the flakes of all four product categories are highly suitable for the production of expandable graphite and graphite foils.
- Expansion ratios of up 590 times achieved vs China average of 250.
- Testwork in Japan indicates that the -150 micron product (100 mesh) is suitable for battery anode production.

Product Type	Mesh	Mass Dist. (%)	Grade %TGC	Sales Price (US\$/t)	Annual Sales (t)
Super Jumbo (+500 $\mu\text{m}$ )	+35	14.8%	>95	2350	6,000
Jumbo (+300 $\mu\text{m}$ )	+50	34.5%	>95	1850	13,000
Large(+180 $\mu\text{m}$ )	+80	25.0%	>95	1200	10,500
Rest (-180 $\mu\text{m}$ )	-80	25.7%	>95	890	10,500
<b>Total</b>		<b>100%</b>	<b>&gt;95</b>	<b>1,515</b>	<b>40,000</b>

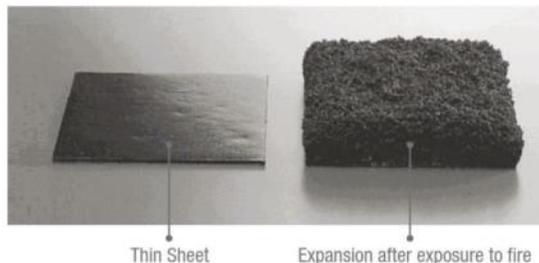
\* Source: Stormcrow, Benchmark Mineral Intelligence, Industrial Minerals and Market Sources.

Flake size		+ 500 $\mu\text{m}$	+ 300 $\mu\text{m}$	+ 180 $\mu\text{m}$
Temperature	800 °C	590 cm <sup>3</sup> /g	485 cm <sup>3</sup> /g	410 cm <sup>3</sup> /g
	1000 °C	500 cm <sup>3</sup> /g	500 cm <sup>3</sup> /g	475 cm <sup>3</sup> /g

# Markets and the Lindi Jumbo Premium Product

The range of markets for which Lindi Jumbo graphite is suitable by production size fraction. The premium products deliver a higher sales revenue.

Lindi Jumbo Product	Expandable		Extruded Products			Sphericalised and Coated Material	Purified
	Fire Retardants	Foils	Electrodes	Powders	Specialty shapes	Anodes	Other
+35 Mesh - 15% 6,000 t/yr	✓	✓			✓		✓
+50 Mesh - 35% 13,000 t/yr	✓	✓			✓		✓
+80 Mesh - 25% 10,500 t/yr	✓	✓			✓	✓	
- 80 Mesh - 25% 10,500 t/yr			✓	✓		✓	



# Current Offtake Arrangements

<b>Four Products</b>	<p>Up to 6,000 tpa of &gt;80% +35 mesh graphite concentrate at 95%-97% TGC.</p> <p>Up to 13,000 tpa of &gt;80% +50 mesh graphite concentrate at 95%-97% TGC.</p> <p>Up to 10,500 tpa of &gt;80% +80 mesh graphite concentrate at 95%-97% TGC.</p> <p>Up to 10,500 tpa of -80 mesh graphite concentrate at 95%-97% TGC.</p>
<b>Sales into China</b>	<p>Heads of Agreement for 7,500 tpa to Jixi Puxiang New material Co. Ltd.</p> <p>Heads of Agreement for 10,000 tpa Qingdao Adtech Technical Engineering Co. Ltd.</p>
<b>Sales into Germany</b>	<p>Memorandum of Understanding for 12,500 tpa to trading house George H. LUH GmbH.</p>
<b>Current Efforts</b>	<p>Binding Offtake Agreements to be finalised early 2019.</p> <p>Expecting to contract 80% of production under binding agreements.</p>



# Path to Development Funding

<b>Robust DFS- Compelling Economics</b>	<ul style="list-style-type: none"> <li>• High Grade.</li> <li>• Long Life of Mine.</li> <li>• Low cost.</li> <li>• Low Capex; manageable size start up operation.</li> <li>• Metallurgical test work.</li> </ul>
<b>Offtake Agreements Negotiated early</b>	<ul style="list-style-type: none"> <li>• Memorandum of Understanding and Heads of Agreement for 75% of Production.</li> <li>• Focus now on Binding Offtake Agreements- a precursor to development funding.</li> </ul>
<b>Trusted/Stable/Proven Management</b>	<ul style="list-style-type: none"> <li>• Executive and management team that can deliver.</li> <li>• In country team secure and stable.</li> <li>• Key relationships built with Government; Offtake Partners; EPC Partners; Potential Funders; Investment Community.</li> </ul>
<b>Rated by Investment Community</b>	<ul style="list-style-type: none"> <li>• Researched by Investment houses- in Aust and Internationally.</li> <li>• Peer Group Analysis.</li> <li>• Ability to raise Equity - key component in debt financing.</li> <li>• Discussions with Funders - at Debt and Project level.</li> </ul>
<b>Activity in Fundraising</b>	<ul style="list-style-type: none"> <li>• Objective to maximise debt element – will not get 100% debt.</li> <li>• Multiples of funding institutions registered in Data Room.</li> <li>• For many, the loan amount is too low.</li> <li>• Club Funding concept – including retail and existing stakeholders.</li> <li>• Objective not to transfer too much value.</li> <li>• Funding is advanced but take time.</li> </ul>

