

ASX ANNOUNCEMENT

20 February 2023



REDUCTION IN EPC CONTRACT COMMITMENTS

Walkabout Resources (**ASX:WKT**) (**Company**), is pleased to announce that it has reduced the commitments under its EPC Contract with Jinpeng. The agreed amended EPC contract has been reduced to US\$12,003,378, a reduction in contract price of US\$1,370,140.

HIGHLIGHTS

- Reduction of US\$1,370,140 in EPC costs for the Lindi Jumbo Graphite Mine.
- The majority of reduction in cost is due to the connection of grid power to the mine.
- Payments for approximately 79% of total EPC contract have been completed.
- Payments for approximately 88% of the total EPC equipment value have been completed.

The reduction in contract value is due to the following scope changes in the EPC contract:

- The removal of the product screens (now replaced by the Rotex screens out of Australia) had a consequential effect of reducing the rest of associated items including associated equipment, instrumentation and steelwork.
- The removal of the laboratory and consumable store buildings that are subject to a likely BOOT option with alternative service providers.
- The removal of the 4.5 MW diesel generator backup power facility from the EPC scope. Early indications are that the cost of a suitable emergency backup generating facility will be approximately 25% of the original costs. The aim is to source the generators locally.

The future committed payments under the EPC contract total US\$2,685,130 including 5% retention and milestone payments that will only be paid after practical completion, successful commissioning and handover of the processing plant.

Under the amended EPC contract less than US\$2 million is required to be paid to Jinpeng prior to practical completion of the Lindi Jumbo plant. To date Lindi Jumbo has paid for approximately 79% of the total EPC contract value which is a fixed price contract.

Lindi Jumbo remains in discussions with Jinpeng on a mutually acceptable basis for expeditious shipping and installation of the remaining equipment. Walkabout have been approached by JP with settling our remaining equipment payments by the issue of equity. The board is currently assessing that proposal in conjunction with the other funding alternatives currently being progressed.

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.

Details of Walkabout Resources' projects are available at the Company's website, www.wkt.com.au.