

ASX ANNOUNCEMENT

21 October 2021



Scotland Exploration Update: Drilling commences at Blackcraig Lead-Zinc-Silver Project

Walkabout Resources (ASX: WKT) (Company) is pleased to announce an update on its exploration activities in Scotland (United Kingdom). The Company currently holds 75% of JDH Exploration, which holds two Mines Royal Options with the Crown Estate Scotland covering 500 km² (the "Scotland Projects") in Dumfries and Galloway, Southern Scotland.

HIGHLIGHTS

- Commencement of a 2,500 m initial diamond drilling programme at the Blackcraig Lead-Zinc-Silver Project where mining was last undertaken in the late 18th and early 19th century.
- Commencement of regional drone-flown magnetic survey, covering approximately 150 km² and targeting historic mining and trial areas for lead-zinc, nickel, and gold.
- The Company expands its exploration footprint in Scotland to include extensions of and additional potential polymetallic mineralised trends.
- First modern exploration programmes to be undertaken in the area since the 1980's.
- Licences prospective for metals that facilitate decarbonisation pathways (zinc, lead, nickel, silver) and gold.

Walkabout has been progressing its Environmental and Social Governance (ESG) work for its Scottish projects, which has enabled the commencement of several key exploration programmes. These programmes are expected to run over the next few months and mark a significant milestone in the Company's development in the UK, co-incident with a renewed national interest in mining as the UK Government works towards its transition to a net-zero carbon economy by 2050.

Walkabout Resources' CEO, Andrew Cunningham commented, "The commencement of drilling at Blackcraig marks the first exploration drilling undertaken by the company on its projects in Scotland. With both zinc, lead and copper currently trading above or close to their 10 year highs it is timely to be exploring for these commodities in an area known to host high-grade mineralisation. Our current drilling program will greatly improve our understanding of this very prospective region."

The project is located at the historic Blackcraig high-grade lead-zinc-silver mine that was mined in the late 18th and early 19th centuries and forms part of a ~4.5km trend of historic lead-zinc mines associated with a regional-scale structure.

The company is also undertaking a regional airborne drone-flown magnetic survey over approximately 150 km² covering all the historic mines and trials, as well as prospects identified by government exploration undertaken in the 1970s and 1980s. The aim of the survey is to help identify and further understand the structural controls of these occurrences as part of the regional target generation programme to delineate areas of interest for further evaluation.

Diamond drilling at Blackcraig lead-zinc-silver project

A 2,500m maiden diamond drilling program (17 holes) has commenced at the Blackcraig project. This is the first exploration drilling to be undertaken in the area. Drilling will target areas beneath the old underground mine as well as potential parallel structures to the main historical mining trend as identified through geological mapping and a close-spaced ground magnetics survey completed in 2020 ([see ASX release of 4 June 2020](#)).

Planned drill holes between 150 and 300m in length will target mineralisation beneath the old workings (mined from surface commonly to a depth of approximately 45m). Holes will cover approximately 1km of strike extent of the potential 4.5km mineralised trend.



Figure 1: Photo of the drill rig set up on the first hole.

The area around Blackcraig is well known for its historical, high-grade lead-zinc mines. Mineralisation was discovered in 1763 during the construction of an old military road exposing sulphides in a hillside cutting. Mineralisation occurred as massive to stringer sulphide mineralisation in two steeply dipping sub-parallel veins up to 18m wide. The operations were exploited by means of underground mining in the latter half of the 18th century and were abandoned, it is believed, when it became difficult to de-water the mines.

The mines were reopened in the mid 1850's with sporadic production until 1917. Mining was carried out by hand drilling and it is estimated that the operations reached a depth of approximately 150m below surface, while most mining was around 45m below surface. The East Blackcraig and West Blackcraig mines produced over 14,000t of lead ore, 1,200t of zinc ore and minor copper. Since then, no further exploration work has been conducted and the only evidence of the mining era is the occurrence of a few abandoned and collapsed shafts and adits, spoil heaps and the foundations of some plant and buildings.

