

## ASX ANNOUNCEMENT

28 July 2017

WALKABOUT RESOURCES LTD  
ACN 119 670 370

ASX Code: WKT

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### DIRECTORS

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

ORDINARY SHARES  
145,878,436

UNLISTED OPTIONS  
27,800,019

### PROJECTS

Lindi Jumbo Graphite Project  
Tanzania (70%)

Takatokwane Coal Project  
Botswana (60%)

Tantalite Valley Lithium Project  
Namibia (100%)

## June 2017 Quarterly Activities Report

Walkabout Resources Ltd (ASX:WKT) is pleased to report its activities in Tanzania, Botswana and Namibia for the June 2017 Quarter.

### Highlights

- *Three Sales & Purchase Heads of Agreements for 75% of production*
- *EPCM Heads of Agreement with Deferred Payment Funding signed*
- *Lindi Jumbo Environmental Approval Granted*
- *First Namibian Lithium licence (100% WKT) granted with second pending*
- *Kimoigan Graphite licence (100% WKT) in Tanzania granted*
- *Pilot scale test work at BGRIMM in China successfully completed*
- *Company undertakes review and rationalisation of licence holdings*
- *Successful completion of Share Purchase Plan*
- *Tanzanian Government amends Mining Act (Post quarter event)*

Executive Chairman of Walkabout Resources, Trevor Benson commented; *"This has been an exceptional Quarter for the Company and the Project. The signing of graphite sales agreements along with the EPCM funding HOA and commencement of detailed engineering work mark significant milestones that will rapidly move the Project into the development phase."*

### Lindi Jumbo Graphite Project - Tanzania

During the period under review, the Company executed three separate Heads of Agreements (HOA) with graphite traders and end-users based in Europe and China. The HOA's called for formal Sales and Purchase Agreements to be concluded by the end of the year and for a total quantity of some 30,000 tonnes per annum of premium graphite products to be contracted.

The Company executed a Heads of Agreement with Jinpeng Mining and Machinery Co. Ltd. of Yantai, China for the Engineering, Procurement and Construction Management of the Lindi Jumbo Project with a deferred payment funding scheme of up to 80% of the loan to be provided by the Silk Road Funding initiative of the Chinese government.

The Company has been focussed on managing this process and has sent key personnel to China to work with Jinpeng to plan and initiate detailed engineering and design specification work.

During the Quarter the National Environmental Management Council of Tanzania issued the Environmental Certificate for the Lindi Jumbo Project and this has cleared the way for finalisation of the Mining Licence Application.

Beijing based BGRIMM technical research and equipment manufacture specialist has completed a pilot scale test work programme on Lindi Jumbo ore. The results were directly in line with expectations and independently validate the metallurgical test work programme carried out by the Company at Nagrom in Perth under the supervision of Dr. Evan Kirby. Comments from BGRIMM include reference to Lindi Jumbo ore being the best quality graphite ore their technical team has ever tested.

Shortly after the end of the period, the Tanzanian Government moved to unilaterally change the Mining Act of 2010 with several controversial amendments. These included a mandatory free carry of 16% of all mining projects, the suspension of international arbitration provisions, the immediate re-negotiation of all Mining Development Agreements and other provisions relating to closer management of the National Minerals Endowment. Insofar as these affect the Lindi Jumbo Project, the Company has released statements to the ASX and is continuing to assess the impacts in dialogue with the Government and legal advisors. Mining Licence and Special Mining Licence Applications have been halted while the National Assembly prepares the supporting Mining Regulations for discussion and approval.

### *Tantalite Valley Lithium Licence - Namibia*

Walkabout Resources has been issued Exclusive Prospecting Licence (EPL) 6309 by the Ministry of Mines and Energy (MME).

The decision of the MME with regards Walkabout's application for EPL 6308, adjacent and immediately to the south of EPL 6309 is still pending.

