WALKABOUT RESOURCES LTD
ACN 119 670 370

Interim Financial Report
31 December 2017

WALKABOUT RESOURCES LTD
ACN 119 670 370

INTERIM FINANCIAL REPORT
For the Half Year Ended 31 December 2017

COMPANY DIRECTORY

DIRECTORS

Mr Trevor Benson
(Executive Chairman)

Mr Allan Mulligan
(Executive Director)

Mr Thomas Murrell
(Non - Executive Director)

Mr Andrew Cunningham
(Non - Executive Director)

COMPANY SECRETARY
Mr Ian Hobson

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AUDITORS
HLB Mann Judd
Level 4,130 Stirling Street
PERTH WA 6000

SHARE REGISTRAR
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: +61 8 9315 2333

SECURITIES EXCHANGE LISTING
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: WKT

Your directors submit the financial report of the Group for the half-year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of Directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Trevor Benson	Executive Chairman
Allan Mulligan	Executive Director
Thomas Murrell	Non-Executive Director
Andrew Cunningham	Non-Executive Director

RESULTS

The loss after tax for the period ended 31 December 2017 was $867,896 (2016: $1,034,766).

REVIEW OF OPERATIONS

TANZANIA

Lindi Jumbo Graphite Project

The Company held a 70% interest over four contiguous exploration licences (PL's 9992/2014, 9993/2014, 9994/2014 and 9906/2014) totalling 325km^2 in the highly prospective graphite province in south-eastern Tanzania approximately 75km to the west of the coastal town of Lindi.

During the period under review the Government of Tanzania amended the Mining Act of 2010 with the passing of three Supplemental Bills through Parliament in early July 2017. The Company finalised a detailed legal and technical review of the consequences of the amendments. The Company identified 6 issues in total and concluded that none of the amendments, as they stood at the time, would cause the Company to halt or suspend its investment in the Lindi Jumbo Graphite Project or from working in Tanzania.

The Company released an updated Definitive Feasibility Study (DFS) *(ASX Release:24 Aug 2017)* which incorporated;

I. the fiscal effects of the amendments to the Mining Act 2010 insofar as they could be modelled,
II. a revised capital estimate for the Project following firm quotations from the EPC partner,
III. revised concentrate product ratios following independent metallurgical testwork by graphite specialists BGRIMM, in China and,
IV. an adjustment to the schedule allowing for expected delays due to the amendments.

REVIEW OF OPERATIONS (CONTINUED)

During the month of September, the Company submitted a Mining Licence Application (MLA) to the Ministry of Minerals of Tanzania which was prepared in compliance with the new amendments to the Mining Act 2010.

The Company has also decided to release two of the four licences held under the Joint Venture Memorandum of Understanding back to the Vendor. *(ASX Quarterly Activities 31 January 2018)*

NAMIBIA

Eureka Lithium Project

The Company was pleased to announce the granting of a second prospective licence (EPL6308) in Namibia. *(ASX Release:21 November 2017)*

The considerably under-explored region with known lithium occurrences has been the focus of a recently published mapping programme completed as a joint initiative between the Council for Geoscience (South Africa) and the Geological Survey of Namibia. Pegmatites with a combined strike length of 27 line kilometres (530 hectares), with the largest individual body over 2km in length have been mapped in the southern portion of EPL6308 alone.

NORTHERN IRELAND

Gold and Base Metal Exploration

Walkabout was presented with the opportunity to purchase the ready-to-go and operating exploration portfolio of Platinum Group Metals Major, Lonmin PLC, in Northern Ireland. The acquisition of the extensive portfolio has provided Walkabout with an excellent base from which to expand shareholder value through exploration into one of the most geologically diverse and relatively under-explored regions. *(ASX Release:15 November 2017).*

The portfolio included a 50% interest in an active gold JV along the “Dalradian Gold Belt” which has reported drill intersections of 5.6g/t gold in hole NIRE-01/08-005 and 8.05g/t gold (NIRE-10/08-005).

Takatokwane Thermal Coal Project

At Takatokwane, the Company has published a JORC Inferred Resource (2004) of some 6.9 billion tonnes of thermal coal and has completed an advanced scoping study/project pre-feasibility study (PFS) for the mining and extraction of some of this Resource.

