

QUARTERLY REPORT

31 January 2023

ACN 119 670 370

ASX Code: WKT

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DIRECTORS

Mike Elliott
Chairman

Andrew Cunningham
Chief Executive Officer

Peter Finnimore
Non Executive Director

Phil Montgomery
Non Executive Director

ORDINARY SHARES

611,718,270

PROJECTS

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

Amani Gold Project
Tanzania (100%)

**Scotland Gold and Base Metal
Projects (100%)**

North

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

HIGHLIGHTS

CORPORATE

- A\$16.6 million raised through a non-renounceable entitlement issue.
- Funds to be used to progress construction at the Lindi Jumbo Graphite mine.
- End of suspension of company shares on the ASX.

LINDI JUMBO GRAPHITE MINE - TANZANIA

- Mechanical installation of the front-end of the processing plant (crushing and grinding circuit) nearing completion.
- Civil works continue at the Tailings Storage Facility as well as the concentrator and screening buildings of the processing facility.
- No lost time injuries occurred during the quarter.
- Experienced mining executive Mr Charl van der Merwe, appointed as General Manager of the Lindi Jumbo Graphite Mine.
- Lindi Jumbo demonstrates environmental compliance and has passed the annual independent environmental audit.

Funding Activities

Rights Issue

The Company raised A\$16.6 million through its non-renounceable entitlement issue ("Entitlement Issue" or "Offer"), pursuant to the Prospectus dated 25 August 2022 and Supplementary Prospectus dated 8 September 2022, closed on 28 September 2022. WKT received valid applications for entitlements and oversubscriptions from existing shareholders of A\$11.54 million and raised a further A\$5.06 million through the placement of shortfall pursuant to the Entitlement Issue. The A\$11.54 million included the full conversion of \$2m of shareholder debt via debt for equity subscriptions under the Entitlement Issue.

At the completion of the Entitlement Issue, the Company reported it required a further US\$10 million to complete the construction of the Lindi Jumbo Graphite Mine. Further refinement of the planned construction spending with the major contractors indicate additional savings in overall construction cost may be possible. Potential funding routes in addition to funds raised by the Offer, include, but are not limited to, an equity placement, debt, and/or product pre-payment were advanced during and subsequent to the quarter.

The Company has updated CRDB on the outcome of the Entitlement Issue and the revised funding requirement. These discussions are ongoing. Debt funding options remain attractive to WKT as a way of minimising the overall impact of dilution to shareholders, and as previously advised the Company is continuing to advance the delivery of one or more of these parallel funding paths. Good progress has been

made on a range of these potential options, with several parties currently undertaking confirmatory due diligence on the Company including the engagement of technical experts to assess aspects of the Lindi Jumbo project.

The net proceeds raised under Entitlement Issue were used to settle all the outstanding amounts owing to contractors and suppliers for the equipment and services they have provided over recent months; a portion of the remaining funds has provided working capital in Tanzania to further advance the project and allow Lindi Jumbo as far as possible to continue to erect the remaining equipment already delivered to site (representing approximately 65% of the processing plant equipment).

Lindi Jumbo Graphite Mine – Tanzania

No Lost Time or Medical Treated Injuries were recorded on site in Tanzania where development work continued on various fronts.

The Company appointed Mr Charl van der Merwe, as General Manager of the Lindi Jumbo Graphite Mine. Charl is an experienced mining executive and joins the Lindi Jumbo team at a crucial time, as preparations for mine commissioning and operations gather pace.

Bringing over 35 years' experience including senior and executive positions in mine development and management with major, mid-tier and junior miners worldwide, Charl has held positions as Chief Operating Officer, General Manager and Group Mining Engineer across Africa the Middle East, Europe and Asia.

Under the environmental approvals obtained for construction of the mine, the Company undertook the first annual independent environmental audit since construction commenced.

The audit was carried out specifically to fulfil requirements of Regulation 50 of the EIA and Audit Regulations, which stipulate that a designated holder of an approved Environmental Impact Assessment (EIA) or Initial Environmental Audit (IEA) Certificate must perform an assessment to determine that all practicable measures have been undertaken to implement the Company's environment management plan (EMP).

The auditor's report stated, "Lindi Jumbo Limited has demonstrated good environmental stewardship at the project area, which was evident both at a site and documentation level, with a majority of the listed criteria addressed and conformed to.

Some of the most commendable achievements include: a written HSE policy and EIA; good relationships with nearby villages; and environmental conservation by minimising deforestation."

