

30 April 2019

 WALKABOUT RESOURCES LTD  
 ACN 119 670 370

ASX Code: WKT

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**DIRECTORS**

 Chairman: Trevor Benson  
 Exec: Allan Mulligan  
 Tech: Andrew Cunningham  
 Non Exec: Mike Elliott

 ORDINARY SHARES  
 304,249,748

 LISTED OPTIONS  
 40,664,321

 UNLISTED OPTIONS  
 7,000,000

**PROJECTS**

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

 Northern Ireland Gold and Base  
 Metals (50% - 100%)

 Scotland Base Metal Projects  
 (Farm-in to earn 75%)

 Eureka Lithium Project  
 Namibia (100%)

 Takatokwane Coal Project  
 Botswana (40% - 70%)

## March 2019 Quarterly Activities Report

Walkabout Resources (ASX:WKT) is pleased to report its activities for the March 2019 quarter.

### Highlights

- *Tanzania: Lindi Jumbo Project*
  - *Updated Ore Reserve of 5.5 million tonnes @ 17.9% TGC published.*
  - *Updated Definitive Feasibility Study confirms standout financials.*
  - *Resettlement Action Report (RAP) approved by all stakeholders.*
- *United Kingdom: Exploration Joint Ventures*
  - *Extended Access Agreements being negotiated with Forestry Commission Scotland.*
  - *Forestry Commission Scotland now dissolved into Forestry and Land Scotland and Scottish Forestry.*
  - *Continued progress in obtaining the necessary permits and permission to drill in Northern Ireland.*
- *Namibia: Eureka Lithium Project*
  - *Ongoing assessment and interpretation of exploration results and progression plans.*

### Lindi Jumbo Graphite Project - Tanzania

#### Updated Ore Reserve

During the period under Review, the Company published an updated Mineral Reserve based on additional in-fill and extension drilling and a reclassification of previous Inferred Resources to Indicated and Measured. (ASX Announcement 28 February 2019).

The resources considered for mining are based on the JORC 2012 Mineral Resource Estimate (ASX Announcement 19 December 2018). The Ore Reserve which is summarised in Table 1, is based only on the Measured and Indicated Mineral Resources in a revised mining schedule.

The Ore Reserve estimate was prepared and signed off by independent consultancy, Bara International of Johannesburg, South Africa.

**Table 1: Mineral Reserve for DFS Update of 2019**

Ore Reserves			
Category	Tonnes (million)	TGC %	Contained Graphite (tonnes)
Proven Ore Reserves	2.54	19.3	489,000
Probable Ore Reserves	2.97	16.7	498,000
<b>Total Ore Reserves</b>	<b>5.51</b>	<b>17.9</b>	<b>987,000</b>

The latest Ore Reserve is based on 37% of the tonnages of the Measured and Indicated Resource and is a 10% increase in tonnages from the Maiden Ore Reserve (*ASX Announcement March 2017*) and a 11.2% increase in grade to 17.9% TGC making it the highest-grade mineable Ore Reserve of all reported graphite reserves in East Africa.

### Updated DFS

During the Quarter the Company published an updated Definitive Feasibility Study (DFS) for the Lindi Jumbo Graphite Project in Tanzania. The DFS was updated as a result of the substantial upgrade to the Ore Reserve (*ASX Announcement 27 February 2019*).

The study was updated in several areas simultaneously and represents latest known financial and technical metrics. Updates were made to the following areas;

- Increased Mineral Resource and improved confidence resulting from upgrades to JORC 2012 resource classifications,
- Complete new mining depletion model and study,
- New Mineral Reserve based on increased cut-off grades leading to higher Reserve grade of 17.9% TGC for life of Mine,
- New capital and working cost estimates from actual contract finalisations were included, and
- Updated graphite basket price assessments from latest available data.

**Table 2: Project financial indicators compared with the Updated Definitive Feasibility Study of 2017.**

Financial Metric (100% ownership basis)	Unit	2017 DFS Update	2019 DFS Update	% Change
Life of Mine Modelled	Years	20	24	20% Increase
Operating Costs (Life of Mine)	US\$m	267.5	334.1	
Operating Costs (ex-transport)	US\$/t con	289	282	2.4 % Decrease
Operating Costs FOB Mtwara	US\$/t con	349	347	0.6 % Decrease
Pre-production Capital Costs	US\$m	29.7	27.8	6.4% Decrease
Life of Mine Revenue	US\$m	1,188	1,445	21.6% Increase
Average Annual Free Cashflow	US\$m	28.0	28.8	2.9% Increase
EBITDA Life of Mine	US\$m	886	1,070	21% Increase
Pre Tax NPV <sup>10</sup>	US\$m	302	335	10.7% Increase
Pre Tax IRR	%	108	142	31.5% Increase
Post Tax NPV <sup>10</sup>	US\$m	180	197	9.4% Increase
Post Tax IRR	%	88	119	23.9% Increase
Operating Margin	%	77	77	
Payback Period	Years	<2	<2	

## Resettlement Action Plan

During the period under review, the Company received final sign off for the Government prescribed Resettlement Action Plan (RAP) from all stakeholders. (ASX Announcement 31 January 2019)

The final valuation sign-off for the resettlement and land compensation assessments by the Chief Government Valuator for a total of TSH 4,634,482,900 (four billion six hundred and thirty-four million four hundred and eighty-two thousand nine hundred Tanzanian Shillings) which is an estimate of US\$2.05 million (at the long-term average exchange rate of 2,290 TSH per USD).