## Tanzanian Economy

- Direct contribution to the economy
- Meeting requirements of amended Mining Act 2012



## Employment

- More than 200 construction jobs immediately
- More than 100 permanent jobs for 20 years



## Health and Community

- Local health programs
- Advanced skills training
- English language development



# Development Ready

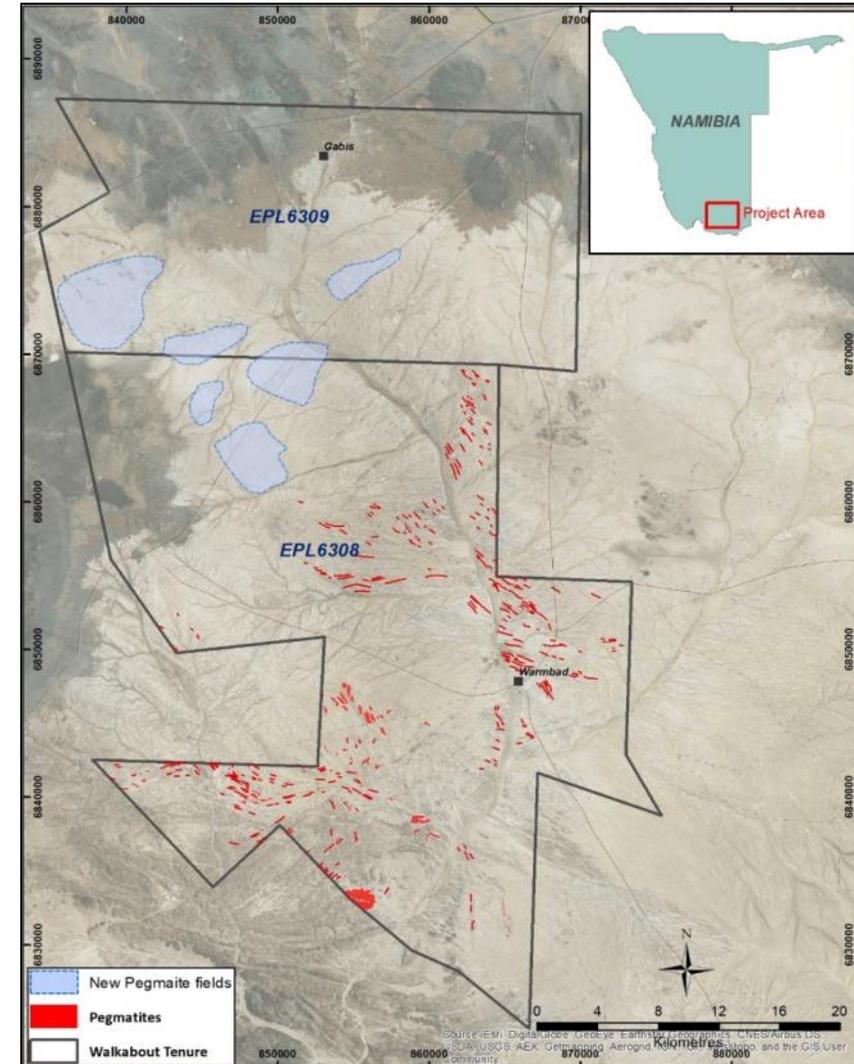


**Project is shovel ready and capable of being in production in first half of 2020 to take advantage of the anticipated high demand for premium flake graphite concentrate.**

