ASX ANNOUNCEMENT

10 January 2017

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DIRECTORS

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

ORDINARY SHARES
102,017,115

UNLISTED OPTIONS
15,006,221

PROJECTS
Lindi Jumbo Graphite Project
Tanzania (70%)

Takatokwane Coal Project
Botswana (60%)

Kigoma Copper Project
Tanzania (75%)

Lindi Jumbo Scoping Study Highly Robust

Emerging African graphite producer Walkabout Resources Ltd (ASX:WKT), **(The Company)** is pleased to announce the results of a scoping study for a proposed open pit mine and graphite processing plant at the 70% held Lindi Jumbo Graphite Project in south eastern Tanzania. Project economics are highly robust as a result of the high grade nature of the project and the expected premium natural flake graphite product.

Scoping Study Parameters – Cautionary Statements

The scoping study referred to in this announcement has been undertaken to determine the potential viability of an open pit mine and graphite processing plant constructed onsite at the Gilbert Arc deposit and to reach a decision to proceed with more definitive feasibility studies.

It is a preliminary technical and economic study of the potential viability of the Gilbert Arc Graphite deposit. It is based on low-level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further evaluation work and appropriate studies are required before Walkabout Resources Limited will be in a position to estimate any ore reserves or to provide any assurance of an economic development case.

Approximately 55% of the total LOM production target is in the Measured Resource category while 45% is in the Indicated Resource category.

The Scoping Study is based on the material assumptions outlined elsewhere in this announcement. These include assumptions about the availability of funding. While Walkabout Resources Limited considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the range of proposed feasibility studies and potential mine development outcomes indicated in the Scoping Study, additional funding will likely be required. Investors should note that there is no certainty that Walkabout Resources Limited will be able to raise that funding when needed. It is also possible that such funding may only be available on terms that dilute or otherwise affect the value of the Walkabout Resources Limited's existing shares. It is also possible that Walkabout Resources Limited could pursue other 'value realisation' strategies such as sale, partial sale, or joint venture of the project. If it does, this could materially reduce Walkabout's proportionate ownership of the project.

The Company has concluded it has reasonable basis for providing the forward looking statements included in this announcement and believes that it has 'reasonable basis' to expect it will be able to fund the development of the project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

Scoping Study Outcomes

- Study area 100% within JORC 2012 **Measured and Indicated Resources**
- Lindi Jumbo deposit **technically and financially viable** with no immediate or obvious impediments to mining
- Project is economically viable even at **current "10 year low" prices**
- Key study outcomes:
    - *Elective annual production target between **25,000 and 40,000** tonnes graphite in concentrate*
    - *Operating cost per tonne in concentrate estimated at **US$290 to US$350** – second lowest amongst peer group and **lowest in Tanzania***
    - *Pre-production capex of approximately **US$35m to US$40m** with payback of less than 2 years – **lowest capex amongst peer group***
    - *Base case Pre Tax NPV[10] estimated to be **US$169m** for 25kt pa production option*
    - *Upside case Pre Tax NPV[10] estimated to be **US$304m** for 40kt pa production option*
    - *Pre Tax IRR estimate of **63%** for base case*
    - *Pre Tax IRR estimate of **97%** for upside case*
- Mine life in excess of 20 years
- Mine production rate of only between 150,000 tonnes per annum for the 25kt option and 250,000 tonnes per annum for the 40kt option
- Product basket price of **US$1,563**/tonne in concentrate using reasonable assumptions for future pricing
- Mill head feed projected at **16.7% TGC** leading to low working costs and capital requirements
- Product highly suitable for **Expandable Graphite** with test results of up to **590** times expandability
- Capital estimates have been subject to stringent independent verification
- Rapid and cost effective production expansion options available in response to market dynamics
- Definitive Feasibility Study well advanced and due for release in February 2017

Key components of the scoping study and the material assumptions used in the study are included elsewhere in this announcement. Information includes preliminary mine designs and estimated mine production schedules, metallurgical recoveries from test work, and costs based on comparison with similar operations and estimates provided by mining and engineering contractors. The basis of all material assumptions can be located in the section titled "Material Assumptions" on page 16.

Background

In January 2016, Walkabout completed a Maiden JORC 2012 Inferred Resource at the Lindi Jumbo Graphite Project in south eastern Tanzania. Currently, The Company holds 70% with an option to acquire 100% of the project at a pre-determined cost. The Resource was recently updated to Measured, Indicated and Inferred[1]. The updated Resource contains three discrete high grade zones which present the opportunity for selective, high grade mining.

The Company believes the very high grade nature of the Mineral Resource provides a competitive advantage in cost reduction and in metallurgical performance enabling the production of a premium graphite product able to secure premium sales prices in a highly competitive market.

As a result of the forecast high growth in demand for natural large-flake graphite and the premium nature of the product produced during test work, the Directors of the Company have elected to fast track the project to production. A definitive feasibility study is currently underway and due for publication during the 1st quarter of 2017.

The Company is currently in discussion with various parties regarding potential off-take deals or funding opportunities for the project.

Salient Points of the Scoping Study

Design Philosophy

The Company has chosen, during the initial stages of the Scoping Study, to consider two production rate options. The development philosophy is underpinned by the discrete and very high grade nature of three discrete domains within the Measured and Indicated Resource. Initial mining studies indicate that these may be extracted with minimum contamination from lower grade associated domains such that a reasonably high grade feed to the mill can be targeted.

As such, the potential high grade feed favourably affect the economics and mitigate potential market risk that may arise within the international graphite market.

Further to this strategy the Company believes that a second pillar of design needs to be the production of a premium product which may remain in short supply even in a highly contested supply environment. The Company has managed to achieve this with repeated test-work returning highly favourable ratios of the high value larger graphite flakes especially those in the Jumbo (+300µm) and Super Jumbo (+500µm) categories. This should allow the Company to negotiate higher than average prices even during periods of price slump due to potential oversupply of general natural flake graphite product smaller than 300µm.

The third pillar of the design philosophy is to not target too large an operation, increasing capital and operational risk during the early stages. It would be much more prudent to increase production from

[1] See ASX Announcement of 6 December 2016

a stable economic base than attempt too large an entry into the market which may be oversupplied with smaller flake natural "vanilla" graphite.

Preliminary Base Case 25,000 tpa Model

The base case employed during the Scoping Study was for the development of a mining and processing operation at Lindi Jumbo to produce an annual output of 25,000 tonnes per annum of four discrete products of graphite concentrate for sale FOB from the Port of Mtwara. Such an operation has been assessed technically and financially modelled to an estimated accuracy level of cost of ±25% by several specialist and independent consultants familiar with mining project development in Africa.

Such a level of production would entail the milling of only 3m tonnes over the 20 year life of mine, an average of only 150,000 tonnes per annum (12,500 tonnes per month).

It is challenging to get consensus amongst the graphite industry on future pricing. Several professional analyst organisations have published views on short term price forecasts. The Company has priced using a combination of analysts pricing from a 2014 professional study and current "10 year low" prices and provides a consensus view from discussions with industry analysts, end users and graphite traders in China. The study price used for the modelling of the Lindi Jumbo Project is a mixed basket price of US$1,563 per tonne. This price is derived by calculating the ratio of the four planned products and an estimated discrete price for each product based on its expected market supply and demand expectations.

Although the project will potentially deliver a sought after premium product with up to 85% of the flake graphite in concentrate above 180µm, the basket price used in the Scoping Study for Lindi Jumbo is up to 33% less than prices used in bankable feasibility studies for the ASX African based graphite peer group.

