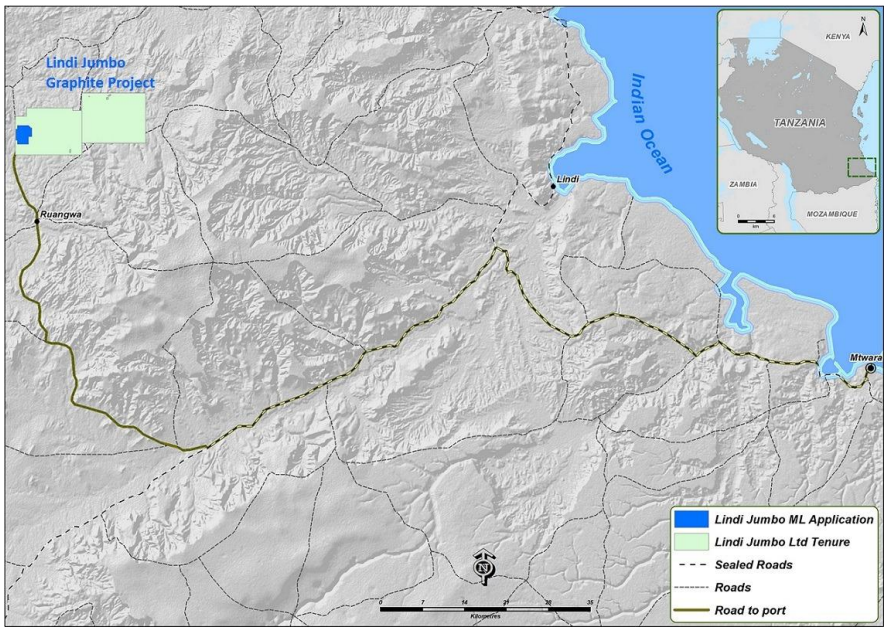
THE CLOUDMINER LTD

walkabout RESOURCES LTD

Time to Mine: Walkabout Resources Limited (ASX:WKT) is ready to begin construction at the Lindi Jumbo Flake Graphite Project following Mining Licence approval.



On the 30th of August 2018, Walkabout Resources (WKT) received confirmation from the Ministry of Tanzania for the granting of Mining Licence ML00638/2017 for the Lindi Jumbo Graphite Project. WKT is now in a position to complete discussions on the final design, financing and offtake of their 100% owned Lindi Jumbo Flake Graphite Deposit. Located within the highly prospective Mozambique belt, a region that hosts some of the world's highest grade, coarse flake graphite deposits, Lindi looks likely to be the next major producer following Syrah Resources who commenced production at their Balama Deposit this year.

Since 2015 WKT has advanced the Lindi Project from discovery to a robust DFS in a remarkably short amount of time and within an impressive total spend of under A$10M. With the mining Licence having just been approved WKT will now complete advanced development plans with Chinese based EPC Company, Yantai Jinpeng Mining and Machinery Co. Ltd for the construction of a 40,000 tonne per annum mine processing plant, ready within 12 months from the commencement of construction activities.

With a strong track record of delivering development projects across Africa the WKT management team have Lindi sitting poised to become the next major producer.

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9/24/2018

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The CloudMiner Team (TCM) has exercised all due care in reviewing the supplied information in accordance with the scope of works. This report is intended for information purposes only it is not intended to replace professional, diligent and complete studies to determine a projects viability in accordance with the relevant guidelines as laid out by the industry. A thorough Due Diligence process carried out by independent technical experts in their field is highly recommended to review the geology, resource model, mine plan, schedule, metallurgy and cost estimates. While TCM software can be used to quickly access the key assumptions versus global peers and sense check excel models for critical flaw analysis we would still recommend a thorough DD process.

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INTRODUCTION

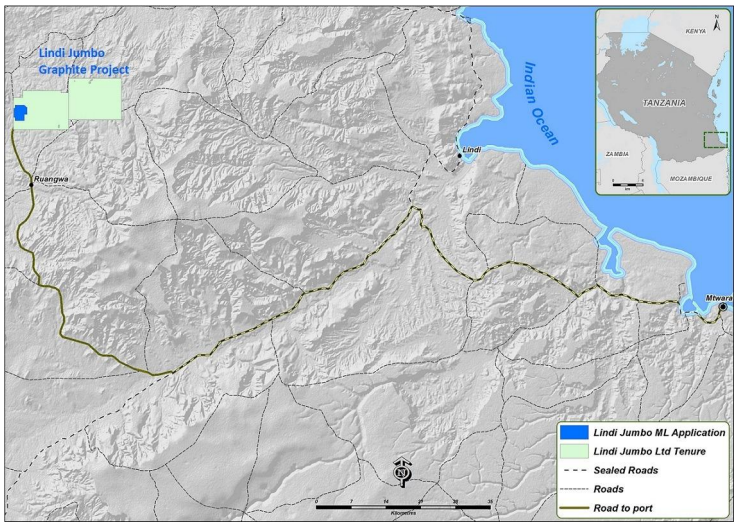


Figure 1: Lindi Location Map

On the 30th of August 2018, Walkabout Resources (WKT) received confirmation from the Ministry of Tanzania for the granting of Mining Licence ML00638/2017 for the Lindi Jumbo Graphite Project.

Walkabout Resources Ltd (WKT) consists of a proven management team that have to date discovered, developed and operated numerous projects across Australia, South America and more specifically Southern and East Africa. It is this experience which has seen the rapid development of the company's flagship project; the Lindi Jumbo Graphite Project.

Situated in south-eastern Tanzania approximately 200km from the export port of Mtwara, WKT have advanced the deposit from discovery in October 2015 to the completion of a highly robust Definitive Feasibility Study released August 2017.

This targeted and focused programme achieved the objectives as laid out by the management team in 2015 within a 20-month period and incredibly within a total exploration and feasibility spend of less than A$10M. To achieve planned production the total capital expenditure required amount to USD$29.7M. Thereby bringing the al- in development costs to an impressive USD$1,000 per annual tonne of concentrate produced. Lindi remains well ahead of the majority of its peers in terms of the level of de-risking that has been undertaken (definitive feasibility study), making it one of few early movers in an exciting technology driven market as illustrated in Figure 2, while the project possesses several key competitive advantages including but not limited to; a high-grade reserve, superior product quality (Jumbo flake size), low capital and operating costs to name a few.

WKT is now focused on fast-tracking the development of this project to capitalise on the predicted high demand for premium flake graphite concentrate. A task which was made significantly easier on August 30th 2018, with the approval of the Mining Licence (ML), thereby providing the Lindi project with a clear path to production.

The award of the ML allows the company to rapidly progress final discussions around development financing and binding off-take arrangements with potential suitors. The final pieces of the puzzle are being arranged to make sure that Lindi becomes the next major producer of large flake graphite with first concentrate production scheduled approximate nine months after the commencement of construction as per WKT's feasibility as illustrated in Figure 3.

