

7 May 2019

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DIRECTORS

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Exec: Allan Mulligan
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Non Exec: Mike Elliott

ORDINARY SHARES
304,249,748 (pre-placement)

LISTED OPTIONS
40,664,321

UNLISTED OPTIONS
7,000,000

PROJECTS

Lindi Jumbo Graphite Project
Tanzania (70% - 100%)

Northern Ireland Gold and Base
Metals (50% - 100%)

Scotland Base Metal Projects
(Farm-in to earn 75%)

Eureka Lithium Project
Namibia (100%)

Takatokwane Coal Project
Botswana (40% - 70%)

ASX ANNOUNCEMENT

Project “Early Start” commences in China, Tanzania and Perth

Emerging African graphite producer Walkabout Resources (ASX:WKT) is pleased to announce it has commenced with an integrated international project “early-start” to commence procurement, manufacturing and site-works for the Lindi Jumbo Graphite Project in south eastern Tanzania.

Simultaneously with “early-start”, the Company has finalised a placement of \$3.1m at a price of A\$0.23c which is a 10% discount to the 5-day Volume Weighted Average Price (VWAP) determined at trading halt 3 May 2019. (See ASX Release earlier today). This placement was undertaken in order to fund the early-start programme described above.

Highlights

- Signed off Early Start EPC Contract for an initial US\$1m for procurement and manufacture of long-lead items with Jinpeng Mining and Machinery in China.
- Raised \$3.1m through placement with sophisticated shareholders and investors in order to assist in funding “Early-Start Program”.
- Finalised payment of Resettlement Action Plan (RAP) on “footprint-affected” partial landholdings for allowing early access to site.
- Executed construction Agreement with Tanzanian earthworks contractor TNR Ltd to commence primary clearing and preparation of plant site and road infrastructure.
- Mobilised selected construction equipment, surveyors and management to site.

Funding Strategy

The Company has implemented its funding strategy to run simultaneously with two options, at least one of which is expected (not definitively), to prevail;

1. A high-yield short term quasi-debt instrument (High Yield Note) offered to wholesale and sophisticated investor and shareholder groups. This Note will be underpinned by elective equity conversions or loan redemption and ultimately secured by the mineral asset; and/or
2. A high-yield short term debt provided by one or more institution/s under similar but not identical terms as above.

The debt to equity ratio of both these options is as yet unknown but it is the intention of the Company to maximise the debt portion within the servicing capacity of the Project.

Both these options are currently in advanced stages of preparation and negotiation, however definitive timelines and terms cannot be announced at this time.

Details of Integrated Early-Start Programme

Table 1. Use of Funds – Project Early Start Program

Item	Contract	Location	Amount US\$	Amount A\$
Jinpeng Procurement and Manufacturing	Jinpeng EPC	Yantai, China	1,000,000	1,428,571
RAP Payments Phase 1	RAP Agreement	Ruangwa, TNZ	300,000	428,571
RAP Payments Phase 2 and 3	RAP Agreement	Ruangwa, TNZ	1,750,000	2,500,000
Earthworks Contractor	TNR Limited	Dar es Salaam, TNZ	500,000	714,286
Total			3,550,000	5,071,429
Already Expended			800,000	1,142,857
Required for Early Start (est)			2,750,000	3,950,000

The objective of the Early-Start Program is to advance the project construction process along its critical path while project funding is being finalised and negotiated. The primary benefits should include a reduction of the project construction timeline due to the period of manufacture of equipment in China.

Initial RAP payments of approximately US\$300,000 have already been made to community stakeholders and initial access to site for the purposes of construction activities has been achieved.

Summarised Critical Path Schedule of Project Development

The two comparative indicative schedules below highlight the potential time saving of between 2 to 3 months through the early procurement and manufacturing of long lead items in Consignments 4 and 5.

