

ASX ANNOUNCEMENT

25th January 2019

WALKABOUT RESOURCES LTD
ACN 119 670 370

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DIRECTORS

Chairman: Trevor Benson
Exec: Allan Mulligan
Tech: Andrew Cunningham
Non Exec: Tom Murrell
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%)

Eureka Lithium Project
Namibia (100%)

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

Takatokwane Coal Project
Botswana (40% - 70%)

December 2018 Quarterly Activities Report

Walkabout Resources Ltd (ASX: WKT) is pleased to report its activities for the December 2018 Quarter.

Highlights

- *Tanzania: Lindi Jumbo Project*
 - *Mineral Resource increased by 41%.*
 - *PL9993/2014 renewed for a further three years.*
 - *Extensive marketing program completed in China.*
 - *Updated DFS and Mining Reserve due in 1st Quarter 2019.*
- *United Kingdom: Exploration Joint Ventures*
 - *First pass reconnaissance exploration started in Scotland.*
 - *Progress in obtaining the necessary permits and permission to drill in Northern Ireland.*
- *Corporate*
 - *SPP successfully completed to raise \$3 million.*
 - *Highly experienced mining executive appointed as non-executive director.*

Lindi Jumbo Graphite Project - Tanzania

During the period under review, the Company was pleased to announce an increase of 41% to the Mineral Resource following a short drilling and trenching program in the previous quarter (*ASX announcement of 19 December 2018**).

The drilling program to the north of the planned mining shell has not contributed significantly to the tonnage increase but has resulted in a classification improvement from Inferred to Indicated and can now be included in the mining depletion model. This element of the Resource remains consistent with the high-grade zones of the initial resource model being present.

The Global mineral resource tonnage increased from 29.6 million tonnes to 41.8 million tonnes TGC within the Gilbert Arc Deposit and remains open along strike and to the west/down dip. Much of this increase in tonnage has resulted from the zone to the south of the current planned mining shell and will not be used in the updated mining depletion model.

The new Inferred Resource area (12.8 million tonnes at 9.2 % TGC) lies directly to the south of the current planned open-pit area. (Figure 1 and Table 1).

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.

An updated mining study which will result in a new Mining reserve for the Project is underway. An updated and amended Definitive Feasibility Study (DFS) is due for completion in the first quarter of 2019, having factored in delays due to the holiday period coinciding with the planned work program.

Table 1: Resource category breakdown of the Gilbert Arc Deposit.

| Resource Category | Tonnes (millions) | TGC % | Contained Graphite (tonnes) |
|--|--------------------|---------------------|-------------------------------|
| Measured <i>(Including High Grade)</i> | 6.5 <i>1.7</i> | 12.1 <i>23.4</i> | 781,800 <i>393,200</i> |
| Indicated <i>(Including High Grade)</i> | 8.4 <i>1.5</i> | 10.5 <i>21.2</i> | 887,300 <i>325,300</i> |
| Inferred <i>(Including High Grade)</i> | 26.9 <i>1.8</i> | 10.5 <i>22.7</i> | 2,837,600 <i>411,900</i> |
| Grand Total <i>High Grade Domains</i> | 41.8 <i>5.0</i> | 10.8 <i>22.5</i> | 4,506,700 <i>1,130,400</i> |