The economic viability of the project requires the construction of a rail line currently under investigation by the Governments of Botswana and Namibia and recovery in international benchmark thermal coal prices. For this reason and until progress is made on these fronts, the Company is not prioritising the project schedule at this time.

Walkabout currently holds around 65% of the joint project.

REVIEW OF OPERATIONS (CONTINUED)

CORPORATE

During the half year under review, the Company undertook capital raisings comprising;

- leading privately owned Chinese engineering firm Jinpeng Mining and Machinery Co. Ltd. (Jinpeng) invested US$1M (one million USD) in Walkabout Resources Ltd (ASX:WKT) becoming WKT's largest shareholder with a holding of 10.6%.
- a Placement and a Rights Issue to raise approximately $10.1 million before costs which was successfully finalised subsequent to the reporting date.

EVENTS SUBSEQUENT TO REPORTING DATE

Joint Venture

On 22 February 2018 the Company announced an additional Joint Venture with Koza (UK) Ltd in Northern Ireland, whereby the Company will earn-in at least 75% of the Slieve Gallion licence.

Share and Option Placements

On 24 January 2018 the Company issued 67,104,084 ordinary fully paid shares at $0.10 per share and 16,776,311 free attached options, exercisable at $0.15 on or before 31 December 2019, in accordance a prospectus dated 20 December 2017.

On 24 January 2018 the Company issued 8,388,010 free options, exercisable at $0.15 on or before 31 December 2019 in accordance with a placement dated 13 December 2017.

On 20 February 2018 the Company issued 15,500,000 Underwriter Options, exercisable at $0.15 on or before 31 December 2019 in accordance with the terms of an Underwriting Agreement.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2017.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd), Mr Aidan Platel (Consultant with Platel Consulting Pty Ltd), Mr Andrew Cunningham (Director of Walkabout Resources Limited) and Ms Bianca Manzi (Bianca Manzi Consulting). Mr Barnes, Mr Platel, Mr Cunningham and Ms Manzi are members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Ms Manzi is the Competent Person for the geological database. Mr Barnes is the Competent Person for the resource estimation. Both Mr Platel and Mr Cunningham completed the site inspections. Mr Barnes, Mr Platel, Mr Cunningham and Ms. Manzi consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Trevor Benson
Executive Director

Dated this 16th day of March 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Walkabout Resources Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
16 March 2018

D I Buckley
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Half-Year ended 31 December 2017

	Note	31 December 2017 $	31 December 2016 $ (Restated)
Revenue	2	2,667	2,331
Depreciation		(456)	(5,271)
Occupancy costs		(72,146)	(55,120)
Legal and compliance		(236,546)	(99,980)
Administration expenses		(237,113)	(194,737)
Consulting fees		(12,594)	(2,892)
Professional fees		(111,910)	(88,665)
Other expenses		(76,457)	(62,639)
Deferred exploration expenditure written off		-	(493,406)
Exploration expenditure expensed as incurred	2	(182,285)	(34,387)
Realised foreign exchange gain		58,944	-
Loss before income tax		**(867,896)**	**(1,034,766)**
Income tax expense		-	-
Net loss for the period		**(867,896)**	**(1,034,766)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(66,141)	258,536
Other comprehensive (loss) / Income for the period net of tax		**(66,141)**	**258,536**
Total comprehensive loss for period		**(934,037)**	**(776,230)**
Basic and diluted loss per share from continuing operations (cents)		(0.54)	(1.13)

Refer to Note 7 for details of the voluntary change in accounting policy.

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	31 December 2017 $	30 June 2017 $ (Restated)
Assets			
Current assets			
Cash and cash equivalents		4,098,341	269,259
Trade and other receivables		72,418	46,305
Total current assets		**4,170,759**	**315,564**
Non-current assets			
Trade and other receivables		5,000	5,000
Property, plant and equipment		6,685	7,141
Deferred exploration and evaluation expenditure	3	6,025,360	4,498,677
Total non-current assets		**6,037,045**	**4,510,818**
Total assets		**10,207,804**	**4,826,382**
Liabilities			
Current liabilities			
Trade and other payables		431,512	378,258
Provisions		84,092	67,067
Total current liabilities		**515,604**	**445,325**
Total liabilities		**515,604**	**445,325**
Net assets		**9,692,200**	**4,381,057**
Equity			
Issued capital	4	59,827,788	53,582,608
Reserves		(220,489)	(154,348)
Accumulated losses		(49,915,099)	(49,047,203)
Total equity		**9,692,200**	**4,381,057**

Refer to Note 7 for details of the voluntary change in accounting policy.

