

ASX ANNOUNCEMENT

30 November 2021



ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS

Since I last addressed shareholders at the general meeting in August, the company has continued to make great progress in constructing the Lindi Jumbo Graphite Mine. With shareholders approving the final piece of the Companion Equity funding at that meeting, mobilisation payments were made shortly thereafter. TNR our earthmoving & civil engineering contractor commenced site activities in August & Jinpeng, our EPC contractor, commenced plant manufacture in mid-September. These 2 contractors combined represent more than 2/3 of our anticipated capex spend.

Both contractors are performing well & are on schedule. With the cost details of our other important contractors completed, more than 95% of our capex is priced & it remains in line with previous market guidance. Andrew will provide shareholders with more detail of progress achieved.

Importantly, Lindi Jumbo has been a safe workplace with no lost time injuries. Additionally, we have enabled the Covid vaccination of a large proportion of our workforce, including contractors.

Our relationships with the local community, the Tanzanian government & CRDB remain strong. Our dedicated in-country team continues to take great custody of these important relationships.

With the signing of the major contracts, the only outstanding condition precedent for the US\$20m project loan draw down is the provision of a standby letter of credit. As these instruments have a time-based cost, it will only be executed just prior to drawdown. At this stage we don't expect to require first draw down until January.

Having the loan draw down occurring as late as possible benefits the company as we defer the need to accrue interest & our 12-month grace period for repayments only starts at drawdown. The later the conclusion of the grace period, the more cash from operations we would expect to have to make our first debt payments.

At the end of October, we announced the commencement of 2,500m of drilling at Blackcraig, the Silver/Lead/Zinc prospect in Scotland. Drilling has been going to plan & we expect assays results early in the new year. These licences have also been subject to a recently announced drone magnetic survey.

While these mentioned activities take the limelight, your company has been active in establishing the other necessary corporate foundations for an operational miner. These activities include but are not limited to hiring of key in-country personnel, upgrading financial systems, instituting budgetary & forecasting systems, a remuneration review, improving the risk management framework & an overhaul of our corporate governance activities.

The renewal of the board is reflected in a number of the resolutions presented to shareholders today. That is the re-election of all our non-executive directors & the approval for our new directors to take part of their director's fees in shares.

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Resolution 7 deals with extending the ability of the Board for the next 12 months to issue a further 10% of share capital. I have been on the board for 3 years & we have never used this Rule 7.1A placement capacity. The company has no plans that would require it to use this placement capacity. As we currently do not have cash inflow from operations & increasing commitments, it remains prudent to have shareholders approve this resolution as a form of insurance.

Resolution 8 is seeking approval for a generic employee share ownership plan. Such a plan will enable the company to give procedural effect to resolutions 5 & 6. Additionally, it provides the vehicle for the company to use equity-based compensation for the remuneration of its executives. Current short-term incentives for key executives have an equity component that can be issued under this plan. Detail of these STI's will appear in next year's remuneration report.

I would like to thank all of our executives & staff for the amazing job they have been doing to get us to where we are today. I also thank our new board for the way in which they have taken to the new task or representing Walkabout shareholders.

Before we move to the formal business, I want to address glaring differences between Walkabout Resources & our globally listed Graphite peer group. There are 12 companies with a market capitalisation higher than Walkabout.

Only 2 of these companies are in production

There is only one other mine in construction. We have a higher forecast IRR, annual production, grade & flake distribution but a lower graphite reserve and strangely, only 25% of its market cap.

What is common is that all of these larger market cap graphite peers have announced downstream plans. Your company has undertaken the necessary studies to enable growth but has not committed to nor announced its growth plans, and won't do so until we are confident that we won't disrupt the relevant markets.

Our first priority in meeting our commitment to shareholders, is to produce 40,000t of high-quality graphite concentrate delivering the agreed quality for our offtake customers.

Some of our peers have incorporated downstream activities to improve the prospects of project funding. The project economics of Lindi Jumbo are so good because of our high grade & large flake distribution that this has been unnecessary as demonstrated in the attainment of the project funding.

Walkabout's next priority is to responsibly grow our mine production as it will generate a much higher rate of return than current downstream options. Remember the current DFS internal rate of return post tax is 119% & it should only increase with greater production. With a responsible growing of the market for our products in mind, downstream is more of a potential means to that end.

In any event, we should be in a position to expand the Lindi Jumbo plant faster than others can build greenfield projects. That is the real early mover advantage.

If you want to get a sense of what value can be added – just look at most other graphite companies' studies & you will get the picture. Virtually all of these alternatives, are available to Walkabout Resources at a time of our choosing.

Thank you for your continued support of Walkabout Resources over some difficult years & we look forward to a very different picture for 2022.

Now to the business of the meeting.

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 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

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