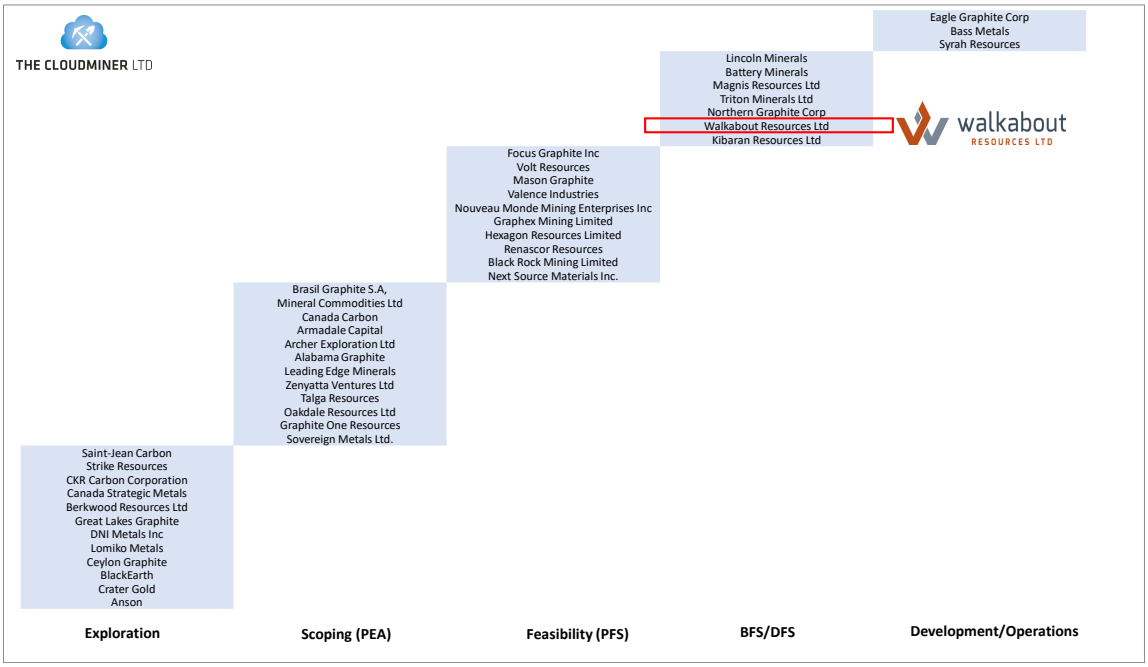


Figure 2: Current Graphite Players by Stage

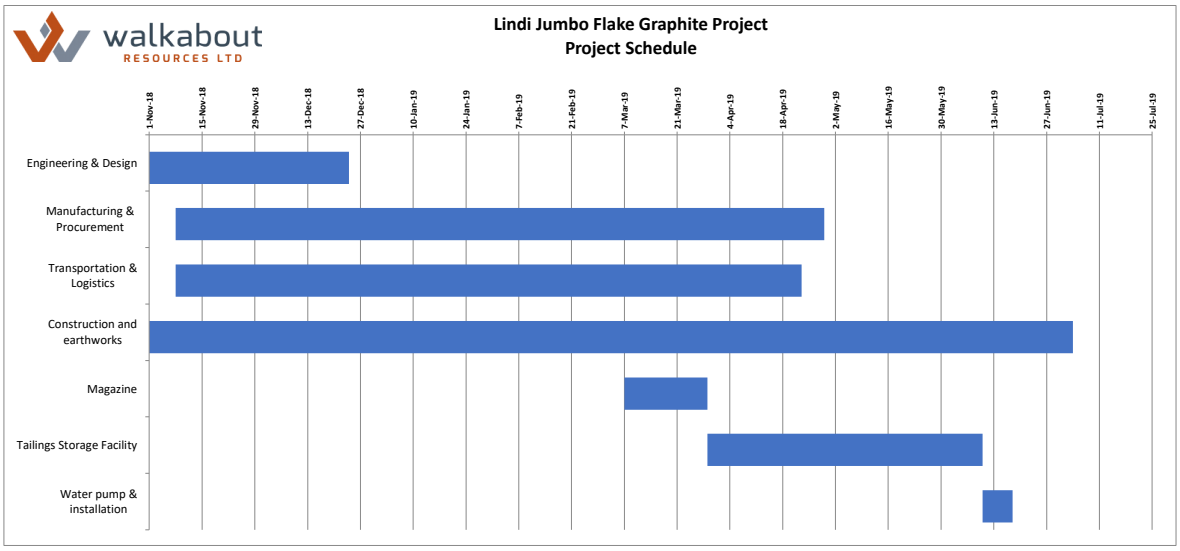


Figure 3. Project Schedule

The previous schedule, displayed in Figure 3, was delayed somewhat due to the hold ups associated with receiving the Mining Licence (ML) from the Tanzanian government. However, with the final awarding of the Mining Licence the next phase of development is expected to commence soon with approximately a 8-month period of construction before first concentrate is produced and shipped to the market.

GRAPHITE MARKET SNAPSHOT

Graphite is a dynamic commodity in a highly diverse and ever-growing market. The number of junior miners focused on graphite has grown substantially in the last five years alone while the synthetic graphite has also steadily increased but does not provide a viable threat to natural graphite on a cost of production basis. Furthermore, many of the new entrants who threaten to supply the natural graphite market will ultimately not make the cut.

While there is plenty of discussion amongst listed companies as to what makes a good graphite project such as; deposit size, grade and/or insitu flake size distribution, it is the end products purity (minimal deleterious materials) coupled with its flake size that will become the main driving factor in fuelling demand from its application in higher value end uses and thus premium pricing. As flake size is a key determinate of the potential markets in which the product is suited, it also remains widely accepted that larger flakes tend to correlate with a product containing less impurities and as such flake size is commonly used a precursor for determining the price resilience of the product produced.

Multiple potential products therefore equate to multiple forward-looking commodity prices being attributed to each product and so a weighted average price (basket price) is reported to simplify comparing projects as a whole. An analysis of all economic and feasibility reports over the last few years shows just how variable the price reporting for the weighted average is with the outliers topping a whopping $13,000/t. Overall however a steady rise in the mean weighted average price was initially seen from 2013 through 2016 which has somewhat cooled through 2017 and 2018 as can be seen in Figure 4.

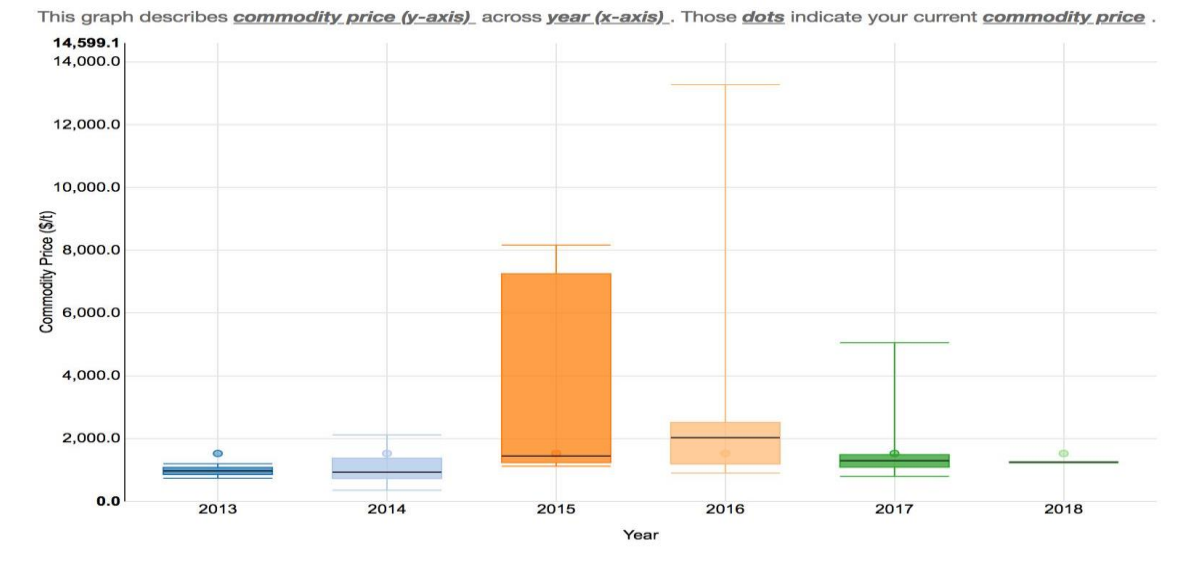


Figure 4: Box and Whisker plot of Basket Price analysis reported in pre-production economic studies

With graphite forming a key ingredient as the anode in Lithium-Ion battery production in addition to the potentially enormous construction materials industry for its use as a halogen-free, non-carcinogenic component in fire-retardants, under the pseudo name expandable graphite, the

excitement around graphite has remained strong. As it stands, a cost-effective synthetic substitute to high-quality naturally occurring large flake sized graphite has not been developed.

To date extensive metallurgical test work in Australia, China and Germany, indicates that the Lindi Jumbo Project can produce concentrate that contains a "best in class" flake distribution of up to 75% above 180 microns (µm) of high purity graphite (>95% TGC) through an industry standard flotation flowsheet as reported by WKT in their Definitive Feasibility Study (DFS) in Aug-2017. Table 1 below shows the full breakdown of products as reported in the DFS which results in a calculated base-case basket price of US$1,534t (concentrate) and a lower-case basket price of $1,100t, represented by the dots in Figure 4 above.

Table 1. Lindi - graphite basket price breakdown

Product Type	Mesh	Mass Dist. %	Grade %TGC	Sales Price (US$/t) Base-case	Annual Sales (tonnes)	contribution to revenue	Sales Price (US$/t) lower-case
Super Jumbo (+500µm)	35	14.80%	>95	3,500	6,000	33%	2,000
Jumbo (+300µm)	50	34.50%	>95	1,750	13,000	39%	1,250
Large(+180µm)	80	25.00%	>95	1,000	10,500	16%	850
The Rest (-180µm)	-80	25.70%	>95	750	10,500	12%	675
Total		100%	>95	1,534	40,000	100.00%	1,100

Source: WKT Aug-2017

Further independent test work indicates that the flakes are highly suitable for the production of expandable graphite and graphite foils with expansion ratios of up to 590 times the original, (WKT DFS Aug-2017). This compares very well to the average expansion ratio of 250 times of China sourced graphite and well above the global range of between 150 to 400 times.

Figure 5 below supports the DFS claim of "best in class" by showing when ranked by the percentage of contained Jumbo Flakes, Lindi does indeed outperform the majority of their global peers. Thus, justifying why, the Lindi Project weighted average or basket price performs above the mean when compared against peers globally.

