

ASX ANNOUNCEMENT

31 January 2019

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
 Non Exec: Mike Elliott

ORDINARY SHARES
 304,249,748

LISTED OPTIONS
 40,664,321

UNLISTED OPTIONS
 7,000,000

PROJECTS

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

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

 Eureka Lithium Project
 Namibia (100%)

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

 Takatokwane Coal Project
 Botswana (40% - 70%)

RAP Approved and Final Sign Off Received

Walkabout Resources Ltd (ASX: WKT) is pleased to report that the valuation for the Resettlement Action Plan (RAP) compensation activities that were completed in 2018 has been approved by all the stakeholders and officially signed off by the Chief Government Valuator in Dodoma, Tanzania.

The approval and settlement of the RAP is a major milestone which now allows on-site work to commence at the Lindi Jumbo Graphite Project.

Highlights

- Project has reached important Development milestone.
- Total Mining Area compensation payable is USD2m.
- Brings to an end a 2-year intensive survey involving more than 1,000 individuals.
- Company has negotiated for staged payout to of compensation over six months.

Executive Director of Walkabout Resources, Allan Mulligan commented;

“The milestones are being ticked off one by one. Our construction arrangements at Lindi Jumbo are progressing well and we are very pleased with this achievement managed by our small project team.”

“The organised and well communicated execution of the RAP compensation is very important to our local communities. It validates in hard currency, the goodwill and social outcomes we have worked closely on achieving with our local stakeholders.”



Figure 1: Participation in the valuation exercise and local community meetings.

The final sign off of the valuation for re-settlement and land compensation by the Chief Government Valuator for a total of TSH 4,634,482,900 (four billion six hundred and thirty-four million four hundred and eighty-two thousand nine hundred Tanzanian Shillings) which is an estimate of US\$2 million (at the long-term average exchange rate of 2,290 TSH per USD).

This completes a lengthy and comprehensive process of public consultations, stakeholder engagement meetings, extensive fieldwork to compile all the necessary data of a process that included local communities, various government officials and external consultants. Each individual land use compensation Agreement is valid for 6 months where-after, if the Company has not settled with the beneficiary, the valuation process must be repeated.

The rates for compensation have a statutory foundation and are not negotiable by any party.

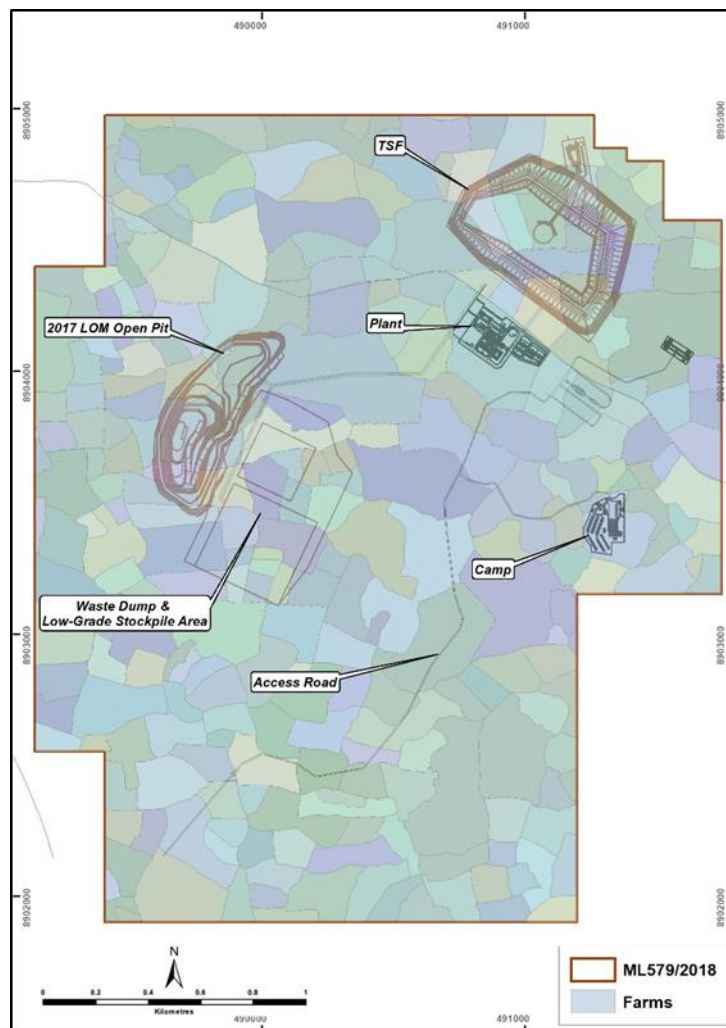


Figure 2: Plan indicating the 271 individual land parcels or farms over ML579/2018 with the current planned infrastructure overlaid.

