walkabout
RESOURCES LTD

and Controlled Entities

(ACN 119 670 370)

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2018

<table>
<tr><th>COMPANY DIRECTORY</th><th>ASX Code: WKT</th></tr>
<tr><td>Directors

Trevor Benson

Allan Mulligan

Thomas Murrell

Andrew Cunningham</td><td>Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000
Australia</td></tr>
<tr><td>Company Secretary

Ian Hobson</td><td>Securities Exchange Listing
ASX code: WKT
Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges' Terrace
Perth, WA 6000
Australia</td></tr>
<tr><td>Registered Office and Principal Place of Business

Level 3
681 Murray Street
West Perth, WA 6005
Australia

Telephone: +61 8 6298 7500
Facsimile: +61 8 6298 7501

Website : www.wkt.com.au
Email: admin@wkt.com.au</td><td>Bankers:

National Australia Bank
Perth West Business Banking Centre
1238 Hay Street
West Perth, WA 6005
Australia</td></tr>
<tr><td>Share Register
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000, Australia

GPO Box 2975
Melbourne VIC 3001, Australia

Phone: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)
Fax: +61 3 9473 2500

Email: www.investorcentre.com/contact
Web: www.computershare.com</td><td></td></tr>
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DIRECTORS' REPORT

Your Directors submit the annual financial report of the consolidated entity consisting of Walkabout Resources Ltd ("the Company") and the entities it controlled during the period for the financial year ended 30 June 2018. 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 year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name, qualifications and independence status	**Experience, special responsibilities and other directorships**
Mr Trevor Benson Chairman Executive Director	Appointed Chairman 13 September 2016. Appointed Executive Chairman 22 February 2017 Trevor has extensive experience as an investment banker and has served on a number of ASX listed company boards as both Chairman and Director. He has specialised in cross border transactions within the natural resources sector across China, Africa and SE Asia, and has been an adviser to Chinese State Owned Enterprises (SOE's). His specialist activities include corporate funding solutions and off-take agreement negotiations within the natural resources domain. Trevor holds a Bachelor of Science Degree from the University of Western Australia. Other directorships of listed companies in the last 3 years: None
Mr Allan Mulligan Executive Director	Appointed Managing Director 7 August 2012 Resigned as Managing Director, retained as Executive Director 22 February 2017. Allan is a mining engineer with over thirty years of mine management and production experience. Allan has specialised in technical assessment and production economics, feasibilities, project design and costing of underground mines and prospects. He has worked extensively in exploration, mine development and operations across Africa and Australia. Allan was a founding Director of Walkabout Resources Pty Ltd. He has previously been on the board of several Western Australian explorers. Other directorships of listed companies in the last 3 years: None
Mr Thomas Murrell Investor Relations Director Independent Non-Executive Director	Appointed 1 May 2015 Tom is recognised as an authority on investor relations and has been the Managing Director of his own company 8M Media and Communications for the past eighteen years. He has provided counsel to an elite group of companies listed on the Australian Stock Exchange ranging from Top 500 companies through to start – up biotechnology, medical and mineral exploration companies. He has been a director of Investor Central, a Singapore based financial news service since 2002. A graduate of three Australian Universities, Tom gained his MBA from the University of WA and is the immediate past President of the Business School's Graduate Management Association representing UWA MBA alumni. Other directorships of listed companies in the last 3 years: None

Mr Andrew Cunningham Technical Director Non-Executive Director	Appointed 13 November 2015 Andrew has a BSc Hons in Geology from the University of Stellenbosch in South Africa and is a member of the Australian Institute of Geosciences. Andrew has extensive cross discipline technical and management experience in the minerals industry predominantly in Africa and Australia and has worked in a range of commodities and geological styles including uranium, iron ore, graphite, diamonds, gold and base metals. During the last 15 years, Andrew has managed all facets of exploration and development projects in Africa from project generation to the completion of feasibility studies. He has held senior geology and exploration positions with major international mining companies as well as various ASX and TSX listed companies. He has been working with Walkabout Resources since 2013 and brings a wide range of exploration, resource development, mine geology and management experience to the company. Other directorships of listed companies in the last 3 years: None

Company Secretary

Mr Ian Hobson Company Secretary	Appointed 14 December 2017 Ian is a fellow chartered accountant and chartered company secretary with over 32 years' experience in the profession. Ian acts as company secretary and CFO for a number of ASX listed companies and is experienced in exploration companies.
Mr Kimberley France Company Secretary	Appointed 13 November 2015, resigned 14 December 2017

Interests in the shares and options of the company and related bodies corporate

The following relevant interests in shares of the Company or a related body corporate were held by the directors at the date of this report.

