

ASX ANNOUNCEMENT

28 April 2017

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DIRECTORS

Chairman: Trevor Benson
MD: Allan Mulligan
Exec: Andrew Cunningham
Non Exec: Tom Murrell

ORDINARY SHARES
117,639,888

UNLISTED OPTIONS
27,550,019

PROJECTS
Lindi Jumbo Graphite Project
Tanzania (70%)

Takatokwane Coal Project
Botswana (60%)

Kigoma Copper Project
Tanzania (75%)

March 2017 Quarterly Activities Report

Perth based African focussed energy minerals developer Walkabout Resources Ltd (ASX:WKT) is pleased to report its activities in Tanzania, Botswana and Namibia for the March 2017 Quarter.

Highlights

- *Definitive Feasibility Study confirms Lindi Jumbo Project is highly robust*
- *Lindi Jumbo Project funding discussions progressing*
- *Graphite Product marketing discussions well advanced*
- *Board restructured to facilitate Project fast-tracking*
- *Appointment of Project Preferred Partner Contractors*
- *Early Start Project works (FEED) underway in South Africa and Tanzania*
- *EIA certificate approval with Minister of State in Prime Minister's Office*
- *Project schedule experienced limited slippage due to EIA dependencies*
- *Pilot scale test work underway at BGRIMM in China for further process optimisation and critical equipment selection*
- *Botswana Government signs new MOU with Mozambique and Zimbabwe for upgraded rail development to Ponto Technobanine*

Lindi Jumbo Graphite Project - Tanzania

Lindi Scoping Study and Definitive Feasibility Study finalised during the Quarter.

Subsequent to the release of the upgraded Mineral Resource during the previous quarter, the Company updated and was able to announce the Scoping Study finalised during 2016.

The highly robust Definitive Feasibility Study (DFS), compiled by independent engineering consultancy, Bara International was finalised during the period. The Scoping Study and DFS results were announced to the ASX on 10 January 2017 and 07 February 2017 respectively.

Definitive Feasibility Study

Highlights of the Definitive Feasibility Study were;

- *Mining plan utilises exceptional high grade (>17% TGC) plant feed in first three years and +16% TGC over Life of Mine (LOM).*
- *DFS to accuracy of 10%-15% confirms exceptionally robust economics and returns even at potential softening price regimes for premium material.*
- *On mine cash cost of US\$292/t in concentrate delivered at mine gate. Cost for concentrate to FOB Port of Mtwara included in off-site costs.*
- *Upfront Capex of US\$38.7m the lowest capital intensity amongst peer group.*
- *Weighted average product basket price of US\$1,687/t intentionally modelled conservative against peers.*
- *Pre-tax NPV10 of US\$323m with Pre-tax IRR of 97% highly robust.*
- *Project Pre-tax NPV10 of US\$133m and Pre-tax IRR of 50% at current 10 year low prices.*
- *Project almost completely de-risked with built in capacity optimisation and expansion opportunities in the resource and the process plant.*

Board Restructuring

During the period under review, the Company restructured its Board of Directors in order to facilitate accelerated project development. Non-Executive Chairman, Mr Trevor Benson was appointed as Executive Chairman in order to focus on corporate activities and Project funding while Managing Director Allan Mulligan has repositioned in order to focus on Project development in Africa.

Funding Update

Project funding activities have continued during the Quarter. The Company has held discussions with several parties interested in providing partial or full project funding. Several parties are currently active in the Project Data Room and follow on discussions are ongoing. Due to commercial sensitivities, the Company is not able to provide more details at this time.

Graphite Marketing

During the period under review, the Company has advanced discussions in Europe regarding the sales and marketing of a significant portion of the proposed production profile. Due to the sensitive commercial nature of these discussions, no further detail can be provided at this time.

Statutory In Country Permitting

During the period under review, the Environmental Impact Statement has been approved by the National Environmental Management Council (NEMC) of Tanzania and has subsequently been submitted to the Minister of State in the Prime Minister's Office for certificate endorsement. Tanzania is in the process of relocating Government to the regional city of Dodoma and this has resulted in some schedule delays.

The Mining Licence Application is ready for submission pending finalisation of the Environmental approval.

In regard to the Relocation Assistance Program (RAP), on site valuations have been carried out by Company representatives and consultants during the quarter and are now paused pending the Environmental certificate being issued and Mining Licence Application submitted. Payment for relocation and agricultural restitution is due to occur prior to site mobilisation and after initial funding has been procured.

Schedule

During the Quarter, the Project has experienced limited slippage due to delays encountered in receiving the EIA certificate and subsequent schedule dependencies. Furthermore, the Company has previously stated that the proposed schedule to commence processing operations in the first quarter of 2018 is subject to project funding being in place by end April 2017. This self-imposed deadline will not be met however the robust nature of the Project economics are being received with interest and further discussions are ongoing.

While the procurement of funding currently remains the most critical area, early engineering is being utilised where possible to reduce the impact of project slippage. The Company remains highly optimistic that the Project will not suffer extended delays such as has been seen amongst the project peer group operating in East Africa.

