

ASX ANNOUNCEMENT

20 February 2018

WALKABOUT RESOURCES LTD
ACN 119 670 370

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DIRECTORS

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

ORDINARY SHARES
268,416,325

OPTIONS
25,164,321

PROJECTS

Lindi Jumbo Graphite Project
Tanzania (70%)

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

Eureka Lithium Project
Namibia (75%-100%)

Takatokwane Coal Project
Botswana (60%)

Company Projects Update

Approval for Equipment Funding Received

Walkabout Resources Ltd (ASX:WKT) is pleased to provide an update on its development and exploration projects.

Highlights

Lindi Jumbo Graphite Project, Tanzania

- Certificated approval received from China Export Credit and Insurance Agency (Sinosure) for the **funding of 80%** of China sourced project equipment.
- For a deposit of **US\$1.9m** plus a fee, equipment funding of **US\$9.75m** is released under the Silk Road Funding initiative in the form of a deferred loan.
- The Company has met with the newly appointed Acting CEO of the Tanzanian Mining Commission and is assured that progress on implementation of the regulations is well underway.

Eureka Lithium Project, Namibia

- Initial exploration set-up and field access at Eureka Lithium Project in Namibia has commenced and mapping and sampling underway.

Northern Ireland Exploration, UK

- Final transactional approval completed in Northern Ireland with field exploration underway.



Image 1. Lindi Jumbo mills in storage at Jinpeng Mining and Machinery in Yantai, China.

Chairman of Walkabout, Trevor Benson commented; *“The approval of deferred loan funding for the Project completes a major cornerstone of our funding plan. The Project is progressing extremely well in spite of the legislative delays being experienced in Tanzania.”*

Lindi Jumbo Project Progress

Approval from Sinosure for Deferred Loan

The Company has received a Letter of Approval from the China Export Credit and Insurance Agency (Sinosure) that it will provide credit insurance to China National Building Materials General Machinery Co. Ltd (CNBM) in order to provide deferred loan funding for the China sourced equipment for the Lindi Jumbo Graphite Project.

This amounts to a gross deferred loan amount of US\$9.75m of which US\$1.95m (20%) is a pre-paid deposit by the Company. This represents the China sourced equipment under the design and comprises the processing plant and mine power generating units. Five disbursements will be made to Jinpeng Mining and Machinery by CNBM upon approval by the Company that contract terms and quality specifications have been met. The initial payment is available upon despatch of the first shipment from China to Tanzania. All shipments are on a CIF basis and a one off fee of 65 of loan amount is also payable as insurance.

Repayment terms are modelled as eight (8) equal payments over two years commencing one year after the first payment is drawn down. Interest rate is 9% per annum on outstanding funds. No other security is required for the deferred loan.

EPC Contract Negotiation

An International Federation of Consulting Engineers (FIDIC) engineering design, supply and construct fixed price Contract is currently being finalised between Jinpeng Mining and Machinery Co. Ltd. based in Yantai, Shangdong Province, China. Although the Contract size is considered modest at under US\$10m for the process plant and power generation units, the Agreement follows International legal standards, remediation and arbitration clauses.

The Company does not wish to stall engineering and procurement activities as a result of the Tanzanian Ministry administration delays and will prepare for contract execution as soon as a suitable level of comfort has been received in terms of approval for a Mining Licence.

Jinpeng, together with the Walkabout engineering team, is active in finalising engineering design which is currently beyond 80% complete. The engineer has also allocated and stored the two Lindi mill shells in order to reduce lead times and facilitate construction once the Project start-up is given by the Company.

Tanzanian Government Progress

President Magafuli of Tanzania intervened in the activities of the Ministry of Mines last month. He replaced the Mining Commissioner and appointed a second Deputy Minister in order to ensure progress was made and delays were minimised. While the Mining Minister is on leave, he has instructed the Deputies to proceed without delay and they have succeeded in delivering the revised Mining Regulations which have been promulgated and gazetted. Walkabout has met with the new Mining Commissioner and acting CEO of the Mining Commission and is appraised of the current situation.

Other Contracts

The Company remains in discussions with the Mining Contractor, the Camp supplier and operator, Civil Engineering contractors, the Logistics provider and the General Contractor for small items. These Tanzanian Companies are all project ready and their contract arrangements are pending the award of the Mining Licence by the Ministry.

Purchase of the Outstanding 30% of licence PL9992/2014

The Company continues to be ready to exercise this option and is currently considering the pending award of the Mining Licence.

Eureka Lithium Project

As part of the license conditions an Environmental Scoping Study has commenced and a Notice of Public Meeting for interested and affected parties has been published in the local newspapers.