This obligation, once settled with stakeholders, allows access to the land within the Mining Licence footprint for construction purposes.

## UK Joint Ventures

During the Quarter under review the Company continued with applications for Special Planning Permissions with local Councils to enable drilling to commence on the SkyTEM targets within the Tyrone licence area. While the continued uncertainty related to Brexit and Northern Ireland's engagement is a factor in delaying progress with these applications the Company is progressing applications to drill in the area through consultation with affected parties and to ensure that all regulatory requirements are sufficiently satisfied.

A new Mines Royal Option licence SK01/18 was granted in Northern Ireland over gold and base metal prospective ground. The licence overlies highly prospective structural settings identified through the Company's regional project generation program, further supported by a multitude of geochemical anomalies from the Governments Tellus datasets. The occurrences of known economical orebodies within similar target areas along strike within the Republic of Ireland and the Company's first mover status in the area make this an exciting prospect and fits in well with the Company's strategy within the UK.

In Scotland, continued negotiation with the Forestry Department in finalising "Extended Access Agreements" has been ongoing. Some initial work to allow development of a formal programme of exploration has commenced and planning for this programme is proceeding.

## Namibian Eureka Lithium Project

During the period under review, the Company continued field work on its licences in the area with the aim of delineating focussed areas for follow up work. The objective has been to rank meaningful areas for advanced exploration and shallow drilling.

These pegmatite clusters are being located specifically in search of improved grades beneath the weathered zone. The differentiation of high-grade lithium mineralisation is a key requirement.

## Corporate

During the quarter, the Company embarked on a series of Investor Forums in Perth, Melbourne and Sydney. These information sessions were well attended.

Project funding and graphite concentrate offtake discussions remained the key activity of the executive during the Quarter.

END

## **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 southern Namibia at the Eureka Lithium Project.

The Company has also acquired an exciting exploration portfolio for gold and base metals in Northern Ireland and Scotland 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](http://www.wkt.com.au).

END

## **Competent Person's Statement**

### **Exploration Targets and Results**

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.

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd), Mr Aidan Platel (Consultant with Platel Consulting Pty Ltd), Mr Andrew Cunningham (Director of Walkabout Resources Limited) and Ms Bianca Manzi (Bianca Manzi Consulting). Mr Barnes, Mr Platel, Mr Cunningham and Ms Manzi are members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and have 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. Specifically, Ms Manzi is the Competent Person for the geological database. Mr Barnes is the Competent Person for the resource estimation. Both Mr Platel and Mr Cunningham completed the site inspections. Mr Barnes, Mr Platel, Mr Cunningham and Ms. Manzi consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

**Schedule of mining tenements and beneficial interests held as at the end of the March 2019 quarter.**

Project / Location	Tenement Type	Tenement Number	Interest at Start of Quarter	Interest at End of Quarter	Comment
<b>Tanzania</b>					
Lindi	ML	579/2018	100%	100%	
Lindi	PLA	13376/2018	100%	100%	Application Recommended
Lindi	PLA	13352/2018	70%	70%	Application
Lindi	PL	9993/2014	70%	70%	Subject to ongoing commitments
Kimoingan	PL	11119/2017	100%	100%	
<b>Namibia</b>					
Eureka	EPL	6308	100%	100%	
Eureka	EPL	6309	100%	100%	
<b>Northern Ireland and Scotland</b>					
NE Antrim	MPL	LON01/14	50%	50%	Antrim Metals JV
Glenariff	MPL	LON02/14	50%	50%	Antrim Metals JV
The Sheddings	MPL	LON03/14	100%	100%	
Gortnamoyagy	MPL	LON05/14	100%	100%	
Tyrone	MPL	KOZ01/16	0%	0%	Earning 50% and then 75%
Lisburn	Mines Royal Option	SK01/18	0%	100%	New licence
Scotland	Mines Royal Option	St Johns Town of Dalry	0%	0%	Earning 75%
Scotland	Mines Royal Option	Newton Stewart	0%	0%	Earning 75%
Scotland	Mines Royal Option	Rhins of Galaway	0%	0%	Earning 75%
<b>Botswana</b>					
Takatokwane	PL	35/2007	70%	70%	Renewed
Takatokwane	PL	157/2009	40%	40%	Earning 65% Renewed
Takatokwane	PL	160/2009	40%	40%	Earning 65% Renewed