

Walkabout advances approval of debt funding facility for Lindi Jumbo Project

ASX Code: WKT

www.wkt.com.au

 Level 3, 681 Murray St,
 West Perth, WA 6872
 P.O. Box 263,
 West Perth WA 6005

 T: +61 8 6298 7500
admin@wkt.com.au

DIRECTORS

 Exec: Allan Mulligan
 Tech: Andrew Cunningham
 Non Exec: Mike Elliott

 ORDINARY SHARES
 349,133,645

 UNLISTED OPTIONS
 7,000,000

PROJECTS

 Lindi Jumbo Graphite Project
 Tanzania (70% - 100%)

 Amani Hard Rock Gold Project
 Tanzania (100%)

 Scotland Base Metal Projects
 (75%)

 Northern Ireland Gold and Base
 Metals (50% - 100%)

 Eureka Lithium Project
 Namibia (100%)

Walkabout Resources Limited (“the Company”) is pleased to advise that it has executed a non-binding, conditional Term Sheet in favour of Lindi Jumbo Limited from the African Export-Import Bank (“Afreximbank”). The debt facility is for an amount of US\$25m.

While the facility Term Sheet (T.S.) has a number of conditions precedent before it becomes binding, the Company notes that this T.S. has already received initial bank approval. Further approvals will be required in conjunction with satisfying outstanding conditions precedent.

Afreximbank¹, is a pan-African multilateral trade finance institution created in 1993 under the auspices of the African Development Bank. It is headquartered in Cairo, Egypt. Afreximbank's vision is to be the trade finance bank for Africa.

The debt facility is proposed to be secured by the Lindi Jumbo assets and supplemented by suitable credit insurance already identified by the company. The loan has an 18-month grace period before repayments commence and a term of 7 years to finalise.

Walkabout Executive Director Allan Mulligan commented; *“We have been working with the Afreximbank team on securing the funding for the Lindi Jumbo Project for some time and are very pleased that the application has now received initial approval. Each of the development banks we have been working with recognise the outstanding economics of the Lindi Jumbo graphite project and benefits it will bring to our local community. There is already some price tension emerging in the natural flake graphite market and we are working towards the world class Lindi Jumbo mining reserve being able to deliver into that.”*

Pareto Securities (“Pareto”) continues to apply its significant international in-house skill set in advising the Company during this transaction.

Selected General Terms of Funding

Facility Amount:	Up to US\$[25.2] Million i.e. Twenty-Five Million, Two Hundred Thousand United States Dollars.
Description of Facility:	Term Loan Facility of up to the Facility Amount (“the Facility”).
Interest Rate:	Libor 3 Months + 8% Margin.
Purpose:	To fund the development of as well as the purchase of plant and equipment, mine development works and site infrastructure required for the Project and for the completion of the plant commissioning process and the ongoing costs of production of graphite for export to its offtake partners.

1. Afreximbank has approved the release of this ASX announcement.

Completion Guarantee:	Defined as the commitments via a Letter of Credit, provided by the Obligors to the Lenders, to ensure that the Project achieves Project Completion . <ul style="list-style-type: none"> • The Completion Guarantee will be capped and will cover a reasonable cost overrun scenario as approved by the Lenders Technical Advisor (“LTA”) taking into consideration the contingency budget already factored in the Financial Model. • Any undrawn portion of the completion guarantee shall be released immediately after Project Completion is attained.
Debt Equity Ratio:	[60:40] with matching contributions during progressive drawdown. Ratio may be improved based on improved security.
Final Maturity Date:	Seven (7) years from date of first disbursement.
Grace Period:	[18 (eighteen) Months from the date of first disbursement, on principal repayments only. Interest during Construction (“IDC”) to be included in Project Cost.] <i>(Subject to Revision)</i>
Security:	First priority security, as customary for this type of facility including all assets of the Borrower and interests in insurance contracts.
Financial Covenants:	A minimum Debt Service Cover Ratio (DSCR) of 1.4:1, and a minimum Loan Life Coverage Ratio (LLCR) of 1.2:1 where, the DSCR is the periodic ratio of available cashflow to debt repayment obligations held in a nominated account and the LLCR is the ratio of the NPV of projected available cashflows to the outstanding debt.

www.afreximbank.com

www.wkt.com.au

FORWARD LOOKING STATEMENTS:

This report contains certain forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside of the control of Walkabout Resources Ltd or Lindi Jumbo Limited. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay, approvals and cost estimates. Actual values, results or events may be materially different to those contained in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward looking statements in this announcement reflect the views of Walkabout Resources Ltd only at the date of this announcement. Subject to any continuing obligations under applicable laws and ASX Listing Rules, Walkabout Resources Ltd does not undertake any obligation to update or revise any information or any of the forward looking statements in this announcement to reflect changes in events, conditions or circumstances on which any forward looking statements is based.

END

This ASX Announcement has been approved for release by the Board.

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 and southern Namibia at the Eureka Lithium Project.

The Company has also acquired an exciting exploration portfolio for gold and base metals in Northern Ireland and Scotland 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.