<p><b>Quality Project</b></p>	<ul style="list-style-type: none"> <li>• The very high Reserve grade of 17.9% for a Life of Mine of 24 years.</li> <li>• Exceptional distribution of large graphite flakes with 75% above 180 micron.</li> <li>• Significant competitive advantages in terms of total capital requirements of US\$27.8m</li> <li>• Low operating costs of US\$347/t FOB producing 40,000 tpa of concentrate at a grade of 95-97% TGC.</li> </ul>
<p><b>Robust Economics</b></p>	<ul style="list-style-type: none"> <li>• The Definitive Feasibility Study (<b>DFS</b>) updated in March 2019, demonstrates robust economics.</li> <li>• A post-tax NPV<sup>10</sup> of US\$197m, a post-tax IRR<sup>10</sup> of 119%, and a project payback of less than 2 years.</li> <li>• Recent trenching and drilling increased the Global resource by 41% and will be included in an updated resource/reserve and DFS Q1 2019.</li> </ul>
<p><b>De-Risked Plan of Delivery</b></p>	<ul style="list-style-type: none"> <li>• Manageable start up: with the initial 40,000 tonne per annum production profile delivers the low capex.</li> <li>• The Company will use in-country contractors where possible and the engineering, design, and construction of the plant is well underway with partner, and large shareholder, Jinpeng Engineering based in China, a world class EPCM contractor.</li> </ul>
<p><b>Relevant Experience</b></p>	<ul style="list-style-type: none"> <li>• The development team are experienced in developing mining operations in Africa, and include Mining Engineer, Allan Mulligan, who has 30 years experience in Africa; and geologist Andrew Cunningham with 25 years experience in Africa.</li> <li>• Walkabout has recently added a highly experienced Project Manager to oversee all operations and will as required add further experienced personnel to drive the project's success.</li> </ul>
<p><b>Development Funding</b></p>	<ul style="list-style-type: none"> <li>• The current cash reserves are circa A\$5.5m, no debt.</li> <li>• Currently seeking to raise circa A\$40m of development capital to fund the development of the Lindi Jumbo Graphite Project.</li> </ul>

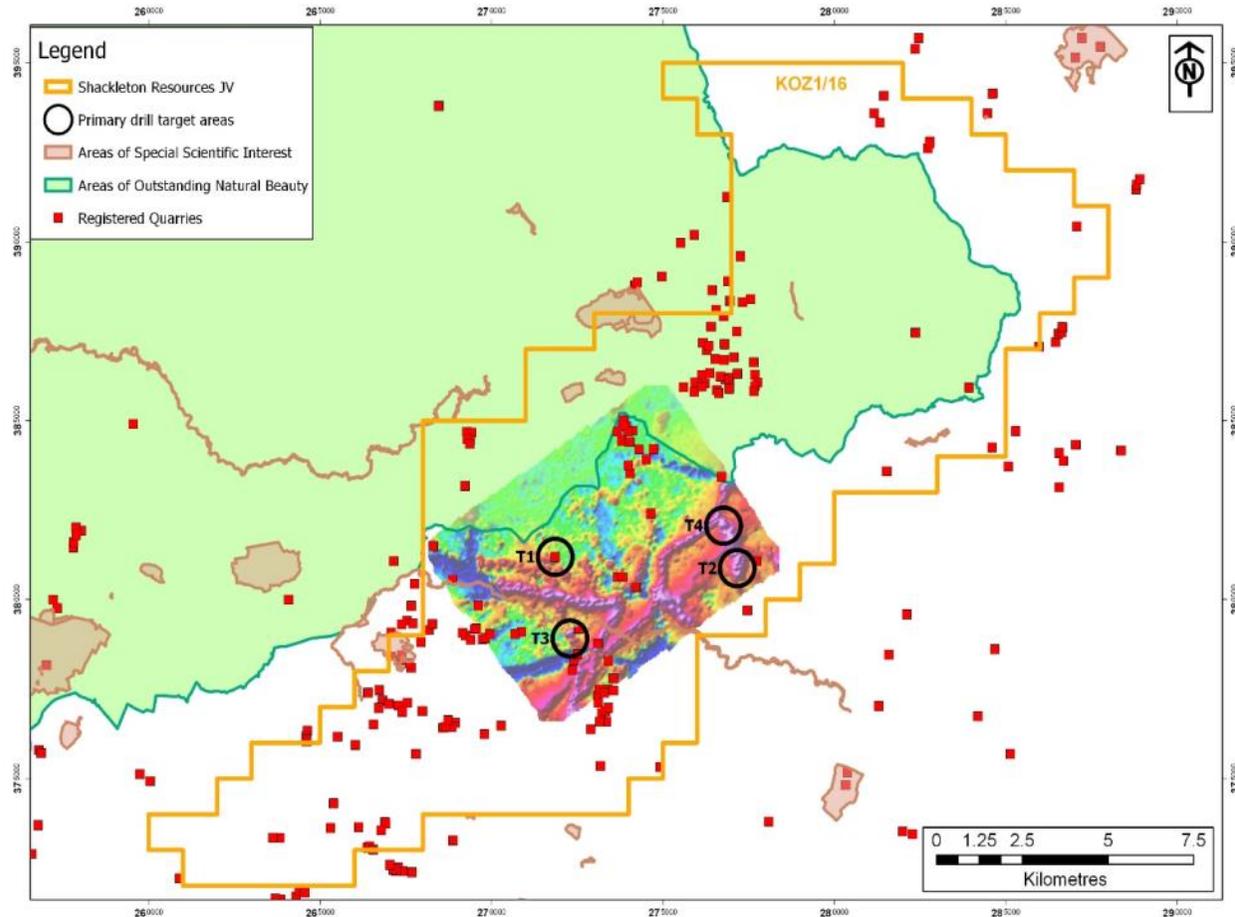
# Namibia (Lithium)

