



FUNDING AND CONSTRUCTING THE HIGH GRADE, HIGH MARGIN LINDI JUMBO GRAPHITE PROJECT

SHAREHOLDER WEBCAST
22 June 2021



walkabout
RESOURCES LTD

ASX:WKT

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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 relates to the Metallurgical test work and results are based on information compiled by Dr Evan Kirby, a Competent Person who is a member of the 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 Kirby consents to the inclusion in the report of matters based on his information in the form and context in which it appears.

FULL CYCLE MINERALS COMPANY – TRANSITION PHASE



INVESTMENT DRIVERS

LINDI JUMBO IS AN OUTSTANDING INVESTMENT OPPORTUNITY PROVIDING BOTH ATTRACTIVE SHORT-TERM RETURNS AND EXCITING GROWTH POTENTIAL.



SECOND-HIGHEST
FORECAST MARGIN
GRAPHITE PROJECT
IN THE WORLD

*(Benchmark
Minerals 2019)*



AFTER TAX IRR OF
119% AND A
PAYBACK OF
APPROXIMATELY 2
YEARS*



MINIMUM OF
62.5% GEARING
WITH PROJECT
DEBT FINALISED



DERISKED WITH
ALL NECESSARY
APPROVALS,
CONSTRUCTION
CONTRACTS,
OFFTAKES & LONG
LEAD TIME ITEMS
IN PLACE



SHORT
CONSTRUCTION
PERIOD OF 9-12
MONTHS MEANS
SPEED TO MARKET &
CASHFLOW.



OUTSTANDING
GROWTH
OPPORTUNITIES
VIA SCALABLE
PRODUCTION &
LOW CAPEX
DOWNSTREAM
EXPANSION

WALKABOUT AND LINDI JUMBO CORPORATE, TECHNICAL AND SITE PROFESSIONAL TEAMS

* See DFS Results ASX announcement 07/03/2019

LINDI JUMBO'S ESG POSITIONING

LINDI JUMBO HAS BEEN DESIGNED WITH A MINIMAL FOOTPRINT AND MEETS INTERNATIONAL STANDARDS FOR ENVIRONMENT, SOCIAL AND GOVERNANCE OBJECTIVES



All safety and Health codes already written and established

Site Safety is a priority



COVID-19 Procedures written and being enforced in line with Australian Standards



Initially diesel-based power but WILL transition to solar, gas hybrids



Best practice sustainability and local community support frameworks



Limited operational and carbon footprint by nature of low waste and low energy operation



Skills development based on Local First, National Second, International Third principle

WALKABOUT AND LINDI JUMBO ARE PEOPLE FOCUSED COMPANIES, AND IN AFRICA THAT IS ESSENTIAL

DEBT FUNDING SECURED

LINDI JUMBO LIMITED HAS SECURED A \$20M DEBT PACKAGE OFFER FROM CRDB BANK PLC, A LOCAL TANZANIAN BANKING INSTITUTION AND LARGE RETAIL BANK.



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LOAN AMOUNT
US \$20 MILLION



TERM OF
42 MONTHS*



INTEREST RATE
8% P.A.



