

## ASX ANNOUNCEMENT

20 June 2017

WALKABOUT RESOURCES LTD  
ACN 119 670 370

ASX Code: WKT

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### DIRECTORS

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

ORDINARY SHARES  
118,078,360

UNLISTED OPTIONS  
27,550,019

### PROJECTS

Lindi Jumbo Graphite Project  
Tanzania (70%)

Takatokwane Coal Project  
Botswana (60%)

Kigoma Copper Project  
Tanzania (75%)

## Walkabout Reaches Agreement to Sell 75% of Lindi Jumbo Annual Production

This Announcement serves to clarify the previous announcement.

Walkabout Resources Ltd (ASX:WKT) is pleased to report the conclusion of a series of Agreements to sell at least 30,000 tonnes per annum of a range of natural flake graphite products from the developing Lindi Jumbo mine to European and Chinese traders and end-users.

### Highlights

- A total of **30,000 tonnes per annum** or approximately 75% of the initial production target of 40,000 tonnes per annum is now under MOU or Heads of Agreements. Negotiations for sales of the remaining 10,000 tonnes per annum of production are continuing.
- Heads of Agreement (HOA) for the sale of **7,500 tonnes per annum** to a large Chinese graphite and expandable products mining and processing Company, Jixi Puxiang New Material Co. Ltd. under a HOA leading to a binding Agreement;
- Heads of Agreement for the sale of **10,000 tonnes per annum** of premium concentrate products to a Chinese Trading House, Qingdao Adtech Technical Consulting and Engineering Co. Ltd.;
- Memorandum of Understanding with a strategic alliance for the sale of **12,500 tonnes per annum** to Georg H. Luh GmbH, a German based, specialist graphite trading house with access to European expandable graphite markets (*see ASX announcement of 10/5/2017*);

The Agreements make provision for the negotiation of binding Sales and Purchase Agreements, including certain exclusivity arrangements, to be finalised before the end of 2017 and for deliveries to commence during 2018.

All Agreements call for firm sales terms with pricing mechanisms and specifications to be finalised by the end of 2017.

Trevor Benson, Executive Chairman of Walkabout Resources commented; *“These Agreements are a significant step forward in providing evidence as to the demand for the Lindi Jumbo Project premium high grade and large flake graphite products and are key to finalising the current funding proposal for the development of our Project. Having just returned from China, where Company executives finalised these Agreements I am confident that all the quality product from our Project at Lindi will be produced and contracted for sale.”*

## Marketing Overview

Walkabout's stated intention for the target market of Lindi Jumbo graphite is the expandable graphite market. This market is expected to grow significantly as the global economy emerges from low growth rates and as the electric battery storage market sees increased demand. For this reason the Company has sought first to align itself with existing operators in the expandable graphite market and form strategic, long term marketing alliances. These commercial relationships will leverage existing market networks and contribute to improved product development and expansion opportunities.

The expandable graphite markets are expected to grow in synchronisation with the lithium battery markets. New product development with specific application in fire retardants and building materials for expandable large flake graphite combine with a material swing away from expensive synthetic graphite products to natural, high purity flake graphite give the Company a high level of confidence that the market in China and Europe remains robust and that demand tension for quality, large flake graphite is returning and will continue to grow.

Walkabout's premier flake concentrate has been in circulation for downstream processing test-work for some time and is becoming recognised within the graphite market in China and Europe. It has become evident that the product is highly sought after and in demand as production for large flake from existing Chinese graphite mines diminishes.

The signing of these three discrete commercial product marketing Agreements marks an important milestone for the Company with a validation of the Chinese and European market recognition of the quality of the Lindi Jumbo range of products. All of the Agreements now in place are with well-entrenched graphite industrialists that have developed established networks in the industry. This will place the Lindi Jumbo product as an integral part of the expandable and speciality product graphite market.

### **Qingdao Adtech Technical Consulting and Engineering Co. Ltd.**

Adtech are an experienced trading entity based in Qingdao, Eastern China. The management of Walkabout have visited the offices of Adtech, have examined their trading list, discussed annual turnover and secured further confidential documents validating the capacity of the Company to further contract Lindi Jumbo's graphite product. Samples of the product have been tested. The HOA provides a framework for a detailed binding Sales and Purchase Agreement to be finalised prior to the end of 2017.

### **Jixi Puxiang Materials Co. Ltd.**

After several months of Lindi Jumbo product test-work and negotiation by mining, processing and product-upgrade Group, Jixi Puxiang Materials Co. Ltd. Heilongjiang Province, the HOA provides a framework for a detailed binding Sales and Purchase Agreement to be negotiated during the third quarter of 2017. This binding offtake Agreement will include guaranteed and overflow volumes of a range of products and market linked pricing mechanisms.

Jixi Puxiang Materials is a subsidiary of the well-known Jixi Puchen Group which has been mining and processing graphite in China for more than 15 years and has developed premium product distribution into China and Europe.

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### **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 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)

**Trevor Benson**  
**Executive Chairman**