Preliminary Production Upside Case 40,000 tpa Model

The upside case model considered the increase of the initial production rate to 40,000 tonnes of graphite in concentrate per annum. The difference in processing capacity has already been built into the plant design and equipment sizing as a redundancy so minimal additional capital would be employed. This model has also been estimated in capex, working cost and life of mine production to an accuracy level of cost of ±25%. Mining production rates are increased to 260,000 tonnes per annum or a very modest 21,500 tonnes per month. A table for the two cases is provided below.

Table 1: Some financial modelling results for the preliminary base case model and the preliminary upside model.

Financial Metric	25,000 tpa		40,000 tpa
Operating Costs	350	US$/tonne conc	290
Capital Costs (pre-production) (inc cont, EPC, Duties)	35	US$m	40
Average Annual Free Cashflow	24	US$m	43
EBIDTA average annual	26	US$m	45
Pre Tax NPV[10]	169	US$m	304
Pre Tax IRR	63	%	97
Post Tax NPV[10]	113	US$m	208
Post Tax IRR	51	%	78
Operating Margin	72	%	76
Payback Period	24	Mths	19

Basis for Product Revenue

The Company believes this area to be one of the most important in establishing the economic credentials for a project valuation. A wide variety in price forecasts exists within the industry associated with forecast product mixes and possible future market demand related to the potential battery market and expandable materials industry and the associated level of product "upgrade".

The Company and its consultants have considered several issues when establishing a benchmark product revenue for the valuation. The following factors were considered:

- Potential product specifications supported by metallurgical test work and discounted,
- Specialist commodity analysts forecasts,
- Current prices across several product specifications,
- Discussions with various end-users, traders and industry specialists which led to the "Consensus Forecast".

The Company then developed a template of the above results and positioned the Lindi Jumbo mine concentrate product (not "upgraded") into the list derived from the above.

Table 2: Product pricing benchmarking[2]

Industry Technical Analysts US$ per size Category			*+500µm*	*+300µm*	*+180µm*	*<180 µm*
Spot Prices BMI 2016 Nov				1,250	850	675
Stormcrow Forecast 2018			2,596	811	650*	414
Stormcrow Forecast 2019			3,573	947	728*	508
Stormcrow Forecast 2020			6,175	1,165	841*	517
Consensus Forecast beyond 2020			3,500	2,000	1,250	750
	Average		3,961	1,235	1,005	529
	Lowest		2,596	811	811	414
	Highest		6,175	2,000	1,165	750
Lindi Jumbo	*Low*	*1,110*	*2,000*	*1,250*	*850*	*675*
	Base Case	*1,563*	*3,500*	*1,750*	*1,000*	*750*
	High	*2,088*	*4,000*	*2,500*	*1,750*	*875*

*Adjusted for comparison

The Company and its consultants have used a realistic basket price forecast of US$1,563 per tonne of concentrate for all financial modelling.

Stormcrow Capital is an international funding and industry specific research agency that provides consulting services. The 2014 Stormcrow report has been reconciled with nominal actual prices received for the years 2013 to 2016 and an overall correlation of 96.3% has been recorded with a minimum of 85.3% and a maximum of 100.3 being achieved.

In adopting its pricing assumptions based on the table above, the Company considered that the Stormcrow report of 2014, when combined with latest actual prices achieved and the Consensus Forecast provides a sound and reasonable analysis of the supply and demand forecasts for graphite concentrate.

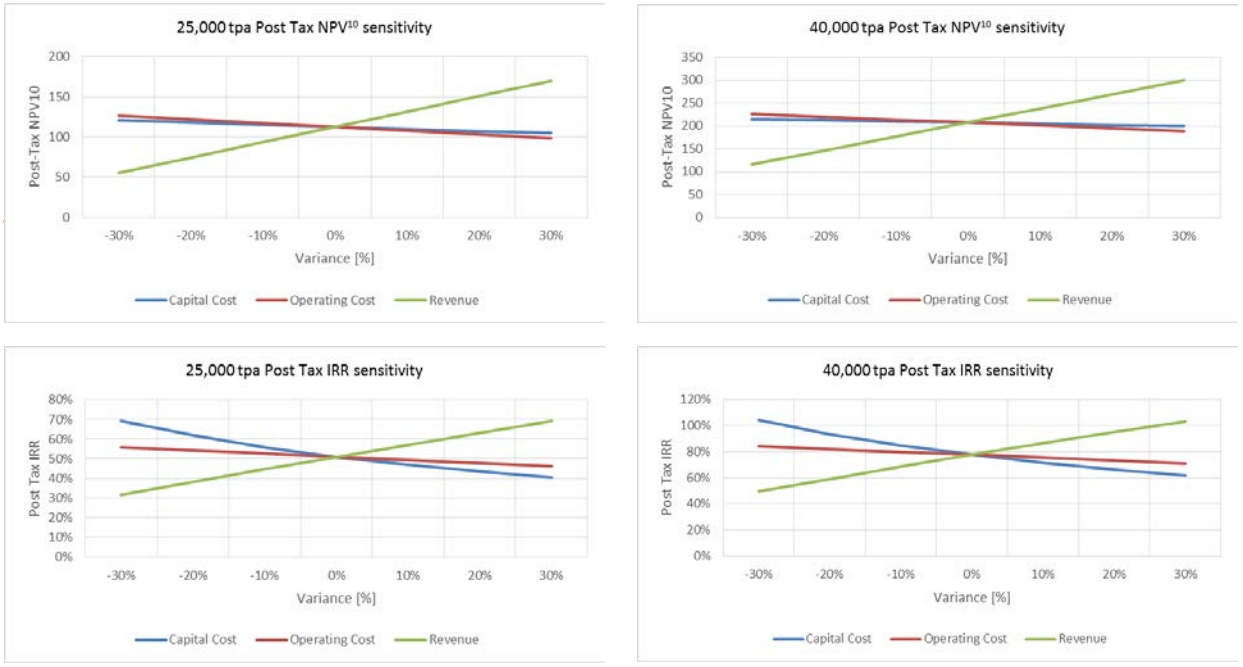
Modelling with current prices which represent a basket price for Lindi Jumbo of US$1,000 per product tonne still return a Pre Tax NPV[10] of US$34m for the base case and US$54m for the upside case.

[2] Sources are from public documents , presentations and discussions with market analysts and end users

Key Input Sensitivities

The modelling was subject to sensitivity analysis. Assessment of the results indicated that in both cases the most sensitive input assumption was the revenue, a direct function of graphite prices and the quality of product expected to be produced. A reduction of 30% in revenue still left IRR and the NPV in the positive, indicating the **highly robust nature of the project**.

The sensitivity of product revenue to NPV was also modelled and a reduction in basket revenue of 29% reduced the Post Tax NPV[10] of the base case to US$57m while an increase of 34% increased it to US$176m.



Batch Chart 1: Sensitivity charts to Post Tax NPV10 and IRR for both case options

Next Steps

The Company currently owns 70% of the Project with an option to acquire the remaining 30% for a once off payment of US$1 million for each of the four licences. The Lindi Jumbo Mine Project is situated on only one of the licences, PL9992/2014 and the Company intends utilising Project capital to purchase the outstanding 30% of this licence. The stature of the other licences will not be affected. Capital has been provided for this under the Scoping Study Capital Plan.

The Lindi Jumbo Graphite Project is being managed under a Fast-Tracked project methodology. The Company and its consultants are in the process of compiling a definitive feasibility study (DFS) to levels of accuracy that approximate ±15% of financial information.

The Project has been divided into nine Work Breakdown Structure (WBS) elements on a functional basis and the Company has prepared fully scoped enquiry documents for each of these areas and submitted them to appropriate service providers in each area located in Tanzania, South Africa and Australia. The combined detailed responses of these service providers input cost, schedule, manning and methodology data as direct input for the DFS. Immediately upon assessing these responses, the Company enters into further discussions with the preferred suppliers in regard to the nature, size and

timing of potential contracts. The Company's preferred contracting model is Fully Outsourced-Build-Own-Operate where possible.