Director	Ordinary shares	Options	Performance Rights
T Benson	2,720,144	107,509	2,173,913
A Mulligan	5,907,988	100,000	1,304,348
T Murrell	3,021,045	110,691	1,304,348
A Cunningham	1,092,071	37,005	1,304,347

No share options of the Company were granted to Directors of the Company during or since the end of the financial year as part of their remuneration package.

During the year, performance rights granted over unissued shares to the Directors of the Company and the entities it controlled as part of their remuneration was as follows:

Director	Series 1	Fair value per right	Series 2	Fair value per right*	Series 3	Fair value per right	Total value of rights granted
	No.	$	No.	$	No.	$	$
T Benson	869,565	0.09	1,304,348	0.09	1,000,000	0.09	285,652
A Mulligan	434,783	0.09	869,565	0.09	500,000	0.09	162,391
T Murrell	434,783	0.09	869,565	0.09	500,000	0.09	162,391
A Cunningham	434,783	0.09	869,565	0.09	500,000	0.09	162,391

*Unlikely to vest.

As at the date of this report unissued shares or interests of the Company under performance rights are:

	Date performance rights granted	Number of shares under right	Exercise price of right	Expiry date of right
Series 2	15 November 2017	2,173,914	Nil	15 November 2018
Series 3	15 November 2017	3,913,043	Nil	15 November 2018

The performance rights were approved by shareholders on 15 November 2017 but were not issued until 17 July 2018. The Series 3 performance rights vested on issue and were converted to the equivalent number of ordinary shares for nil consideration. No other rights have converted.

Series 1 performance rights shall vest upon an announcement to the ASX platform upon securing 80% of the initial funding requirement for project development within 12 months of the shareholder approval to grant the rights.

Series 2 performance rights shall vest upon an announcement to the ASX platform of commencement of first commercial production of graphite concentrate from the Lindi Jumbo Project within 18 months of the shareholder approval to grant the rights.

As at the date of this report unissued shares or interests of the Company under options are:

Series	Date options granted	Number of shares under option	Exercise price of option	Expiry date of option
1	24 January 2018	25,164,321	$0.15	31 December 2019
2	20 February 2018	15,500,000	$0.15	31 December 2019

The series 1 options were issued as free attaching options to subscribers to the Placement completed on 7 December 2017 and subscribers to the Rights Issue competed on 17 January 2018. The series 2 options were issued to Patersons Securities Ltd as part of the underwriting fees.

Principal Activities

The principal activities of the consolidated entity during the financial year were the exploration and development of resources and energy assets located in Tanzania, Namibia and Northern Ireland, with the Botswana projects on hold.

Operating Results

The net loss after tax of the consolidated entity amounted to $1,965,876 (2017: loss of $1,421,369).

Financial Position

The net assets of the Group were $15,323,369 at 30 June 2018 (2017: $4,381,057).

Dividends Paid or Recommended

There were no dividends paid or recommended throughout the period.

DIRECTORS' REPORT

Review of Operations

Projects

Lindi Jumbo Graphite Project – 100% of Mining Licence Area and 70% of associated Prospecting Licence

The Lindi Jumbo Graphite Project is located within the emerging graphite province in south-eastern Tanzania approximately 200km by road from the port of Mtwara and comprises two prospecting licences (PL 9992/2014 and (PL 9993/2014) including a Mining Licence Application (MLA 000638/2017).

The Project has finalised a Definitive Feasibility Study (DFS) *(See ASX release 07/02/2017)* and is preparing to finance and construct the mine upon the grant of a Mining Licence from the Ministry of Minerals of Tanzania.

During the year under review, the Government of Tanzania introduced several legislative changes to the Mining Act 2010 which has significantly impacted the mining and exploration industry in the Country. These legislative amendments included:

- A restructuring of the Ministry of Minerals and the creation of a Mining Commission to administer the grant of permits and licences;
- Restrictions in the use of foreign courts or tribunals regarding matters concerning any natural wealth and resource issues;
- A free carried right of 16% in all mining projects by the Government of Tanzania;
- The general requirement to beneficiate all mined minerals in Tanzania and the banning of export of raw minerals;
- Local content requirements that require the use of local contractors, consultants and specialists before assigning international resources;
- The return of all primary revenues first into the Tanzanian financial system before repatriating dividends offshore; and
- The prevention of stabilisation clauses into contract arrangements which may freeze out the sovereignty of Tanzania.

The Company received significant legal advice regarding the issues listed above and proceeded to update the Definitive Feasibility Study with the effects of the amendments amongst other updated technical detail that had been received.

The results of the updated DFS *(See ASX release 24/08/2017)* indicated that the project was still highly robust even when additional direct and indirect costs of the amendments were considered.

