

ASX ANNOUNCEMENT

Lindi Jumbo Graphite Project Update

26 February 2016

- **Company has now satisfied earn-in requirement for 70% of Licences**
- **Environmental permitting and planning process underway**
- **Fast Track project philosophy adopted and implemented**
- **Share Purchase Plan closes Monday 29 February at 5pm WAST**

Overview

Perth-based African-focussed junior explorer Walkabout Resources (ASX:WKT) is pleased to provide an update of activities and progress at its Lindi Jumbo Graphite Project in Tanzania.

The Company is adopting a fast-track project development approach streamlining technical disciplines in a single process using fewer specialist consultants. The outcomes remain subject to ultimate bankable diligence but instead of study processes being conducted sequentially and testing project economics at each level of study, the discrete project elements are conducted simultaneously employing an iterative methodology of information upgrade.

Managing Director of Walkabout, Allan Mulligan commented; *"We're a very small organisation but with sound project management and some smart appointments in key areas, we will get Lindi Jumbo developed. We encourage shareholders to participate in the share purchase plan since the provision of operational funds will ensure continued momentum."*

Fast Tracked Project

Environmental Permitting Process

Tanzanian based, registered and certified environmental consultant, Enviromine Consult Ltd, have been appointed to conduct the Environmental and Social Impact Assessment (ESIA) for the Project to the National Environmental Management Council (NEMC) in Tanzania. Site visits have been completed, the Project brief has been submitted and the Project registered with NEMC. Following submission and approval of the ESIA, expected during May 2016, the Mining Licence application will be submitted. Preparation of this will be undertaken as soon as first study results have defined the mine scope.

Unlike larger projects, the social impacts appear to be limited and there will not be large relocations of local populations and villages.

Licence Ownership

The Company has now satisfied the conditions precedent to earning in to 70% of the four licences (PL9992/2014, PL9993/2014, PL9994/2014 and PL9906/2014). Administration efforts are underway to register this ownership change with the Ministry of Energy and Minerals Tanzania. This is a key issue to attracting further development funding.

ASX ANNOUNCEMENT

Engineering and Study Management

The appointment of a design and construction specialist out of Johannesburg is imminent and subject to satisfactory commercial discussions which are currently underway.

The scope of work for the engineering is founded upon a small study team integrated into the design engineering effort. Since the project is relatively modest in scale and the basic flotation mechanics and sizing are known, study and design work can commence on the process plant and other surface infrastructure. The introduction of a modular, pre-assembled construction philosophy means many key items will be available “ex stock” and long lead times should not be an issue.

A detailed schedule and budget has been compiled.

High Grade Plan

The JORC 2012 Inferred Resource has been published 19 January 2016. (See ASX announcement 19 January 2016). There have been no amendments to this Resource since its release. There exists with the Resource a discrete high grade zone of 2.6m tonnes at 20.6% TGC.

This high grade zone will be the focus of the mining study and the optimisation of the metallurgical process.

Geology and Drilling

Further limited and in-fill drilling within the Resource zone is planned for April or May. Additional follow up work on identified, high grade outcrop areas will be planned as well. During this campaign, drilling for suitable water sources and potential construction and geotechnical requirements will also be completed. Further samples for the purposes of metallurgical optimisation and pilot scale testing will also be retrieved.

Metallurgical Test Program

Final characterisation work on test samples 8 and 9 are currently underway. These samples are subject to a different attrition regime and results will be announced when available.

Funding

The Company is currently undertaking a Share Purchase Plan (SPP), the documentation for which is available on the Company website. The SPP is currently only available to existing shareholders as per the record date and the Company encourages shareholders to participate in this fund raising exercise. In the event of a shortfall, the Directors reserve the right to place this to the limit available in terms of chapter 7.1 of the ASX Listing Rules.

Marketing and Investment

The Company remains in discussions with investor groups wishing to secure a cornerstone investment in the development of the Lindi Jumbo Project. These discussions are subject to Due Diligence and the satisfactory closing of the SPP.

