

WALKABOUT RESOURCES LTD

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DIRECTORS

Andrew Cunningham
Managing Director

Mike Elliott
Non-Executive Chairman

Phil Montgomery
Non-Executive Director

Peter Finimore
Non-Executive Director

ORDINARY SHARES

666,755,046

PROJECTS

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

Amani Gold Project
Tanzania (100%)

**Northern Ireland Gold and
Base Metals (50%)**

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

September 2023 Quarterly Activities Report

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

HIGHLIGHTS

LINDI JUMBO GRAPHITE MINE TANZANIA

- Zero lost time injuries for 643 days.
- No significant health, safety or environmental incidents.
- Tailings Storage Facility (TSF) works 93% complete at quarter end, with HDPE liner installation progressing well.
- Planned essential civil works 97% complete.
- Erection of building structures in progress.
- Costs of funding delays on capex minimal, recorded at 4.2%.
- Grid power delivered to site, with a strategy to improve risk of redundancy and continuity of supply.
- Construction remains on track for completion before year end.

FUNDING

- Drawdowns from Gemcorp debt facility continued.
- The first Battery Metals Capital Group (BMCG) facility was completed.
- Conclusion of Interim Funding Measures with major contractors and shareholders.

Managing Director & CEO of Walkabout Resources, Andrew Cunningham commented;

“Another solid quarter focused on preparing for commissioning and then plant ramp up and operational readiness for early 2024. The restrictive controls announced by China on the export of graphite products this week, makes our entry to market extremely timely and will see Lindi Jumbo being the largest alternative producer of large flake graphite for the expandable graphite market.

As 100% of Lindi Jumbo production is currently unpriced and projected as the second highest margin graphite project globally ¹, Lindi Jumbo stands to benefit greatly from any resulting premiums available for non-Chinese supply.”

Current Funding Measures

GEMCORP DEBT FACILITY

Drawdowns from the US\$20m Gemcorp debt facility continued as per schedule with three drawdowns for US\$10.5m completed during the reporting period (See ASX announcement 4 July 2023).

BMCG

The Company entered into a termination deed, whereby the Company paid the amount of US\$977,000 to BMCG to retire the outstanding amount of the funding agreement (See ASX announcement 28 July 2023). BMCG had previously sold all shares issued under the facility in earlier quarters.

Interim Funding Measures

JINPENG

The Company agreed with its EPC contractor, Jinpeng, that all contractual milestones achieved to date and through to practical completion will be paid in cash. Up to US\$500,000 of post-practical completion contractual milestone payments are to be paid by way of the issue of shares at 11c.

This agreement replaces all previous agreements entered into and disclosed to the market (See ASX announcement 6 March 2023 and approval from shareholders at the general meeting held on 28 August 2023).

TNR

During the quarter, the interim funding agreement with TNR was repaid using funds from the first drawdown of the senior debt facility. The Company intends to cancel the shares issued as security for the interim funding agreement (See ASX announcement 28 February 2023). This will require approval of shareholders at the upcoming Annual General Meeting.

BRIDGING LOAN

The Company have been issued 4,227,273 shares at 11c each as part of the conclusion of the remaining shareholder bridging loans (See ASX announcement 28 August 2023).

With the conclusion of interim funding measures, the Lindi Jumbo funding structure has been simplified:

1. US\$20m Senior Debt Facility – partially drawn (See ASX announcement 4 July 2023).
2. US\$5m Senior Debt Standby Facility – undrawn (See ASX announcement 4 July 2023).
3. US\$10m Standby Placement Facility – undrawn (See ASX announcement 27 February 2023).

Lindi Jumbo Graphite Mine, Tanzania

HEALTH, SAFETY AND ENVIRONMENTAL PERFORMANCE

There were no significant health, safety or environmental incidents during the reporting period. At the end of September, the Company had zero lost time injuries on site for 643 days. This is a major achievement, taking into account that there are currently more than 200 people on site, and is reflective of the strong safety culture supported by all employees and contractors.

SITE PROGRESS

Construction activities at Lindi Jumbo remained focused around civils at the TSF and the Processing Plant. Mechanical installation continued at the Concentrator and Drying and Screening Buildings, as well as the erection of the steel framework for both the Concentrator and Drying & Screening Buildings. Targeted completion of mine construction prior to the year's end remains on track (*See announcement ASX announcement 7 September 2023*).

TAILINGS STORAGE FACILITY

At the end of the quarter, TSF works were 93% complete, with HDPE lining installation progressing well and set for completion towards the end of October. All bulk earthworks associated with the TSF have been completed with the final trimming, drainage, civils and stormwater management in progress.



