

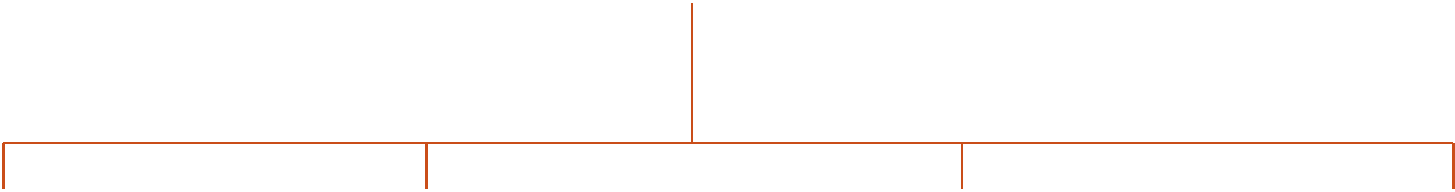


walkabout  
RESOURCES LTD

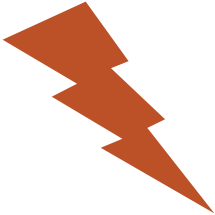
# Business Strategy

November 2013

# Current Operations



**Takatokwane Coal  
Development**



**Kigoma Copper  
Exploration**

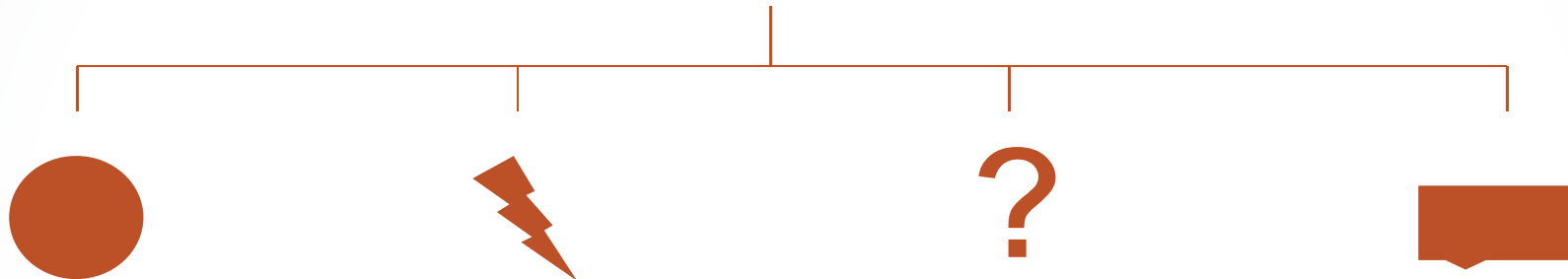


**Other Exploration  
and New Business**



**Admin and  
Compliance**

# General View 2014

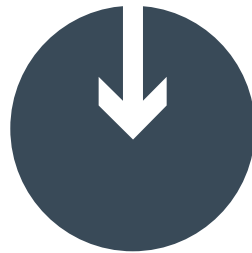


Takatokwane Coal	Kigoma Copper	Other and New Business	Admin and Compliance
Integrated Feasibility Study	Drilling of Malagarassi N Stockwork Structures	Assess New Projects or JV's	Capacity Building
Develop Market for Coal	Work towards Orebody Definition	Partnerships	
Costs paid by Coalswana according to HOA	Moving to Wider Regional Exploration	Low Cost Opportunities Value Transactions	Lean and Mean Payfreeze Ongoing

# Coal Market Options



**Direct Export  
to India / China**



**Export to South Africa  
ESKOM, Richards Bay**

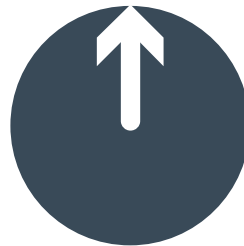


**Coal to Liquid,  
Coal to Gas Power  
and by-products**



**Direct Coal  
Fired Power**

# Coal Development Strategy 1



**Direct Export  
to India / China**

## Highlights

- Best long term utilisation of assets
- Locked in margins for long periods
- Large scale economic activity

## Requirements

- Rail line to be built
- Co-ordinated industry approach
- Lobbying and collaboration

