

## March 2022 Quarterly Activities Report

Walkabout Resources Ltd (ASX: WKT) (the Company) is pleased to report its activities for the March 2022 quarter.

### HIGHLIGHTS

#### LINDI JUMBO GRAPHITE MINE - TANZANIA

- Multiple consignments from China have reached Tanzania and been transported to site.
- Jinpeng mechanical construction team now on site.
- Final Condition Precedent submitted to CRDB to enable commencement of debt drawdown.
- Demand continues to outstrip supply for flake graphite with prices rising between 10% and 37% in just six months.
- A COVID-19 vaccination program facilitated by Lindi Jumbo is ongoing in host communities.

#### UK PROJECTS

- Maiden diamond drilling program completed in Scotland, assay results pending

#### CORPORATE

- Australian Shareholder Roadshows conducted in Perth, Melbourne and Sydney during March

Walkabout Resources' CEO, Andrew Cunningham commented, "Once again Walkabout has experienced a busy but successful quarter, which I was pleased to consummate with a trip to Australia. It was there that I met with the Board and Management Team in Perth for the first time in over two years, as well as facilitated a number of Investor Roadshows across Perth, Sydney and Melbourne to provide a formal update and answer questions relating to corporate activities. As we head into Q3 of 2022, our focus remains fixated on reaching production stage at Lindi Jumbo to truly realise the project and its potential."

### Lindi Jumbo Graphite Mine - Tanzania

#### ENGINEERING, PROCUREMENT AND CONSTRUCTION PROGRESS

During the quarter, Yantai Jinpeng Mining Machinery (Jinpeng), our EPC contractor, continued to make good progress in the manufacture and acquisition of Lindi Jumbo processing plant and mobile equipment. To date, seven shipments have been offloaded in Dar es Salaam and have subsequently been delivered to site. These shipments included the mobile equipment and tools needed for the construction of the processing plant.

The equipment that has arrived at Lindi Jumbo was scheduled to fit in with current civil works, enabling the Jinpeng team to commence assembly and erection of the processing plant as outlined in the construction schedule. It was originally expected that the first shipment would have arrived on site before the end of February. A small team from Jinpeng arrived in Tanzania in March to complete the planning of on-site activities, in preparation for the arrival of the mechanical construction team who are now on site.

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#### DIRECTORS

Mike Elliott  
Chairman

Andrew Cunningham  
Chief Executive Officer

Peter Finimore  
Non Executive Director

Phil Montgomery  
Non Executive Director

#### ORDINARY SHARES

452,275,112

#### PROJECTS

Lindi Jumbo Graphite Project  
Tanzania (70% - 100%)

Amani Gold Project  
Tanzania (100%)

Scotland Gold and Base Metal  
Projects (100%)

Northern Ireland Gold and Base  
Metals (50%)

## MAJOR EQUIPMENT ALREADY ON SITE AT LINDI JUMBO INCLUDES BUT IS NOT LIMITED TO:

- Thickener and associated steel works;
- Raw ore, surge, feeding, fine ore bins and associated pre-assembled structural and steel works;
- Conveyor belt structures;
- Installation tools;
- Mobile equipment – 50 tonne mobile crane, telehandler, two front end loaders;
- Rod and pebble mills; and
- Cast-in items.



**Figure 1: Offloading of the rod-mill on site using the Lindi Jumbo 55 tonne mobile crane.**

While 10 shipments of equipment were originally planned to depart China, the project team have had to continuously adapt to the moving supply chain circumstances and break up planned shipments based on the availability of both containers and ships, as well as consider multiple dispatch ports. As a result, more equipment has been sent via bulk shipments.

While the majority of the larger and longer lead items procured and manufactured in China have not been impacted by COVID-19 lockdowns, some equipment manufactured by sub-contractors has been stranded without means of transport to Yantai or the port. Overall, local restrictions have not affected the manufacturing and procurement within China, with the vast majority of equipment clearing factory acceptance testing and QA/QC sign-off. As some of the restrictions ease completed items are being delivered to Yantai for final preparation for seaborne transport.

The global shipping crises remains an issue with delays en-route causing backlogs at ports and a general lack of available containers to meet the planned consignment schedules. To date, delays have been encountered both in China (with late vessel arrivals, vessel cancellations, and delayed departures) as well as delays arising from port congestion in Dar es Salaam.

The majority of the ships carrying Lindi Jumbo equipment have had to anchor outside the port of Dar Es Salaam with wait times ranging between three to four weeks before accessibility to dock at the port was granted. Indications are that this situation could continue for the foreseeable future.

The Rotex screens have been manufactured in the USA and Melbourne and have undergone final testing. They are ready to be shipped directly to Tanzania.

The Project team are working closely together to mitigate the equipment delivery delays into Tanzania. Ultimately, it's about receiving equipment at Lindi Jumbo to match site construction activities. The mitigation efforts on site will continue as various avenues are negotiated to keep the potential impacts on the project construction schedule to a minimum. Currently the projection remains to start plant commissioning during the second half of 2022.

