

ASX ANNOUNCEMENT

LINDI JUMBO PROJECT - GEOLOGY

Highly Prospective VTEM Response at Lindi Jumbo Graphite

Highlights

17 September 2015

- VTEM survey successfully completed across two areas of Lindi Jumbo Graphite Project.
- Multiple drill targets generated with 13 priority targets in Western Zone near Nachu Project.
- Potential multiple repetition of graphite layers within synform structures.
- Majority of targets coincide with high-grade, large flake graphite occurrences previously sampled and reported.
- Drilling commences this week.

Overview

Emerging African graphite producer Walkabout Resources Ltd (ASX:WKT) is progressing the Lindi Jumbo Graphite Project in south eastern Tanzania. This project is contiguous and directly to the east of the Nachu Graphite project currently undergoing development.

Walkabout intends fast-tracking the Lindi Jumbo project and partnering with a suitable end-user to develop a large and jumbo flake mine at the site.

The Company has now completed a helicopter suspended VTEM (Vertical Time-Domain Electromagnetic), Magnetics and Radiometrics survey over 200 line-kms in order to provide pinpoint accuracy for the maiden drilling program at Lindi Jumbo. The survey was conducted over two zones, some 10 kilometres apart, on the western (PL9992/2014) and central (PL9993/2014) of the project tenements.

Managing Director of Walkabout Resources, Allan Mulligan commented; ***“It’s clear that the VTEM survey has highlighted large areas of potential shallow, graphite orebody. The synclinal structure which appear to stack the ore on top of itself is very exciting because it could lead to large widths and very low strip ratios. We will commence drilling in that area this week.”***

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VTEM Survey Preliminary Results

A preliminary interpretation has been completed for the Western Zone which adjoins the Nachu Project. Multiple conductive horizons have been identified throughout the survey area and thirteen (13) priority targets have been delineated. The initial interpretations suggest that graphite bearing lithology's are associated with larger scale synforms that have been intensely deformed, possibly resulting in the repetition of the graphite bearing units along the flanks of the synforms.

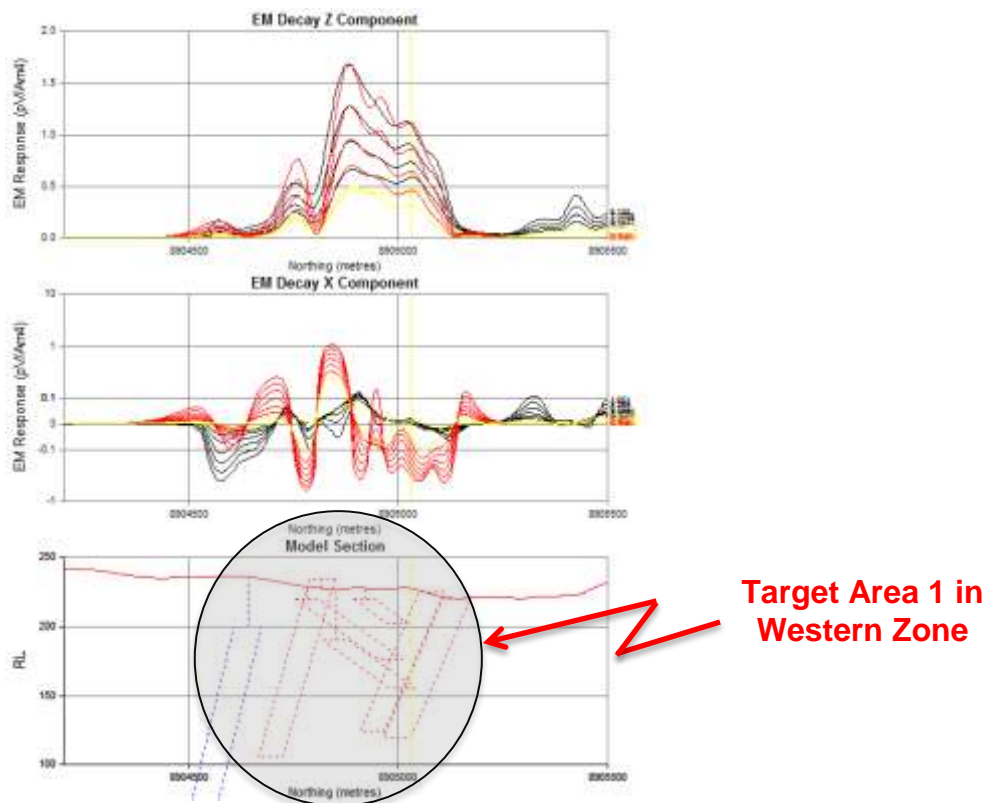


Image 1: VTEM Model Profile Section L1140

The majority of the targets coincide with high-grade large flake graphite occurrences that have previously been sampled and reported; (ASX Release 14 May 2015).