ASSETS, CORPORATE
GUARANTEE, SBLC, CHARGE
OVER ACCOUNTS
**STANDARD SECURITY
PACKAGE**



EQUITY OF U \$12 MILLION
REQUIRED
GEARING OF 62.5%



STANDARD TERMS AND
CONDITIONS FOR A
TRANSACTION OF THIS
NATURE

**Inclusive of 12-month grace period*

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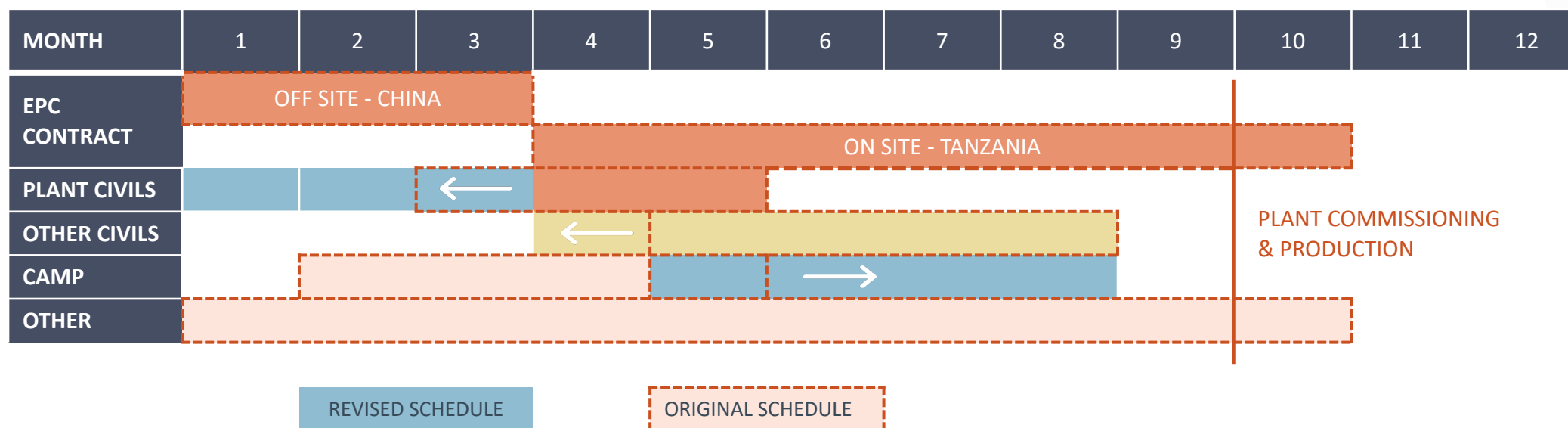
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CONDITIONS PRECEDENT	RESPONSIBILITY	DATE/PROGRESS
EQUITY CONTRIBUTION USD \$12M	WALKABOUT	STAGED APPROACH - MAY TO AUGUST 2021 – TRANCHE 1 Completed ~A\$6 million
CORPORATE GUARANTEE AND INDEMNITY	WALKABOUT	COMPLETE
SHAREHOLDERS LOAN SUBORDINATION AGREEMENT	WALKABOUT / LINDI JUMBO	COMPLETE
DEBENTURE INSTRUMENT	LINDI JUMBO	COMPLETE
MATERIAL CONTRACTS EXECUTED	LINDI JUMBO	FINAL PROGRESS
SBLC	LINDI JUMBO	AFTER EQUITY
INDEPENDENT ENGINEER APPOINTMENT	LINDI JUMBO	JUNE 2021

INCREMENTAL EQUITY RISE

WKT INTENDS TO RAISE IN TOTAL APPROX. A\$20M IN THREE TRANCHEs TO CONSTRUCT LINDI JUMBO AND UNLOCK US\$20M IN DEBT FUNDING FROM TANZANIAN BANK, CRDB

TRANCHE 1 (COMPLETED)	US\$ 4 MILLION	MAY – JULY 2021	CIVILS, EARTHWORKS, PLANT MANUFACTURE
TRANCHE 2 (IN PROGRESS)	US\$ 4 MILLION	JULY – AUG 2021	CIVILS, PLANT SHIPPING
TRANCHE 3 (IN PROGRESS)	US\$ 4 MILLION	SEPT – OCT 2021	PLANT SHIPPING AND ON-SITE CONSTRUCTION, OTHER INFRASTRUCTURE
DEBT DRAWDOWN	US\$ 20 MILLION	NOV 2021 – MAY 2022	ON-SITE CONSTRUCTION, TAILINGS STORAGE, COMMISSIONING



KEY STATUTORY REQUIREMENTS AND PERMITS

WE ARE FULLY PERMITTED AND COMPLIANT WITH ALL KEY STATUTORY REQUIREMENTS NEEDED AT THIS STAGE OF DEVELOPMENT - DEMONSTRATED THROUGH THE COMPLETION OF THE EARLY-WORKS PROGRAM.