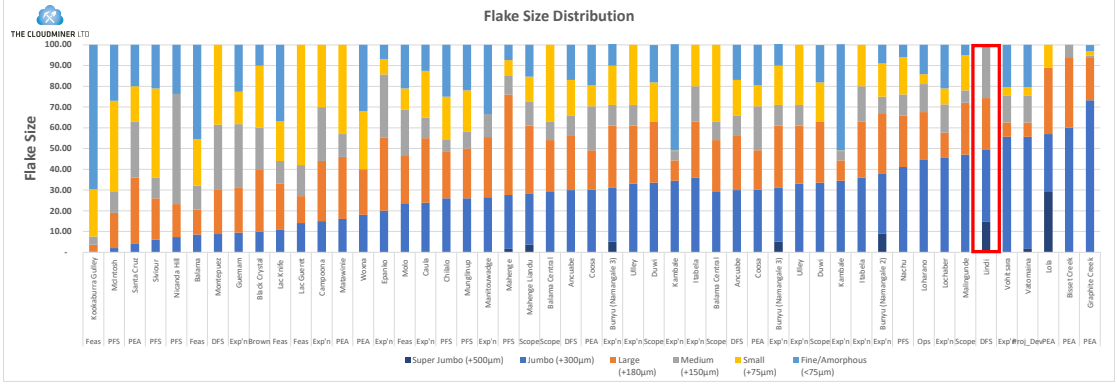


Figure 5: Peer Comparison of Flake Size Distribution.
Projects ranked by % Jumbo Flake Size

LINDI - DEFINITIVE FEASIBILTY STUDY

As previously introduced the Definitive Feasibility Study (DFS) was completed in February 2017 and updated in August 2017 in line with revised Tanzanian Government Legislation. The DFS confirms the project to be technically sound with excellent economic returns adopting ***conservative price assumptions*** as supplied by Benchmark Minerals.

The project delivers a rapid payback of less than two years based on a production scale of 300,000 tonnes per annum of ***+16% high grade feed*** to the plant thereby producing 40,000 tonnes per annum of high-quality graphite product. In ***excess of 75% is classified as large flake size*** or above thereby positioning their product into the premium pricing range.

The below Table **2** outlines key highlights from the DFS before and after Tanzanian Government legislative changes. As illustrated, despite government increasing their required dividend to 16%, the project remains economically robust.

Table 2. WKT DFS highlights (Feb-2017 and Aug-2017)

DFS date of publication	Unit	Feb-2017	Aug-2017
Revenue	$ millions	$ 1,259	$ 1,188
Project Operating Cost	$ millions	$ 267.5	$ 267.5
Project Capital Cost	$ millions	$ 38.7	$ 29.7
Ongoing Capital Cost	$ millions	$ 5.6	$ 5.8
Pre-Tax NPV (10%)	$ millions	$ 323.0	$ 302.5
Pre-Tax IRR	%	96%	108%
Post-Tax NPV (10%)	$ millions	$ 230.0	$ 180.2
Post-Tax IRR	%	85.9 %	87.7 %
Payback Period	Months	22	19
Peak Funding Requirement	$ millions	~-$ 32.0	-$ 31.2
Operating Cost (FOB Mtwara)	$/t concentrate	$ 292	$ 349
Operating Margin (before Royalties)	%	79.00%	77.50%
Average Annual Free Cashflow	$ millions	$ 35.8	$ 28
Annual Average EBITDA	$ millions	$ 47.7	$ 46.2
Life of Mine	years	20	20

*Source: WKT Definitive Feasibility Study results, Feb-2017. Updated DFS Aug-2017

The discounted cashflow model developed for the project assumed the following financial parameters;

- Discount Rate – 10% considered appropriate for mid-scale East African projects.
- Tax Rate – 30% engaged after capital allowance has been reached.
- Royalty Rate – 3% as per Tanzanian Government for Industrial Minerals.
- Contingency – 12.8% calculated as a function of accuracy of cost and quantity.
- Tanzanian Government Free Carry – Dividend of 16%
- Clearance Tax – 1 per cent of revenues.
- Equity – 100% based on the premise that the option to acquire the remaining 30% has now been exercised.

Lindi Project's competitive advantage

TCM specialises in the review and comparison of a projects' core technical and economic parameters and ranks them accordingly. Statistically the Lindi project ranks highly among its peers across many key techno-economic aspects which is supported by the peer analysis that forms the basis of this report.

As Lindi is already an advanced and well understood project at DFS stage, the TCM predictor information is used as an extra layer of validation and sense-check. TCM has evaluated all existing studies that are publicly available in the graphite space which is held by around 45 companies globally.

Reserve Benchmarking

Lindi is superior in grade compared with a majority of its peers, both for Resource's and more importantly the Reserves. Ensuring that a smaller tonnage does not diminish the overall contained tonnes of the highly valuable product. When ranked globally for Reserves, Lindi's grade is only eclipsed by 4 other projects – Vittangi in Sweden, Munglinup in Australia, Lac Gueret in Canada and Balama in Mozambique as seen in Figure 7.

As is well known the benefits of a higher reserve grade and ultimately the feed grade to the mill results in more contained product per tonne of ore processed. Henceforth, less tonnes milled per contained metal tonne. The added benefit of the Lindi Project is that the majority, circa 85% of that product is above a large flake size and as such yields a purer final product than the majority of their peers including the four listed previously which keeps processing costs down and sales price up.

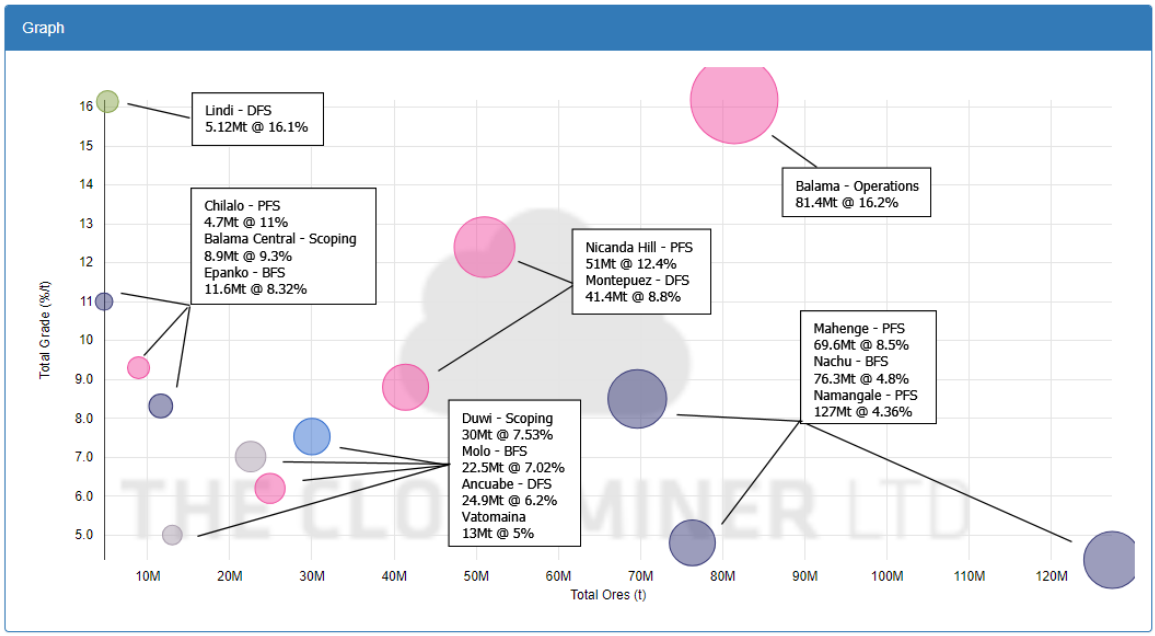


Figure 6: Southern African Graphite deposit Reserve Peer Analysis

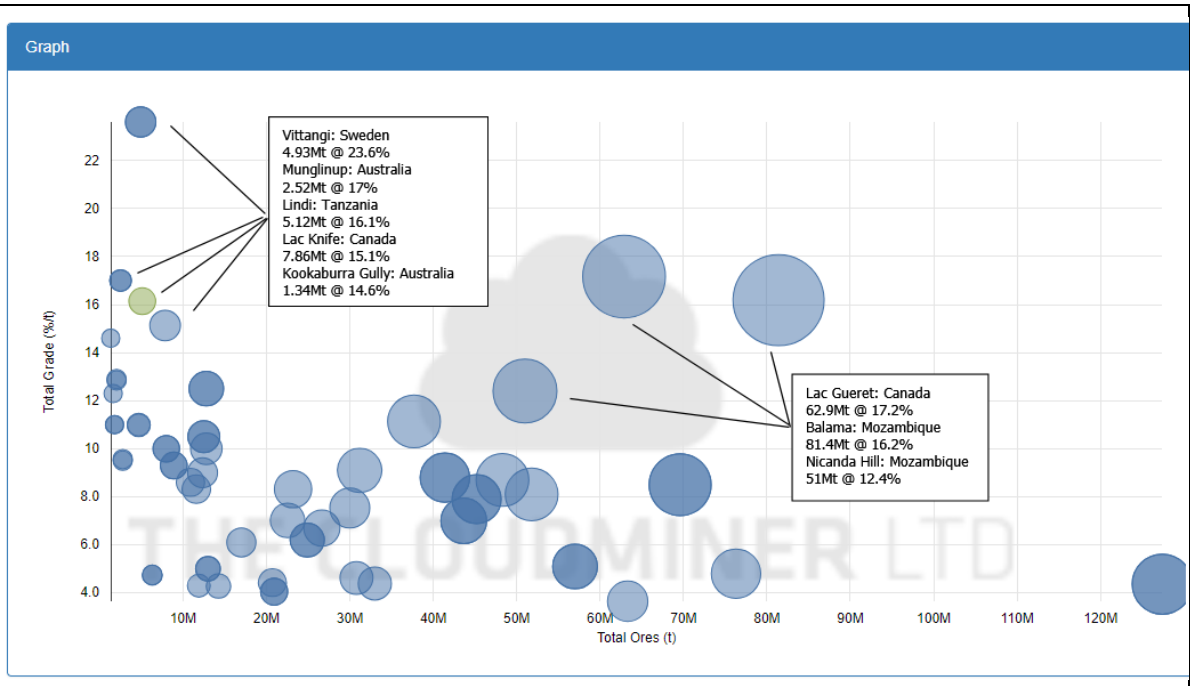


Figure 7: Lindi Reserve vs Global Peers

Scale Benchmarking

WKT are proposing to produce approximately 40,000 tpa of saleable product based on a production rate of 0.276Mtpa based on their current in-situ reserve is made up of 3.2Mt of Probable and 1.8Mt of Proven for a combined 5Mt total. When ranked against their global peers as in Figure 8 the annual production of 40ktpa sits at the lower end of their peers but given the current size of the market represents a realistic entry point.