This management system will allow initial project planning and logistics to eventuate under an accelerated timescale. Simultaneously with the direct study and construction initiatives the Company is engaging in product and project marketing in various locations and with various existing industry participants around the world. These discussions remain ongoing.

Funding Options

The Company believes that reasonable grounds exist to assume that funding for the Project will be will be available. The Company is currently in discussions with several parties regarding funding options for the Project. The details of these discussions cannot be disclosed at this time for commercial reasons. No material or binding Agreements for funding or product off-take have been signed at this time.

The Company believes that the highly robust economics, relative efficient capital intensity, premium products produced, and project size and approach will all facilitate successful fund raising for the project. However, successful funding remains a key risk associated with all proposed project developments.

Key Components of the Scoping Study

1. Resource Estimate

The updated JORC 2012 Measured, Indicated and Inferred Resource was announced to the ASX on 6 December 2016. The figure below shows an oblique view of the Gilbert Arc block model indicating the Mineral Resource classification zones where mining will be concentrated.

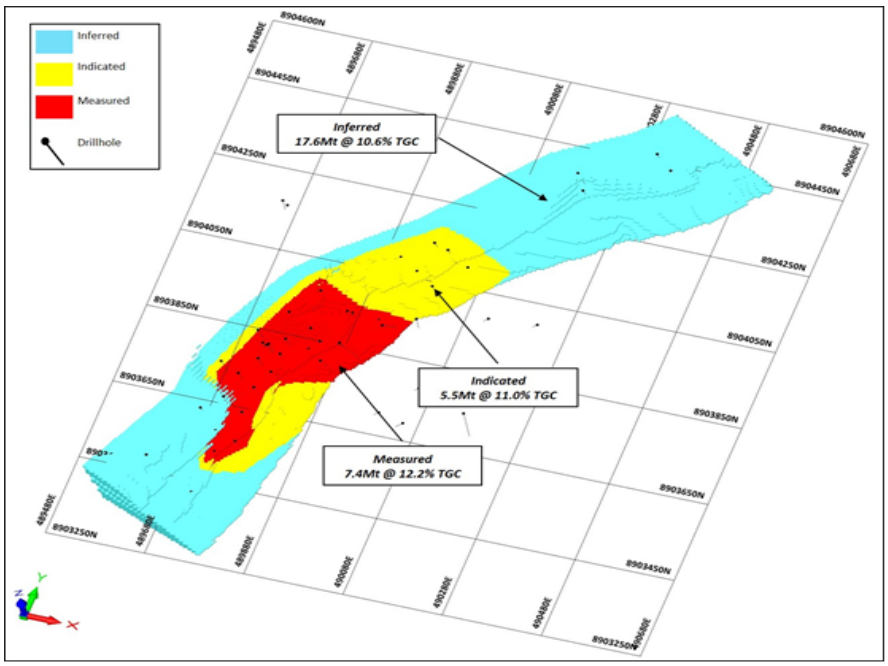


Figure 1: Oblique view of Gilbert Arc JORC 2012 Resource categories

The Lindi Mineral Resource has been classified as Measured, Indicated and Inferred, according to JORC 2012 and is shown in the table below.

Table 3: Resource category breakdown of the high grade western flank of the Gilbert Arc.

Main	Tonnes (millions)	TGC %	Contained Graphite (tonnes)
Measured			
1	3.9	7.1	276,900
3	0.9	13.2	118,800
7 (HG)	**0.5**	**20.7**	**103,500**
8 (HG)	**0.5**	**24.9**	**124,500**
9 (HG)	**0.7**	**24.1**	**168,700**
Sub-Total	**6.4**	**12.2**	**780,800**
Indicated			
1	3.6	6.9	248,400
3	0.7	12.0	84,000
7 (HG)	**0.4**	**20.9**	**83,600**
8 (HG)	**0.4**	**21.8**	**87,200**
9 (HG)	**0.5**	**23.0**	**115,000**
Sub-Total	**5.5**	**11.0**	**605,000**
Inferred			
1	11.8	8.4	991,200
3	2.7	12.2	329,400
6	1.3	9.9	128,700
7 (HG)	**0.5**	**19.7**	**98,500**
8 (HG)	**0.3**	**22.8**	**68,400**
9 (HG)	**0.9**	**24.9**	**224,100**
Sub-Total	**17.6**	**10.6**	**1,865,600**
Total	**29.6**	**11.0**	**3,256,000**

(1) High grade Domains 7,8 and 9 enveloped by Domain 1
(2) Low grade domain (eastern flank of The Gilbert Arc) not included in resource
Note: Appropriate rounding applied

There are three very high grade domains (Domains 7, 8 and 9) which extend to surface and are visually distinct from the lower grade enveloping Domain 1 (See Figure 1 and Table 1). The super high grade domains contain **4.7 Mt of ore at an average grade of 22.8% TGC (1, 07 million tonnes of contained graphite**) with metallurgical testwork of these domains indicating up to 85% of the concentrate above 180 microns (Large) and up to 25% of the concentrate in the SUPER JUMBO category[3]. The Mineral Resource (including the super high grade zones) remains open along strike and down–dip with further high-grade zones encountered in the hangingwall of the deposit (Domain 6).

No further work was done along the low-grade eastern flank (Domain 4) of the deposit. The Company's interpretation of this zone (4.1 Mt @ 4% TGC) was that it was too low grade to ever be mined economically and the grade can be seen as "background" as a 5% TGC cut-off was used along the western flank. The area is allocated for mining infrastructure development (waste dumps and stockpiles).

[3] see ASX announcement of 02 June 2016

2. Metallurgical Testwork

Testwork has been conducted at Nagrom Laboratories, Perth and at NGS Graphit laboratory in Leinburg, Germany. At Nagrom, scouting tests were undertaken on two selected high-grade samples (head grade about 33% TGC), from the Lindi Project. More formal testwork campaigns were then conducted on four composite ore samples representing the expected mining feed.

Grinding and flotation tests were conducted by NGS Graphit using a simple standardised methodology. The end use characteristics of concentrates produced were then investigated by NGS Graphit.

3. Mining Study

Mining at Lindi will be by open pit mining methods. The orebody outcrops on surface and is well suited to open pit mining. Mining design will consider all ore types and the limit of the mine design will be determined by a pit optimisation exercise. A pit optimisation was undertaken to determine the economic extent of mining in the Lindi (Gilbert Arc) ore body. The Whittle 4® pit optimisation software was used to undertake this work.

The main constraint on the production rate in the project is the off-take volume of product that can be sold. The Company has decided to plan on a base case production rate of 25,000 tonnes of graphite in concentrate per annum. To achieve this, the required run of mine feed to the plant is approximately 150,000 tonnes per year. The optimum pit shell (currently constrained to the Measured and Indicated resource area) contains 6.7million tonnes of ore. This will result in a mine life of 41 years. It was considered practical to plan on a mine life of 15 to 20 years. Consequently, the selected pit shell can be significantly smaller than the optimum pit shell generated in optimisation exercise.

4. Process Engineering

The graphite processing flow sheet incorporates the flowing unit processes:

- Ore receiving - ROM bin and apron feeder
- Crushing - a primary jaw crusher and secondary cone crusher.
- Drum Scrubber with Trommel Screen (Trommel Screen Oversize to Secondary Crushing)
- Milling – a single rod mill.
- Rougher/Scavenger Flotation
- Regrind cleaner flotation – four stages of concentrate attrition regrinding and cleaner flotation.
- Filtration and concentrate drying.
- Screening of final product concentrate.
- Bagging of concentrate.