PROGRESS ON SITE SINCE THE LAST QUARTERLY UPDATE INCLUDES:

- TSF – continued construction of the wall rockfill installation of various drainage pipes, stormwater drainage and culverts.
- Processing Plant – structural and mechanical installation of equipment of the front-end (crushing and grinding circuit), lift and installation of the rod-and pebble mills onto their concrete plinths and the continuation of the civils with the preparation of foundations and equipment plinths focussing on the concentrator and screening buildings.

ENGINEERING, PROCUREMENT AND CONSTRUCTION

The status of the major equipment that has been delivered to site to date:

Equipment	Status
Jaw & Cone Crushers	Mechanical installation complete
Vibrating Grizzly	Awaiting installation
Apron Feeders	Mechanical installation partially complete
Belt Feeders	Mechanical installation partially complete
Conveyor Belts	Mechanical installation complete with belts to be installed closer to commissioning
Rod Mill	Mechanical installation complete
Pebble Mill	Mechanical installation complete
Classifiers	Awaiting installation
Floatation Cells	Awaiting installation
Conditioning Tank	Awaiting installation
Diaphragm Filter Presses	Awaiting installation
Fine ore bin	Mechanical installation complete
Thickener	Mechanical installation complete
Make-up water tank	Mechanical installation complete

The mechanical installation of the remaining equipment on site and further concrete works is expected to proceed approximately until the end of March 2023. The status of the civils, structural steel and mechanical installation of the equipment on site since the end of this period is estimated to be:

1. Front-end (including ROM bin, crushing and screening, Conveyors 1 to 4 and fine ore bin and associated infrastructure) approximately 80% - 90% complete.
2. Mechanical equipment within the concentrator section (Mills, classifiers, floatation cells) approximately 80%-90% complete.
3. Drying and screening section – civils approximately 80%-90% complete.



Figure 1: Mechanical installation of the crushing circuit (left) and Conveyors 1,2 & 3 (right). *Note that conveyor belting will be installed closer to commissioning.



Figure 2: Mechanical installation of the make-up water tank (left) and thickener (right).



Figure 3: Dual lift of the rod mill (left) and the installation team after the lifts and mechanical installation of the rod and pebble mills (right).

Lindi Jumbo has been progressing the next shipment of equipment from China. It was expected that the a shipment was to occur during December, however the Covid 19 outbreak in China has delayed the despatch of that shipment. The total value of the equipment yet to be shipped from China is less than US\$3m (A\$4.8 million based on an exchange rate of 0.71 USD to the Australian dollar). Payment for the equipment awaiting shipment from China is due upon the shipping o the equipment to site.

The equipment manufactured and currently in storage in China is:

- Drum Scrubber
- Attrition Mills
- Air Compressor
- Spiral Conveyors
- Rotary drier
- Packing Machines
- Vibrating Feeders and screens
- Bag Filters
- Rotex screens and spares for screening of final concentrate (in storage in Australia)



Figure 5: Inspection and testing of the rotary drier (left) and BGRIMM attritioning mills (right). The manufacturing, QAQC and factory acceptance testing is complete and the equipment in storage in China.

Operational Readiness

In preparation for commissioning & project start, Lindi Jumbo has:

- Prepared for the placement of critical operational contracts;
- Started the recruitment of key operational personnel as in the operation readiness plan; and
- Advanced the formal framework and shareholders agreements around the free carried interest with The Government of the United Republic of Tanzania in accordance with previous documented guidelines from the ministry. These agreements are not a pre-condition of operations nor product sales.

The Company notes that global interest in graphite concentrate continues to increase, and this has been reflected in a number of other Tanzanian graphite projects updating their feasibility studies using basket prices for concentrate considerably higher than US\$1,515 used by WKT in its Definitive Feasibility Study completed in March 2019 (*see ASX announcement of 7 March 2019*). Our marketing partner, Wogen Pacific has continued to expand its reach to new potential customers, aided by the availability of new bulk samples.

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.

END

This Activity Report is authorised for release by the Board.

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.

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

This announcement includes forward-looking statements that are only predictions and are subject to risks, uncertainties and assumptions, which are outside the control of Walkabout Resources Limited.

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This announcement does not constitute investment advice and has been prepared without considering the recipients investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

SCHEDULE OF MINING TENEMENTS AND BENEFICIAL INTERESTS HELD AS AT THE END OF THE DECEMBER 2022 QUARTER

Project / Location	Tenement Type	Tenement Number	Interest at Start of Quarter	Interest at End of Quarter	Comment	Holding Company
Tanzania						
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%		Lindi Jumbo Ltd
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)
Northern Ireland						
Tyrone	MRO	KOZ01/16	50%	50%	JV	Koza (UK) Ltd (CE & DfE)
Scotland						
St John's Town of Dalry	MRO	GH	100%	100%		JDH Resources Ltd
Newton Stewart	MRO	CN	100%	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).