

6 November 2024

Dale Allen
Manager, Listings Compliance
Level 40, Central Park
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PERTH WA 6000

By Email: dale.allen@asx.com.au

Dear Mr Allen,

WALKABOUT RESOURCES LTD – ASX QUERY LETTER

Walkabout Resources Ltd (**Walkabout** or the **Company**) refers to your letter dated 1 November 2024. The Company provides the following responses to your questions.

1. Does WKT consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

1.1 requests for delivery exceeding forecasted production for 2024 in respect of Lindi Jumbo.

No.

1.2 that WKT has sales orders for all of its Lindi Jumbo graphite production to date and what is forecasted to be produced for the rest of the year.

No.

2. If the answer to any part of question 1 is “no”, please advise the basis for that view.
Please answer separately for each of the items in question 1 above.

2.1 requests for delivery exceeding forecasted production for 2024 in respect of Lindi Jumbo.

The Company does not consider this to be information that a reasonable person would expect to have a material effect on the price or value of its securities on the basis that a reasonable person would understand that requests for delivery are not binding contracts for sale of product but rather inquiries from potential customers which may then lead to binding sales agreements.

Additionally, the Company does not consider this to be information that a reasonable person would expect to have a material effect on the price or value of its securities on the basis that this statement is consistent with the following information that the Company has previously announced in relation to requests for delivery and sales of product:

- 29 April 2024 – “The Company and its sales and marketing partner, Wogen Pacific continued to sure up placement of the first few months of product with end-use customers. Sales forecasts to date are in line with the ramp-up schedule, with firm commitments for the validation of commercial product produced through the Lindi Jumbo processing plant.”
- 2 July 2024 – “Demand for Lindi Jumbo’s graphite product is vibrant and attracting market pricing. Our focus is on continuing to methodically ramp up production and product quality to meet this demand.”
- 1 October 2024 – “The Company is seeing robust demand for both coarse and fine product produced by Lindi Jumbo.”

2.2 that WKT has sales orders for all of its Lindi Jumbo graphite production to date and what is forecasted to be produced for the rest of the year.

The Company does not consider this to be information that a reasonable person would expect to have a material effect on the price or value of its securities on the basis that this information has consistently been disclosed by the Company to the market including in the following announcement:

- 29 July 2022 – “Under the amended terms of the Agreement, the full export production of Lindi Jumbo shall be sold to Wogen for a minimum term of 5 years. “
- 4 September 2024 – “All sales to date have been to Wogen for which an end customer has been contracted. Walkabout has a binding sales, purchase and marketing agreement with Wogen that covers 100% of the offtake at market pricing (80% cash received FOB)”
- 1 October 2024 – “The Company is pleased to announce a significant increase in sales orders in September with larger volume sales orders of graphite concentrate to new end customers in China and India “

As noted above, Wogen Pacific has a 100% binding offtake agreement of product produced at Lindi Jumbo (**Wogan Offtake**). Under this agreement Wogen is obliged to purchase all exported product regardless of whether or not it has an end customer, with this obligation being up to \$3.2m of unpaid sales at any time. At the realised price during the recent quarter of \$533/t that would represent approximately 7,500t of product. In addition, the company announced on 4 September 2024, 800t of sales to end customers and that it had an additional large number of unfilled sales orders.

Based on ramp up production of 60-70tpd in October (approximately 1,800t) and potential ramp up in November and December (approximately 5,000t) and the sales orders received to date, the Company is confident that Wogan will acquire all product produced at Lindi Jumbo in 2024.

3. Is the statement contained in the X Post correct that ‘WKT has sales orders for all of its Lindi Jumbo graphite production to date and what is forecasted to be produced for the rest of the year’?

Yes, refer to the answer to Question 2.2 above.

4. When did WKT first become aware of the information referred to in question 1 above?

4.1 requests for delivery exceeding forecasted production for 2024 in respect of Lindi Jumbo.

The Company first became aware of this information as it has progressively received additional requests for delivery and commenced production in line with its ramp up schedule.

4.2 that WKT has sales orders for all of its Lindi Jumbo graphite production to date and what is forecasted to be produced for the rest of the year.

The Company first became aware of this information immediately prior to:

- announcing Wogan Offtake on 29 July 2022;
- receipt of sales orders in the quarter as announced on 4 September 2024; and
- confirming that ramp up production to the end of 2024 remains in line with its ramp up schedule (refer to announcements dated 2 July 2024, 4 September 2024 and 1 October 2024)

5. If WKT first became aware of the information referred to in question 1 before the date of the Quarterly Activities Report, did WKT make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe WKT was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps WKT took to ensure that the information was released promptly and without delay.

