

ASX ANNOUNCEMENT

13 October 2017

WALKABOUT RESOURCES LTD
ACN 119 670 370

ASX Code: WKT

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DIRECTORS

Chairman: Trevor Benson
Exec: Allan Mulligan
Tech: Andrew Cunningham
Non Exec: Tom Murrell

ORDINARY SHARES
167,760,201

UNLISTED OPTIONS
27,550,019

PROJECTS

Lindi Jumbo Graphite Project
Tanzania (70%)

Takatokwane Coal Project
Botswana (60%)

Tantalite Valley Lithium Project
Namibia (100%)

Chairman Address

Dear Shareholders,

2017 has been a significant year for Walkabout with a number of key milestones achieved.

Since announcing the Lindi Jumbo Graphite Project's outstanding expandability results in October 2016, we have had further independent test work completed on a bulk sample in China by world renowned metallurgical group, BGRIMM, who stated that the results were the best grade and flake distribution for graphite they have ever tested.

This independent metallurgical pilot study conducted in China has been instrumental to the introduction of potential key Chinese engineering and offtake partners who have once again endorsed the quality of our product and the technical work undertaken to finalise our Definitive Feasibility Study (DFS) which was completed in February this year.

Due to the enormous efforts of Walkabout's dedicated technical team including Allan Mulligan, Executive Director and Mining Engineer, Andrew Cunningham, Technical Director and Chief Geologist, and Evan Kirby, Consultant Metallurgist, we have now signed sales and purchase MOU's with three offtake parties in Germany and China for two thirds of our annual production, and secured our EPCM contractor, Jinpeng Mining and Machinery Co Ltd (Jinpeng), which is currently completing all design work for the project.

Recently, Jinpeng became Walkabout's largest shareholder with a shareholding of 10% and they have not ruled out further investment to support the Company in developing the Lindi Jumbo Graphite Project in south eastern Tanzania.

As Walkabout's EPCM partner and cornerstone investor, Jinpeng has endorsed the high quality of our Lindi Jumbo large flake graphite project, and assisted the Company in allowing the Project schedule to be fast-tracked while further funding packages are being negotiated and secured.

Whilst the Company has achieved great success this year in progressing the Lindi Jumbo Project towards development, the sudden changes to the Tanzanian Mining Act and subsequent delays have been a considerable setback to our development pathway.

Since being granted the Environmental Impact Assessment (EIA) Certificate, a pre-requisite to lodging the Mining Licence Application, which is now completed and submitted, the changes to the Tanzanian Mining Act have delayed all processing of applications and we currently await updates from the Ministry.

In response to these Tanzanian legislative changes the DFS has been updated to include the implementation of the new laws, and it is a credit to the robust nature of our graphite deposit that it still returns an adjusted NPV of US\$180m.

The management of your Company is focussed on maximizing shareholder returns, and we continue to consider a number of select opportunities, including further examining our lithium exploration position in Namibia.

We believe that our core competency is founded upon a solid mineral exploration skill set and we are confident that the next twelve months will include many positive developments that will assist in building a successful exploration and development resources Company.

We thank you for your continued support.

Trevor Benson
Chairman