

## ASX ANNOUNCEMENT

# June 2016 Quarterly Activities Report

29 July 2016

Perth based African focussed energy minerals developer Walkabout Resources Ltd (ASX:WKT) is pleased to report its activities in Botswana, Namibia and Tanzania for the June 2016 Quarter.

## Lindi Jumbo Graphite Project

### Level 1 Integrated Study (Scoping Study) Finalised

During the period under review, the Company finalised the Integrated Study Level 1, (Scoping Study), a technical and financial assessment based on the high grade Inferred Resource (See ASX Announcement 19 January 2016). The study was completed by well-respected independent mining and engineering consultants Bara Consulting (<http://www.bara-consulting.com>) based in Johannesburg. The scope was to design and evaluate the fast-tracked development of a possible mining and processing operation planned to produce between 25,000 and 40,000 tonnes of graphite concentrate per annum at the site near Lindi in south eastern Tanzania.

Due to current ASX and ASIC regulations, the technical and financial results of this report are to be used for internal planning purposes only and are not able to be released to the market. Following a comprehensive review of the Report, the robust and compelling nature of the Project metrics has led the Board of Walkabout Resources to unanimously agree to proceed to the next level of study. This has commenced during July 2016 with an infill, geotechnical, hydrology and expansion drill program being overseen onsite in Tanzania by the Managing Director Allan Mulligan and Technical Director Andrew Cunningham.

The Board has approved the current low capex-early cash flow strategy. Current planning and scheduling timelines released in the latest investor relations presentation indicates the project will be brought into production during 2017, giving Walkabout Resources a first mover advantage in the marketplace with its high ratio of Super Jumbo and Jumbo flake ranges.

### Metallurgical Testwork Progress

Ongoing innovative metallurgical test work conducted during the Quarter and released in the latest investor relations presentation, resulted in a “step change” recovery into concentrate of high grade graphite and the retention of Super Jumbo (+500 µm) and Jumbo (+300 µm) flake sizes. The results, duplicated in both the high grade (Mineral Resource Domain 2 - 21% TGC Head Grade) and low grade (Mineral Resource Domain 1 - 9.1% TGC Head Grade) samples as well as the surface material, establish potential graphite concentrate from Lindi Jumbo as having the highest retention of natural flake sizes at a grade in excess of 96% TGC in the Australian listed peer group.

Metallurgical characterisation and optimisation test-work was conducted at NAGROM laboratories in Perth under the direction of Dr. Evan Kirby of Metallurgical Management Services.

Under Dr. Kirby's guidance the graphite characterisation and optimisation work has progressed rapidly and testwork objectives were satisfied early in the program with a simple and proven test regime demonstrating the robust metallurgical characteristics of the Lindi material.

## A S X   A N N O U N C E M E N T

This result places the Lindi Jumbo Graphite Project as “Best in Class” for recovered flake size across all aspiring East African graphite developers.

Due to the exceptional nature of the results they were verified through repetition of the tests using separate samples from the composites (Table 1 and Table 2).

<b>Composite Sample – Mineral Resource Domain 2 (21% TGC Head Grade)</b>			
<b>Flake Size</b>	<b>Sieve Size (µm)</b>	<b>% Distribution by Graphite Mass</b>	<b>% TGC in Graphite Concentrate</b>
<b>Super Jumbo</b>	>500	25.7	95.6
<b>Jumbo</b>	300 - 500	33.6	94.4
<b>Large</b>	180 - 300	26.5	92.8
<b>Summary</b>	+180	85.8	94.3
<b>The Rest</b>	-75 - 180	14.2	89.9
<b>Total</b>		<b>100</b>	<b>93.6</b>

**Table 1: Results from Test HG 12**

\*Graphite assays are per LOI<sup>1000</sup> method

<b>Composite Sample - Mineral Resource Domain 1 (9.1% TGC Head Grade)</b>			
<b>Flake Size</b>	<b>Sieve Size (µm)</b>	<b>% Distribution by Graphite Mass</b>	<b>% TGC in Graphite Concentrate</b>
<b>Super Jumbo</b>	> 500	5.6	97.1
<b>Jumbo</b>	300 - 500	33.2	96.6
<b>Large</b>	180 - 300	32.3	96.4
<b>Summary</b>	-75 - 180	71.1	96.6
<b>The Rest</b>	< 180	29.0	94.8
<b>Total</b>		<b>100</b>	<b>96.1</b>