Sampling conducted by the Company to date had been restricted to float samples from the numerous spoil heaps from the old mines. Assay results of up to 30% Zn, 9.1% Pb, 7.4% Cu and 36.1 g/t Ag in individual rock samples confirm the very high-grade nature of the orebody as described in the literature and historical reports on mining at Blackcraig (see ASX announcement of 1 October 2018). Drilling will be carried out by Priority Drilling of Ireland and is expected to take around 2-3 months to complete, with first assay results expected while the drill program is ongoing.

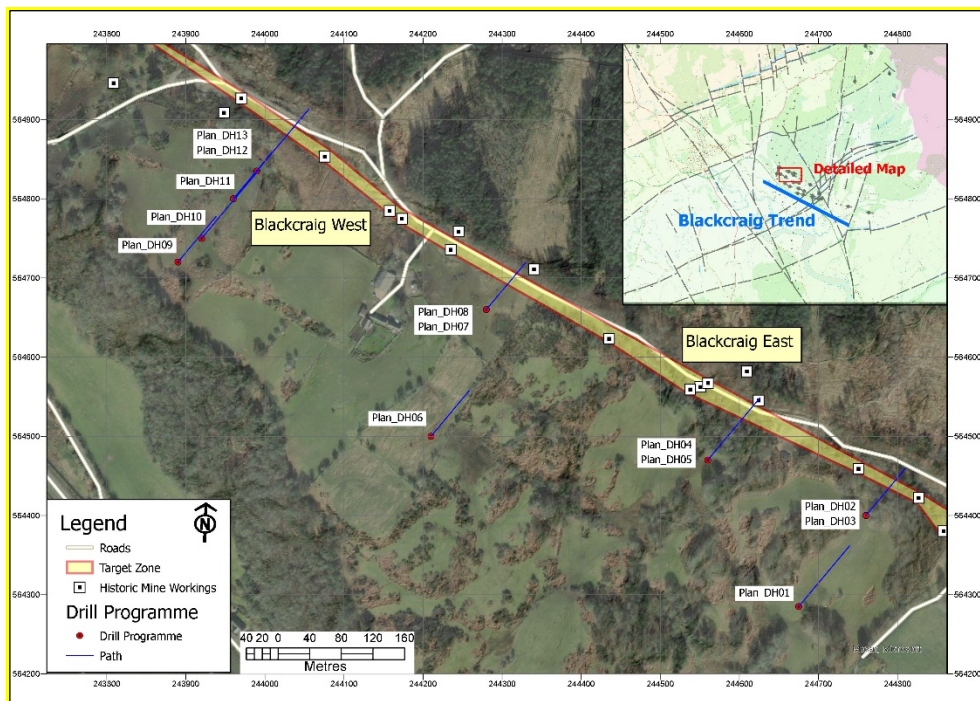


Figure 2: Location of planned holes at the historic Blackcraig East and Blackcraig West mines.

Regional drone-flown magnetic survey

A regional, drone borne aeromagnetic survey is planned for approximately 150km² of the most prospective portion of the licence areas, covering the location of the historic workings and trials, and prospects identified by the British Geological Survey during the regional exploration programmes (Mineral Reconnaissance Programmes, MRPs) in the 1970s and early 1980s. The historic mines and trials consisted of several small lead-zinc and silver workings (Blackcraig Mine trend and Graymare's Tail trend) that commonly occur along trends associated with regional-scale faults and structures. The survey will also cover the Talnotry Nickel occurrence, a historic (19th Century) trial, interpreted to represent magmatic nickel mineralisation. Sampling has indicated nickel values up to 7.3% Ni, 6.3% Zn, 0.4% Co, 1.1 ppm Au, 49 ppm Pt and 45 ppm Pd (Stanley *et al.*, 1987).

The survey will be conducted by UAVE Ltd using the Prion Mk3 UAV, a purpose built fixed-wing drone with a nose mounted Geometric G-832A sensor, flown at approximately 100m above surface using a 200m x 500m survey grid spacing for more than 2,000 flown line kilometres.



