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ASX ANNOUNCEMENT

LINDI JUMBO PROJECT - GEOLOGY

New extensive graphitic zones with high-grade, coarse flake define second eastern zone exploration site

Highlights

18 October 2016

- **New zone of at least 4km in strike identified 20km to the east of Gilbert Arc deposit at Lindi Jumbo.**
- **Very high grades up to 36.6% TGC in outcropping graphite schists.**
- **Knowledge learned from western exploration directly transferrable to eastern zone.**
- **High-grade mineralisation correlates directly with extensive and continuous EM conductors.**
- **Outcropping high grade zones are drilling target for Phase 2 exploration and follow on development potential.**
- **Objective is to discover more of the very-high grade, jumbo flake graphite near surface for drilling as a second phase but parallel development site.**

Overview

Perth-based African-focussed energy metals developer Walkabout Resources Ltd (ASX: WKT) has defined a second exploration and drilling site located in the eastern zone based on assay results from a regional sampling campaign in progress over the Company's sizeable tenement package in south eastern Tanzania. The exploration campaign is being carried out in parallel with the advanced project studies currently underway at the western zone's Gilbert Arc deposit and will enable the Company to make informed decisions to potentially scale-up future development on its tenement holding in the region.

WKT, through its 100% Tanzanian subsidiary, Lindi Jumbo Limited, currently holds 70% of four contiguous licenses covering 325 km^2 at Lindi Jumbo with an option to acquire the remaining 30% share.

Managing director of Walkabout Resources, Allan Mulligan commented; *"Having taken the time to properly assess the regional potential at Lindi Jumbo, we are impressed at the extensive high grade graphite potential across many kilometres of outcrop in the eastern zone."*

"There are no impediments to the establishment of a second or third phase of project development as soon as we have adequately de-risked phase one of the Lindi Jumbo Project. The high-grade and large flake nature of the project is the key competitive advantage the Lindi Jumbo Project has over others. This plus our field-proven experience gained so far gives us the potential to upscale into the eastern zone in a timely and efficient manner when required."

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ASX ANNOUNCEMENT

LINDI JUMBO PROJECT - GEOLOGY

Exploration Report

Walkabout's ongoing regional exploration, mapping and sampling program over its 325km^2 tenement area is proving successful as outcropping, high-grade and large flake graphite schists are confirming the mineralisation potential of the extensive EM targets. Interpretation to date after the reconciliation of the initial western zone EM data and the drilling have assisted in targeting similar signatures in the eastern zone.

A number of targets were identified through the VTEM survey completed in 2015 over a portion of tenements PL9993/2014 and PL9906/2014 (VTEM eastern zone - Area 2). This area lies approximately 20km to the east of the Gilbert Arc deposit on PL9992/2014.

The VTEM targets lie roughly parallel to each other and strike NW-SE (confirmed through mapping), which is in contrast to the overall trend of the regional geology. Preliminary indications are that the graphitic schist horizons could be very tighly folded parasitic folds on the flanks of a larger regional structure.