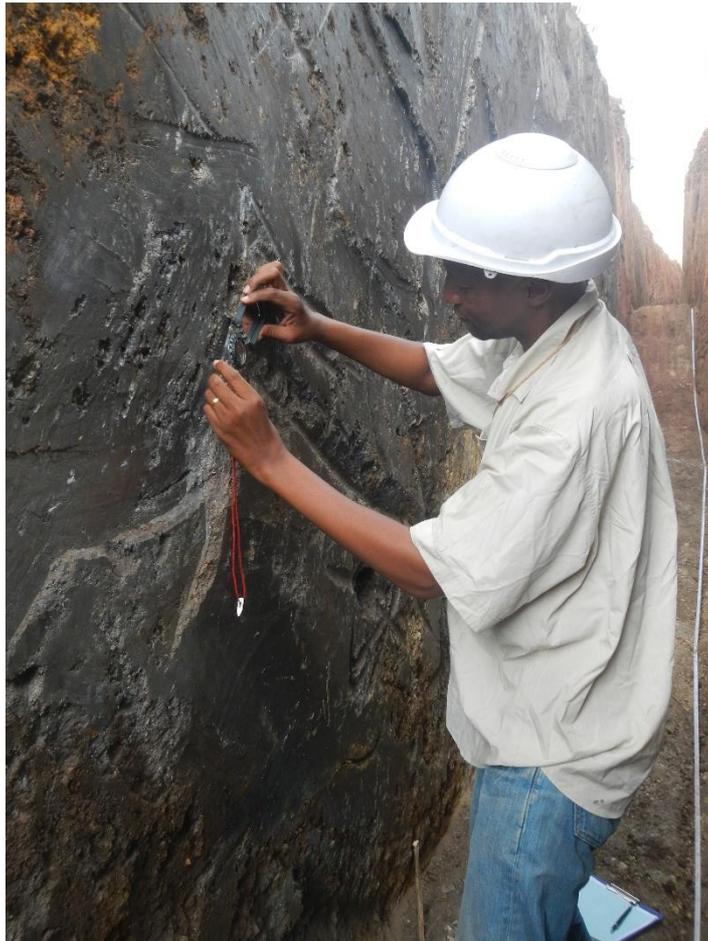
**Table 2: Results from Test LG 13**

\*Graphite assays are per LOI<sup>1000</sup> method

Flotation results from several tests on both the Resource Domains 1 & 2 (See ASX release 19 January 2016) delivered exceptional results in regard to flake size distribution. Domain 2, the very high

## ASX ANNOUNCEMENT

grade core of the deposit at 20.6% TGC, returned a distribution of 85.8% of the graphite in concentrate above 180µm (Large, Jumbo and Super Jumbo flake sizes) including a spectacular 25.7% in the SUPER JUMBO (+500µm) category at 95.6 % TGC.



**Photo 1: Maurice Semahimbo mapping high grade graphite in a trench at Lindi Jumbo site**

### Graphite Concentrate Purity Results

The purity or grade of the concentrate size ranges is important because the more pure the graphite concentrate is, the more amenable it is to downstream processing and also to substituting synthetic graphite with natural flake graphite in the market place. Highly pure natural graphite is suitable for sphericalisation and use in the lithium-ion battery market.

Grades of between 95.6% TGC and 97.1% TGC were achieved for the +500µm grade material which exceed the initial target grade of 94% TGC. The +300µm material returned grades between 94.4% TGC and 96.6% TGC.

The Company has demonstrated it can achieve concentrate grades of up to 97.1% TGC and without the use of chemicals. The use of only standard flotation and attritioning processing has huge environmental, capital and operating cost advantages.

## ASX ANNOUNCEMENT

### **Project Production Proposals**

The Company has elected for the purposes of test work, to design for only four discrete products for marketing. These are Super Jumbo (+500µm) premium product, a Jumbo (+300µm) product, a Large (+180µm) product and all others combined in a Standard product (-180µm).

Super Jumbo flakes are priced at premium and are highly sought after by niche markets. Large and Jumbo flakes are in demand from the expandable graphite market while the balance of product should be suitable for the high growth Lithium Ion battery markets.

The metallurgical results calculate to a forecast Stormcrow basket price for Lindi Jumbo of US\$1,529 and US\$2,567 respectively pre discount. The Company used a discounted figure of US\$1,900 per tonne for internal modelling purposes which is considered to be conservative.

### **Marketing and Product Suitability**

Product marketing efforts continued during the quarter under review. The metallurgical test work optimisation has now allowed a suitable specification sheet detailing a predictive final product to be compiled and sent to potential offtake partners.

The Company recovered almost a tonne of material from site during the quarter in order to scope a series of larger scale metallurgical tests producing higher volumes of test concentrate for marketing purposes. Furthermore, samples of product concentrate were despatched to various laboratories across the world, including the USA, Germany and China in order to finalise product amenability tests.

### **Lithium Applications**

The Company was offered its applications for Lithium PL's at Haneti in Tanzania by the Ministry of Energy and Minerals. A field geologist team was despatched to the site for a detailed mapping and geochem program. This has been completed and the Company awaits assay results from Johannesburg.

