

# ASX ANNOUNCEMENT

27 February 2023



## WALKABOUT RESOURCES ANNOUNCES INSTITUTIONAL STANDBY FUNDING

Walkabout Resources (**ASX:WKT**) (**Company**), is pleased to announce that it has secured a US\$10 million funding commitment (the "Commitment") from Battery Metals Capital Group, LLC (the "Investor") on the terms set out below. The Investor has been a shareholder of the Company's for approximately two years, and has been very supportive of the Company since the Investor made its investment.

### HIGHLIGHTS

- US\$10 million of standby funding secured from Battery Metals Capital Group, LLC, an institutional investor and existing shareholder of Walkabout.
- Funding will be available to finalise construction of the Lindi Jumbo graphite mine in Tanzania and general working capital if required.

In moving to operations, Lindi Jumbo continues to ramp-up its capabilities under its Operation Readiness Plan. The Company continues to make good progress on a number of potential financing transactions to complete the funding of the construction, completion and start-up of the Lindi Jumbo graphite mine.

Funding received under the Commitment will be used to finalise construction of the Lindi Jumbo graphite mine and fund the Company's general working capital requirements.

The Commitment is for a term of 24 months and constitutes standby funding to be substantially drawn at the Company's discretion. Funding of each drawdown requested by the Company under the Commitment will be provided by way of the Investor prepaying the subscription price of the Company's shares ("Subscription Shares") to be issued by the Company. The Investor has committed to invest up to US\$10,000,000 in the aggregate for Subscription Shares worth US\$11,627,907 in the aggregate (the "Subscription Amount"), with the size and timing of any given drawdown determined by the Company at its discretion, subject to customary agreed parameters of the Company's market capitalisation and liquidity. The Company will issue the Investor 6,708,472 shares as a commitment fee for the Commitment.

Each drawdown under the Commitment may not exceed US\$1,000,000, and the Company will not require the Investor to provide funding under the Commitment within a month of a prior disbursement by the Investor, but the Investor may accelerate the funding of up to US\$3,000,000 of the Commitment in the event the Company has utilised the Commitment. If the Company does not exercise its discretion to draw down funding under the Commitment, the Investor can accelerate only up to (and no more than) US\$700,000 of the funding to the Company under the Commitment. The Investor also will not be obligated to provide funding under the Commitment after the first anniversary or if the market price of the Company's shares is below \$0.06 for two consecutive days. Funding exceeding 9.99% of the Company's market capitalisation in the aggregate or outside of other customary agreed parameters will be subject to the Investor's consent.

In relation to each funding amount provided by the Investor to the Company under the Commitment, the Company will issue Subscription Shares, at the Investor's request, within 24 months of the date of the related funding. The number of shares so issued by the Company will be determined by applying the Purchase Price (as set out below) to the part of the Subscription Amount in relation to which the Subscription Shares are being issued, but subject to the Floor Price (as set out below). The Purchase Price will be the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue shares, less a 14% discount; rounded down to the nearest 1/10th of a cent if the share price is at or below 15 cents, or whole cent if the share price is at above 15 cents. The Purchase Price will, nevertheless, be the subject of the Floor Price of \$0.06. If the Purchase Price formula results in a price that is less than the Floor Price, the Company may forego issuing shares and instead opt to repay the applicable part of the Subscription Amount in cash (with a 14% premium), subject to the Investor's right to receive Subscription Shares at the Floor Price in lieu of such cash repayment.

The Company will have the right (but no obligation) to repay the Subscription Amount in cash to the extent that Subscription Shares in relation to the Subscription Amount have not been issued 24 months of the date of the funding. The Company will also have the right (but no obligation) to forego issuing shares in relation to the Investor's request for issuance and instead opt to repay the Subscription Amount by making a payment to the Investor equal to the greater of the Purchase Price or the market value of the shares that would otherwise have been issued. Such payments are in the discretion of the Company, and the Company will not have an obligation to repay any subscriptions in cash.

The Company will make an initial issuance of 3,472,000 shares to the Investor in the coming days, with a further issuance of 21,328,000 shares at the time of the first drawdown on the Commitment by the Company. These shares will be applied towards shares to be issued by the Company in relation to the drawdowns by Company on the Commitment, if any. Alternatively, in lieu of applying these shares towards the aggregate number of the Subscription Shares to be issued, the Investor may make a further payment to the Company equal to the value of these shares determined using the Purchase Price at the time of the payment, less 14%.

**CEO of Walkabout Resources, Andrew Cunningham commented;**

*"Building confidence in the necessary financial resources to move to production is most welcome by customers, contractors and other funding providers. BMCG have been very supportive of the Company since becoming a shareholder, and the provision of the Commitment as a back-up funding arrangement will both enable Lindi Jumbo to acquire the necessary operational resources & positively advance the other debt transactions currently being negotiated".*

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