Through great work of our Tanzanian team and logistics provider Axis Group International, the equipment landed to date has been exempted from import duties and has received VAT deferrals. This favourable outcome has also reduced some short-term cash outflows.



*Figure 2: Factory acceptance tests of the BGRIMM attritioning mills (left) and filter press (right).*

## SITWORKS

Earthworks and civils on site are progressing well. Heavy rains in February, March and April have caused minor disruptions, which are continuously being addressed. Concrete works are aligned with the planned schedule of receipt of equipment to site. The contractor workforce and the equipment fleet have been increased to mitigate any rain disruptions.

While shipping delays are impacting schedule, they are expected to have very little impact on project capital cost as the major contracts are either fixed sum contract (JP) or fixed rate contracts (TNR).

## PROGRESS ON SITE INCLUDES:

- Earthworks – Terracing, Compaction and Plant roads – Complete
- ROM Retaining wall (Terra Trel wall) – Complete
- Raw water pond – Complete
- Mine Boundary Demarcation – Complete
- TSF - topsoil removal and topsoil stockpiling, In-situ preparation and compaction, bulk and restricted excavation and fill pre-deposition embankment in progress.
- TSF – Piping on site.
- Civil works (concreting) – Large batch plant operational and concreting in progress.
- Grid power to site – Transmission lines and poles delivered and construction in progress.
- Clearing, grubbing and topsoil removal in stater-pit area in progress.





**Figure 3: Aerial view (taken early February) from the southwest with the processing plant area in the foreground and the TSF in the background.**



**Figure 4: ROM Retaining wall (left) and thickener foundations (right).**

Negotiations with TANESCO over the provision of grid power to Lindi Jumbo are continuing with a focus on the potential for an increase in available grid power.

## FINANCE

As part of the debt funding package through CRDB bank, there were several conditions precedent that needed to be fulfilled before drawdown of the USD20 million debt could commence. Subsequent to the end of the quarter, the final condition precedent has been submitted to the bank and drawdown is expected shortly.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

During the course of Q1, the Company recorded no Lost Time or Medical Treated Injuries with several safe workplace initiatives initiated on site in Tanzania. A strong culture of safety is being instilled and maintained amidst a period of significant operational activity and personnel mobilisation on site.

A COVID-19 vaccine rollout, aided by the logistical support of Lindi Jumbo continues within the communities in the project surrounds. More than 550 community members have been vaccinated to date in the villages of Matambarale, Namikulu and Namilema.

## GRAPHITE MARKET

Since late 2021, demand continues to outstrip supply for flake graphite with prices rising between 10% and 37% in just six months. Supply has been further restricted by environmental inspections and suspension of operations in winter in certain parts of China, with no clear path outlined for the reopening of these graphite mines. COVID-19 lockdowns and global issues have impacted the delivery of graphite, not only within China, but globally.