5.1 requests for delivery exceeding forecasted production for 2024 in respect of Lindi Jumbo

No.

The Company does not consider this to be information that a reasonable person would expect to have a material effect on the price or value of its securities on the basis that a reasonable person would understand that requests for delivery are not binding contracts for sale of product but rather inquiries from potential customers which may then lead to binding sales agreements.

Additionally, the Company does not consider this to be information that a reasonable person would expect to have a material effect on the price or value of its securities on the basis that this statement is consistent with information that the Company has previously announced in relation to requests for delivery and sales of product.

5.2 that WKT has sales orders for all of its Lindi Jumbo graphite production to date and what is forecasted to be produced for the rest of the year.

No.

The Company does not consider this to be information that a reasonable person would expect to have a material effect on the price or value of its securities on the basis that this information has consistently been disclosed by the Company to the market.

6. Was the X Post published by a party associated with a WKT director? If yes, please explain:

Yes, the X Post was published by the Chairman of WKT, Michael Elliott.

- 6.1 How the information regarding WKT's sales orders appeared in the X Post?

The post was published under Michael Elliot's X profile.

- 6.2 What arrangements does WKT have in place to ensure compliance with Listing Rule 15.7?

The WKT Social Media policies and continuous disclosure requirements are in place to ensure compliance with Listing Rule 15.7.

- 6.3 Was the X Post made in accordance with WKT's Continuous Disclosure Policy?

Yes.

- 6.4 Who authorised the publication of the X Post?

The Chairman of WKT, Michael Elliott authorised the publication of the X post.

7. If the current arrangements are inadequate or not being enforced, what additional steps does WKT intend to take to ensure compliance with Listing Rule 15.7?

The Company believes the current arrangements are adequate and being enforced.

8. At the time of publication of the X Post, was WKT aware of any information concerning it that had not been announced to the market but was required to be announced pursuant to its continuous disclosure obligations under Listing Rule 3.1?

No, WKT was not aware of any information that had not been announced pursuant to its continuous disclosure obligations under Listing Rule 3.1.

9. If the answer to question 8 is "yes", please:

9.1 detail that information;

9.2 explain why that information hadn't yet been announced to the market under Listing Rule 3.1; and

9.3 advise why that information had not been released to the market by WKT at the time the X Post was published?

Not applicable.

Financial Condition

10. Does WKT consider that its financial condition is sufficient to warrant the continued quotation of its securities and continued listing on ASX for the purpose of Listing Rule 12.2? In answering this question, please comment specifically on the following:

The Directors confirm that they consider WKT's financial condition sufficient to warrant the continued quotation of its securities and continued listing on ASX for the purpose of Listing Rule 12.2.

This is on the basis the Company expects to:

1. increase sales and cash receipts as logistical challenges and port delays improve and reduced unit costs;
2. agree an extension with its senior debt provider to rescheduling debt service obligations; and
3. raise funds to assist the Company with cashflow and to meet the Company's requirement to inject a minimum of US\$5m further cash into Lindi Jumbo.

Each of these items are addressed in further detail below.

Improved Operating Conditions

a) Increased Revenue

As reported in the September 2024 Quarterly Activities Report, the Company commenced first production of graphite at Lindi Jumbo just prior to the commencement of the quarter and continued with its progressive ramp up throughout the quarter. The Company also confirmed that logistical challenges and port delays meant that the majority of the 3,349 tonnes of graphite produced prior to the end of the quarter was unshipped and remained in port warehouses in Tanzania.

Since the end of the quarter export logistics and port delays have improved and this warehoused product is being progressively shipped. At present more than 2,800 tonnes has been allocated and booked on ships in November. This reflects an approximate 900% increase on the tonnage shipped in the entire September quarter. Additionally, the product shipped in November is expected to be sold at a higher average selling price than the September quarter. The remainder of product inventory and ramped up October production is expected to be shipped during December. The Wogen Offtake provides payment to the Company of 80% of the order value on receipt of the bill of lading onto a ship and as a result the Company expects its revenue during the quarter to increase substantially from the previous quarter.

b) Reduced Unit costs

Additionally, the Company expects to significantly reduce the per tonne cash used in operating activities as production and sales increase during the quarter. At present the operating costs of the Lindi Jumbo mine are substantially fixed costs in the short term and as a result the level of

operating costs are expected to decrease relative to the rate of increase of production and sales. On this basis the Company is confident that the current average cash cost of production will substantially below that of the September quarter.

