

QUARTERLY REPORT

27 July 2023

WALKABOUT RESOURCES LTD

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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
662,526,773

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
Metal Projects (50%)

JUNE 2023 QUARTERLY ACTIVITIES REPORT

Walkabout Resources Ltd (ASX:WKT) is pleased to report its activities for the June 2023 quarter.

HIGHLIGHTS

FUNDING

- Gemcorp formally approved the US\$20 million debt facility in June providing the confidence to hire and contract resources to prepare for commissioning.

- First drawdown completed in July.

LINDI JUMBO GRAPHITE MINE TANZANIA

- No lost time injuries occurred during the quarter.
- Civil works at the Tailings Storage Facility (TSF) and the Processing Plant nearing completion.
- Shipments from China continued during the quarter with various mechanical and structural equipment delivered to site.
- Project construction remains on track for completion before the end of 2023.

Debt Funding

GEMCORP DEBT FACILITY ^{1, 4, 6 & 9}

As announced during the previous quarter the Company signed a binding term sheet with Gemcorp Capital ("Gemcorp") for a US\$20m senior debt facility together with a standby facility of a further US\$5 to complete construction of the Lindi Jumbo Graphite Mine in Tanzania.

During the reporting period, the Gemcorp Investment Committee approved the transaction and upon completion of all the Conditions Precedent (CP) first drawdown of US\$5.1m was completed in July and used primarily to refinance existing interim funding measures that have substantially covered construction costs since February of this year. The remainder of the facility will be used to complete construction, pay debt facility transaction fees, fund commissioning and provide working capital for the Company and Lindi Jumbo.

The senior debt facility will be over a 3-year period, consisting of high yield interest and the lender being entitled to 30% of free cashflow, after debt servicing for the 3-year period. This structure provides Gemcorp with some Lindi Jumbo upside participation while avoiding equity dilution to shareholders.

The facility will be subject to a number of standard financial covenants including debt service cover. Regular draws from the facility will occur up until March 2024. Undrawn funds will attract a commitment fee of 4.2% until that date.

Lindi Jumbo received ministerial approval for up to US\$25m of new foreign debt.

Lindi Jumbo Graphite Mine – Tanzania ^{2,3 & 5}

The construction civils remained focused around the TSF and concrete works at the Concentrator, Screening and Drying buildings, as well as some of the warehouses and MCC foundations around the processing plant. Mechanical installation was mainly undertaken in the concentrator building.

SITE PROGRESS INCLUDES:

- **TSF**
 - Finalisation of construction of the retaining walls using waste rock from the open pit (refer Figure 1).
 - Continuation of the installation and construction of various drainage pipes, stormwater drainage and culverts within and around the TSF.
 - Capping and compaction of the clay layer on the retaining walls and preparation of the pre-depositional area for the HDPE lining planned for completion within the third quarter and pre-commissioning of the processing plant.
- **Processing Plant**
 - Continuation of the civils with the preparation of foundations and equipment plinths focussing on the concentrator and screening buildings.
 - Installation of the majority of the mechanical equipment on site and the associated steelwork and platforms to support the equipment.
 - Foundations for various ancillary buildings (warehouses, MCC's, etc.)



Figure 1: Oblique view of the TSF from the southwest as at the end of June. Note the compaction of the clay layer on the retaining wall on the northwestern side of the TSF (top left side) and the preparation of the basin for the HDPE liner to be installed in the third quarter.

ENGINEERING, PROCUREMENT AND CONSTRUCTION

Several shipments that were despatched from China during the quarter have been delivered to site and the majority (>95%) of the mechanical equipment has also been delivered.

The equipment includes:

- Drum Scrubber
- Attritioning Mills
- Rotary Dryer
- Gantry Cranes
- Dust Collectors
- Packing Machines
- Containers with supporting equipment (motors, pumps etc.) for the above mentioned list
- Dust collectors



Figure 2: Two of the rotary driers on site (left) and the Attritioning mills installed on their plinths within the Concentration Building area (right).

The installation of the mechanical equipment and associated supporting steelwork and platforms within the concentration building was completed and now awaits the arrival of the electrical and instrumentation equipment for installation and completion in preparation of commissioning.

The pre-fabrication of approximately 600 tonnes of steelwork needed for the construction of the large drying and screening building was completed and the first consignment containing the bulk of that steelwork has been delivered to site.

Arrangements are currently underway to commence movement of the Rotex screens currently in storage in Melbourne.



Figure 3: Lift of the secondary spiral classifier (left) and flotation cells (right).

HEALTH AND SAFETY

There were no significant health or safety incidents during the quarter. The Company also had zero Lost Time Injuries at Lindi Jumbo.

Mine Planning ^{7 & 8}

In support of the debt funding financial model, the initial 3-year mine plan was optimised to ensure that sufficient waste was being generated to supply the necessary lifts of the TSF walls, while at the same time generating sufficient medium grade (10 to 20% TGC) and high-grade (>20% TGC) ore stockpiles for blending, commissioning and ramp-up to steady state operations.

The updated mine plan resulted in a material improvement to the Life-of-Mine completed as part of the 2019 Definitive Feasibility Study (DFS). The improvement was due to:

1. The incorporation of the pre-strip and waste-rock mining that is underway to build the TSF, dissolving the costs as part of the mine construction.
2. The shift of the entire first three years of mining to the north and closer to the processing plant resulting in potential cost savings due to shorter ore tramming distances.
3. The inclusion of Inferred Resources which are above the cut-off of 10% TGC and which occurs within the updated pit design (previously classified as waste in the DFS).⁷
4. A 39% reduction in strip ratio to the previous 3-year plan.

