

ASX ANNOUNCEMENT

5 October 2018

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
270,916,321

OPTIONS
40,664,321

PERFORMANCE RIGHTS
6,086,957

PROJECTS
Lindi Jumbo Graphite Project
Tanzania (70% - 100%)

Northern Ireland Gold and Base
Metals (50% -100%)

Eureka Lithium Project
Namibia (100%)

Takatokwane Coal Project
Botswana (60%)

Scotland Base Metal Projects
(Farm-in to earn 75%)

Underwritten Share Purchase Plan & Development Funding

Share Purchase Plan

Walkabout Resources Ltd (ASX: WKT) (**Walkabout** or **Company**) is pleased to announce a Share Purchase Plan (**SPP**) to **raise A\$3m** to advance the development of the Lindi Jumbo Graphite Project and for general working capital.

The SPP is underwritten up to A\$3m by Patersons Securities Limited (**Patersons**) which is acting as Lead Manager and Underwriter to the offer. The New Shares (as defined below) will be issued at a 15% discount to the **5 day VWAP trading price at the time of issue of the New Shares** and will be offered to Eligible Shareholders (as defined below) free of brokerage and fees. Shares issued under the Underwriting Agreement will be issued from the Company's 15% capacity as per ASX Listing Rule 7.1.

Funds raised under the SPP will be used to progress development of the **Lindi Jumbo Graphite Project** in south eastern Tanzania. The Company has recently announced the grant of the Mining Licence and is in the process of raising development capital for the Project.

Development Funding - Lindi Jumbo Graphite Project

With current cash reserves of circa \$5 million, the company will have circa \$8 million cash at bank upon completion of the SPP (before costs).

The Company is engaged in implementing a comprehensive and diverse funding strategy of which the SPP and Top Up Placement is but one element. The funding strategy has been developed to take advantage of prevailing financial market sentiment and industry interest in the strong economic fundamentals of the project. Funding will be secured by a combination of corporate equity, short term debt financing and possible project equity participation by cornerstone investors.

Due to the modest capital cost and rapid payback period of the Lindi Jumbo Graphite Project there are a number of debt financing solutions which the Company is able to consider to fast-track development of the Project. The Definitive Feasibility Study (refer ASX release 24 August 2017) completed on the Lindi Graphite Project demonstrates outstanding economics:

- Construction to take an estimated 10 months for a capital cost of approximately US\$29.7 million (potential to further reduce) with a post-tax NPV(10) of US\$180 million;
- Project paid back in 19 months with a 20-year mine life;
- Very competitive operating costs of ~US\$450 per tonne in concentrate CIF – China or Europe; and
- Year 2 NPAT target of circa US\$16.5 million.

The Company confirms that all material assumptions in the 24 August 2017 DFS release underpinning the production target, or the financial information derived from the production target continue to apply and have not materially changed.

Walkabout is currently finalising the engineering, procurement and construction (EPC) agreement with construction partner, Yantai Jinpeng Mining and Machinery Co Ltd (Jinpeng). An Associate Company of Jinpeng is currently Walkabout's largest shareholder and has also expressed a desire to further invest by contributing to the capital costs of the Lindi Jumbo Graphite Project.

The Company has previously announced (refer ASX release 20 February 2018) funding support from China Credit Export Agency (Sinasure) for a deferred payment loan through China National Building Materials Co. Ltd (CNBM).

Walkabout is also engaged in discussions with a number of parties regarding project funding, including debenture and/or converting note facilities, as well as product sales and marketing. The Company believes the high grade and premium natural graphite flake size has the potential to deliver a long term, low capex, high yield graphite mining operation supplying markets in Europe and China with expandable and other premium graphite products.

Details of the SPP

The SPP provides the opportunity for eligible shareholders to subscribe for up to \$15,000 worth of New Shares without incurring brokerage or other transaction costs.

The Company will offer eligible shareholders who are registered holders of ordinary fully paid shares (**Shares**) in Australia or New Zealand (**Eligible Shareholders**) at 5pm (WST) on 4 October 2018 (**Record Date**) the opportunity to apply for new Shares (**New Shares**) in the Company (**Offer**) under the SPP (**the Plan**). The Directors of the Company will participate in the Share Purchase Plan.

Additionally, the Company has agreed to grant Patersons the right to facilitate an offer of New Shares to be issued at the same price as those under the Plan (**Top Up Placement**). The maximum number of New Shares that may be issued under the Top Up Placement will be equal to the Company's remaining placement capacity as per ASX Listing Rules 7.1 and 7.1A (subject to compliance with the rule) on completion of the Offer. Existing shareholders may also request to participate in the Top Up Placement subject to meeting the requirements under Section 708 of the Corporations Act 2001 and Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

The fees payable to the Underwriter are 6% of the gross proceeds of the SPP and the Top Up Placement.

Full details of the SPP will be contained in an offer document which is scheduled to be dispatched to Eligible Shareholders on or around 12 October 2018. The proposed timetable for the SPP is set out below, however Directors reserve the right to vary the dates and times without notice.

Event	Date
Record Date	Thursday, 4 October 2018
Announce Plan	Friday, 5 October 2018
Dispatch Plan booklet to shareholders & release Offer Letter on the ASX	Friday, 12 October 2018
Opening Date	Friday, 12 October 2018
Closing Date	Friday, 26 October 2018
Company to notify Underwriter of Shortfall	Tuesday, 30 October 2018
Lodge Appendix 3B, Issue of New Shares under the Plan	Friday, 2 November 2018
Quotation on ASX of New Shares under the Plan	Friday 2 November 2018

If you have any enquiries in relation to the SPP, please contact the Company Secretary Ian Hobson at ianh@wkt.com.au.

About Walkabout

Walkabout is developing the high-grade Lindi Jumbo Graphite Project to take advantage of forecast market conditions for Large and Jumbo flake graphite products.

The Company holds 100% of a Mining Licence and 70% of an adjacent graphite prospecting licence at Lindi Jumbo with an option to acquire the remaining 30% share. A high-grade graphite Mineral Reserve has been delineated within the Mining Licence area.

In addition to the Lindi Jumbo Project, Walkabout is also exploring in southern Namibia at the Eureka Lithium Project with known lithium occurrences and 90 linear kilometres of mapped pegmatites targeted for exploration.

The Company has also acquired an exciting exploration portfolio for gold and base metals in Northern Ireland and is participating in the Tyrone Joint Venture where cobalt, copper and silver occurrences are being explored.

Recently, as part of the U.K strategy the Company acquired three exploration licences in Southern Scotland by entering into a Farm-In agreement to initially earn a 75% interest.

ENDS