

ASX ANNOUNCEMENT

24 February 2014

Activity Update

- **Governments of Botswana and Namibia to sign Bi-Lateral Railway Agreement early in March 2014**
- **Coalswana requests extension to commitment date**
- **Pre-Feasibility study rescheduled to incorporate Transport and Logistics Study**
- **Scoping work for “Right-Sized” Coal to Gas options being undertaken**
- **Planning underway for Kigoma Copper 2014 exploration season**
- **Encouraging results from coal reconnaissance at Lindi near Mtwara Port**

Projects Update

Walkabout Resources Ltd (ASX:WKT) is pleased to report on an activities update for its projects in Botswana and Tanzania.

Takatokwane Coal Project - Botswana

Study activity at the 7bn tonne Inferred Resource Takatokwane Coal Project in Botswana has been rescheduled while the Company assesses current market conditions. We have received notification that the Governments of Namibia and Botswana are to sign the bilateral access Agreements for the Trans-Kalahari Rail project from Botswana to Namibia early in March 2014. This will remove any legal impediments to the Rail Project and facilitate investment commitment. The planned heavy haul rail-line will pass in close proximity to the Takatokwane project.

While the Company awaits the final report on the coal transport logistics options, Transnet Freight Rail (TFR) of South Africa has committed finalisation dates to the extension of its heavy haul line from the Central Basin coal field to the Waterberg coal fields in northern South Africa. TFR plans to have a completed heavy haul rail line to the Waterberg, on the Botswana border, by 2018. This will bring the location of heavy haul rail lines much closer to Takatokwane than previous.

Managing Director of WKT, Allan Mulligan commented; *“The political will is strong, the long term demand is sound and we are confident that momentum is growing for an infrastructure solution to Botswana’s coal field development plans.”*

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TFR, in conjunction with Eskom, the South African electricity supply company, is considering the establishment of a South African inland coal dry port facility which would greatly enhance the broad distribution of coal products for export and domestic power station feed in South Africa.

In terms of the Memorandum of Agreement signed between WKT and Coalswana in November 2013 for an on-site off-take of coal product at Takatokwane, the Company has agreed to a request from Coalswana for an extension to March 30 2014.

The Company is encouraged by the increase in Coal to Gas (CTG) and Coal to Liquid (CTL) activity around the world. In China, more than 40 of these gasification facilities are either in commissioning or some form of development. The Company is closely investigating the potential for modular scale construction in line with local market-related “right-sizing” of these plants. They are then operated in sync with a coal export quota and supplied from a common mining operation.

Kigoma Copper Project - Tanzania

The Kigoma Copper Project area is currently enduring the long wet period where field access is not possible until April.

The Company is highly encouraged by the discovery last year of several shear hosted sulphide mineralised quartz stockworks. Laboratory assay results confirmed the presence of copper, zinc and silver within these zones with intercepts of up to **2.1% Cu, 63.0 g/t Ag and 3.4 % Zn** over separate one metre downhole intervals (ASX: 4 December 2013). These intersections represent the first significant sulphide deposits in the area.

Planning for the 2014 season is well underway where it is thought that the season will commence with a series of well-placed ground magnetic surveys intended to generate drill targets in the Malagarassi North Zone and also in close proximity to the large and shallow magnetic high within the tenement area.

Lindi Coal – Tanzania

A field reconnaissance was undertaken at the Lindi Coal Project during late 2013. Lindi is located within 50km of the south east coast of Tanzania and near the deep water port of Mtwara. Last year, Uranex Ltd (ASX:UNX) announced the discovery of outcrop coal (ASX:UNX - 19 February 2013) on a tenement adjacent to Walkabout’s holdings. The Company is highly encouraged by the results of this work and the potential at Lindi and is currently assessing options for a follow up program.

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Competent Persons Statement

The information in this report that relates to exploration results 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 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 Jombwe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.