- 16% Free Carry Shareholders Agreement – *Final structure under negotiation. Production not dependent.*
- 5% Local Ownership requirement (not a free carry!) – *Village trust being formulated. Production not dependent.*



- ✓ Local Content Plan
- ✓ Environmental Permit
- ✓ Various Construction Activities Permits
- ✓ Loan Registration Bank of Tanzania
- ✓ Education Trust Registration
- ✓ TRA Registration
- ✓ Insurance Localisation
- ✓ Mineral Concentrate Export Controls
- ✓ Integrity Pledge
- ✓ Donation of Drill Core to GeoSurvey
- ✓ Joint Venture with Foreign Supplier
- ✓ Transfer Pricing Commitment
- ✓ Local Revenue Policy
- ✓ **ALL KEY PROJECT APPROVALS AND PERMITS**

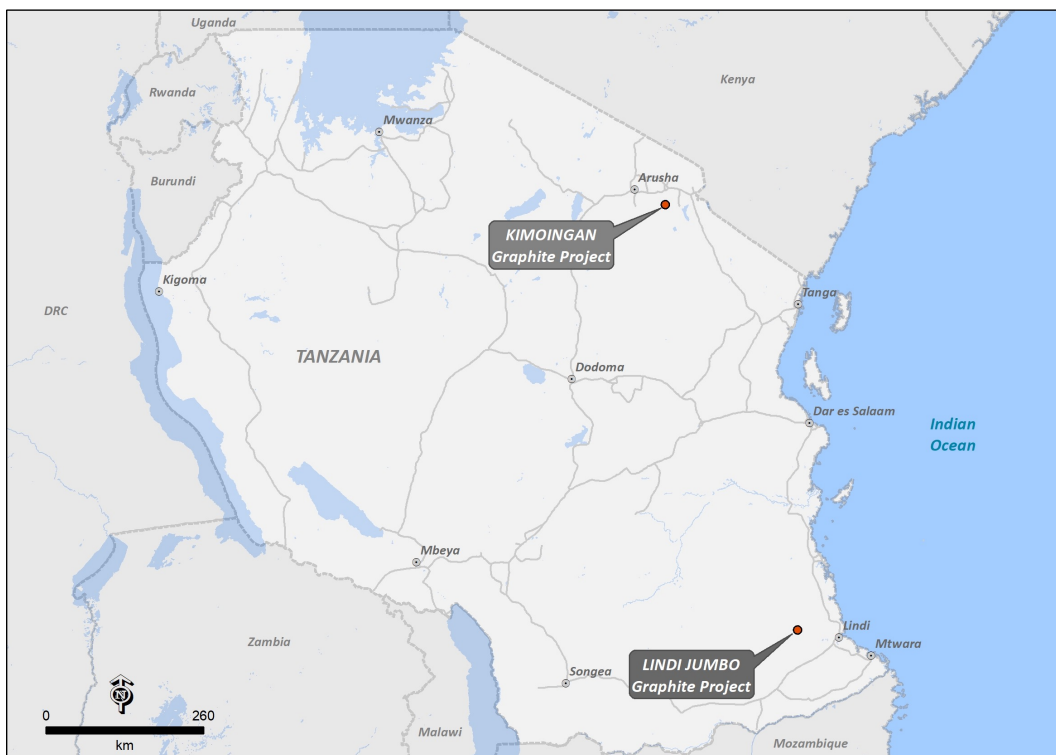
DIFFERENTIATING FACTORS

THE RULE OF THUMB WITH MANY MINING PROJECTS IS THAT GRADE WILL ALWAYS CARRY THE DAY.
THE LOWEST COST AND HIGHEST MARGIN PROJECTS ARE ALMOST ALWAYS THE ONES WITH THE HIGHEST GRADE.