The plant has been sized for a feed of 300 thousand tons per annum (ktpa) of ore with a grade of 15% Total Graphitic Carbon (TGC), to produce 40 ktpa of graphite flake concentrate with an average grade of 97% TGC. This corresponds to a graphitic carbon recovery of about 90%. The design basis was

1000 tons of ore per day for 300 days per year (50 weeks, 6 days per week, with an availability of 92% giving a running time of 6,600 hours per year.

The plant capacity is larger than required for the stated project capacity of 150 ktpa milled and 25 ktpa production. The plant will initially operate for a lesser number of days per year to match the output of the mine. The higher capacity (300 ktpa vs 180 ktpa) plant was chosen based on the anticipated small differential in price for the smaller plant, and also to facilitate future ramp up of production from 25 ktpa to 40 ktpa or more. The larger plant has advantages in terms of flexibility: it could also produce 40 ktpa by accepting a reduced feed rate of higher grade ore.

The processing plant design has been developed based on testwork results and on fundamental considerations of the nature of the ore and the need to interface with mining operations. The processing plant is designed with very limited intermediate storage. In practice, the plant feed rate will be set by the apron feeder speed.

5. Surface Infrastructure

Surface infrastructure to support the mining and processing has been conceptually designed and includes:

- Dewatering arrangements for the open pit.
- Bulk power supply – on site generation by diesel driven generators.
- Bulk water supply from a bore field in close proximity to the mine.
- Potable water supply.
- Camp and accommodation facilities.
- Offices and stores.
- Workshop for both plant and mining fleet maintenance
- A stream diversion which is required to divert an ephemeral stream around the proposed open pit.
- Site roads and storm water control.

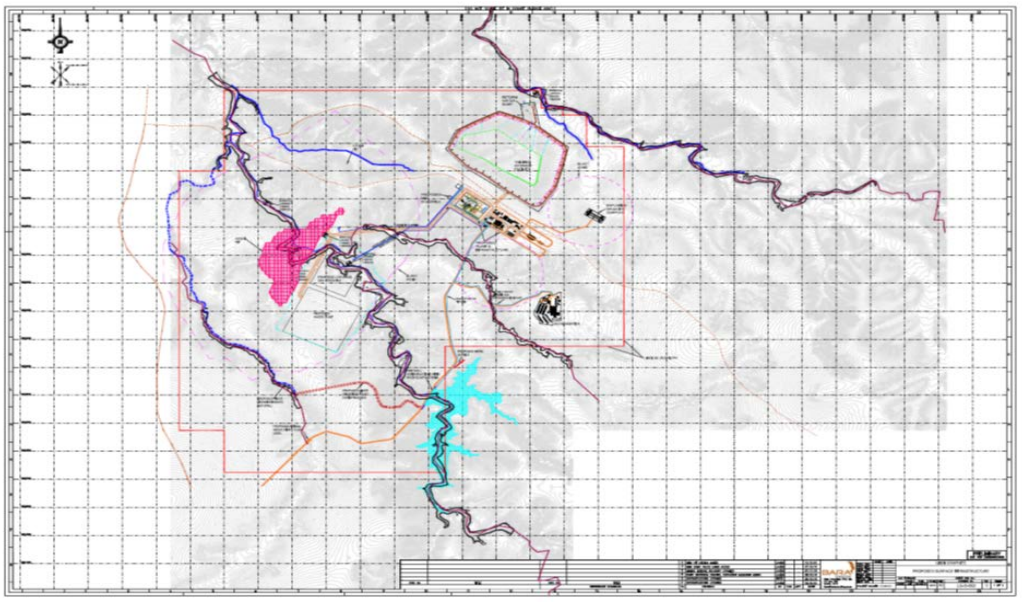


Figure 2: Surface infrastructure and site layout plan.

6. Environmental and Social Permitting Requirements

The proposed project area is partly occupied by a limited number of local people and some of them are involved in agriculture and domestic livestock keeping. The fauna is dominated by domestic animals. In terms of conservation significance, most of the flora and fauna of the area falls under the category of Least Concern (LC) under IUCN categorization.

Generally, the biodiversity value of the area is quite small compared to the benefits that will occur by executing the graphite mining project, especially to the local communities surrounding the project area. From the initial scoping study findings, it can be concluded that the impacts of the proposed project are minor and easily mitigatable.

In general terms, all the stakeholders view the project as a positive initiative in terms of community support by improving social services and social infrastructural facilities, i.e. health, road, water availability, village government offices and education facilities. Employment was viewed as one of the major positive impacts has to be brought by the developer and helps reduce the poverty level of the people in the Ruangwa District and other corners country wise. Other issues are related to fears of increasing land scarcity in the surrounding villages, loss of property/assets, land, crops/trees and houses for locals and water sources contamination and/or destruction

Preliminary Schedule

The project development schedule indicates that the Project can be constructed by the 1st quarter of 2018 provided that funding can be secured before the end of the end of April in 2017. Partial funding would also facilitate an earlier commitment to the long lead items.

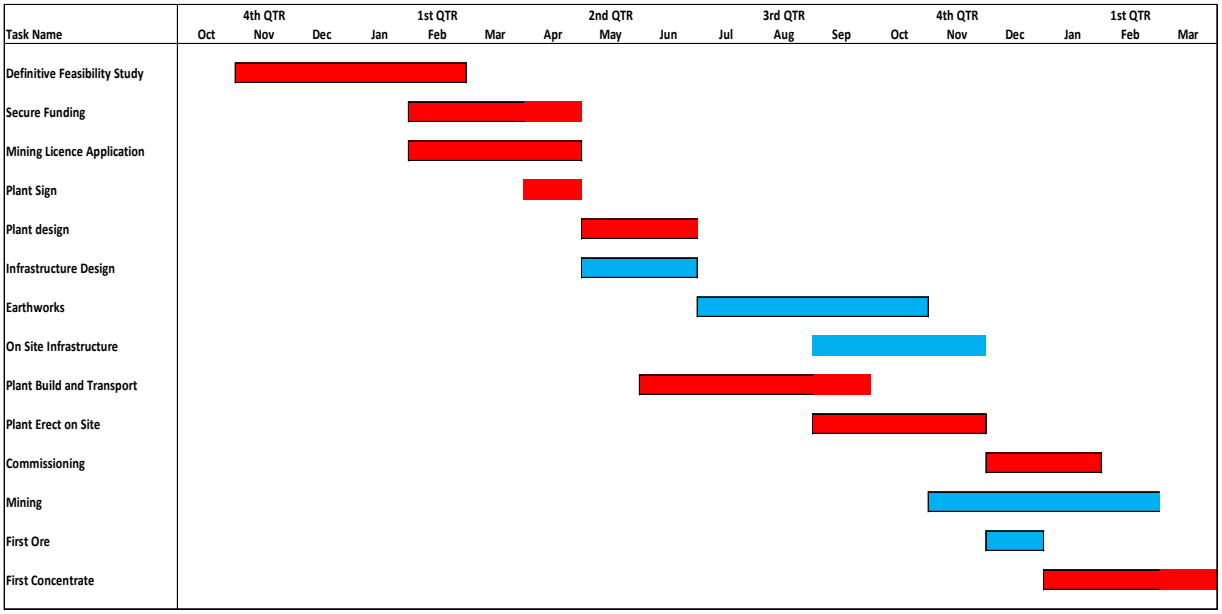


Figure 3: High level preliminary project schedule

Overview of Scoping Study

The Scoping Study was centrally managed from Johannesburg by independent mining consultancy Bara Consulting Pty Ltd with specialist independent consultants contributing to the resource definition, metallurgy, environmental and hydrology and social elements.