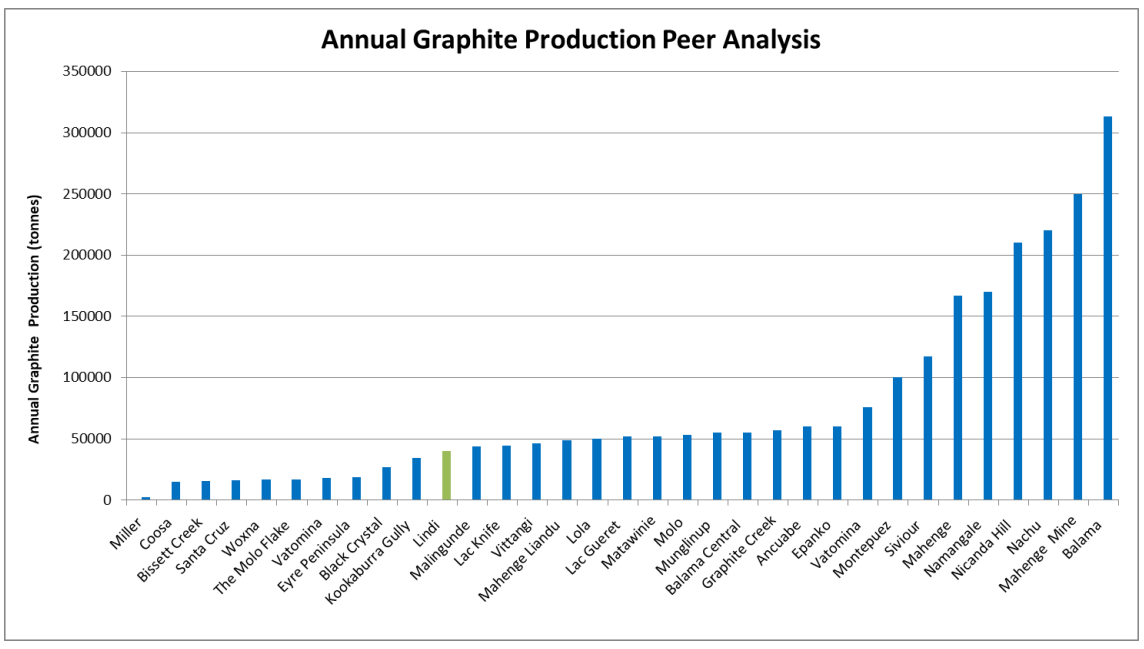


Figure 8: Global Peer Analysis for total Graphite produced per annum

Figure 9 explores the relationship between the scale of production and the reserve size which follows a very linear trend as one would expect. The proposed production rate falls well within the comfort zone of their peers and is buoyed by the high grade which returns a better yield of saleable product. The TCM NPV predictor suggests a higher production rate of 0.46Mtpa would be optimum at an annual saleable product of circa 60kt of contained graphite. The modular approach to construction of the processing plant as pioneered by Bass Resources for their Madagascan project would suggest that such a production scale could be implemented should market conditions demand.

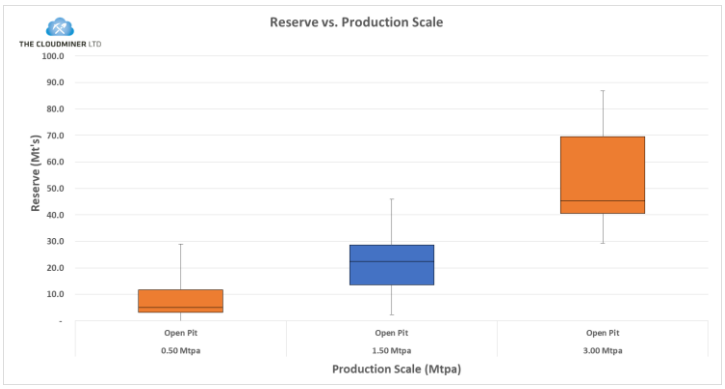


Figure 9: Box & Whisker plot of reserve vs production scale

Operating Cost-Curve Benchmarking

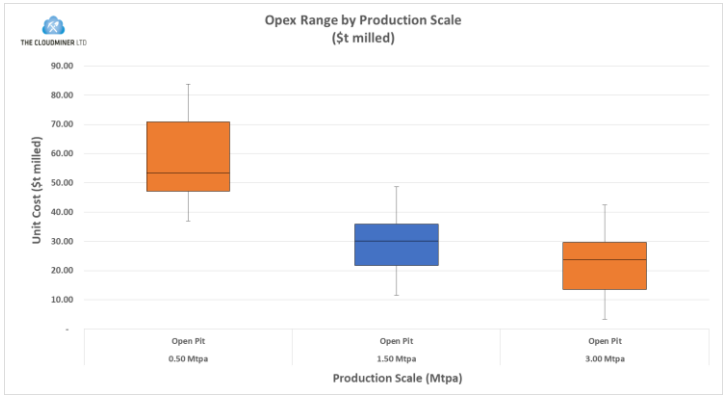


Figure 10: Box & Whisker Plot of throughput vs Unit Cost

The proposed total operating costs at the Lindi Project are reported as US$50.7/t of ore processed, based on the following calculation cash cost * annual graphite production / ore milled. This falls just below the median of their peers for the scale of production as seen in Figure 10. For a production rate under 0.5Mtpa the operating costs range from US$53/t to US$59/t with a median of US$53.4/t.

However, a better measure of a projects costs to produce is displayed in a cost curve. Cost curves takes into consideration the cost to produce a tonne of saleable concentrate right up to the mine gate on an FOB basis (C1 or net direct cost) as well as the production scale per annum. Results from the updated DFS in Aug-2017 place Lindi Graphite Project's cash-cost, US$349/t (FOB basis), TCM have attempted to unify what's included in a cash cost by using the reported $/t milled operating cost, concentrate produced and annual production rate to calculate the cash cost. This results in an operating cash cost of US$310/t of product for Lindi which is in the ***lowest 35%*** of development stage graphite projects globally and well below the global median, US$412.77/t (Figure 11). The quality of the product and the ability to scale production in a modular approach above the current 40,000 tonnes per annum makes Lindi an ideal off take source for potential end users for a robust and reliable source of product.

The calculated margin at mine-gate based on a conservative basket pricing of approximately $1,100t remains very attractive (refer to **Table 1**) indicating a robust project, as further depicted in the cash-cost chart in Figure 11. The weighted average basket price was normalised for each project by utilising the lower-case price assumptions in Table **2**, coupled with the flake-size distribution analysis data as per Figure 5. Together these reference points enabled TCM to produce a cash-cost curve overlaid with pricing data thereby providing an indication on potential margin per project based on cash-cost and weighted average basket price as illustrated in Figure 11.

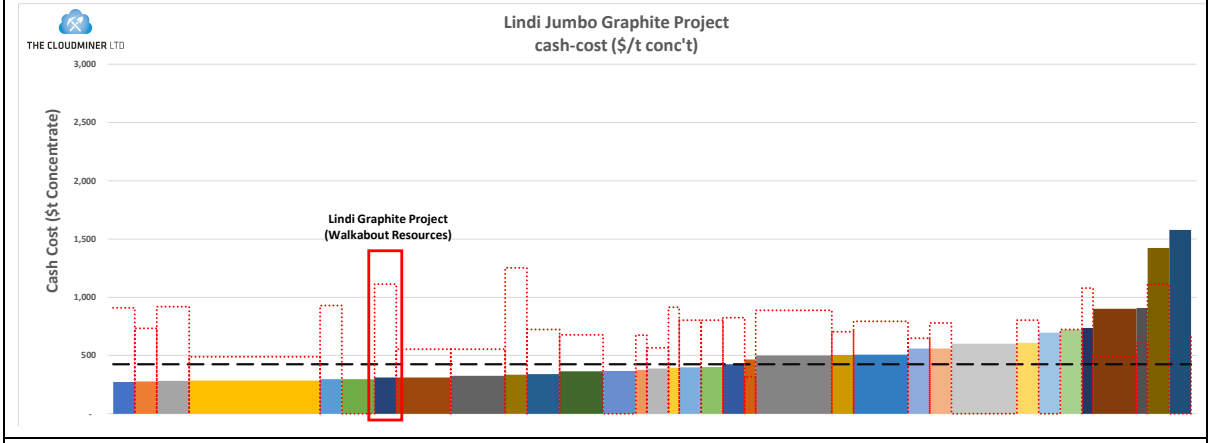


Figure 11: Cost-Curve for Global Graphite Deposits on an FOB Basis
Bar widths denote the annual graphite production, dashed line denotes pricing (worst-case)

Capital Intensity Benchmarking

Capital intensity is a measure used to determine production and capital allocation efficiency on a project basis.