Targets have been prioritised / ranked and all of the target areas have been ground truthed. Ground work indicates similar lithologies to those reported to the west in the Nachu Project area with sporadic outcrops of graphite bearing schists and gneisses.

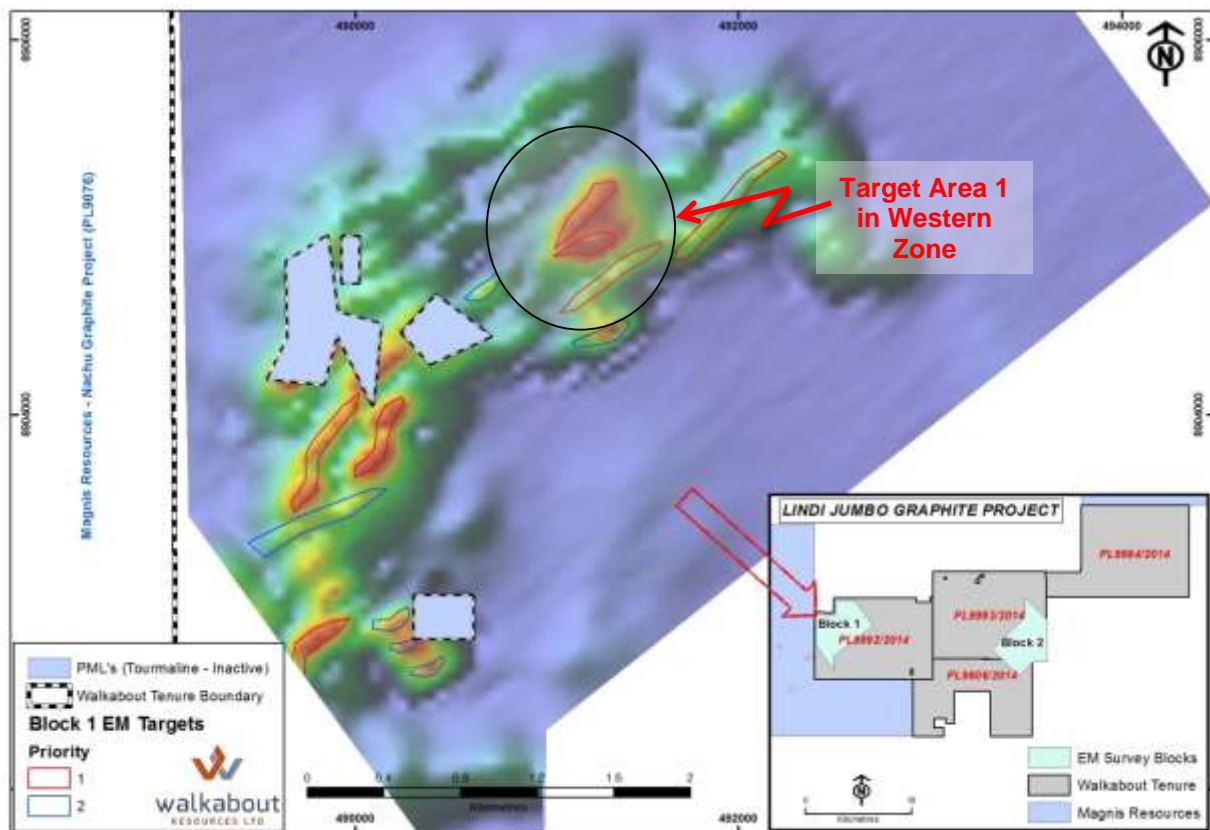
Modelling of the geophysical data has been completed and drill targets have been identified with drill sites checked and verified. Tanzanian drill company Kuchimba Drilling has been engaged to complete the initial 1000m RC and 200m diamond drill programme.