The following consultants contributed to the key components of the Scoping study:

Consultant	Scope of Work
Mr L. Barnes - Trepannier	Resource Estimation
Dr Evan Kirby – Perth	Metallurgical Testwork
Bara Consulting Pty Ltd - Johannesburg	Mining Study (Mine Design and Scheduling), Infrastructure Report compilation and financial modelling
Metallurgical Management Services Pty Ltd - Perth	Process Engineering and Infrastructure
Enviromine Consult Ltd - Tanzania	Environmental and Social Baseline Permitting and Mining Licence

Consents

All consultants engaged by WKT in the Lindi Jumbo Scoping Study have provided their consent to the data and the interpretations contained in this announcement.

For and on behalf on the WKT Board,

Allan Mulligan
Managing Director

About WKT

Walkabout is fast tracking the development of the Lindi Jumbo Project to take advantage of forecast market conditions for Flake Graphite deposits with high ratios of Large and Jumbo flakes. The Company has developed a proprietary processing technique based on an existing and proven flow-sheet used elsewhere in Africa and which yields exceptionally high ratios of Large (+180µm), Jumbo (+300µm) and Super Jumbo (+500µm) flakes into concentrate. This premium product will allow higher than average revenues to be achieved. The Company currently holds 70% of four licences at Lindi Jumbo with an option to acquire the remaining 30% share.

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

ENDS

Competent Person's Statement

Exploration Targets and Results

The information in this report that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr Andrew Cunningham (Director of Walkabout Resources Limited). Mr Cunningham is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Mineral Resources

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd), Mr Aidan Platel (Consultant with Platel Consulting Pty Ltd), Mr Andrew Cunningham (Director of Walkabout Resources Limited) and Ms Bianca Manzi (Bianca Manzi Consulting). Mr Barnes, Mr Platel, Mr Cunningham and Ms Manzi are members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Ms Manzi is the Competent Person for the geological database. Mr Barnes is the Competent Person for the resource estimation. Both Mr Platel and Mr Cunningham completed the site inspections. Mr Barnes, Mr Platel, Mr Cunningham and Ms. Manzi consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Metallurgy

The information in this document that relates to interpretation of metallurgical test-work and process plant design for a scoping study level assessment is based on information compiled or reviewed by Evan Kirby who is a Member of the Australian Institute of Mining and Metallurgy (AUSIMM). Evan Kirby is a consultant to Walkabout Resources Ltd. Evan Kirby consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Mining Study

The information in this document that relates to mine design for a scoping study level assessment is based on information compiled or reviewed by Clive Brown, a Member of the South African Institute of Mining and Metallurgy and Allan Mulligan who is a Member of the Australian Institute of Mining and Metallurgy (AUSIMM). Allan Mulligan is a full time employee of Walkabout Resources Ltd. Allan Mulligan consents to the inclusion in this document of the matters based on his information in the form and context in which it appears. Clive Brown is a full time employee of Bara Consulting Pty Ltd and provided Capital Cost and Operating Cost estimates for the mine and associated infrastructure

for the Lindi Jumbo Project financial model. The information in this document that relates to these inputs is based on information compiled or reviewed by Clive Brown. Clive Brown has extensive experience in the preparation of capital and operating cost estimates for mines and mineral processing plants. Clive Brown consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Forward Looking Statements and Disclaimers

This announcement includes forward-looking statements that are only predictions and are subject to risks, uncertainties and assumptions, which are outside the control of Walkabout Resources Limited.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, Walkabout Resources Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statements is based.

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Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

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Material Assumptions

Material assumptions used in the estimation of the production target and associated financial information are set out in the following table:

Criteria	Commentary
Mineral Resource estimate underpinning the production target	The Mineral Resource estimate declared on 6 December 2016 underpins the production target. This estimate was prepared by a Competent Person in accordance with JORC Code 2012. The production target is between 150,000 tonnes of ore @ 16% TGC for a total of 25,000 tonnes of graphite in concentrate. Approximately 55% of the total production target is in the Measured and 45% in the Indicated Resource categories. None of the production target is in the Inferred Resource category. A cut off of 5% TGC has been used.
Site Visits	Site visits were carried out by representative of the; • Independent Resource Consultant, representatives of the • Mining, Engineeringand geo-technical consultancy, • Hydrologists and Environmental consultancy • Metallurgical consultancy.
Study Status	The production target and financial information in this release are based on a scoping study. The scoping study referred to in this announcement is based on low-level technical and economic assessments and is insufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case at this stage or to provide certainty that the conclusions of the scoping study will be realised.
Mining factors or assumptions	A 95% graphite mining recovery and 5% dilution have been used. These are considered appropriate after assessing the favourable geometry of the Measured and Indicated Resource.
Metallurgical factors or assumptions	A mill and flotation recovery of 90% has been used. Furthermore, extensive metallurgical testwork has been carried out of the material in a Perth based independent laboratory. Following extensive metallurgical testwork of existing and new flowsheet applications for graphite, the Company has adopted a process flowsheet very similar to that used successfully in a previous graphite mining operation in Africa. Further attritioning optimisation of this flowsheet in order to preserve natural flake sizes has been proven in test work by the Company. The combined use of the proven flowsheet application and the optimised attritioning regime have resulted in flake size retention into concentrate amongst the best in the industry. Walkabout considers this combined process as Proprietary and the technical details of this process is commercially sensitive and cannot be disclosed to the market.
Environmental	An Environmental Scoping Document has been approved by the National Environmental Management Council of Tanzania. Furthermore, an Environmental Impact Assessment study has been submitted to the NEMC and has undergone due process. While the EIA is not yet approved, the Company has made a material assumption that any matters raised will not be material to the success of the Project as these will have been highlighted by the professional consultant.
Infrastructure	An assessment of public infrastructure has been carried out. On mine infrastructure has been scoped according to industry practice and quotations received.
Capital Costs	Capital estimates have been developed using a combination of enquiry to suppliers, benchmark projects and consultant databases. Capital costs are the cost of the shared services infrastructure, which includes all services, infrastructure and facilities used for the operation of the mine and process plant. • The cost of the processing plant, which includes all infrastructure related to processing the ROM ore and disposing of the tailings. • The cost of mine support infrastructure, including infrastructure required for explosives, in pit power and pumping. • The cost for the mobilisation of the mining contractor. • Indirect project costs, such as engineering costs, freight and contingency. • The cost for the purchase of 30% of the licence PL9222/2014 from the vendor. The capital costs do not make provision for the following: • Head office costs. • Mine closure and environmental costs. • Social responsibility costs. The costs presented are real costs and are exclusive of escalation.

<table>
<tr><td>Operating Costs</td><td>The basis of Operating Costs has been defined as the cost of all ongoing mining, processing and operational activities. Operating costs therefore comprise:
The cost of mining the ore and waste material from the open pit, including the cost of man power, consumables and bulk supply.
The cost of processing the ore to saleable products, including the cost of man power, consumables and bulk supply.
The cost of shared services for the support of the operation, including the cost of on-site labour, infrastructure, camp costs and bulk supply.
The cost of transporting the ore to the point of sale.
Operating costs have been determined through database costs, quotes and estimations based on similar operations. The costs presented have a base date of May 2016, are presented in United States Dollars.