GRAPHITE GROWTH POTENTIAL

THE GROWTH POTENTIAL WITHIN OUR EXISTING GRAPHITE TENEMENT HOLDINGS ENABLES WALKABOUT TO BECOME A PROMINENT FORCE WITHIN THE GRAPHITE INDUSTRY, NOT ONLY IN EAST AFRICA, BUT GLOBALLY.



TARGET AREA	STRIKE LENGTH CONDUCTIVE ZONES	Mt IN SITU		
		LOW	MID	HIGH
WEST- ML579 AND PL11409/2020	4.5KM	15	22	29
EAST - PL9993/2014	10.8 KM	35	53	71
KIMOINGAN PL11119/2017	-	22	36	72
TOTAL		72	111	172

GROWTH POTENTIAL SCENARIOS

- Accelerate conversion of in or near pit Mineral Resources to Reserves;
- Undertake further exploration and drilling on the Mining Lease and Prospecting Licences;
- Consider the extraneous processing of estimated 8Mt of low-grade stockpiles at ~ 6% TGC;
- Downstream processing.

*Note: The potential quantity and quality of the quoted Exploration Potential Range outside of the Gilbert Arc Mineral Resource Area is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource over any of the additional target areas.

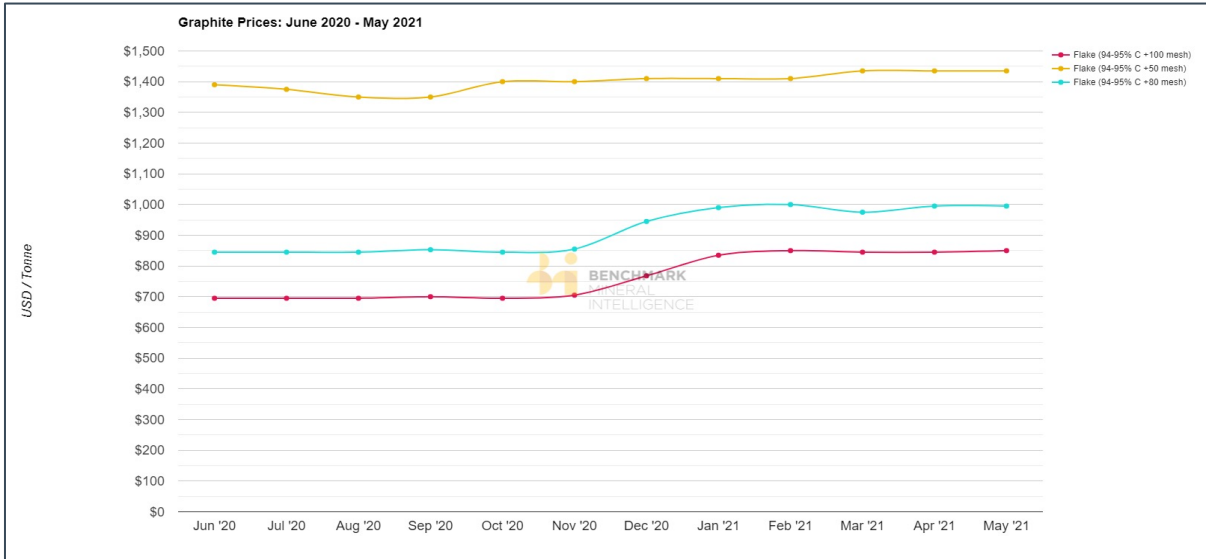
It should not be expected that the quality of the Exploration Targets is equivalent to that of Mineral Resources. Exploration targets could be tested with future exploration activities in alignment with the company's exploration and business strategy.