Following the updated DFS, the Company elected to proceed with the Project and lodged a Mining Licence Application (MLA 00638/2017) on 11/09/2017. Approval of this application has subsequently been delayed by the slow pace of the establishment of the Tanzanian Mining Commission. The Mining Licence had not yet been awarded by the end of the period.

During the period of unfortunate delay, the Company continued with engineering and design work but was unable to successfully progress project funding or on-site construction activities.

The Company also exercised its option to purchase the Vendor's 30% share of PL9992/2014. This is the licence within which the Mining Licence Application has been based and the Company now owns 100% of the Lindi Jumbo Graphite Project subject to the Government of Tanzania's 16% free carried right and the future divestment of 5% of the Company's Tanzanian holding Company, as per local content regulations.

The Company executed a Heads of Agreement with Yantai Jinpeng Mining and Machinery Limited ('Jinpeng") for the Engineering, Procurement and Construction (EPC) of the Lindi Jumbo graphite flotation plant and mine power generating system.

Subsequent to this event, the Company welcomed Jinpeng onto the register as a cornerstone investor.

Northern Ireland Exploration – 100% and earning 75% of various Prospecting Licences

In November, the Company acquired from Lonmin PLC, a multinational platinum mining Company, its portfolio of licences, operating entities and historic data in Northern Ireland. This acquisition included an operating joint venture for gold and base metals and represented a geographical and commodity diversification for the Company.

The Company further expanded this portfolio with a Joint Venture over a licence in County Tyrone. *(See ASX release 15 Nov 2017 and 22 Feb 2018.)*

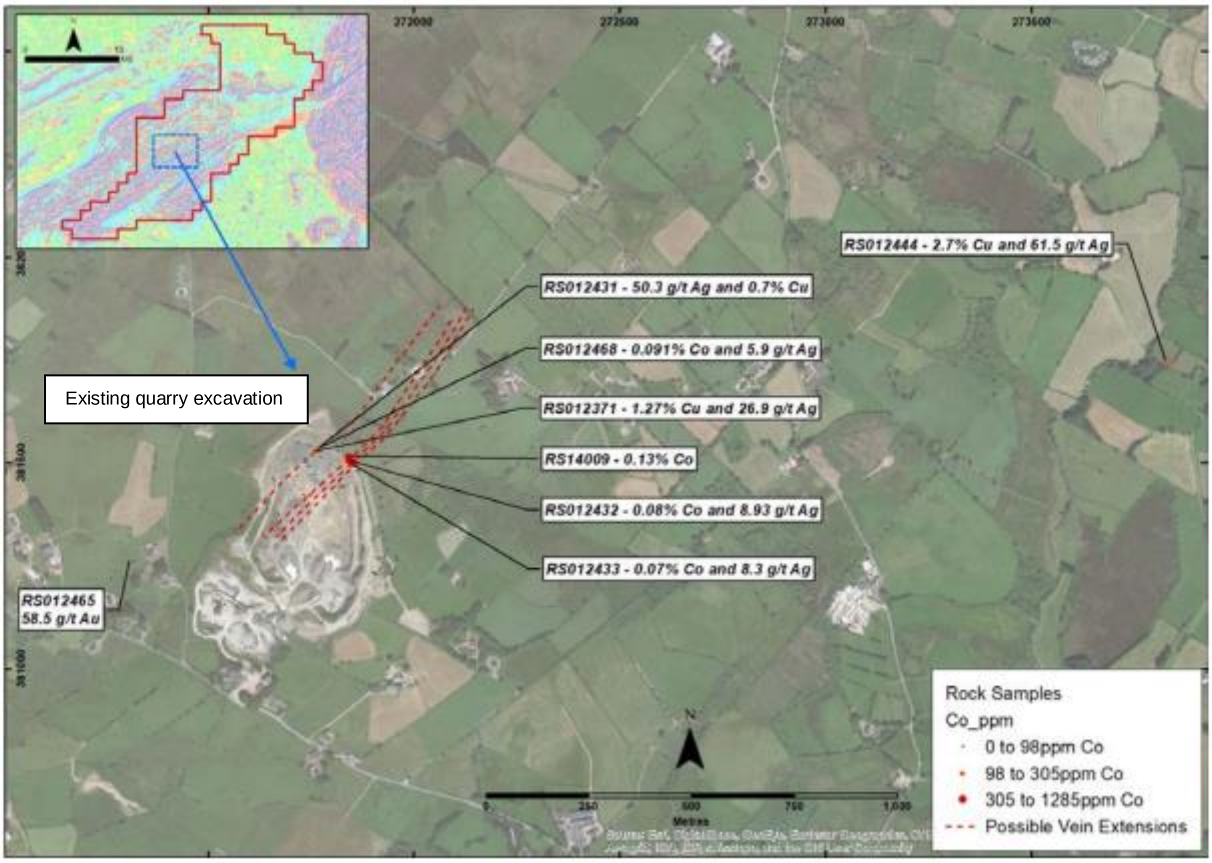

Image 1. Co-Cu-Ag prospectivity within and extended from the pre-existing quarry at Tyrone County JV licence

