

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%)

ASX ANNOUNCEMENT

SECOND BINDING OFFTAKE TERM SHEET

Emerging African graphite producer Walkabout Resources (ASX:WKT) is pleased to announce the execution of a second binding offtake agreement to supply premium graphite, from the Lindi Jumbo project in Tanzania. This Binding Term Sheet agrees to supply Lindi Jumbo graphite concentrate to graphite products manufacturer Qingdao Risingdawn Graphite Technology Co., Ltd, (QRGT) from China.

Highlights

- *Second binding offtake term sheet executed for the sale of large flake graphite into China.*
- *Term sheet secures sale of an additional 25% of planned annual production for the first three years.*
- *Binding term sheets now secure sale of up to 75% of the planned annual production for the first three years.*
- *Advanced offtake discussions continue with end users, upgrading facilities and traders.*

Executive Chairman, Trevor Benson commented;

“Since engaging with a number of potential offtake partners, we are seeing an increased level of confidence in our product and a growing interest in our ability to deliver a stable supply of quality, large flake graphite. This is evidenced in the recent signing of binding offtake term sheets.

This binding offtake term sheet with Qingdao Risingdawn together with the recently announced Inner Mongolia Qianxin Graphite term sheet substantially reduces the demand-side risk of the Project and is very important for our ongoing funding discussions”.

Key terms of the binding agreement

The binding terms of the agreement signed with QRGT are to deliver 10,000 tonnes of flake graphite concentrate into China for a period of three years following the commencement of production.

A final off-take agreement shall replace the term sheet and this is due to be finalised during the 2nd half of 2019.

The two agreements now secure the sale of up to 75% of the planned production of high-purity large flake graphite concentrate for the first three years following commencement of operations. While details of the QRGT Term Sheet Agreement remain commercially sensitive, a suitable pricing mechanism was discussed and will be finalised during final Agreement negotiations planned for later this year.

QRGT is constructing an additional expandable graphite plant within its upgrading facilities and is now securing suitable graphite feedstock for this production unit. The Company will also use Lindi Jumbo graphite in the manufacture of graphite pipes which employ licenced processing technologies.

The planned 40,000 tonnes per annum Lindi Jumbo Graphite Project now has binding offtake terms and non-binding agreements in place for between 50,000 and 60,000 tonnes per annum of graphite products. Certain agreements will not be converted to binding agreements to ensure that the Company retains a degree of flexibility in order to take advantage of marketing opportunities.

Table 1 Current status of binding and Non-Binding offtake agreements for Lindi Jumbo Graphite Project.

| Agreement | Buyer/Agent | Quantity (tonnes per annum) | General Specification | Location |
|------------------|--|--|----------------------------------|-----------------|
| Binding | Inner Mongolia Qianxin Graphite | 10,000 to 20,000 | Large and Jumbo | China |
| Binding | Qingdao Risingdawn Graphite Technology | 10,000 | Large and Jumbo | China |
| HOA | Jixi Puching Graphite | 7,500 | All | China |
| HOA | Qingdao Adtech Technical Eng. | 10,000 | All | China |
| MOU | Georg H. Luh GmbH | 12,500 | All | Germany |

Walkabout continues to progress a structured marketing strategy, and build key relationships in target markets where there is increasing demand for Lindi Jumbo graphite products. Discussions and negotiations with all potential market and offtake partners remain ongoing.

About Qingdao Risingdawn Graphite Technology Co. Ltd (QRGT)

QRGT is a private company founded in 2013 and is based in the Shandong Province of China. Company Website: www.rssm.cn.

QRGT is well known for its high quality and advanced upgrading techniques and are seen to be leaders in the Chinese export graphite market. Its graphite pipes, made with its proprietary technology are also exported to more than 10 countries including Europe and the US.

Its super fine graphite powder manufactured by its patented equipment also enjoy a highly regarded reputation in the industry inside and outside China. QRGT is also constructing an additional expandable graphite plant within its upgrading 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.

END