

ASX ANNOUNCEMENT

04 July 2023



LINDI JUMBO AND GEMCORP EXECUTE FINAL LOAN AGREEMENT FOR THE US\$20 MILLION SENIOR DEBT FACILITY

Walkabout Resources (ASX:WKT) (Company), is pleased to announce that the Lindi Jumbo Senior Debt facility has now been executed for up to US\$25 million (US\$20m Tranche A and optional US\$5m for Tranche B).

HIGHLIGHTS

- The Company and Gemcorp have executed the final senior debt documentation.
- Interest rate margin fixed at 14% for Tranche A and 16% for Tranche B above SOFR.
- The upside participation for Gemcorp is based on a percentage of free cash flows after debt servicing for the life of the 3-year facility.
- First draw down to primarily retire interim funding used for construction, will be available shortly.

EXECUTION OF SENIOR DEBT FACILITY.

The Company and Gemcorp have executed the agreement for a senior debt facility. The debt will be subject to an interest rate margin of 14% for Tranche A and 16% for the optional Tranche B incremental facility above the benchmark Secured Overnight Financing Rate (SOFR).

Gemcorp will benefit from an upside participation based on a percentage of free cash flow, after debt servicing for the 3-year period of the loan as opposed to an issue of shares or options. As Lindi Jumbo will be in construction, commissioning and start up for most of year 1, no free cashflow is anticipated during this initial period. This structure provides Gemcorp with Lindi Jumbo upside participation and avoids equity dilution. It also ensures cash flow participatory payments will only be paid if free cash flow is available.

The facility will be available for drawdown until March 2024. During the preceding period the undrawn balance of Tranche A will attract a commitment fee until drawn.

The Senior Debt facility is subject to a number of customary terms and conditions for a financing facility of this nature including a debt service cover ratio. The group is required to maintain a Debt Service Reserve for two current quarter's debt payments at all times. Gemcorp will also be entitled to cash sweeps of 25 -50% of any cash surplus over US\$5m to be applied against the outstanding loan principal.

First principal repayment is planned for the 3rd quarter of 2024.

The initial draw down of senior debt funds will be available shortly and will be primarily used to refinance existing interim funding measures and transaction costs. These interim funding measures included vendor finance from our contractors TNR and Jinpeng and a bridge loan from shareholders and directors. As reported

previously, these interim arrangements have substantially funded the construction costs since February of this year.

CEO of Walkabout Resources, Andrew Cunningham commented;

“We are very pleased with the final execution of the debt facility and to have the support of Gemcorp as we move into the final stages of the construction of the Lindi Jumbo Graphite Mine. The structure of the financing allows us to avoid equity dilution on the transaction and will allow shareholders to benefit in the medium to long term.”

Shareholders are referred to the ASX announcement dated 29 March 2023 for additional details of the debt facility.

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