

ASX ANNOUNCEMENT

9 October 2019

WALKABOUT RESOURCES LTD
ACN 119 670 370

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

Chairman: Trevor Benson
Exec: Allan Mulligan
Tech: Andrew Cunningham
Non Exec: Mike Elliott

ORDINARY SHARES
316,908,837
LISTED OPTIONS
39,783,666

UNLISTED OPTIONS
7,000,000

PROJECTS

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

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

Scotland Base Metal Projects
(Farm-in to earn 75%)

Eureka Lithium Project
Namibia (100%)

Takatokwane Coal Project
Botswana (40% - 70%)

Walkabout shareholders provide \$5m loan to bridge funding

Walkabout Resources Ltd (**the Company**) is pleased to announce completion of an important first step in its Lindi Jumbo Project financing. Unrelated sophisticated shareholders and a director of the Company have agreed to provide a short-term Bridging Debt Facility of \$5m while the Company finalises a debt-based project funding facility with an International Investment Bank.

The Bridging Debt will be used to meet due diligence and operating costs of the Company including the continued development of the Lindi Jumbo Project until further project financing is available. The significant terms of the bridging loan are:

- A term of 31 December 2019;
- An interest rate of 14% per annum, for approximately three months to the year-end;
- Funds from the proceeds of exercise of the Company's listed \$0.15 options (expiring 31 December 2019) will be first used to repay the loan;
- Should these proceeds (and the proceeds of exercise of the Bridge Options described below) not be adequate, the remaining debt will be satisfied by the issue of fully paid ordinary shares in the capital of the Company (**Shares**) at a conversion price equal to a 10% discount to the previous 10 trading day volume weighted average price of Shares; and
- "Put and Call" options in the capital of the Company (**Bridge Options**) priced at \$0.35 each will be issued to the lenders in the ratio of 5 Bridge Options per \$1.00 advanced to the Company.

The "Put" facility of the options may provide up to \$8.75 million in funds to complement the expected equity portion of the project funding package to be proposed by the International Investment Bank.

The advance of the Bridging Debt Facility will occur in two tranches. The first tranche for approximately \$2.967m will be provided to the Company within 5 business days of this announcement and the second tranche of approximately \$2.033m will be advanced within 5 business days of receipt of shareholder approval for the ratification and issue of the Bridge Options and the possible conversion of the Bridge Debt into Shares, and includes participation by a director of the Company. Further details regarding the Bridge Debt Facility and the Bridge Options will be set out in the Company's notice of annual general meeting which will be dispatched to shareholders shortly.

The key benefits of the Bridge Debt Facility to the Company are:

- The continuity of Lindi Jumbo Project development is maintained by way of a seamless transition through project debt and equity arrangements which will save the Company considerable time;
- Access to project funding equity through the exercise of the premium priced Bridge Options;
- The Bridge Options once exercised will provide a significant component of the Project equity at a known price; and
- A declaration of high confidence in the Company's funding strategy and in the Project by current significant shareholders of the Company.

Chairman of Walkabout Resources Ltd, Trevor Benson said *"The Company welcomes this financial support from our shareholders which enables us to maintain significant momentum towards the development of the Lindi Jumbo Project and to finalising the project financing. This bridging loan, through the exercise of the options, provides a substantial component of the required equity essential to accessing the proposed debt facility."*

END

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. 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 southern Namibia at the Eureka Lithium Project and the Company has also acquired an exciting exploration portfolio for gold and base metals in Northern Ireland and Scotland.

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

Forward Looking Statements and Disclaimers

This announcement includes forward-looking statements that are only predictions and are subject to risks, uncertainties and assumptions, which are outside the control of Walkabout Resources Limited.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, Walkabout Resources Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statements is based.

This announcement has been prepared by Walkabout Resources Limited. This document contains background information about Walkabout Resources Limited current at the date of this announcement. The announcement is in summary form and does not purport to be all-inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

The announcement is for information purposes only. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sales of shares in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

This announcement does not constitute investment advice and has been prepared without considering the recipients investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the fullest extent of the law, Walkabout Resources Limited, its officers, employees, agents and advisors do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinion, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from the announcement arising out of negligence or otherwise is accepted.