The operating costs do not make provision for the following:
Head office costs.
Closure and environmental costs.
Off-site costs.
Social responsibility costs.
The costs presented are real costs and are exclusive of escalation. The Company believes that on-site operating costs will be within the lower quartile of the industry peer group. The basis for this assumption is the ability to discretely mine high grade Resource Domains 7,8 and 9 which enable a very high mill head feed grade (circa 16%TGC), and the very low cost of mining due to the surficial nature of the mineral deposit. The mining operation is simple and small requiring only 15,000 tonnes per month of feed grade of the Base Case scenario.</td></tr>
<tr><td>Revenue factors</td><td>Revenue is a function of graphite prices. The Company has established the characteristics of the expected final product through extensive test work programs in Perth, China and Europe. Price forecasts have been assumed from an examination of other studies, discussion with end users and market forecasts. The split of product ranges from test work is between;

<table>
<tr><th>Product Split Range from Testwork</th><th>Product Split used in Basket Price</th><th>Price Assumed for Modelling</th></tr>
<tr><td>6% and 25% for +500um material at +95% TGC</td><td>15%</td><td>USD3,500/t FOB</td></tr>
<tr><td>28% and 37% for +300um material at +95% TGC</td><td>35%</td><td>USD1,750/t FOB</td></tr>
<tr><td>26% to 27% for material +180um at +95% TGC</td><td>20%</td><td>USD1,000/t FOB</td></tr>
<tr><td>30% for material smaller than 180um</td><td>30%</td><td>USD750/t FOB</td></tr>
</table>

The Company has laid out its basis for adopting product pricing on page 5 in this report. The Company believes that combining the three elements of Stormcrow Forecast 2014, BMI actual index prices and the Consensus Forecast from discussions with end users and traders provides a reasonable basis for the valuation of the pricing model.

The Consensus Forecast is derived from discussions with industry end users, analysts and traders related to the latest supply and demand forecasts considering the potential future growth of the battery and expandable products market in the medium term.

Risks associated with these assumptions are that the product split is not achieved and/or that the price assumptions are not met by the prevailing graphite market. The Company has based these assumptions on publicly available market forecasts by expert industry analysts and has taken a conservative position on both sets of assumptions.

The assumed basket price used is more conservative than other more advanced projects.</td></tr>
<tr><td>Schedule and Timeframe</td><td>The project development schedule indicates that the Project can be constructed and be in production by the 1st quarter of 2018 provided that funding can be secured before the end of the end of April in 2017. Partial funding would also facilitate an earlier commitment to the long lead items.</td></tr>
<tr><td>Market Assessment</td><td>The international graphite market is expected to expand significantly over the next 5 years. Much market attention has been dedicated to this matter. The Company has tested its product with several end-user and trading house participants and has been informed that the product is marketable and within specification. The Company has assumed, at this time, that the product</td></tr>
</table>

	will be sold.
Funding	The Company believes that reasonable grounds exist to assume that funding for the Project will be will be available. The Company is presently in detailed discussions with several parties regarding the provision of Project funding but cannot disclose these parties at this time. As of the date of this release, no material or binding Agreements have yet been concluded. The Company believes that the highly robust economics, relative efficient capital intensity, premium products produced, and project size and approach will facilitate successful fund raising for the project. The ability of a Project to be funded remains a key risk to successful project implementation.
Economic	A discount rate of 10% has been used for financial modelling. This number was selected as a generic cost of capital and considered a prudent and suitable discount rate for project funding and economic forecasts in Africa. The model has been terminated at 20 years even though many years of resource still remain.
Social	The Company has embarked on several exercises in relation to the local communities in the area. General acceptance of the project is good. No material risks have been identified in this regard.
Other	There are no known naturally occurring material risks to the Lindi Jumbo Graphite Project.
Classification	• Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). • The classification of the Mineral Resources was completed based on the geological continuity, estimation performance, number of drill samples, drill hole spacing and sample distribution. The Competent Person is satisfied that the result approximately reflects his view of the deposit. • Continuous zones meeting the following criteria were used to define the resource class: <u>Measured Resource</u> Drill spacing less than 50m by 50m <u>Indicated Resource</u> Drill spacing up to 100m by 100m <u>Inferred Resource</u> Drill spacing wider than 100m by 100m Mineral Resource Estimation and Reporting methods are discussed in “Section 3 of Appendix A, JORC Code, 2012 Edition – Table 1 reporting template”
Audit or reviews	The mining and processing and infrastructure components of the scoping study were independently reviewed by Walkabout specialist consultants. No material issues were identified by the reviewers.

Appendix A

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• *2015 Reverse Circulation (RC) drilling was done and samples were split using a cone splitter into 1m samples. All primary samples as well as sample spoils are weighed and the results recorded.* • *2016 Reverse Circulation (RC) drilling was done and one metre samples were collected in a large sample bag beneath the cyclone. Individual one metre samples were split using a riffle splitter (75%/25% split). All large sample bags were weighed before splitting.* • *All RC intervals were geologically logged by a suitably qualified geologist and mineralized intersects (graphitic zones) dispatched to SGS in Mwanza or BV in Dar es Salaam, Tanzania for processing.* • *Diamond drilling (DD) was done to collect adequate samples for metallurgical and ore characterization testwork. Graphitic zones were sampled (1/2 and ¼ HQ3 core) using a diamond saw.* • *Trenches: Standardized sampling methods include continuous chip samples of approximately 4 cm wide being collected along the northern edge of the trench floor consisting of about 3 kg to 4 kg of material per sample. Hammers and chisels were used to gently dislodge the weathered rock along the channel profile. A large plastic bag was laid out on the trench floor beneath each sample to collect the chip samples. This ensured that the sample was not contaminated by rubble or fines from the trench floor.* • *Graphite quality and rock classifications were visually determined by field geologist.*

Criteria	JORC Code explanation	Commentary
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• *Reverse Circulation and Diamond Drilling was conducted* • *RC Sampling was done with a 5 ½" face sampling bit (2015 and 2016).* • *Core size was HQ3 (61.1mm diameter) triple tube system. All inclined core holes were oriented using a Reflex ACTZ orientation tool.*
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• *RC (2015) recovery was recorded by visual estimation of recovered sample bags and all sample rejects from the cone splitter were weighed and the weights recorded. All A and B samples were weighed to assess the accuracy of the sampling process. Recovery was generally of good quality.* • *RC (2016) recovery was recorded by visual estimation of recovered sample bags with all primary one metre samples collected through a cyclone weighed and the weights recorded.* • *Sample recovery was Measured and recorded for each core run* • *Downhole depths were validated against core blocks and drillers sheets* • *Minor core loss was recorded in the weathered zones* • *Twin hole comparison of RC vs Diamond Indicated that there is no sample bias for graphite assays* • *There does not appear to be any relationship between sample recovery and grade.*
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• *All drillholes were geologically logged in full by an independent geologist.* • *All data is initially captured on paper logging sheets and transferred to pre-formatted excel tables and loaded into the project specific drillhole database.* • *The logging and reporting of visual graphite percentages on preliminary logs is semi-quantitative. A reference to previous logs and assays is used as a reference.* • *All logs are checked and validated by an external geologist before loading into the database. Logging is of sufficient quality for current studies.*

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• *Reverse Circulation (RC) samples were split using a cone splitter (2015) and riffle splitter (2016) into 1m samples. All primary samples and RC spoils were weighed and the results recorded. The vast majority of the samples were dry.* • *Duplicate samples were taken approximately 1:20 and were collected by spearing approximately 3kg from the representative 1m interval sample reject (2015) or by splitting the 75% reject to obtain a duplicate sample (2016).* • *QC measures include field duplicate samples, blanks and certified standards (1:20) over and above the internal controls at the laboratories (SGS and NAGROM).* • *All sampling was carefully supervised. Ticket books were used with pre-numbered tickets placed in the sample bag and double checked against the ticket stubs and field sample sheet to guard against sample mix ups.* • *All RC intervals were geologically logged and mineralized intersects dispatched to SGS in Mwanza or BV in Dar es Salaam for sample preparation, and subsequently to Perth for assaying of pulps.* • *All samples were separately crushed and pulverized to 75% passing 2 mm, split, pulverize <1.5 kg to 85% passing 75 um.* • *SGS: Graphitic Carbon Leco Method by CSA05V (0.01% lower detection and 40% upper detection limit), HNO3 leach, LECO Ash and total digest of carbon samples for multi element analyses. The solution from the above DIA40Q digest is presented to an ICP-OES for the quantification of the elements of Interest (V) with 1 ppm lower detection limit and a 10,000ppm upper limit (2015).* *NAGROM: Labfit CS2000 combustion/IR analyser was used for Graphitic Carbon (0.1 % to 100% detection limits).*

