

9 February 2016

Dear Shareholder,

Share Placement and Share Purchase Plan

Walkabout Resources Ltd (ACN 119 670 370) (**Walkabout** or **the Company**) announces that it has successfully completed a private placement of 67,500,000 fully paid ordinary shares at a price of 0.32 (0.32c) cents per share to shareholders, raising approximately \$216,000 (**Placement**) as interim funding.

In order to provide all eligible Walkabout Shareholders with the ability to participate in a capital raising at the same price, the Company is pleased to provide details of its Share Purchase Plan (**Plan**). Under the Plan, the Company is giving Eligible Shareholders the opportunity to purchase up to \$15,000 worth of fully paid ordinary shares in the Company (**Shares**) at the same price as the Placement, irrespective of the size of their shareholding, without incurring brokerage or transaction costs.

It is envisaged that the offer under the Plan (**Offer**) will raise an additional \$444,000 on the terms and conditions (**Terms and Conditions**) contained in this letter (**Announcement**). In conjunction with the Placement, this will provide the Company with additional funds of \$660,000 to continue the development of its Lindi Jumbo Graphite Project.

Shareholders Eligible to Participate in the Plan

The right to participate under the Plan is optional and is available exclusively to shareholders who are registered as holders of Shares at 5.00pm (WST) on the Record Date of 8 February 2016 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Offer is intending to raise a maximum of approximately \$444,000 and entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares priced at an issue price of 0.32 cents per Walkabout Share being a discount of 20% to the volume weighted average market price (**VWAP**) for the Shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced (**Price**).

The VWAP of Shares traded on the ASX during the 5 trading days immediately prior to the announcement date of the Offer was \$0.004 (0.4 cents).

Whilst the Company intends to raise approximately \$444,000, it may accept additional applications subject to shareholder demand. However, the maximum number of Shares to be issued is limited by the Australian Securities Exchange (**ASX**) Listing Rules to a maximum of 30% of the Company's share capital.

The Company may, in its absolute discretion, undertake a scale-back so that not more than 30% of that number of Shares already on issue, are issued under the Plan. Scale-back decisions are made by the Board and are final.

The directors of Walkabout who are eligible shareholders intend to participate under the Plan.

An outline of the Plan is set out in this letter and the enclosed Terms and Conditions. An application form for the Plan (**Application Form**) and reply paid envelope are included in the mail-out of this package.

Current Activities

Details of Walkabout's current activities are set out in the announcements made by Walkabout to the ASX and are available from the ASX, or Walkabout's website at www.wkt.com.au.

The funds raised under the Plan will be used for the continued development of its Lindi Jumbo Graphite Project.

How much can you invest?

Eligible Shareholders may each apply for a maximum of \$15,000 worth of Shares under the Plan.

Subscription and Application Procedure

If you would like to participate in the Offer, you can either:

- complete the enclosed Application Form and send it together with your payment by cheque made payable to "Walkabout Resources Ltd", drawn in Australian currency for the correct amount and crossed "Not Negotiable", to the Company's share registry, Security Transfer Registrars at PO Box 535, Applecross WA 6953 to be received by the share registry no later than 5pm WST on the **Closing Date of 29 February 2016**. No late applications will be accepted; or
- make a BPAY^{®1} payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you have multiple holdings you will have multiple BPAY Reference Numbers. To ensure you receive your Shares under the Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Application Form when paying for any Shares that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference
- Number applies and any excess amount will be refunded. **If you make your payment using BPAY[®] you do not need to return your Application Form.** New Zealand holders will not be able to make a payment using BPAY[®]. Payments made by BPAY[®] received after 5pm WST **on the Closing Date** will not be accepted. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit.

¹ [®] Registered to BPAY Pty Ltd, ABN 69 079 137 518

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

	Total amount payable	Shares to be issued
Offer A	\$15,000	4,687,500
Offer B	\$10,000	3,125,000
Offer C	\$5,000	1,562,500
Offer D	\$2,500	781,250
Offer E	\$1,000	312,500

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before 5pm WST on the **Closing Date of 29 February 2016**. If the exact amount of money is not tendered with your application, the Company reserves the right to either:

- (a) return your Application Form and/or payment and not issue any Shares to you; or
- (b) issue to you the number of Shares that would have been issued had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by you under the Plan or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

Custodians and Nominees

Eligible Shareholders who hold Shares as Custodian or Nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of A\$15,000 worth of Shares in respect of each Beneficiary who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Acceptance of Risk Factors

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was 0.4 cents. The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under this Offer.

By making an application under this Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the Price is at a discount, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the

date of issue of Shares under that Offer and that the value of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in Walkabout prior to making an application under this Offer.

Additional Information and Important Dates

The Offer is made in accordance with ASIC Class Order 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act (2001) (Cth).