Interpretation of a soil sampling programme at the County Tyrone JV licence, near an existing quarry excavation, highlighted a potential copper-cobalt-silver anomaly. The quarry area, within the licence, returned surface sample grades of 0.13% Co, 1.27% Cu and 50.3 g/t Ag in individual samples. *(See ASX release 11 Apr 2018.)*

Eureka Lithium Project, Namibian Exploration – 100% and earning 75% of various Prospecting Licences

After an extended delay, the Company was awarded licences with highly prospective lithium prospects in southern Namibia. These licences, 100% held by a Walkabout subsidiary, represent an area of more than 1,500km2 with a combined strike length of 27 kilometres of previously untested pegmatite outcrops.

These licence areas were further expanded with the addition of a highly prospective Joint Venture adjacent to the existing licences where the Company can earn 75% through the publication of a maiden Mineral Resource. *(See ASX releases 21 Nov 2017 and 11 Jan 2018.)*

The Company conducted an initial reconnaissance surface sampling programme in Namibia over portions of licence EPL6308. The results highlighted the more prospective pegmatites are located toward the south of the licence and on the JV licence EPL5691 which is awaiting Ministerial renewal. Further work for the year was deferred in order to secure access to EPL5691.

Takatokwane Coal Project, Botswana (Various between 65% and 70% interest)

Takatokwane is located 195km from the Botswana capital, Gaborone, in the southern belt of the Central Kalahari Sub-Basin and is directly accessible by a well-maintained bitumen road. Walkabout has previously defined a 6.9 billion tonne JORC 2004 Inferred raw coal Resource and a 748 million tonne Indicated raw coal Resource over the two Joint Ventures with Wizard Investments Pty Ltd (70%) and Triprop Energy Pty Ltd (40% earning 65%).

During the period under review, the Ministry of Minerals, Energy and Water Resources renewed all licences for a further period of two years.

The Company has decided to review its participation in the Takatokwane Joint Ventures during 2018/2019.

Competent Person – Mr Andrew Cunningham

The information in this report that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr Andrew Cunningham (Director of Walkabout Resources Limited). Mr Cunningham is a member of the Australian Institute of Geoscientists and has 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. Mr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the Company occurred during the year:

On 5 July 2017 the Company issued 26,132,314 fully paid ordinary shares to raise $1,520,900 at the price of $0.0582 per share pursuant to a share purchase plan which closed on 28 June 2017.

On 28 September 2017 the Company announced the completion of a placement of 21,881,765 fully paid ordinary shares to raise $1,555,793 at the price of $0.0711 per share from the Company's 15% capacity.

On 7 December 2017 the Company announced the completion of a placement of 33,552,040 fully paid ordinary shares to raise $3,388,756 at the price of $0.101 per share from the Company's 15% capacity share (together with one (1) free attaching New Option for every four (4) Shares subscribed for and issued).

On 22 January 2018 the Company announced a $6.7m one for three pro rata renounceable rights issue (**Rights Issue**) of approximately 67,104,080 fully paid ordinary shares at $0.10 per share (together with one (1) free attaching New Option for every four (4) Shares subscribed for and issued) has closed oversubscribed.

On 22 February 2018 the Company announced has finalised a Joint Venture with Partner Koza (UK) Ltd , whereby WKT will earn-in to at least 75% of the highly prospective Slieve Gallion licence in Northern Ireland.

Significant Events After Balance Date

On 30 August 2018, the Company announced it has received confirmation from the Ministry of Minerals of Tanzania for the granting of Mining Licence ML00638/2017 for the Lindi Jumbo Graphite Project in south eastern Tanzania.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely Developments and Expected Results

Further information has not been presented in this report as disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity.

Environmental legislation

The consolidated entity is not subject to any significant environmental legislation.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

REMUNERATION REPORT (Audited)

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the Key Management Personnel ("KMP") of the Company for the financial year ended 30 June 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and its controlled entities, directly or indirectly, including any Director (whether Executive or otherwise) of the parent company.

The Directors and key management personnel of the Group during or since the end of the financial year were:

Mr T Benson	Executive Chairman
Mr A Mulligan	Executive Director
Mr T Murrell	Non-executive Director
Mr A Cunningham	Non-executive Director

Remuneration policy

The remuneration policy of Walkabout has been designed to align Director and Executive objectives with shareholder and business objectives by providing a fixed remuneration component and potentially, at the Boards discretion, long term incentives based on key performance areas affecting the consolidated entity's financial results. The Board of Walkabout believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the consolidated entity, as well as create goal congruence between Directors, Executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the consolidated entity is as follows: the remuneration policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed by the Board of Directors, and approved by resolution of the Board. All Executives receive a base salary including superannuation with the possibility of options and performance incentives.

