

ASX ANNOUNCEMENT

28 June 2017

WALKABOUT RESOURCES LTD
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DIRECTORS

Exec Chairman: Trevor Benson
Exec Dir: Allan Mulligan
Tech Dir: Andrew Cunningham
NED: Tom Murrell

ORDINARY SHARES
118,274,438

UNLISTED OPTIONS
27,550,019

PROJECTS

Lindi Jumbo Graphite Project
Tanzania (70%)

Takatokwane Coal Project
Botswana (60%)

Kigoma Copper Project
Tanzania (75%)

Walkabout signs EPCM Heads of Agreement with Deferred Payment Funding

Walkabout Resources Ltd (ASX:WKT) is pleased to report that it has signed a Heads of Agreement (HOA) with a private mid-sized engineering Company, Yantai Jinpeng Mining Machinery Co. Ltd. (Jinpeng) in China to **engineer, manage and build** the Lindi Jumbo process plant and shared infrastructure package on-site in south eastern Tanzania.

The Engineering, Procurement and Construction Management (EPCM) service contract will include a **Deferred Payment Option** (Funding) by means of a fast-track application already underway, which provides access to funding provided through the Chinese Governments' new US\$1 trillion "Silk Road - One Belt, One Road" (Silk Road) initiative.

Highlights

- Jinpeng has extensive experience in designing, manufacturing and building graphite flotation facilities in China, and building plants in Africa.
- Funding will be for up to 80% of the EPCM package which as per the Definitive Feasibility Study includes the entire process plant and the shared infrastructure package, estimated to be more than 70% of total initial Project capital.
- Detailed engineering and design services to commence immediately while the EPCM Agreement, a final estimate and Funding is progressed.
- Selected and critical equipment to be sourced from BGRIMM, an internationally recognised flotation equipment engineer and where the Lindi Jumbo test material is currently being finalised.
- Walkabouts' technical input and interests will be managed under an Owners Representation Agreement by Dr Evan Kirby, and a South African based engineering Group.
- Walkabout expects to receive initial approval for Funding by the end of July 2017.

Executive Chairman of Walkabout Resources, Trevor Benson, commented;

"Jinpeng is a highly competent and experienced engineering Company. This EPCM and deferred payment funding is an optimal outcome for our fast-tracked development strategy. This funding model should significantly reduce the Project capital required by the Company."

Overview

Walkabout is developing the Lindi Jumbo Graphite Project under a fast-track project methodology. In order to mitigate risk, it has been decided that the Project will be built under a fully outsourced contracting model. In order to achieve this, an experienced EPCM service company has been sourced and selected to carry out the process plant and shared services works.

Subject to the final EPCM Agreement, these works include but are not limited to;

- The Process Plant from the Run of Mine (ROM) ramp pad to the bagging and despatch section;
- The Shared Services which include mining and management offices, mine stores, workshops, wash bays, fuel storage, access roads, explosive magazine and sewerage treatment facility;
- Storage facilities which include tailings dam and waste dump;
- Power supply and water reticulation, clean and dirty.

Walkabout is required to contribute a minimum of 20% of the total EPCM Funding but this index may be varied by the lender.

An initial approval for funding is due by the end of July 2017 following detailed Project review. The final loan amount is yet to be agreed though the final estimate will include EPCM management fees, interest rates and credit insurance. Unconditional and final approval by the lending authority is due to be granted by end October 2017.

In the interim however, an independent Agreement for the detailed engineering design package is being concluded with Jinpeng which will allow final design engineering to proceed without delay and the final selection and procurement of equipment to occur.

Yantai Jinpeng Mining Machinery Co. Ltd.

The JINPENG GROUP has more than 30 years experience in mining design and equipment manufacture. They provide a one-stop service that comprises research, design, manufacture, installation and commissioning including personnel training. The Company is accredited with the International Quality Certification of ISO9001:2008.

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 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

Trevor Benson
Executive Chairman