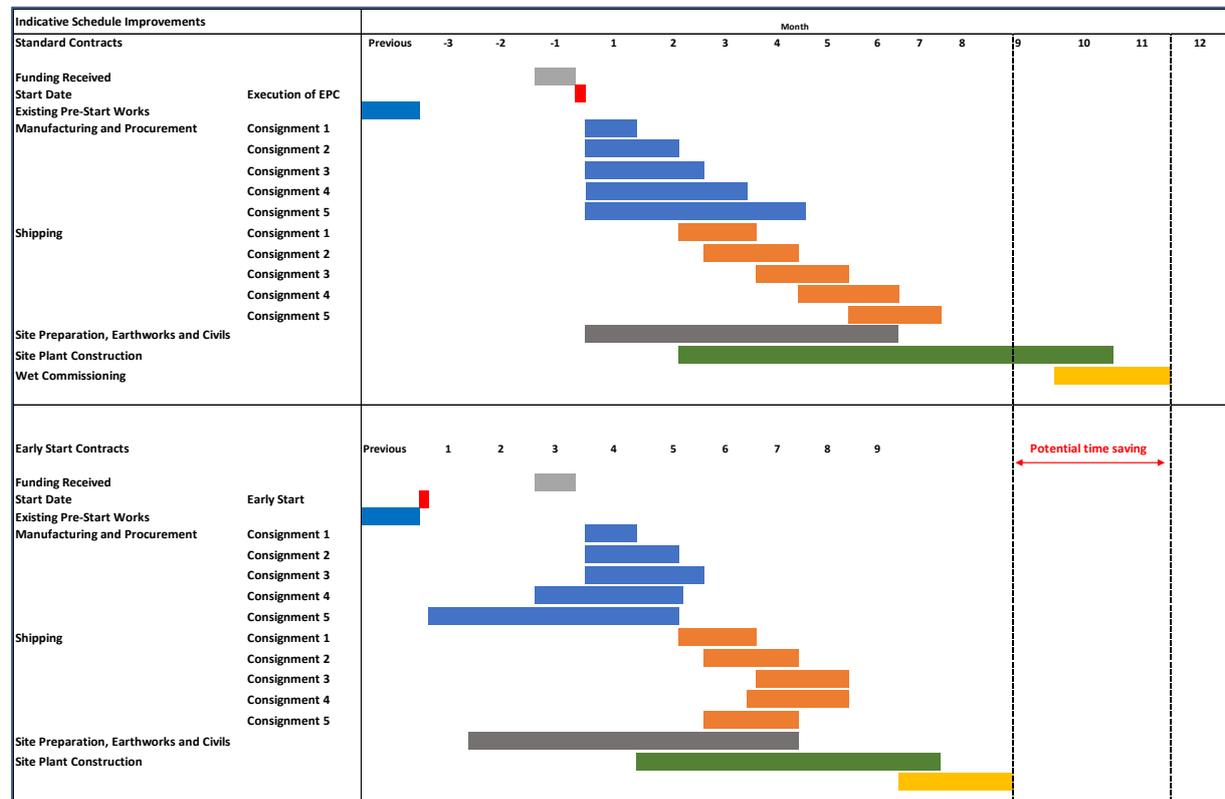


Figure 1. Indicative Schedule gain through “early-start” program.

Commencement of Manufacturing in China

An agreement has been executed between the Company and Yantai Jinpeng Mining and Machinery Co. Pty Ltd (Jinpeng) to commence with primary and long lead equipment procurement and manufacture for a down payment of US\$0.5m and a final payment of US\$0.5m upon delivery and approved ready for shipping.

The project schedule has determined that the manufacturing of the milling and float plant amounts to significant periods of time within the Project’s critical path, so the early start process of manufacturing these items directly affects the end date of the project.

Resettlement Action Plan (RAP)

In agreement with stakeholders and local authorities for the area, the Company has made payments to a select group of land-holders and has attained access to areas of the “foot-print affected” site for the purposes of commencing with early start works at the mine site.

The image below highlights the staged approach for payment and the areas where access has been attained.