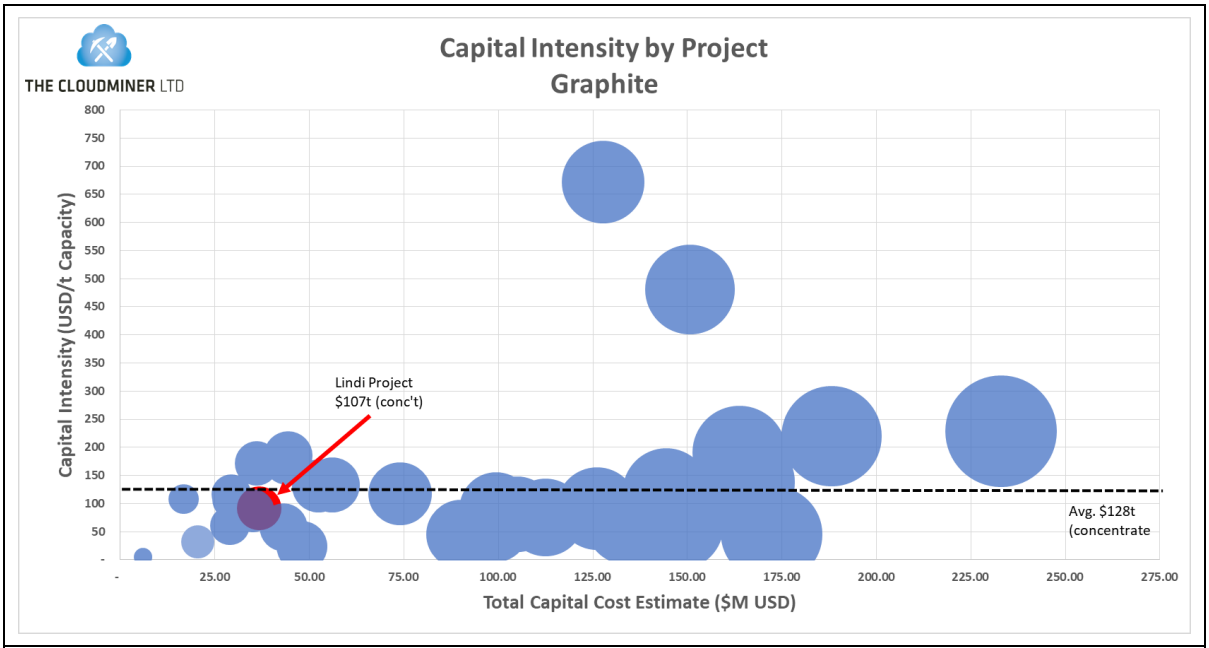


Figure 12: Graphite Project Capital Intensity Peer Analysis

Capital intensity is simply calculated by dividing the total initial capital expenditure (or capex) by the tonne capacity of the plant. The Lindi project has a low capital intensity relative to its peers suggesting a ***high capital efficiency*** with a ***low initial capital requirement*** in absolute terms, US$29.6M as depicted in Figure 12 above.

There are many factors that influence the capital intensity of a project:

- Infrastructure requirements; geographic location, remoteness, topography and maturity of the area in which the project is located e.g. historical hub for mining, processing etc.
- Development time; cost escalates as a result of unforeseen delays impacted by weather, remoteness, social backing, access to skills etc.
- Quality of deposit; factors includes type, depth of deposit, grade, and level of impurities in deposit e.g. low grade with high impurities generally requires larger investments in beneficiation.

Again, the grade plays a major role here, Lindi with its high grade is able to process less tonnes per annum, 0.276Mtpa, to produce significant tonnes of product, 40,000tpa. This makes the lower than average capital intensity all the more impressive when compared to their peers.

The overall peer analysis for the Initial Capital Expenditure at this scale of production puts the amount of pre-production expenditure required in the order of $30-55M and a median of $44M, Figure 13. Lindi's proposed initial capital of US$29.7M therefore further goes to show the benefits of higher grade, lower milled tonnes with the Capital requirements well below the Median of their peers.

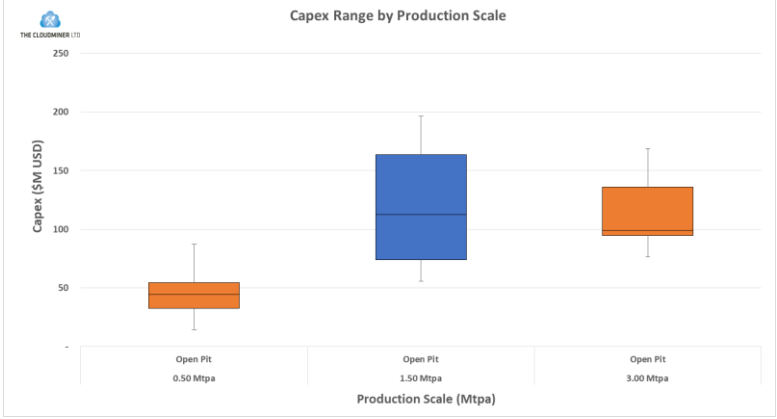


Figure 13: Box & whisker plot of throughput vs Capex

NPV Benchmarking

The updated DFS was completed including additional government levies as proposed in Tanzania at 16% (dividend free-carry), even so the projects NPV remains competitive at US$180M post tax as does the IRR which is 88% at a discount rate of 10%. The majority of peers use a discount rate of 8% yet Lindi still remains in the top performers for IRR across all global peers.

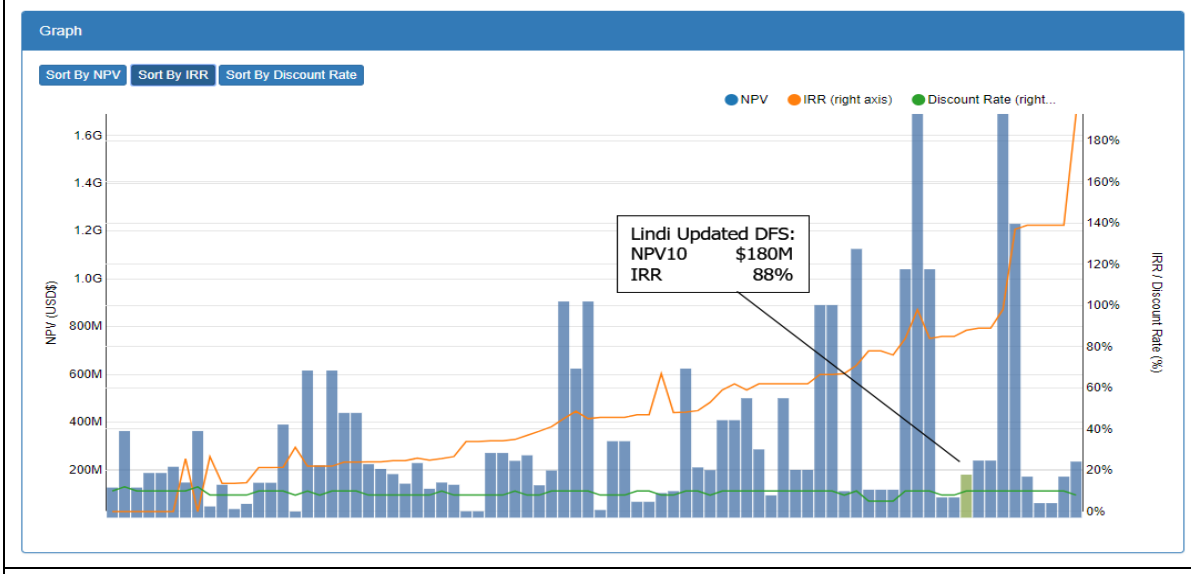


Figure 14: NPV and IRR Peer analysis versus Global Peers ranked by IRR

When compared with the peers closer to home the Lindi Project again out performs in terms of IRR and is comparable with the majority of their peers with similar annual production of saleable graphite in terms of NPV. A discount rate of 10% is maintained as the norm for all but one study - Molo.

