

ASX ANNOUNCEMENT

4 June 2015

Non-Renounceable Entitlement Offer

- **Rights Issue to shareholders to raise A\$1,148,529 to drill Lindi Jumbo**
- **Offer priced at \$0.0025c, a discount of 38% to last traded price**
- **Entitlement of 1 for 2 but shareholders can apply for shortfall shares**
- **Shortfall will be placed within 3 months of lodging the Prospectus**

Walkabout Resources Ltd (ASX:WKT) (the Company) is pleased to announce that it will undertake a non-renounceable pro rata entitlement offer (Entitlement Offer) to Eligible Shareholders (as defined below) on the basis of one fully paid ordinary share (New Share) at an issue price of \$0.0025 for every two shares (Shares) held by Eligible Shareholders to raise approximately \$1.15 million (before costs).

The Company has secured an Agreement for the staged purchase of 70% of four highly prospective graphite tenements in Tanzania. The project, known as the Lindi Jumbo Graphite Project is contiguous to the Nachu Project being developed in the region. The Nachu Project contains an exceptional ratio of 87% of large (+180-300 microns) and jumbo (+300 microns) graphite flake sizes. (*Reference: Magnis Resources Ltd Corporate Presentation 26/11/2014*).

This high ratio of flake size produces a premium graphite product and the basket price for the product realises a significant price premium against other graphite products available to the market. Initial test work has demonstrated that the Lindi Jumbo project will also produce an unusually high ratio of jumbo and large flake graphite. These products are forecasted to be priced at a significant premium to standard flake graphite.

The strategy to be adopted for the Lindi Jumbo Graphite Project is a fast-tracked but modest development model to capitalise on the current global market shortages. The Company also intends engaging an end-user partner very early in the process to assist with the development.

The Company wishes to conduct a low cost and localised ground EM survey and subsequent drill program at Lindi Jumbo during the next quarter and confirm the grade and metallurgy specifications of the deposit. Once the characteristics of the orebody have been determined, a modest resource will be drilled out and an end user partner can be engaged to assist with the fast tracked development of the project.

The Company is in the process of finalising a prospectus in regard to the Entitlement Offer (Prospectus) which it will lodge with the ASIC and announce to ASX in due course. A detailed timetable in relation to the Entitlement Offer will be set out in the Prospectus (Timetable).

The Entitlement Offer will be available to all holders of Shares in the Company (Shareholders) with a registered address in Australia and New Zealand (Eligible Shareholders) at the record date contained in the Timetable.

The Company will make an application to the ASX for official quotation of the New Shares.

Each Eligible Shareholders' entitlement (Entitlement) to subscribe for New Shares and New Options will be non-renounceable and the Entitlement Offer is not underwritten. New Shares issued pursuant to the Entitlement Offer will rank equally with all fully paid Shares on issue and the terms and conditions of New Shares and New Options issued under the Entitlement Offer will be disclosed in the Prospectus.

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Shortfall Placement

Because the Entitlement Offer is not currently underwritten, entitlements which are not taken up by Eligible Shareholders will form part of the shortfall offer (Shortfall). Subject to any restrictions imposed by law, Eligible Shareholders who have subscribed for their Entitlements in full may apply for additional Shares under the Shortfall (Shortfall Shares). Shortfall Shares will be issued to Eligible Shareholders at the discretion of the Directors. Subject to the Corporations Act and the ASX Listing Rules, the Directors reserve the right to deal with the Shortfall Shares which are not taken up by Eligible Shareholders under the Entitlement Offer within 3 months of lodging the Prospectus, including by inviting persons to apply for the Shortfall Shares.

The Directors have already held discussions with interested parties regarding the placing of the Shortfall.

Issue Price

The issue price offered under the Entitlement Offer will be \$0.0025 per New Share (Issue Price). The Issue Price represents a discount of 38% to the closing price of \$0.004 for Shares in the Company last traded on ASX on 03 June 2015.

Use of Funds

The Company will use the proceeds from the Entitlement Offer:

- (a) for exploration and evaluation work at its Lindi Graphite Project (earning up to 70%);
- (b) limited general operating expenses.

Further details of the use of the proceeds raised from the Entitlement Offer will be contained in the Prospectus.

The Company has recently decided to invest in the highly prospective Lindi Graphite Project in Tanzania (earning up to 70%). The graphite endowment from this area demonstrates high quality, large and jumbo flake graphite which commands a premium price in the market.

Effect on the Capital Structure of the Company

The number of issued Shares following the close of the Entitlement Offer is as follows:

Number of Shares currently on issue	918,823,489
Maximum number of New Shares to be issued under the Entitlement Offer	459,411,745
Maximum number of Shares on issue upon completion of the Entitlement Offer¹	1,378,235,234

Notes: 1. Assumes that the Entitlement Offer is fully subscribed.

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Ineligible Shareholders

The Company has decided that it is unreasonable to extend the Entitlement Offer to Shareholders with a registered address outside Australia and New Zealand (Ineligible Shareholders) having regard to:

- a. the number of Shareholders outside Australia and New Zealand;
- b. the number and value of New Shares that would be offered to Shareholders outside of Australia and New Zealand; and
- c. the cost of complying with the legal requirements, and requirements of regulatory authorities, in the overseas jurisdictions.

Accordingly, the Entitlement Offer will not be extended to Ineligible Shareholders.

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