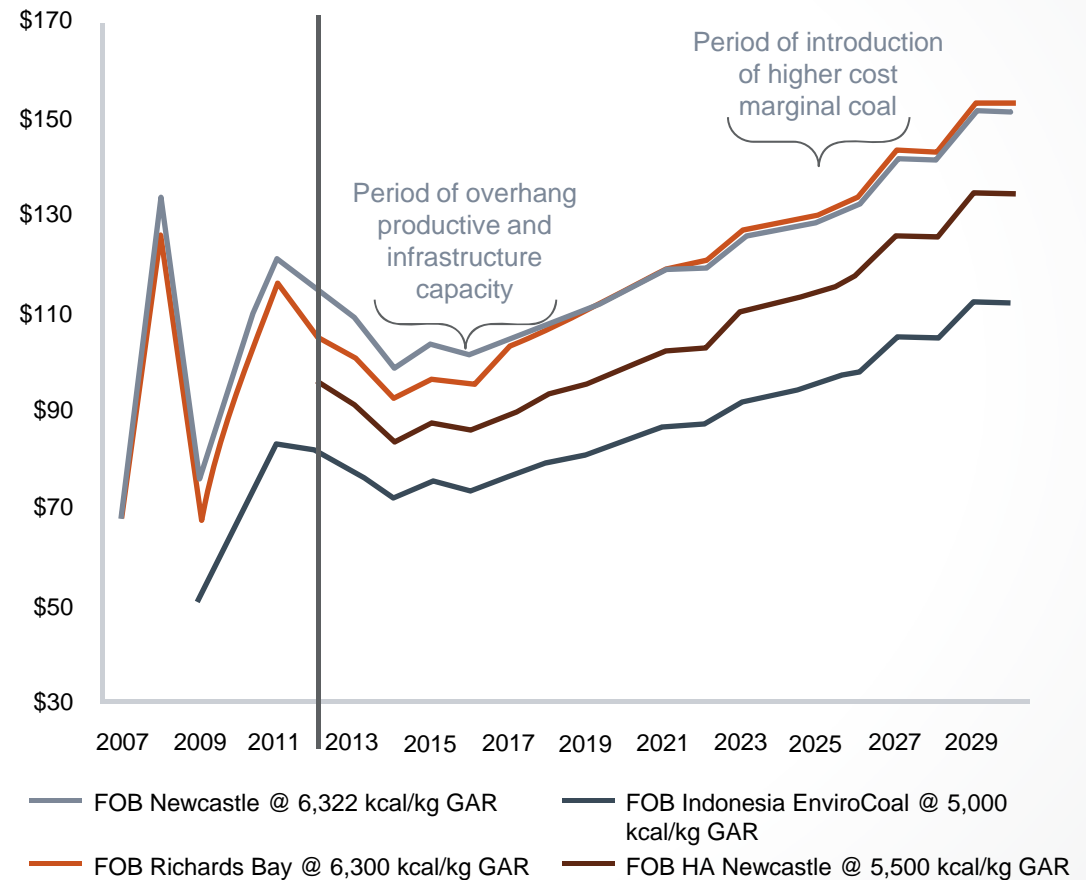
## Value Proposition

- High Volume, Long Term Producer
- Margins Up to \$40/t

# Driving International Demand

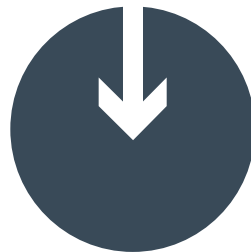
- India and other rapidly emerging economies heavily reliant on thermal coal
- India, China and others have little alternative but coal fired power expansions
- Southern Africa and India facing thermal coal import “cliff”
- USA Infrastructure for export surplus coal now reaching capacity

Forecast Prices Thermal Coal



Source: Anglo-American Coal Presentation, Wood McKenzie Coal Service Forecasts

# Coal Development Strategy 2



**Export to South  
Africa, ESKOM,  
Richards Bay**

## Highlights

- Currently under PFS
- Short implementation period (2-3 years)
- Mineral Rights legitimised
- De-risks Takatokwane Project

## Requirements

- Overcome road transport hurdle
- Coal prices need to increase as proposed to provide a stronger value proposition

