
WALKABOUT RESOURCES LTD**ACN 119 670 370****NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 2pm (WST)

DATE: Friday 22 November 2019

PLACE: CWA House 1176 Hay Street West Perth 6005, West Perth WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7pm AEST on 20 November 2019.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ALLAN MULLIGAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 12.11 and 12.12 of the Constitution and for all other purposes, Allan Mulligan, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MICHAEL ELLIOTT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clauses 12.3 and 12.7 of the Constitution and for all other purposes, Michael Elliott, a Director, who was appointed to fill a casual vacancy, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES IN LIEU OF CONSULTING SERVICES PROVIDED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 250,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – RATIFICATION OF MAY PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 11,528,434 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY – MICHAEL ELLIOTT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Shares to Michael Elliott (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Michael Elliott (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 8 – ISSUE OF SHARES TO RELATED PARTY – BEN ELLIOTT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 434,783 Shares to Ben Elliott (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Ben Elliott (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 9 – ISSUE OF SHARES TO RELATED PARTY – TOM ELLIOTT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 434,783 Shares to Tom Elliott (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Tom Elliott (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 10 – ISSUE OF SHARES TO RELATED PARTY – CHRIS ELLIOTT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 434,783 Shares to Chris Elliott (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Chris Elliott (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 11 – RATIFICATION OF OPTION ISSUE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 14,837,235 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. RESOLUTION 12 – PROPOSED ISSUE OF BRIDGE OPTIONS TO UNRELATED PARTIES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 412,765 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 13 – PROPOSED ISSUE OF BRIDGE OPTIONS TO RELATED PARTY - MICHAEL ELLIOTT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 9,750,000 Options to director Michael Elliott (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Michael Elliott (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. RESOLUTION 14 – PROPOSED ISSUE OF SHARES TO UNRELATED LENDERS ON CONVERSION OF BRIDGE DEBT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when multiplied by the Conversion Price equals \$3,147,929, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

16. RESOLUTION 15 – PROPOSED ISSUE OF SHARES TO RELATED PARTY LENDER – MR MICHAEL ELLIOTT ON CONVERSION OF BRIDGE DEBT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when multiplied by the Conversion Price equals \$1,980,755, to Michael Elliott (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Michael Elliott (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

17. RESOLUTION 16 - REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

Dated: 17 October 2019

By order of the Board



**Ian Hobson
Company Secretary**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6298 7500.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.wkt.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTIONS 2 AND 3 – ELECTION AND RE-ELECTION OF DIRECTORS

3.1 General

3.1.1 Re-Election of Allan Mulligan

ASX Listing Rule 14.4 and clause 12.11 of the Company's Constitution provide that at each annual general meeting, one-third of the Directors, or, if their number is not a multiple of 3, then the number nearest to but not exceeding one-third of the Directors, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is longer, without submitting himself or herself for re-election.

Pursuant to clauses 12.11 and 12.12 of the Company's Constitution, the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 12.12 of the Constitution is eligible for re-election.

Mr Allan Mulligan, who has served as a Director since 7 August 2012 and was last re-elected on 15 November 2017, retires by rotation and being eligible, seeks re-election.

3.1.2 Election of Michael Elliott

The Company's Constitution provides that the Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors but only where the total number of Directors does not at any time exceed the maximum number specified in the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting of the Company and is then eligible for re-election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Michael Elliott was appointed by the Directors on 20 December 2018 to fill a casual vacancy in accordance with the Constitution. Mr Elliott will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

3.2.1 Mr Allan Mulligan

Allan is a mining engineer with over thirty years of mine management and production experience.

Allan has specialised in technical assessment and production economics, feasibilities, project design and costing of underground mines and prospects. He has worked extensively in exploration, mine development and operations across Africa and Australia.

Allan was a founding Director of Walkabout Resources Pty Ltd. He has previously been on the board of several Western Australian explorers but has held no other directorships of listed companies in the last 3 years.

3.2.2 Mr Michael Elliott

Mike Elliott holds a Bachelor of Commerce from the University of New South Wales. He was the Global Mining & Metals Sector Leader at Ernst and Young (EY) for over 10 years and has over 34 years' experience working with mining and metals clients around the world. He was a Partner at EY from 1995-2015 and was a member of the Oceania governing body of EY for 5 years.

