

ASX ANNOUNCEMENT

28 February 2023



ASX:WKT

TNR PROVIDES VENDOR FINANCE TO LINDI JUMBO

Walkabout Resources (ASX:WKT) or the 'Company', is pleased to announce that the earthmoving and civils contractor, TNR, and Lindi Jumbo have reached an agreement that will allow the continuation and completion of the earthworks and civils portion of the Lindi Jumbo Graphite Mine in Tanzania.

TNR has agreed to defer payments for work to be completed of up to US\$1.4 million. This will enable acceleration of the civil and concrete works for the installation of the machinery and equipment currently being prepared for despatch from China. In addition, it will allow for the advancement of the tailing storage facility (TSF) before the start of the commissioning of the processing plant.

Through the binding agreement Lindi Jumbo is required pay TNR in cash at least the lesser of (1) US\$ 250,000 and (2) the actual amount of each invoice amount. The balance of the invoice amount will form the TNR deferred consideration of up to US\$1.4 million. The total of monthly cash payments to be made by Lindi Jumbo to TNR during this period is not expected to exceed US\$1.5 million. The Company expects that funding of the first couple of months obligations under the agreement will be funded by a Director Bridging Loan, further details will be announced shortly.

The deferred consideration together with the linked Lindi Jumbo monthly obligations, will enable the continuation of the civil works at the processing plant, TSF and mining areas at an accelerated rate. This includes:

- Remaining civil works in the concentrator, drying and bagging buildings and associated infrastructure;
- Completion of the TSF first lift;
- Further mining of the starter pit and addition to the ROM stockpile;
- Fencing; and
- Stormwater drainage works.

As security for the obligations Walkabout will (subject to the below) issue to a newly incorporated, wholly owned subsidiary of Walkabout (Security Agent) fully paid ordinary shares in the capital of Walkabout (Security Shares) to the value of 120% of the monthly invoiced works. 9.2m Security Shares (representing security to the value of USD \$661,710) will be issued to the Security Agent, under the arrangement in the coming days, with the balance of the Security Shares (approximately 14.16m Security Shares as security to the value of USD \$1,018,290) subject to shareholder approval to be sought at a general meeting to be called shortly.

The outstanding balance of the deferred consideration is repayable on either:

1. the date 9 months after the date of the Agreement;
2. the Project being fully funded to production;

3. 90 days following the successful completion of commissioning of the mine on the Project.

In the event that Lindi Jumbo fails to meet its obligations under the agreement, TNR can enforce its rights under the agreement to procure the sale of the Security Shares to repay the outstanding balance of the deferred consideration.

After the obligations to TNR have been settled by repayment or otherwise, it is the intention of the Company to take steps to have the Security Shares cancelled.

CEO of Walkabout Resources, Andrew Cunningham commented;

“TNR have been incredibly supportive of the project since being contracted in 2021. This commitment is clear to see in their provision of deferred payments while we continue to complete the processes of final project construction funding. This will enable works to continue at site without interruption and at an increased rate in preparation of the arrival of the remainder of the Processing Plant equipment.”

This announcement is authorised for release by the Board.

-ENDS-

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ABOUT WKT

Walkabout is developing the high-grade Lindi Jumbo Graphite Project in South East Tanzania to take advantage of forecast market conditions for Large and Jumbo flake graphite products.

The Company holds 100% of a Mining Licence and between 70% and 100% of adjacent graphite prospecting licences at Lindi Jumbo with an enduring option to acquire the remaining 30% share. A high-grade graphite Mineral Reserve has been delineated within the Mining Licence area.

In addition to the Lindi Jumbo Project, Walkabout is also exploring in south west Tanzania at the Amani Hard Rock Gold Project.

The Company has also acquired an exciting exploration portfolio for gold and base metals in Scotland and Northern Ireland and is conducting ongoing mineral exploration in these areas.

Learn more at wkt.com.au