The Board of Directors review executive packages annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of Executives is assessed annually with each executive and is based predominantly on operational and exploration activities and shareholders' value. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can award these if they can be reasonably justified. The policy is designed to attract and retain the highest calibre of Executives and reward them for performance that results in long term growth in shareholder value.

Directors and Executives receive a superannuation guarantee contribution required by the Government, which is currently 9.5%, and do not receive any other retirement benefits.

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed.

The Board policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Company has not established a Remuneration Committee. The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for directors and executive team. The Board of Directors determines payments to the Non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Any changes to the maximum aggregate amount of fees that can be paid to Non-executive Directors is subject to approval by shareholders at an Annual General Meeting. The latest determination was at a General Meeting prior to the Company's listing on ASX, held on 5 August 2006 when shareholders approved an aggregate remuneration of $200,000 per year. Fees for Non-executive Directors are not linked to performance of the consolidated entity.

Performance-based remuneration

Performance based remuneration was granted to Directors by shareholders at the Company's Annual General Meeting dated 15 November 2017. Details of this remuneration are disclosed above in the paragraph entitled "Interests in the shares and options of the company and related bodies corporate".

Company performance, shareholder wealth and Director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and Executives. There have been two methods applied in achieving this aim, the first being a fixed market competitive salary, and the second being the potential issue of options to Directors and Executives to encourage the alignment of personal and shareholder interests.

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct.

Key Management Personnel Remuneration Policy

The remuneration structure for KMP is to be based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and KMP are on a continuing basis, the terms of which are not expected to change in the immediate future.

Employment Contracts

Executive Director	Contract Commencement	Contract Termination	Remuneration	Notice period	Termination entitlement
T Benson	22 February 2017	No fixed term	$250,000	3 months	3 months' pay in lieu of notice
A Mulligan	7 August 2012	7 August 2015	$250,000	3 months	3 months' pay in lieu of notice

Mr Mulligan's contract has been extended on a 12 month basis and is currently under review.

In addition, each Executive Director is entitled to the statutory 9.5% superannuation guarantee.

DIRECTORS' REPORT

Table 1 details the nature and amount of remuneration for each Director of Walkabout Resources Ltd. There are no Executives who aren't Directors.

Remuneration of Key Management Personnel

Table 1: Directors' remuneration for the years ended 30 June 2018 and 30 June 2017

30 June 2018	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share-based Payment		Total	Performance Related
	Salary and fees	Bonuses	Non-cash benefit	Other	Superannuation	Long-service Leave	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Trevor Benson[1]	249,996	-	-	-	23,750	-	145,690	-	419,436	34.7%
Allan Mulligan	249,996	-	-	-	23,750	-	72,845	-	346,591	21.0%
Thomas Murrell[2]	63,284	-	-	-	-	-	72,845	-	136,129	53.5%
Andrew Cunningham[3]	233,062	-	-	-	-	-	72,845	-	305,907	23.8%
	796,338	-	-	-	47,500	-	364,225	-	1,208,063	

30 June 2017	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share-based Payment		Total	Performance Related
	Salary and fees	Bonuses	Non-cash benefit	Other	Superannuation	Long-service Leave	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
Mr Trevor Benson[1]	112,969	-	-	-	10,732	-	65,110	-	188,811	34
Mr Allan Mulligan	250,000	-	-	-	23,750	-	32,555	-	306,305	11
Thomas Murrell[2]	76,502	-	-	-	-	-	32,555	-	109,057	30
Andrew Cunningham[3]	171,775	-	-	-	-	-	32,555	-	204,330	16
	611,246	-	-	-	34,482	-	162,775	-	808,503	

(1) Appointed 13 September 2016

(2) Appointed 1 May 2015

(3) Appointed 13 November 2015

No options were issued as compensation during the year to Directors and Executives.

Performance rights issued as compensation and exercised during the year by Directors and Executives are described in previous paragraphs.