Mike advised and briefed the CEOs, CFOs and Directors of some of the largest global mining and metals companies. He has advised mining and metals clients from all over the world, from countries that include Australia, New Zealand, South Africa, China, USA, Japan, Canada, Russia, Chile, Peru, Brazil, Papua New Guinea, Zimbabwe, Gabon and Colombia.

As a key advisor to a number of mining companies, Mike has participated in many of the large transactions, IPOs and privatizations that have transformed the industry.

Mike is a Member of Australian Institute of Company Directors (MAICD), a Fellow of the Institute of Chartered Accountants (FCA) and a member of Financial Services Institute of Australasia. Mike has held no other public company directorships in the past 3 years.

3.3 Independence

3.3.1 Mr Allan Mulligan

Mr Mulligan has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

Mr Mulligan is an executive Director. If re-elected, the Board does not consider that Mr Mulligan will be an independent Director.

3.3.2 Mr Michael Elliott

Mr Michael Elliott has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the

board and to act in the best interest of the entity and its security holders generally.

If elected, the Board considers that Mr Elliott will be an independent Director.

3.4 Board recommendation

The Board supports the re-election of Mr Allan Mulligan and the election of Mr Michael Elliott and recommends that Shareholders vote in favour of Resolutions 2 and 3.

4. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY

4.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$82 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 17 October 2019).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: WKT) and quoted Options, and one class of unquoted Equity Securities, being Options. If Shareholders approve Resolution 4, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 4 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 4 for it to be passed.

4.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 4.2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 17 October 2019.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.130 50% decrease in Issue Price	\$0.260 Current Issue Price	\$0.390 50% increase in Issue Price
316,908,837 (Current)	Shares issued	31,690,884 Shares	31,690,884 Shares	31,690,884 Shares
	Funds raised	\$4,119,815	\$8,239,630	\$12,359,445
475,363,256 (50% increase)	Shares issued	47,536,326 Shares	47,536,326 Shares	47,536,326 Shares
	Funds raised	\$6,179,722	\$12,359,445	\$18,539,167
633,817,674 (100% increase)	Shares issued	63,381,767 Shares	63,381,767 Shares	63,381,767 Shares
	Funds raised	\$8,239,630	\$16,479,260	\$24,718,889

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The number of Shares on issue as at 17 October 2019 is 316,908,837.
2. The issue price set out above is the closing price of the Shares on the ASX on 17 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the development of the Lindi Jumbo Graphite project, acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets in Tanzania and Namibia (funds would then be used for project, feasibility studies and ongoing project administration) and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company did not obtain approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 15 November 2018.

During the 12 month period preceding the date of the Meeting, being on and from 22 November 2018, the Company issued 12,659,089 Shares and 7,000,000 unquoted Options which represents approximately 5.69% of the total diluted number of Equity Securities on issue in the Company on 22 November 2018, which was 344,914,069.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

4.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES IN LIEU OF PAYMENT FOR SERVICES

5.1 General

On 9 May 2019, the Company issued 250,000 Shares in consideration for consulting services provided by Pacificlink Advisors LLC to the Company.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) 250,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of consulting services provided by Pacificlink Services LLC;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Pacificlink Advisors LLC, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration for consulting services provided by Pacificlink Advisors LLC.

6. RESOLUTION 6 – RATIFICATION OF MAY PLACEMENT SHARES

6.1 General

On 7 May 2019, the Company announced that it had received commitments for 13,484,986 Shares under its proposed placement to sophisticated investors at an issue price of \$0.23 per Share, to raise approximately \$3,100,000 (**Placement**).

On 9 May 2019, the Company issued 11,528,434 Shares at an issue price of \$0.23 per Share to raise \$2,651,539 under the Placement and pursuant to its placement capacity pursuant to ASX Listing Rule 7.1.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) 11,528,434 Shares were issued;
- (b) the issue price was \$0.23 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used to support the development of the Company's Lindi Jumbo Graphite Project and more specifically, to assist with funding the "early start" program at the Lindi Jumbo Graphite Project.

7. RESOLUTIONS 7 - 10 – ISSUE OF SHARES TO RELATED PARTIES PURSUANT TO MAY PLACEMENT

7.1 General

On 7 May 2019, the Company announced that it had received commitments for 13,484,986 Shares under the Placement to raise approximately \$3,100,000 (refer to Section 6.1 for further detail).

Mr Michael Elliott (a Director of the Company) and Messrs Ben Elliott, Tom Elliott and Chris Elliott (children of Director, Michael Elliott) wish to participate in the Placement (together, the **Related Parties**).