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2017

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share based Payment Reserve	Total Equity
	$	$	$		$
(Restated)					
Balance at 1 July 2016	50,810,046	(47,625,834)	(125,593)	-	3,058,619
Loss for the period	-	(1,034,766)	-	-	(1,034,766)
Exchange differences arising on translation of foreign operations	-	-	258,536	-	258,536
Total comprehensive loss for the period	-	(1,034,766)	258,536	-	(776,230)
Shares issued during the period	1,480,560	-	-	-	1,480,560
Share issue costs	(109,876)	-	-	-	(109,876)
Balance at 31 December 2016	52,180,730	(48,660,600)	132,943	-	3,653,073
Balance at 1 July 2017	53,582,608	(49,047,203)	(242,123)	87,775	4,381,057
Loss for the period	-	(867,896)	-	-	(867,896)
Exchange differences arising on translation of foreign operations	-	-	(66,141)	-	(66,141)
Total comprehensive loss for the period	-	(867,896)	(66,141)	-	(934,037)
Shares issued during the period	6,465,449	-	-	-	6,465,449
Share issue costs	(220,269)	-	-	-	(220,269)
Balance at 31 December 2017	59,827,788	(49,915,099)	(308,264)	87,775	9,692,200

Refer to Note 7 for details of the voluntary change in accounting policy.

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2017

	31 December 2017 $	31 December 2016 $ (Restated)
Cash flows from operating activities		
Payments to suppliers and employees	(695,802)	(467,108)
Interest received	2,667	2,331
Net cash flows used in operating activities	**(693,135)**	**(464,777)**
Cash flows from investing activities		
Payments for property, plant & equipment	-	(2,765)
Payments for construction works in progress	(384,594)	-
Payments for exploration and evaluation	(1,217,880)	(1,547,761)
Net cash flows used in investing activities	**(1,602,474)**	**(1,550,526)**
Cash flows from financing activities		
Proceeds from the issue of shares, net of costs	6,124,691	1,230,364
Net cash flows from financing activities	**6,124,691**	**1,230,364**
Net increase/(decrease) in cash and cash equivalents	3,829,082	(784,939)
Cash and cash equivalents at the beginning of the period	269,259	1,221,675
Effect of foreign currency on cash balances	-	-
Cash and cash equivalents at the end of the period	**4,098,341**	**436,736**

Refer to Note 7 for details of the voluntary change in accounting policy.

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this half-year report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Walkabout Resources Ltd and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

Basis of preparation

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies and method of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Significant accounting judgements and key estimates

The preparation of half-year report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2017.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group operations and effective for annual reporting periods beginning on or after 1 July 2017.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Exploration and evaluation expenditure

The financial report has been prepared on the basis of a retrospectively applied voluntary change in accounting policy related to exploration and evaluation expenditure (refer to Note 7 for further details) in relation to the Takatokwane coal area of interest. The directors believe that this change in policy will result in more relevant and reliable information in the financial report.

Exploration and evaluation expenditures in relation to each separate area of interest are either expensed as incurred or recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:

- (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- (b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

The decision to capitalise or expense exploration and evaluation expenditure is made separately for each area of interest.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

2. LOSS BEFORE INCOME TAX EXPENSE

	31 December 2017 $	31 December 2016 $
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	2,667	2,331
Deferred exploration expenditure written off	-	(493,406)
Exploration expenditure expensed as incurred	(182,285)	(34,387)

3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Six Months To 31 December 2017 $	Year To 30 June 2017 $
Costs carried forward in respect of areas of interest in the following phases	5,640,766	4,498,677
Exploration and evaluation phase – at cost		
Balance at beginning of period	4,498,677	1,983,081
Purchase of tenements	173,277	15,826
Expenditure incurred	1,430,241	3,304,438
Foreign currency translation effect	(76,295)	(48,939)
Expenditure written off – directors assessment (i)	-	(548,217)
Expenditure written off	-	(207,512)
Balance at end of period	6,025,360	4,498,677