Criteria	JORC Code explanation	Commentary

		• *Diamond core samples were cut lengthwise using a manual core saw on site. The core was cut in half, and then one half was quartered to provide samples for metallurgical testwork and assaying respectively.* • *Individual meter samples within graphitic zones were packed and sealed in clearly labeled plastic bags for transport* • *Duplicate samples were inserted at the NAGROM Lab in Perth using a coarse crushed split of the specified sample interval. Coarse duplicates were inserted approximately 1:20 samples.* • *The quarter core analytical samples were separately crushed to 2mm, dried at 105°then pulverized to 95% passing 75 µm.* • *Graphitic Carbon (TGC; CS003, 0.1% lower detection), and Total Carbon analysis (TC; CS001, 0.1% detection limit) is analysed by Total Combustion Analysis.* • *For TC and TGC, the prepared sample is dissolved in HCl over heat until all carbonate material is removed. The residue is then heated to drive off organic content. The final residue is combusted in oxygen with a Carbon-Sulphur Analyser and analysed for Total Graphitic Carbon (TGC) and Total Carbon (TC).* • *Sample size is appropriate for the material being tested.*
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• *QC measures include duplicate samples, blanks and certified standards (1:20) over and above the internal controls at the laboratories* • *Due to the systematic, robust and rather intensive nature of quality control procedures adopted, WKT is confident that the assay results are accurate and precise and that no bias has been introduced.*
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• *An external geological consultant conducted a site visit in September 2015 and August 2016 during the drilling programs to observe all drilling and sampling procedures. All procedures were considered industry standard, well supervised and well carried out.*

Criteria	JORC Code explanation	Commentary
		• *All data is initially captured on paper logging sheets, and transferred to pre-formatted excel tables and loaded into the project specific drillhole database. Paper logs are scanned and stored on the companies server. Original logs are stored at a secure facility in Ruangwa.* • *Assay data is provided as .csv files from the laboratory and entered into the project specific drillhole database. Spot checks are made against the laboratory certificates.*
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• *Collar positions were set out using a handheld Garmin GPS with reported accuracy of 5m and reported using WGS84, SUTM Zone 37.* • *Three pegs were lined up using a Suunto compass and a rope laid out on the ground between the three pegs to align the rig. Once the drilling was complete the final collar position was recorded using a handheld Garmin GPS.* • *Downhole surveys (dip and azimuth) were taken using a Reflex electronic multi shot instrument.* • *An accurate collar position survey was conducted by an independent surveyor and the survey reports have been received*
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• *2015 Drillholes were to test pre-determined geophysical targets and are thus not on a pre-determined grid.* • *The 2016 infill drilling program was conducted on a pre-determined grid with the aim increasing the confidence of the resource.* • *Infill drilling over a large portion of the deposit was done on a grid of 50m x 50m* • *No sample compositing has been done.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Surface mapping and interpretation of the VTEM data shows that the lithologies dip between 15 and 50 degrees to both the NW and SE on the limbs of various syn- and antiforms in the area.* • *Drillholes were planned to intersect the lithology/mineralisation at right angles or as close as possible to right angles.*
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• *Surface mapping and interpretation of the VTEM data shows that the lithologies dip between 15 and 50 degrees to both the NW and SE on the limbs of various syn- and antiforms in the area.*

Criteria	JORC Code explanation	Commentary
		• *Drillholes were planned to intersect the lithology/mineralisation at right angles or as close as possible to right angles.*
Sample security	• *The measures taken to ensure sample security.*	• *Samples were split and sealed (tied off in calico or plastic bags) at the drill site and transported to the Exploration Camp for processing. All samples picked for analyses are placed in clearly marked polyweave bags (10 per bag), and were stored securely on site before transported via a courier company to the prep labs in Mwanza and Dar es Salaam.*
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	*An external geological consultant conducted a site visit in September 2015 and August 2016 during the drilling programs to observe all drilling and sampling procedures. All procedures were considered industry standard, well supervised and well carried out.*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The drilling was located on one granted Exploration License (PL9992/2014). The Company currently holds 70% of four licenses at Lindi Jumbo with an option to acquire the remaining 30% share. WKT, through its 100% Tanzanian subsidiary, Lindi Jumbo Limited (Company Registration Number 124563), now has registered title to the four licenses subject to anniversary payments being made to the Vendor for three years from the date of the Memorandum of Understanding, 13 May 2015.* • *The company is not aware of any impediments relating to the licenses or area.*
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *The drilling was located on one granted Exploration License (PL9992/2014). The Company currently holds 70% of four licenses at Lindi Jumbo with an option to acquire the remaining 30% share. WKT, through its 100% Tanzanian subsidiary, Lindi Jumbo Limited (Company Registration Number 124563), now has registered title to the four licenses subject to anniversary payments being made to the Vendor for three years from the date of the Memorandum of Understanding, 13 May 2015.*
Criteria	**JORC Code explanation**	**Commentary**
		• *The company is not aware of any impediments relating to the licenses or area.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *As far as the company is aware no exploration for graphite has been done by other parties in this area. Some gemstone diggings for tourmaline are present in the PL.*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• *The project area is situated in the Usagaran of the Mozambique belt and consists of graphitic gneisses and schists interpreted to occur along the flanks of various anti- and synforms in the area with the lithological units dipping at between 15 and 50 degrees to the NW and SE.*
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	• *Trench and Drillhole coordinates and orientations are provided in Table 3 of this report.* • *Drillhole coordinates previously reported (see ASX announcement of 19 January 2016 and 1 September 2016*

	o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	*All azimuths are approximately 120 degrees.*
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Trench results: weighted averages are used with a 5% TGC cut-off and ≤3m internal waste (<5% TGC). Results are rounded to the nearest 10th.* *RC: Aggregate graphite intersections are quoted using a cutoff of 5% TG and were averaged as all sample intervals are equal.* *DD: weighted averages are used with a 5% TGC cut-off and ≤3m internal waste (<5% TGC). Results are rounded to the nearest 10th.* *DD and Trench: Individual sample intervals are ≥50cm and ≤150cm.* • *No metal equivalent values have been reported.*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *The drilling is at right angles (or as close as possible to) the mapped strike of the outcropping lithologies.* • *All intercepts are reported as down-hole lengths and are aimed at being as perpendicular to mineralisation as practical.*
Criteria	**JORC Code explanation**	**Commentary**
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *A drillhole/trench plan is provided in Figure 4.*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	*All sampled intervals are reported individually in the "Hole and trench locations and mineralised intercepts" table above.*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• *Previous announcements include the release of assay data related to surface "dig and grab" samples (ASX: 14 May 2015) and also to the results of an Airborne VTEM Survey (ASX: 19 September 2015).* • *Graphite characterization Petrography results(ASX: 30 July 2015), and initial metallurgy (ASX: 3 June 2015).* • *Drill assay results (4/11/2015, 16/11/2015, 24/11/2015, 1/12/2015, 8/12/2015, 21/12/2015 and 27/9/2016).* • *Metallurgical Results (8/01/2016, 18/02/2016, 2/06/2016, 07/07/2016) Maiden JORC Resource (19/01/2016)*
Further work	• *The nature and scale of planned further work (eg tests for*	• *Exploration drilling will be ongoing.*

	lateral extensions or depth extensions or large-scale step-out drilling). • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	*Further holes are planned to test targets generated through the VTEM survey and surface mapping on the various licenses.*

