

ASX ANNOUNCEMENT

December 2015 Quarterly Activities Report

31 January 2016

Perth based African focussed explorer Walkabout Resources Ltd (ASX:WKT) is pleased to report its activities in Botswana and Tanzania for the December 2015 quarter.

Highlights in Review

During the quarter under review, the Company;

- Finalised a maiden drilling campaign at the Lindi Jumbo Graphite Project,
- Intersected and modelled extensive high grade, wide and shallow graphite mineralisation,
- Reported all assays for the RC and Diamond drill program,
- Transported and submitted samples to the Nagrom Metallurgical laboratory,
- Commenced with and subsequently reported a high grade Maiden Inferred JORC Resource,
- Initiated discussions with several potential end-users regarding product testing and specifications.

Subsequent to the Quarter under Review, the Company;

- Commenced with successful metallurgical test work for the drill core material from the project,
- Announced a Maiden JORC Inferred Resource (2012) for the Project which is one of the highest grade resources in Tanzania,
- Finalised the budget for project development to the stage of Mining Licence approval,
- Finalised the schedule for project development to the stage of Mining Licence approval,

Planned activities for the current Quarter;

- Continue with Metallurgical test work as required,
- Commence with environmental and mining licence applications,
- Engage with potential process plant design engineers and establish commencement of study work,
- Negotiate with potential cornerstone investment entities for funding of Lindi Jumbo Graphite Project.

Lindi Jumbo Graphite Project

During the period under review, the Company received the assays for the drill program conducted at the Lindi Jumbo site in Tanzania. Initial drilling was located on the western target identified by the airborne VTEM geophysical survey on portions of PL 9992/2014, PL 9993/2014 and PL

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9906/2014. Drilling was limited to PL9992/2014 in near proximity to the Nachu Graphite Project being developed which is renowned for its exceptionally high ratio of larger flake sizes.

Summary of Significant Drill Results

All holes within the Gilbert Arc west flank						
Hole Number	Elevation (RL's)	Current Depth	Graphite From	Total Graphite Intersected	Best Intersection	Widest above 5% TGC
	m	m	m	m	m @ % TGC	m @ % TGC
LJRC001	243	59	13	35	8m @ 22.7	20m @ 12.7
LJRC006	230	67	11	16	4m @ 15.8	16m @ 10.3
LJRC009	228	55	1	46	10m @ 16.6	30m @ 11.8
LJRC010	214	61	7	61	8m @ 36.7	54m @ 12.7
LJRC013	218	70	11	36	5m @ 13.6	34m @ 9.7
LJRC014	234	65	14	24	3m @ 30.9	15m @ 14.1
LJRC015	223	67	13	49	3m @ 31.1	41m @ 11.6
LJRC016	230	51	3	16	6m @ 14.4	7m @ 10.3
LJRC017	224	98	25	73	5m @ 28.3	39m @ 15.0
LJRC021	228	54	1	54	9m @ 13.2	32m @ 9.6
LJDD001	213	70	15	27	6m @ 35.3	20m @ 20.5
LJDD002	224	69	9	56	3m @ 35.1	23m @ 14.4
LJDD003	227	76	1	74	8m @ 15.0	20m @ 12.7

Table 1: Table of all holes drilled in the western flank of the Gilbert Arc anti-form structure.

The RC drilling intersected shallow, wide and high grade graphite across an area designated as the Gilbert Arc and drilling was concentrated across the Gilbert antiformal structure in order to secure adequate coverage for the intended definition of a maiden resource. (see ASX release 5/10/2015)

During the quarter all assays were returned to the Company and reported. Of 23 exploration holes (20 RC and 3 Diamond), 19 were drilled within the Gilbert Arc structure. Of these, 13 were drilled along the western flank of the structure. All 13 of these holes returned wide intersections of very high grade %TGC with visible jumbo flakes and these are summarised in Table 1.

Initial in-house 3D modelling of the high grade zones on the western flank indicated good correlation and continuity of these grade shells on section and along strike between sections. This continuity means that a high grade mining target area can be inferred that should enable a high grade run-of-mine (ROM) product to be delivered to the process plant.