Resolutions 7-10 seeks Shareholder approval for the issue to the Related Parties of up to 2,304,394 Shares at an issue price of \$0.23 per Share to raise up to \$530,000, comprising:

- (a) 1,000,000 Shares to Michael Elliott (or his nominee);
- (b) 434,783 Shares to Ben Elliott (or his nominee);
- (c) 434,783 Shares to Tom Elliott (or his nominee); and
- (d) 434,783 Shares to Chris Elliott (or his nominee),

arising from their participation in the Placement.

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The participation will result in the issue of Shares which constitutes giving a financial benefit and Mr Michael Elliott is a related party of the Company by virtue of being a Director. Messrs Ben Elliott, Tom Elliott and Chris Elliott are related parties of the Company by virtue of being the children of Director, Mr Michael Elliott.

The Directors (other than Michael Elliott who has a material personal interest in Resolutions 7 – 10) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolutions 7 - 10 because the Shares will be issued to Messrs Michael Elliott, Ben Elliott, Tom Elliott and Chris Elliott on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Placement involves the issue of Shares to Related Parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 7-10:

- (a) the Shares will be issued to the Messrs Michael Elliott, Ben Elliott, Tom Elliott and Chris Elliott (or their respective nominees);
- (b) the maximum number of Shares to be issued is 2,304,349 Shares comprising:
 - (i) 1,000,000 Shares to Michael Elliott (or his nominee);
 - (ii) 434,783 Shares to Ben Elliott (or his nominee);
 - (iii) 434,783 Shares to Tom Elliott (or his nominee); and
 - (iv) 434,783 Shares to Chris Elliott (or his nominee);
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the issue price will be \$0.23 per Share, being the same as all other Shares issued under the Placement;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Placement as set out in Section 6.2 of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for Resolutions 7-10 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Related Parties pursuant to Resolutions 7 to 10 will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTION 11 – RATIFICATION OF BRIDGE OPTION ISSUE TO UNRELATED LENDERS

8.1 General

8.1.1 Bridge Debt

On 9 October 2019, the Company announced that it had entered into a bridging loan with a number of unrelated and related lenders under which it was agreed that a total of \$5,000,000 would be advanced to the Company to provide development capital for the Company's Lindi Jumbo Graphite Project (**Bridge Debt**) and that the Company would issue the lenders 5 Options for every \$1.00 advanced to the Company (being, a total of 25,000,000 Options) (on the terms described below) (**Bridge Options**) as follows:

- \$2,967,447 is to be advanced to the Company and 14,837,235 Bridge Options issued to the unrelated lenders (in their respective proportions) within 5 days of execution of a binding agreement between the parties (which the Company confirms has occurred) (**Tranche 1**); and
- \$2,032,553 is to be advanced to the Company and 10,162,765 Bridge Options issued to the unrelated and related lenders (in their respective proportions) within 5 days of receipt of Shareholder approval for the issue of those Options (being, the purpose of Resolutions 12 and 13) (**Tranche 2**). The Company notes that Director, Michael Elliott (or his nominee) proposes to participate in Tranche 2 and so will be issued up to 9,750,000 Options where Shareholder approval is obtained (refer to Resolution 13).

The Bridge Debt accrues interest at a rate of 14% per annum and is repayable on 31 December 2019 in the following manner:

- (a) firstly, the outstanding amount of the Bridge Debt (**Outstanding Amount**) is repayable in cash from the proceeds payable to the Company on exercise of the Quoted Options, as and when such proceeds are received by the Company;
- (b) to the extent the Outstanding Amount is not satisfied by the payments in Section 8.1.1(a), in cash from the unspent proceeds of the Bridge Debt;
- (c) to the extent the Outstanding Amount is not satisfied by the payments in Sections 8.1.1(a) and 8.1.1(b) in cash from the proceeds payable to the

Company on exercise of the Bridge Options, as and when such proceeds are received by the Company;