The MME has not issued any licenses within the Dorop National Park along the west coast of Namibia and is in the process of withdrawing all applications within this area. Subsequently Walkabout's three applications within this area have not been approved (See ASX announcement of 20 April 2016).

EPL 6309 is located in the extreme south of Namibia to the north of the known Orange River Pegmatite Belt (ORPB) (Figure 1). The ORPB is the Namibian portion of the Northern Cape Pegmatite Belt which extends from the Kenhardt area in the east, up through Southern Namibia and back down into South Africa in the vicinity of Henkries and Australian Vanadium Ltd's Blesberg project area.

The southern half of EPL6309 is underlain by prospective Mokolian aged gneiss, amphibolites and ultramafic, that appear to be predominantly covered by recent windblown sands, and are unconformably overlain by outcropping Karoo aged sediments and dolerite sills to the north (Fig. 1).

One zoned Li bearing pegmatite is described from the Tantalite Valley pegmatite swarm (the Lepidolite Pegmatite) whilst numerous lesser Li occurrences are noted from individual pegmatites

within the Sandfontein – Ramansdrift pegmatite swarm. Extensions of this zone into South Africa end at Australian Vanadium Ltd’s Blesberg project area which is developed at the western extremity of the Northern Cape Pegmatite Belt. Recent sampling of the Noumas I pegmatite, within the Blesberg project area, has returned LiO<sub>2</sub> values from spodumene of 1.27 – 6.42%.

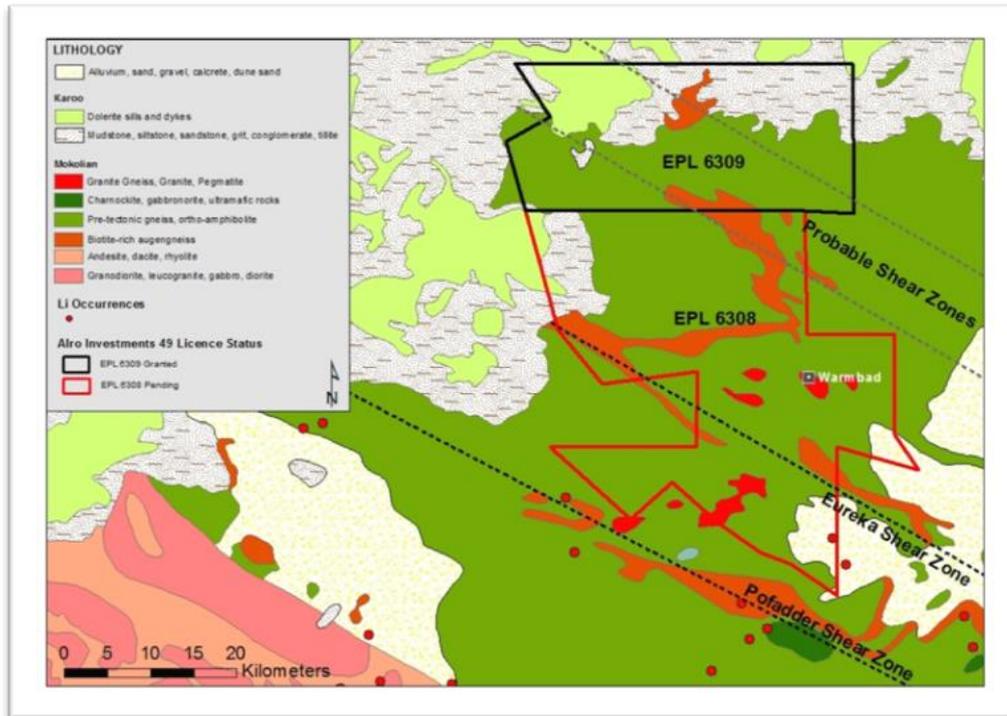


Figure 1: Licence localities of EPL6309 and EPL6308 on the geology.