**The Exploration Potential Range excludes the JORC compliant Mineral Resource at the Gilbert Arc Deposit

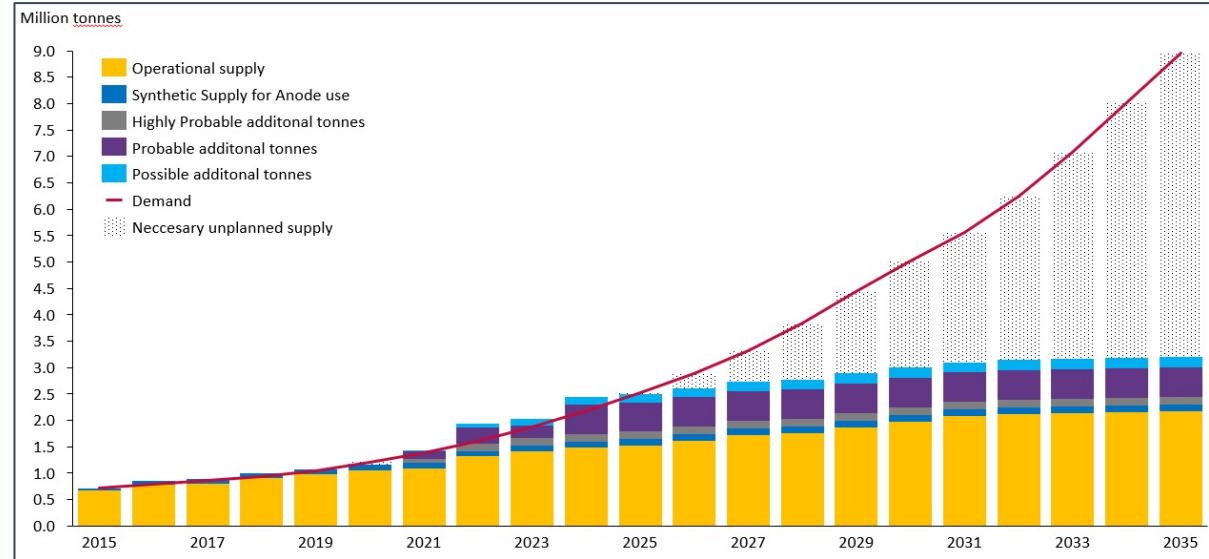
GRAPHITE MARKET

THE DEMAND FOR GRAPHITE IS FORECAST TO GROW BY 500% BY 2050 *.

Graphite Pricing



Flake long term supply forecast



Source: Benchmark Mineral Intelligence

Graphite Growth Forecast

- Severe shortage of supply forecasted;
- Graphite growth forecasts of between 500% and 700% by 2050;
- Global graphite market is expected to reach US\$21.6 billion by 2027

