

December 2021 Quarterly Report

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

HIGHLIGHTS

LINDI JUMBO GRAPHITE MINE - TANZANIA

- Engineering, Procurement and Construction (EPC) Contract signed with Yantai Jinpeng Mining Machinery
- First shipment of plant and mobile equipment dispatched from China
- Earthmoving and civils site works continued to plan focussing on the Processing Plant construction schedule
- Covid-19 vaccination program rolled out on site and in the local communities
- Grid power to be delivered to site

UK PROJECTS

- Commencement of maiden diamond drilling program in Scotland
- Acquisition of remaining 25% of JDH Exploration sees the Company command a wholly-owned exploration footprint in Scotland of approximately 750km²

Walkabout Resources' CEO, Andrew Cunningham commented, "I am delighted with our progress this quarter - we continue to make steady headway in our construction milestones on site and in China as well as expanding our exploration footprint in Scotland. With shipments on their way to Tanzania we look forward to receive them on site and to commence with the erection of the processing plant".

Lindi Jumbo Graphite Mine - Tanzania

ENGINEERING, PROCUREMENT AND CONSTRUCTION

During the quarter, the second material project development agreement was executed for the Engineering, Procurement and Construction (EPC) of the Lindi Jumbo Graphite Process Plant with Yantai Jinpeng Mining and Machinery Co. Limited (Jinpeng).

The EPC contract includes procurement, manufacture, shipping, erection and commissioning of the process plant; training of Lindi Jumbo operations personnel; and mobile equipment for construction and processing needs. A team from Jinpeng is scheduled to arrive on site within the first quarter of 2022 and will remain until final handover over to Lindi Jumbo.

The manufacture and fabrication of processing plant equipment remains on schedule. Axis Group International continues to perform quality assurance over all items produced in China.

Following the early start by Jinpeng in September, the first shipment of mobile plant and equipment left China in December and arrived in Tanzania in January 2022 (see ASX announcements 20 September, 25 October and 21 December 2021) (refer figure 1).

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DIRECTORS

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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%)**

Eureka Lithium Project
Namibia (100%)



Figure 1: Large flotation cells (left) and mobile crane (right) being transported to the Port of Shanghai

SITWORKS

Works to date continue to support commissioning of the plant in the third quarter of 2022. With good operating conditions during the period site bulk earthworks progressed on, or ahead of schedule, with several critical tasks completed. These works include:

- Completion of terracing and levelling for the processing plant area in preparation for concrete works;
- Completion of access and internal roads;
- Completion of Tanroads designed to withstand low-water drift from the stream near the town of Ruangwa;
- Completion of demarcation of the Mining Licence Boundary;
- ROM Retaining wall (Terra Trel wall) – In progress and to schedule (refer figure 2);
- Raw water pond – in progress and to schedule and awaiting the installation of the liner;
- TSF topsoil removal and stockpiling as well as bulk and restricted excavation – in progress and to schedule.



Figure 2: Start of the ROM Retaining Wall (left) and plant terracing (right) in November 2021.

In December, a Jinpeng engineer attended site to audit and sign off on civil works undertaken by TNR Engineering (civils contractor) to ensure specifications had been met for plant erection.

The Tanzanian Electrical Supply Company (TANESCO) agreed to an additional extension (at their cost) of the powerline from the village of Matambarale for a further three kilometres to the Lindi Jumbo mine site.

The planned base-case is to supply diesel power to the entire Lindi Jumbo Mine. The supply of the TANESCO grid power will replace a portion of the base case power supply and will connect peripheral infrastructure including: the water supply borefield; Tailings Storage Facility; explosives magazine; fuel supply; accommodation camp; mining workshops and other shared infrastructure.

Work is underway to enable the integration of grid power with the planned on-site power generating facility. The supply of grid power to site at the start of the construction of the processing plant has the real possibility to lower both the construction and future operational costs. While limited to 1MW of power, the cost per kilowatt hour (kW h) to be supplied to Lindi Jumbo is priced significantly below the planned alternatives. The company continues to investigate options to use hybrid power.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

During the course of Q4, Lindi Jumbo recorded one Lost Time Injury (LTI) incurred off-site and one Medical Treated Injury (MTI) on-site.

Although the reported incidents were considered minor and non-life threatening, we continue to evaluate ways to better assess risk and move towards zero in this metric. Corrective actions have been taken and a site-wide safety reinforcement session has since been held.

During the quarter, the company continued its support of the COVID-19 vaccine rollout to educate and protect workers and communities in the project surrounds (see ASX announcements 25 October and 21 December 2021).



Figure 3: Follow-up vaccination programs in the local communities.

SUBSEQUENT EVENTS

The first shipment of plant and mobile equipment has arrived in Dar es Salaam and is awaiting berth space in the port to enable offloading to commence. The well documented global shipping problems continue and the Company is working closely with Jinpeng, Axis Group and the logistics contractor in Tanzania to minimise the impacts of these shipping delays. Currently, the delayed receipt of plant and equipment at site is not holding up plant construction as the first few shipments were always destined for storage until site works required them. However, planned shipments in February will be more critical for site progress and future delays may have an impact on the project schedule.