- (d) to the extent the Outstanding Amount is not satisfied by the payments in Sections 8.1.1(a) to 8.1.1(c), in cash from other equity capital raised, other than any funds raised by the Company through the issue of Shares or securities convertible into Shares for the purpose of funding the development costs of the Lindi Jumbo Graphite Project, or that the financier of the debt finance facility obtained for the construction and development of mining facilities, plant and equipment and infrastructure at the Lindi Jumbo Graphite Project, requires to be reserved and held under the terms of the debt finance facility or in order for the debt finance facility to be providing to the Company;
- (e) to the extent the Outstanding Amount is not satisfied by the payments in Sections 8.1.1(a) to 8.1.1(d), in cash from the Company's existing funds (other than from excluded accounts over which an encumbrance is granted to secure repayment of moneys owed by, or performance of obligations of the Company, under the debt finance facility), to the greatest extent possible such that the Company remains able to pay its debts (other than the Outstanding Amount) as and when they become due and payable; and
- (f) subject to Shareholder approval (being, the purpose of Resolutions 14 and 15) to the extent the Outstanding Amount is not satisfied by the payments in Sections 8.1.1(a) to 8.1.1(e), by the issue of Shares at an issue price that is equal to 90% of VWAP of Shares over the 10 trading days immediately prior to the Repayment Date (subject to the minimum price prescribed by the ASX Listing Rules).

Refer to the ASX announcement dated 9 October 2019 for further information.

8.1.2 Bridge Options

As set out above, pursuant to the terms of the Bridge Debt, the Company has agreed to issue the lenders 5 Bridge Options for every \$1 advanced to the Company under the Bridge Debt. The Bridge Options are unlisted Options exercisable at \$0.35 each, on or before the later of:

- (a) 31 December 2019; or
- (b) if the Put Option (defined below) is satisfied before 31 December 2019, the date falling 10 business days from the satisfaction of the Put Condition (defined below).

Each Bridge Option will be a call option at the election of the holder and will include terms for a put option entitling the Company to put its Shares to the lenders at an exercise price of \$0.35 per Share and requiring the lenders to subscribe for those new Shares at that price (**Put Option**).

The exercise of a Put Option is conditional upon the Company entering into a financing agreement for the funding of the Lindi Jumbo Graphite Project, that financing agreement becoming unconditional and the Company announcing the same to the ASX (**Put Condition**). The Put Option is exercisable by the Company giving notice in writing to the lenders within 10 business days after the Put Condition is satisfied.

The purpose of the issue of the Bridge Options is to provide optionality over \$8.75m being a substantial proportion of the accompanying equity to the proposed project debt funding.

The full terms and conditions of the Bridge Options are set in Schedule 2.

8.2 ASX Listing Rules 7.1 and 7.4

Resolution 11 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 14,837,235 Bridge Options to unrelated lenders pursuant to Tranche 1 of the Bridge Debt.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 11:

- (a) 14,837,235 Bridge Options were issued;
- (b) the issue price was nil as the Bridge Options were issued free attaching to the Bridge Debt on the basis of 5 Bridge Options for every \$1 advanced to the Company. The exercise price of the Bridge Options is \$0.35 per Option;
- (c) the Bridge Options were issued on the terms and conditions set out in Schedule 2;
- (d) the Options were issued to the unrelated lenders under Tranche 1 of the Bridge Debt who are sophisticated investors. None of these subscribers are related parties of the Company; and
- (e) no funds were raised from the issue of the Bridge Options as the Bridge Options were free attaching to the Bridge Debt. However, any funds raised upon exercise of the Bridge Options will be used to support the development of the Company's Lindi Jumbo Graphite Project and working capital.

9. RESOLUTION 12 – PROPOSED ISSUE OF BRIDGE OPTIONS TO THE UNRELATED LENDER(S)

9.1 General

Resolution 12 seeks Shareholder approval for the issue of up to 412,765 Bridge Options to the unrelated lender(s) under Tranche 2 of the Bridge Debt.

A summary of ASX Listing Rule 7.1 is set out in 8.1 above.

Further details regarding the Bridge Options are set out in Section 8.1 above.

The effect of Resolution 12 will be to allow the Directors to issue up to 412,765 Bridge Options during the period of three months after the Meeting (or a longer period if allowed by ASX), without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

The Company notes that it is also seeking Shareholder approval for the issue of up to 9,750,000 Bridge Options to Director, Mr Michael Elliott (being the subject of Resolution 13).