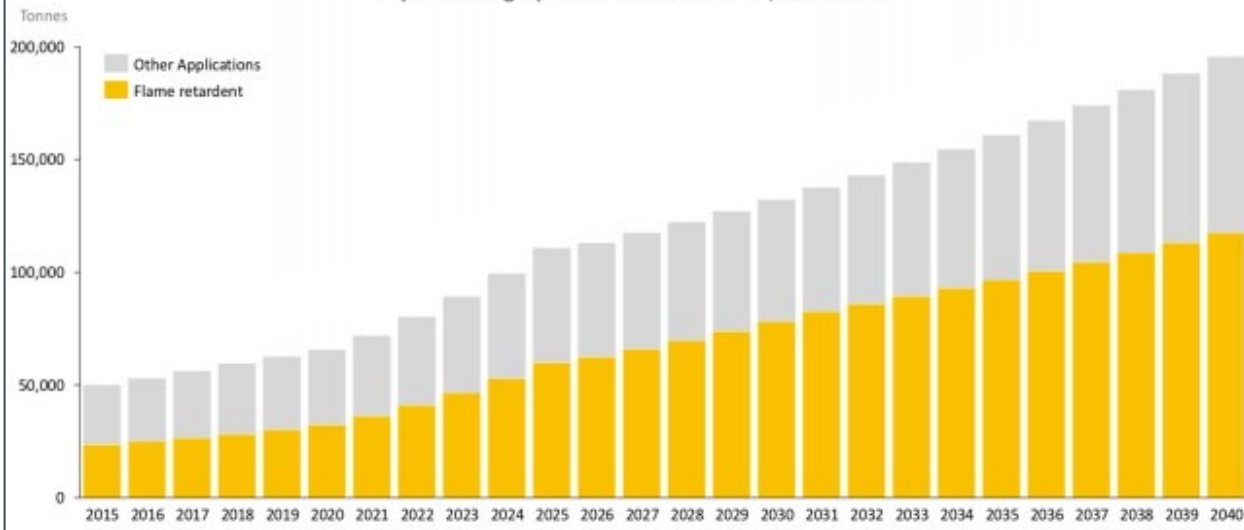
*Source World Bank, UBS, Stockhead

EXPANDABLE GRAPHITE MARKET

GLOBAL EXPANDED GRAPHITE MARKET TO REACH \$351.9 MILLION BY 2027.

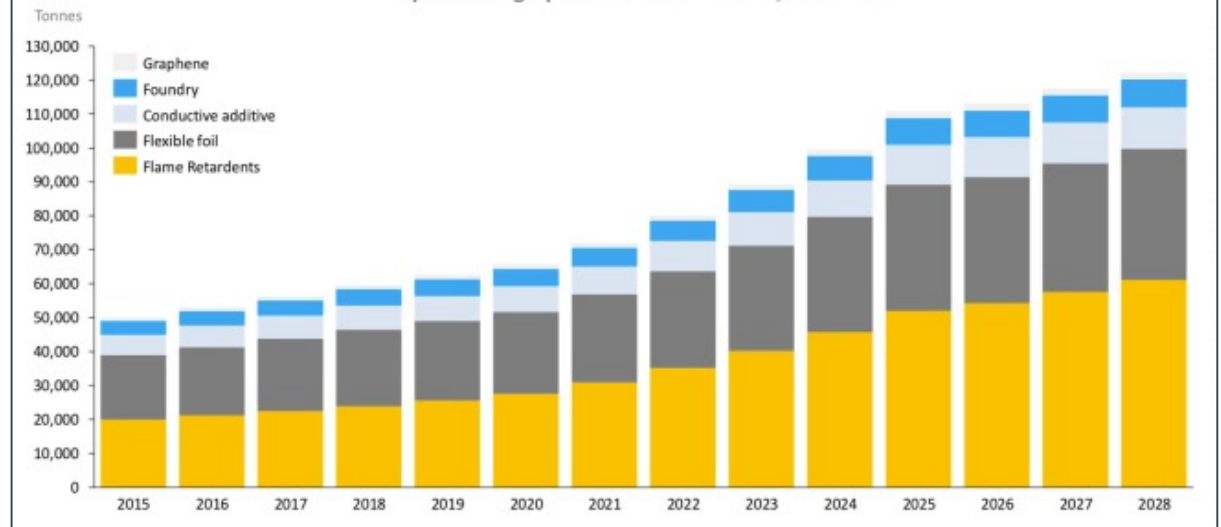
Expandable Graphite Growth Forecast

Expandable graphite demand forecast, 2015-2040



Expandable Graphite - Growth Forecast by Sector

Expandable graphite demand forecast, 2015-2028



Source: Benchmark Mineral Intelligence

Global Expanded Graphite Industry

- Global Expanded Graphite market forecasted to grow at a CAGR of 8.2% over the period 2020-2027 *
- Current expandable market in China ~ 80,000 tonnes**

