

WALKABOUT RESOURCES PTY LTD

ANNUAL REPORT

EL20/2009

CORINNA ROAD

JUNE 2010 TO JUNE 2011

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ABSTRACT

EL 20009 – CORINNA ROAD

The Corinna Road tenement makes up part of the Specimen Reef Joint Venture and for operational purposes is included with EL 11/2005 – Pipeline Road and EL 19/009 – Savage River.

These JV tenements are located north and south of the Savage River iron ore mine. The historic gold workings at Specimen Reef are located within EL 11/2005 which abuts the northern boundary of the Savage River Mine. Gold was first discovered at Specimen Reef in 1882. A small underground mining operation was established, accessing the reef on three levels. Thereafter there was no recorded sub-surface exploration in EL 11/2005 for the next one hundred years. A modest drill program was conducted in and around the old workings in 1982.

One of these drill holes intersected 910 grams per tonne of gold over an estimated true width of 0.2 metres at a down-hole depth of 140 metres. The drill log from this hole also described minor copper in the form of chalcopyrite.

In 1998 a petrological examination of this gold intersection identified the uranium mineral brannerite in carbonate veins.

These metal showings, namely the iron oxide, copper, gold and uranium, together with the tectonic setting, the Proterozoic age and the metamorphism of the host rocks strongly suggest the presence of an iron-oxide, copper, gold (IOCG) type deposition system.

Such systems contain copper, gold and uranium deposits, the giant Olympic Dam mine being the prime example.

The possibility thus exists to discover an IOCG/U deposit within the Specimen Reef project area.

Hitherto this possibility has not been examined. As such, it presents a unique opportunity for Walkabout to further investigate the occurrence of gold, copper and uranium in an iron-oxide setting at Specimen Reef.

The initial work program will target the previously drill-indicated copper, gold and uranium mineralization at Specimen Reef. The regional program will commence with a detailed helicopter-borne radiometric survey.

Reference must be made to the Annual Report for EL11/2005 for May 2011.

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Tenement Number:	EL 20/2009
Tenement Name:	Corinna Road
Reporting Period:	June 2010 to June 2011
Tenement Holder:	Walkabout Resources Pty Ltd
Additional:	Subject of Specimen Reef JV between Walkabout Resources and Regency Resources where Walkabout earns 65% of EL11/2005.

A.M. SURTEES
EXPLORATION GEOLOGIST

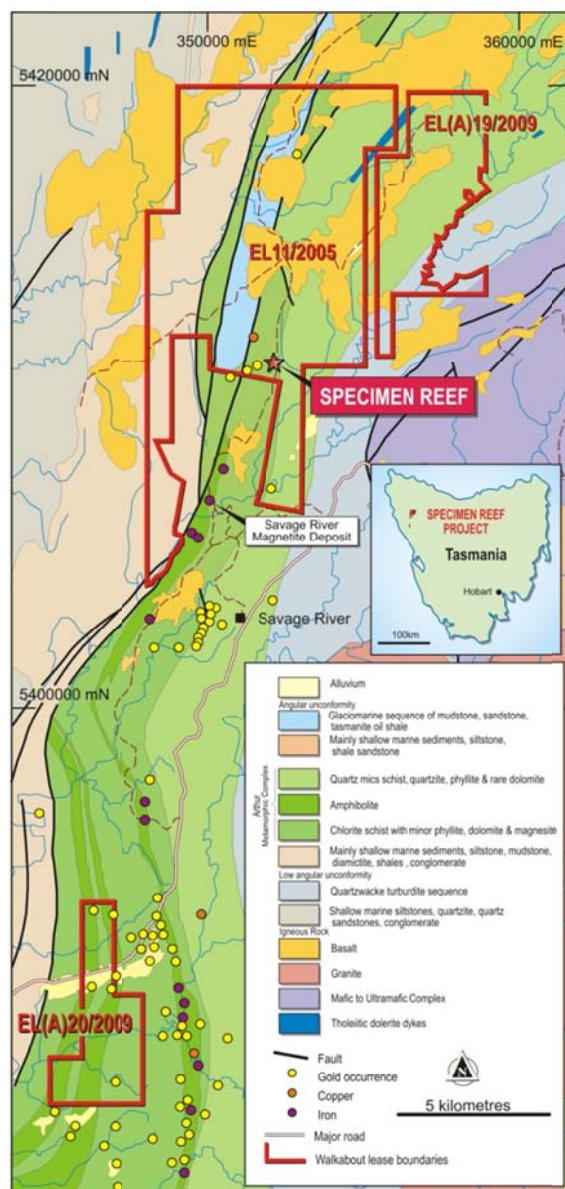
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28 March 2011

SPECIMEN REEF EXPLORATION PROGRAM & BUDGET

1. Introduction

The Specimen Reef area comprises 3 tenements. The central tenement in terms of interest (at this stage) is EL11/2005 (Specimen Reef). The other two



Walkabout Resources Ltd
SPECIMEN REEF PROJECT, Tasmania - Tenement Locations and Geology

tenements, namely EL19/2009 (Savage River NE) and **EL 20/2009 (Corinna Road)**, also cover rocks of interest along the Arthur Metamorphic Complex. This belt of rocks contains many iron, gold and copper deposits and showings. The three tenements are current and their location is shown on the geological map above.