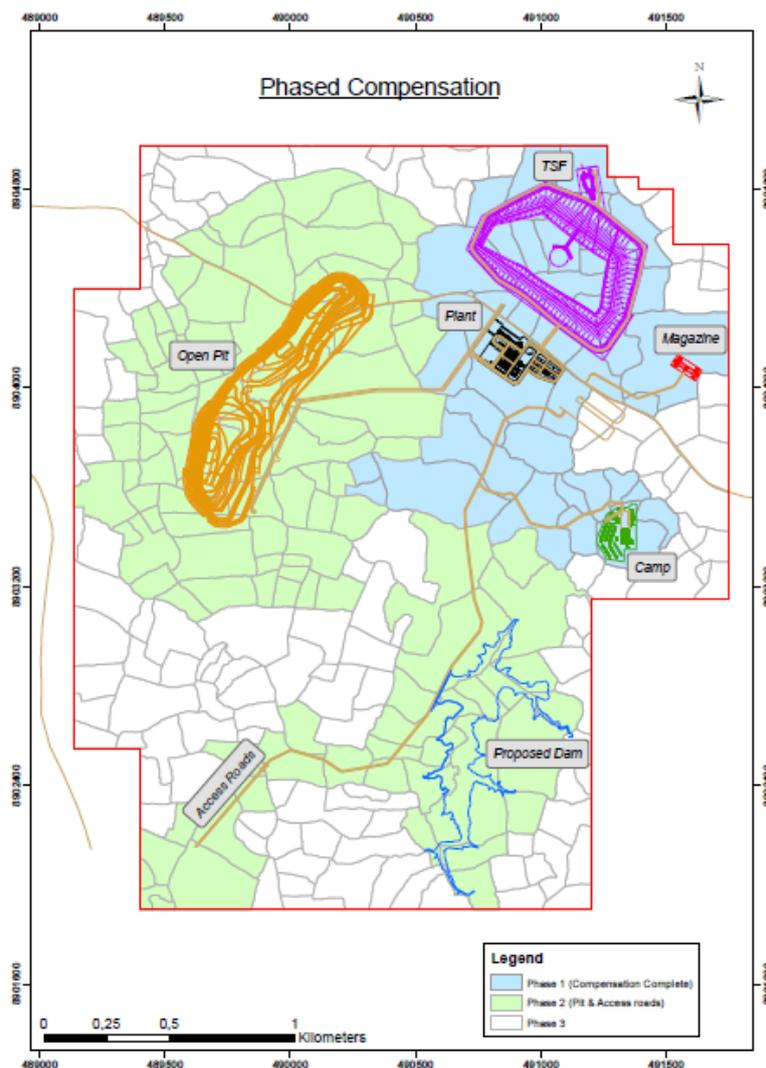


Figure 2. Map of mining licence ML579/2018 showing phased settlement of RAP payments to enable early start works

In agreement with the affected parties and the District Commissioner, partial payment has been made to those shaded in blue above.

The remaining payments need to be finalised before mid-July 2019 in order not to breach the legislated payment window of 6 months. The remaining portion of the required funds will be drawn from the recent “Early Start Placement” announced previously.



Figure 3. Affected stakeholders signing compensation agreements and opening bank accounts at Ruangwa.

Early Start Site Works

Tanzanian earthworks and mining contract partner TNR Ltd have been contracted to commence an early start siteworks programme. The intention of the site early-start works are to prepare the plant and associated infrastructure site for civil works and also demonstrate the Company’s readiness to commence with construction.

The Initial earthworks programme has commenced without incident and includes clearing construction site areas as well as building and enhancing the required on-site road network.



Figure 4. Photos of current activity on site at Lindi Jumbo Graphite Project.

The on-site early-start programme has several advantages;

- Early preparation of civil works sites for plant construction,
- In country demonstration of Company readiness to engage in construction and development,
- Easy and staged site activity build up facilitating good-practice,
- Slow start induction to the local communities and stakeholders,
- Timely development of operating, health, safety and control systems for project management,
- Orderly deployment of equipment, quality control and payment systems,
- Preparation of roads and levelled terraces for improved access and preparation for civil works and construction.

Ruangwa and District Development Improvements

Following the increase in graphite exploration and the imminent development of graphite mines in the Ruangwa area, the region has seen considerable investment by business and government. These developments include;

- The sealing of more kilometres of the main road from Ruangwa to the south,
- A modern and new fuel station,
- A new CRDB bank,
- A new district court building,
- New hotel and conference centre,
- New NMB bank,
- New private school, new small business park,
- New football field.



