

ASX ANNOUNCEMENT

19 June 2014

Exploration and Project Update

Walkabout Resources Ltd (ASX:WKT) is pleased to report on the status of projects in Africa.

Takatokwane Thermal Coal Project

A Pre-Feasibility Study is currently underway for the 6.9 billion tonne Inferred Resource at the Takatokwane Thermal Coal Project in Botswana. Finalisation of the Logistics and Transport Study has led to several scope options being revised. The project team has recommended that due to road transport constraints and current market conditions, the concept of a 1 million tonne per annum “Starter Mine” supplying coal to the South African market be abandoned in favour of a larger concept.

There are three market access options, or corridors, for the mega coal endowment at Takatokwane:

1. **Western Corridor** - The Trans-Kalahari Rail Line between Mmamabula in the east and Walvis Bay, Namibia to the west. This line is planned to pass **directly adjacent to the Takatokwane Project** and will allow the despatch of coal in both a westerly direction to Namibia *AND* to the east accessing the southern corridor into South Africa. This line is currently under Definitive Feasibility Study by specialist consultants managed by the Government task team pending the call for funding, construction and management tenders.
2. **Eastern Corridor** – The Transwana Rail line from Morupule in central Botswana through Zimbabwe and terminating at a new port, Technobanine, in Mozambique. This private sector project option is due to commence with Final Feasibility Study during this quarter.
3. **Southern Corridor** – The Transnet (TFR) expansion of the Richards Bay Heavy Haul line from the Waterberg Coal District in South Africa to terminate at both the Richards Bay and Maputo coal terminals. This option is currently most advanced with the first stage due for completion in 2018/19.

The emergence of these options has crystalized the development plan for the Takatokwane Project. Considering the vast scale of the Takatokwane Project, its coal quality and extended mine life options, the construction of a proprietary rail line between Takatokwane and Lobatse, south of Gaborone is now being considered. Costs and funding options for such infrastructure, which could unlock as much as 30 million tonnes per annum are being assessed.

This has led the project team to undertake **peer reviews** between Takatokwane and the mega-projects being considered for the Galilee Basin in Queensland, Australia.

These assessments indicate that Takatokwane, as a coal district and bulk mining project, **compares very favourably** with the mega-projects currently being advanced by groups Adani, GVK/ Hancock and Waratah Coal in the Galilee Basin.

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*Table 1: Simple comparison of selected Galilee Basin Coal Projects with Takatokwane***

Project	Owner	Location	Resource	Depth	Mining Style	Thickness of Mining Seam	Annual Sales	Coal Quality CV NAR	Mine to Sales Port	Capex	Capital Efficiency*
Takatokwane thru Southern Africa	Walkabout 67%	Botswana, Africa	6.8 Bn t	>60m	Open Cut	14m	6 mtpa	22 MJ/kg	550 km	\$1.6 bn est	11.3
Takatokwane to Port in Namibia	Walkabout 67%	Botswana, Africa	6.8 Bn t	>60m	Open Cut	14m	12 mtpa	22 MJ/kg	1100 km		
Alpha Coal Project	GVK & Hancock	Galilee Basin, Australia	1.5 Bn t	>60m	Open Cut	8m	30 mtpa	22 MJ/kg	495 km	\$6.9 bn	4.3
China First Project	Waratah Coal	Galilee Basin, Australia	7.1 Bn t	>100m	OC and UG	4m	40 mtpa	23 MJ/kg	453 km	\$6.4bn	6.3
Carmichael Coal Project	Adani Group	Galilee Basin, Australia	7.8bn t	>70m	OC and UG	12m	60 mtpa	23 MJ/kg	300 km	16.5 bn	3.6

* Capital Efficiency is the ratio of sales million tonnes per \$Bn capex

** Source - These assessments make use of publicly available information within environmental scoping reports.

It is understood that capital construction and operating costs are approximately 40% less in Botswana than in Australia. Further scope definition work for Takatokwane, in line with the requirements for the pre-feasibility study is currently being undertaken.

Since announcing the resource estimates on 13 August 2012, Walkabout is not aware of any new information or data that materially affects the information included in those announcements.

Kigoma Copper Project

Following the successful discovery of sulphide copper and lead bearing structures from reconnaissance drilling within Walkabout JV licences during the 2013 season at Kigoma, the Company is preparing to undertake a series of low cost, ground based geophysical surveys in Tanzania.

In addition to the drilling success achieved at the Malagarasi prospect, Walkabout identified a number of areas that are highly prospective for Cu, Pb, Zn and Ag (ASX 4 December 2013). Since announcing these exploration results, Walkabout is not aware of any new information or data that materially affects the information included in those announcements.

Five areas have been targeted for follow-up ground geophysical surveys.

