



walkabout  
RESOURCES LTD

ASX:WKT

# BUILDING THE LINDI JUMBO GRAPHITE MINE

*TANZANIA AND AUSTRALIA: A GREEN AND GOLD UMBILICAL CORD<sup>1</sup>*

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AFRICA DOWN UNDER PRESENTATION – 2 SEPTEMBER 2022

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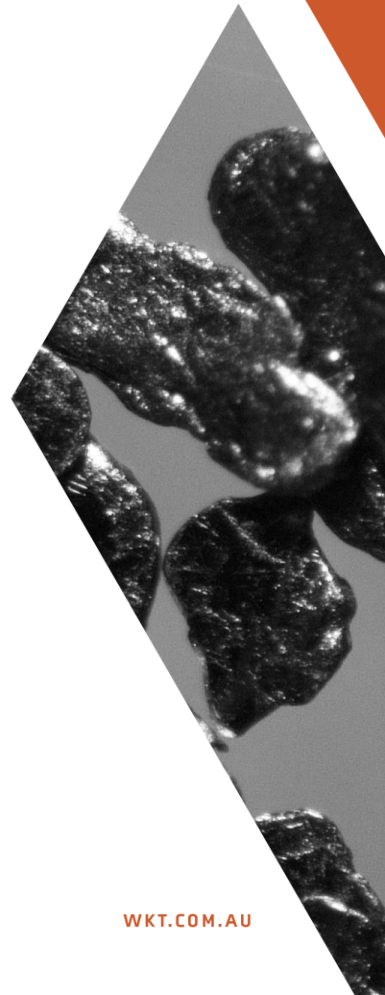
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The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd), Mr Aidan Platel (Consultant with Platel Consulting Pty Ltd), Mr Andrew Cunningham (Director of Walkabout Resources Limited) and Ms Bianca Manzi (Bianca Manzi Consulting). Mr Barnes, Mr Platel, Mr Cunningham and Ms Manzi are members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Ms Manzi is the Competent Person for the geological database. Mr Barnes is the Competent Person for the resource estimation. Both Mr Platel and Mr Cunningham completed the site inspections. Mr Barnes, Mr Platel, Mr Cunningham and Ms. Manzi consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr Andrew Cunningham (Director of Walkabout Resources Limited). Mr Cunningham is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this presentation that relates to Ore Reserves is based on and fairly represents information compiled by Mr Clive Brown (Principal Consultant (Mining), Bara International Ltd) and a fellow of the Southern African Institute of Mining and Metallurgy (FSAIMM). Mr Brown has sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves".

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.

The Company confirms that all material assumptions underpinning the production target and the forecast financial information derived from the production targets continue to apply and have not materially changed.

# VALUE PROPOSITION

ATTRACTIVE SHORT-TERM RETURNS AND EXCITING GROWTH POTENTIAL

HIGHEST MARGIN GRAPHITE PROJECT IN DEVELOPMENT IN THE WORLD TO PRODUCE + 40KTPA  
*(Benchmark Minerals Intelligence, 2019)*

COMPELLING ECONOMICS, A LONG-LIFE PROJECT WITH A PAYBACK PERIOD OF ~ 2 YEARS

ONE OF TWO MAJOR GRAPHITE PROJECTS IN CONSTRUCTION GLOBALLY

DERISKED WITH ALL APPROVALS, MAJOR CONTRACTS, OFFTAKES IN PLACE

~ 60% GROUNDWORKS AND CIVILS CONSTRUCTION COMPLETION. COMMISSIONING IN 1H CY23. ONLY US\$11M OF CAPEX TO BE INCURRED.

OUTSTANDING LOW CAPEX GROWTH POTENTIAL VIA SCALABLE PRODUCTION & DOWNSTREAM EXPANSION

## INVESTMENT DRIVERS

+24 YEAR<sup>2</sup>  
LIFE OF MINE



~24 MONTH<sup>2</sup>  
PAYBACK PERIOD



~US\$44M / A\$64M<sup>1&2</sup>  
AVE ANNUAL EBITDA



119%<sup>2</sup>  
POST-TAX IRR



US\$197M / A\$286M<sup>1&2</sup>  
POST TAX NPV<sub>10</sub>



<sup>1</sup>FX AUD/USD 0.6876 AS OF 30 AUG

<sup>2</sup>ASX Announcement of 7 March 2019 – Updated DFS confirms standout graphite project