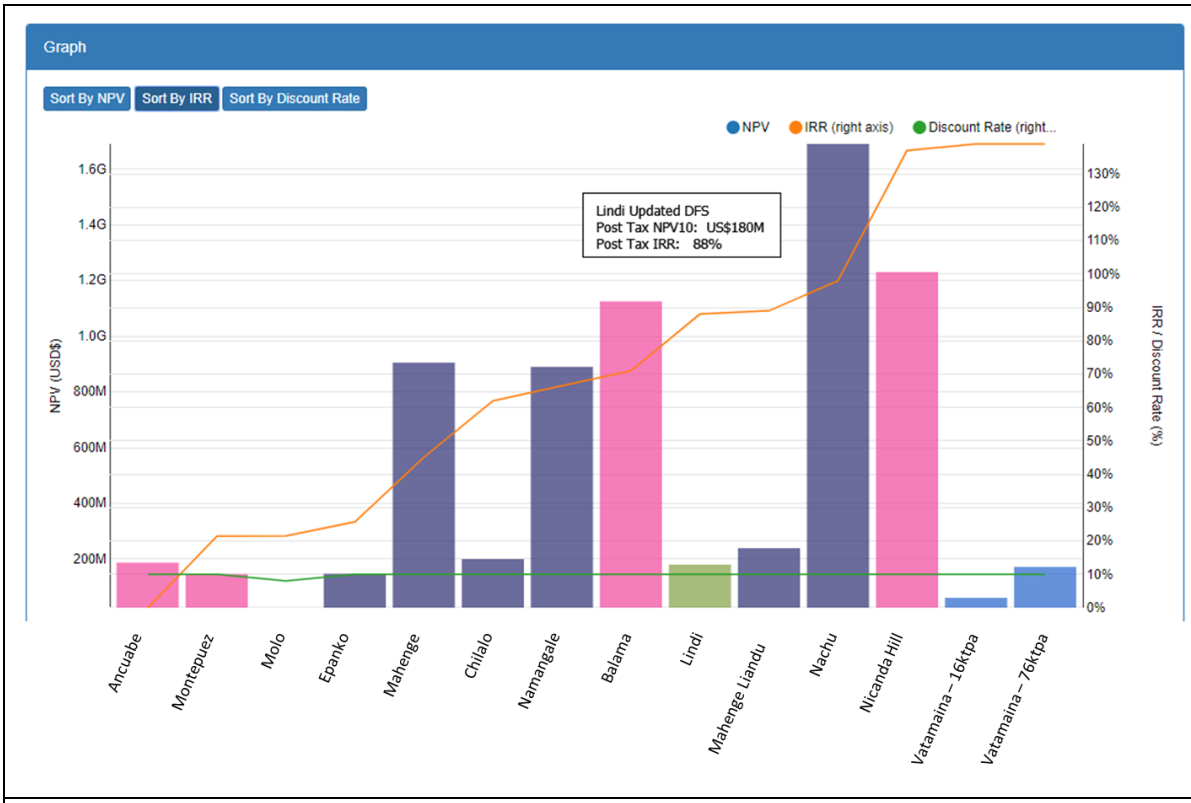


Figure 15: NPV and IRR Peer Analysis Versus African Peers ranked by IRR

PREDICTIVE ANALYTICS

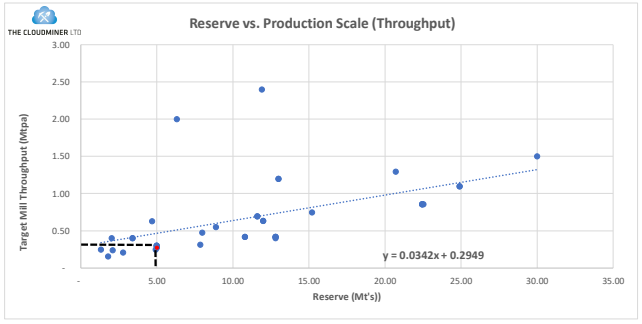


Figure 16: Scatter plot of reserve vs production scale

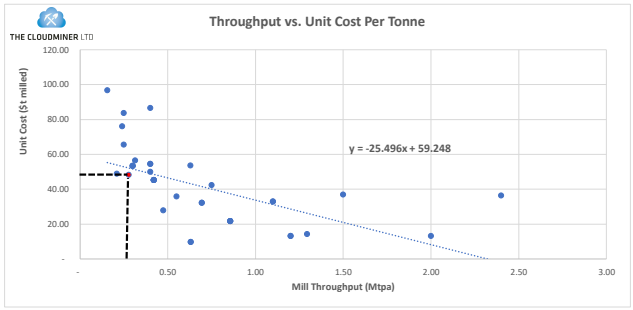


Figure 17: Scatter Plot of throughput vs Unit Cost

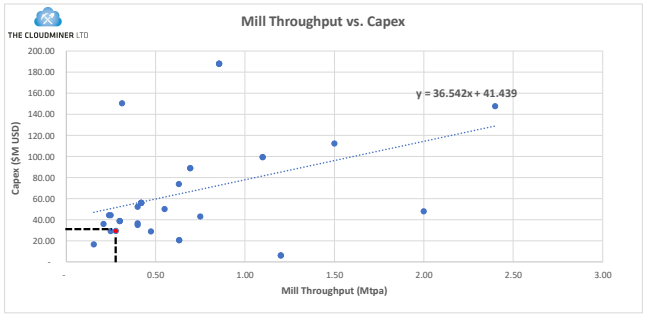


Figure 18: Scatter Plot of throughput vs Capex

To assist with the benchmarking TCM has evaluated all existing studies that are publicly available in the graphite space which as mentioned previously is held by around 45 companies globally. Figure 16 explores the relationship between the scale of production and the reserve size which follows a very linear trend. WKT are planning to produce 40,000 tpa of saleable product based on a production rate of 0.276Mtpa, their current in-situ reserve is made up of 3.2Mt of Probable and 1.8Mt of Proven for a combined 5Mt total. This falls well within the comfort zone of their peers and is buoyed by the high grade which returns a better yield of saleable product. The TCM NPV predictor suggests a higher production rate of 0.4Mtpa would be optimum at an annual saleable product of circa 60kt of contained graphite.

Such a production rate would yield an operating cost of around US$49.13/t slightly below the current cost of US$50.7/t. In line with standard economies of scale an increased through put would see a reduction in costs. WKT have already a built-in contingency here so expect minimal increase in actual capital expenditure.

The peer analysis for Capital Expenditure at this scale puts the amount of pre-production expenditure at circa US$56M, Figure 18.

The Lindi Updated DFS results in a post-tax NPV10 of US$180M and in IRR of 88%, with the Pre-tax equivalents being US$302M and 108%. The TCM NPV predictor uses a higher production rate as discussed which yields a pre-tax NPV of US$482M despite the higher capital expenditure but compromises on a shorter mine life than its planned 20 years (assuming reserve is unchanged). While mineralisation at Lindi remains open there is a case for further reserves to be established to support increased production scale should the market demand support. A full comparison of the updated DFS and the TCM predictor can be seen below in Table 3.

Table 3: Actual Feasibility Results vs TCM Predictive Modelling			
Metric	**Lindi Feasibility Study**	**TCM Predictive Model @ 40ktpa**	**TCM Predictive Model @ 60ktpa**
Reserve Size	5Mt	5Mt	5Mt
Grade	16.1%	16.1%	16.1%
Production Rate	0.276Mtpa	0.27Mtpa	0.4Mtpa
Recovery	90%	90%	90%
Operating Cost	US$50.7/t	US$51.99	US$49.13
Initial Capital Cost	US$29.7M	US$51.85M	US$55.94M
Pre-Tax NPV	US$302.5M	US$263M	US$482M

OPPORTUNITY & VALUE PROPOSITION

A standard approach to looking at how the public market values a project is to review the current enterprise value divided by the combined insitu product of the company in equivalent terms. This can be done through either using the resource or reserve tonnes & grade estimates.

The current Lindi Resource estimate sits at 29.8Mt at an insitu grade of 10.9% resulting in 3.27Mt of contained graphite, which positions Lindi accordingly among its peers as per Figure 19. Compared to their African Peers the grade continues to stand out above all but one project - Caula.

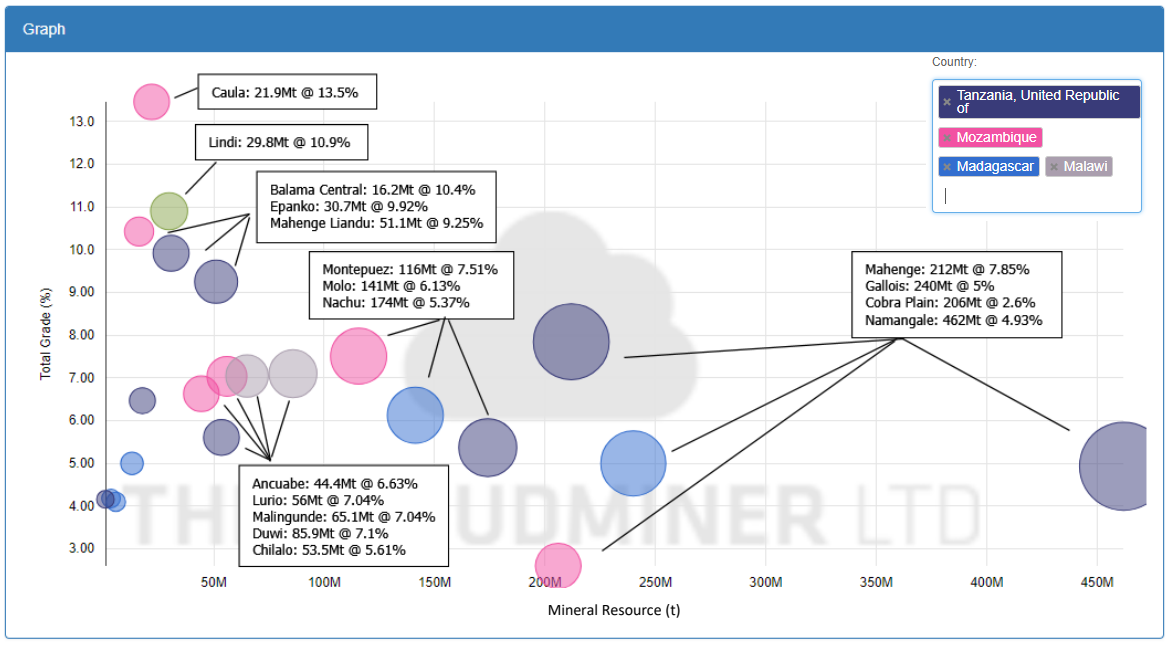


Figure 19: African Graphite projects Resource Peer Analysis

At the time of writing this report, the Enterprise Value as displayed on a per contained metal tonne basis (EV/t) shows that Walkabout (WKT) is well valued relative to both its global peers (Figure 20) and African peers (Figure 21). A value which shows the market has confidence in both the current study at Lindi and the management team's ability to deliver on the next milestones which lie ahead.