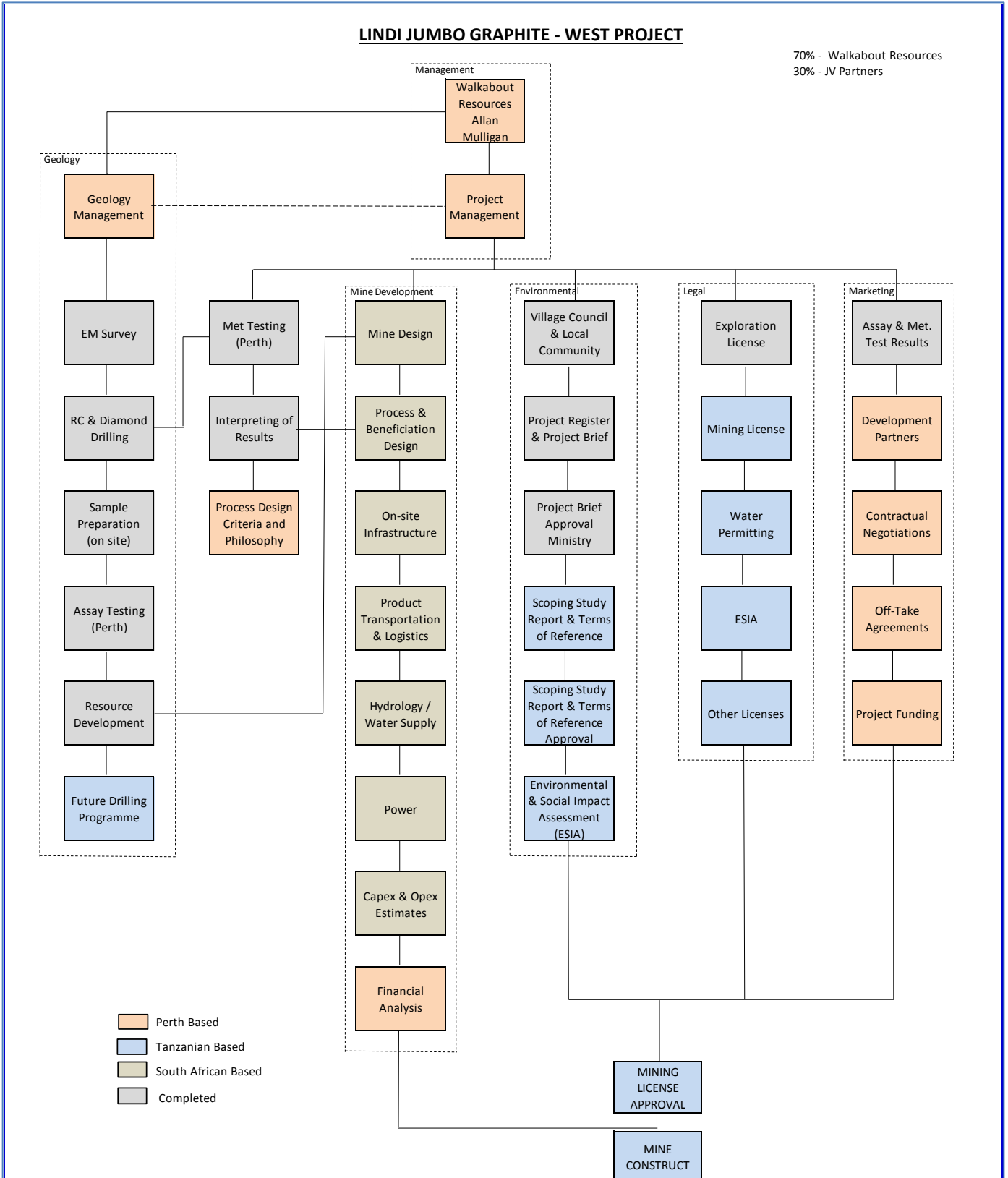
Details of Walkabout Resources' other projects are available at the Company's website.

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Graphic 1: Summarised high level project structure showing vertical integration of project elements



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Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Mr Andrew Cunningham who is a Member of the Australasian Institute of Mining and Metallurgy and a contract employee of Walkabout Resources Ltd. Mr Cunningham has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr Cunningham consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.