

## ASX ANNOUNCEMENT

### LINDI JUMBO PROJECT - METALLURGY

## Further “Industry-Best” Metallurgical Results for Lindi Jumbo

### Highlights

07 July 2016

- Metallurgical test work on surface outcrop material maintains industry-best flake size distribution in Jumbo and Super Jumbo categories
- Lindi Jumbo concentrate returns 75.98% graphite in high-value LARGE FLAKE (+180µm) distribution at a concentrate grade of 98.34% TGC
- Up to 45.2% of the graphite concentrate produced from the outcrop test material is classified as JUMBO or larger (+300µm) at a grade of 98.48% TGC
- The premium SUPER JUMBO (+500µm) ratio is the highest in the ASX peer group at 16.5% for surface material and 25.7% for fresh material with a concentrate purity of up to 97.2% TGC
- Concentrate grades of up to 98.85% TGC are routinely achieved without the addition of chemicals

### Overview

African focussed, ASX listed energy minerals developer Walkabout Resources Ltd, (ASX:WKT) is pleased to report the metallurgical results from ongoing highly innovative test-work conducted on a representative surface outcrop sample from the 70% held Lindi Jumbo Graphite Project in south east Tanzania.

During May 2016 a one tonne bulk sample was collected from moderately weathered outcropping material for planned bench scale plant design test work. A composite from the bulk sample was collected and analysed as part to the ongoing ore characterising and process optimising test work. The sample returned a head grade of 32.7%TGC.

Of importance is the resultant concentrate grade at an **average of 98.3%** TGC without the use of chemical purification and with ample scope for further optimisation. This increase in grade reflects further modifications to the process regime which are now expected to produce one of the highest value natural flake graphite concentrates in the industry. The potential production of an “industry-best” premium product represents an absolute de-risking of the project.

Managing Director, Allan Mulligan said: ***“The Lindi Jumbo material has again delivered potential highest revenue-per-tonne results. This project continues to be de-risked and these results now confirm it as the stand-out graphite project in the industry. Furthermore, the extent of the surface outcrop at the deposit is considerable and this means we can utilise this available tonnage as early stage, low cost plant feed.”***

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#### Detailed Report

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

The Company believes that absolute de-risking of the project begins with the production of a premium product that will command well above average revenues. Overall objectives were to achieve saleable purity levels in all size fractions and at the same time maximising the proportions of Super Jumbo and Jumbo flake sizes in the concentrate using the readily available oxidised outcrop material.

The results complement the "Best in Class" metallurgical results achieved from the fresh diamond core composite material within ore zones 1 & 2 (see ASX release 02 June 2016) and provide evidence of the unique nature of the high grade Lindi Jumbo deposit. The exceptional flake size distribution and high purities achieved through the simple and proven test regime for all types of Lindi Jumbo plant feed underline the potential for this concentrate to return amongst the highest industry wide revenues for natural flake graphite.

These results position the Lindi Jumbo concentrate as premium natural flake product suitable for the expandable graphite market and for sphericalisation for the lucrative lithium-ion battery market.

#### Flake Size Distribution

The material is sourced from the outcrop area of Domain 2 of the Inferred Resource,. The distribution of 75.98% of flakes above 180µm (Large, Jumbo and Super Jumbo flake sizes) including 16.45% in the SUPER JUMBO (+500µm) category at 97.2% TGC is an outstanding result from the high grade surface outcrop material further supporting the unique and premium nature of the Lindi Jumbo deposit.

<b>Composite Sample of Outcrop Material – Mineral Resource Domain 2 (32.7 %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	16.45	97.20
<b>Jumbo</b>	300 - 500	28.75	98.48
<b>Large</b>	180 - 300	30.79	98.81
<b>Summary</b>	<b>+180</b>	<b>75.98</b>	<b>98.34</b>
<b>The Rest</b>	-75 - 180	24.02	98.33
<b>Total</b>		<b>100.00</b>	<b>98.34</b>

Table 1: Results from Multi Float Surface Test

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

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#### Graphite Concentrate Purity

The purity or grade of the concentrate size ranges is important since the more pure the graphite concentrate the more amenable it is to downstream processing and also in substituting synthetic graphite with natural flake graphite in the market place.

The Company has demonstrated it can achieve suitable concentrate purity from the weathered surface material of up to 98.3% TGC and without the use of chemicals. The use of only standard flotation and attritioning processing has huge environmental, capital and operating cost advantages.

#### Summary

The additional test results for Lindi Jumbo representative material continue to demonstrate the unique characteristics of the high grade deposit.

Potential basket revenues using independent price forecasts combined with estimated “industry-low” operating costs indicate that the potential margins achievable for the Lindi Jumbo product will be amongst the highest of the ASX peer group of aspiring graphite producers.

#### Lindi Jumbo Graphite Project

Walkabout is fast-tracking project development at Lindi Jumbo to commence a surface mining and processing operation at the site. Further resource drilling will take place during July of 2016 which will enable the early application for a Mining Licence.

The Company currently has a 70% interest over four contiguous exploration licences in the area for a total exploration area of approximately 325 km<sup>2</sup>.

#### Competent Persons Statement

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.

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

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