The valuation covered the entire area of ML579/2018 (6.8km²). The survey has identified 1,120 personally-affected-people (PAP's) impacted by the Project, comprising of 271 asset owners and 848 household members. The Project will result in loss of land for farming, forest and residential use. Agriculture dominates 89% of land use over the Project area and small-scale mining activities make up 11% (Table 1).

All the owners and users have held customary right of occupancy with land use rights conferred over many years by the local village council and recorded in registers. These land rights are now sold to the Company for regulated compensation.

The land acquisition for the Project is likely to result in the demolition of 32 structures belonging to 19 households with 72 residents. It is expected that resettlement can occur in nearby villages, off the mining Licence footprint. Seven graves have been identified that may need relocation and if necessary, will be conducted in accordance with the Governments Graves (Removal) Act of 1969.

Table 1: Breakdown of land use and structures within ML579/2018.

To be Compensated	Total
Asset owners (Incl. Farm & Structures)	271
Families to be relocated	19
Number of physical structures	32
Graves	7
Percentage of structures walls built with Mud and sticks (%)	100 %
Percentage of structures roofs built with iron sheeting (%)	20 %

The majority of compensation associated with the RAP program is for crops, of which cashew nut farming makes up the largest element. (Table 2).

Table 2: Number of Crops and Trees counted within ML579/2018.

Crops/Trees	Count
Mikorosho/Cashew nuts	21,798
Migomba/Bananas	5,724
Miembe/Mango	796
Mikwaju/Tamarind	538
Minazi/Coconut	314
Mipapai/Pawpaw	158
Miwa/Sugar cane	144
Mitondo/Wild Mango	91
Minyonyo/Castor	62
Michungwa/Orange	48
Mipera/Guava	23
Mikungu/Tropical Almond	13
Midimu/Lime	7
Other crops	2,055
Hardwood/Shade Trees	16,160
Mibuyu/Boabab	390

Compensation is paid to individual common law land-holders who have demonstrated a long-standing use of the land for dwelling, farming or mining activities. The process for value determination is well established and accepted by central and local government and the individual stakeholders. The Agreement is statutorily controlled, individual rates are not negotiable and no individuals have withholding rights or recourse to the company. Each individual land compensation package is governed by a once-off agreement between the beneficiary and the Company. The Company has employed a specialist social services Consultancy that organises bank accounts for each individual and processes payment upon instruction by the Company.

The Company cannot access the land for site construction works until compensation has been paid according to the scheme. The Company has negotiated with its local stakeholders to implement a staged payment plan over the 6-month allowance window. In this regard, the Company will commence with compensation over part of the areas where first works might be required to level and prepare for civil and concrete foundations. Areas not immediately required by the Project will be deferred to the latest possible payment date.

Once compensation for any farm has been finalised, the Company then owns the surface assets which remain. In the event of homesteads, if these are within the areas required for construction, the Company will choose to demolish these straight after payment. In the case of agricultural lands, the Company will leave these to degrade and crops will not be replaced.

The Company is not obligated to pay compensation within the 6-month window but thereafter, the valuation process will need to be repeated prior to land access being granted.

Compensation costs are slightly more than estimated in the DFS due to a slight increase in the size of the mining licence as well as an increase in trees and crops planted during the period of hiatus while the company was waiting for the Mining Licence to be granted and for the RAP process to commence.

END



Figure 3: Cashew nut crops near to ripening.

About WKT

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 between 70% and 100% of adjacent graphite prospecting licences at Lindi Jumbo with an enduring option to acquire the remaining 30% share. A high-grade graphite Mineral Reserve has been delineated within the Mining Licence Application area.

In addition to the Lindi Jumbo Project, Walkabout is also exploring in southern Namibia at the Eureka Lithium Project.

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

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