

# ASX ANNOUNCEMENT

7 June 2024



## First graphite concentrate shipment from the Lindi Jumbo Graphite Mine

Walkabout Resources Limited (ASX:WKT) ("Walkabout" or the "Company") is pleased to announce that it has produced and shipped the first consignment of on-specification graphite concentrate from the Lindi Jumbo Graphite Mine in Tanzania.

### HIGHLIGHTS

- Lindi Jumbo plant commissioning ongoing with first graphite concentrate bagged in early May
- Product shipped from site for first sales in Europe
- Commissioning team currently focused on improvements in plant performance, availability and utilisation
- Operations team achieving significant cost efficiencies in power and fuel usage
- Announced US tariffs on Chinese graphite improve product pricing

**Walkabout's Managing Director and CEO Andrew Cunningham said,** "The successful production of on-spec, saleable product during the commissioning process at the Lindi Jumbo plant facility is an exciting milestone. To achieve our first concentrate shipment from site, at a time when customers are looking to shore up their graphite supply chains is a rewarding and outstanding outcome for the tenacity of our people, community, contractors and shareholders. We now have the opportunity to engage with more end-users as we continue to demonstrate we have a viable product and that we are serious contenders in development of non-Chinese graphite supply."

### Lindi Jumbo Project Update

#### COMMISSIONING ACTIVITIES

All sections of the plant are commissioned.

The priority commissioning team remains focused on is the increase of plant availability to run the entire circuit on a more continuous basis, while steadily increasing throughput to reach the planned production volume of 40Ktpa. Having the plant available and operating for an entire 12-hour shift has been an important milestone during the commissioning and ramp-up period.

Once the throughput targets have been met the team will turn its attention to the end-to-end optimisation of processing circuits to consistently achieve customer product specifications.

Logistics efficiency is also a focus, with bagged on-spec product accumulated in the load out area ready to be transported to port. Currently, any product not meeting specification is reprocessed as determined by the Lindi Jumbo on-site laboratory.



*Figure 1: Lindi Jumbo bagged, on-spec flake graphite concentrate awaiting shipment at the Lindi Jumbo loading hold.*

## PRODUCT SHIPMENT

Although volumes are still relatively modest due to limited plant availability and utilisation during the commissioning and early ramp-up phase, the first consignment of on-spec bagged graphite concentrate has been shipped to Dar es Salaam for sale to Wogen under the exclusive offtake agreement (See announcement 22 July 2022). This first sale forms part of a larger order from an end customer in Europe. Road access to both ports is now available after the recent cyclone.

## CONTRACTS

Issue of the Final Completion Certificate (“FCC”) by the EPC contractor (Jinpeng) will occur once the required throughput tonnages are achieved and sustained for a period of 48 hours. Once signed off, the plant will be handed over to the operating team to continue the ramp up over the coming months. A number of processing and maintenance specialists from Jinpeng will remain on site for as long as required.

Following FCC, it is not expected that Lindi Jumbo will make any post commissioning cash payments to Jinpeng as the mine has incurred a substantial amount of in-country costs on behalf of the EPC contractor and the remaining net balance will be settled by way of the issue of shares (See ASX announcement of 28 August 2023).

## **COST REDUCTION ACHIEVEMENTS**

The largest production cost for Lindi Jumbo is power. While Lindi Jumbo has 4MW of installed diesel generated backup power available it was not required at all during May. Having the plant run 100% on grid lowers the power cost by approximately 80%.

With the successful commissioning of the burner for the rotary dryer, the operations team has been able to successfully run the dryer at a lower temperature while still meeting requisite moisture levels in the graphite concentrate. This has resulted in fuel savings for the dryer of more than 50%.

If these experiences are sustained into the future, it should result in meaningful reductions to plant operating costs.

## **Graphite Market Observations**

In mid-May, the US government announced the future imposition of a 25% tariff on Chinese natural graphite. This has added to market concerns over security of supply chains after China imposed export restrictions for graphite. Reflecting these developments, there appears to be a widening gap between Chinese domestic and ex-China prices. That has also been our experience in sales orders received to date. Lindi Jumbo production is coming to market at a fortuitous time and remains fully exposed to resulting price increases.

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 Southeast 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.

Also in Tanzania, the Company has assembled a large holding over the Amani Gold Project in the southern highlands near Lake Nyasa. This gold field is the base of intensive alluvial and artisanal diggings and the presence of rough-shaped nuggets is an indicator of a potential nearby source.

The Company holds 100% of an exciting exploration portfolio for gold and base metals in Scotland and 50% in the Tyrone Joint Venture in Northern Ireland where cobalt, copper and silver occurrences are being explored.

Details of Walkabout Resources' projects are available at the Company's website, [www.wkt.com.au](http://www.wkt.com.au).