

Walkabout Resources Ltd

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Walkabout Resources signs binding agreement with metals trader

Walkabout Resources Ltd (ASX:WKT) has signed a binding global sales, purchase and marketing agreement with international commodities trading house Wogen Pacific Limited.

The deal will see Wogen actively market Walkabout's graphite concentrate globally for a five-year term.

Wogen will initially contract to buy and market a minimum of 10,000 tonnes up to a maximum of 30,000 tonnes per annum of concentrate.

The deal also includes a US\$8 million working capital finance facility, which will reduce the supply chain cash flow risk for the company.

READ: Walkabout Resources signs second offtake for Lindi Jumbo graphite

Walkabout's executive chairman Trevor Benson said: "The Wogen agreement perfectly complements the company's strategy to outsource the major components of the Lindi Jumbo Project.

"As a result, Lindi Jumbo will not need to establish large and expensive marketing offices across several jurisdictions to manage its sales, customer relations and global logistics.

"The company will be able to leverage the marketing expertise of Wogen across the globe for sales at favourable prices, and to secure additional offtake agreements.

"The agreement is a key element in de-risking the Lindi Jumbo Graphite Project and attracting development capital leading up to construction and the first period of production."

Wogen will advance payments providing cash flow

An advanced payment based on 80% of the value for each consignment of concentrate contracted by Wogen will be paid following receipt of shipping documents.

This will be known as a working capital finance facility and can be drawn up to a value of US\$8 million.

Wogen is a leading international trader and long-established marketer of off-exchange specialty metals and minerals with a particularly strong presence in Asia, Europe and the US.

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Price: 0.195

Market Cap: \$68.08 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: WKT

Listing: ASX

52 week High Low
0.45 0.095

Sector: Coal

Website: www.wkt.com.au

Company Synopsis:

Walkabout Resources Ltd (ASX:WKT) is focussed on exploration in Africa.

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