The Namibian Ministry has indicated it is making good progress with a backlog of applications but has not yet awarded licences in respect of Walkabout's applications at the Strathmore Lithium Project.

### **Takatokwane Coal, Botswana**

At Takatokwane, the Company has published a JORC Inferred Resource (2004) of some 6.9 billion tonnes of thermal coal and has completed an advanced Scoping Study/PFS for the mining and extraction of some of this Resource.

The economic viability of the project requires the construction of a rail line currently under investigation by the Governments of Botswana and Namibia and recovery in international benchmark thermal coal prices. For this reason and until progress is made on these fronts, the Company is not prioritising the project schedule at this time.

## ASX ANNOUNCEMENT

Finalisation and optimisation of the advanced Scoping Study/PFS remains ongoing as is further engagement with the joint Botswana and Namibian government agencies responsible for managing the Trans-Kalahari Rail Project. Latest direct communication with the Company is that both railway options between Namibia and Mozambique remain under consideration.

### Corporate

During the quarter, the Company successfully raised funds (A\$1.2M) by way of a Placement to Sophisticated Investors and Shareholders and independent analyst Breakaway Resources initiated coverage of the Company. This was oversubscribed by A\$800,000 and indicated strong investor interest in the company.

Details of Walkabout Resources projects are available at the Company's website, [www.wkt.com.au](http://www.wkt.com.au)

Allan Mulligan – Managing Director  
+61 8 6298 7500 (T); [allanm@wkt.com.au](mailto:allanm@wkt.com.au)

## ASX ANNOUNCEMENT

### Competent Person's Statement

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.

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) and Mr Andrew Cunningham (Director of Walkabout Resources Limited). Mr Barnes and Mr Cunningham are members of 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, Mr Cunningham is the Competent Person for the database, geological model and completed the site inspection. Mr Barnes is the Competent Person for the resource estimation. Mr Barnes and Mr Cunningham consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Metallurgical test work and results is based on information compiled by Dr Evan Kirby, a Competent Person who is a member of Australian Institute of Mining and Metallurgy. Dr Kirby is a full time employee of Metallurgical Management Services, a specialist metallurgical consultancy and an independent consultant to Walkabout Resources Ltd. Dr Kirby has sufficient experience that is relevant to the style of mineralogy and type of deposit under consideration and the typical beneficiation thereof. Dr Evan Kirby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## ASX ANNOUNCEMENT

### SCHEDULE OF MINING TENEMENTS AND BENEFICIAL INTERESTS HELD AS AT THE END OF THE JUNE 2016 QUARTER

Project / Location	Tenement Type	Tenement Number	Percentage Held / Earning
<b>Botswana</b>			
Takatokwane	PL	35/2007	70%
Takatokwane	PL	157/2009	40% Earning 65%
Takatokwane	PL	160/2009	40% Earning 65%
<b>Namibia</b>			
Strathmore	EPL 1	App Pending	100%
Strathmore	EPL 2	App Pending	100%
Strathmore	EPL 3	App Pending	100%
<b>Tanzania</b>			
Haneti	PL	11016/2016	100%
Haneti	PL	11017/2016	100%
Haneti	PL	11018/2016	100%
Lindi	PL	9992/2014	70% subject to ongoing commitments
Lindi	PL	9993/2014	70% subject to ongoing commitments
Lindi	PL	9994/2014	70% subject to ongoing commitments
Lindi	PL	9906/2014	70% subject to ongoing commitments
Narunyu	PL	6912/2011	100%
Mitengi	PL	7050/2011	100%
Mitengi	PL	7241/2011	100%
Kigoma	PL	9328/2013	Earning 75%
Kigoma	PL	9329/2013	Earning 75%
Kigoma	PL	9239/2013	100%
Kigoma	PL	9077/2013	Earning 75%
Kigoma	PML	000041WZ	Earning 75%
Kigoma	PML	000042WZ	Earning 75%
Kigoma	PML	000043WZ	Earning 75%
Kigoma	PML	000044WZ	Earning 75%
Kigoma	PML	000045WZ	Earning 75%
Kigoma	PML	000046WZ	Earning 75%
Kigoma	PML	000047WZ	Earning 75%
Kigoma	PML	000048WZ	Earning 75%

## ASX ANNOUNCEMENT

Kigoma	PML	000049WZ	Earning 75%
Kigoma	PML	0000450WZ	Earning 75%
Kigoma	PML	000051WZ	Earning 75%
Kigoma	PML	000052WZ	Earning 75%
Kigoma	PML	000053WZ	Earning 75%
Kigoma	PML	000054WZ	Earning 75%
Kigoma	PML	000055WZ	Earning 75%