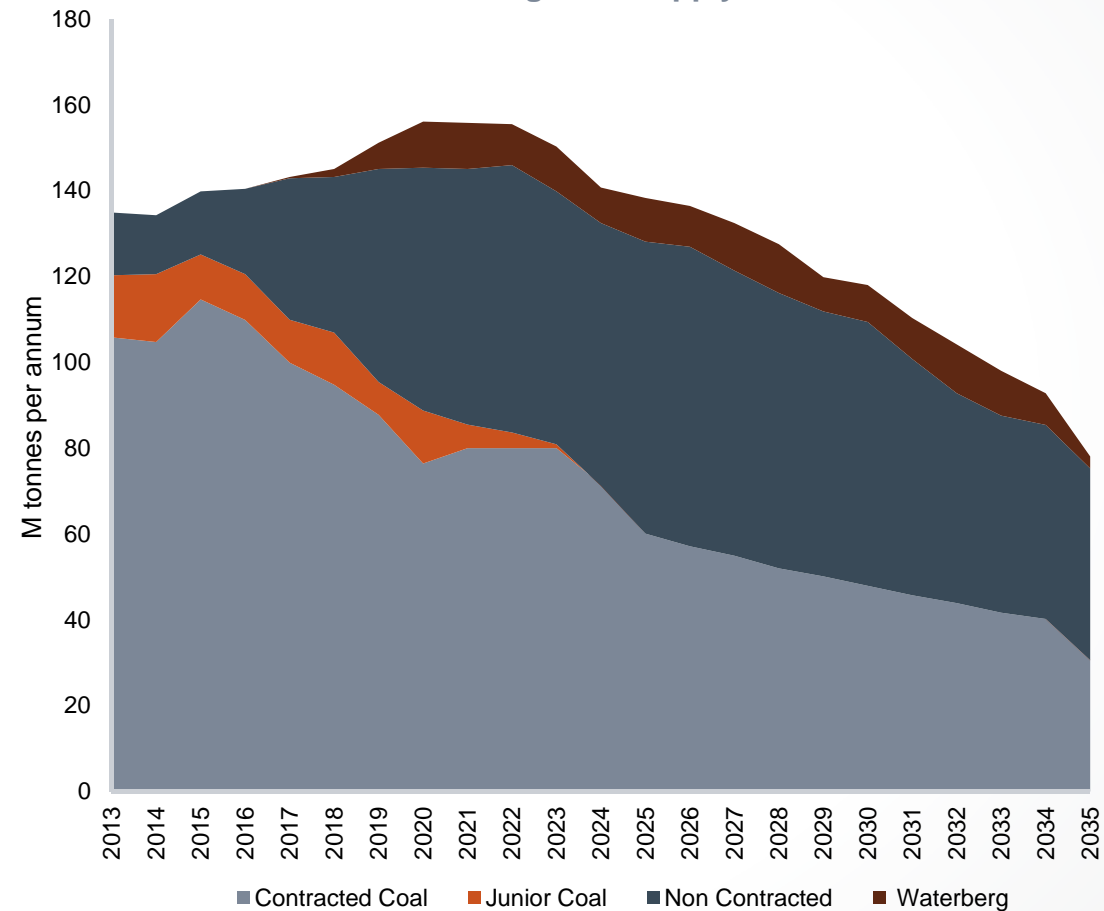
## Value Proposition

- Low Volume, Short Term Producer
- Margins Up to \$10/t

# Driving Local Demand

- Eskom Coal Cliff
- Export capacity Richards Bay Strategic National Initiative
- SA Infrastructure late in developing
- Existing mines deeper and more expensive
- Emergence of other Southern African Economies

RSA Pending Coal Supply Cliff



Source: Eskom



# Coal Development Strategy 3



**Coal to Liquid,  
Coal to Gas,  
Power and by-  
products**

## Highlights

- No capital risk for WKT
- Coalswana subsidises studies
- On site sales of Coal and Fuels
- Appropriate Power Generation