Note: Appropriate rounding applied

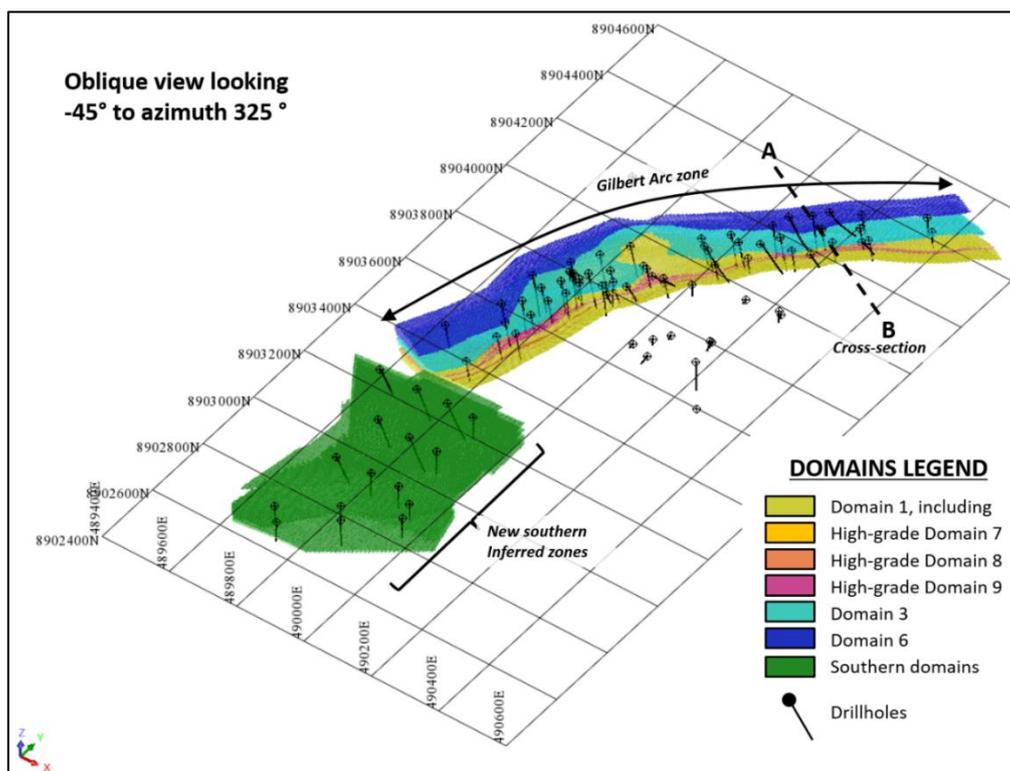


Figure 1: Mineralised domains at Gilbert Arc and the new southern area.

The Indicated portion of the resource was extended for another 300m to the northeast (Figure 2) resulting in 51% of the resource that will form part of the initial mining area in the Measured and Indicated categories.

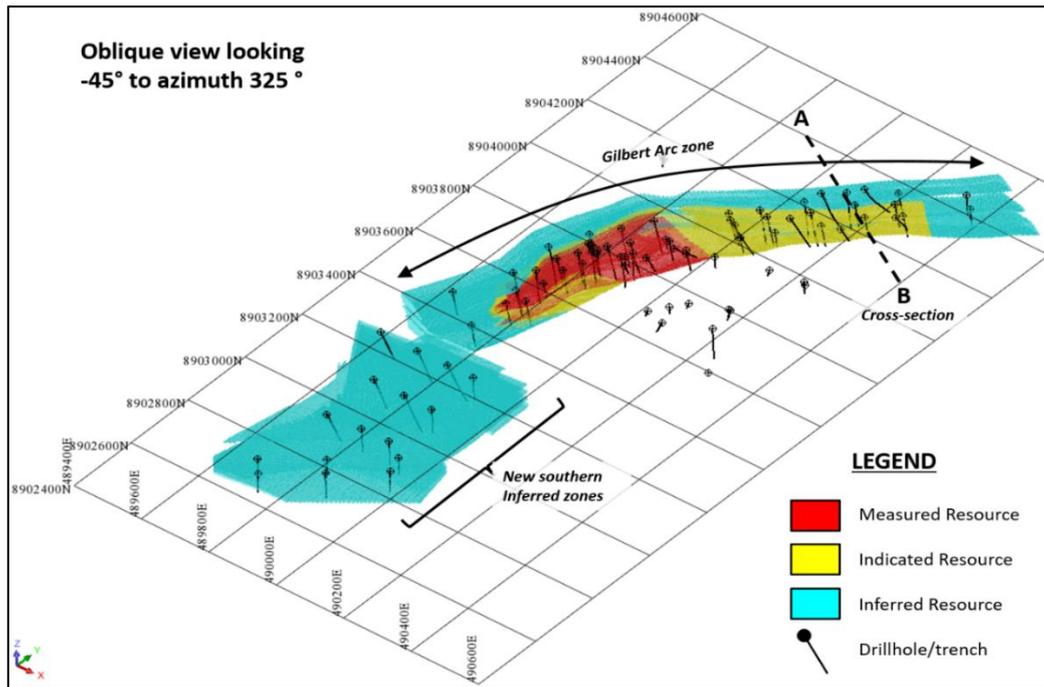


Figure 2: Block model indicating zones of Measured, Indicated and Inferred Resources.

Following the initial period of four years the area of PL9993/2014 was required under Tanzanian mining regulations to be reduced in size by 50%. The Company has reapplied for the released area and this is under consideration by the Ministry.

The retained 50% of PL9993/2014, which hosts occurrences of very high-grade graphite mineralisation that coincide with continuous conductive zones in excess of 4km in length, has subsequently been renewed by the Ministry. These graphite occurrences are similar to high-grade graphite mineralisation at the Gilbert Arc Deposit.

On award of the mining licence (ML579/2018), the underlying prospecting licence (PL9992/2014) lapsed and an application was subsequently lodged with the Ministry. The application has now been assessed by the Ministry and the application for PL13376/2018 has been recommended.