9.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 12:

- (a) the maximum number of Bridge Options is to be issued is 412,765. If the Bridge Options are converted into Shares in accordance with their terms, a maximum of 412,765 Shares will be issued by the Company;
- (b) the Bridge Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Bridge Options will occur on the same date;
- (c) the Bridge Options will be issued for nil consideration as the Bridge Options are to be issued free attaching to the Bridge Debt on the basis of 5 Bridge Options for every \$1 advanced to the Company. The exercise price of the Bridge Options is \$0.35 per Option;
- (d) the Bridge Options will be issued to the unrelated lender(s), who are sophisticated investors, none of whom will be related parties of the Company. The Company notes that it is seeking Shareholder approval for the issue of up to 9,750,000 Bridge Options to Mr Michael Elliott, a related party of the Company by virtue of being a Director, pursuant to Resolution 13;
- (e) the Bridge Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds were raised from the issue of the Bridge Options as the Bridge Options were free attaching to the Bridge Debt. However, any funds raised upon exercise of the Bridge Options will be used to support the development of the Company's Lindi Jumbo Graphite Project and working capital.

9.3 Directors' recommendation

The Directors (other than Mr Michael Elliott, who has a material personal interest in the outcome of the Resolution by virtue of his participation pursuant to Resolution 13) recommend that Shareholders vote in favour of Resolution 12.

10. RESOLUTION 13 – PROPOSED ISSUE OF BRIDGE OPTIONS TO RELATED PARTY – MICHAEL ELLIOTT

10.1 General

Pursuant to Resolutions 11 and 12 (respectively), the Company is seeking Shareholder approval for the ratification of 14,837,235 Bridge Options issued to unrelated lenders pursuant to Tranche 1 of the Bridge Debt and Shareholder approval for the issue of up to 412,765 Bridge Options to the unrelated lenders pursuant to Tranche 2 of the Bridge Debt.

Resolution 13 seeks Shareholder approval for the issue of up to a further 9,750,000 Bridge Options to Michael Elliott (or his nominee) (who is a related party of the Company by virtue of being a Director) arising from the participation by Michael Elliott (or his nominee) in Tranche 2 of the Bridge Debt (**Participation**).

10.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Options which constitutes giving a financial benefit and Mr Michael Elliott is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Michael Elliott who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Bridge Options will be issued to Michael Elliott (or his nominee) on the same terms as and the Bridge Options issued to unrelated lenders participating in the Bridge Debt and as such the giving of the financial benefit is on arm's length terms.

10.3 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in Section 7.3.

10.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Bridge Options will be issued to Michael Elliott (or his nominee);

- (b) the maximum number of Bridge Options to be issued is 9,750,000. If the Bridge Options are converted into Shares in accordance with their terms, a maximum of 9,750,000 Shares will be issued by the Company;
- (c) the Bridge Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of Bridge Options will occur on the same date;
- (d) the issue price of the Bridge Options will be nil as they are free attaching to the Bridge Debt on the basis of 5 Bridge Options for every \$1 advanced to the Company, being, the same terms as Bridge Options were issued and will be issued to unrelated parties under the first and second tranches of the Bridge Debt;
- (e) the Bridge Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds were raised from the issue of the Bridge Options as the Bridge Options were free attaching to the Bridge Debt. However, any funds raised upon exercise of the Bridge Options will be used in the manner set out in Section 9.2, being the same purposes as all other funds raised under the Bridge Debt.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Bridge Options to Michael Elliott (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

11. RESOLUTION 14 – PROPOSED ISSUE OF SHARES TO UNRELATED LENDERS ON CONVERSION OF BRIDGE DEBT

11.1 General

As set out in Section 8.1.1 above, the Bridge Debt is repayable in cash or Shares in the order specified in Section 8.1.1 (a) to (f).

The purpose of Resolutions 14 and 15 is to seek shareholder approval to the extent the Outstanding Amount is not satisfied by the payments in Sections 8.1.1(a) to 8.1.1(e), by the issue of Shares at an issue price that is equal to 90% of VWAP of Shares over the 10 trading days immediately prior to the Repayment Date as set out in Section 8.1.1 (f).

Resolution 14 seeks Shareholder approval for the issue of that number of Shares which, when multiplied by the Conversion Price (defined below), equals \$3,147,929 (being, the maximum amount owing to the unrelated lenders), in lieu of amounts owing to the unrelated lenders pursuant to the Bridge Debt.

The Shares will be issued at a conversion price equal to the 90% volume weighted average price for Shares calculated over the 10 days on which sales in the Shares are recorded before the Repayment Date, subject to a minimum price that is equal to the 80% volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the Repayment Date (**Conversion Price**).

