

ASX ANNOUNCEMENT

September 2016 Quarterly Activities Report

28 October 2016

Perth based African focussed energy minerals developer Walkabout Resources Ltd (ASX:WKT) is pleased to report its activities in Botswana, Namibia and Tanzania for the September 2016 Quarter.

Lindi Jumbo Graphite Project

Resource Upgrade Drilling at Site Completed

During the period under review, the Company completed a 1,736m RC and Diamond Drill program at site in Tanzania. The 24 hole resource infill and expansion program was completed at the Gilbert Arc deposit which has previously been classified as a 2012 JORC Inferred Resource for the Lindi Jumbo Graphite Project (see ASX announcement 19 January 2016). Infill drilling was restricted to the high grade western limb of the deposit as defined in January 2016 with holes drilled on 12 sections along a strike of 1,2km.

All holes drilled intersected what are interpreted to be high grade graphite zones (by visual estimates) and confirm the shallow, moderately dipping nature of the deposit as modelled. In addition, infill drilling indicates that the graphite zone has a shallower dip and may be wider than previously interpreted. This should translate into improved strip ratios and lower mining costs.

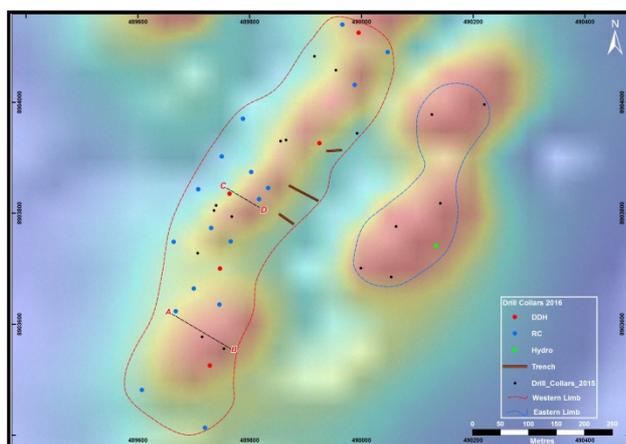


Figure 1: Collar positions at The Gilbert Arc indicating the illustrated sections.

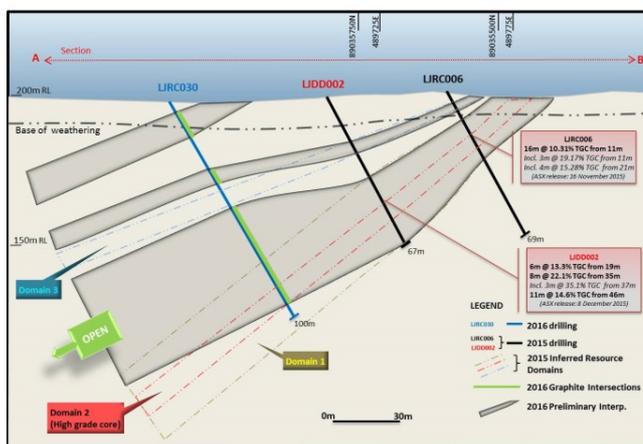


Figure 2: Section AB showing previous and recent drilling with graphite intersections indicating potential modifications to the dip and width of the deposit.

The latest round of drilling confirms the high grade nature of the deposit with “massive” graphite intersects being visually distinct from the barren or low-grade foot and hanging walls.

In addition, new zones of graphite mineralization above and to the west of the current resource model have been intersected. While the grade of these intersections is not yet known, visual

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interpretation suggests that this new domain is potentially high grade with visible Jumbo (+300µm) and Super Jumbo (+500µm) flakes being observed.

Five diamond holes were completed to confirm the 2015 drill results and geological model. All diamond drillholes were designed to provide information for the geotechnical pit design, the geological/resource model and to produce enough drill core for further pilot scale metallurgical testwork and end-user studies.

Product Amenability Testwork

Following the close of the reporting period, the Company received results regarding the suitability of the Lindi Jumbo concentrate for use in Expandable Graphite applications. The first set of expandable graphite test results was carried out by independent graphite-specialist laboratory, NGS Trading and Consulting in Leinberg, Germany.

Three samples of concentrate were despatched to the laboratory where a full suite of sixteen different tests were conducted on the expandability properties of Lindi Jumbo graphite concentrate.

A key outcome for expandable graphite is to exceed the industry benchmark rate of 250 cm³/g, considered as an outstanding expansion rate. Lindi Jumbo material, in a first range of expandable tests, has produced expansion ratios of up to 590 cm³/g by employing basic and low cost room temperature intercalation tests with standard short term oxidization and acid exposure prior to expansion heating.

