

30 July 2019

JUNE 2019 QUARTERLY ACTIVITIES REPORT

WALKABOUT RESOURCES LTD
ACN 119 670 370

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DIRECTORS

Chairman: Trevor Benson
Exec: Allan Mulligan
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ORDINARY SHARES
316,797,116

LISTED OPTIONS
39,895,387

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%)

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

Walkabout is actively engaged in developing the fully permitted, 100% owned high-grade Lindi Jumbo Graphite Project in South East Tanzania and has embarked on an international debt fund raising exercise to secure the US\$30m required to construct the Project.

During the period under Review, the Company executed binding offtake term-sheets and marketing agreements with specialist graphite market participants for its premium Large and Jumbo Flake graphite products.

In addition, the Company raised interim funding to finalise the on-site preparation for construction activities and commenced with early procurement and manufacture of long lead items in China. The benefit of the "Early Start" program being to reduce potential delays associated with the manufacture of long lead items ex-works in China.

The Company's objective of maximising the debt component of the project fund-raising has resulted in a detailed due-diligence process of providing higher levels of certainty and confidence to debt funding parties.

The Company continues to expect that first production will be achievable between 9 and 12 months after access is provided to full project funding.

Lindi Jumbo Graphite Project - Tanzania

Executed Key Binding Offtake and Marketing Agreements

1. Inner Mongolia Qianxin Graphite Co. Ltd (IMQG)
 - a. Binding on both parties subject to standard conditions,
 - b. Sale of up to 50% of planned production for 3 years,
 - c. Pricing framework to be linked to China spot, determined 1-month prior delivery.
2. Qingdao Rising Dawn
 - a. Binding on both parties subject to standard conditions,
 - b. Sale of up to 25% of planned production for 3 years,
 - c. Pricing framework to be linked to China spot, determined within 3 months of first delivery.
3. Wogen Pacific Ltd
 - a. Wogen will actively market Lindi Jumbo's concentrate globally and will initially purchase between 10,000 tpa and 30,000 tpa for a 5-year term,
 - b. An advance payment facility of 80% of consignment value is available,
 - c. Wogen will continuously develop graphite markets for Lindi Jumbo branded products.

Table 1. Summary of Lindi Jumbo Marketing and Sales Agreements

	BINDING	DISCRETIONARY	GENERAL SPEC
Inner Mongolia Qianxin Graphite	10,000	20,000	Large and Jumbo
Qingdao Risingdawn Graphite Technology	10,000	10,000	Large and Jumbo
Wogen Pacific Ltd	10,000	30,000	All
Binding and Discretionary Total	30,000	60,000	
Jixi Puching (HoA)		7,500	All
Georg H Luh (MoU)		12,500	Super Jumbo and Jumbo
Qingdao Adtech (HoA)		10,000	Large and Jumbo
TOTAL	30,000	90,000	
Planned Production	40,000		

Early Start Site and Manufacturing Works

The Company commenced with an integrated international project “early-start” to commence procurement, manufacturing and site-works for the Lindi Jumbo Graphite Project in south eastern Tanzania.

The objective of the Early-Start Program advances the project construction process along its critical path while project funding is being negotiated and finalised. The primary benefits include a notional reduction of the project construction timeline due to the period of manufacture of equipment in China.

Resettlement Action Plan (RAP)

The first two of three stages of the RAP have been successfully settled under supervision of local authorities and stakeholder groups with the final tranche due for payment within the next week. Some US\$2.05m including costs has been allocated to this program and community feedback has been strongly in favour of the Company’s transparent approach and management throughout the process.

On-Site Earthworks

Preparation of the process plant earthworks platform, the Tailings Storage Facility (TSF) footprint, explosive magazine, topsoil storage area and selected road accesses has progressed well under a “Side-Agreement” with the earthwork’s contractor. These works have prepared the local community for enhanced construction activity and allowed the project team to engage in a “slow-start” for the purposes of improving quality, management, measurement, safety, environmental and project systems while potentially shortening the timeframe needed for earthworks once funding is in place.

Procurement and Manufacture in China

In China, the technical drawings for equipment manufacture have been finalised and steel plating and fittings been ordered along with long lead motors and bearing units. Manufacture on the factory floor

in Yantai has commenced and Walkabout quality engineers and metallurgists have commenced periodic and programmed inspections.

In Country Marketing and Relations

During the Quarter, Tanzania hosted its first ever Mining Convention in the Legislative Capital, Dodoma and Lindi Jumbo held a booth and presented it's plans to interested parties including the Mining Commission.



Figure 1: Lindi Jumbo's Paul Shauri and Mohamed Kutwambi at the Dodoma Mining Forum on May 26.

In early June members of the Mining Commission accompanied by officers of the zonal mines-office visited various mining and development operations in the Lindi district. Feedback from the Commission was highly positive as the progress and organised development being made at Lindi Jumbo was evident.



Figure 2: Lindi Jumbo's Paul Shauri and Mohamed Kutwambi with Professors Kikula (Chairman) and Abdulkarim (Commissioner) on site at the Lindi Jumbo Project.

Funding Activities

The Company has now completed a period of detailed assessment as to engaging with alternative global debt and equity providers to fund the development of the Lindi Jumbo Graphite Project. This process has concluded with the decision to engage with a renowned international Investment Bank to procure the predominantly debt-based portion of the funding requirement. This robust process is ongoing and will conclude when all legal, commercial and technical assessments, independent reviews and marketing processes have been finalised. The process is subject to many third-party due diligence processes and the Company is unable to estimate the date of finalisation which will ultimately trigger the final construction schedule dates. Scheduled production will be achievable between 9 and 12 months after access is provided to full project funding.

UK Joint Ventures

During the Quarter under review the Company progressed the applications for Special Planning permissions with local councils and permissions from local landowners to enable drilling on selected SkyTEM targets within the Tyrone JV licence area. The final applications are planned to be submitted to the relevant authorities during the third Quarter and the Company is working closely with all the affected stakeholders to keep them informed of progress and plans.

The Company completed a regional soil sampling program over previously unexplored and highly prospective Dalradian basement within the Antrim gold JV licence areas. Once available, the assay results from this program will dictate the next step in this area.

In Scotland, regional and target specific reconnaissance exploration continues while longer term access agreements and the Company's exploration programmes within the license areas are discussed with the Forestry and Land Scotland Department.

The company is cognisant of the fact that exploration expenditure needs to be measured during the procurement of project funding for the Lindi Jumbo Project in Tanzania.

Namibian Eureka Lithium Project

Quotes for drilling in Namibia have been received but in line with the Company's current position on exploration expenditure while funding activities are underway, the program has been deferred until the market can be updated on the progress and outcomes of the funding programme.

Corporate

During the quarter, the Company finalised a placement with existing and sophisticated shareholders of \$3.1m. This placement was undertaken in order to fund the early-start programme described above.

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.

END

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

Project / Location	Tenement Type	Tenement Number	Interest at Start of Quarter	Interest at End of Quarter	Comment
Tanzania					
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%	
Namibia					
Eureka	EPL	6308	100%	100%	
Eureka	EPL	6309	100%	100%	
Northern Ireland and Scotland					
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%
Botswana					
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