This report discusses the deposit types we seek in the Specimen Reef Project and puts forward a program of work to explore for these over the next 6 months. A budget is proposed to do this work.

2. Preamble

Since the Specimen Reef gold deposit was found and mined in the late 1800's it has been intermittently prospected. The bulk of the main tenement (EL11/2005) is covered by stream sediment sampling which has revealed the presence of 3 anomalies. These are:

1. an Au, Zn anomaly in the Specimen Reef area
2. the Comstaff Creek area in the northern part of EL11/2005 which has a coincident Au, Bi, Cu, Pb, Zn anomaly, and
3. a much smaller As anomaly to northwest of the Comstaff Creek one.

The anomaly at Specimen Reef was grid sampled at approximately 100 x 25-30 m interval over a grid roughly 730 by 530 m in extent. Samples were taken from the C-zone by hand auger. The analysis of these samples reveals copper (peaking at 405 ppm), lead (to 115 ppm), and Zn (to 415 ppm) anomalism. Gold silver and lead values "were such that statistical evaluation was not warranted"¹. Presumably this means that they were too low to bother with – although a peak of 115 ppm Pb should be considered anomalous in my reckoning.

A UTEM geophysical survey on this grid found "no good conductors".

Apparently no other grid sampling or ground geophysical work was done on this Specimen Reef tenement. As yet I do not know what systematic exploration work was done on the other two tenements.

Prospecting work over the years has shown the presence of a number of bodies of magnetite in the area, other than the large one on the southern boundary of the tenement which is mined as the Savage River iron ore mine.

The Government has flown a high resolution heli-borne aeromagnetic survey and radiometrics of the area.

Drilling (core and percussion) at Specimen Reef was carried out in three campaigns (17 holes), with mixed results. The first hole intersected a carbonate reef with a narrow section of spectacular grade (910 g/t Au over 20

¹ Edyvean, 1982

cm drilled width). This hole drilled down dip, above the Specimen Reef. It is seemingly an offshoot from that reef.

Significantly, with respect to how we now view the Specimen Reef tenement, later petrological work on this intersection showed the presence of a uranium mineral (brannerite) within the gold bearing carbonate reef.

The other drill holes, which penetrated the mine and its surrounds in a pin-cushion scatter, showed little of interest. Speculation following this drilling is that the gold is disposed in a southwest plunging shoot within the reef. That the gold is shoot-like in its disposition is more than likely correct, although decent structural mapping and interpretation is required to establish the attitude of the shoot.

A bringing together of all the metallic mineralization and the geology of the area led Walkabout Resources Limited to the concept that the region could feasibly contain large scale mineralization of the IOGC (iron-oxide, copper, gold) – type. Facets of the geology of the area that led to this impression are:

- the central geological feature is a perceived major crustal suture along which lies the Arthur River metamorphic complex. Such features are responsible for deep tapping of mineralizing fluids and are common features of mineral fields
- the presence of a number of bodies of magnetite iron ore which are central to the identification of IOGC exploration targets
- the gold-copper-uranium mineralization assemblage
- the association of other base metals (As, Pb, Bi), which are anomalous in stream sediment samples.

This lengthy preamble leads us into the design of an exploration program which will give us a chance of locating IOGC mineralization somewhere in the 3 tenements, in the first instance. Then secondly, we should investigate the possibility of economically viable gold vein-type mineralization at the Specimen Reef mine site.