A summary of ASX Listing Rule 7.1 is set out in 8.1 above.

The effect of Resolution 14 will be to allow the Company to issue Shares to the unrelated lenders on conversion of the Bridge Debt during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

11.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 14:

- (a) the maximum number of Shares to be issued to the unrelated lenders is that number of Shares which, when multiplied by the Conversion Price, equals \$3,147,929;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration at a deemed issue price equal to the Conversion Price in satisfaction of amounts owing to the unrelated lenders;
- (d) the Shares will be issued to the unrelated lenders who advanced a total of \$3,050,000 pursuant to the Bridge Debt, who are not related parties of the Company. The Company notes that it is also seeking Shareholder approval for the issue of Shares to Director, Mr Michael Elliott (or his nominee), a related party of the Company, pursuant to Resolution 15;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue as the Shares are being issued in consideration for amounts owing to the unrelated lenders pursuant to the Bridge Debt.

12. RESOLUTION 15 – PROPOSED ISSUE OF SHARES TO RELATED PARTY LENDER – MICHAEL ELLIOTT - ON CONVERSION OF BRIDGE DEBT

12.1 General

As set out in Section 8.1.1 above, the Bridge Debt is repayable in cash or Shares in the order specified in Section 8.1.1 (a) to (f).

The purpose of Resolutions 14 and 15 is to seek Shareholder approval to the extent the Outstanding Amount is not satisfied by the payments in Sections 8.1.1(a) to 8.1.1(e), by the issue of Shares at an issue price that is equal to 90% of VWAP of Shares over the 10 trading days immediately prior to the Repayment Date (subject to the minimum price prescribed by the ASX Listing Rules) as set out in Section 8.1.1 (f).

Resolution 15 seeks Shareholder approval for the issue of that number of Shares to Michael Elliott (or his nominee) which, when multiplied by the Conversion Price (defined below), equals \$1,980,755 (being, the maximum amount which may be

owing to the related party lender), in lieu of amounts owing to Michael Elliott (or his nominee) pursuant to the Bridge Debt.

As set out above, the Shares will be issued at a conversion price equal to the 90% volume weighted average price for Shares calculated over the 10 days on which sales in the Shares are recorded before the Repayment Date, subject to a minimum price that is equal to the 80% volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the Repayment Date (**Conversion Price**), being the same price that Shares will be issued to unrelated lenders on conversion of the Bridge Debt.

Set out below are worked examples of the number of Shares which may be issued to Michael Elliott (or his nominee) by the Company in lieu of repayment of the Outstanding Amount owing to Michael Elliott (or his nominee) pursuant to Resolution 15, based on issue prices of \$0.216, \$0.234 and \$0.252 per Share.

Director	Assumed Issue Price per Share ¹	Outstanding Amount owing to Director	Maximum Number of Shares which may be issued ²	Increase in number of Shares on issue ³	Dilutive effect on existing Shareholders
Michael Elliott (or his nominee)	\$0.216	\$1,980,755	9,170,162	326,078,999	2.81%
	\$0.234	\$1,980,755	8,464,765	325,373,602	2.60%
	\$0.252	\$1,980,755	7,860,139	324,768,976	2.42%

Notes:

1. The example range of issue prices included in the table above are calculated on 10% discounts to various prices. With \$0.234 being a 10% discount to the closing price of Shares on the ASX on 16 October 2019 of \$0.26, \$0.216 being a 10% discount to \$0.24 and \$0.252 being a 10% discount to \$0.28.
2. Rounded to the nearest whole number.
3. There are currently 316,908,837 Shares on issue as at the date of this Notice and this table assumes that no additional Shares are issued, or Options exercised, other than the maximum number of Shares which may be issued pursuant to Resolution 15 (based on the assumed issue prices set out in the table).

12.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Shares upon conversion of the Bridge Debt constitutes giving a financial benefit and Mr Michael Elliott is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Michael Elliott who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares because the Shares will be issued to Michael Elliott (or his nominee) on the same terms as and Shares issued to unrelated lenders upon conversion of the Bridge Debt and as such the giving of the financial benefit is on arm's length terms.

12.3 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in Section 7.3.

12.4 Waiver Application - ASX Listing Rule 10.13.3

ASX Listing Rule 10.13.3 provides that, in relation to an approval for the purpose of ASX Listing Rule 10.11, the securities are to be issued no more than one month after the date of the meeting.