# LINDI JUMBO – DE-RISKED AND IN DEVELOPMENT

HIGHEST MARGIN GRAPHITE PRODUCTION FROM ONE OF THE FEW SOURCES OF NON-CHINESE PRODUCTION

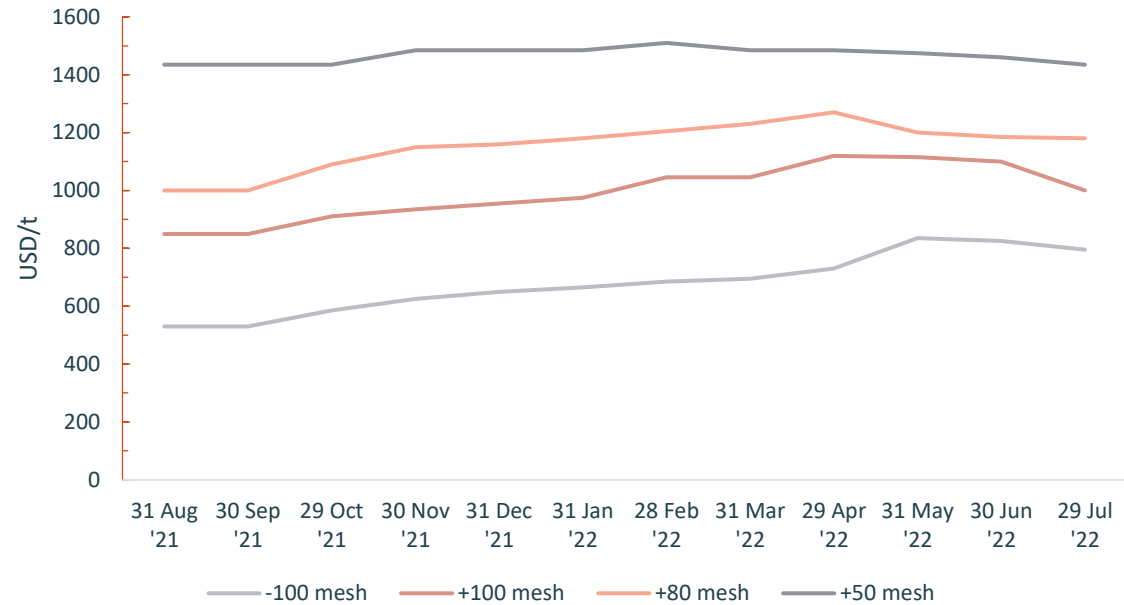
ACTIVITY	STATUS
LARGE HIGH-GRADE ORE RESERVE	✓ LOW OPEX AND CAPEX with huge upside/expansion potential.
LONG LIFE OF MINE OF +24 YEARS	✓ CONSERVATIVE ESTIMATE based on ~37% of Measured and Indicated Mineral Resources only.
LICENSES, APPROVALS AND PERMITS	✓ COMPLETE
INDEPENDENT ENGINEERING REVIEW - SRK CONSULTING.	✓ COMPLETE
MATERIAL CONSTRUCTION CONTRACTS	✓ COMPLETE
BINDING SALES AGREEMENT FOR 100% OF PRODUCTION	✓ COMPLETE
CONSTRUCTION	❑ IN PROGRESS & Due for completion Q1 2023 - <i>US\$11M of construction costs remains to be incurred. US\$23.1m paid/accrued to date.</i>

# GRAPHITE MARKET TAILWINDS

## EV THEMATIC RUNS STRONGLY

- Graphite has been declared a **critical mineral** in the USA, EU, UK, Japan and Australia given its importance to the energy transmission and high supply risk.
- The **25% tariff on imports** of artificial graphite from China into the USA – High need for diversification of supply of natural graphite.
- Up to **30% rise in prices** of natural flake graphite over the last 12 months.
- **Deficit** of supply forecasted for 2022-2023.

### Flake Graphite Pricing August 2021 - July 2022



Source: Benchmark Mineral Intelligence. Prices FOB China

“Not enough attention is paid to the potential for supply deficit and to the potential for the graphite market itself to become structurally affected by demand from electric vehicles.”  
– George Miller, Benchmark Mineral Intelligence



# FUNDING OPTIONS TO CONSTRUCTION COMPLETION

1. CRDB US\$20M DEBT FUNDING FACILITY – IN PLAY AND ALTERNATIVE SECURITY OPTIONS UNDER CONSIDERATION BY THE BANK.
2. ~ A\$ 33M RIGHTS ISSUE LAUNCHED – OPTION TO SCALE BACK IF NEEDED.
3. ALTERNATIVE FUNDING OPTIONS – IN PLAY AND RUNNING IN PARALLEL.