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The VTEM survey was flown over two separate zones in line with the Company strategy to retain the option of modularizing the staged development of potential mining operations for different end-user clients.

The Western Zone is contiguous to the Nachu Project where a large resource has been defined while the Central Zone is some 15km further to the east where high grade assay results and large flake graphite also outcrops on surface.



Map 1: VTEM image highlighting Western Zone Area 1 for priority drilling.

* The blue shaded areas are Primary Mining Licence Cut-Outs for Tourmaline.

The green zones on the map represent graphite mineralised horizons while the yellow are more conductive zones and the red are the most conductive targets.

About Walkabout Resources Ltd: Walkabout is an ASX listed (ASX:WKT), African focussed explorer with projects in Tanzania and Botswana. Further details are available at the Company's website, www.wkt.com.au

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Section 2 Reporting of Exploration Results - VTEM Survey at Lindi Project

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Lindi Graphite Project – Situated in the Ruangwa district, approx.75km northwest of Lindi. Walkabout Resources Limited has executed an MOU for a staged purchase of 70% of Prospecting Licence's PL9992/2014, PL9993/2014, PL9994/2014 and PL9906/2014. There are several legacy PML cut-out areas within the JV tenements. These are common in Tanzania. The Company is in contact with the owner group. The 4 licences total approx. 25km² and are valid until 21/07/2018.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous exploration is limited to published government geological maps and geological mapping conducted by the current owners. Some tourmaline PML's with small workings exist within the project area and are excluded from the project. Magnis Resources Limited (MNS) is developing the Nachu Graphite Project immediately to the south and west of PL9992/2014 and released a maiden JORC Resource (ASX: MNS 26 November 2014) of 156Mt @5.2% graphitic carbon (TGC) at 3% TGC cutoff. This graphite mineralisation is reported to be one of the largest deposits of Large and Jumbo flake graphite in the world and is believed to extend into the WKT Lindi Graphite Project licences. A positive PFS was reported by MNS on 29 December 2014, with the company proceeding with development of the project.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Lindi Project is situated in a banded graphitic schist which has associated gneisses and pegmatites. Geological mapping indicates a NE-SW trend of mineralisation which may be an extension of the MNS Nachu mineralisation into PL9992/2014.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following 	<ul style="list-style-type: none"> Not applicable

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Criteria	JORC Code explanation	Commentary
	<p>information for all Material drill holes:</p> <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. <p>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Not applicable
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’). 	<ul style="list-style-type: none"> • Undetermined at this time as no drilling undertaken.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • A location diagram showing VTEM data acquisition areas is included. Further maps showing interpreted graphite trend and interpreted geological mapping is provided as Figure 1 in ASX company announcement ‘Mapping Confirms Massive Graphite Along Strike from Nachu’ dated 24 November 2014.
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, 	<ul style="list-style-type: none"> • Not applicable – previously reported

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Criteria	JORC Code explanation	Commentary
	<p><i>representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Targeted airborne VTEM survey over two areas and 200 line km's was used to compile a preliminary report, the basis of which is used in the report • Ground based mapping and observations were used to assist mapping interpretation. • Initial re-interpretation of regional geological setting from mapping and rock chip sampling, and presence of graphite occurrences were reported in ASX release 'Graphite Outcrop Confirmed on Lindi Licences' dated 30 October 2014. These observations confirmed the graphite presence and a NE-SW structural trend with a SE dip which agrees with the regional structural trend. • The proximity of the Magnis Resources Limited Nachu Graphite Property immediately to the south of PL9992/2014 along this trend is interpreted as positive for the Lindi Project. As such, it is believed the Nachu high quality graphite metallurgical results reported by Magnis in 2014 ASX releases, may be seen as a proxy for the potential graphite quality of the Lindi Graphite Project. • Initial Metallurgical and graphite results have been reported in previous announcements 14 May and 03 June 2015.
<p>Further work</p>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Based on the VTEM survey, drill hole locations have been planned and will be drilled with further interpretation of these results to determine drill hole locations for proposed 1000m RC and 200m diamond drill program