From a financial perspective, the delays in shipping have resulted in progress payments to Jinpeng being delayed. As such, the first draw down on the Lindi Jumbo Project Debt facility is anticipated in February. This has an unintended benefit of delaying the commencement of the project debt grace period and potentially lowering the interest cost during construction.



Figure 4: Vibration screen (left) and QA/QC testing of the thickener driver (right) before dispatching to Tanzania.

On site in Tanzania, construction activities continue well on all fronts with the focus shifting towards the concrete works and the development of the TSF. The ROM retaining wall (refer figure 5) has been completed and final shaping and trimming is in progress. The same type of wall (Terra-Trel) will be installed at the fine ore bin, and earthworks have commenced in this area.

Activities for the concrete works (excavation, shutter work, rebar cutting and bending and blinding) continues to plan. The clearing, topsoil removal and excavation of the key for the starter wall at the TSF is progressing to schedule.

The site has generally experienced fewer wet days than expected which has allowed earthworks to proceed ahead of schedule. During January, a major rainfall event occurred with the site receiving approximately a month's rain in two days. The site works fared well and further inspection proved the high quality of workmanship.



Figure 5: ROM Retaining Wall (left) and concreteworks that the thickener foundation (right) in January 2022.

Scottish Exploration Programs

BLACKCRAIG LEAD ZINC SILVER PROJECT

After the preparatory work completed in the previous reporting period, a maiden diamond drilling program commenced at the Blackcraig lead-zinc-silver prospect. This is the first exploration drilling to be undertaken in the area with drilling targeting possible extensions beneath the old underground mine as well as potential parallel structures to the main historical mining trend. Planned drill holes between 150 and 300m in length targeted mineralisation beneath the old workings (mined from surface commonly to a depth of approximately 45m). Holes covered approximately 1km of strike extent of the potential 4.5km mineralised trend (see ASX announcement 21 September 2021).

During the quarter six holes were completed and samples for all six holes sent to the laboratory for assaying (refer figure 6).

NEWTON STEWART AND GATEHOUSE OF FLEET

GREYMARE'S TAIL TREND

Regional soil sampling was completed over several key areas along the Talnoy - Greymare's Tail trend where several historic Pb-Zn trial workings (Au-Ag-Pb-Zn targets) are known to be located along a regional scale structure, as well as a historic Ni working (Ni-PGE target). The soil sampling covers an area of approximately 24km².

GLENHEAD GOLD PROJECT

A detailed soil grid was undertaken on the Glenhead Gold project to expand the area covered by historic soil grid and shallow drilling undertaken by the BGS in the 1980's.

Due to the COVID-19 pandemic, the assay laboratory in Ireland is experiencing severe backlog in their workload and the soil and drilling samples have been sent to one of the lab branches in South Africa for analysis. Results are now expected to start coming through in February.



Figure 6: Left - Brecciated and altered "ore zone" in Drillhole BCRDD002 from 129m to 147m downhole. Right - galena (lead sulphide) and sphalerite (zinc sulphide) within the breccia zone.

A regional, drone borne aeromagnetic survey that was planned for approximately 150km² was partially completed during the allocated “flying window”. The survey was conducted by UAVE Ltd using the Prion Mk3 UAV, a purpose built fixed-wing drone but due to a combination of equipment failures (including damage to the drone upon landing early in the survey), adverse weather conditions and the unavailability of key operating staff during the approved survey period, only a portion of the planned survey area could be completed. The results of the completed survey area will be interpreted and the Company is accessing its options on how to complete the remainder of the survey area within an acceptable timeframe.

SUBSEQUENT ACTIVITIES

Subsequent to the reporting period, the Company acquired the remaining 25% ownership of JDH Exploration, which holds two Mines Royal Options with the Crown Estate Scotland covering 500 km² in Dumfries and Galloway, south-western Scotland. Following the completion of the deal the vendor will hold no further interest in JDH and will forfeit all further milestone payments as previously reported after the 75% earn-in milestones were reached in March 2021 (see ASX announcement of 1 October 2018). The addition of the two JDH Exploration licences (Newton Stewart and St Johns Town of Dalry) to the 100% owned Gatehouse of Fleet licence will give the Company a commanding wholly-owned exploration footprint in the region of approximately 750km².

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

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SCHEDULE OF MINING TENEMENTS AND BENEFICIAL INTERESTS HELD AS AT THE END OF THE DECEMBER 2021 QUARTER.

Project / Location	Tenement Type	Tenement Number	Interest at Start of Quarter	Interest at End of Quarter	Comment	Holding Company
Namibia						
Eureka	EPL*	6309	100%	100%		Aardvark Minerals Pty Ltd
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%		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%		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%		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
Gatehouse of Fleet	MRO	GoF	0%	100%	Granted	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),