# LINDI JUMBO - DIFFERENTIATING FACTORS

COST, HIGHEST GRADE, HIGHEST MARGIN

## RESOURCE

- **Exceptional Orebody** – High Grade & Large flake
- Low Operating Cost and CAPEX
- Highly amenable metallurgical characteristics

## MINING

- **Simple, from surface** – low operating cost
- **High grade** mining (~ 18% TGC for LOM of 24 years)
- **Low risk** – small mining fleet and very modest tonnes moved

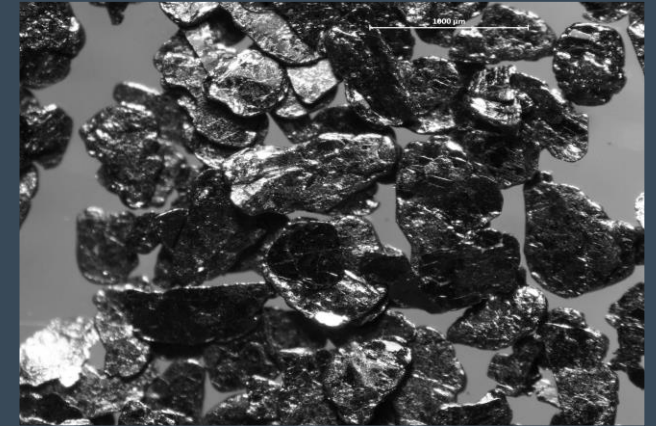
## PROCESSING

- **Small, appropriately sized**, simple processing facility – low operating cost and CAPEX
- Improved control and management
- High grade ROM feed assists process efficiency

## PREMIUM FLAKE

- **Outstanding product mix** – covers majority of the end-user markets
- **Largely skewed** towards the larger flake sizes – Premium Sales Price

PRAGMATIC SCALE





# MINERAL RESOURCES AND ORE RESERVE

THE ENTIRE PROJECT IS UNDERPINNED BY A SUPERIOR MINERAL RESOURCE

CATEGORY	TONNES (MILLION)	TGC %	CONTAINED GRAPHITE (T)
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Proven Ore Reserves	2.5	19.3	489,000
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Probable Ore Reserves	1.8	16.7	498,000
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<b>Total Ore Reserves</b>	<b>5.5</b>	<b>17.9</b>	<b>987,000</b>
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CATEGORY	TONNES (MILLION)	TGC %	CONTAINED GRAPHITE (T)
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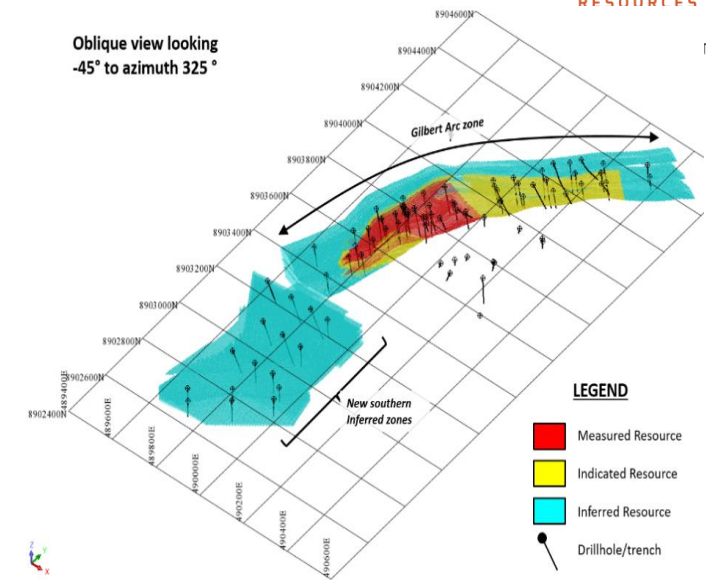
Measured	6.5	12.1	781,800
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Indicated	8.4	10.5	887,300
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Inferred	26.9	10.5	2,837,600
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<b>Total Resource</b>	<b>41.8</b>	<b>10.8</b>	<b>4,506,700</b>
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- Mineral Resource contains a super high grade continuous core of 5.0 million tonnes (Mt) at **22.5% TGC for 1.1Mt of contained graphite.**
- **ORE RESERVE @ 17.9% TGC** for a LOM of 24 years is the **HIGHEST GRADE** known undeveloped graphite reserve in Africa.
- **MINING** commenced in July.
- ~ 9,000 of high-grade tonnes on the **STOCKPILE** – approximately **1,620t of contained graphite.**