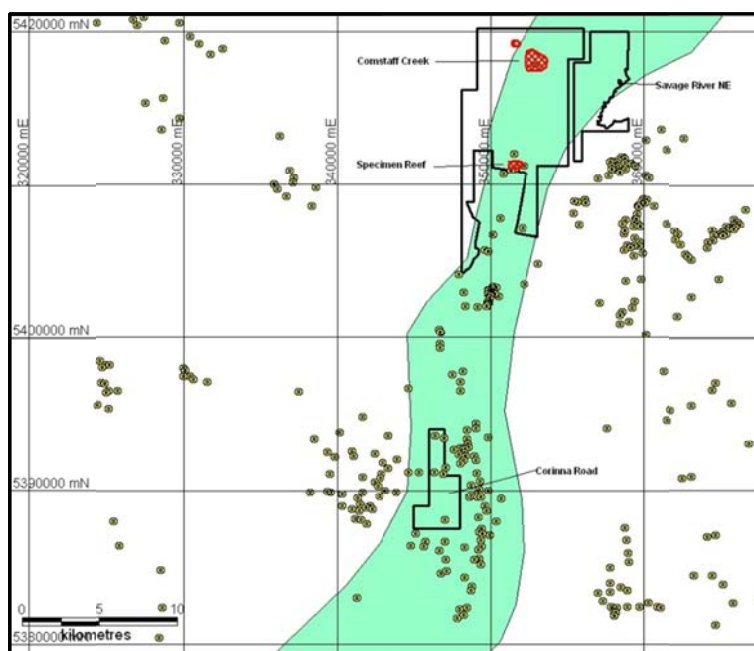


Figure 2: A basic plan showing the 3 tenements and the location of known stream sediment sample anomalies (red hachured areas). Metal deposits and showings in the area are marked by the yellow dots.

3. Review of Previous Work in the Area

In 1982 Savage Resources Limited drilled 15 holes into the old Specimen Reef mine area. The holes are designated SPC1 to 15. Holes 7 to 11 are percussion holes: the others are diamond drill holes. The reef was intersected in SPC1 from 140.85m to 141.05m (downhole). The gold grade for this intersection is 910.0 g/t. A summary of the core log of this intersection is: "Dolomite-calcite-haematite GOLD vein. True width 1.5 m. CVA 15°. GOLD associated with haematite 140.88-140.91(m) and 140.93-140.97(m) remainder of vein is carbonates only. GOLD approx. 5% of gold bearing interval."

In reviewing later drilling for this gold target (that is DDH SPC1) it is reported: "The gold in the IMI Savage Resources core is in a siderite+quartz veinlet and is intergrown with a non-magnetic black metallic mineral."

In 1996 the Corinna Joint venture between Goldstream Mining N.L. and Titan Resources N.L. commenced. The JV was based on EL26/95, which covered the Specimen Reef mine. Some stream sediment sampling was done and 2 holes were drilled to investigate the 910 g/t Au intersection in the 1982 hole SPC1. Intersections of 0.56 g/t Au x 2.0 m in DDH SP1 and 0.05 g/t Au x 1.0 m in DDH SP2 correspond to the position of the original 910 g/t Au intersection. The conclusion is that the new holes SP1 and SP2 did not intersect the plunge of the gold enriched shoot.

A report by the Centre of Excellence in Ore Deposits, University of Tasmania, commissioned by the Corinna Joint Venture in 1998 examined core from the 2 holes and a piece from the 910 g/t Au intersection drilled by Savage Resources Limited. In the latter carbonate veins containing the uranium mineral brannerite, and gold in the form of electrum, was identified. The electrum occurs in fractures in the brannerite and along the margins of it. The brannerite occurs as large grains hosted by well formed, interlocking anhedral carbonate that is strongly fractured.

It seems therefore that the haematite described in the core log for SPC1 and the black metallic mineral described in the later review was in fact brannerite.

There was no follow-up work done on this uranium discovery.

4. Exploration Completed

4.1. Exploration for IOGC-Type

4.1.1. Geophysical Interpretation. This work has started with an interpretation of the airborne magnetic and radiometric data. The thrust will be to find or delineate likely magnetic iron ore bodies at various depths as well as uranium anomalies throughout the 3 tenements, as well as combinations thereof which have their analogues at Earnest Henry, Olympic Dam and other IOGC exploration camps around the world. Southern Geoscience Consultants ("SGC") are tasked with this work.

4.1.2. Negotiations with Grange Resources regarding Access Agreement to Pipeline Road. These negotiations have been extensive and are nearing finalisation.

4.1.3. Three day planning visit to site by MS and Consultant Tim Callaghan to plan logistics, access requirements for forward team to conduct sampling, drill and costean planning.

5. Conclusions

The geological indications are that an IOCG system has deposited magnetite (being mined at Savage River) as well as copper, gold and uranium at Specimen Reef. No previous investigation was made of this geological concept. As such, Walkabout is in a unique position to investigate the occurrence of uranium (and gold and copper) in EL20/2009 and its other EL's in the area.

6. Exploration Expenditure

Most expenditure has been allocated against EL11/2005, which is under application for renewal. Normalisation of the expenditure for EL20/2009 will occur over time.

Walkabout will make application to have combined reporting for EL11/2005, EL19/2009 and EL20/2010 during the 2011/2012 year.

Expenditure has been finalised at \$8,800 for the year in review.