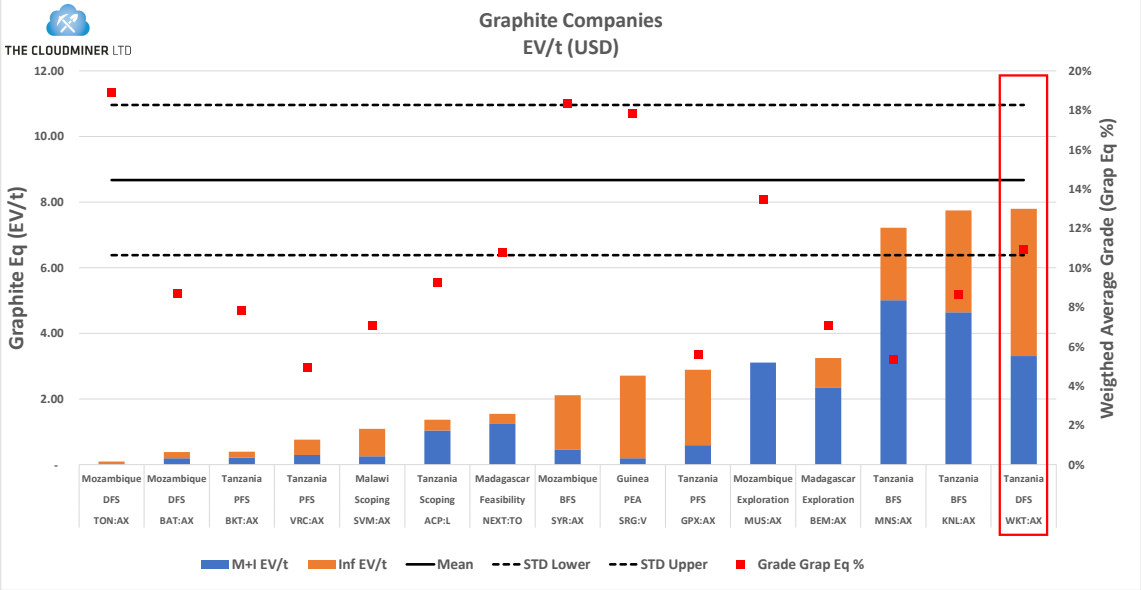


Figure 20: EV/t Analysis of Africa focused Graphite Companies

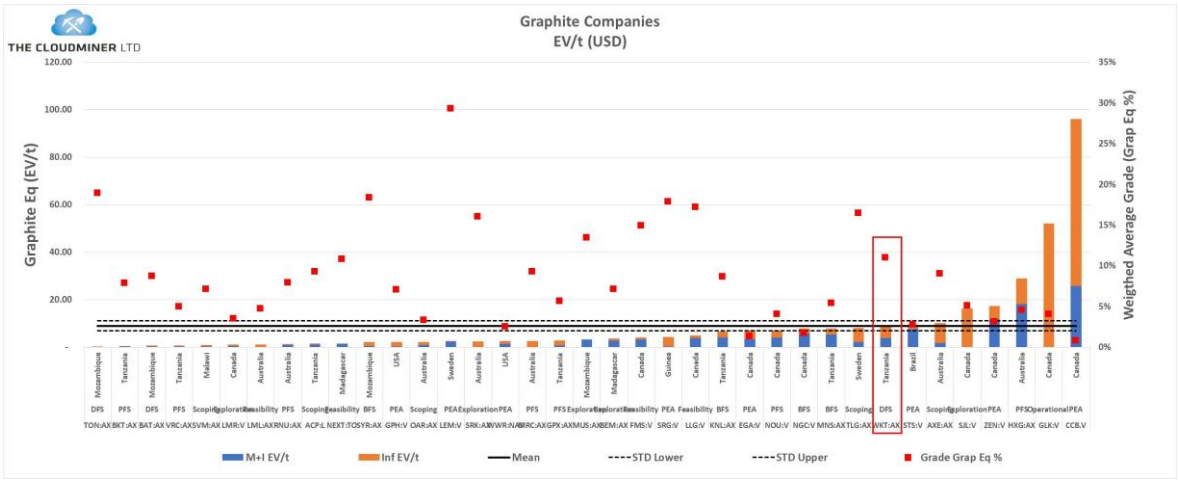


Figure 21: EV/t Analysis of Global Peers

Exploration upside potential

According to exploration carried out in the early part of 2017 on PL9993 and PL9994, grades of up to 22.6% TGC and 22.9% TGC were discovered respectively.

PL9993/2014: Exploration on PL9993 targeted the extensive conductors identified by the 2015 VTEM survey with the aim of assessing the mineralisation and exploration potential of the licence for a possible future maiden drilling program. The sampling over an outcropping strike length of more than 4km, returned up to **22.6% TGC** for in-situ graphitic schists and gneisses, supporting the previously reported high grade nature of the graphite occurrences within the VTEM survey area (source: WKT, 6th of April 2017).

PL9994/2014: Reconnaissance sampling completed over a portion of PL9994 returned results of up to **22.9% TGC** over a prospective area more than 850m in strike length. Numerous parallel outcropping graphitic units were also mapped, further emphasising the highly prospective nature of the tenement. As the area was not covered by the VTEM survey, PL9994 was excluded from the calculation of the Exploration Potential. Assay results are indicated in Figure 22 and Table **4** (source: WKT, 6th of April 2017).

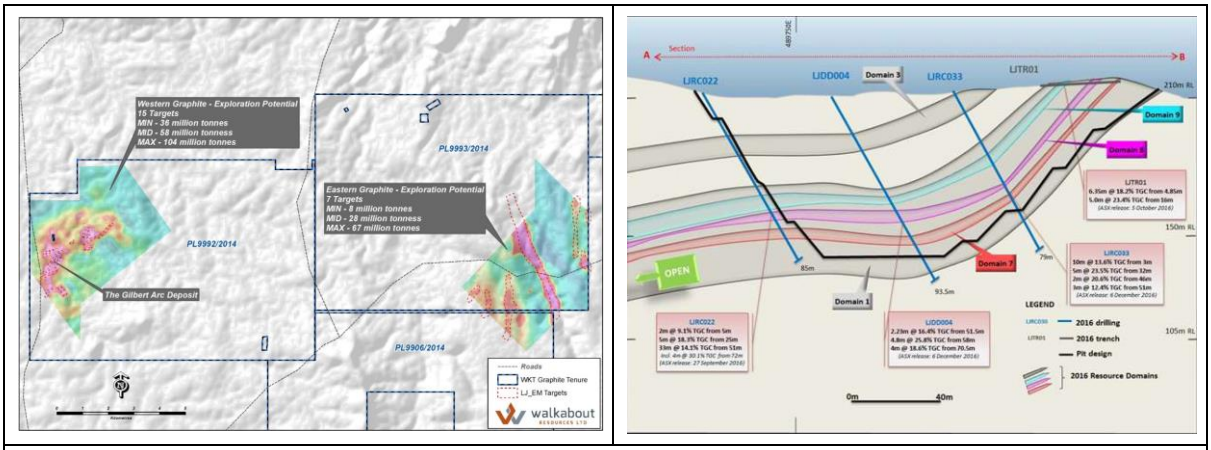


Figure 22. VTEM location plan showing gilbert arc within PL9992/2014, PL9993 and cross-section

On the 6th of April 2017, WKT announced their revised exploration target based on the above exploration programme as summarised in Table 4.