(i) Following a review of the results to date, amounts capitalised in respect of several of the Group's areas of interest were determined to be impaired and have been written off.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

4. ISSUED CAPITAL

	31 December 2017 $	30 June 2017 $
Ordinary Shares		
201,312,241 (30 June 2017: 119,746,122) issued and fully paid.	52,180,730	53,582,608

	Six Months To 31 December 2017 Number	Year To 30 June 2017 Number	Six Months To 31 December 2017 $	Year To 30 June 2017 $
Movements in ordinary shares on issue				
At start of period	119,746,122	1,981,229,810[1]	53,582,608	50,810,046
Issued for cash – entitlement issue	-	341,230,132[1]	-	1,364,921
Issued in lieu of cash	-	20,000,000[1]	-	100,000
Capital consolidation on 23:1 basis	-	(2,240,612,827)	-	-
Issued in lieu of cash	-	4,561,296[2]	-	387,357
Issued for cash – entitlement issue	-	4,306,808[2]	-	396,226
Issued for cash – placements	55,433,805	7,656,990[2]	4,944,549	704,443
Conversion of Director performance rights	-	1,086,956[2]	-	75,000
Employee incentive shares	-	286,957[2]	-	20,087
Issued for cash – share placement plan	26,132,314	-	1,520,900	-
Less: costs of issue	-	-	(220,269)	(275,472)
At end of period	201,312,241	119,746,122	59,827,788	53,582,608

[1] Pre-consolidation
[2] Post-consolidation

5. OPTIONS

	Six Months 31 December 2017 Number	Year to 30 June 2017 Number
Movements in options on issue		
At 1 July[2]	27,550,019	-
Issued[1]	-	341,230,132
Capital Consolidation on a 23:1 basis	-	(326,393,911)
Issued for nil consideration – entitlement issue[2]	-	4,056,808
Issued in lieu of cash[2]	-	1,000,000
Issued for nil consideration – placements[2]	-	7,656,990
Expired	(27,550,019)	-
At 31 December	-	27,550,019

Options issued pursuant to a prospectus dated 28 September 2016, whereby, 1 free option was issued for every 1 share subscribed under the entitlement issue and subsequent shortfall offer. The exercisable price of the options was $0.006 pre capital consolidation or $0.138 post capital consolidation.

1. Pre consolidation
2. Post consolidation

6. SEGMENT REPORTING

Operating Segments by business activity

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of directors in assessing performance and determining the allocation of resources.

Segment Information

The following tables present segment information provided to the Board of Directors for the half year periods ended 31 December 2017 and 31 December 2016.

	Corporate	Coal	Graphite	Copper	Lithium	Unclassified	Elimination	Total
31 December 2017	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Segment revenue	2,667	-	-	-	-			2,667
Segment result	(557,209)	(112,540)	(28,647)	(168,436)	(1,064)	-	-	(867,896)
Segment assets	6,107,125	264,784	5,694,538	-	110,643	65	(1,969,351)	10,207,804
Segment liabilities	296,028	2,165,115	11,625	-	-	12,187	(1,969,351)	515,604
31 December 2016								
Segment revenue	2,331	-	-	-	-	-	-	2,331
Segment result	(496,166)	(40,169)	(8,198)	(466,626)	(23,607)	-	-	(1,034,766)
Segment assets	2,526,712	15,382	3,356,571	-	26,329	-	(1,969,351)	3,955,643
Segment liabilities	249,531	1,974,890	46,011	-	1,489	-	(1,969,351)	302,570

7. VOLUNTARY CHANGE IN ACCOUNTING POLICY

(a) Exploration and Evaluation Accounting Policy

The financial report has been prepared on the basis of a retrospectively applied voluntary change in accounting policy related to exploration and evaluation expenditure in respect of the Takatokwane coal area of interest.

The new accounting policy in respect to the Takatokwane coal area of interest is to expense exploration and evaluation expenditure to the profit or loss as incurred.

The previous accounting policy in respect to the Takatokwane coal area of interest was to capitalise exploration and evaluation expenditure incurred and carry forward as an asset when costs were expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area had not yet reached a stage which permitted a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations were continuing.