ASX Announcement of 19 December 2018 – Lindi Jumbo Graphite Mineral Resource increased by 41%  
 ASX Announcement of 28 February 2019 – Updated Ore Reserve delivers 17.9% Graphite Grade.

# CONSTRUCTION WELL ADVANCED

EARTHWORKS AND CIVILS DUE FOR COMPLETION IN NOVEMBER 2022

- **FRONT END** (ROM wall, raw-ore bin, crushers, conveyors, fine-ore bin & associated infrastructure) - **COMPLETED**
- **CONCENTRATOR** building - **IN PROGRESS**
- **DRYING AND SCREENING** building - **IN PROGRESS**
- **Thickener** and associated infrastructure - **COMPLETED**
- **TSF** - **IN PROGRESS**
- **MINING** - **IN PROGRESS**
- **STOCKPILE** – ~ 9,000t of graphite ore (~ 1,600t of contained graphite).
- **GRID POWER** – **IN PROGRESS**





# CONSTRUCTION WELL ADVANCED

MANUFACTURING OF MECHANICAL EQUIPMENT NEARING COMPLETION & INSTSALLATION IN PROGRESS

- ~ **65%** off all the mechanical equipment **on site**.
- ~ **77%** of the costs of the EPC contract has already been **incurred**.
- **MOBILE EQUIPMENT** – in use.
- Majority of the remaining mechanical equipment not on site – manufactured and in storage in China and Australia.
- Orders of outstanding equipment to be placed end-September (majority is off the shelf orders).





# TIMELINE TO PRODUCTION

## Schedule Milestones

- ✓ Earthworks and Civils, Execution of Contract
- ✓ Earthworks and Civils, Mobilisation to Site
- ✓ Execution Process Plant EPC Contract
- ✓ Finalise Design and Procurements
- ✓ Earthworks, Process Plant
- ✓ Other Shared Infrastructure
- ✓ Civils, Process Plant
- ✓ Logistics and shipping of all consignments
- ✓ Mechanical Installation, Process Plant
- ✓ Earthworks and Civils, Construction of TSF
- Dry Commissioning
- Wet Commissioning
- Camp Construction
- First Concentrate





# PRODUCT SALES AGREEMENT

BINDING SALES, PURCHASE AND MARKETING AGREEMENT – Wogen Pacific Limited



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- ✓ 100% of all exported graphite from Tanzania for an initial **5 YEAR TERM** (renewable).
- ✓ **PRICING** – achieved market price less commission and distribution costs.
- ✓ Access to a **US\$3.2M WORKING CAPITAL** facility upon loading of ship.
- ✓ **EXISTING OFFTAKE AGREEMENTS** – IN PLACE & to be renegotiated under the current Wogen agreement.
- ✓ **Wogen is a specialist trading company** handling a wide array of speciality metals and minerals including ores and concentrates, metals and oxides, ferro alloys, mineral sands and rare earths.
- ✓ Wogen has a **strong presence in Asia, Europe and the USA** which includes significant logistics infrastructure, buying networks and industry relationships.





# RESOURCE GROWTH POTENTIAL

EXISTING TENEMENT HOLDINGS OFFER SIGNIFICANT GROWTH POTENTIAL



TARGET AREA	STRIKE LENGTH CONDUCTIVE ZONES	Mt IN SITU			Quality <sup>1</sup>
		LOW	MID	HIGH	Flake retention > 300 µm
WEST- ML579 AND PL11409/2020	4.5KM	15	22	29	~ 50-70%
EAST - PL9993/2014	10.8 KM	35	53	71	~ 50-70%
KIMOINGAN PL11119/2017	-	22	36	72	~ 20-30%
TOTAL		<b>72</b>	<b>111</b>	<b>172</b>	

*\*Note: The Potential Mineralisation Range above excludes the existing JORC compliant Resource of 41.8 million tonnes @ 10.8 % TGC for 4.5 million tonnes of contained graphite (see ASX announcement of 19 December 2018). <sup>1</sup> Quality is based on similar reported deposits in the immediate vicinity of the exploration target areas (see ASX announcement of 09 June 2021).*