Flake Size	>500µm	>300µm	>180µm	>106µm	>75µm	<75µm
Ratio	29.3%	21.9%	42.6%	5.8%	0.3%	0.1%
800 °C	590 cm ³ /g	485 cm ³ /g	410 cm ³ /g	310 cm ³ /g	245 cm ³ /g	120 cm ³ /g
1000 °C	500 cm ³ /g	500 cm ³ /g	475 cm ³ /g	360 cm ³ /g	280 cm ³ /g	140 cm ³ /g

Table 1: Expansion volume after cold treatment and medium retention time of test sample after screening +180 µm

In general graphite from China expands at around 200 cm³/g and the finer fractions of <75µm typically yield rates of 40cm³/g. Three samples of concentrate from Lindi Jumbo achieved rates of between 490 cm³/g and 590 cm³/g for the 300µm and 500µm material and as high as 140 cm³/g for the <75µm flake which is more than three times the rates achieved for graphite sourced in China.

Lithium Applications

Following unsatisfactory initial exploration results received at the Haneti lithium PL's in Tanzania, the Company has surrendered the licences in line with its strategy of benchmarking success to industry standards.

The Company continues to wait for official news regarding its lithium applications at Strathmore in Namibia despite many representations to the authorities. The Ministry has not been forthcoming in regard to the delays and the Company understands many other applicants are experiencing similar process delays.

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Takatokwane Coal, Botswana

At Takatokwane, the Company has published a JORC Inferred Resource (2004) of some 6.9 billion tonnes and a JORC Indicated Resource (2004) of 748 million tonnes of thermal coal and has completed an advanced Scoping Study/PFS for the mining and extraction of some of this Resource. *(These Resources have not been modified or updated since being published in 2011 to 2013.)*

The Company is encouraged by the signing of an MOU between the Governments of Mozambique, Zimbabwe and Botswana for the construction of a regional railway line to link Francistown and Gaborone with the port of Technobanine in Mozambique.

The MOU commits each administration to a contribution of US\$200m in initial funding to the project. The news article can be accessed by clicking on the following link;

[Botswana.-Mozambique-&-Zim-revive-plan-for-inter-regional-railway-project-20160809](#)

Corporate

During the quarter, the Company appointed Mr Trevor Benson as Chairman of the Board. Mr Benson has over 30 years' experience within investment banking, stockbroking, large Australian corporates and the resources, oil and gas industry, including directorships of ASX listed companies.

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

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Competent Person's Statements

The information in this report that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr Andrew Cunningham (Director of Walkabout Resources Limited). Mr Cunningham is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to Mineral Resources at Lindi Jumbo Graphite Project is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd) and Mr Andrew Cunningham (Director of Walkabout Resources Limited). Mr Barnes and Mr Cunningham are members of the Australian Institute of Geoscientists and have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Cunningham is the Competent Person for the database, geological model and completed the site inspection. Mr Barnes is the Competent Person for the resource estimation. Mr Barnes and Mr Cunningham consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Metallurgical test work and results is based on information compiled by Dr Evan Kirby, a Competent Person who is a member of Australian Institute of Mining and Metallurgy. Dr Kirby is a full time employee of Metallurgical Management Services, a specialist metallurgical consultancy and an independent consultant to Walkabout Resources Ltd. Dr Kirby has sufficient experience that is relevant to the style of mineralogy and type of deposit under consideration and the typical beneficiation thereof. Dr Evan Kirby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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SCHEDULE OF MINING TENEMENTS AND BENEFICIAL INTERESTS HELD AS AT THE END OF THE SEPTEMBER 2016 QUARTER

Project / Location	Tenement Type	Tenement Number	Percentage Held / Earning
Botswana			
Takatokwane	PL	35/2007	70%
Takatokwane	PL	157/2009	40% Earning 65%
Takatokwane	PL	160/2009	40% Earning 65%
Namibia			
Strathmore	EPL 1	App Pending	100%
Strathmore	EPL 2	App Pending	100%
Strathmore	EPL 3	App Pending	100%
Tanzania			
Lindi	PL	9992/2014	70% subject to ongoing commitments
Lindi	PL	9993/2014	70% subject to ongoing commitments
Lindi	PL	9994/2014	70% subject to ongoing commitments
Lindi	PL	9906/2014	70% subject to ongoing commitments
Kigoma	PL	9239/2013	100%
Kigoma	PL	9077/2013	Earning 75%
Kigoma	PML	000041WZ	Earning 75%
Kigoma	PML	000042WZ	Earning 75%
Kigoma	PML	000043WZ	Earning 75%
Kigoma	PML	000044WZ	Earning 75%
Kigoma	PML	000045WZ	Earning 75%
Kigoma	PML	000046WZ	Earning 75%
Kigoma	PML	000047WZ	Earning 75%
Kigoma	PML	000048WZ	Earning 75%
Kigoma	PML	000049WZ	Earning 75%
Kigoma	PML	0000450WZ	Earning 75%
Kigoma	PML	000051WZ	Earning 75%
Kigoma	PML	000052WZ	Earning 75%
Kigoma	PML	000053WZ	Earning 75%
Kigoma	PML	000054WZ	Earning 75%
Kigoma	PML	000055WZ	Earning 75%