Figure 1: HDPE lining of the TSF at the end of September 2023.

PROCESSING PLANT

Erection of the steel building framework of the Concentrator Building commenced in the first week of September. Upon its completion, the remainder of the mechanical equipment, including the drum scrubber, will be 'tied' into the building. The majority of the steel platforms within the Concentrator Building were installed and fitting of piping circuits and cable racking progressed well.

At the end of the quarter, essential civil works for the entire project were 98% complete, well ahead of the mechanical construction team's scheduled start. All major concrete works required to finalise plant construction are in place.

The number of construction team members increased during the quarter to accelerate the mechanical, electrical and piping installation.

Within the Screening and Drying Building, the larger rotary dryer was positioned and internals assembled once the shell was secured. Towards the end of September, structural teams commenced work on the steel framework of the building.

Civil works for a number of the ancillary buildings and equipment progressed to schedule and these structures will be ready and functional to house the spare parts that are enroute as part of the final shipment from China.



Figure 2: Steel frameworks of the Drying & Screening building (foreground) and Concentrator building (background) as at the end of September 2023.

EQUIPMENT DELIVERY AND MANUFACTURING

Shipments of structural, mechanical and electrical equipment continued to arrive in Tanzania with around 95% now on site. All prefabricated steel for the Screening and Bagging Building were received in August, comprising more than 850 tonnes over 35 truck movements.

Prefabricated Motor Control Centres (MCC's) for the plant reached site in September and will be connected to the electrical circuits currently being installed by a specialist electrical team currently on site.

The majority of pumps, motors and piping were installed into the concentrator, though further pipes, valves and equipment bases are yet to be received to finish the mechanicals.

Status of outstanding equipment deliveries at the end of the quarter included:

- Piping, valves and minor steelwork for mechanical equipment (awaiting unloading at port).
- Steel buildings for lime & reagent store and warehouse and maintenance workshop (awaiting unloading at port).
- Rotex screens (en-route to Tanzania from Australia).
- Automation system and instrumentation (en-route to Tanzania from China).
- Generators (expected in December).
- 11 KV Transformer, 11 KV Switchgear & 400V PCC Cubicles (expected in November).
- 33 to 11KV Transformer (expected in December).
- Critical spare parts (expected in December).



Figure 3: Containerised 11 KV Switchgear & 400V PCC Cubicles en-route to Tanzania.

POWER

The current construction schedule has the connection to the power supply on the Lindi Jumbo critical path. Although grid power has been delivered to site and is being used for construction, further transformers and switch gear are required and has been ordered to connect up more than individual items of mechanical equipment. The delivery of the contracted 33KV transformer is expected in November.

To mitigate potential commissioning delays and to reduce future operating risk, Lindi Jumbo has reverted to acquiring diesel generators for full backup power. The cost of this risk mitigation and redundancy will add nearly US\$1 million to the project cost and was factored into the capacity of the senior debt facility.

The stability and availability of grid power suggests uninterrupted operations will be highly likely, but the availability of full backup power will provide the assurance that the plant will be able to run as per design, even during unforeseen power outages.

While there remains some spinning reserve in the Tanesco power grid, the power redundancy allows growth production to be unencumbered by any potential lapses of grid supply.

OPERATIONAL READINESS

During the quarter, a number of formal tenders were received for the outstanding essential outsourced services to the mine (laboratory, camp and logistics). Lindi Jumbo selected preferred partners after the quarter in accordance with local content regulations.

Hiring of essential staff continued in advance of the mine startup. Jinpeng, the EPC Contractor responsible for the successful completion and functional handover of the processing plant, agreed to supply technical staff for a period of 6-12 months post-commissioning to support a smooth and structured training, familiarisation and handover schedule to the Lindi Jumbo operational team.

CAPEX FORECAST

At the end of the quarter, the final estimated capital cost for the mine was US\$34.5m net of VAT. This includes scope changes of \$3.8m (with the bulk incurred in 2021). The impact of these scope changes and the prolongation of the delays in project funding and COVID19 have been mitigated to approximately 4.2% of the forecasted final capex value.

With conclusion of the earthmoving and civils contract imminent (98% complete) and the EPC contract being fixed price, there is limited scope for material changes in the projected total capex resulting from indirect costs from any further unforeseen delays.

ACTIVITIES UPCOMING

A further project update encompassing construction and operational readiness activities for the month of October will be released in the coming week.

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

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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.

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.

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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 SEPTEMBER 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

Note: ML (Mining 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.

¹ Benchmark Minerals Intelligence, 2019