

ASX ANNOUNCEMENT

WALKABOUT RESOURCES LTD
ACN 119 670 370

ASX Code: WKT

www.wkt.com.au

Level 3, 681 Murray St,
West Perth, WA 6872
P.O. Box 263,
West Perth WA 6005

T: +61 8 6298 7500
admin@wkt.com.au

DIRECTORS

Chairman: Trevor Benson
Exec: Allan Mulligan
Tech: Andrew Cunningham
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%)

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

Eureka Lithium Project
Namibia (100%)

Takatokwane Coal Project
Botswana (40% - 70%)

BINDING OFFTAKE TERM SHEET SECURED

Emerging African graphite producer Walkabout Resources (ASX:WKT) is pleased to announce the formal signing of the first binding offtake term sheet with expandable graphite producer, Inner Mongolia Qianxin Graphite Co., Ltd (IMQG) from China.

Highlights

- *First binding offtake term sheet executed.*
- *Agreement secures sale of up to 50% of planned annual production for first three years.*
- *Agreement signifies positive recognition from graphite market of Walkabout's premium product and development timeline.*
- *Advanced offtake discussions continue with end users, upgrading facilities and traders.*

Executive Chairman, Trevor Benson commented;

"Signing the first binding offtake term sheet is a significant milestone for Walkabout. It's clear that end-users and upgrade facilities who have recognised our premium product, can now see a more definite timeline to production. This has prompted them to take action to secure supply from what is Africa's standout large-flake graphite deposit.

The agreement is the result of months of testwork and discussions and we are delighted to be able to make this announcement so quickly after releasing the upgraded Reserve and the improved DFS.

Securing the sale of up to 50% of planned production also reduces financing risk. We look forward to being able to share updates with the market as we continue to advance discussion on both additional offtake agreements and financing."

Key terms of the binding term sheet

The binding terms are to deliver a minimum of 10,000 tonnes and a maximum of 20,000 tonnes per annum of flake graphite to IMQG for a period of three years following the commencement of production. A final off-take agreement shall replace the term sheet. Detailed terms of the agreement are commercially sensitive.

Although a framework for the pricing mechanism has been discussed, the final pricing agreement will only be agreed at a date, at least one month prior to delivery of the first batch of concentrate. The actual amount above 10,000 tonnes per annum will also depend on the availability of adequate material in the sought-after fractions. These mechanisms give the Company flexibility in delivering excess product above the agreed minimum to other customers should demand result in improved prices at the time.

Interest from end-users, upgrading facilities and traders in the Lindi Jumbo high grade-large flake products, and in the Project remains very high with further advanced offtake discussions also progressing well.

Discussions and negotiations with the other holders of non-binding MoU's and HoA's continue with the Company now in a stronger position to negotiate more favourable terms.

About Inner Mongolia Qianxin Graphite Co. Ltd (IMQG)

(IMQG) is a private company based in Xingcheng District, Xinghe County, Inner Mongolia, China. (IMQG) is 100% owned by Beijing Zhongyuan Longgang Mining Science & Technology Co.,Ltd (Beijing ZYLG) <http://www.zylgchina.com>.

(IMQG) has an expandable upgrading facility with a total capacity of 30,000 tonnes per annum and has high-level approval to further develop their upgrading capacity to 60,000 – 100,000 tonnes per year. (IMQG) is also the owner of a graphite deposit in Inner Mongolia that is currently undergoing the permitting process prior to development, which is expected to take another three years.

The Company intends to process flake graphite concentrate to a high purity within their existing facilities.

About WKT

Walkabout is developing the high-grade Lindi Jumbo Graphite Project in South East Tanzania 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.

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