The Company has applied to the ASX for a waiver of ASX Listing Rule 10.13.3 to permit the potential issue of Shares (to the extent the Outstanding Amount is not satisfied by cash payments), to the related lender, Mr Michael Elliott (or his nominee), on a date that is more than one month but not more than two months later than the date of the Meeting, being, the same date that the Shares will be issued to unrelated lenders pursuant to the Bridge Debt.

The Company will announce full details of the terms of the waiver of ASX Listing Rule 10.13.3 if granted by the ASX, however, the Company advises Shareholders that there is no guarantee that the waiver application will be granted.

12.5 Waiver Application - ASX Listing Rule 10.13.5

ASX Listing Rule 10.13.5 provides that in relation to an approval for the purpose of ASX Listing Rule 10.11, the notice of meeting must include the issue price of the securities.

Pursuant to Resolution 15, the Company is seeking Shareholder approval to issue to Michael Elliott (or his nominee), that number of Shares which, when multiplied by the Conversion Price equal \$1,980,755. Accordingly, Resolution 15 does not state an issue price, but rather sets out a formula.

The Company has applied to the ASX for waiver from the requirements of ASX Listing Rule 10.13.5 to allow the Company to issue Shares to Michael Elliott (or his nominee) without stating an exact issue price per Share in this Notice.

The Company will announce full details of the terms of the waiver of ASX Listing Rule 10.13.5 if granted by the ASX, however, the Company advises Shareholders that there is no guarantee that the waiver application will be granted.

12.6 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 15:

- (a) the Shares will be issued to Michael Elliott (or his nominee), who is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares to be issued is that number of Shares which, when multiplied by the Conversion Price, equals \$1,980,755;
- (c) the Shares will be issued:
 - (i) no later than 1 month after the date of the Meeting; or
 - (ii) such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules (refer to Section 12.4 for details of the Company's waiver application under which it is seeking approval to issue the Shares no later than 2 months after the date of the Meeting); andit is intended that the issue of Shares will occur on the same date;
- (d) the Shares will be issued for nil cash consideration at a deemed issue price equal to the Conversion Price in satisfaction of amounts owing to Michael Elliott (or his nominee) pursuant to the Bridge Debt;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue as the Shares are being issued in consideration for amounts owing to Michael Elliott (or his nominee) pursuant to the Bridge Debt.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Michael Elliott (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

13. RESOLUTION 16 – REPLACEMENT OF CONSTITUTION

13.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 16 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2006.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating the name of the Company to that adopted in 2013;
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website <https://www.wkt.com.au/> and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6298 7500). Shareholders are invited to contact the Company if they have any queries or concerns.

13.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the proposed changes to ASX Listing Rule 15.12 which is due to be finalised and released in December 2019. Under this change, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;

- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (e) lost opportunity to sell a portion of their Shares at a premium; and
- (f) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 16.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 4.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Walkabout Resources Ltd (ACN 119 670 370).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Quoted Options means the quoted Options, exercisable at \$0.15 each, on or before 31 December 2019.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 22 NOVEMBER 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)¹	Form of consideration
Issue Date – 11 December 2018 Appendix 3B Date – 12 December 2018	7,000,000	Unquoted Options exercisable at \$0.20 and expiring on 11 December 2021	Directors Allan Mulligan and Andrew Cunningham	No issue price (non-cash consideration)	Non-cash Consideration: Performance based remuneration for services provided to the Company Current Value = \$301,258
Issue Date - 9 May 2019 Appendix 3B Date - 9 May 2019	250,000	Ordinary Shares	Pacificlink Advisors LLC	No issue price (non-cash consideration)	Non-cash Consideration: Issued in lieu of consulting services provided to the Company Current value = \$750,000
Issue Date - 9 May 2019 Appendix 3B Date - 9 May 2019	11,528,434	Ordinary Shares	Placement to sophisticated Investors	\$0.23 per Share Discount to market price:16%	Amount raised: \$2,651,540 Amount spent = \$1,000,000 Use of Funds: Funding of 'early start' program at the Lind Jumbo Graphite Project Proposed use of Remaining Funds: working capital
Issue Date – 11 June 2019 Appendix 3B Date - 11 June 2019	84,697	Ordinary Shares	Shares issued to Option Holders upon exercise of quoted Options	\$0.15 per Share Discount to market price:59%	Cash Amount raised = \$12,705 Amount spent = \$12,705 Use of funds: exploration, project development and working capital.
Issue Date – 17 June 2019 Appendix 3B Date - 17 June 2019	209,907	Ordinary Shares	Shares issued to Option Holders upon exercise of quoted Options	\$0.15 per Share Discount to market price:55%	Cash Amount raised = \$31,486 Amount spent = \$31,486 Use of funds: exploration, project development and working capital
Issue Date – 24 June 2019 Appendix 3B Date - 24 June 2019	264,807	Ordinary Shares	Shares issued to Option Holders upon exercise of quoted Options	\$0.15 per Share Discount to market price:61%	Cash Amount raised = \$39,371 Amount spent = \$39,371 Use of funds: exploration, project development and working capital.
Issue Date – 8 July 2019 Appendix 3B Date - 8 July 2019	43,649	Ordinary Shares	Shares issued to Option Holders upon exercise of quoted Options	\$0.15 per Share Discount to market price:63%	Cash Amount raised = \$6,547 Amount spent = \$6,547 Use of funds: exploration, project development and working capital.
Issue Date – 12 July 2019 Appendix 3B	165,874	Ordinary Shares	Shares issued to Option Holders upon exercise of	\$0.15 per Share Discount to market price:61%	Cash Amount raised = \$24,881