Appointment of Preferred Partners

The Project team finalised the selection of Preferred Contractor Partners (PCP) during the Quarter under review. As a result appointment letters were sent to the following PCP highlighting the proposed contract plans;

1. Mining – TNR Limited, Tanzania
 - a. Full mining outsource of new capital equipment and operating staff.
 - b. Staff accommodation at mine camp under charge-back.
 - c. Staff training at mine training centre for alignment.
 - d. Consumables drawn from mine store under controlled free issue.
 - e. Key performance indicators to be aligned in Opex contract.
2. Camp and Services – SBS Limited, Tanzania
 - a. Full camp ownership, construction and operation.
 - b. Full service contract for supply of accommodation, health and training services.
 - c. Key performance indicators to be aligned in Opex contract.
3. Process Plant – Lycopodium ADP, Cape Town
 - a. Project Engineering, assisted procurement and construction.
 - b. Plant operation and Opex contract to be finalised.
 - c. Key performance indicators to be aligned in Opex contract.

4. Logistics and Product Handling – Alistair Group, Tanzania
 - a. Full product collection from site, storage and re-stuffing into containers.
 - b. Loading onto ships Mtwara Port.
 - c. Key performance indicators to aligned in Opex contract.

Lycopodium ADP has commenced with Front End Engineering Design and Project Planning in order to facilitate accelerated project development. The Company is working closely with the metallurgical engineers to optimise plant design, performance and construction requirements.

Pilot Scale Test Work

A large metallurgical sample has been delivered to BGRIMM laboratories and research facilities in Beijing, China. The grade of this sample, excavated from the initial mining zone of Pit 1 has been measured at 32% Total Graphitic Content (TGC). Early test work demonstrates exceptional flotation and flake size retention results. The results are due during the next quarter and will also be used to optimise plant equipment selection from Chinese suppliers. China floats more graphite into concentrate than any other country and BGRIMM are considered international experts in the field.

Takatkwane Coal Project

The Company is awaiting a decision from the Ministry of Minerals, Energy and Water Resources of Botswana in regard to the second extension of this exploration licence EL035/2007.

During the period under review, the Governments of Botswana, Mozambique and Zimbabwe have signed a Memorandum of Understanding to rehabilitate the existing rail line between Gaborone in Botswana and Maputo in Mozambique. This will then be used for the transport of export coal from Botswana to the port of Technobanine south of Maputo.

Namibian Lithium Licences

Subsequent to the end of the Quarter, the Company has received correspondence from the Ministry of Mines and Energy (MME) in Namibia in regard to licences it applied for in the area near the Orange River in the south of the Country. One of the two licences applied for is ready for grant and the other is undergoing further review and boundary adjustment. Applications for licences on the Strathmore Complex north of Swakopmund have not yet been responded to. The Company is making further enquiries in this regard.

About WKT

Walkabout is fast tracking the development of the Lindi Jumbo Project to take advantage of forecast market conditions for Flake Graphite deposits with high ratios of Large and Jumbo flakes. The Company has developed a proprietary processing technique based on an existing and proven flow-sheet used elsewhere in Africa and which yields exceptionally high ratios of Large (+180µm), Jumbo (+300µm) and Super Jumbo (+500µm) flakes into concentrate. This premium product will allow higher than average revenues to be achieved. The Company currently holds 70% of four licences at Lindi Jumbo with an option to acquire the remaining 30% share.

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

ENDS

Competent Person's Statement

Exploration Targets and Results

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.

Mineral Resources

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd), Mr Aidan Platel (Consultant with Platel Consulting Pty Ltd), Mr Andrew Cunningham (Director of Walkabout Resources Limited) and Ms Bianca Manzi (Bianca Manzi Consulting). Mr Barnes, Mr Platel, Mr Cunningham and Ms Manzi are members of the Australian Institute of Mining and Metallurgy and/or 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, Ms Manzi is the Competent Person for the geological database. Mr Barnes is the Competent Person for the resource estimation. Both Mr Platel and Mr Cunningham completed the site inspections. Mr Barnes, Mr Platel, Mr Cunningham and Ms. Manzi consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Metallurgy

The information in this document that relates to interpretation of metallurgical test-work and process plant design for a scoping study level assessment is based on information compiled or reviewed by Evan Kirby who is a Member of the Australian Institute of Mining and Metallurgy (AUSIMM). Evan Kirby is a consultant to Walkabout Resources Ltd. Evan Kirby consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Mining Study

The information in this document that relates to mine design for a scoping study level assessment is based on information compiled or reviewed by Clive Brown, a Member of the South African Institute of Mining and Metallurgy and Allan Mulligan who is a Member of the Australian Institute of Mining and Metallurgy (AUSIMM). Allan Mulligan is a full time employee of Walkabout Resources Ltd. Allan Mulligan consents to the inclusion in this document of the matters based on his information in the form and context in which it appears. Clive Brown is a full time employee of Bara Consulting Pty Ltd and provided technical, capital and operating cost estimates for the mine and associated

infrastructure for the Lindi Jumbo Project financial model. The information in this document that relates to these inputs is based on information compiled or reviewed by Clive Brown. Clive Brown consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Forward Looking Statements and Disclaimers

This announcement includes forward-looking statements that are only predictions and are subject to risks, uncertainties and assumptions, which are outside the control of Walkabout Resources Limited.

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Schedule of mining tenements and beneficial interests held as at the end of the March 2017 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 Application	6289	100%
Strathmore	EPL Application	6290	100%
Strathmore	EPL Application	6291	100%
TantaliteValley	EPL Application	6308	100%
TantaliteValley	EPL Ready to Grant	6309	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	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%