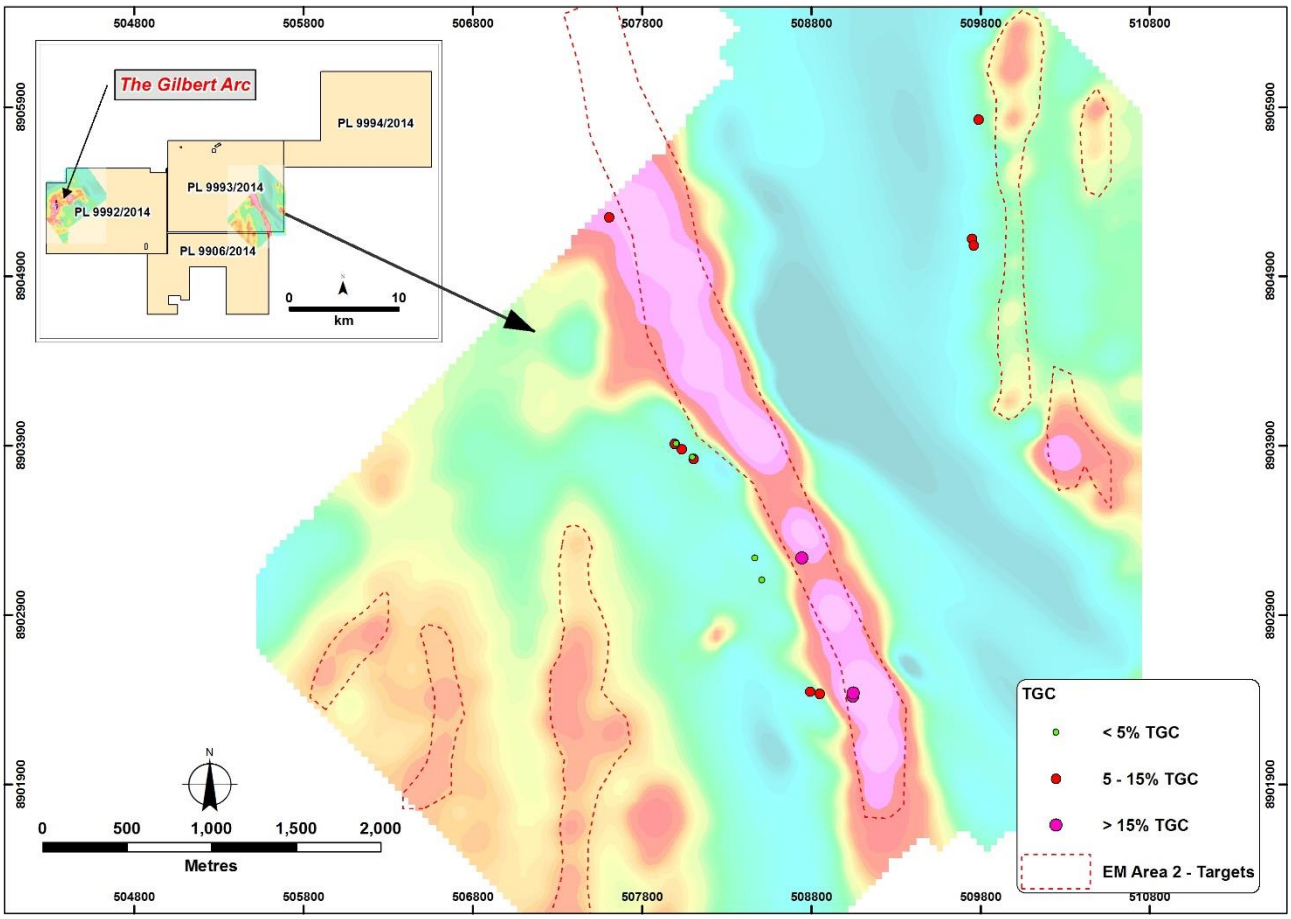

Figure 1: VTEM eastern zone indicating the extensive strong conductor and overlaying high-grade rock samples. Insert map shows the location of the Gilbert Arc deposit, located in the western zone, in relation to the new exploration area on PL9993/2014.

The VTEM survey shows a strong conductor in excess of 4km in length running through the centre of the survey area and coincides with a low topographical ridge that extends past the boundaries of

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the VTEM survey area. The ridge is predominatly covered by a thin soil cover with sporadic partially exposed outcropping graphitc schists, some of which are in excess of 10m in thickness. Sampling of a few of the outcrops which coincide with the strong EM response have delivered extraordinary graphite grades up to 36.6% TGC with further mineralised zones running parrallel to the west of the main body in the 10% TGC range.

Sampling of the less conductive EM anomalies to the east of the main conductor have also returned positive with grades of up to 8.5% TGC, highlighting the vast potential in the area. Approximately 12km of conductive zones have been delineated through the VTEM survey with the main conductor being the highest priority for further follow-up. The reconciled interpretation of the VTEM on the western flank as well as the experience attained in visually interpreting grades has assisted in early targeting of potential high grade and wide zones for “target-specific” drilling.