Shareholdings of Key Management Personnel

Ordinary Shares

30 June 2018	Balance at beginning of period	Conversion of performance rights	Effect of consolidation	Net Change Other	Balance at end of period	Balance held nominally
Directors	Number	Number	Number	Number	Number	Number
Trevor Benson	1,032,376	-	-	687,768	1,720,144	-
Allan Mulligan	4,750,256	-	-	657,732	5,407,988	1,544,689
Thomas Murrell	1,562,819	-	-	958,226	2,521,045	688,271
Andrew Cunningham	444,053	-	-	148,018	592,071	592,071

30 June 2017	Balance at beginning of period	Granted as remuneration	Effect of consolidation	Net Change Other	Balance at end of period	Balance held nominally
Directors	Number	Number	Number	Number	Number	Number
Trevor Benson	-	434,783	-	597,593	1,032,376	-
Allan Mulligan	98,005,857	217,391	(99,722,992)	6,250,000	4,750,256	1,086,957
Thomas Murrell	4,755,865	217,391	(29,599,404)	26,188,967	1,562,819	258,471
Andrew Cunningham	3,963,221	217,391	(4,986,559)	1,250,000	444,053	444,053

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Option holdings of Key Management Personnel

30 June 2018	Balance at beginning of period	Granted as remuneration	Expired	Net Change Other	Balance at end of period	Balance held nominally
Directors	Number	Number	Number	Number	Number	Number
Trevor Benson	-	-	-	107,509	107,509	-
Allan Mulligan	271,740	-	(271,740)	100,000	100,000	100,000
Thomas Murrell	1,138,652	-	(1,138,652)	110,691	110,691	43,017
Andrew Cunningham	54,538	-	(54,538)	37,005	37,005	37,005

30 June 2017	Balance at beginning of period	Granted as remuneration	Effect of consolidation	Net Change Other	Balance at end of period	Balance held nominally
Directors	Number	Number	Number	Number	Number	Number
Trevor Benson	-	-	-	-	-	-
Allan Mulligan	-	-	(5,978,260)	6,250,000	271,740	217,392
Thomas Murrell	-	-	(25,050,315)	26,188,967	1,138,652	51,695
Andrew Cunningham	-	-	(1,195,462)	1,250,000	54,538	54,538

Performance right holdings of Key Management Personnel

30 June 2018	Series	Balance at beginning of period	Granted as remuneration	Value per performance right granted during the year	Lapsed	Balance at end of period	Balance held nominally
Directors		Number	Number		Number	Number	Number
Trevor Benson	Series 1	-	869,565	$0.09	-	869,565	-
	Series 2	869,565	1,304,348	$0	(869,565)	1,304,348	-
	Series 3	1,304,348	1,000,000	$0.09	(1,304,348)	1,000,000	-
Allan Mulligan	Series 1	-	434,783	$0.09	-	434,783	-
	Series 2	434,783	869,565	$0	(434,783)	869,565	-
	Series 3	869,565	500,000	$0.09	(869,565)	500,000	-
Thomas Murrell	Series 1	-	434,783	$0.09	-	434,783	-
	Series 2	434,783	869,565	$0	(434,783)	869,565	-
	Series 3	869,565	500,000	$0.09	(869,565)	500,000	-
Andrew Cunningham	Series 1	-	434,783	$0.09	-	434,783	-
	Series 2	434,783	869,565	$0	(434,783)	869,565	-
	Series 3	869,565	500,000	$0.09	(869,565)	500,000	-

The total fair value of performance rights granted during the year is noted in the Directors' Report under the section titled "Interests in the shares and options of the Company and related bodies Corporate". The fair value of the rights which lapsed during the year was $0.069 per right.

30 June 2017	Series	Balance at beginning of period	Granted as remuneration	Converted into ordinary shares	Balance at end of period	Balance held nominally
Directors		Number	Number	Number	Number	Number
Trevor Benson	Series 1	-	434,783	(434,783)	-	-
	Series 2	-	869,565	-	869,565	869,565
	Series 3	-	1,304,348	-	1,304,348	1,304,348
Allan Mulligan	Series 1	-	217,391	(217,391)	-	-
	Series 2	-	434,783	-	434,783	434,783
	Series 3	-	869,565	-	869,565	869,565
Thomas Murrell	Series 1	-	217,391	(217,391)	-	-
	Series 2	-	434,783	-	434,783	434,783
	Series 3	-	869,565	-	869,565	869,565
Andrew Cunningham	Series 1	-	217,391	(217,391)	-	-
	Series 2	-	434,783	-	434,783	434,783
	Series 3	-	869,565	-	869,565	869,565

Other transactions with Key Management Personnel

For amounts owing to key management personnel refer to Note 10 to the financial report for details.

End of Remuneration Report

DIRECTORS' REPORT

Directors' meetings

The number of meetings of directors held during the year and the number of meetings attended by each Director were as follows:

	Number of meetings held	Number eligible to attend	Number attended
Trevor Benson	5	5	5
Alan Mulligan	5	5	5
Thomas Murrell	5	5	5
Andrew Cunningham	5	5	5

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor's independence

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 audit of the annual report. This Independence Declaration is set out on page 15 and forms part of this Directors' Report for the year ended 30 June 2018.

Non-audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 4 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Signed in accordance with a resolution of the Board of Directors.