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Maiden JORC Resource

The Company published a Maiden Inferred JORC Resource subsequent to the period under review. This resource contains a high grade, shallow and accessible core that will assist in providing significant financial and technical benefits to the Project. (See ASX Announcement 19 January 2016)

Metallurgical Test Work

During the period the Company placed several hundreds of kilograms of graphite drill core at the Nagrom Metallurgical Laboratory in Perth and appointed metallurgical consultant, Mr Dave Pass of Battery Limits Pty Ltd as specialist consultant to the metallurgical testwork program. A test regime of standardised and simple roughing and cleaning flotation achieved excellent recoveries of >98% at a coarse primary grind of P100 at 850µm. A best effort concentrate grade of 95.7% TGC was also achieved and a best effort flake ratio of 83.4% of flakes in the Large and Jumbo categories was achieved on one test, proving that the anticipated flakes sizes are present. Efforts are now directed at achieving the flake size distribution and the high grade concentrate together. (See ASX Announcement 08 January 2016)



Image 1: Lindi Jumbo concentrate being float tested

Project Development

Walkabout intends to fast-track the project development at Lindi Jumbo to develop a high quality flake graphite mining operation producing between 25,000 and 40,000 tonnes of graphite concentrate annually.

Contact has been initiated with several graphite processing companies and early discussions regarding marketing and test-work have commenced.

The Company is constantly engaging with potential development partners to secure project financing and/or product off-take and mitigate potential market risk.

The Company currently has a 70% earn-in interest over four contiguous exploration licences in the area for a total exploration area of approximately 325 km².

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Takatokwane Coal, Botswana

At Takatokwane, the Company has published a JORC Inferred Resource (2004) of some 6.9 billion tonnes of thermal coal and has completed an advanced Scoping Study/PFS for the mining and extraction of some of this Resource.

The economic viability of the project requires the construction of a rail line currently under investigation by the Governments of Botswana and Namibia and recovery in international benchmark thermal coal prices. For this reason and until progress is made on these fronts, the Company is not prioritising the project schedule at this time.

Finalisation and optimisation of the advanced Scoping Study/PFS remains ongoing as is further engagement with the joint Botswana and Namibian government agencies responsible for managing the Trans-Kalahari Rail Project.

During the quarter, the Company secured a 2 year extension on licences PL157/2009 and PL160/2009 from the Botswana Government. Walkabout currently has a 40% earning 65% of these licences.

Corporate

During the quarter co-founding Director of Walkabout Resources, Geoff Wallace retired from his role as Executive Director and Company Secretary. The Company has appointed experienced geologist, Andrew Cunningham as Non-Executive Director.

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

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SCHEDULE OF MINING TENEMENTS AND BENEFICIAL INTERESTS HELD AS AT THE END OF THE DECEMBER 2015 QUARTER

Project / Location	Tenement Type	Tenement Number	Percentage Held / Earning
Botswana			
Takatokwane	PL	35/2007	70%
Takatokwane	PL	157/2009	40% Earning 65%
Takatokwane	PL	160/2009	40% Earning 65%
Tanzania			
Lindi	PL	9992/2014	Earning 70%
Lindi	PL	9993/2014	Earning 70%
Lindi	PL	9994/2014	Earning 70%
Lindi	PL	9906/2014	Earning 70%
Narunyu	PL	6912/2011	100%
Mitengi	PL	7050/2011	100%
Mitengi	PL	7241/2011	100%
Kigoma	PL	9328/2013	Earning 75%
Kigoma	PL	9329/2013	Earning 75%
Kigoma	PL	9239/2013	100%
Kigoma	PL	9077/2013	Earning 75%
Kigoma	PML	000041WZ	Earning 75%
Kigoma	PML	000042WZ	Earning 75%
Kigoma	PML	000043WZ	Earning 75%
Kigoma	PML	000044WZ	Earning 75%
Kigoma	PML	000045WZ	Earning 75%
Kigoma	PML	000046WZ	Earning 75%
Kigoma	PML	000047WZ	Earning 75%
Kigoma	PML	000048WZ	Earning 75%
Kigoma	PML	000049WZ	Earning 75%
Kigoma	PML	0000450WZ	Earning 75%
Kigoma	PML	000051WZ	Earning 75%
Kigoma	PML	000052WZ	Earning 75%
Kigoma	PML	000053WZ	Earning 75%
Kigoma	PML	000054WZ	Earning 75%
Kigoma	PML	000055WZ	Earning 75%