

ASX ANNOUNCEMENT

05 June 2017

WALKABOUT RESOURCES LTD
ACN 119 670 370

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DIRECTORS

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

ORDINARY SHARES
118,078,360

UNLISTED OPTIONS
27,550,019

PROJECTS

Lindi Jumbo Graphite Project
Tanzania (70%)

Takatokwane Coal Project
Botswana (60%)

Kigoma Copper Project
Tanzania (75%)

Lindi Jumbo Project Update

- *Environmental Certificate Awarded*
- *Sales and Purchase MOU signed and follow up meetings commenced*
- *Front End Engineering and Design work proceeding in Cape Town*
- *Lycopodium Engineers complete visit to China to facilitate plant fixed-equipment selection*
- *Dr Evan Kirby in China at BGrimm to oversee independent metallurgical process validation of large bulk sample*
- *Bulk sample of 1,7 tonnes from two surface outcrop areas sent to China assayed at 32% TGC*
- *Funding discussions underway with several proposed options being investigated*

Emerging African graphite producer Walkabout Resources Ltd (ASX:WKT) is pleased to announce a Project Update for the Lindi Jumbo Graphite Project in south eastern Tanzania. A Definitive Feasibility Study¹ conducted by independent consulting group Bara International of Johannesburg has been released and indicates very robust economics for the project.

Executive Chairman of Walkabout Resources, Trevor Benson commented;

“Finalising our funding pathway remains the top priority for the Lindi Jumbo executive team. Ongoing discussions, although not finalised, are progressing with interest having been received across Europe and China. We currently have several Groups active in our Data Room and are confident these parallel discussions with end users of graphite concentrate will ultimately lead to a successful conclusion. The Walkabout executive team are 100% committed to this process, and to achieving a successful funding package for the Lindi Jumbo Project.”

¹ Released to ASX 6 February 2017

Funding Update

Under fast-track project methodology, the Company is following a range of options insofar as securing project funding. While the pathway to full-funding is currently under negotiation, it is expected that a staged process will be adopted and this may be made up of a range of equity and mezzanine debt linked to a combination of build contracts and the primary asset valuation.

Discussions are underway with several parties in Europe and China. These will drive the schedule but the Company is committed to providing a clear pathway to funding as soon as possible.

The Company is embarking on a fully underwritten Share Purchase Plan, (announced on the ASX 05 June 2017), to raise \$1,25m for the purposes of progressing the project and for working capital.

Project Update

The following project development and site activities are completed or underway;

The Environmental Impact Compliance Certificate for the Lindi Jumbo Project has been issued to the Company in Dar es Salaam. This is a major regulatory milestone since it opens the pathway for the Mining Licence Application to be submitted. The application is in final preparation and will be submitted to the online portal shortly.



Handover of the EIA Certificate for the Lindi Jumbo Graphite Project

Ongoing project management, initial design and scope definition work continues in Cape Town and China;

- Engineers from the Company's metallurgical consultant (Owner's Representative) Lycopodium and ADP have travelled to BGrimm in China and participated in workshops to finalise large equipment supply options.
- BGrimm has taken receipt of 1,7 tonnes of surface ore from two areas within the Lindi Jumbo proposed mining pit for the purposes of independent process validation. BGrimm is a highly respected metallurgical and graphite flotation research laboratory and has designed many previous graphite flotation plants across China and elsewhere. The testwork is expected to be completed by the end of June. The sample has been crushed, homogenised and has assayed at 32% TGC.
- The Company has taken delivery of the initial range of template Service Contracts for negotiation with the selected Preferred Partners contract groups.
- Discussions with a range of equipment suppliers, engineers and graphite industry participants in China have commenced and these relationships are progressing.

Following award of the EIA Certificate, further work on the Relocation Assistance Plan (RAP) study has now recommenced and this is estimated to be 80% complete. As an addendum to this effort, the Company is in the process of negotiating an MOU with the local village at Matambarale, near the mine site. This process is overseen by the Office of the District Commissioner and is considered an important step in normalising communications with the local stakeholder groups.

Marketing Update

The Company has held follow up meetings with the German based specialist graphite trader regarding the timing, product price mechanisms and specialist market information relating to the next level of Agreement that will be finalised.

Further Expressions of Interest for Lindi Jumbo's premium product and flake size range of products have been received and discussions have commenced in bringing these to commercial reality.

END

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

Trevor Benson – Executive Chairman