Trevor Benson
Executive Chairman
21 September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Walkabout Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Perth, Western Australia
21 September 2018

D I Buckley
Partner

Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533

Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated	
		2018 $	2017 $ (Restated)
Revenue	2	35,236	3,820
Foreign exchange gain		68,439	6,094
Depreciation and amortisation expense	2	(6,924)	(10,693)
Occupancy costs		(280,889)	(108,962)
Legal and compliance fees		(326,544)	(144,150)
Administration expenses		(621,194)	(298,955)
Consulting fees		(227,617)	(16,352)
Professional fees		(149,171)	(231,164)
Other expenses		(147,596)	(92,869)
Exploration costs expensed or written off	2	(192,542)	(584,291)
Share based payments		(276,450)	(177,383)
Loss before income tax		(2,125,252)	(1,654,905)
Income tax benefit	3	159,376	233,536
Loss for the year		(1,965,876)	(1,421,369)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		148,920	(116,530)
Other comprehensive income/ (loss) for the year, net of tax		148,920	(116,530)
Total comprehensive loss for the year		(1,816,956)	(1,537,899)
Earnings Per Share			
Basic loss per share (cents per share)	5	(0.94)	(1.37)
Diluted loss per share (cents per share)		(0.94)	(1.37)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	Consolidated	
		2018 $	2017 $ (Restated)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	6,412,501	269,259
Trade and other receivables	7	82,714	46,305
TOTAL CURRENT ASSETS		6,495,215	315,564
NON-CURRENT ASSETS			
Trade and other receivables	7	5,000	5,000
Plant and equipment	8	8,939	7,141
Deferred exploration expenditure	9	9,563,843	4,498,677
TOTAL NON-CURRENT ASSETS		9,577,782	4,510,818
TOTAL ASSETS		16,072,997	4,826,382
CURRENT LIABILITIES			
Trade and other payables	10	665,536	378,258
Employee benefits		84,092	67,067
TOTAL CURRENT LIABILITIES		749,628	445,325
TOTAL LIABILITIES		749,628	445,325
NET ASSETS		15,323,369	4,381,057
EQUITY			
Share capital	11	65,462,255	53,582,608
Reserves	12	874,193	(154,348)
Accumulated losses		(51,013,079)	(49,047,203)
TOTAL EQUITY		15,323,369	4,381,057

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2018

Consolidated	Note	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share based Payment Reserve	Total
		$	$	$	$	$
Balance as at 1 July 2017 (Restated)		53,582,608	(49,047,203)	(242,123)	87,775	4,381,057
Net loss for the year		-	(1,965,876)	-	-	(1,965,876)
Exchange differences arising on translation of foreign operations		-	-	148,920	-	148,920
Total comprehensive loss for the year		-	(1,965,876)	148,920	-	(1,816,956)
Share based payment		-	-	-	364,225	364,225
Share based payment reversal		-	-	-	(87,775)	(87,775)
Shares issued during the year		13,175,857	-	-	-	13,175,857
Transaction costs		(1,296,210)	-	-	603,171	(693,039)
Balance as at 30 June 2018		65,462,255	(51,013,079)	(93,203)	967,396	15,323,369
(Restated) **Balance as at 1 July 2016**		50,810,046	(39,750,159)	(257,876)	-	10,802,011
Effect of policy change	14	-	(7,875,675)	132,283	-	(7,743,392)
Balance 1 July 2016		50,810,046	(47,625,834)	(125,593)	-	(3,058,619)
Net loss for the year		-	(1,421,369)	-	-	(1,421,369)
Exchange differences arising on translation of foreign operations		-	-	(116,530)	-	(116,530)
Total comprehensive loss for the year		-	(1,421,369)	(116,530)	-	(1,537,899)
Share based payment		-	-	-	87,775	87,775
Shares issued during the year		3,048,032	-	-	-	3,048,032
Transaction costs		(275,470)	-	-	-	(275,470)
Balance as at 30 June 2017		53,582,608	(49,047,203)	(242,123)	87,775	4,381,057

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated	
		2018 **$**	**2017** **$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,670,659)	(840,602)
Research & development incentive received		159,376	233,536
Interest received		35,236	3,820
Net cash used in operating activities	15	**(1,476,047)**	(603,246)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation expenditure		(4,756,345)	(2,594,665)
Payments for property, plant & equipment		(8,722)	(2,765)
Net cash used in investing activities		(4,765,067)	(2,597,430)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		13,175,857	2,465,590
Issue costs		(791,501)	(217,330)
Net cash provided by financing activities		12,384,356	2,248,260
Net increase / (decrease) in cash held		6,143,242	(952,416)
Cash at beginning of financial year	6	269,259	1,221,675
Effect of foreign currency on cash balances		-	-
Cash at end of financial year	6	6,412,501	269,259

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of Walkabout Resources Ltd and its subsidiaries. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity.

