

30 January 2020

DECEMBER 2019 QUARTERLY ACTIVITIES REPORT

WALKABOUT RESOURCES LTD
ACN 119 670 370

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DIRECTORS

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

ORDINARY SHARES
349,133,645

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 Limited (ASX:WKT) is pleased to report its activities for the December 2019 quarter.

Highlights

- US\$40m Senior Secured Loan Note managed by international investment bank Pareto Securities, launched;
- To date, loan-note process has resulted in significant interest by investors in partial funding of the project, but is not yet closed;
- Efforts to secure a cornerstone note holder continue through ongoing engagement which will continue as the holiday season closes out;
- Selected large shareholders provided important bridge-loan funds during the loan note engagement process;
- Bridge-loan has been fully repaid using funds from successful A\$0.15 option conversions;
- Receipt of A\$4.2m from exercise of A\$0.15 options;
- During the Quarter and subsequently, Barrick and Government of Tanzanian resolve dispute and form mining partnership that will transform mining industry in Tanzania;
- This is a significant transformation that the Company believes will re-energise foreign direct capital into Tanzania's mining industry;
- Lindi Jumbo major plant equipment passes Walkabout engineer inspection and ready for mobilisation to site; and
- Early works earthmoving completed on site and ready for civils construction to commence.

Senior Secured Loan Note

During the quarter under review, the Company launched a Senior Secured US\$40m Loan Note Issue (the "Loan Note" or the "Facility") in the international debt capital markets. The Company continues to engage with interested parties to secure a suitable funding solution for the Lindi Jumbo Graphite Project.

As at the time of writing this Quarterly, several potential funding institutions have expressed interest in providing partial funding and efforts to secure a cornerstone loan-note holder continue.

Several new potential loan note subscribers have opened discussions during 2020 after the close of the Quarterly period.

The Company engaged international investment bank Pareto Securities ("Pareto") to advise on procuring the development funding for the Lindi Jumbo Project.

The Company benefits from Pareto's experience of securing funding for green-field mining projects and structuring emerging market transactions particularly when considering the regulatory and logistical aspects of lending to a project in Tanzania.

Pareto coordinated the due diligence process through the engagement of a range of international third-party advisors and consultants to undertake legal and technical due diligence, and an independent review by a leading mineral market intelligence agency of the graphite market and the marketing of the Lindi Jumbo graphite concentrate. The outcome of this due diligence process has been very positive with no fatal flaws identified.

Post the due diligence, Pareto initiated a live transaction to their global desk, engaging potential international investors and organizing meetings with management. This process remains ongoing.

The disruption of the Christmas period and Chinese New Year holidays and subsequent slow start to the annual business calendar has resulted in the schedule being extended. Company executives and key investor groups are meeting in Africa during early February including with highly supportive Ministers of the Ministry of Minerals of Tanzania.

Bridging Loan from Shareholders

As an important first step towards the Lindi Jumbo financing, selected large and sophisticated shareholders and a director of the Company provided a short-term Bridging Debt Facility of A\$5m while the Company undertakes the loan note project funding facility.

The bridging debt was used to meet due diligence and operating costs including the continued development of the Lindi Jumbo project until full project financing funds are available to be drawn. The bridging debt provided for early mobilisation funds which allowed the loan note launch to not be complicated by other fund raising activity.

The shareholder bridging loan has been repaid in full from proceeds received through the exercising of listed A\$0.15 options that expired 31 December 2019.

Barrick and Tanzania Partnership

During the extended well publicised dispute between initially Acacia Mining and subsequently, Barrick Gold Limited (Barrick), it has been very difficult to close financial transactions for projects in Tanzania. The Company has secured many letters of endorsement and support from the Tanzanian government in mitigation of the previous perceived risk of developing mines in Tanzania.

During the Quarter and subsequently, Barrick and the Government of Tanzania have negotiated a settlement to the highly publicised dispute between them. On Friday 24 January, 2020 Barrick Gold signed a landmark agreement with the Tanzanian Government in which the ownership of the mines and other operational issues were resolved.

Whereas the media discusses a 50/50 partnership and only a 16% free carry ownership, the 50% value sharing is in respect of all economic benefits to country and the 16% free carry is in respect of an after-all-expenses and capital dividend return. Around half of the mineral's direct sales revenue is expected to remain as a benefit to Tanzania. When considering all in country expenses and contracts, this hurdle is not difficult to achieve for location bound mining projects.

Barrick's President and CEO, Mark Bristow commented that the Agreement was a pioneering move which would take Barrick's policy of partnership with its host countries to a new level. In addition, Barrick through its new partnership Company Twiga Minerals Corporation, will invest US\$10m in building mining skills capacity in the mining industry and US\$50m in brown and green-fields exploration in Tanzania.

Head of Intelligence and Analysis, East Africa for Africa Practice, a specialist consultancy with years of in-country experience, Margarita Dimova commented; *"This deal is a sigh of relief not just for Barrick or the mining industry in Tanzania, but for investors in the broader region"*.

The Barrick-Tanzania deal sets a new Government endorsed standard and establishes a workable model for foreign direct investment in mining in Tanzania. This model is less onerous than in many other African mining jurisdictions.

Chairman of Walkabout Resources Ltd, Mr Trevor Benson said; *“The partnership philosophy of which Mr Bristow speaks is identical to that upheld by Walkabout Resources in developing the Lindi Jumbo Project. The commitments agreed by Barrick highlight the confidence they have in continuing to invest in Tanzania and these will be significant in underpinning the transformational changes implemented by the Government of Tanzania some years ago. For Walkabout, and other companies operating in Tanzania, the Barrick settlement is a significant positive step in once again attracting investment back into the Country.”*

Manufacturing, Development and Project Progress

During the Quarter under review, Engineers and Metallurgists representing the Company travelled to Yantai in China to sign off on the major plant construction items that are nearing completion prior to shipping once funding has been secured. Buy out items such as Motors, bearings etc. have been ordered and advance payments have been made by Yinpeng. These items will undergo further workshop testing and be packed into containers for shipment to Lindi in line with the construction schedule.

Early works earthmoving and levelling on site has been completed and civils construction can commence immediately after final funding has been secured.

The pre-manufacture of these major long lead items and early start site works has worked toward de-risking the project timetable and positioning the Lindi Jumbo project very well in respect of the expected international graphite market rebound expected during 2020.

The Company believes that this progress demonstrates that Lindi Jumbo is the most advanced graphite project in East Africa with the shortest timeframe to full production.

Furthermore, as a result of intense independent review of the Project, all contracts including off-take agreements have been updated and prepared for final signature to coincide with a funded start-up.

END

This ASX Quarterly Report has been approved for release by Trevor Benson - Chairman

For further information, contact
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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.

The Company has also acquired an exciting exploration portfolio for gold and base metals in Northern Ireland and Scotland where zinc, lead and other base metals occurrences are being explored.

Details of Walkabout Resources' projects are available at the Company's website, www.wkt.com.au.

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

| Project / Location | Tenement Type | Tenement Number | Interest at Start of Quarter | Interest at End of Quarter | Comment | Holding Company |
|-------------------------|---------------|----------------------|------------------------------|----------------------------|-------------------------|---|
| Botswana | | | | | | |
| Takatokwane | PL | 35/2007 | 70% | 70% | Renewed | Wizard Investments (Pty) Ltd |
| Takatokwane | PL | 157/2009 | 40% | 40% | Earning 65% | Triprop Energy (Pty) Ltd |
| Takatokwane | PL | 160/2009 | 40% | 40% | Earning 65% | Triprop Energy (Pty) Ltd |
| Namibia | | | | | | |
| Eureka | EPL* | 6308 | 100% | 100% | | Aardvark Minerals Pty Ltd |
| Eureka | EPL* | 6309 | 100% | 100% | | Aardvark Minerals Pty Ltd |
| Tanzania | | | | | | |
| Kimoingan | PL | 11119/2017 | 100% | 100% | | Walkabout Resources Ltd (Tz) |
| Lindi | ML | 579/2018 | 0% | 100% | | Lindi Jumbo Ltd |
| Lindi | PL | 9993/2014 | 70% | 70% | Renewed | Lindi Jumbo / Ali Mbarak |
| Lindi | PLA | 13376/2018 | 100% | 100% | | Lindi Jumbo Ltd |
| Lindi | PL | 11377/2019 | 70% | 70% | Granted | Lindi Jumbo Ltd / Ali Mbarak |
| Northern Ireland | | | | | | |
| NE Antrim | MPL# MRO | LON01/14 LON01/14 | 50% 50% | 0% 50% | Relinquished Renewed | Shackleton Resources Ltd (DfE) Antrim Metals Ltd (CE) |
| Glenariff | MPL# MRO | LON02/14 LON02/14 | 50% 50% | 0% 50% | Relinquished Renewed | Shackleton Resources Ltd (DfE) Antrim Metals Ltd (CE)) |
| Gortnamoyagy | MPL# | LON05/14 | 100% | 0% | Relinquished | Shackleton Resources Ltd (DfE) |
| Tyrone | MPL# / MRO | KOZ01/16 | 0% | Earning 50% | | Koza (UK) Ltd (CE & DfE) |
| Lisburn | MRO | SK01/18 | 100% | 0% | Relinquished | Shackleton Resources Ltd |
| Scotland | | | | | | |
| St John's Town of Dalry | MRO | GH | 0% | Earning 75% | Farm-In | JDH Resources Ltd |
| Newton Stewart | MRO | CN | 0% | Earning 75% | Farm-In | JDH Resources Ltd |
| Rhins of Galloway | MRO | CG | 0% | Earning 75% | Farm-In | JDH Resources Ltd |

*EPL (Exclusive Prospecting Licence), #MPL (Mineral Prospect Licence) DfE Department for the Economy (all other minerals), MRO (Mineral Royal Option), CE Crown Estate (Au & Ag),