This has resulted in significantly less operational waste rock mining and potential cost savings (1.25 million tonnes or 42.2% less than the initial three years in the 2019 mine plan). The significant reduction in waste rock and total tonnes mined (refer Table 1) has the potential to reduce the mine operating costs even at current increased per unit costs (due to inflation, higher fuel prices and ancillary mining expenses).

MINING - INITIAL 3 YEAR PERIOD	% CHANGE
Ore Tonnes (MG + HG)	-3.2%
Ore Grade	0%
Low Grade tonnes (<10% TGC)	+ 9.2%
Waste Tonnes	-42.2%
Total Tonnes Mined	-23.5%
Tonnes Processed	-5.0%
Concentrate tonnes produced	-5.9%

Table 1: Summary of the changes to the 3 Year mine plan - 2019 vs. 2023 ⁸

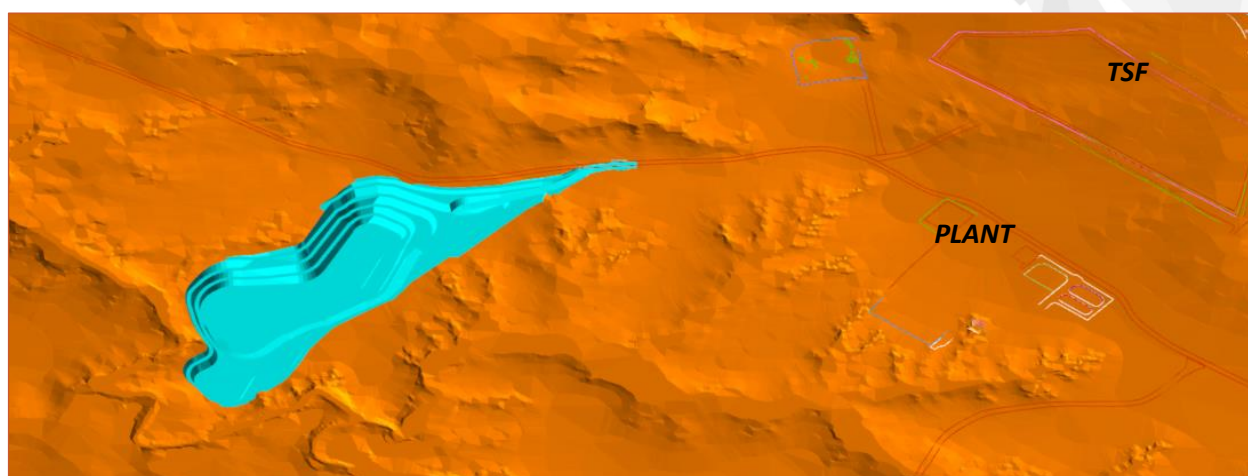


Figure 4: Oblique view from the southeast of the 3-year mining pit in relation to the Processing Plant and Tailings Storage Facility (TSF) areas.

With no more pure waste rock blast needed, the focus within the starter pit will now shift towards preparation of pit for production and the opening of the main ore zone of the deposit. As previously announced, this “core zone” of the deposit comprises a super high-grade zone (5 million tonnes @ 22.5% TGC) enveloped by a medium grade zone (10 to 20% TGC). This core zone will supply the bulk of the ore for stockpiling, blending and processing through the plant.

The three-year mine plan (*refer ASX announcement 26 May 2023*) is based on the following:

1. No changes to the Mineral Resource and Ore Reserve (See ASX announcements 19 December 2018 and 7 March 2019).
2. No material changes to the following factors as used in the DFS of March 2019 including metallurgical factors/assumptions, capital costs, revenue factors, operating costs, market assessment and economic factors (i.e., interest rates, discount rates etc.).
3. Inclusion of the Inferred Resources (within the three-year pit shell) as ore and not as waste as per the DFS of March 2019. While these Inferred Resources will extend Lindi Jumbo's mine life, it is not expected to be a material increase given the volume of Inferred Resources to be produced during the three-year mine plan. Grade control drilling to be done as part of the updated operational three-year mine plan will increase the confidence of all mineralised zones. These results will then be taken into consideration for the short-term mine planning within the longer-term mine plan.

Activities Upcoming

During the third Quarter the Company plans to update the market on:

1. Final delivery of all equipment to site
2. Construction progress on site in Tanzania
3. Completion of the TSF
4. Finalisation of Operating Function Contracts
5. Commencement of operational mining and stockpiling activities

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

For further information, please contact:

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ASX Announcements referred to in the quarterly update:

1. ASX Announcement of 29 March 2023, US\$20 Million debt facility to complete the Lindi Jumbo Project.
2. ASX Announcement of 9 May 2023, Construction Progress Lindi Jumbo Project.
3. ASX Announcement of 26 May 2023, Development Progress – Lindi Jumbo Project.
4. ASX Announcement of 14 June 2023, Gemcorp Investment Committee provides approval for the US\$20 million debt facility.
5. ASX Announcement of 14 June 2023, Development Progress – Lindi Jumbo Project.
6. ASX Announcement of 04 July 2023, Lindi Jumbo and Gemcorp execute final loan agreement for the US\$20 million senior debt facility.
7. ASX Announcement 19 December 2018, Lindi Jumbo Graphite Mineral Resource Increased by 41%.
8. ASX Announcement 7 March 2019, Updated DFS Confirms Standout Graphite Project.
9. ASX Announcement 13 July 2023, First Drawdown Senior Debt Facility.

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.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, Walkabout Resources Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statements is based.

This announcement has been prepared by Walkabout Resources Limited. This document contains background information about Walkabout Resources Limited current at the date of this announcement. The announcement is in summary form and does not purport to be all-inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

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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 MARCH 2023 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).

For the purpose of listing Rule 15.5, this announcement has been authorised by the board of Walkabout Resources Ltd.