Geophysical modelling of the main conductive zone suggest that the graphitic schists dip shallowly to the east and a number of priority drill targets have been identified.

The Board is considering following up with limited drilling once the extensive vegetation cover over the areas has reduced due to seasonal attrition.

Table 1: Rock sample positions and assay results.

Sample ID	East	North	RL	% TGC
LN14-034	509046.4	8902421	340	**36.6**
LN14-035	509047.4	8902441	341	**23.3**
LN14-036	508743.4	8903237	330	**16.3**
LN14-037	508097.4	8903834	337	3.46
LN14-038	508104.4	8903823	343	7.45
LN14-039	507992.4	8903910	342	5.24
LN14-040	508034.4	8903880	340	6.5
LN14-046	509749.4	8905122	322	8.49
LN14-047	509759.4	8905084	322	6.33
141693	509790.2	8905828	302	9.7
141696	507606.7	8905250	315	8.4
141697	507999.8	8903915	340	3.7
141698	508465.8	8903238	334	4.1
141699	508506.8	8903109	326	4.3
141700	508743.5	8903239	335	**30.3**
141701	508792.5	8902449	341	8.4
141702	508851.1	8902436	341	11

Lindi Jumbo Graphite Project

Walkabout is fast tracking the exploration and development of the Lindi Jumbo Project to take advantage of forecast market conditions for Flake Graphite deposits with high ratios of Large and Jumbo flakes.

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The Company has developed a proprietary processing technique which yields exceptionally high ratios of Large (+180µm), Jumbo (+300µm) and Super Jumbo (+500µm) flakes into concentrate. This premium product will allow higher than average revenues to be achieved.

The Company currently holds 70% of four licences at Lindi Jumbo with an option to acquire the remaining 30% share.

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

ENDS

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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 Australian Institute of Geoscientists and a Director 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.

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Appendices

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *Rock samples 2 to 3 kg were collected from in-situ outcrops.* • *2015 Samples were bagged as A and B samples from each locality due to the large size of the samples and numbered individually. 2016 Samples were bagged in clearly marked sample bags for transport to the predatory laboritry in Dar es Salaam.* • *All samples were described and logged onto a paper logsheet. A summary of rock sample locations is included as Table 1.* • *Graphite quality and rock classifications were visually determined by field geologist.*
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Not applicable, only rock sampling conducted.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *Not applicable, only rock sampling conducted.*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)*	• *The logging and classification of graphite rock samples was based on a visual percentage estimate of graphite content by field geologists using rock specimens and outcrops. In general, rocks containing less than 10% graphite were identified as graphite gneiss, 10-70% graphite schist, and greater than 70% graphite as massive*

	photography. • *The total length and percentage of the relevant intersections logged.*	*graphite.* • *Visual estimates and geological is subjective.*
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Samples were dispatched to Bureau Veritas Inspectorate Laboratories (Pty) Ltd in Dar es Salaam, Tanzania for prep and the pulps dispatched to NAGROM in Perth for analyses.* • *Each sample weighed approximately 3 and each sample was packed in separate clearly marked sample bags.* • *All samples were dried at 105°C, separately crushed and pulverized via LM2 to nominal 90% passing -75µm.* • *Sample pulverizers were cleaned mechanically and/or with vacuum. Quartz or blue metal washes were utilized to ensure no carry over contamination between samples.* • *Particle size analysis is conducted by the lab on selected samples in each batch to ensure correct grain size is achieved.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *Samples were analysed by NAGROM using a Labfit CS2000 combustion/IR analyser and analyses for Carbon (C), Total Graphitic Carbon (TGC) and Sulphur (S).* • *The combustion/IR method involves combusting the sample material in an oxygen stream at 1400°C. Carbon in the sample forms CO2. The CO2 is flushed by the oxygen stream into an infrared absorption cell where the level of CO2 is measured. Similarly, sulphur in the sample forms SO2. This is flushed into an absorption cell where the level of SO2 is measured.* • *For TGC the sample is roasted at 375 degrees for 16 hours to burn off organic carbon. It is then Digest in a hot sand bath using 32% HCl to evolve carbonate as CO2. The sample is washed and residue is dried and analysed with the Labfit CS2000.* • *The upper detection limit the Labfit CS2000 carbon and sulphur analyser is 100% carbon and sulphur. NAGROM reduces the sample weight for samples with very high grades of carbon and sulphur to ensure a complete burn within the run time.* • *The lower limits of detection for carbon and sulphur are 0.1% for both elements. The accuracy of the analysis is around ± 2% relative where element levels are above 10%. For samples with greater than 80% graphitic carbon, the TGA method for graphitic carbon gives an accuracy of around ± 0.5% relative.* • *Internal laboratory standards and repeat samples were used for QAQC.*
Verification of	• *The verification of significant intersections by*	• *Primary data is stored in original electronic lab*