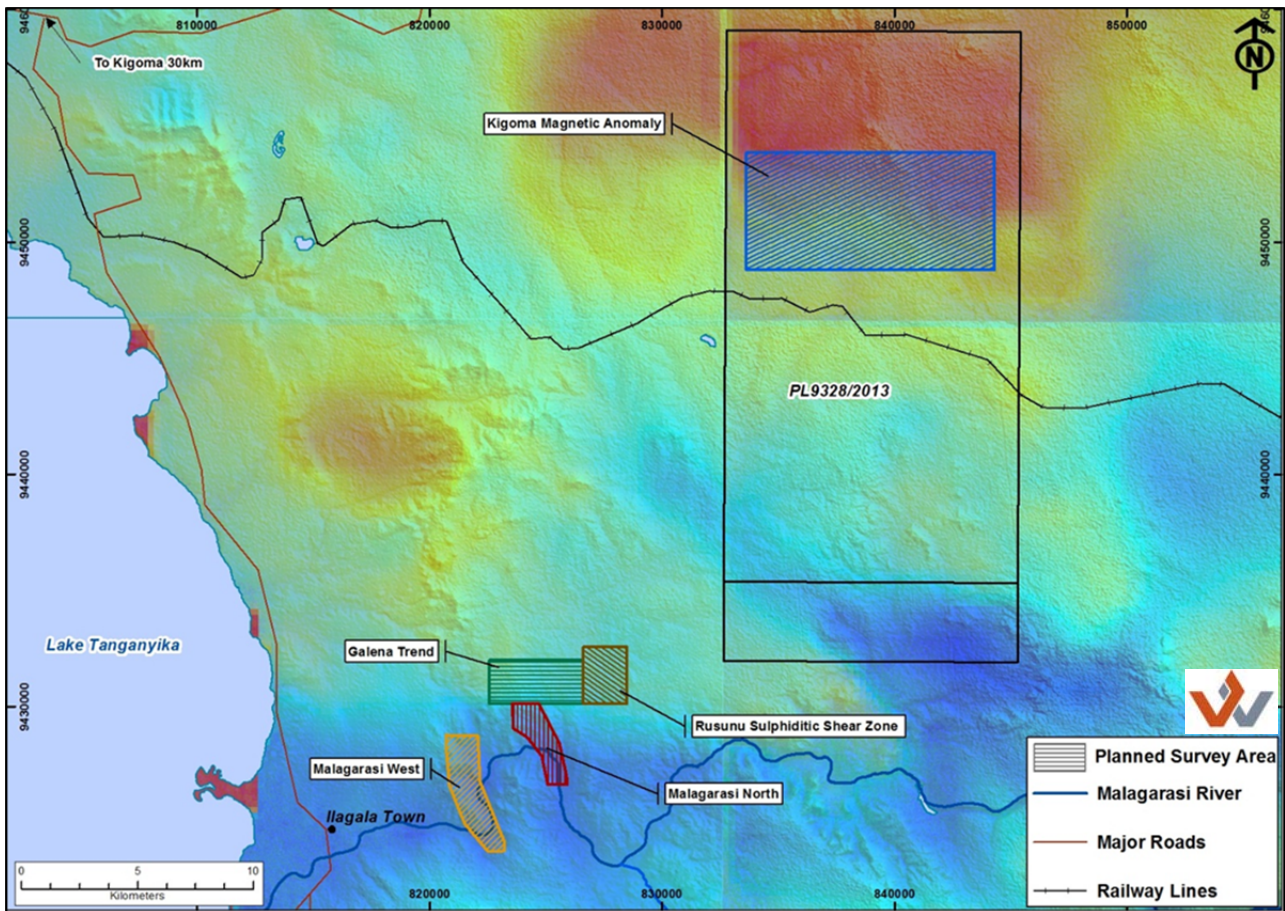
1. Malagarasi North Prospect
2. Rusunu Sulphiditic Shear Zone
3. Malagarasi West Prospect
4. Galena Trend
5. Kigoma Magnetic Anomaly (PL9328/2013)

The geophysical surveys which include ground Magnetism and Induced Polarisation (IP) are designed to refine existing regional geophysical targets and to define drill targets within identified

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geochemical anomalous zones. IP surveys are planned over three of the five areas with ground magnetics planned over a portion of the magnetic anomaly on PL9328/2013, and over the Galena Trend-Rusunu Shear Zone to the north of the Malagarasi River. This work program is currently being costed and is scheduled for the fourth quarter of 2014.

Figure 1: Proposed Ground Geophysical Survey areas indicated on the regional TMI.



Corporate

Current market conditions and the absence of investor funding has made it very difficult to operate. Currently, almost all wages and salaries have been suspended in favour of either an accrual or share based remuneration scheme. All time low market-cap valuations also constrain the ability of the Directors to raise funding without directly impacting existing shareholders endowments.

The Directors are actively seeking investment partners to co-fund the projects in Botswana and Tanzania. These discussions, with several parties, remain ongoing and robust.

Allan Mulligan – Managing Director
 +61 8 6298 7500 (T); allanm@wkt.com.au