

ASX ANNOUNCEMENT

6 March 2023



ALL EPC EQUIPMENT TO BE SHIPPED FROM CHINA

Walkabout Resources (**ASX:WKT**) (**Company**), is pleased to announce that Lindi Jumbo has entered into a contract variation with Jinpeng, its EPC contractor, whereby the remainder of the EPC contract excluding the performance milestones can be paid for through shares and options.

HIGHLIGHTS

- Shipments of all equipment in storage in China to commence shortly.
- All other remaining activities in the EPC contract will now continue.
- Payment can be in shares and options if approved by shareholders.
- These payments for the equipment and upcoming construction of the Processing Plant will complete 94% of the entire EPC contract value.
- Remainder of EPC performance payments to be settled upon functional and final completion of the processing plant milestones.
- Approximately US\$4.4m of remaining construction costs funded without recourse to the BMCG standby facility.
- Decision on remainder of project finance expected by the end of the quarter.

Through the agreement Jinpeng can be issued up to 25,974,387 shares at 11c if approved by shareholders at an upcoming general meeting. In addition, up to 30 million unlisted 25c options with a tenor of 18 months can be issued, also subject to shareholder approval.

Remaining plant and machinery have been in storage awaiting the recommencement of shipping and related contractual milestone payments. Shipments of this equipment is expected to commence in the coming weeks and will allow for the continued construction of the Processing Plant at the Lindi Jumbo Graphite Mine in Tanzania at full pace. Post construction functional and final completion milestone performance payments of US\$713,674 will still be payable to Jinpeng as per the EPC contract. Walkabout will have the option to pay the completion milestone fees in shares at its own discretion.

Major items of plant and machinery being dispatched in the shipments include:

- Drum scrubber
- Attritioning mills
- Rotary Dryer
- Packing machines
- Vibrating feeders

- Bag filters
- Steel, pipe and platework for the installation and erection of the various equipment and buildings

Together with the recent announcements of TNR Vendor Finance and the Bridge Loan, this EPC payment covers US\$4.4 million of the remaining Lindi Jumbo construction costs. The company is finalising its latest estimate of reduced costs to complete Lindi Jumbo construction and will update the market shortly.

The company continues to make good progress in its project funding options which are expected to cover the remaining Lindi Jumbo construction costs, start up working capital and repay recently announced interim funding measures. Four funding terms sheets received to date are currently being evaluated by the company and its advisers. The company maintains existing guidance of announcing the preferred funding this current quarter. Drawdown against any successful funding option does not need to occur until after at least 3 months of continued full paced construction given announced interim funding measures will be in place. In the event these preferred project funding options are not finalised in time for project completion, the recently announced BMCG standby facility is available to be used to complete the project.

The impact of this rescheduling of shipments on project schedule will be incorporated into the overall construction schedule and will be communicated accordingly.

CEO of Walkabout Resources, Andrew Cunningham commented:

“The owners of Jinpeng are already Top 5 shareholders of Walkabout reflecting their long-term support for Lindi Jumbo. This agreement to issue shares and options to ship the remaining equipment and install it on site to reach practical completion of the project demonstrates further commitment of our EPC contractor. We highly appreciate the continued support and the confidence this displays in Lindi Jumbo by one of our major shareholders.”

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

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