

June 2021 Quarterly Activity Statement

Walkabout Resources Ltd (ASX:WKT) is pleased to report its activities for the June 2021 quarter.

HIGHLIGHTS

- US\$20 million debt finance agreement signed with CRDB, a Tanzanian based listed bank, for the construction of the Lindi Jumbo Graphite Mine.
- Companion equity needed to enable the drawdown of the debt facility of US\$12 million and a 3-stage process for raising commenced.
- A\$6.4 million (US\$4.67 million) raised through an institutional placement as Stage 1 companion equity.
- Rights issue launched to raise A\$7.6 million (US\$5.54 million) for Stage 2 companion equity.
- Up to US\$10 million raised through the placement of shares with US based Battery Metals Capital Group LLC as Stage 3 companion equity.
- In-country graphite growth potential defined through an updated Exploration Target.
- Walkabout joined the European Raw Material Alliance (ERMA).
- Board and management transformation in readiness for next phase of development and operations.

Lindi Jumbo Graphite Funding Update

During the quarter a major milestone in the Company's progress towards the construction and development of the Lindi Jumbo Graphite Mine was reached through securing a US\$20 million Debt Funding Facility (Facility) with CRDB Bank of Tanzania. The Facility which will meet 62.5% of the total project funding was executed between Lindi Jumbo Limited and CRDB.

CRDB Bank PLC a leading financial service provider in Tanzania is listed on the Dar es Salaam Stock Exchange. The Facility remains subject to conditions precedent and company has been working towards satisfying these during the remainder of the quarter. The most significant being the contribution of US\$12 million of Companion Equity and the finalisation of Material Agreements.

The Company's Companion Equity contribution is being executed in three stages with US\$4 million tranches transferred to the project accounts with CRDB at the completion of each stage.

Stage 1: On 12 May 2021, the Company announced the successful completion of stage one funding, raising A\$6.4 million (US\$4.67 million) through a placement of shares at A\$0.20c per share with Institutional investors in Australia.

Stage 2: The Company also raised a further A\$7.6 million (US\$5.54 million) through the offering of a 1 for 10 non-renounceable rights issue for eligible shareholders to subscribe for new ordinary shares at A\$0.20c per share. The rights issue was underwritten to the amount of A\$3.63 million (US\$2.65 million) by existing shareholders with the Chairman of Walkabout Mike Elliott personally underwriting an amount of \$1.6 million (US\$1.17 million).

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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

425,406,727

UNLISTED OPTIONS

7,000,000

PROJECTS

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

Amani Gold Project
Tanzania (100%)

Scotland Base Metal Projects
(75%)

Northern Ireland Gold and Base Metals (50%)

EUREKA LITHIUM PROJECT

NAMIBIA (100%)

Subsequent to the quarter, the rights issue was successfully completed and oversubscribed with the maximum allowed of A\$7.6 million raised.

Stage 3: While the rights issue was still open, the third and final stage of the three-stage Companion Equity fund raising process was executed through an institutional placement of up to US\$10 million with Battery Metals Capital Group LLC (BMCG). US\$1.7 million tranche one funds were received in early July.

TABLE 1. BREAKDOWN OF COMPANION EQUITY FUNDING PROCESSES COMMENCED DURING THE QUARTER.

FUNDING	AMOUNT	STATUS
STAGE 1	U\$4.67 million	COMPLETED - US\$4 million transferred to the CRDB project account in Tanzania in June.
STAGE 2	U\$5.54 million	COMPLETED - US\$4 million transferred to the CRDB project account in Tanzania in July.
STAGE 3	US\$ 6 - 10 million	US\$1.7 million received as Tranche 1 pre-payment. Completion subject to shareholder approval of US\$4.3 million at a general meeting to be held on 24 August 2021.

**Note conversion done from Australian dollars to US dollars at a conversion rate of 0.73.*

The staged funding does not have an effect on the project timeline with mobilisation and construction activities on site in Tanzania and in China to start upon the signing of the material contracts and approval by CRDB. Initial drawdown will be from the Companion Equity and drawdown of the debt portion towards the second half of the project development timeline.

The authorised disbursement of Companion Equity allows the commencement of activities including:

1. Mobilisation and start of the bulk earthworks
2. Civil engineering work at the processing plant area
3. Start the procurement and manufacture of processing plant equipment
4. Procurement of mobile equipment
5. Commencement of shipping of long-lead items and mobile equipment to site

LINDI JUMBO PROJECT DEVELOPMENT ACTIVITIES

The Lindi Jumbo team has been active in country in preparation for the commencement of mobilisation and construction activities on site. Numerous meetings and information sessions were held with the regional, district and local authorities, government departments, village councils, villages and other stakeholders.

The meetings were supported by representatives from the District Commissioners office as well as the Regional Mines Officer from the Ministry of Mines and Energy. Transparent communication with our in-country stakeholders is a key to earning and maintaining our social licence to operate.

The finalisation of material contracts commenced during the quarter in accordance with the revised project timeline.



Figure 1: Village council and village meetings held at the villages near site.

Following the quarter, the first major contract for the Bulk Earthworks and Civil Engineering Works was awarded to TNR Engineering Ltd, a local Tanzanian contractor for a combined value of US\$8.7 or approximately 30% of the planned project development budget.