The directors believe that this change in policy will result in more relevant and reliable information in the financial report.

(b) Impact on Financial Statements

As a result of the change in the accounting policy for exploration and evaluation expenditure in relation to the Takatokwane coal area of interest, prior year financial statements had to be restated. The amounts disclosed for the half year to 31 December 2016 reporting period and in the statement of financial positions as at 30 June 2016 and 2017 respectively are after the change in accounting policy for exploration and evaluation expenditure.

7. VOLUNTARY CHANGE IN ACCOUNTING POLICY continued

(c) Impact on Financial Statements continued

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Previously Stated 31 December 2016 $	Loss Increase $	Restated 31 December 2016 $
Revenue	2,331	-	2,331
Depreciation	(5,271)	-	(5,271)
Occupancy costs	(55,120)	-	(55,120)
Legal and compliance	(99,980)	-	(99,980)
Administration expenses	(194,737)	-	(194,737)
Consulting fees	(2,892)	-	(2,892)
Professional fees	(88,665)	-	(88,665)
Other expenses	(62,639)	-	(62,639)
Deferred exploration expenditure written off	(493,406)	-	(493,406)
Exploration expenditure expensed as incurred	-	(34,387)	(34,387)
Realised foreign exchange gain	-	-	-
Loss before income tax	**(1,000,379)**	**(34,387)**	**(1,034,766)**
Income tax expense	**-**	-	**-**
Net loss for the period	**(1,000,379)**	**(34,387)**	**(1,034,766)**
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations	504,384	(245,848)	258,536
Other comprehensive (loss) / Income for the period net of tax	**504,384**	**(280,235)**	**258,536**
Total comprehensive loss for period	**(495,995)**	**(280,235)**	**(776,230)**
Basic and diluted loss per share from continuing operations (cents)	(1.09)	(0.04)	(1.13)

7. VOLUNTARY CHANGE IN ACCOUNTING POLICY continued

(c) Impact on Financial Statements continued

Statement of Financial Position 30 June 2017	Previously Stated 30 June 2017 $	Increase/ (Decrease) $	Restated 30 June 2017 $
Deferred exploration and evaluation	12,449,581	(7,950,904)	4,498,677
Total Assets	12,777,286	(7,950,904)	4,826,382
Net Assets	12,331,961	(7,950,904)	4,381,057
Equity			
Issued Capital	53,582,608	-	53,582,608
Reserves	(115,193)	(39,155)	(154,348)
Accumulated Losses	(41,135,454)	(7,911,749)	(49,047,203)
Total Equity	12,331,961	(7,950,904)	4,381,057

Statement of Financial Position 30 June 2016	Previously Stated 30 June 2016 $	Increase/ (Decrease) $	Restated 30 June 2016 $
Deferred exploration and evaluation	9,726,473	(7,743,392)	1,983,081
Total Assets	11,047,915	(7,743,392)	3,304,523
Net Assets	10,802,011	(7,743,392)	3,058,619
Equity			
Issued Capital	50,810,046	-	50,810,046
Reserves	(257,876)	132,283	(125,593)
Accumulated Losses	(39,750,159)	(7,875,675)	(47,625,834)
Total Equity	10,802,011	(7,743,392)	3,058,619

Statement of Cash Flows

Exploration and evaluation expenditure that is expensed is included as part of cash flows from operating activities whereas exploration and evaluation expenditure that is capitalised is included as part of cash flows from investing activities. This has resulted in additional cash outflows from operating activities of $34,387 for the half year to 31 December 2016. This has also resulted in a corresponding reduction of $34,387 being reflected in the net cash outflows from investing activities for the same reporting period.

8. EVENTS SUBSEQUENT TO REPORTING DATE

On 24 January 2018 the Company issued 67,104,084 ordinary fully paid shares at $0.10 per share and 16,776,311 free attached options, exercisable at $0.15 on or before 31 December 2019, in accordance a prospectus dated 20 December 2017.

On 24 January 2018 the Company issued 8,388,010 free options, exercisable at $0.15 on or before 31 December 2019 in accordance with a placement dated 13 December 2017.

