

ASX ANNOUNCEMENT

6 June 2022



ASX:WKT

Lindi Jumbo Project Update: Delay of Debt Drawdown

Walkabout Resources Ltd (ASX:WKT, 'Walkabout' or the 'Company') advises a delay in the drawdown of the USD20 million project debt facility through CRDB Bank Plc (CRDB) for construction of its Lindi Jumbo Graphite Mine in Tanzania.

CRDB Debt Drawdown

As part of the debt funding package through CRDB bank, there were conditions precedent ("CP") that needed to be fulfilled before drawdown of the USD20 million debt could commence. The final CP to be completed was the provision of a standby letter of credit ("SBLC"). The SBLC submitted has not been confirmed as per the loan requirements and Lindi Jumbo has been informed that a replacement SBLC needs to be issued to the bank. Lindi Jumbo has committed to source a replacement SBLC but it will require time to complete the new process. The Company remains confident that a replacement SBLC will be sourced with the process already underway.

To date, Lindi Jumbo has been utilising its project equity funds to meet contractor milestones to deliberately postpone first drawdown and delay the start of the 12-month grace period and the accumulation of interest. Construction on site and the procurement and manufacturing of the processing plant equipment in China has progressed uninterrupted as it was expected the ability to drawdown on the debt facility would be possible on presentation of Independent Project Manager (IPM) approved invoices after the original standby letter of credit was submitted to the bank (details of the debt facility are summarised in the ASX announcement of 13 April 2021).

Lindi Jumbo has received a short-term commitment from its major contractors to continue construction works however, further shipments of equipment from China have been suspended until the final CP has been completed and drawdown occurs. We are currently discussing with the various contractors how the delay in drawdown may impact their activities. The shipping suspension will have a negative impact on the project schedule, the full extent of which, can only be determined once shipments resume.

Trading in Walkabout's shares will remain suspended until the debt drawdown is resolved.

Walkabout Resources' CEO, Andrew Cunningham commented, *"The unexpected issues associated with finalising the stand by letter of credit required for initial debt drawdown and the consequent shipment suspension is enormously disappointing as the development of Lindi Jumbo is proceeding remarkably well and we were quite advanced in preparing for commissioning. We are working tirelessly to resolve the issue and solidify our debt financing strategy."*

This announcement is authorised for release by the Board.

-ENDS-

For further information, please contact:

Andrew Cunningham
Chief Executive Officer
+61 8 6298 7500

Skye Gilligan
Media Liaison
+61 416 854 264
skye@gilligangroup.com.au

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](http://wkt.com.au)



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