

ASX ANNOUNCEMENT

08 July 2022



Walkabout Commences Graphite Mining at Lindi Jumbo

Walkabout Resources Ltd (ASX:WKT, 'Walkabout' or the 'Company') is pleased to advise that mining of graphite ore has commenced at Lindi Jumbo with the first blast completed within the starter pit.

HIGHLIGHTS

- First blast successfully completed in the starter pit area of the Lindi Jumbo graphite mine.
- Commencement of first high-grade, responsibly sourced graphite stockpile in Tanzania, ready for commissioning of the processing plant.
- The Mine now has grid power with the Tanzanian Electrical Supply Company (TANESCO) completing installation of the 33kV powerline and the 4.5MW line underway, just 3km short of the mining licence.
- Processing plant civil works ~83% complete, with Jinpeng's engineering crew constructing the fine ore bin and thickener.

Walkabout Resources' CEO, Andrew Cunningham commented, "The first blast and mining of the starter pit area is a new chapter in the development of the Lindi Jumbo Graphite Mine and for Tanzania, as it also represents the commencement of the first high-grade, large-flake stockpile of responsibly sourced graphite in Tanzania. The effort and expertise put in by our earthmoving contractor TNR, as well as our Lindi Jumbo team on site to conduct the inaugural blast in a safe and controlled operation was a proud moment for all involved."

PROGRESS TOWARDS DEBT DRAWDOWN

Lindi Jumbo has received important concessions from CRDB Bank to enable an initial drawdown of the project debt. These include a reduction in the amount of the Standby Letter of Credit (SBLC) and the lowering of the minimum credit rating of the issuing bank, which increases the number of potential issuers. While definitive progress on the issue of a replacement SBLC is being made, there remain a number of important steps that need to be completed to enable the issue of the SBLC and the initial drawdown.

Obtaining an independent view on the value of security available to lenders is likely to be an important milestone in the finalisation of the debt drawdown. The Company has engaged EY to perform an independent valuation of Lindi Jumbo. The report is expected in the next few weeks.

It is expected that finalisation of graphite concentrate offtake arrangements will now occur prior to finalisation of debt drawdown. Lindi Jumbo continues to receive strong support from the Government of Tanzania. Several briefing sessions have been held with the Minister of Minerals, the Prime Minister and various government officials.

MINE DEVELOPMENT ACTIVITIES

Since the last update the project has not recorded any lost time injuries (LTI) with the total days since the last LTI now at 206 days.

STARTER PIT

The first production blast was successfully completed at the end of June and mining of the pit has commenced (refer Figure 1). Within the blast area, all topsoil was removed and stockpiled for later use/rehabilitation prior to blast activity, as stipulated in the Environmental Impact Assessment. The clay rich overburden was used in the construction of the Tailings Storage Facility (TSF), with the principal purpose of current mining activities to source waste rock for the ongoing construction of the TSF.



Figure 1: Blast sequence at the starter pit looking south. The main super high-grade zones are approximately 30m to 50m to the east (left) of the blast zone and strike NE-SW.

The starter pit area is in the hanging wall of the initial-term production area and although care was taken to avoid the core super-high-grade zones, there is still an instance of a known and modelled high-grade zone within the starter pit.

This high-grade material is visually very distinct from the waste and/or lower grade graphitic units and is being stockpiled for use during the commissioning of the processing plant (refer Figure 2). Ore zones are demarcated, and a “spotter” is used to direct the separation of ore from waste.



Figure 2: The box-cut being opened with the loading and hauling of the fragmented blasted material. The temporary high-grade stockpile is in the background.



Figure 3: A visually distinct high-grade graphitic ore zone (dark grey) within the starter pit area. The grade of the exposed graphite ore is estimated to be between 30% - 40% TGC.

TAILINGS STORAGE FACILITY CONSTRUCTION NEARS COMPLETION

Preparation for construction of the retaining wall at the TSF is nearing completion. Waste rock from the starter pit area will be used for the various lifts of the TSF wall, while the entire area will be covered with an impervious liner.

Stormwater drainage around the entire TSF area, trenching for the installation of the drainage piping, access roads and clearing for the security fencing is progressing to schedule.



Figure 4: Excavation and shaping of the return water sump at the distal end of the TSF.

PROCESSING PLANT

More than 150 workers continue to progress earthworks and civils. To date, processing plant civil works are approximately 83% complete. Civil and earthworks continue to focus on the concentrator and screening buildings (refer Figure 5), as well as around the TSF area (see announcement 16 June 2022).

Jinpeng's engineering crew on site are focussing on the erection of the fine-ore bin (refer Figure 6) and thickener. Numerous assembled pieces of equipment have been placed near their foundation areas for erection as per the construction schedule.



Figure 5: End of June 2022, view from the south of the processing plant area with the TSF in the background. Development of foundations for the drying, screening and packaging building can be seen in the foreground.



Figure 6: Assembly of the fine-ore bin. Once completed the structure will be 18m high.

Lindi Jumbo will be connected to grid power via two lines through an agreement with the Tanzanian Electrical Supply Company (TANESCO) and installation of the 33kV powerline is now complete and reaches the project site. Once the transformer has been installed, grid power will be readily available to support completion of the construction activities (see announcement 16 June 2022). Initially, this line will supply power to the mining camp and ancillary facilities.

Installation of the 4.5MW powerline is progressing well and has reached the village of Matambarale, approximately 3km to the west of the mining licence. On completion, this line will supply continuous power for the entire operation once commissioning starts (refer Figure 7).



Figure 7: 33kV powerline (right) and the 4.5MW powerline (left) running alongside and to the west of the Lindi Jumbo mining licence.

This announcement is authorised for release by the Board.

-ENDS-

For further information, please contact:

Andrew Cunningham
Chief Executive Officer
+61 8 6298 7500

Or

Skye Gilligan
Media Liaison
+61 416 854 264
skye@gilligangroup.com.au

ABOUT WKT

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.

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

Learn more at wkt.com.au



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