Figure 3: The Prion Mk3 drone used for the magnetic survey

The aim of the magnetic survey is to help provide greater geological understanding, particularly structural information to help identify and define regional structures and trends that are believed to fundamentally control the mineralisation

identified in the region. This will refine target areas of interest for ground exploration, underpinning the Company's objective of creating a "pipeline" of prospects to evaluate, and if warranted, advance towards initial drilling.



Figure 4: The UAVE team monitoring surveying from the mobile flight centre.

New Tenement: Gatehouse of Fleet Licence

The Company has recently been granted an additional 250km² licence (100% WKT) in Scotland covering the potential along strike continuation of the Blackcraig Trend (Newton Stewart Licence) and numerous historic trials and workings. The area is renowned for mining in the 1800s and the Pibble Mine was the most famous working in the area with a shaft sunk to approximately 75m. Records indicates up 214 tons of Cu and 29 tons of Pb, (plus Ag) was mined between 1849 and 1855. The Pibble Mine potentially forms a linear series of workings with the mines around Blackcraig suggesting a regional-scale control, and overall mineralised trend of up to 10km.

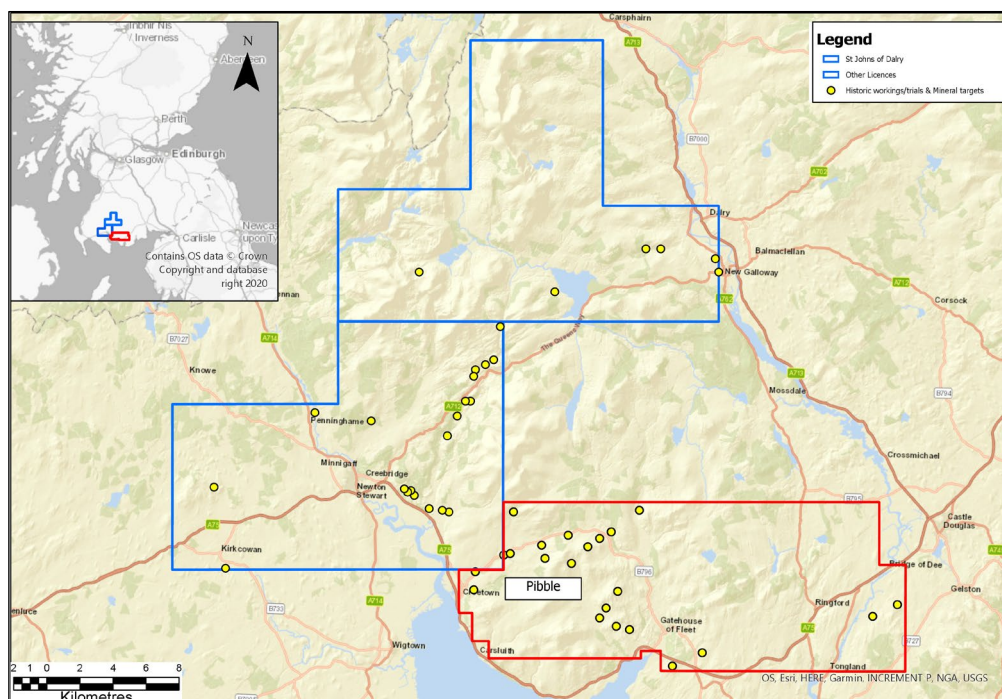


Figure 5: The newly granted Gatehouse of Fleet licence (red polygon) in relation to the Newton Stewart and St Johns of Dalry licences (blue polygons). Known mines and mineralised occurrences indicated by the yellow dots.

This announcement is authorised for release by the Board.

-ENDS-

For further information, please contact:

Andrew Cunningham
Chief Executive Officer
+61 8 6298 7500

Or

Skye Gilligan
Media Liaison
+61 416 854 264
skye@gilligangroup.com.au

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.

In addition to the Lindi Jumbo Project, Walkabout is also exploring in south west Tanzania at the Amani Hard Rock Gold Project.

The Company has also acquired an exciting exploration portfolio for gold and base metals in Scotland and Northern Ireland and is conducting ongoing mineral exploration in these areas.

Learn more at wkt.com.au