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* *Data validation procedures used*	• *The database was compiled by WKT using Microsoft Office software.* • *The database was supplied for use for resource estimation as a Microsoft Access database.* • *The database was imported to Leapfrog™ software and also linked to Geovia Surpac™ (industry standard resource modelling and estimation software). No errors were identified in the database supplied in visual checks and through the Leapfrog and Surpac importing/connect processes.* • *Normal data validation checks were completed on import to the Access database.*
Criteria	**JORC Code explanation**	**Commentary**
		• *All logs were supplied as Excel spreadsheets and any discrepancies checked and corrected by field personnel. Data has been checked back to hard copy results*
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• *Andrew Cunningham (appointed 13 November 2015 Director Walkabout Resources Ltd, and Competent Person) initially visited the site in July 2015 followed by a further visit in September 2015 whilst an independent geological consultant.* *Aidan Platel, Competent Person (Platel Consulting PTY Ltd) completed a site visit in August 2016 covering all aspects of the site work and the 2016 drilling program.* • *All drilling and sampling procedures were considered industry standard, well supervised and well carried out.*
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• *The confidence in the geological interpretation is considered robust for the purposes of reporting a Measured, Indicated and Inferred Resource. Graphite is hosted within graphitic schists and gneisses of the Neoproterozoic Mozambique Belt. These graphite rich zones dip to the north-west and south-east at 15-45° and are interpreted to occur on the flanks of various syn- and antiforms in the area.* • *Four main zones are modelled, with the main zone (Zone 1) including three internal high grade veins as separate domains (7, 8 and 9) which shown clear continuity.* • *The geological interpretation is supported by geological mapping, trenching and drill hole logging and*

		mineralogical studies completed on Walkabout's recent drillholes plus geophysical survey data (VTEM). • *Weathered zones (oxide and transition) of reasonably uniform depth (averaging 2-3m and 6-10m) were interpreted based on the geological logs and coded into the block model.* • *No alternative interpretations have been considered at this stage.* • *Logged graphite rich zones in the graphitic schists correlate extremely well with TGC assay grades.*
Criteria	**JORC Code explanation**	**Commentary**
		• *The key factors affecting continuity (known to date) are the presence of graphitic schist host rocks plus VTEM conductors.*
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• *The modelled mineralised zone has dimensions of 1,400m (surface trace striking 030) with four main mineralised zones (one with a high-grade core) ranging in thickness up to 35m (Domain 1 including high grade core), 10m (Domain 3), 20m (Domain 6) and 30m (Domain 4 – eastern lower grade zone) ranging between 100m and 245m RL (AMSL).*
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or*	• *Grade estimation using Ordinary Kriging (OK) was completed using Geovia Surpac™ software for TGC (%).* • *Drill spacing typically ranges from 35m to 160m with one section break of 300m.* • *Drillhole samples were flagged with wireframed domain codes. Sample data was composited for TGC 1m using a best fit method with a minimum of 50% of the required interval to make a composite.* • *Influences of extreme sample distribution outliers were analysed for potential top-cutting on a domain basis. Top-cuts were decided by using a combination of methods including grade histograms, log probability plots and statistical tools. Based on this statistical analysis of the data population, top-cuts for TGC were not required.* • *Directional variograms were modelled by domain using traditional variograms. Nugget values for TGC are moderate (between 20 and 35%) for the lower grade domains and structure ranges up to 230m. Block model was constructed with parent blocks of 10m (E) by 25m (N) by 10m (RL) and sub-blocked to 2.5m (E) by 6.25m (N) by 2.5m (RL). All*

	capping. • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	*estimation was completed to the parent cell size. Discretisation was set to 5 by 5 by 2 for all domains.* • *Three estimation passes were used.*
Criteria	**JORC Code explanation**	**Commentary**
		• *The first pass had a limit of 75m, the second pass 150m and the third pass searching a large distance to fill the blocks within the wireframed zones. Each pass used a maximum of 12 samples, a minimum of 6 samples and maximum per hole of 4 samples.* • *Search ellipse sizes were based primarily on a combination of the variography and the trends of the wireframed mineralised zones. Hard boundaries were applied between all estimation domains.* • *Validation of the block model included a volumetric comparison of the resource wireframes to the block model volumes. Validation of the grade estimate included comparison of block model grades to the declustered input composite grades plus swath plot comparison by easting, northing and elevation. Visual comparisons of input composite grades vs. block model grades were also completed.* • *One previous resource estimation exists for this deposit as reported by Walkabout in January 2016 (Inferred Mineral Resource of 15.3Mt @ 10.1% TGC).*
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content*	• *Tonnes have been estimated on a dry basis.*
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• *Grade envelopes have been wireframed to an approximate 5% TGC cut-off for Domains 1, 3 and 6 allowing for continuity of the higher-grade zone. The lower grade Domain 4 is wireframed to an approximate 3-4% TGC cut-off. Based on visual and statistical analysis of the drilling results and geological logging of the graphite rich zones, this cut-off tends to be a natural geological change and coincides with the contact between the graphite rich schists and the other host rocks (i.e. biotite schists and gneisses, garnet gneisses and occasional dolomites).*

Criteria	JORC Code explanation	Commentary
		• *The material from within the modelled oxide/transition zone has been included in the reported Inferred Resource for now. It is noted there is a risk that future metallurgical testwork may deem this material unusable.*
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• *Based on the orientations, thicknesses and depths to which the graphitic rich zones have been modelled, plus their estimated grades for TGC, the potential mining method is considered to be open pit mining.*
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• *Perth based NAGROM Metallurgical plus specialist metallurgical consultants, Battery Limits Pty Ltd and Dr Evan Kirby of Metallurgical Management Services have completed extensive metallurgical testwork and have recovered graphite flake of marketable qualities.* • *Metallurgical composite samples were prepared from half HQ core (fresh material for high-grade and low-grade composites) along the strike of the orebody, as well as from weathered high grade material in outcrop.*
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• *Appropriate environmental studies and sterilisation drilling have been completed to determination of the location of any potential waste rock dump (WRD) and TSF facilities.* • *Environmental monitoring is underway and the detailed project scale environmental study is well advanced*
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been Measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• *Walkabout Resources completed specific gravity testwork on 307 drill core samples across the deposit using Hydrostatic Weighing (spray seal coated).* • *Of these 307 samples, 175are from within the modelled mineralised domains.*

Criteria	JORC Code explanation	Commentary
		• *Statistical analysis of the samples and comparison against depth and TGC grade identified a clear relationship between bulk density (BD) and TGC grade for Domain 1 (plus the high grade core domains). As such, the BD within these two domains was calculated by the equation: BD = (-0.0113x TGC%) + 2.8255.* • *For Domains 3 and 6, the relationship was not so clear so the average BD for the zone of 2.5 g/cm3 was used.* • *Domain 4 was not intersected by any of the diamond core holes, so the average of 2.5 g/cm3 was applied.* • *For the modelled oxide/transition zone, a reduced BD of 2.0 g/cm3 was used.*
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• *The Mineral Resource has been classified on the basis of confidence in the geological model, continuity of mineralised zones, drilling density, confidence in the underlying database and the available bulk density information.* • *All factors considered; the resource estimate has in part been assigned to Measured, Indicated and Inferred Resources.*
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• *Whilst Mr. Barnes (Competent Person) is considered Independent of Walkabout Resources, no third party review has been conducted.*
Discussion of relative accuracy/confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• *The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.* • *The statement relates to global estimates of tonnes and grade.*