On 20 February 2018 the Company issued 15,500,000 Underwriter Options, exercisable at $0.15 on or before 31 December 2019 in accordance with the terms of an Underwriting Agreement.

On 22 February 2018 the Company announced an additional Joint Venture with Koza (UK) Ltd in Northern Ireland, whereby the Company will earn-in at least 75% of the Slieve Gallion licence.

9. COMMITMENTS AND CONTINGENT LIABILITIES

On 7 July 2017, the Company contracted with Yantai Jinpeng Mining Machinery Co., Ltd to complete the detailed design of a graphite treatment plant and surface infrastructure for the Lindi Jumbo Project for $500,000 USD payable as follows:

- $100,000 USD payable as an advance payment,
- $100,000 USD upon the Company's engineers approving civil construction drawings,
- $200,000 USD upon the Company's engineers approving of dressing plant design documents,
- $50,000 USD upon dispatch of construction teams to job site,
- $50,000 USD upon full commissioning of the operation.

In June 2017 the Tanzanian government announced a review of its Mining Act, delaying the general issue of mining licences. The approval of dressing plant design documents by the Company's engineers and further commissioning has been consequently delayed. To date $200,000 USD has been paid with the remaining $300,000 USD an outstanding commitment.

There has been no other changes in commitments or contingent liabilities since the last annual reporting date.

10. FAIR VALUE MEASUREMENT

The Directors consider the carrying amount of the financial assets and financial liabilities that are recognised in the condensed consolidated financial statements approximate their fair values.

The methods and valuation techniques used for the purposes of measuring fair value are unchanged from the previous reporting period.

11. RELATED PARTY TRANSACTIONS

On 29 November 2016 Shareholders of the Company approved the issue of up to 7,173,916 Performance Rights as Director incentive remuneration.

11. RELATED PARTY TRANSACTIONS – continued

The terms of the performance rights issued under the Previous Approval had three vesting milestone tranches. Upon the tranche 1 vesting milestone being satisfied, the Company issued the tranche 1 performance rights which vested and immediately converted into Shares which occurred on 5 April 2017.

The remaining vesting milestones had not been satisfied due to the delays caused by the Tanzanian Government changing its Mining Act and hence normal processes within the Ministry in awarding mining licences have been held up for an indeterminable period of time.

Due to the delays, the Directors proposed to extend the expiry date of the performance rights approved under the Previous Issue. However, due to a technical error, realised that the tranche 2 and 3 performance rights granted under the Previous Approval had not been issued.

Accordingly, the Company sought fresh approvals for the issue of performance rights and the outstanding tranches would not be issued.

On 15 November 2017 Shareholders of the Company approved the issue of up to 8,586,957 Performance Rights as Director incentive remuneration. The Performance Rights will be issued for nil consideration and entitles the holder to apply for one share per Performance Right and vest as follows:

- Tranche 1 – of securing 80% of the initial funding requirement for project development within 12 months of shareholder approval;
- Tranche 2 – upon an ASX announcement of commencement of first commercial production of graphite concentrate from Lindi Jumbo Project within 18 months of shareholder approval;
- Tranche 3 – upon the Company achieving a market capitalisation of greater than $28,000,000 within 12 months of shareholder approval.

Dir / Rec	**Tranche 1**	**Tranche 2**	**Tranche 3**	**Total**
Trevor Benson	869,565	1,304,348	1,000,000	3,173,913
Allan Mulligan	434,783	869,565	500,000	1,804,348
Andrew Cunningham	434,783	869,565	500,000	1,804,348
Tom Murrell	434,783	869,565	500,000	1,804,348
	2,173,914	**3,913,043**	**2,500,000**	**8,586,957**

These rights have been valued at 9.3 cents per right ($0.093), being the fair value of the underlying shares on grant date. These rights are to be recognised over their expected vesting periods.

WALKABOUT RESOURCES LTD
ACN 119 670 370

DIRECTORS' DECLARATION

For the Half-Year Ended 31 December 2017

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 21 are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Trevor Benson
Executive Director

Dated this 16th day of March 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Walkabout Resources Limited

Report on the Condensed Interim financial report

Conclusion

We have reviewed the accompanying interim financial report of Walkabout Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Walkabout Resources Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D I Buckley
Partner

Perth, Western Australia
16 March 2018