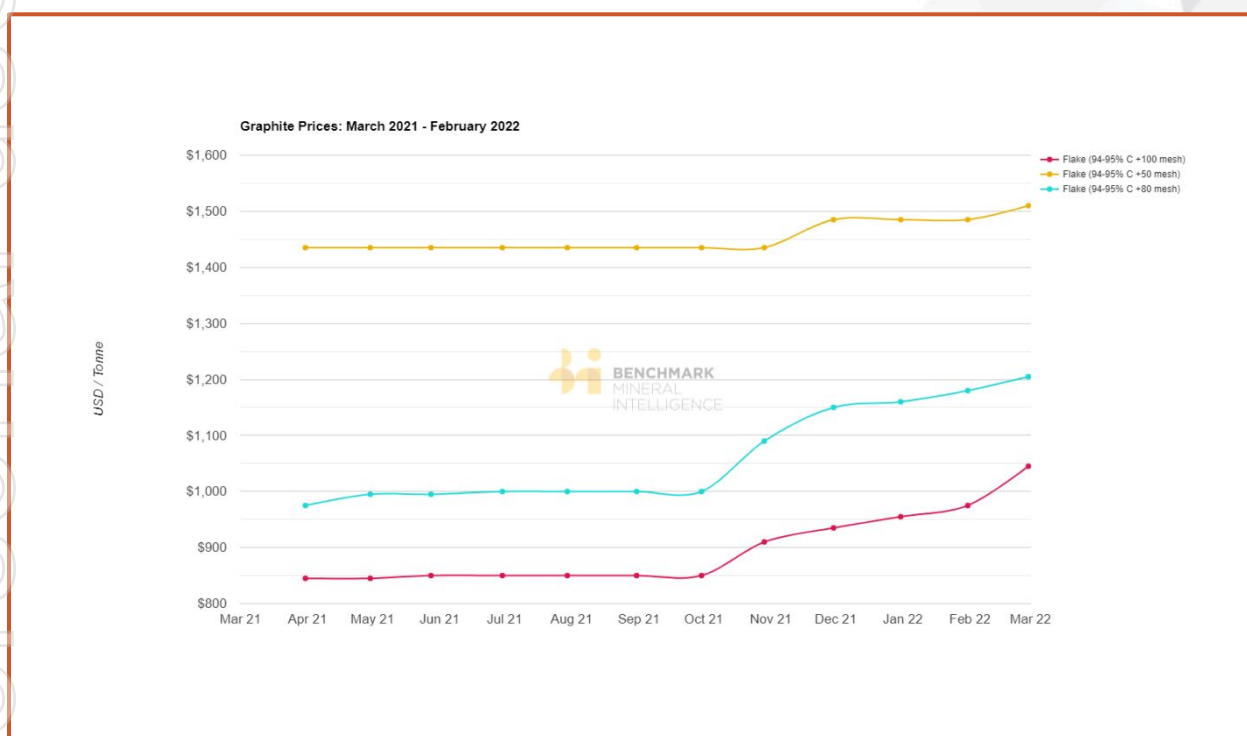


Figure 5: Twelve-month natural flake graphite prices for 94-95% TGC, FOB China<sup>1</sup>.

As the Company nears production it continues to receive regular requests from potential customers for offtake, as end-users outside of China seek diversification of supply of raw materials. Walkabout will give priority to its existing binding offtake term sheets if mutually acceptable pricing arrangements are reached. It is expected that first year product sales will begin formalisation over the coming months in a rising price market.

## UK Projects

### SCOTTISH EXPLORATION PROGRAM

A maiden drilling program was completed at the Blackcraig Lead Zinc Silver Project at the beginning of the quarter. The drilling program was the first exploration to be undertaken in the area and targeted possible extensions beneath the old underground Blackcraig Mine as well as potential parallel structures to the main historical mining trend. Diamond drilling

<sup>1</sup> \*Source: Benchmark Mineral Intelligence.

was completed over 13 holes (totalling 1,674m) on 4 sections covering approximately 1km of strike extension of the potential 4.5km mineralised trend (see ASX announcement 21 September 2021).

All samples were sent to ALS in Ireland for assaying, but due to the pandemic, the laboratory in Ireland has experienced severe backlogs and the samples were subsequently sent to one of the lab's branches in South Africa for analyses. At the end of the quarter, and at the time of this report several drill samples were still outstanding. On receipt of the final assays, geological and mineralisation interpretations will be done, with assays added to the interpreted sections and the results released to the market.

## Corporate

The aggregate amount of payments to related parties and their associates, as disclosed in item 6.1 and 6.2 of the Appendix 5B relate to payments of executive and non-executive directors' salaries and consulting fees.

### AUSTRALIAN INVESTOR ROADSHOW

With national border restrictions relaxed in Australia, CEO Andrew Cunningham and Chairman Mike Elliott visited Perth, Melbourne and Sydney during March to meet with shareholders across three formal events in the last week of March. A journalist briefing was also hosted in Perth.

**ENDS**

This Activity Report is authorised for release by the Board.

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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.

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).

## COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr Andrew Cunningham (Director of Walkabout Resources Limited). Mr Cunningham is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

## FORWARD LOOKING STATEMENTS AND DISCLAIMERS

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## SCHEDULE OF MINING TENEMENTS AND BENEFICIAL INTERESTS HELD AS AT THE END OF THE MARCH 2022

Project / Location	Tenement Type	Tenement Number	Interest at Start of Quarter	Interest at End of Quarter	Comment	Holding Company
<b>Tanzania</b>						
Lindi	ML	579/2018	100%	100%		Lindi Jumbo Ltd
Lindi	PL	9993/2014	70%	70%		Lindi Jumbo / Ali Mbarak
Lindi	PL	11409/2020	100%	100%		Lindi Jumbo Ltd
Lindi	PL	11377/2019	70%	70%		Lindi Jumbo Ltd / Ali Mbarak
Kimoingan	PL	11119/2017	100%	100%		Walkabout Resources Ltd (Tz)
Amani	PL	11469/2020	100%	100%	Granted being transferred	Walkabout Resources Ltd (Tz) Duma Resources Pty Ltd (Tz)
Amani	PL	16627/2020	0%		Application Recommended	Duma Resources Pty Ltd (Tz)
Amani	PL	11597/2021	100%	100%		Duma Resources Pty Ltd (Tz)
Amani	PL	16629/2020	0%		Application	Duma Resources Pty Ltd (Tz))
<b>Northern Ireland</b>						
Tyrone	MRO	KOZ01/16	50%	50%	JV	Koza (UK) Ltd (CE & DfE)
<b>Scotland</b>						
St John's Town of Dalry	MRO	GH	75%	100%		JDH Resources Ltd
Newton Stewart	MRO	CN	75%	100%		JDH Resources Ltd
Gatehouse of Fleet	MRO	GoF	100%	100%		Shackleton Resources Ltd

*\*EPL (Exclusive Prospecting Licence), #PL (Prospect Licence) DfE Department for the Economy (all other minerals),*

*MRO (Mineral Royal Option), CE Crown Estate (Au & Ag),*