Figure 5. Photos of recent increased economic development in the regional town of Ruangwa, location of Lindi Jumbo office.

Project Location

The Lindi Jumbo project is located in southeast Tanzania approximately 200kms from the Port of Mtwara. The Company currently holds 100% of the mining licence (ML579/2018) and surrounding prospecting licence (PL13376/2018). The Company also owns 70% of the neighbouring prospecting licences (PL13352/2018 and PL9993/2014) with the option to acquire 100% (Figure 1).

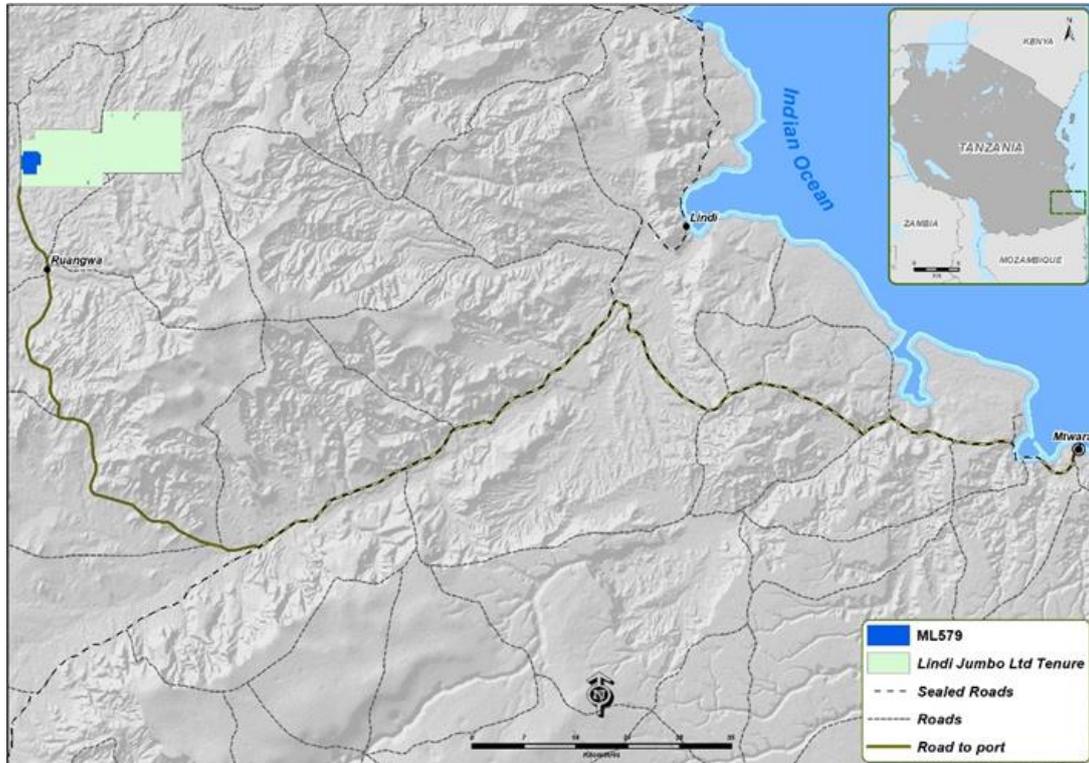


Figure 6: Location of the Lindi Jumbo Graphite Project in south-eastern Tanzania.

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About WKT

Walkabout is developing the high-grade Lindi Jumbo Graphite Project in South East Tanzania to take advantage of forecast market conditions for Large and Jumbo flake graphite products.

The Company holds 100% of a Mining Licence and between 70% and 100% of adjacent graphite prospecting licences at Lindi Jumbo with an enduring option to acquire the remaining 30% share. A high-grade graphite Mineral Reserve has been delineated within the Mining Licence area.

In addition to the Lindi Jumbo Project, Walkabout is also exploring in southern Namibia at the Eureka Lithium Project.

The Company has also acquired an exciting exploration portfolio for gold and base metals in Northern Ireland and Scotland and is participating in the Tyrone Joint Venture where cobalt, copper and silver occurrences are being explored.

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

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