* Source: Intrado GlobeNewswire 14 September 2020

** Internal Market Intelligence

REORGANISING THE COMPANY FOR SUCCESS

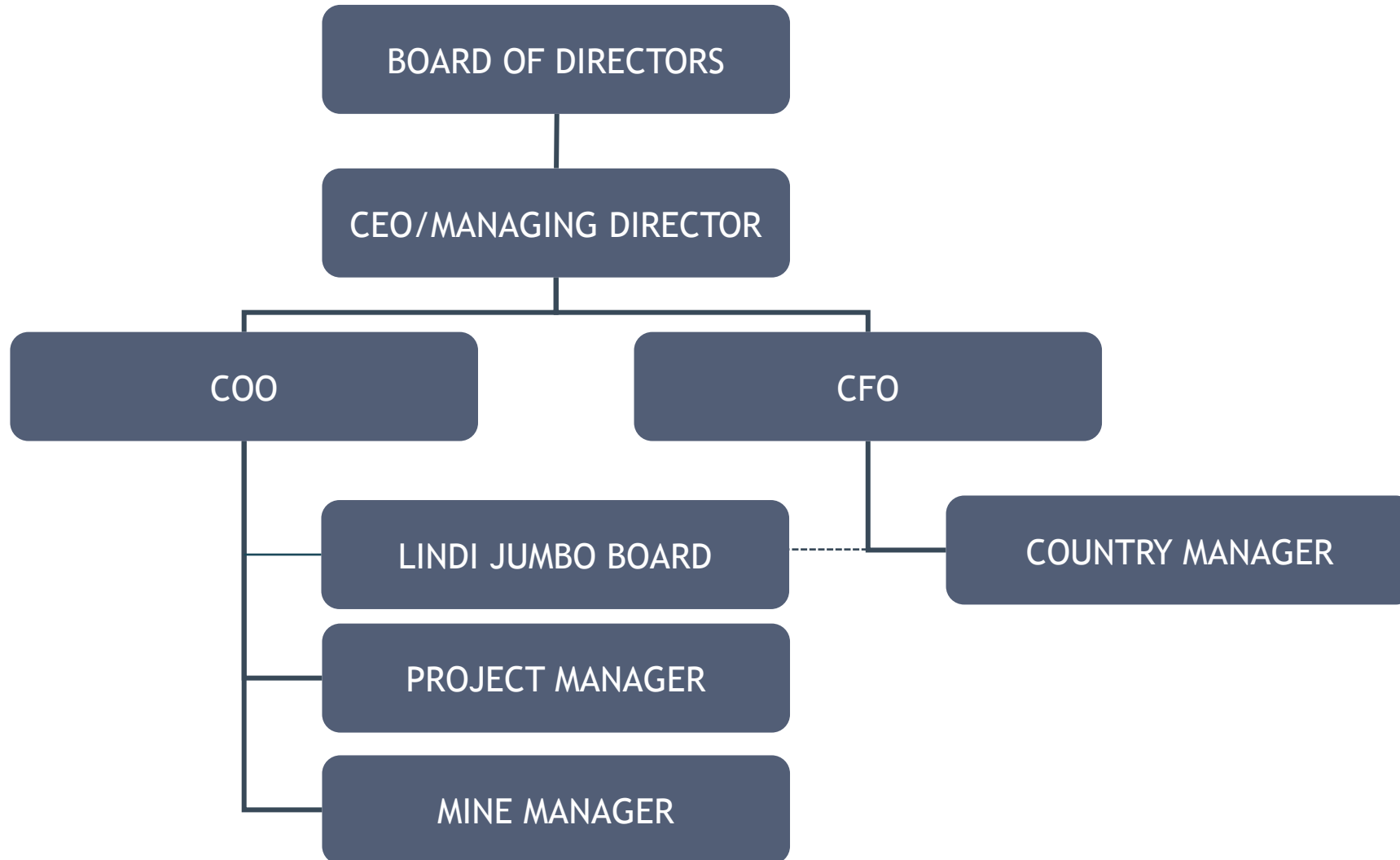
The following structural changes have been made:

1. Company will restructure Board and Projects to emerge as Graphite Producer Specialist.
2. Mike Elliott appointed Non-Executive Chair.
3. Allan Mulligan to step off Board and focus on construction and operational start-up as COO.
4. Andrew Cunningham appointed to CEO.
5. Two further members of Board to be appointed post funding to include majority Non-Executive members.
6. Project level outside capital for other projects is desirable.
7. Full time specialist CFO being recruited.



