

ASX ANNOUNCEMENT

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Lindi Jumbo Project Update: Multiple Contractors Active.

Graphite developer Walkabout Resources (ASX: WKT) is pleased to announce that its mine construction schedule is on track, providing the following project development update on activities supporting the development of its 100% owned Lindi Jumbo Graphite Mine development in south eastern Tanzania.

HIGHLIGHTS

- Commencement of Engineering, Procurement and Construction (EPC) Contract with Yantai Jinpeng Mining Machinery.
- Payment of approximately US\$1.6 million to initiate procurement and construction of processing plant equipment and materials.
- EPC Contract Scope of Work includes the supply, shipping and construction of the processing plant, related buildings and mobile equipment.
- Axis Group International appointed as company representative in China overseeing EPC project management including QA/QC and loading supervision.
- Earthmoving and civils site works continuing with a focus on the Processing Plant construction schedule.

Engineering, Procurement and Construction Mobilisation

Lindi Jumbo Limited (the Company), a company incorporated in the Republic of Tanzania and a 100% owned subsidiary of WKT, initiated the second material project development agreement for the Engineering, Procurement and Construction (EPC) of the Lindi Jumbo Graphite Process Plant with Yantai Jinpeng Mining and Machinery Co. Limited (Jinpeng). A mobilisation payment of approximately US\$1.6 million was approved by the Independent Project Manager and CRDB Bank in Tanzania.

Jinpeng – a mid-sized, family-owned private manufacturing and construction engineering business with ~400 employees based in Yantai, China – is experienced in building graphite processing plants both locally and internationally. Jinpeng also procured and manufactured the long-lead items as part of the Early Start contract completed in 2019.

Walkabout Resources' CEO, Andrew Cunningham commented, "Despite constructing a mine in a time when travel is restricted, our strategic network of delivery partners including our longstanding working relationship with Jinpeng has ensured Walkabout is in an agile position to meet agreed development targets. Not only do Jinpeng understand Lindi Jumbo through their close involvement in the front-end engineering and flowsheet design of the processing plant, Axis Group mitigates any potential risk acting on our behalf during the QA and loading stages.

We are pleased to partner with such an experienced manufacturer of graphite processing plants as we set up for production from this standout graphite deposit.

During the past week on site, I have been inspecting site bulk earthworks together with the executive team of our civils contractor, TNR. The progress being made is aligned with our construction schedule and am confident that the progress of Lindi Jumbo is in good hands."

The EPC contract includes procurement, manufacture, shipping, erection and commissioning of the process plant including but not limited to:

- The 840 tpd Processing Plant from Run of Mine (ROM) pad to the bagging and dispatch section;
- Moveable equipment;
- Steel structure buildings;
- Miscellaneous equipment, tools and spares;
- Motor Control Centre's (MCC's);
- Dry and wet commissioning; and
- Training of Lindi Jumbo's operations personnel.

While the EPC contract has been activated, the Company is working with Jinpeng on a number of minor contractual details such as mandatory Tanzanian insurances and shipping. Once settled a final EPC contract will be finalised. An initiation payment of US\$1.6 million on the EPC contract will protect the project schedule and enable work in China to get underway. The signed EPC contract is a condition precedent of the Lindi Jumbo project loan drawdown.

Appointment of Axis Group International

With the current global travel restrictions in place, management are not able to attend and oversee the manufacture of the plant in Yantai. As such, the Company has recently signed a contract with Axis Group International to act as the Lindi Jumbo representative in Jinpeng - China for overall project scheduling and management, quality management (QA/QC, inspection, loading supervision, etc.) and expediting including packaging and loading supervision. Axis Group has recent experience in working with Jinpeng on other African projects and the Company is leveraging this experience which includes the shipment of equipment from Jinpeng to Tanzania.

Siteworks in Tanzania

Site bulk earthworks have commenced and are focussed on the critical site areas that tie in with the EPC and equipment shipment schedule. Terracing, levelling at the processing plant area and the construction and upgrading of the access and internal roads are progressing well. The first concrete batch plant has arrived on site and the civils contractor (TNR) will commence with the concrete work once the necessary preparatory earthworks have been completed.



Figure 1: Internal and access roads construction.



Figure 2: Terracing and levelling of the Processing Plant area.

Baseline monitoring and sampling of the water-borefield has been ongoing for a number of years with the extraction permit being approved by the Tanzanian waterboard. Pumping facilities will now be installed at the fully equipped borefield to enable the extraction of water for construction and later commissioning activities.



Figure 2: Water borehole monitoring on site.

This announcement is authorised for release by the Board.

-ENDS-

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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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