- Large tenement holding. Over 1500km<sup>2</sup> 100% WKT.
- > 600 pegmatite bodies identified – additional pegmatite swarms identified
- Numerous historical references to Lithium mineralisation in the region.
- Grades of up to 1.6% Li<sub>2</sub>O<sub>5</sub> reported from neighbouring properties
- Structural control identified over LCT-type enriched pegmatites.
- Large areas undercover.
- Mapping and reconnaissance sampling ongoing.



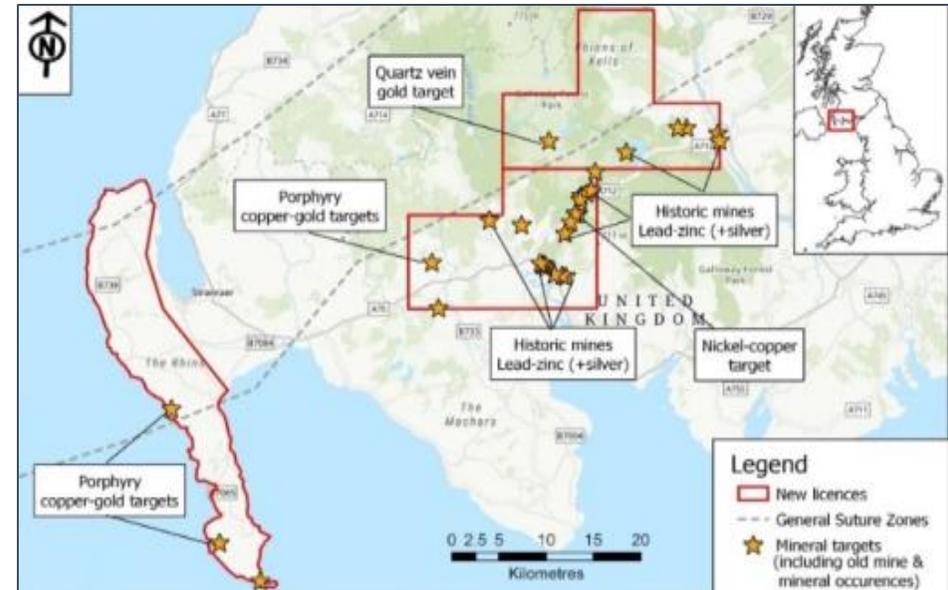
# Northern Ireland

- Up to 0.13% Co, 50.3 g/t Ag, 2.7% Cu and 58.5g/t Au in individual rock chips.
- SkyTEM survey successfully delineates highly prospective targets overlapping with geochem soil anomalies
- Four of the targets were recommended for high priority modelling.
- Verification and general planning permissions to proceed to enable a drill campaign.



# Scotland

- The Company has finalised a Farm In Agreement over three highly prospective exploration licences comprising 746km<sup>2</sup> in south west Scotland.
- The licences are located along the Southern Uplands fault which has a long history of base metal and gold mining and exploration.
- Licences include several historic high-grade lead-zinc (silver) mines and gold and copper targets.
- The Company's exploration strategy in this region is to assemble a compelling portfolio of prospective exploration titles over prospective geological trends.
- Through the acquisition of the British Geological Survey (BGS) datasets and work completed by others, numerous exploration targets have already been identified.
- Mineralisation styles within the licences include:
  - Quartz vein-hosted gold occurrences within metasediments
  - Pb-Zn + Ag + Au in veins related to intrusions
  - Mafic intrusion related Ni-Cu + Ag + Au + PGE mineralisation
  - Porphyry Cu + Ag + Au related to intrusions



# Why invest in Walkabout?

**Walkabout is Development ready subject to finalising a total funding package.**

**The standout attributes include:**

- Lindi Jumbo Graphite project is shovel ready
- Granted environmental certificate and Mining Licence
- Excellent infrastructure and located only 200km from Port
- High grade from surface simple open pit mining- first 5 years will mine +20% TGC from surface
- Life of Mine reserve grade of 17.9% TGC for 24 years
- High flake size distribution with 75% of product above 180 micron
- Manageable size of operation: producing 40,000 tpa of concentrate at 95-97% TGC, and scalable
- Very low Capex of US\$27.8m and very low Opex of US\$347/t FOB
- Strong EPC partner with all plant engineering and design work costed and completed
- Offtake partners geographically spread in Germany and China
- Diversified growth strategy
- Strong Balance Sheet with A\$5.0m cash





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