TNR Engineering has already successfully completed an early works contract with Walkabout in 2019. The new contract includes all of the major bulk earthworks on site and all of the earthworks, concrete works and building in preparation of the construction and installation of the Lindi Jumbo Processing Plant and associated infrastructure.

The remaining material contracts are expected to be finalised in the coming weeks while administration work is being progressed to facilitate the submission of Jinpeng's Tanzanian working permits for the duration of the Contract.

A comprehensive project insurance package has been put out to the Tanzanian insurance market in line with local content requirements and final quotes have been received.



Figure 2: TNR and Lindi Jumbo management at the Company's office in Dar es Salaam. L-R: Ephraim Mrawa (Company Secretary Lindi Jumbo), Terry Calavrias (TNR), Rachel Songo (Director Lindi Jumbo), Joseph Watanda (TNR) and Stellah Kimaro (TNR).

Graphite Growth Potential

The Company announced an update to the Exploration Potential Range over its graphite tenements in Tanzania. The assessment was made on new reconnaissance mapping and sampling completed on the Kimoingan Project in northern Tanzania as well as the reinterpretation of existing data within the Lindi Jumbo tenement package and in close proximity to the current Lindi Jumbo Graphite Mine development area. The Company has an updated Exploration Potential Range of 72 to 172 million tonnes at a grade of 8-15% Total Graphitic Carbon (TGC) summarised in Table 2. The Exploration Potential Range excludes the current JORC Compliant Mineral Resource at the Gilbert Arc Deposit of 41.8 million tonnes @ 10.8% TGC.

TABLE 2: SUMMARY OF THE EXPLORATION POTENTIAL OVER THE COMPANY'S GRAPHITE TENURE IN TANZANIA.

ASSET	STRIKE LENGTH OF CONDUCTIVE ZONES	MILLION TONNES IN SITU		
		LOW	MID	HIGH
WEST- ML579 AND PL11409/2020	4.5km	15	22	29
EAST - PL9993/2014	10.8 km	35	53	71
KIMOINGAN PL11119/2017	-	22	36	72
TOTAL		72	111	172

Corporate

The Company was accepted into the European Raw Materials Alliance (ERMA) a membership which aligns with the Company's commitment to improve resilience of critical supply chains and energy security. Currently Europe is vulnerable due to an excessive dependence on single supply countries or where one country dominates the supply chain of certain critical materials. Natural graphite is firmly entrenched in the clean and digital technologies which are heavily dependent on critical raw materials with additional material consumption of graphite in all applications predicted by ERMA to increase by 14 times by 2050

During and immediately following the reporting period there have been a number of changes made to the Company's board and management structure to best position the Company for the next phase of development, operations and growth.

- Mike Elliott was elected as Non-Executive Chair of the Board
- Allan Mulligan has stepped down from the board and has assumed the role of Chief Operating Officer primarily charged with the delivery of the Lindi Jumbo Project
- Andrew Cunningham has been appointed as Chief Executive Officer
- Peter Finnimore and Phil Montgomery have been appointed as Non-Executive Directors to the Board
- Tony Allen was appointed as Chief Financial Officer

Both Peter and Phil are highly regarded mining executives and have spent most of their careers working for some of the world's largest and diverse mining companies. They bring to the board valuable and extensive experience in international project delivery, sales and marketing.

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

Other Activity

During the quarter and while the funding activities were underway to get the Lindi Jumbo Project into production, the field activities and expenditure on all of the other exploration sites in the UK and Africa were kept on hold. The Company remains drill ready at the Blackcraig polymetallic project and rapid progress is expected once the necessary funds have been secured for the project.

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 has also acquired an exciting exploration portfolio for gold and base metals in Scotland and Northern Ireland and is participating in the Tyrone Joint Venture 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.

CAUTIONARY STATEMENT

The potential quantity and quality of the quoted Exploration Potential Range outside of the Gilbert Arc Mineral Resource Area is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource over any of the additional target areas. It should not be expected that the quality of the Exploration Targets is equivalent to that of Mineral Resources. Exploration Targets could be tested with future exploration activities in alignment with the Company's exploration and business strategy.

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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SCHEDULE OF MINING TENEMENTS AND BENEFICIAL INTERESTS HELD AS AT THE END OF THE JUNE 2021 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	0%	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)
Buhingu	PL	11470/2020	100%	100%	Granted	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%		Recommended	Duma Resources Pty Ltd (Tz)
Amani	PL	11597/2021	0%	100%	Granted (was PL16628/2020)	Duma Resources Pty Ltd (Tz)
Amani	PL	16629/2020	0%		Application	Duma Resources Pty Ltd (Tz)
NORTHERN IRELAND						
Tyrone	MPL# / MRO	KOZ01/16	50%	50%		Koza (UK) Ltd (CE & DfE)
SCOTLAND						
St John's Town of Dalry	MRO	GH	75%	75%	Farm-In	JDH Resources Ltd
Newton Stewart	MRO	CN	75%	75%	Farm-In	JDH Resources Ltd
Rhins of Galloway	MRO	CG	75%	0%	Relinquished	JDH Resources Ltd
Gatehouse of Fleet	MRO		0%		Application	Shackleton Resources Ltd
NAMIBIA						
Eureka	EPL*	6308	100%	100%		Aardvark Minerals Pty Ltd
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