On this basis, the Company is confident that the operating costs per tonne of the Company will reduce compared to the previous quarter.

Extension of terms with Senior Debt Provider

To date the senior debt provider has been accommodating in rescheduling debt service obligations to allow for delays of cashflows at Lindi Jumbo, with the Company having received an extension until 11 November 2024 for its interest payment date under the senior debt.

The company has requested a further extension until 29 November 2024 and is confident this will be granted, however at present these discussions remain ongoing. The Company will keep the market fully informed once any extension is granted.

Raising Funds

As announced on 31 July 2024, in an agreement with the senior debt provider, the Company committed to a future injection of a minimum of US\$2m to Lindi Jumbo to bolster project cashflows. Additionally, as announced on 28 October 2024, Company's commitment to inject further cash into Lindi Jumbo has been increased to a minimum of US\$5m.

The Company is in ongoing discussions with various parties in relation to providing committed funding . At present the Company has not yet made any decisions about the timing or form of this injection.

Additionally, as noted in the Appendix 5B for the September 2024 Quarter, the Company received VAT refunds of US\$334,000 during the September quarter and is due further refunds of over US\$800,000. The company also reported it has a multi-currency, credit approved, working capital facility of approximately US\$4m with a Tanzanian bank. Documentation of the facility is required before the funds are available for Lindi Jumbo.

10.1 WKT's cash used in operating activities for the quarter ended 30 September 2024 of \$2,017,000 USD;

10.2 WKT's cash and cash equivalents balance as at 30 September 2024 of \$136,000 USD;

The Company's cash balance was US\$121,000 as at 4 November 2024. However as referred to above the Company expects to receive substantial sales proceeds over the remainder of the quarter.

and

10.3 WKT's estimated quarters funded as at 30 September 2024 of 0.3.

Sales revenue from the currently contracted November sales shipments alone represents more than 80% of the cash used in operating activities during the previous quarter. If that revenue had been

received during the quarter, the ratio referred to above would have been 4.7, being in excess of 2 quarters. Further substantial shipments in December from the remainder of warehoused product and October/November production will likely improve the ratio further.

11. If the answer to question 10 is “no”, please explain what steps WKT has taken or proposes to take to demonstrate its financial condition is sufficient to warrant the continued quotation of its securities and continued listing on ASX for the purpose of Listing Rule 12.2?

Not applicable.

12. Do WKT’s directors consider there are reasonable grounds to believe that WKT will be able to pay its debts as and when they become due and payable? In answering this question, please explain the basis for the directors’ conclusion.

Yes.

As outlined above the Company expects to:

1. increase sales as logistical challenges and port delays improve and reduced unit costs;
2. agree an extension with its senior debt provider to rescheduling debt service obligations; and
3. raise funds to assist the Company with cashflow and to meet the Company’s commitment to inject a minimum of US\$5m further cash into Lindi Jumbo.

On this basis WKT’s directors consider there are reasonable grounds to believe that WKT will be able to pay its debts as and when they become due and payable.

13. Please confirm that WKT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

WKT can confirm it is in compliance with the Listing Rules and, in particular Listing Rule 3.1.

14. Please confirm that WKT’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of WKT with delegated authority from the board to respond to ASX on disclosure matters.

The responses to the questions above have been authorised and approved by the WKT Board.

1 November 2024

Reference: 102227

Mr Ben Donovan
Company Secretary
Walkabout Resources Ltd

By email: bdonovan@arguscorp.com.au

Dear Mr Donovan

Walkabout Resources Ltd ('WKT'): ASX Query Letter

ASX Limited ('ASX') refers to the following:

- A. WKT's announcement entitled 'Quarterly Activities Report' released to the ASX Market Announcement Platform ('MAP') at 06:43pm AEDT on Thursday, 31 October 2024 disclosed the following:
- 1.1 *'Lindi Jumbo products seeing ongoing high demand, with requests for delivery in 2024 exceeding forecasted production'; and*
 - 1.2 *'Lindi Jumbo products remain in high demand by end customers, with 2024 product delivery already exceeding forecasted production. Final pricing for these orders is set when a shipping date is confirmed and a final contract is signed.'*
- (*'Quarterly Activities Report'*)
- B. WKT's Quarterly Appendix 5B Cash Flow Report released to MAP at 06:43 PM AEDT on Thursday, 31 October 2024 which disclosed the following:
- 1.1 receipts from customers of \$176,000 USD;
 - 1.2 cash used in operating activities of \$2,017,000 USD;
 - 1.3 cash and cash equivalents as at 30 September 2024 of \$136,000 USD; and
 - 1.4 WKT estimated it had 0.3 quarters funding available as at 30 September 2024.
- C. The below post published on X (formerly Twitter) on or around 17 October 2024 by what appears to be an account in the name of Mr Mike Elliot, which stated the following ('X Post'):



- D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"*
- F. Section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B titled "When does an entity become aware of information?"
- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- "3.1A** Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:
- 3.1A.1** One or more of the following 5 situations applies:
- It would be a breach of a law to disclose the information;
 - The information concerns an incomplete proposal or negotiation;
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - The information is generated for the internal management purposes of the entity; or
 - The information is a trade secret; and
- 3.1A.2** The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- 3.1A.3** A reasonable person would not expect the information to be disclosed."