*\*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 (See ASX Announcement of 09 June 2021). The targeting within the tenement package was thus restricted to the areas covered by the VTEM survey and was only focused on where the Company has hard evidence of high-grade graphite occurrences (> 15% TGC) through surface mapping and sampling.*

# GRAPHITE MARKET GROWTH OPPORTUNITIES

## GROWTH OPPORTUNITIES INTO EXISTING AND FORECASTED EXPANDING MARKETS

- **EXCESS SPARE CAPACITY** of ~ 23% in current plant utilization – No extra capex.
- **FURTHER ENHANCEMENT** of existing auxiliary equipment could also assist to further increase production = low capex.<sup>1</sup>
- **CONVERSION OF EXISTING JORC RESOURCE** (36mt) to reserves - low capex.<sup>2</sup>
- **NEAR-MINE DRILLING** of known graphite occurrences – potential addition to mineral resource of 15 to 29mt of high-grade large flake graphite - low capex.<sup>1</sup>
- Drilling on **NEIGHBOURING LICENCES** (~ 20 km radius) - ~ **35-71mt** of high-grade large flake graphite - low capex.<sup>1</sup>
- Drilling of **KIMOINGAN PROJECT** - potential addition to mineral resource of **22-72mt** of med-grade large flake graphite - low capex – *Standalone Operation* – mid capex.<sup>1</sup>
- Processing of ~ 8mt of **LOW-GRADE STOCKPILES** at 6% TGC - no capex<sup>2</sup>
- Downstream - **EXPANDABLE GRAPHITE PLANT** - mid capex & currently under discussion with interested parties.



Lindi Jumbo Discovery hole – September 2015

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# A WELL-KNOWN AND RESPECTED CORPORATE CITIZEN



HONOURABLE KASSIM MAJALIWA, TANZANIAN PRIME MINISTER

**“Lindi Jumbo’s local initiatives and considerations, such as its 5% ownership by the village trust are setting the standard of how to operate in country.”**

20 August 2021



AUSTRALIA-AFRICA MINERALS & ENERGY GROUP (AAMEG) AFRICA AWARDS

**2021 Winner of the Best Innovation in Corporate Social Development**

September 2021

# LOGISTICS AND INFRASTRUCTURE

## EXCELLENT ASSET FUNDAMENTALS



### ROADS, PORTS & INFRASTRUCTURE

Good road network currently being upgraded.

200km from the port of Mtwara and 460km from the port of Dar Es Salaam.

Rapid development in local district – schools, banks, hospitals etc.

#### Mtwara Development Corridor Recent Regional Infrastructure

Recent Developments:

- Mnazi Bay gas fields, Dar es Salaam Natural Gas Pipeline (MDNGP), Mtwara Thermal Power Station (18MW), Mtwara Port Expansion Project.

### POWER

4.5 MW Grid power under development to site.

Ample spinning reserve available in southern grid circuit.

# STRONG ESG PROFILE IN TANZANIA

OUR STRATEGY IS ALIGNED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



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## Local Employment and Upskilling

Recruiting Tanzanian first, national second and international third mantra.

Tanzania based management team.

## Treading Lightly to Global Standards

Adopted and contextualised the 17 SDGS.

Implementing initiatives to lower carbon footprint and minimise impacts.

Natural graphite has superior environmental credentials.

## Socially Enriching Local Communities

MOU signed with 3 villages and 5% ownership by Village Trust.

Developing local micro-agriculture enterprises.

Sponsoring employee children at College for Tertiary Education.

## Safety First Approaches

COVID-19 Plan in place for all operations in Tanzania.

Comprehensive site risk mitigations and audits; Australian Standards benchmarked.

On-site training in English and Upskilling.



# TANZANIAN COVID-19 VACCINATION PROGRAM

100% OF THE LINDI JUMBO PROJECT TEAM ARE VACCINATED FOR COVID-19



- Committed to protect workers and communities as construction ramps up. Virus education and demystification has been a key driver of uptake.
- Walkabout engaged local district health authorities to administer the clinics in October.
- Plans to extend the sessions to surrounding villages which could reach <8,000 locals and include Hep B
- Tanzanian vaccination rate still low with around 1% of population fully vaccinated.





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# THANK YOU



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