

2 February 2016

Mr Wade Baggott,
Senior Advisor, Listings Compliance (Perth)
ASX, Level 40, Central Park,
152-158 St George's Terrace
Perth WA 6000

Email: tradinghaltsp Perth@asx.com.au

Dear Mr Baggott,

Walkabout Resources Ltd – Appendix 5B Query

In response to your letter of 1 February 2016:

1. The Company expects to continue to have negative operating cash flows for the time being.
2. The Company has taken steps to raise cash to fund its continued exploration and evaluation of its mineral interests. The Company is currently considering 3 options:
 - In the first instance, the Company is currently engaged in confidential discussions with an Asian based Investor Group regarding a cornerstone investment to support project development. These discussions have been protracted during the December and January holiday season. It is unknown how long the negotiations and the respective due diligence may take.
 - Secondly, in terms of providing interim funding, the Company is in discussions with various members of the Broking fraternity regarding the placement of shares under the Company's 15% capacity provided by rule 7.1,
 - If the negotiations under the previous points prove to be protracted, a number of existing shareholders have indicated their interest in a small offering.

Notwithstanding that negotiations are continuing, the Company believes it will ultimately be successful in raising funding required to progress its mineral interests in line with the stated strategy.

3. The Company expects to continue its operations and meet its business objectives. On 19th January, the Company announced a high grade Maiden Resource at its 70% earning Lindi Graphite Project. The achievement of this stated objective represented an increase in "cash-burn" rate which will now be relaxed.
4. The Company believes it is in compliance with Listing Rule 3.1 and that there is no further information about its financial condition that has not already been released to the market.

Yours sincerely,

K G France
Company Secretary



1 February 2016

Mr Kim France
Company Secretary
Walkabout Resources Ltd
Level 3, 681 Murray Street
WEST PERTH WA 6005

Email: kimf@wkt.com.au

Dear Mr France

Walkabout Resources Ltd (the “Entity”) – Appendix 5B Query

I refer to the Entity’s quarterly report in the form of Appendix 5B for the period ended 31 December 2015 released to ASX Market Announcements Platform on Monday, 1 February 2016 (the “Appendix 5B”).

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$603,000;
- cash at the end of the quarter of \$60,000; and
- estimated cash outflows for the next quarter of \$260,000.

It is possible to conclude on the basis of the information provided in the Appendix 5B that if the Entity were to continue to expend cash at the rate for the quarter (and at the rate estimated for the next quarter) indicated by the Appendix 5B, the Entity may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?



4. Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?

Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 5pm WST on Wednesday 3 February 2016. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.



If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Please feel free to contact me if you have any enquiries on the above.

Yours sincerely,

[sent electronically without signature]

Wade Baggott

Senior Adviser, Listings Compliance (Perth)