Table 4. Summary of exploration potential across PL9992, and PL9993

Area	Strike Length (km)	Lower case (Mt's)	Base case (Mt's)	Upper case (Mt's)
Western Graphite – PL992	6.7	36	58	104
Eastern Graphite – PL993	10.7	8	28	67
Total Exploration Potential	17.4	44	86	171

Valuation uplift potential

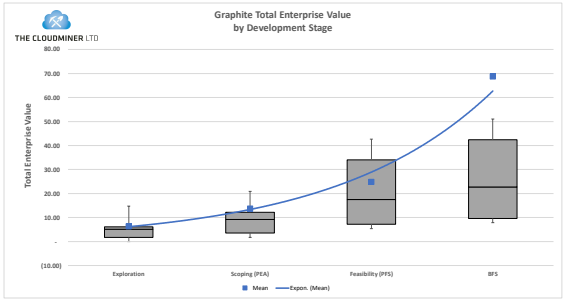


Figure 23: Total Enterprise Value by Stage Analysis

The current Enterprise Value as of 21st of September 2018 for Walkabout is ~US$29M which sits between both the current mean of US$68.78M and the median US$22.7M (Figure 23) for companies holding either a Bankable or Definitive feasibility study suggesting that company is well valued given its current stage of development. The valuation range demonstrates potential for significant uplift in valuation as the company nears production.

To emphasise this point further; the current top performer being Syrah Resources who outperform all their peers with an Enterprise Value of US$459M.

PROJECT DEVELOPMENT EXECUTION RISKS

Management

As an essential ingredient for success, the WKT management team possess a good understanding of exploration stage projects throughout the African region as has been displayed by the rapid advancement of the Lindi project for a very reasonable exploration spend. However, as they advance towards production a requirement for management with strong experience at the construction phase will become increasingly pertinent, as previously discussed WKT has ample experience in developing and operating projects and most pertinently within Africa. Further bolstered by the recent appointment of Eddie Byrne as their project manager who has significant construction management experience.

Jurisdiction & Sovereign Risk Aspects

Despite the fact that Tanzania has long been considered a mature mining jurisdiction, demonstrated by the fact that numerous large mining companies (Barrick backed Acacia) operating successfully along the Lake Victoria gold belt region, recent uncertainty around the government changes in their tax regime towards miners has undermined the credibility of the country as a strong mining jurisdiction and increased the countries perceived sovereign risk. An issue that appears be resolving itself.

Climatic & Environmental Conditions

The climate of Tanzania is tropical and coastal areas (where Lindi is positioned) is are hot and humid, while the north western highlands are cool and temperate. There are two rainy seasons (wet-season); the short rains are generally from October to December, while the long rains last from March to June. The wet-season has the potential in some localised areas to cut off access along certain roads which can cause some short-term delays. Typically, a project can be planned ahead in order to mitigate the likelihood of any programme being adversely impacted by the wet-season.

Infrastructure & Transportation

Access to the property is predominantly by gravel and sealed roads. Concentrate will most likely be trucked to the port of Mtwara located approximately 210 km from site in the southeast of Tanzania. The port of Mtwara is estimated to have approximately 250 ktpa spare handling capacity at present. The project area is situated in the Ruangwa District (Lindi Region) and is approximately 15km to the north of the town of Ruangwa. Tanzanian grid power is currently available up to the village of Mbekenyera, which is approximately 10 km to the southeast of the project area. The resident zonal mines office is situated in the town of Nachingwea, which is approximately 40 km to the southwest of Ruangwa.

Ownership

WKT holds 100% ownership of the mine licence area thereby ensuring control over the direction of future development of the respective projects after recently executing an option to acquire the remaining 30%.

Funding Options

At this point, WKT are reviewing all funding options for the project. The Company previously announced to the ASX its funding strategy for the Project on 28 June 2017. Discussions are currently ongoing with WKT's existing strategic partners in addition to the broker analyst community to continue to build market awareness among the traditional equity markets.

Permitting

With the final mining permit having been granted on August 30th 2018, WKT and the Lindi Project now have a clear path to production pending the relevant financing and off take partners being sourced. Dialogue is continuing with both which will now no doubt be made all the easier with the last major hurdle having been cleared.

Construction

The robust margins on the project lend itself to a more of an outsourced approach to a "Specialist Partner Supplier". The operating model being investigated is to completely outsource the construction and operation of the plant referred to as; Build, Own, Operate" (BOO).

By engaging an experienced partner well versed in this area, some of the associated risks involved with constructing a plant in Africa is mitigated. This model could also include a Finance aspect, thereby building on the acronym BOOF.

Pricing

The base-case study price used for the modelling of the Lindi Jumbo Project is a weighted life of mine mixed basket price $1,534 per tonne. A lower-case basket price of $1,100 per tonne still ensures a solid margin at mine-gate and delivers a robust NPV and better than most IRR according to the updated feasibility study undertaken in August 2017.

The Company believes the price adopted, which is key to an accurate forecast of economic performance, is prudent considering the current market and expected demand forecasts in several product areas.

CLOSING REMARKS

The Lindi Jumbo Graphite project has undergone a major transformation since WKT took control in 2015. The project currently stands as one of the most advanced on the market hosting a high-quality product that is suitable to all of the premium high-tech markets and as such can demand a premium commodity price.

WKT has responded well to the recent uncertainty that has faced Tanzania as a mining investment destination over the past 18 months, including of course the updated DFS that was amended to factor in new government levies and charges. In addition, WKT also configured the scale of the plant to deliver the appropriate amount of concentrate into the current graphite market whilst ensuring that there is still sufficient flexibility to scale-up production should the demand dynamics change over time.

The economics both at the proposed base-case price of $1,534t and more conservative lower-case price of $1,100t both remain robust delivering an attractive IRR of 87% for the base-case. This work will have been completed in a remarkably short amount of time and for an all-in cost of under $40M USD, inclusive of capital, acquisition and exploration, or $1,000 per tonne of concentrate produced. A feat which has left WKT well valued in the equity market as consumers have confidence in both the company's ability to date and as they progress forward.

With WKT having secured the relevant permits from the Tanzanian government and permission to aggressively pursue their path to production; WKT are now well positioned to move discussions with strategic off-take and financing partners into completion.

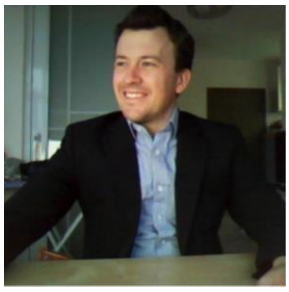
With a slated construction period of approximately 9 months, WKT can be producing the first concentrate shortly thereafter. The next 12 months will become a critical period for WKT as they march towards becoming one of only a handful of major listed graphite producers globally.

WKT with their experienced management team have all the right ingredients to succeed as they now look to rapidly advance to production and ultimately revenues.

ANNEXURE A – QUALIFICATIONS AND EXPERIENCE

Daniel Bloor: BSc (Geology), MSc (Applied Geosciences)
Senior Geologist

Daniel has over a decade of experience in the mineral and engineering geology industry with a further three years in the UK financial industry. Having worked with multiple commodities as an exploration and production geologist Daniel moved to Hong Kong where he was a consulting resource geologist both for due diligence and independent technical assessments for investment purposes. Daniel Co-Founded the CloudMiner Limited in 2012 and has spent the last five years evaluating and researching a wide spectrum of minerals projects around the globe.



Will Coverdale: BEng (Mining), MAusImm
Senior Mining Engineer

Will is a qualified Mining Engineer with a diverse range of experiences and specialties encompassing both underground and open cut mining across several commodities. This includes specific underground operational experience with the following methodologies; large sub-level caving operations (Cu & Au), board & pillar (coking coal), remnant mining (Au) and cut & fill mining (Au). Technical experience also covers a number of other commodities including uranium, gold, iron ore and high-grade silica. Country specific mining experience includes Australia, Kazakhstan, Mongolia and the Philippines. Roles have varied from design work, modelling, mine planning and scheduling through to feasibility study management and operational management.

ANEXURE B –

Limitations and Exclusions

TCM's opinions contained herein are based on information held in the public domain, which in turn reflect various technical and economic conditions at the time of writing. This is an initial review of what is provided but in no way is to be classified as an in-depth due diligence report. As previously discussed these are typically carried out by a team of experienced professionals which would include reviewing the geology, block models, mine plans, schedule, metallurgy and cost assumptions from an independent view point.

This report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding and consequently introduce an error. Where such errors occur, TCM does not consider them to be material.

It is also TCM's opinion that the information provided at the time of writing was complete and not incorrect, misleading or irrelevant in any material aspect.

All work has been performed in accordance with and subject to our Standard Conditions of Engagement. Highlighted are some of the more pertinent points:

- TCM has used due skill and care in the provision of the services set out in this report;
- The exercise was based largely upon information provided by and on behalf of the Management of the Company. We assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided by management or nominated representatives of the management of the Company;
- In no event shall TCM, its related companies, partners, directors and staff be liable for any loss, damage, cost or expense arising in any form or in connection with the fraudulent acts or omissions, or any mis-representations or any default on the part of the directors, employees or agents of the management of the Company and its subsidiaries;
- Without derogating from the aforesaid provisions, we shall not under any circumstances whatsoever be liable to any third party whether or not they are shown a copy of any work that we have done pursuant to the terms of our engagement and whether or not we have consented to such work being shown to them, save and except where we specifically agreed in writing to accept such liability;
- Except as a result of our own negligence or wilful default, in the event that we find ourselves subject to a claim or incur costs from another party as a result of false or misrepresented information provided by Management in connection with this engagement, any claim established against us and the cost we necessarily incur in defending it would form part of the expenses we would look to recover from the management of the Company.

Mining Unknown Factors

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