During January and February 2018, the Walkabout geological team has been active in the area to negotiate access agreements with local landowners and has commenced with general reconnaissance mapping and sampling of the numerous pegmatites on the Company's 2,000km² exploration area in southern Namibia.

Results from the initial sampling campaign will guide the next phase of the exploration program with the aim of identifying drill targets.

Northern Ireland Exploration

Fieldwork on the tenements was limited prior to the commercial transaction being finalized. The Company name change is now complete and registered with the relevant authorities. The Walkabout team has used this period to review all the technical data, proposed work programs and budgets to enable field work to commence.

Numerous exploration targets have consequently been generated and these have been ranked to fit with the Company's strategy in the area. The fact that all personnel, systems and equipment are already in place has allowed the Company to commence with exploration activities at short notice and emphasis is to be placed on generating drill targets in the shortest possible timeframe.

Graphite Market

Graphite prices have risen significantly in the last few months and are now well within the lower range of the DFS modelled basket price for the Lindi Jumbo product mix.

According to Benchmark Mineral Intelligence (BMI), current trends for the international graphite market as at the end of December 2017, are;

- Price pressures continue in China as seasonal slowdown in production takes hold,
- Flake Graphite Index climbs 1.6% with a 30.7% increase year on year averaged across three products,
- Shortfall in large flake supplies lead price increases while end of year contract negotiations have seen increases in lower-end of price ranges for industrial grades,
- Lithium ion battery demand outlook strengthens with surge in Chinese EV production and new megafactory announcements,
- China maintains 2017 EV subsidies out to 2020; Panasonic and Toyota partner for development of next generation batteries,
- Steel related markets show signs of growth for 2018; increased contract volumes reported.

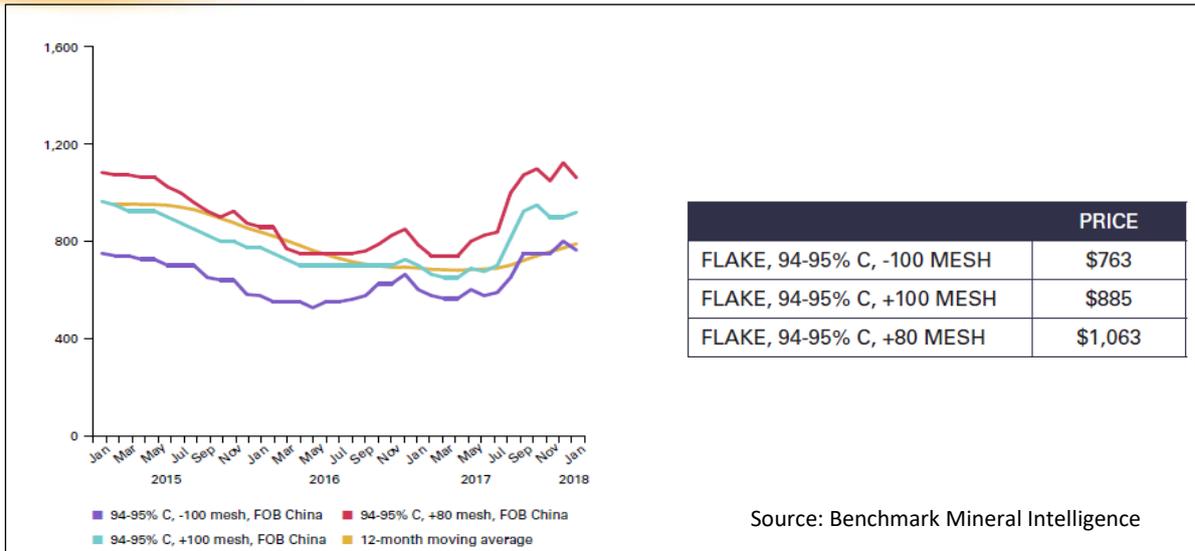


Image 2. International natural flake graphite prices by three product size and grade

ENDS

Trevor Benson
Chairman

About Walkabout

Walkabout is fast-tracking the development of the high-grade Lindi Jumbo Project to take advantage of forecast market conditions for Flake Graphite deposits with high ratios of Large and Jumbo flakes. The Company currently holds 70% of four licences at Lindi Jumbo with an option to acquire the remaining 30% share.

In addition to the Lindi Jumbo Graphite Project Walkabout is also exploring for lithium 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 from Platinum Group Major Lonmin PLC, an exciting exploration portfolio for gold and base metals in Northern Ireland.

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