Date - 12 July 2019			quoted Options		Amount spent = \$24,881 Use of funds: exploration, project development and working capital.
Issue Date – 2 August 2019 Appendix 3B Date - 2 August 2019	55,706	Ordinary Shares	Shares issued to Option Holders upon exercise of quoted Options	\$0.15 per Share Discount to market price:49%	Cash Amount raised = \$8,356 Amount spent = \$8,356 Use of funds: exploration, project development and working capital.
Issue Date – 5 September 2019 Appendix 3B Date - 5 September 2019	56,015	Ordinary Shares	Shares issued to Option Holders upon exercise of quoted Options	\$0.15 per Share Discount to market price:36%	Cash Amount raised = \$8,402 Amount spent = \$8,402 Use of funds: exploration, project development and working capital.

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: WKT (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. In respect of quoted Equity Securities the value is based on the closing price of the Shares or Options as the context requires on the ASX on the day of issue. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

SCHEDULE 2 –TERMS AND CONDITIONS OF BRIDGE OPTIONS

(a) **Issuer**

The issuer of the Bridge Options (**Options**) is Walkabout Resources Ltd (ACN 119 670 370) (the **Issuer**).

(b) **Entitlement**

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

(c) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.35 (**Exercise Price**).

(d) **Expiry Date**

Each Option will expire at 5:00pm (WST) on the later to occur of:

- (i) 31 December 2019; or
- (ii) if the Put Condition (defined below) is satisfied before 31 December 2019, the date falling 10 business days from the satisfaction of the Put Condition (defined below),

(**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Put and Call Terms**

Each Option contains both Call Terms and Put Terms (defined below) as follows:

- (i) Each Option is exercisable by the holder at any time by payment of the Exercise Price prior to the relevant Expiry Date and in accordance with these terms (**Call Terms**).
- (ii) Subject to satisfaction of the Put Condition (defined below), in the event that the Options have not been exercised by the holder, the Issuer may serve written notice on the holder requiring the holder to exercise the Options and to pay the Exercise Price for the Options within 5 business days of receipt of the notice (**Put Option**).
- (iii) The exercise of a Put Option is conditional upon the Issuer entering into a financing arrangement agreement for the funding of the Lindi Jumbo Graphite Project, that financing arrangement becoming unconditional and the Issuer announcing the same to the ASX (**Put Condition**).
- (iv) The Put Option is exercisable by the Issuer giving writing in notice to the holder within 10 business days after the Put Condition is satisfied.

(f) **Exercise Period**

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

(g) **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. Options exercised under the Put Option require cleared funds to the Company with 5 business days after exercise.

(h) **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**).

(i) **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
- (iii) 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 (i)(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.

(j) **Shares issued on exercise**

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

(k) **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.

(l) **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.

(m) **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.


(n) **Transferability**

The Options are transferable subject to any restriction under applicable Australian securities laws.



WKT
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00pm (WST)**
Wednesday, 20 November 2019

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Walkabout Resources Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Walkabout Resources Ltd to be held at CWA House, 1176 Hay Street, West Perth, Western Australia on Friday, 22 November 2019 at 2:00pm (WST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

WKT

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Computershare