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sampling and assaying	*either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	*files, (both PDF and Excel) and also in working database files for company workflow.* • *As discussed in the previous section, A and B samples for the same location were submitted and used as duplicates for most samples.* • *As A and B samples are considered essentially identical or duplicates (although treated separately), the samples have been combined to produce an average value for reporting purposes.* • *Sample results were also compared to geological logging for verification.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Collar positions were set out using a handheld Garmin GPS with reported accuracy of 5m and reported using WGS84, SUTM Zone 37.* • *See Table 1 for sample positions.*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *Discontinuous spacing as determined by available outcrop and field observations, all GPS tracked.* • *Data and sampling is reconnaissance in nature and insufficient for Mineral Resource estimations.* • *(2015) As A and B samples are considered essentially identical or duplicates (although treated separately), the samples have been combined to produce an average value for reporting purposes.* • *No sample compositing was applied for the 2016 sampling.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Outcrop structural readings of strike, dip and dip direction were recorded using geological compass for geological mapping and trend purposes* • *The observation points were used to interpret the graphite trend in the property.* • *The location of structural measurements is controlled by available in-situ outcrop*
Sample security	• *The measures taken to ensure sample security.*	• *The samples were packed by the technician and geologist in the field. All samples were sealed in plastic bags for sample transport to the Lab.* • *Export permits were applied for and samples boxed up for transport with a sample dispatch number.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• *Not completed at this point*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title*	• *The rock sampling was located on one granted Exploration License (PL9993/2014). The Company currently holds 70% of four licenses at Lindi Jumbo with an option to acquire the*

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status	*interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	*remaining 30% share. WKT, through its 100% Tanzanian subsidiary, Lindi Jumbo Limited (Company Registration Number 124563), now has registered title to the four licenses subject to anniversary payments being made to the Vendor for three years from the date of the Memorandum of Understanding, 13 May 2015.* • *The company is not aware of any impediments relating to the licenses or area.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *As far as the company is aware no exploration for graphite has been done by other parties in this area.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The project area is situated in the Usagaran of the Mozambique belt and consists of graphitic gneisses and schists interpreted to occur along the flanks of various anti- and synforms in the area with the lithological units dipping at between 15 and 50 degrees to the SW and NE.*
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• *Not applicable.*
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Not applicable.*

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Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *Undetermined at this time as no drilling undertaken.*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *A sample location plan is provided in Figure 1.*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *All samples are reported individually in Table 1.*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Previous announcements include the release of assay data related to surface "dig and grab" samples (ASX: 14 May 2015) and also to the results of an Airborne VTEM Survey (ASX: 19 September 2015).* • *Graphite characterization Petrography results(ASX: 30 July 2015), and initial metallurgy (ASX: 3 June 2015).* • *Drill assay results (4/11/2015, 16/11/2015, 24/11/2015, 1/12/2015, 8/12/2015, 21/12/2015, 27/9/2016, and 5/10/2016).* • *Metallurgical Results (8/01/2016, 18/02/2016, 2/06/2016, 07/07/2016 and 11/10/2016)* • *Maiden JORC Resource (19/01/2016)*
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Exploration drilling will be ongoing. Further holes are planned to test targets generated through the VTEM survey and surface mapping on the various licenses.*