The Offer cannot be transferred and the Directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application. Shares issued under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$444,000. The Company, however, reserves absolute discretion regarding the final amount raised under the Plan, subject to the ASX Listing Rules.

In the event of oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications on an equitable basis. Scale-back for Shares held by Custodians will be applied at the level of the underlying Beneficiary. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and

may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Shortfall Placement

In the event that less than \$444,000 is applied for, the full amount of the shortfall may be placed at the discretion of the Board subject to compliance with the necessary legal requirements.

Indicative Timetable

Record Date for Share Purchase Plan	8 February 2016
Announce Share Purchase Plan	9 February 2016
Section 708A "Cleansing Notice" lodged with ASX	12 February 2016
Dispatch Share Purchase Plan booklet to shareholders and release Offer Letter on the ASX	15 February 2016
Share Purchase Plan Opens	15 February 2016
Closing date for Share Purchase Plan	29 February 2016
Lodge Appendix 3B, Issue of new shares under the Share Purchase Plan	Within 5 business days after the Closing Date
Quotation on ASX of new shares under the Share Purchase Plan	To be confirmed

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact us on +61 8 6298 7500.

Yours faithfully

Allan Mulligan
Managing Director
Walkabout Resources Ltd

WALKABOUT RESOURCES LTD ACN 119 670 370 Shareholder Share Purchase Plan - Terms and Conditions

Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**), which will be conducted in conjunction with the Placement, is to offer shareholders of Walkabout Resources Ltd (**Walkabout** or **the Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Walkabout Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan). The issue price under the Plan will be 0.32 cents per Walkabout Share being a discount of 20% to the average market price for Walkabout Shares over the last 5 days on which sales in the shares were recorded on the financial market operated by ASX Limited (**ASX**) before the day on which the issue was announced. Walkabout Shares will also be issued without the need to pay brokerage costs and without the need for the Company to issue a Prospectus. The Plan is governed upon such terms and conditions as the board of directors of Walkabout, in its absolute discretion, sees fit.

Shareholders Eligible to Participate

Holders of Walkabout Shares that are registered with an Australian or New Zealand address at the relevant record date are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds shares on behalf of another person who resides outside Australia or New Zealand. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these Terms and Conditions. Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any Walkabout Shares offered under the Plan). Eligible Shareholders who wish to take up Walkabout Shares issued under the Plan agree to be bound by the Company's constitution in respect of Walkabout Shares issued under the Plan.

An offer may, at the discretion of the directors of the Company (**Directors**), be made under the Plan once a year. The maximum amount which any shareholder may subscribe for in any consecutive 12 month period is \$15,000. The Directors may also determine in their discretion the minimum amount for participation, the multiple of Company Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Walkabout Shares as a custodian (as defined in ASIC Class Order [CO 09/425] (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annex to your Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- that you held Walkabout Shares on behalf of one or more other persons who are resident in Australia or New Zealand (each a **Participating Beneficiary**) at 5.00pm
-

(WST) on 8 February 2016 who have subsequently instructed you to apply for Shares under the Plan on their behalf;

- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Walkabout Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order [CO 09/425] you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- is exempt from holding an Australian financial services licence by virtue of Class Order [CO 03/184] or by relying on the Australian financial services licence of your master custodian under regulation 7.1.06(k) of the Corporations Regulations 2001;
- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes;
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold Walkabout Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact Security Transfer Registrars at any time from 8.30am to 5.00pm (Perth time) Monday to Friday during the Offer period.

The Company reserves the right to reject any application for Walkabout Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

Price of Walkabout Shares

The price of Walkabout Shares to be issued under the Plan will be 0.32 cents per Walkabout Share being a discount of 20% of the average market price for the shares over the last 5 days on which sales in the shares were recorded before the day on which the issue was announced.

Applications and Notices

At the discretion of the Directors, the Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Walkabout Shares under the Plan, and accompanied by these Terms and Conditions of the Plan and an Application Form. Applications will not be accepted after the closing date of the offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

Placement of Shortfall

Any shortfall from the Offer may be placed at the discretion of the Directors.

Issue of Walkabout Shares

Walkabout Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of the Company in the relevant offer.

Walkabout Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Walkabout Shares issued under the Plan. The Company will, promptly after the issue of Walkabout Shares under the Plan, make application for those Walkabout Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Company Shares than the person applied for under the Plan if the issue of Walkabout Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Raising Amount and Scale back

The Company seeks to raise approximately \$444,000. However the maximum number of Shares that can be issued is 30% of the Company's share capital. The Company reserves absolute discretion regarding the final amount raised under the Plan.

In the event of an oversubscription by the closing date the Directors may, in their absolute discretion, scale-back all applications on an equitable basis. If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Walkabout Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Kim France, Company Secretary, on +61 8 6298 7500 or per email at admin@wkt.com.au