REORGANISING THE COMPANY FOR SUCCESS

WALKABOUT ORGANISATION HIERARCHY:



HIGHLY ROBUST DEFINITIVE FEASIBILITY STUDY

MINING ACT 2010 INCLUDING AMENDMENTS MADE IN 2017



FINANCIAL REPORTING	ANNUAL AVG (STEADY STATE)	24 YEAR LOM TOTAL	UNIT
PRICING - ALL GRADES AT 95% TGC		2019 DFS UPDATE	
Super Jumbo (+500µm) Sales Price		\$2,350	USD/t FOB
Jumbo (+300µm / -500µm) Sales Price		\$1,850	USD/t FOB
Large (+180µm / -300µm) Sales Price		\$1,200	USD/t FOB
Blended (-180µm) Sales Price		\$890	USD/t FOB
Average Basket Sales Price		\$1,515	USD/t FOB
DFS OUTCOMES		BASE CASE	
Revenue		1,445	USD m
Operating Cost		347	USD m
Capital Cost		27.8	USD m
Ongoing Capital Cost		0.9	USD m
EBITDA	44.3	1,070.0	USD m
WKT Free Cash Flow	26.5	610	USD m
Pre-Tax NPV (10%)		335.0	USD m
Pre-Tax IRR		142.0	%
Post-Tax NPV (10%)		197.0	USD
Post-Tax IRR		119.0	%
Payback Period		<24	months
Peak Funding Requirement		-28.0	USD m
On-Mine Unit Operating Cost (FOB Mtwara)	282	282	USD/t in conc.
Conc. Transport FOB Mtwara	65	65	USD/t in conc.
Operating Margin (before Royalties)	77.0%	77.0	%
Royalty Paid		41	USD
Tax Paid		312	USD
TZ Government Dividend		118	USD
Total Sovereign Payments		472	USD

CAPITAL DEVELOPMENT PROGRAM

ITEM	BUDGET	EXPENDED
MINING	406,421	
PLANT AREA	5,127,839	356,156
PLANT AND POWER EPC	10,802,946	1,000,000
CAMP	867,730	
SHARED INFRASTRUCTURE	1,370,938	
STORAGE FACILITIES	3,355,868	
OWNERS COSTS	2,385,102	
INDIRECTS	4,777,860	2,055,000
TOTAL CAPITAL	29,094,703	3,411,156
CONTINGENCY	2,182,103	
GROSS CAPITAL	31,276,806	27,865,651
WORKING CAPITAL, FUNDING COSTS & COMMISSIONING	4,134,349	4,134,349
ALL IN REQUIREMENT	35,411,156	<u>32,000,000</u>

LINDI JUMBO – AT A GLANCE

WALKABOUT IS FOCUSED ON THE DEVELOPMENT OF ITS LOW CAPEX, HIGH RETURN LINDI JUMBO GRAPHITE PROJECT IN TANZANIA



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1. Ore Reserve of 5.5Mt @ 17.9% TGC for 987,000t.
Mineral Resource of 41.8Mt @ 11.0% TGC for 4.5Mt of contained graphite*
2. Pre-Tax NPV10 of US\$335m, IRR 142%, Payback Period of less than 24 months and low upfront capex of US\$27.8m - LOM of 24 years producing 40kt of four discrete graphite in concentrate products*
3. High basket price of graphite concentrate due to superior large flake distribution.
Binding Offtakes in place for 100% of planned annual production*
4. Low capital intensity relative to comparable global graphite projects, with significant reserve and production expansion potential
5. Highest grade graphite reserve of any undeveloped graphite project in Africa provides a significant competitive advantage through low capital and operating costs (US\$347/t) and facilitates highly favourable metallurgical characteristics
6. Simple crushing, grinding & floatation plant offers straight forward commissioning & ample growth options
7. Long lead plant items already manufactured and warehoused in China.
8. Preliminary earthworks completed on site in Tanzania
9. Debt funding Secured

* Refer ASX Announcement on Updated DFS 07/03/2019



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