- H. The concept of “confidentiality” detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”

- I. Listing Rule 12.2 which states:

12.2 *“An entity’s financial condition (including operating results) must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing.”*

- J. Listing Rule 15.7 which states:

“An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgment that ASX has released information to the market.”

- K. Page 7 of WKT’s Corporate Governance Plan approved by the WKT Board on 22 September 2024 and available on its website, stating:

‘The Company must comply with continuous disclosure requirements arising from legislation and the ASX Listing Rules.

The general rule, in accordance with ASX Listing Rule 3.1, is that once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price of value or the Company’s securities, the Company must immediately disclose that information to the ASX.

The Company has in place a written policy on information disclosure and relevant procedures.’

(‘Continuous Disclosure Policy’)

Request for information

Having regard to the above, ASX asks WKT to respond separately to each of the following questions and requests for information.

1. Does WKT consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

1.1 requests for delivery exceeding forecasted production for 2024 in respect of Lindi Jumbo.

1.2 that WKT has sales orders for all of its Lindi Jumbo graphite production to date and what is forecasted to be produced for the rest of the year.

Please answer separately for each of the above.

2. If the answer to any part of question 1 is “no”, please advise the basis for that view.

Please answer separately for each of the items in question 1 above.

3. Is the statement contained in the X Post correct that ‘WKT has sales orders for all of its Lindi Jumbo graphite production to date and what is forecasted to be produced for the rest of the year’?

4. When did WKT first become aware of the information referred to in question 1 above?

Please answer separately for each of the items in question 1 above.

5. If WKT first became aware of the information referred to in question 1 before the date of the Quarterly Activities Report, did WKT make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you

believe WKT was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps WKT took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

6. Was the X Post published by a party associated with a WKT director? If yes, please explain:
 - 6.1 How the information regarding WKT's sales orders appeared in the X Post?
 - 6.2 What arrangements does WKT have in place to ensure compliance with Listing Rule 15.7?
 - 6.3 Was the X Post made in accordance with WKT's Continuous Disclosure Policy?
 - 6.4 Who authorised the publication of the X Post?
7. If the current arrangements are inadequate or not being enforced, what additional steps does WKT intend to take to ensure compliance with Listing Rule 15.7?
8. At the time of publication of the X Post, was WKT aware of any information concerning it that had not been announced to the market but was required to be announced pursuant to its continuous disclosure obligations under Listing Rule 3.1?
9. If the answer to question 8 is "yes", please:
 - 9.1 detail that information;
 - 9.2 explain why that information hadn't yet been announced to the market under Listing Rule 3.1; and
 - 9.3 advise why that information had not been released to the market by WKT at the time the X Post was published?

Financial Condition

10. Does WKT consider that its financial condition is sufficient to warrant the continued quotation of its securities and continued listing on ASX for the purpose of Listing Rule 12.2? In answering this question, please comment specifically on the following:
 - 10.1 WKT's cash used in operating activities for the quarter ended 30 September 2024 of \$2,017,000 USD;
 - 10.2 WKT's cash and cash equivalents balance as at 30 September 2024 of \$136,000 USD; and
 - 10.3 WKT's estimated quarters funded as at 30 September 2024 of 0.3.
11. If the answer to question 10 is "no", please explain what steps WKT has taken or proposes to take to demonstrate its financial condition is sufficient to warrant the continued quotation of its securities and continued listing on ASX for the purpose of Listing Rule 12.2?
12. Do WKT's directors consider there are reasonable grounds to believe that WKT will be able to pay its debts as and when they become due and payable? In answering this question, please explain the basis for the directors' conclusion.
13. Please confirm that WKT is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
14. Please confirm that WKT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of WKT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Wednesday, 6 November 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, WKT's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require WKT to request a trading halt immediately if trading in WKT's securities is not already halted or suspended.

Your response should be sent by e-mail to ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in WKT's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to WKT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that WKT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance