

WALKABOUT RESOURCES LIMITED

ACN 119 670 370

ENTITLEMENT ISSUE PROSPECTUS

This Prospectus includes the following offers:

- (a) a renounceable entitlement issue of one (1) Share for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.10 per Share to raise up to \$6,710,408 (being an issue of up to 67,104,080 Shares, based on the number of Shares on issue as at the date of this Prospectus), together with one (1) free attaching New Option for every four (4) Shares subscribed for and issued (**Entitlement Offer**);
- (b) an offer of up to 8,388,010 new Options to subscribers under the Placement (**Placement Options Offer**); and
- (c) an offer of 15,500,000 Options to Petersons Securities Limited (**Underwriter Options Offer**),

(together, the **Offers**).

The Entitlement Offer will be partially underwritten by Petersons Securities Limited (ABN 69 008 896 311) (**Underwriter**) up to \$6.2 million. Refer to Section 8.4 for details regarding the terms of the Underwriting Agreement.

Petersons Securities Limited is acting as Lead Manager to the Placement and the Offer.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as highly speculative.

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1. CORPORATE DIRECTORY

Directors

Trevor Benson (Executive Chairman)
Allan Mulligan (Executive Director)
Andrew Cunningham (Non-executive Director)
Tom Murrell (Non-Executive Director)

Share Registry*

Security Transfer Registrars
Suite 1, 770 Canning Highway
Applecross WA 6153

Telephone: +61 1300 992 916
Fax: +61 (0) 8 9315 2233

Company Secretary

Ian Hobson

Registered Office

Level 3, 681 Murray Street
West Perth, 6005
Western Australia

Telephone: + 61 8 6298 7500
Facsimile: +61 8 6298 7501

Email: admin@wkt.com.au
Website: www.wkt.com.au

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Auditor*

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Underwriter and Lead Manager

Petersons Securities Limited (AFSL 239052)
Level 23, 2 The Esplanade
PERTH WA 6000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

| | |
|---|-----------------------------|
| Lodgement of Prospectus with the ASIC | Wednesday, 20 December 2017 |
| Lodgement of Prospectus & Appendix 3B with ASX | Wednesday, 20 December 2017 |
| Notice sent to Shareholders | Friday, 22 December 2017 |
| Ex date | Wednesday, 27 December 2017 |
| Rights start trading | Wednesday, 27 December 2017 |
| Record Date for determining Entitlements | Thursday, 28 December 2017 |
| Prospectus sent out to Shareholders & Company announces this has been completed | Wednesday, 3 January 2017 |
| Rights stop trading | Wednesday, 10 January 2018 |
| Securities quoted on a deferred settlement basis | Thursday, 11 January 2018 |
| Last day to extend the Closing date | Friday, 12 January 2018 |
| Closing Date* | Wednesday, 17 January 2018 |
| ASX notified of under subscriptions | Monday, 22 January 2018 |
| Shortfall Notice Deadline Date | Wednesday, 24 January 2018 |
| Issue date/Deferred Settlement Trading Ends | Wednesday, 24 January 2018 |
| Normal trading resumes | Thursday, 25 January 2018 |
| Quotation of Securities issued under the Offer* | |

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

CHAIRMAN'S LETTER

Dear Shareholders,

Having recently finalised a Placement to raise approximately \$3.4 million we are now undertaking a renounceable entitlement offer to raise a further \$6.7m which will allow all shareholders the opportunity to invest further in their Company. This process is of extreme importance as securing sufficient equity funding increases access to development capital for the Lindi Jumbo Graphite Project and initiates exploration programs in Namibia and Northern Ireland which together, will unlock future value for Shareholders.

The successful completion of this Rights Issue will put your Company in a sound financial position and able to capitalise on the current development and exploration programs planned for 2018.

As previously reported Walkabout is currently engaged in the engineering and design phase and working towards a procurement and construction contract with its Chinese EPC partner Yantai Jinpeng to cover all aspects of constructing the Lindi Jumbo Graphite Project in southern Tanzania. In parallel with this process is the application for Chinese deferred payment funding to cover equipment sourced and manufactured in China. The current Placement and Rights Issue greatly assists the Company in qualifying for these Chinese "soft loans". These loans should make up about one third of the required development capital for the Project.

As Walkabout's EPC partner and cornerstone investor, Jinpeng has endorsed the high quality of our Lindi Jumbo large flake graphite Project and supported the Company's fast-track development strategy. Importantly, this has allowed the Project schedule to be progressed while other longer-term funding packages are being negotiated and secured.

The changes to the Tanzanian Mining Act have delayed all processing of applications and we await a favourable update as to the approval for a mining licence.

The Company has also recently announced the acquisition of 100% of two highly prospective lithium licences in the highly prospective Orange River Pegmatite Belt in the Karas region of southern Namibia. Furthermore, the Company has recently acquired the entire exploration portfolio of Lonmin PLC in Northern Ireland. These licences are highly prospective for gold, base metals and other minerals including lithium.

The Company intends to utilise the funds raised from the Placement and Rights Issue to fast-track development of the graphite project; initiate an exploration program in Namibia and Northern Ireland and exercise the option to acquire the remaining 30% of the Project licence in southern Tanzania.

Your Board strongly suggests you take up your entitlement and thank you for your continued support.

Trevor Benson
Chairman

3. IMPORTANT NOTES

This Prospectus is dated 20 December 2017 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7. A summary of some of the Company's key risks include:

| Risk | Description |
|---|---|
| Future Capital Requirements | The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities. |
| Sovereign Risk | Due to the location of the Company's projects, the Company will be exposed to the political, security and social risks of each of these countries. |
| Exploration and Development Risk | There is no assurance that any exploration on current or future interests will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed. |

| Risk | Description |
|--|--|
| Going Concern Risk | The Company's annual financial report for the year ended 30 June 2017 included a 'going concern' qualification. Notwithstanding this, the Directors believe that upon the successful completion of the Entitlement Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements. |
| Trading Price of the Company's Shares | The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Company's Shares. No assurances can be made that the Company's market performance will not be adversely affected by these market fluctuations or factors. |
| Title Risk | The Company could lose title to, or its interest in, prospecting licences if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. |
| Potential for dilution | Assuming all Entitlements are accepted, the number of Shares in the Company will increase. This means that each Share will represent a significantly lower proportion of the ownership of the Company. |
| Foreign Exchange Rate Risk | The Company will be exposed to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. |
| Licence Applications and Renewals | If a licence is not renewed or granted, the Company may suffer significant damage through the loss of opportunity to develop and discover mineral resources on that licence. |
| Commodity Price Volatility | In the event of exploration and development success, any future revenue derived through any future sales of copper exposes the potential income of the Company to commodity price and exchange rate risks. |
| Litigation Risk | In the event an adverse damages order is made against the Company it may impact on the Company's financial position. |
| Compliance Risk | The Company operates in a highly regulated industry and could be exposed to significant compliance costs, which may increase if regulations change. |
| Competitor Risk | Competition with other companies may also have an impact on recruitment and retention of suitably qualified employees. |

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.2 Directors Interests in Securities

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement (assuming their Options are not exercised), is set out in the table below.

| Director | Shares | Options | Entitlement (Shares) | Entitlement (New Options) | \$ |
|-------------------|------------------------|---------|----------------------|---------------------------|-----------|
| Andrew Cunningham | 444,053 ¹ | Nil | 148,018 | 37,005 | \$14,802 |
| Allan Mulligan | 5,007,988 ² | Nil | 1,669,330 | 417,333 | \$166,933 |
| Thomas Murrell | 2,078,283 ³ | Nil | 692,761 | 173,191 | \$69,276 |
| Trevor Benson | 1,290,108 | Nil | 430,036 | 107,509 | \$43,004 |

Notes

1. 226,662 Shares are held by Tusker Resources Pty Ltd, of which Mr Cunningham is a director and shareholder. Ilse Cunningham, Mr Cunningham's wife, holds 217,391 Shares.
2. 1,344,689 Shares are held by Indigo Buffalo Investments Pty Ltd as trustee for Red Warthog Super Fund. Mr Mulligan is a beneficiary of Red Warthog Super Fund.
3. 516,203 Shares are held by Resources 2000 Pty Ltd, of which Mr Murrell is a director and Shareholder.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors who hold Shares intend to take up all or part of their respective Entitlements.

3.3 Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| Shareholder | Shares | % | Entitlement (Shares) | Entitlement (New Options) |
|---|------------|-------|----------------------|---------------------------|
| Hong Kong Tiande Baorun Trade Co. Limited | 17,282,742 | 8.59% | 5,760,914 | 1,440,229 |

In the event that all Entitlements are accepted there will be no change to the substantial holders on completion of the Entitlement Offer. No Shareholder will, as a result of the Entitlement Offer, increase their relevant interest in the Company to above 20%.

Further, the Company notes that the Substantial holders nor any other Shareholder will be issued Shares under the Shortfall Offer if the issue of those Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Refer to Section 4.18 for further details with respect to the Shortfall Offer.

The effect on the control of the Company in the event that Shareholders do not participate in the Entitlement Offer is further described in Section 3.4 below. Further information regarding the purpose of the Offer is set out in Section 5.

3.4 Effect on control of the Company and potential dilution to Shareholders

The Underwriter presently is not a shareholder of the Company. The Underwriter is not a related party of the Company for the purpose of the Corporations Act. The Underwriter's relevant interest following completion of the Offer and changes under several scenarios are set out in the table below and are based

on the assumption that the Underwriter takes up its full underwriting commitment of 62,000,000 Shares under each scenario.

| Event | Shares held by Underwriter | Voting power of Underwriter |
|---------------------------------|----------------------------|-----------------------------|
| Date of Prospectus | Nil | 0% |
| Completion of Entitlement Issue | | |
| • Fully subscribed | Nil | 0% |
| • 75% subscribed | 11,671,940 | 4.35% |
| • 50% subscribed | 28,447,960 | 10.60% |
| • 25% subscribed | 45,223,980 | 16.85% |
| • Full underwriting commitment | 62,000,000 | 23.10% |

The number of shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriters will reduce by a corresponding amount for the amount of entitlements under the Offer taken up by the other Shareholders.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders assuming no Options are exercised is set out in the table below:

| Holder | Holding as at Record date | % at Record Date | Entitlements under the Offer | Holdings if Offer not taken Up | % post Offer |
|---------------|---------------------------|------------------|------------------------------|--------------------------------|--------------|
| Shareholder 1 | 10,000,000 | 4.97% | 3,333,333 | 10,000,000 | 3.73% |
| Shareholder 2 | 5,000,000 | 2.48% | 1,666,667 | 5,000,000 | 1.86% |
| Shareholder 3 | 1,500,000 | 0.75% | 500,000 | 1,500,000 | 0.56% |
| Shareholder 4 | 400,000 | 0.20% | 133,333 | 400,000 | 0.15% |
| Shareholder 5 | 50,000 | 0.02% | 16,667 | 50,000 | 0.02% |

3.5 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

| | (\$) | Date |
|---------|---------|-----------------------|
| Highest | \$0.205 | 3 and 4 December 2017 |
| Lowest | \$0.078 | 10 October 2017 |

| | | |
|------|--------|------------------|
| Last | \$0.10 | 19 December 2017 |
|------|--------|------------------|

3.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

4. DETAILS OF THE OFFERS

4.1 Entitlement Offer

The Entitlement Offer is being made as a renounceable entitlement issue of one (1) Share for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.10 per Share, together with 1 New Option (exercisable at \$0.15 on or before 31 December 2019) for every four (4) Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of approximately 67,104,080 Shares and 16,776,020 New Options will be issued pursuant to this Entitlement Offer to raise up to \$6,710,408 (before costs of the Offer).

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 5.1.

4.2 Placement Options Offer

This Prospectus includes the Placement Options Offer, being an offer of up to 8,388,010 New Options to subscribers of the Placement (**Subscribers**), on the basis of one (1) free New Option (exercisable at \$0.15 on or before 31 December 2019) for every four (4) Shares subscribed for by those Subscribers under the Placement.

The Placement Options are being issued out of the Company's placement capacity.

Only Subscribers may accept the Placement Options Offer, by using the relevant Application Form. A personalised Application Form in relation to the Placement Options Offer will be issued to the Subscribers together with a copy of this Prospectus.

4.3 Underwriter Options Offer

This Prospectus includes the Underwriter Options Offer of 15,500,000 new Options (exercisable at \$0.15 on or before 31 December 2019) to the Underwriter (or their nominees) for part of their fee to underwriter to the Entitlement Offer.

The issue of the 15,500,000 new Options under the Underwriter Options Offer is subject to Shareholder approval which will be sought at the General Meeting. The Underwriter Options will not be issued until Shareholder approval has been obtained.

Only the Underwriter (or their nominees) may accept the Underwriter Options Offer, by using the relevant Application Form in relation to the Underwriter Options Offer. A personalised Application Form in relation to the Underwriter Options Offer will be issued to the Underwriter together with a copy of this Prospectus.

No funds will be raised from the Underwriter Options Offer as relevant New Options are being issued for nil consideration for fees paid to the Underwriter.

4.4 Offers

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

4.5 Minimum subscription

There is no minimum subscription to the Entitlement Offer.

4.6 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement (refer to Section 4.7);
- (b) take up all of their Entitlement and apply for Securities under the Shortfall Offer (refer to Section 4.8);
- (c) sell all of their Entitlement on ASX (refer to Section 4.9);
- (d) take up a proportion of their Entitlement and sell the balance on ASX (refer to Section 4.10);
- (e) take up a proportion of their Entitlement and allow the balance to lapse (refer to Section 4.11);
- (f) sell all or a proportion of their Entitlement other than on ASX (refer to Section 4.12); or
- (g) allow all or part of their Entitlement to lapse (refer to Section 4.13).

4.7 Taking up all of your Entitlement

Should you wish to accept all of your Entitlement, then applications for Securities under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to the account name set out in the Entitlement and Acceptance Form and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's Share Registry (by delivery or by post) in accordance with the details set out in the Entitlement and Acceptance Form

If you wish to pay via BPAY® you must follow the personalised instructions in your Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined below in Section 4.14. If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 4:00pm (AEDT) on the Closing Date.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

4.8 Taking up all of your Entitlement and applying for Securities under the Shortfall Offer

Should you wish to accept all of your Entitlement and apply for Securities under the Shortfall Offer, then applications for Securities under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

4.9 Selling all your Entitlement on ASX

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Securities under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 27 December 2017 and will cease on 10 January 2018.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

4.10 Taking up a proportion of your Entitlement and selling the balance on ASX

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Securities you wish to take up and follow the steps in Section 4.7, or make a payment by BPAY in accordance with Section 4.16.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

4.11 Taking up a proportion of your Entitlement and allowing the balance to lapse

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Securities you wish to take up and follow the steps in Section 4.7. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

4.12 Selling all or a proportion of your Entitlement other than on ASX

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to the account name set out in the Entitlement and Acceptance Form and crossed "Not Negotiable" to the Share Registry (by delivery or by post at any time after the issue of this Prospectus and on or before the Closing Date) in accordance with the details set out in the Entitlement and Acceptance Form.

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Securities the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with Section 4.7.

4.13 Allow all or part of your Entitlement to lapse

Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

4.14 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any

Application Monies, the application may not be varied or withdrawn except as required by law.

4.15 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Walkabout Resources Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm (AEST) on the Closing Date.

4.16 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Securities which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (AEST) on the Closing Date. You should be aware that your financial institution may implement either cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Securities (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

4.17 Underwriting

The Offer is lead managed and underwritten by the Underwriter for up to \$6.2 million. Refer to section 8.4 of this Prospectus for details of the terms of the underwriting.

4.18 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to one week following the Closing Date (unless extended by the Directors). The issue price for each Share to be issued under the Shortfall Offer shall be \$0.10 being the price at which Shares have been offered under the Entitlement Offer.

The Directors and the Underwriter reserve the right to issue Shortfall Shares at their absolute discretion. Accordingly, do not apply for Shortfall Shares unless instructed to do so by the Directors or the Underwriter.

4.19 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all Application Monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.20 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

4.21 Overseas shareholders

This document is only intended to be distributed and made available to existing Shareholders of the Company and is personal to each Shareholder to whom it has been delivered. These Offers do not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong, United Kingdom and South Africa.

The Offers are being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Hong Kong, United Kingdom and South Africa may be restricted by law and

persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia, New Zealand, Hong Kong, United Kingdom or South Africa .

If you are outside Australia, New Zealand, Hong Kong, United Kingdom or South Africa it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares offered have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the Shares) are in Hong Kong, you (and any such person) warrant by lodging an Application Form that you are a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

United Kingdom

Neither the information in this Prospectus nor any other document relating to the Offers or Shortfall Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the Shares.

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Shares may not be offered or sold in the United

Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA.

This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

South Africa

This document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa. An entity or institution resident in South Africa may not implement participation in an offer of securities unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

4.22 Appointment of Nominee

Pursuant to ASX Listing Rule 7.7, the Company has appointed Patersons Securities Limited as nominee to sell the Entitlements to which Ineligible Shareholders are entitled. Patersons will have the absolute and sole discretion to determine the timing and price at which the Entitlements will be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Ineligible Shareholders may receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, Patersons will not be required to sell Ineligible Shareholders' Entitlement at a particular price.

Neither the Company nor Patersons will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of Patersons, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse. The Shares not taken up will form part of the Shares to be taken up by the Underwriter pursuant to the Underwriting Agreement.

Shareholders resident in Australia, New Zealand, Hong Kong, United Kingdom and South Africa holding Shares on behalf of persons who are resident overseas

are responsible for ensuring that taking up an Entitlement under the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.23 Enquiries

Any questions concerning the Offer should be directed to Mr Trevor Benson on +61 8 6298 7500.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to \$6,710,408.

No funds will be raised from the issue of the Placement Options or the Underwriter Options as the Placement Options are being issued free attaching to the Subscribers under the Placement and the Underwriter Options are being issued to the Underwriter.

The funds raised from the Entitlement Offer are planned to be used in accordance with the table set out below:

| Item | Proceeds of the Offer | Full Subscription (\$) | % |
|------|------------------------------------|------------------------|-------------|
| 1. | Exploration | \$1,000,000 | 14.9% |
| 2. | Project Development | \$4,100,000 | 61.1% |
| 3. | Expenses of the Offer ¹ | \$568,829 | 8.48% |
| 4. | Working capital | \$1,041,579 | 15.52% |
| | Total | \$6,710,408 | 100% |

Notes:

1. Refer to section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to materially affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis and otherwise having regard to their fiduciary duties.

5.2 Effect of the Offers

The principal effect of the Offers, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$6,141,579 (after deducting the estimated expenses of the Offer) immediately after completion of the Entitlement Offer;
- (b) increase the number of Shares on issue from 201,312,241 as at the date of this Prospectus to approximately 268,416,321 Shares following completion of the Entitlement Offer; and
- (c) increase the number of Options on issue from nil as at the date of this Prospectus to 40,664,030 following completion of the Offers (comprising 16,776,020 New Options under the Entitlement Offer, 8,388,010 New Options under the Placement Options Offer and 15,500,000 New Options under the Underwriter Options Offer).

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 September 2017 and the pro-forma balance sheet as at 30 September 2017 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

| | UNAUDITED 30 September 2017 \$ | PROFORMA 30 September 2017 \$ |
|----------------------------------|--------------------------------------|-------------------------------------|
| CURRENT ASSETS | | |
| Cash ¹ | 1,552,704 | 10,840,743 |
| Other current assets | 50,175 | 50,175 |
| TOTAL CURRENT ASSETS | 1,602,879 | 10,890,918 |
| | | |
| NON-CURRENT ASSETS | | |
| Exploration and evaluation | 12,743,474 | 12,743,474 |
| Other non-current assets | 12,141 | 12,141 |
| TOTAL NON-CURRENT ASSETS | 12,755,615 | 12,755,615 |
| | | |
| TOTAL ASSETS | 14,358,494 | 23,646,533 |
| | | |
| CURRENT LIABILITIES | | |
| Creditors and borrowings | 218,280 | 218,280 |
| TOTAL CURRENT LIABILITIES | 218,280 | 218,280 |
| | | |
| TOTAL LIABILITIES | 218,280 | 218,280 |
| | | |
| NET ASSETS (LIABILITIES) | 14,140,214 | 23,428,253 |
| | | |
| EQUITY | | |
| Share capital | 56,044,853 | 65,332,892 |
| Reserves | (393,031) | (393,031) |
| Retained loss | (41,511,608) | (41,511,608) |
| TOTAL EQUITY | 14,140,214 | 23,428,253 |

Note:

1. The increase in the cash at bank of \$9,288,039 is calculated as follows:
 - (a) assumes full subscription under the Entitlement Offer to raise \$6,710,408;
 - (b) a deduction of \$568,829, being the costs of the Offers; and
 - (c) includes the funds received from the Placement of \$3,388,756 less \$242,296 (expenses of the Placement) totalling \$3,146,460.

5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted is set out below.

Shares

| | Number |
|--|--------------------|
| Shares currently on issue | 201,312,241 |
| Shares offered pursuant to the Entitlement Offer | 67,104,080 |
| Total Shares on issue after completion of the Offer | 268,416,321 |

Options

| | Number |
|--|-------------------|
| Options currently on issue | Nil |
| New Options offered pursuant to the Entitlement Offer | 16,776,020 |
| New Options offered pursuant to the Placement Options Offer | 8,388,010 |
| New Options offered pursuant to the Underwriter Offer ¹ | 15,500,000 |
| Total Options on issue after completion of the Offers | 40,664,030 |

Note:

1. The Company will seek shareholder approval for the issue of the Underwriter Options in accordance with the Underwriting Agreement.

No securities on issue are subject to escrow restrictions, either voluntary or ASX imposed.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or representative;
 - (ii) on a show of hands every Shareholder, or person entitled to the rights of a Shareholder in accordance with this Constitution, present in person or by proxy or Representative has one vote; and
 - (iii) on a poll every Shareholder, or person entitled to the rights of a Shareholder in accordance with this Constitution, present in person or by proxy or Representative has:
 - (i) one vote for each fully paid Share that Shareholder holds; and
 - (ii) a fraction of a vote for each partly paid Share that Shareholder holds where the fraction is equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) on that Share,
- (c) except that an Shareholder is not entitled to vote at a general meeting if:

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the

proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the sanction of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit.

(e) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(f) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(g) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares,

the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.2 New Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.15 (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 December 2019 (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things

necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under g(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Future capital requirements

The Company is following a Project Development strategy for the Lindi Jumbo Graphite Project which includes partial debt funding from the China Silk Road Development Fund. There can be no guarantee that this partial funding will be successfully accessed.

There can be no guarantee that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(b) Sovereign Risk

The Company has projects located in Tanzania, Namibia and Botswana, each of which are developing countries. Due to the location of the Company's projects, the Company will be exposed to the political, security and social risks of each of these countries.

There can be no assurance that the current systems of government in any country will remain stable and conducive to foreign investment. Any changes in government policy may result in changes in laws affecting various factors including the ownership of exploration assets, taxation regime, environmental protection, labour relations, and repatriation of income, amount of royalty and return of capital. A change in these factors may in turn affect the Company's ability to undertake exploration and development activities in the manner currently contemplated.

The Lindi Jumbo Graphite Project is located in Tanzania and as such subject to emerging legal and political systems compared with the systems in place in Australia. Tanzania recently announced substantive changes in its mining laws and the full impact of these is yet to be clarified. Sovereign risks associated with operating in Tanzania include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

(c) **Exploration and development risks**

The business of exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the Company's projects undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic mineral deposit. Even if an

apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(d) **Going concern risk**

The Company's annual financial report for the year ended 30 June 2017 included a 'going concern' qualification.

Notwithstanding the 'going concern' qualification included in the financial report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements.

However, as indicated in Section 1.1(a) above, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

(e) **Trading price of the Company Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Company's Shares. In addition, the price of the Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the Australian dollar and United States dollar performance on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general or Australian mining stocks in particular, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(f) **Title Risk**

Interests in mineral licences in Tanzania are governed by the respective relevant legislation in Tanzania and are evidenced by the granting of licenses or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, prospecting licences if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. If any of the prospecting licences are not renewed, the Company may suffer damage through loss of opportunity to discover and develop any mineral resources to which it otherwise would have had a right

There is also a risk that mineral licences applications in which the Company acquires an interest in the future may not be able to be transferred to the Company and mineral licences applications may not be approved, or tenement terms renewed.

(g) **Potential for dilution**

Assuming all Entitlements are accepted, the number of Shares in the Company will increase from 201,312,241 Shares (being the number of Shares on issue at the date of the Prospectus) to 268,416,321 Shares. This means that each Share will represent a significantly lower proportion of the ownership of the Company. However, a Shareholder can retain their percentage interest in the Company by taking up their Entitlement.

(h) **Foreign Exchange Rate Risk**

The Company currently has interests in tenures located in Northern Ireland, Tanzania, Namibia and Botswana. Expenditure in Tanzania is required in both United States dollars and the local currency, the Tanzanian schilling.

Furthermore, international prices of various commodities are denominated in the United States dollar, whereas the income and expenditure of the Company will be taken into account in Australian currency, which will expose the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

To comply with Australian reporting requirements, the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and the volatility of the rate of exchange between other currencies and the Australian dollar, as determined by international markets.

In addition, at this stage, the Company has decided not to put in place any hedges in relation to foreign exchange. This may result in the Company being exposed to exchange risk, which may have an adverse impact on the profitability and/or financial position of the Company.

(i) **Licence applications and renewal risk**

The licences constituting the Company's projects are subject to applications for renewal or grant (as the case may be). The Company currently has a Mining Licence Application pending at the Tanzanian Ministry of Minerals. The renewal or grant of the terms of each licence is usually at the discretion of the relevant government authority. Additionally, licences are subject to a number of specific legislative conditions. The inability to meet these conditions could affect the standing of a licence or restrict its ability to be renewed.

If a licence is not renewed or granted, the Company may suffer significant damage through the loss of opportunity to develop and discover mineral resources on that licence.

(j) **Commodity Price Volatility**

In the event of exploration and development success, any future revenue derived through any future sales of copper exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding

inflation, interest rates and global and regional demand for, and supply of, commodities.

(k) **Litigation risk**

There is a risk that where formal proceedings are commenced against the Company and the Company is unable to successfully negotiate a resolution or defend a matter, or any other proceedings that have been threatened or brought against the Company, an adverse damages order may be made against the Company which may impact on the Company's financial position. The outcome of such proceedings would be subject to the determination of the relevant Court.

(l) **Compliance risk**

The Company operates in a highly regulated industry and could be exposed to significant compliance costs, which may increase if regulations change.

(m) **Competitor risk**

The Company competes with various other resource companies in relation to the identification and capture of suitable exploration and production properties. Competition with other companies may also have an impact on recruitment and retention of suitably qualified employees.

7.3 Industry specific

(a) **Exploration Success**

The prospecting licences in which the Company has an interest are at various stages of exploration and development, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that further exploration of the Company's prospecting licences, or any other licenses that may be acquired in the future will be successful.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its prospecting licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the prospecting licences, a reduction in the case reserves of the Company and possible relinquishment of the prospecting licences

(b) **Environmental Risk**

The Company's projects are subject to rules and regulations regarding environmental matters including obtaining the approval of an environmental impact study or assessment depending on location and impacts. As with all mineral projects, the Company's project is expected to

have a variety of environmental impacts should development proceed. Development of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's costs of doing business or affect its operations in any area.

(c) **Operating Risk**

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (i) adverse geological conditions including mineral variability;
- (ii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (iii) mechanical failure of operating plant and equipment;
- (iv) industrial and environmental accidents, industrial disputes and other force majeure events;
- (v) inability to recruit and retain operating staff with specialist rare earth processing experience;
- (vi) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (vii) inability to obtain necessary consent or approvals.

(d) **Resource Estimates**

Resource and other estimates of mineral occurrences are expressions of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates, including that minerals mined may be of a different quality, tonnage or strip ratio from the estimates. Resource and revenue estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to the estimates of mineral reserves could affect the proposed development and mining plans.

(e) **Technological**

This risk relates mainly to the threat of substitution of minerals such as lithium and graphite by other materials in the manufacture of batteries and other applications.

(f) **Contractual**

The ability of the Company to achieve its objectives will depend on the performance by the other parties to contracts which the Company may enter into in the future. If a party defaults in the performance of its

obligations it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

7.4 General Risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

| Date | Description of Announcement |
|----------|--|
| 18/12/17 | Rights Issue Timetable Update |
| 15/12/17 | Cleansing Notice |
| 14/12/17 | Company Secretary Appointment/Resignation |
| 14/12/17 | Disclosure Document – LR 3.0.5A |
| 14/12/17 | Appendix 3B |
| 07/12/17 | Oversubscribed Capital Raising |
| 05/12/17 | Trading Halt |
| 23/11/17 | Response to ASX Appendix 5B Query |
| 21/11/17 | Prospective Lithium Licence Approved in Namibia |
| 16/11/17 | Results of Meeting |
| 15/11/17 | AGM Presentation |
| 15/11/17 | Walkabout Acquires Diversified Exploration Portfolio |
| 07/11/17 | Research Initiated by Patersons |
| 02/11/17 | Change of Director's Interest Notices |
| 31/10/17 | Quarterly Activities Report |
| 31/10/17 | Quarterly Cashflow Report |
| 27/10/17 | Appendix 3B |
| 27/10/17 | Option expiry |
| 16/10/17 | Chairman's address |
| 16/10/17 | Notice of Annual General Meeting/Proxy Form |
| 16/10/17 | Appendix 4G |
| 04/10/17 | Ceasing to be a substantial holder |

| Date | Description of Announcement |
|----------|------------------------------|
| 29/09/17 | Full Year Statutory Accounts |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.wkt.com.au.

8.3 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement and take up intentions, is set out in Section 3.2.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as

the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed remuneration for financial year, ended 30 June 2017. The salary and fee amounts are not anticipated to change for the financial year ended 30 June 2018.

| Director | Total Financial Year ending 30 June 2017 (\$) | Superannuation | Salary and Fees | Share based payments |
|-------------------|---|----------------|-----------------|----------------------|
| Trevor Benson | \$188,811 | \$10,732 | \$112,969 | \$65,110 |
| Allan Mulligan | \$306,305 | \$23,750 | \$250,000 | \$32,555 |
| Thomas Murrell | \$109,057 | Nil | \$76,502 | \$32,555 |
| Andrew Cunningham | \$204,330 | Nil | \$171,775 | \$32,555 |

8.4 Material Contracts

8.4.1 Patersons Mandate

The Company entered into a mandate agreement with Patersons under which the Company engaged Patersons to act as lead manager for the Placement and the Entitlement Issue and partially underwrite the Entitlement Offer (**Mandate**).

The Company will pay the following fees:

- (a) Management Fee - on completion of the issue of the Underwritten Securities (**Completion**), the Company must pay to the Underwriter (or as the Underwriter may in writing direct) a management fee of 2.5% on the Underwritten Amount; and
- (b) Selling Fee - on Completion, the Company must pay to the Underwriter (or as the Underwriter may in writing direct) a selling fee of 4.0% on the Underwritten Amount. All sub-underwriting and selling fees to third parties will be met from this fee by the Underwriter.

Other fees:

- (a) Corporate Advisory Fee: on Completion the Company must pay to the Underwriter (or as the Underwriter may in writing direct) a fee of \$75,000;
- (b) Selling Fee: the Underwriter will be entitled to a selling fee of 6.5% on any amounts raised over and above the Underwritten Amount; and
- (c) Underwriter Options: Subject to Shareholder approval being obtained (to the extent required), and Completion taking place, the Company must issue to the Underwriter (or as the Underwriter may direct) the Underwriter Options.

In addition to the above fees, Patersons will require reimbursement for out of pocket expenses.

8.4.2 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to partially underwrite the Offer for 62,000,000 Shares and 15,500,000 Options (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter the fees set out in section 8.4.1 above.

The Underwriting Agreement is conditional upon:

- (a) a notice for the General Meeting being dispatched to Shareholders by the Closing Date as specified in the timetable;
- (b) the Underwriter obtaining sufficient sub-underwriting commitments for the Offer to its sole satisfaction; and
- (c) the Underwriter not being bound to underwrite the Offer unless and until the Company lodges the Prospectus with ASIC.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Indices fall)**: at any time, either of the All Ordinaries Index or the Standard & Poors/ ASX Small Resources Index is at a level that is 10% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement; or
- (b) **(Share Price)**: the Shares of the Company which trade on the ASX under the ASX code of "WKT" close lower than \$0.0875 for two consecutive normal trading days;
- (c) **(Prospectus)**: the Company does not lodge the Prospectus on the date of lodgement of the Prospectus (**Lodgement Date**) or the Prospectus or the Offer is withdrawn by the Company; or
- (d) **(General Meeting Notice)**: The General Meeting notice has not been dispatched to shareholders by the Closing Date; or
- (e) **(Breach of Material Contracts)**: any of the material contracts or contracts described in the Prospectus (other than this Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified other than as disclosed in the Prospectus or by the Company on ASX; or
- (f) **(New circumstances)** there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement and is in the reasonable opinion of the Underwriter that it is materially adverse from the point of view of an investor; or
- (g) **(No Official Quotation)**: Official Quotation has not been granted by the Shortfall Notice Deadline Date (as defined in the Underwriting

Agreement) or, having been granted, is subsequently withdrawn, withheld or qualified; or

- (h) **(Supplementary prospectus):**
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in clause 13.1(u)(vii), forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (i) **(Non compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information required by the Corporations Act; or
- (j) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (k) **(Breach of Material Contracts):** any of the material contracts or contracts described in the Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified; or
- (l) **(Restriction on allotment):** the Company is prevented from allotting the Securities under the Entitlement Offer within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (m) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (n) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (o) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation

to the Prospectus under section 739 or any other provision of the Corporations Act;

- (p) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (q) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, the United Kingdom, the United States of America, or the Peoples Republic of China, or Tanzania, or Namibia or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (r) **(Authorisation)** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (s) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence;
- (t) **(Acts by Directors)**: any commitment or agreement entered into by a Director as disclosed in the Prospectus is not carried out or adhered to in accordance with its terms or the agreement is breached, revoked, rescinded or avoided;
- (u) **(Termination Events)**: subject always to a Material Adverse Effect (as that word is defined under the Underwriting Agreement), any of the following events occurs:
 - (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(Failure to Disclose)**: it transpires that the Company has in the past failed to disclose to the ASX Material Information;
 - (v) **(Adverse change)**: any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts (including expected time until production), losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;

- (vi) **(Error in Due Diligence Results)**: it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive or that there was an omission from them;
- (vii) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (viii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus;
- (ix) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer, the Issue or the affairs of any Relevant Company at any time prior to Completion is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
- (xi) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xii) **(Prescribed Occurrence)**: a Prescribed Occurrence (as that word is defined in the Underwriting Agreement) occurs;
- (xiii) **(Suspension of debt payments)**: the Company suspends payment of any debts (if applicable) generally;
- (xiv) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (xv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$25,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xvi) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any Relevant Company, other than any claims foreshadowed in the Prospectus, or Due Diligence Program or otherwise disclosed during the Due Diligence Investigations;
- (xvii) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter;

- (xviii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
 - (xix) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 7 Business Days;
 - (xx) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
 - (xxi) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
 - (xxii) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
 - (xxiii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company; or
 - (xxiv) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the European Union, the United States of America or other international financial markets.
- (v) The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

8.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid approximately \$123,283.48 for the provision of legal services to the Company.

Paterson Securities Limited has acted as the Underwriter and Lead Manager to the Company in relation to the Entitlement Offer. The Company will pay Paterson Securities Limited the fees set out in Section 8.4.1 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons Securities Limited has been paid approximately \$311,223 for the provision of corporate advisory services to the Company.

8.6 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Patersons Securities Limited has given its written consent to being named as Underwriter and Lead Manager to the Company in this Prospectus. Patersons Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$568,829 (excluding GST) and are expected to be applied towards the items set out in the table below:

| | \$ |
|------------------------------------|------------------|
| ASIC fees | 2,400 |
| ASX fees | 32,252 |
| Lead Manager | 75,000 |
| Underwriter Fees | 436,177 |
| Legal fees | 15,000 |
| Share registry, printing and other | 8,000 |
| Total | \$568,829 |

8.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 (08) 6298 7500 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.wkt.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

**Trevor Benson
Executive Chairman
For and on behalf of
WALKABOUT RESOURCES LIMITED**

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AEST means Australian Eastern Standard Time, being the time in Sydney, New South Wales.

Applicant means a Shareholder who applies for Securities pursuant to the Offer or a Shareholder or other party who applies for Shortfall Securities pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company or **Walkabout** means Walkabout Resources Limited (ACN 119 670 370).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the renounceable entitlement issue the subject of this Prospectus.

General Meeting means a general meeting of Shareholders to be called on or before 14 February 2018.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

New Option means an Option granted with the terms and conditions set out in Section 6.2.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the Company's issue of 33,552,040 Shares at \$0.101 per Share (together with 1 free attaching New Option for every 4 Shares subscribed for and issued) to sophisticated and professional investors to raise \$3,388,756 million, as detailed in the Company's ASX announcement dated 7 December 2017.

Placement Options Offer means the offer of up to 8,388,010 free New Options to Investors, on the basis of one (1) free New Option for every four (4) Shares subscribed for by Investors in the Placement, under this prospectus.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Notice Deadline Date means the date as specified in the timetable in section 2 of this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 4.18 of this Prospectus.

Shortfall Securities means those Shares and New Options issued pursuant to the Shortfall.

Underwriter Options Offer means the offer of 15,500,000 Options to the Underwriter pursuant to the Underwriting Agreement.

WST means Western Standard Time as observed in Perth, Western Australia.