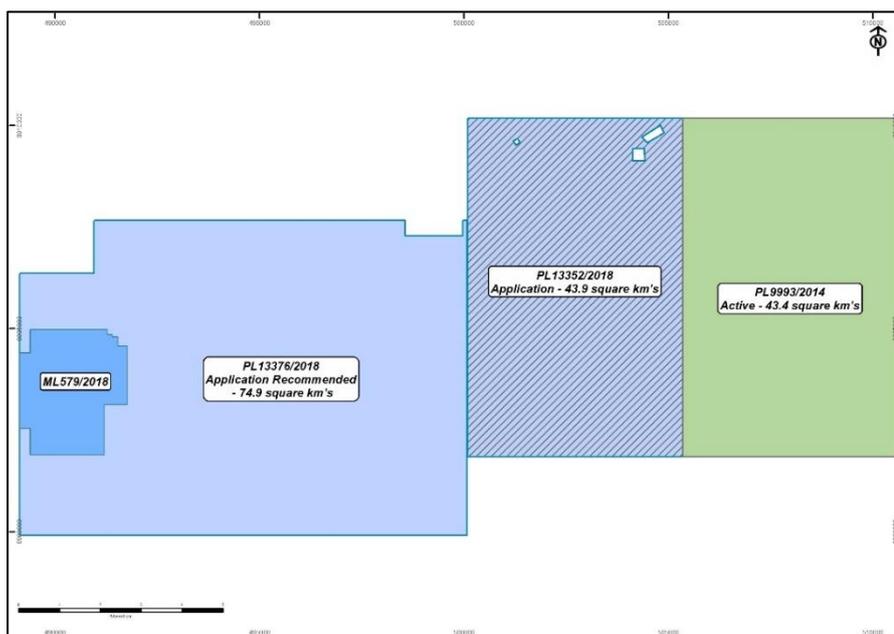


Figure 3: Map indicating the current status of the WKT tenure in the southeast of Tanzania.

An extensive marketing roadshow was undertaken in China to inform existing counter-parties of the Heads of Agreements announced previously (*ASX announcements of June 2017*) of the Company's progress and probable timelines for development and production. The existing agreements, both from China and Europe, have been progressed further and several introductory meetings were held with new customers and industry participants. The Company remains in discussions with several industry participants and end-users in order to finalise binding off-take Agreements required to support Project funding requirements.

Testwork to investigate the possible extraction of Vanadium from the tailings stream has been completed. In using industry standard beneficiation and extraction techniques, results have demonstrated that recoveries are unlikely to secure economic viability. . These "proof-of-concept" tests have indicated areas where further work could be done, but the Vanadium programme has been suspended until the graphite floatation plant is running at capacity.

The RAP report has progressed to the final milestone and is awaiting final sign off by the responsible Minister.

Commercial contracts with Lindi Jumbo selected partner contractors have been advanced and updated capital estimates and cash flows have been completed. These numbers will be incorporated into the updated DFS currently under preparation.

UK Joint Ventures

During the Quarter the Company has focussed on processing all necessary permits, permissions and quotes to enable drilling to commence on the SkyTEM targets within the Tyrone licence area.

Initial reconnaissance exploration within the Scotland base metal and gold licence areas commenced during the quarter and the relevant stakeholders have been briefed on the Company's intended programme in the area. Efforts are currently directed toward finalising Access Agreements with the Forestry Department of Scotland.

Namibian Eureka Lithium Project

The JV licence EPL 5691, the subject to a Memorandum of Understanding with a local Namibian Company, (*ASX announcement 11 January 2018*) has yet to be renewed by the Namibian Ministry. Following interpretation of results from the recent sampling programs and considering the possible structural controls on the emplacement of the younger lithium bearing pegmatites the Company has decided to withdraw from the option to enter into a JV over the licence.

Although the lithium grades from the various sampling campaigns fall well below the Company's internal cut off of at least 1% Li₂O, the results have indicated various anomalous pegmatite clusters that are interpreted to be structurally controlled. Although weathered spodumene was sampled within the anomalous clusters, the assay results indicate significant lithium depletion which is typical of weathered pegmatites.

Due to the sparsity of outcrop over the vast majority of the clusters area more invasive work is planned to expose the pegmatite bodies to enable the determination of the extent of the anomalous pegmatite bodies and to map possible zonation within the clusters and individual pegmatite bodies.

Corporate

During the quarter, a Share Placement Plan (SPP) to raise \$3 million to support the development of the Lindi Jumbo Graphite Project was successfully completed.

Mr Michael Elliott, previously the global Mining and Metals leader for Ernst & Young was appointed as an independent Non-Executive Director.

END

About WKT

Walkabout is developing the high-grade Lindi Jumbo Graphite Project 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 Application 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.

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 December 2018 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% | |
| Kimoingan | PL | 11119/2017 | 100% | 100% | |
| Lindi | PL | 13376/2018 | 100% | 100% | Renewal Application Pending |
| Lindi | PL | 13352/2018 | 70% | 70% | Application |
| Lindi | PL | 9993/2014 | 70% | 70% | Subject to ongoing commitments |
| 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% |
| 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 |