

Site Mobilisation Commencement and IPM Appointment Move Lindi Jumbo Graphite Project into Construction Phase

Walkabout Resources (**ASX:WKT**) is pleased to announce that its flagship Lindi Jumbo Graphite Project in Tanzania has progressed into the construction phase, with the CRDB-approved Independent Project Manager completing site visits and bulk earthmoving contractor TNR commencing mobilisation.

Together with this month's visit from Tanzanian government officials - including Prime Minister Kassim Majaliwa - these developments bring the high-grade graphite project another step closer to production.

HIGHLIGHTS

- Independent Project Manager appointment approved by CRDB and site visit completed.
- Bulk Earthmoving and Civils contractor TNR Ltd commenced mobilisation to site.
- Stakeholder meetings and information sessions completed.
- Two high-level Government delegations hosted on site within the last week.

Independent Project Manager

Under the US\$20 million project debt agreement, an Independent Project Manager (IPM) is required to be appointed to approve the payment of project funds from either the companion equity or the project debt. A total of US\$8 million of companion equity funds has already been deposited with CRDB in Tanzania. The final US\$4 million of companion equity is expected next week, subject to approval by shareholders today.

As announced in July, TNR was appointed to undertake site earthworks and civil engineering work. As these activities form a critical pathway of the project development schedule, full mobilisation was subject to IPM approval of the mobilisation payment.

CRDB approved the appointment of the IPM in early August. Since then, the IPM has undertaken a site visit and given the necessary approvals. Mobilisation payments have been made to TNR and site mobilisation has now commenced.

CEO of Walkabout Resources, Andrew Cunningham commented: "The appointment of the Independent Project Manager by CRDB has kickstarted project development activities, with the mobilisation of bulk earthmoving equipment now underway. These activities coincided with the Company hosting two high-level Government delegations to site over the past week through visits by the Honourable Prime Minister of Tanzania Mr Kassim Majaliwa and Honourable Deputy Minister of Minerals Prof. Shukrani Manya. Lindi Jumbo is now officially in construction and we look forward to updating our shareholders on the progress over the coming months."



Figure 1: The Honourable Prime Minister of Tanzania Mr Kassim Majaliwa together with Lindi Jumbo's Paul Shauri and Mohamed Kutwambi (left) and the Honourable Deputy Minister of Minerals Prof. Shukrani Manyá together with the Prime Minister (right).

Governmental visits

The Company had the honour of hosting two senior official Governmental site visits over the past week. The Honourable Deputy Minister of Minerals Prof. Shukrani Manyá was on site on 13 August 2021 and again accompanied the Honourable Prime Minister of Tanzania Mr Kassim Majaliwa to site on 20 August 2021. Both delegations were updated on the commencement of the project development activities and of the Company's ESG activities in the region. The start of the first major mine development activities in Tanzania over the last five years and the first in the wider region has resulted in active interest by the Government stakeholders and both delegations have expressed their delight in seeing this happen and confirmed their ongoing support towards the Company and the Project.

Other Project Development Activities

The company continues to finalise its other important project development contracts. The EPC contract is nearing finalisation, while the logistics, camp and power contracts have all been re-tendered. Award of these contracts is expected shortly.

The current global container shortage is expected to significantly increase our shipping costs of approximately 90 containers from China to Tanzania. As the erection of the graphite plant is not scheduled until later in the year, these shipments will be sequenced to arrive according to the construction schedule to try and mitigate these higher costs.



Figure 2: Paul Shauri and the IPM on site during the second week of August.

Stakeholder Activities

Apart from the high-level Governmental visits to site, the Lindi Jumbo team has been very active in the local region, where numerous meetings and information sessions have been held to inform all relevant local stakeholders in preparation for the commencement of construction activities on site. Interactive information sessions will be conducted throughout the construction process, as it is of the utmost importance to the Company that the “Social Licence to Operate” is maintained.

Offtake Activities

As previously reported, the existing binding offtake term sheets will be priced and converted to agreements much closer to production. These offtake agreements are not required to be finalised before the project debt is available to draw down as they are not a condition precedent and are only required to be provided to CRDB as a condition subsequent. It is in the commercial interests of the company to enter those arrangements as late as possible.

We remain encouraged by the increasing demand outlook for the products of Lindi Jumbo. With the mine under construction, the company receives new offtake enquiries from around the world virtually every week.

Our commitment is to deliver the 40,000t base case project and make active consideration of the growth possibilities.

This announcement is authorised for release by the Board.

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ABOUT WALKABOUT

Walkabout is developing the high-grade Lindi Jumbo Graphite Project in South East Tanzania to take advantage of forecast market conditions for Large and Jumbo flake graphite products.

The Company holds 100% of a Mining Licence and between 70% and 100% of adjacent graphite prospecting licences at Lindi Jumbo with an enduring option to acquire the remaining 30% share. A high-grade graphite Mineral Reserve has been delineated within the Mining Licence area.

In addition to the Lindi Jumbo Project, Walkabout is also exploring in south west Tanzania at the Amani Hard Rock Gold Project and southern Namibia at the Eureka Lithium Project.

The Company has also acquired an exciting exploration portfolio for gold and base metals in Northern Ireland and Scotland and is conducting ongoing mineral exploration in these areas.

Learn more at wkt.com.au