Although the dominant trend on the pegmatites in the ORPB is roughly East-West it can be seen that the WNW trending shears, such as the Pofadder shear immediately south of the EPL 6308 application, have a controlling influence on the distribution of the Li bearing pegmatites in the area. The probable existence of significant WNW shearing within the licence boundaries suggests significant exploration potential.

Walkabout plans to commence with an exploration program on EPL6309 as soon as all of the statutory requirements have been finalised. The exploration program will be managed by the Company’s geological team using external contractors/consultants and will not distract or interfere with the development activities at its flagship Lindi Jumbo Graphite Project in Tanzania.

### *Takatokwane Coal Project*

The Company is still awaiting a decision from the Ministry of Minerals, Energy and Water Resources of Botswana in regard to the second extension of this exploration licence EL035/2007.

The Company has decided to conduct a full review of the Takatokwane Project joint Ventures during the next Quarter.

## *Kimoingan Graphite Project - Tanzania*

A prospecting license PL11119/2017 (The Kimoingan Project, WKT 100%) was granted on 21/04/2017 for a period of four (4) years. The license area covers 12km<sup>2</sup> on the northwestern flank of the Lelatema anticline (Lelatema Mountains) in the Arusha District of Northeastern Tanzania.

The Lelatema Mountains host some of the richest known flake graphite deposits in Tanzania. The Merelani Graphite Deposit lies 5km to the southwest of the project area was commercially mined from 1993 to 1998 by SAMAX Ltd. Mineralisation predominantly occurs in two rock types namely the kyanite gneisses and the so called massive alteration zones. The kyanite gneisses mined by SAMAX had an average grade of 6% TGC and produced concentrate grades of >99% TGC and the massive alteration zones had average grades of 11% TGC and produced concentrate grades of 96% TGC. The graphite quality in the area is further enhanced by the large percentage (> 35%) of the flakes above 300 microns.

Exploration carried out in the Kimoingan project area by SAMAX in the 1990's and early 2000's indicated similar grades and quality to the Merelani graphite deposit. Numerous trenches completed over the project area exposed the graphite bearing rock units over a strike length of several hundreds of metres and drill ready targets have already been identified.

## *Technical Review*

Following a review of other licences held in Tanzania, the Company has decided to release all licences associated with the Kigoma Copper Project at this time.

## *Corporate*

During the period the Company conducted a highly successful Shareholder Placement Plan (SPP) where an extraordinary take-up totalling \$1,520,900 by shareholders was received.

As a result of legislative amendments to the Mining Act 2010 in Tanzania, the Company has decided not to proceed with the Option to Purchase the Remaining Interest of 30% from the Vendor of PL9992/2014 at Lindi Jumbo at this time. The right to acquire has not been affected by this decision. As a result, the approval granted by Shareholders at the General Meeting of 12 April 2017, to issue shares to the value of \$1.3m has lapsed.

## **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. 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](http://www.wkt.com.au)

**ENDS**

**Schedule of mining tenements and beneficial interests held as at the end of the June 2017 quarter**

| Project / Location | Tenement Type   | Tenement Number | Percentage Held / Earning          |
|--------------------|-----------------|-----------------|------------------------------------|
| <b>Botswana</b>    |                 |                 |                                    |
| Takatokwane        | PL              | 35/2007         | 70% Renewal App                    |
| Takatokwane        | PL              | 157/2009        | 40% Earning 65%                    |
| Takatokwane        | PL              | 160/2009        | 40% Earning 65%                    |
| <b>Namibia</b>     |                 |                 |                                    |
| TantaliteValley    | EPL Application | 6308            | 100%                               |
| TantaliteValley    | EPL             | 6309            | 100%                               |
| <b>Tanzania</b>    |                 |                 |                                    |
| Kimoingan          | PL              | 11119/2017      | 100%                               |
| Lindi              | PL              | 9992/2014       | 70% subject to ongoing commitments |
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| Lindi              | PL              | 9906/2014       | 70% subject to ongoing commitments |

**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.

**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.