## Requirements

- Reduce the technical risks
- Dependent volumes
- Logistics to be finalised

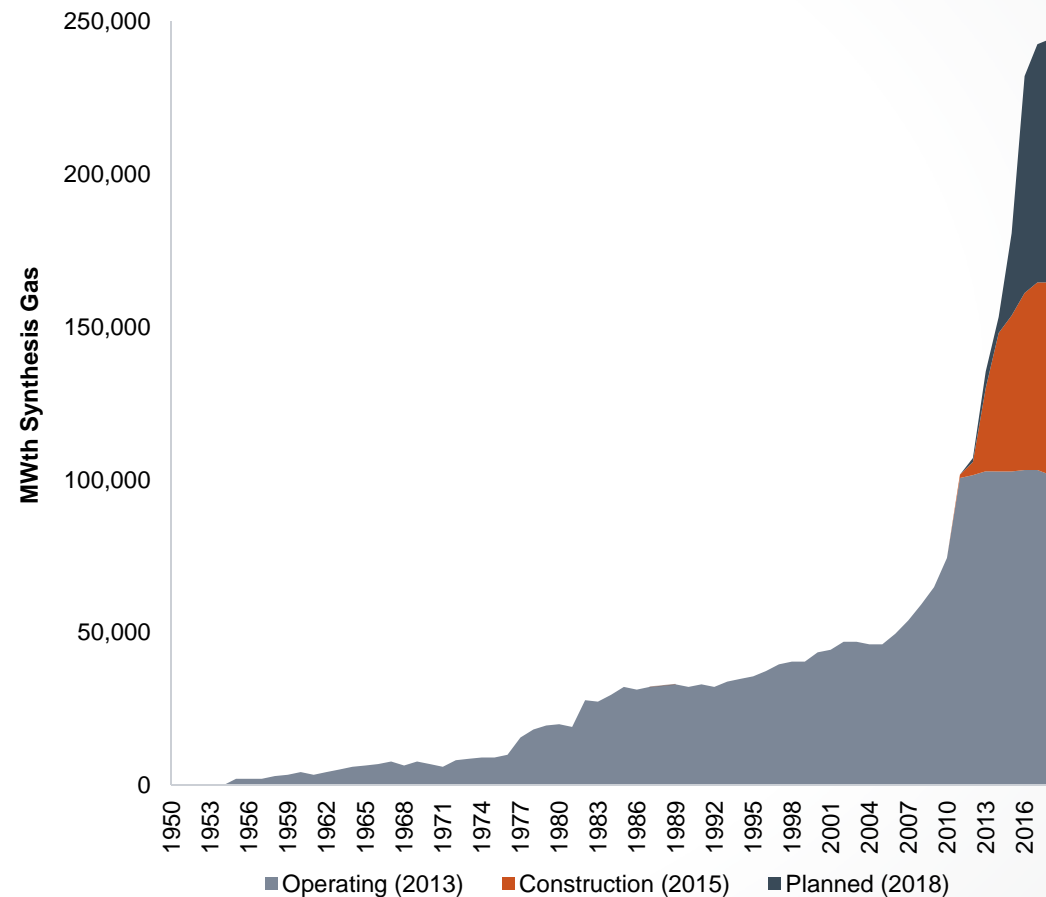
## Value Proposition

- Technology De-Risked
- Moderate Volume, Long Term Producer
- Margins Up to \$30/t

# Driving Emerging Economies

- Botswana imports 100% of liquid fuels
- Severe lack of power infrastructure – remote and localised power opportunities
- Mining and industrialisation held back by power access
- Export of by-product to Southern Africa

World Growth in CTG Capability



Source: Gasification Technologies Council (2013)

# Coal Development Strategy 4



**Direct Coal  
Fired Power**

## Highlights

Politically sensitive Pricing  
Margins are low  
High Capital Risk

## Requirements

Need High Tension Electrical Distribution  
Need Regulatory Integration  
Need Price Certainty

## Value Proposition

High Capital  
Moderate Volume, Long Term Producer  
Margins Up to \$10/t

# Coal Fired Power Market

Southern Africa very immature in terms of Private Power Producer concepts

Dominated by State Electrical Utilities that work according to politically sensitive pricing issues

Margins will remain tight with little consideration for traditional business models

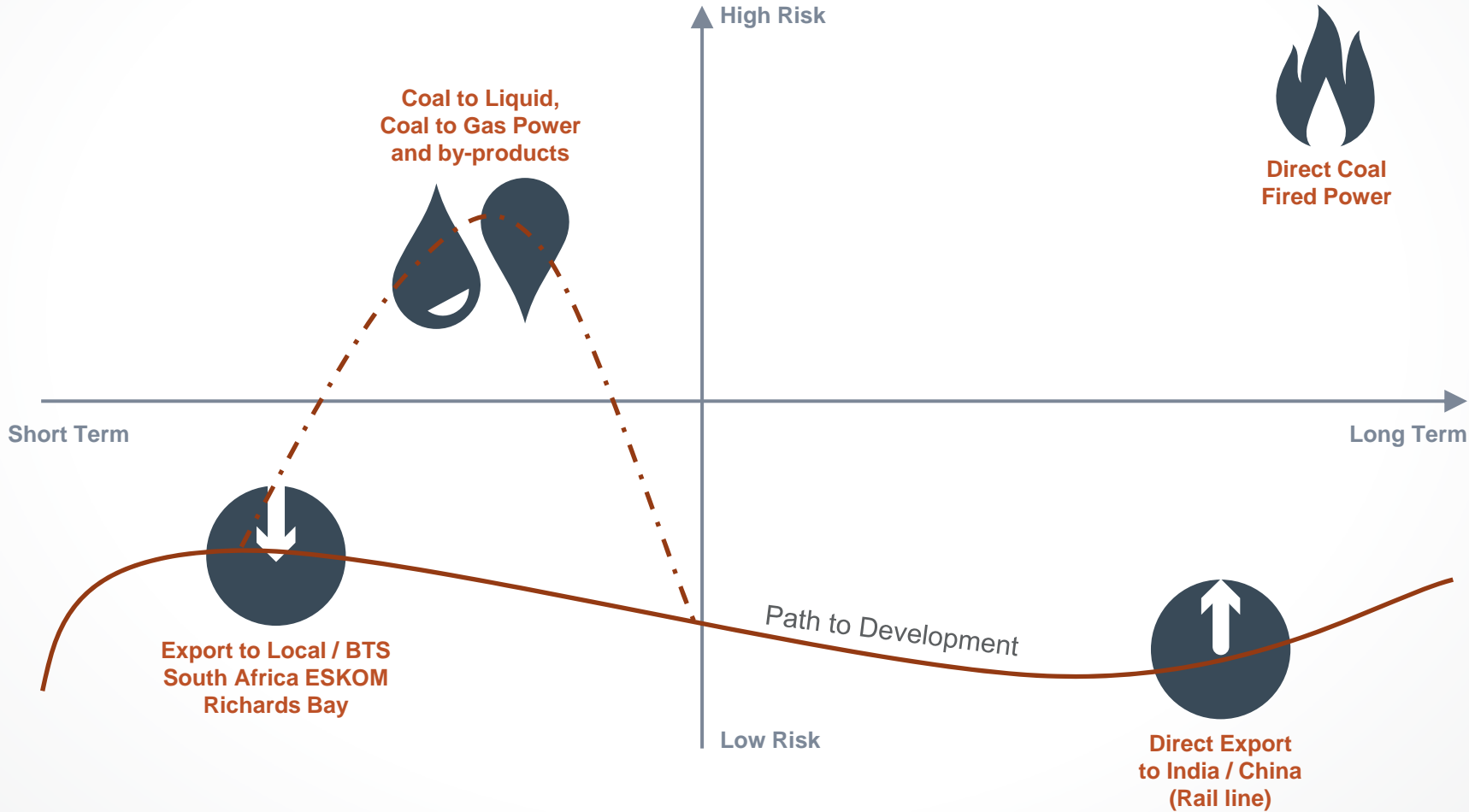
No high tension reticulation available – capital constraint

Not attractive proposition for WKT

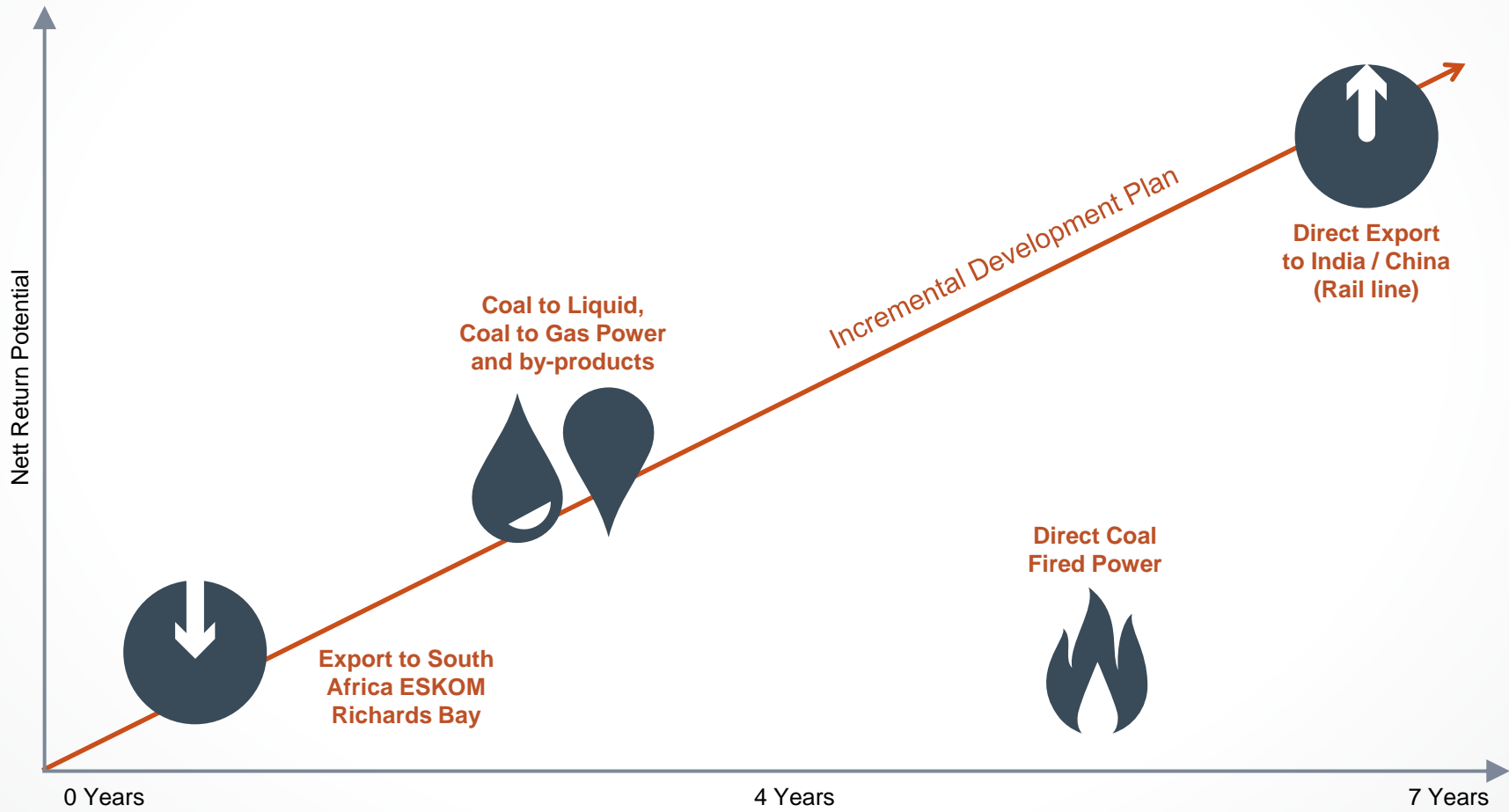




# Coal Development Strategy Risks & Returns

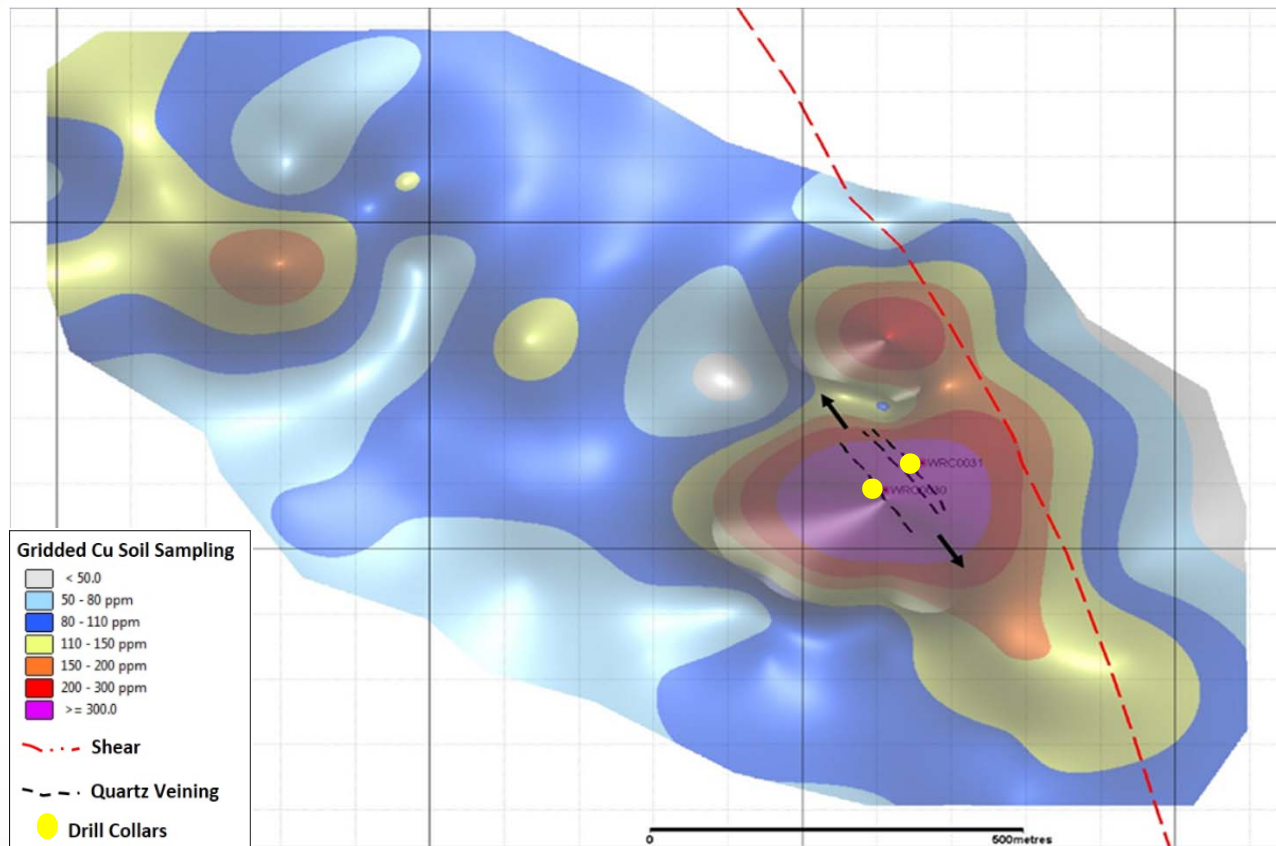


# Strategic Projects Timeline



# Kigoma Copper Project

## Malagarassi North Quartz Vein Mineralised System



Interpreted at least three off-set quartz vein structures ranging between 4m and 7m thick each and open to strike

# Kigoma Copper Project

## Selected Results - Malagarassi North Quartz Veins

Structure No.	Hole No.	Depth (downhole) m	Cu %	Ag g/t	Au g/t
1	30	25-26	0.4	14	7.2
		26-27	3.1	85	10.1
2 and 3	31	7-8	0.24	8	17.0
		12-13	2.3	82	14.0
		13-14	0.35	32	9.1
		18-19	0.5	8	10.0

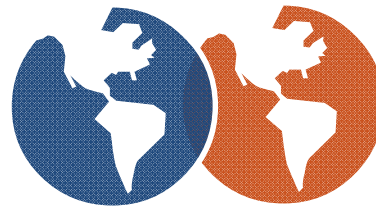
\* Grades are by XRF and 1m bulk consolidation and wet -sieving of drill chips



# Points of Difference



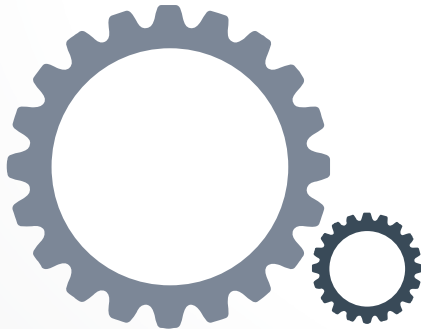
**Low risk business  
model**



**Diversified by  
location**



**Diversified by  
commodity**



**Create strategies that  
are developable**



**Pipeline of  
projects at different stages**



**Adopt a long term  
vision**

# Disclaimer

## **Forward-Looking Statements**

This presentation includes certain “Forward-Looking Statements.” All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and potential mineralisation, resources and reserves, exploration results and future expansion plans and development objectives of Walkabout Resources Ltd are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

## **Competent Person Statement**

The information in this report that relates to exploration results and Mineral Resources is based on information compiled by Mr. Nathan Jombwe, who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Walkabout Resources Ltd. Mr Jombwe has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr Jombwe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.