The financial statements have been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements are presented in Australian dollars.

The Company is a listed public company, incorporated in Australia and operating in Australia, Botswana, Tanzania, Malawi, Northern Ireland and Namibia. The entity's principal activities are mineral exploration.

(b) Adoption of new and revised standards

Standards and Interpretations on issue not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	**AASB 9 *Financial Instruments***
Nature of change	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Impact	The Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 July 2018: The financial assets held by the Group primarily comprise cash and debt instruments currently measured at amortised cost which meet the conditions for classification at amortised cost under AASB 9. Accordingly, the Group does not expect the new guidance to affect the classification and measurement of these financial assets. There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under AASB 139. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under AASB 15 *Revenue from Contracts with Customers*, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group expects no significant increase in the loss allowance for trade debtors. The new standard also introduces expanded disclosure requirements and changes in presentation. These may change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.
Date of adoption by Group	Must be applied for financial years commencing on or after 1 July 2018. The Group will apply the new rules retrospectively from 1 July 2018, with the practical expedients permitted under the standard.
Title of standard	**AASB 15 *Revenue from Contracts with Customers***
Nature of change	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

	The standard permits either a full retrospective or a modified retrospective approach for the adoption.
Impact	Management has assessed the effects of applying the new standard on the group's financial statements and has not identified any areas that will be affected. The application of AASB 15 may result in the identification of separate performance obligations in relation to certain contracts which could affect the timing of the recognition of revenue going forward. Given the exploration stage of this business, revenue is not significant and the impact from this change is not material.
Date of adoption by Group	Mandatory for financial years commencing on or after 1 July 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption, if any, will be recognised in retained earnings as of 1 July 2018 and that comparatives will not be restated.
Title of standard	**AASB 16 *Leases***
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.
Impact	The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has minimal non-cancellable operating lease commitments. Therefore estimation of the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward is not material.
Mandatory application date/Date of adoption by Group	Mandatory for financial years commencing on or after 1 July 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will likely not restate comparative amounts for the year prior to first adoption.

(c) Statement of Compliance

The financial report was authorised for issue on 21 September 2018.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Walkabout Resources Ltd ('the Company or parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Walkabout Resources Ltd and its subsidiaries are referred to in this financial report as the Group or the consolidated entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Basis of Consolidation - continued

Business combinations have been accounted for using the acquisition method of accounting.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Walkabout Resources Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Exploration and evaluation expenditure:

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. fair value is determined by an external valuer using a Black and Scholes model, using the assumptions detailed in Note 20. From time to time the Company makes share-based payments to other parties, other than employees, for goods or services. Where the fair value of the goods and services cannot be reliably estimated, the Company measures their fair value by reference to the fair value of the equity instruments granted.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

(f) Going Concern

The Group is involved in the exploration and evaluation of mineral tenements. Further expenditure will be required upon these tenements to ascertain whether they contain economically recoverable reserves.

For the year ended 30 June 2018, the Group recorded a net loss of $1,965,876 (2017: $1,385,295) and a net cash inflow of $6,143,242 (2017: outflow $952,416). At 30 June 2018, the Group had cash available of $6,412,501 and exploration and lease commitments of $3,898,233.

Notwithstanding the above, the financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's and Group's assets and the discharge of their liabilities in the normal course of business. The Board considers that the Company is a going concern and that should additional funding be required to progress their exploration and evaluation assets in the near future, the Directors are confident that sufficient funding can be raised. During the year, the Group successfully raised $12,384,356, after costs.

Having carefully assessed the uncertainties relating to the likelihood of securing additional funding, the Group's ability to effectively manage their expenditures and cash flows from operations and the opportunity to farm out participating interests in existing tenements, the Directors believe that the Group will continue to operate as a going concern for the foreseeable future. Therefore the Directors consider it appropriate to prepare the financial report on a going concern basis.

(g) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Walkabout Resources Ltd.

(h) Foreign Currency Translation

Both the functional and presentation currency of Walkabout Resources Ltd and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign operations in Botswana, Tanzania, Malawi, Namibia and Northern Ireland is Pula, Schillings, Kwacha, Namibian Dollars and Sterling respectively.

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of Walkabout Resources Ltd at the rate of exchange ruling at the balance date and their statements of comprehensive income are translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss

(i) Revenue Recognition

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

(i) Revenue Recognition - continued

Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

(j) Leases

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(k) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

(k) Income tax - continued

Tax consolidation legislation

The Company and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

The Company recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

(l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST and VAT except:

- when the GST and VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST and VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST and VAT included.

The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST and VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST and VAT recoverable from, or payable to, the taxation authority.

(m) Impairment of assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES - continued

(n) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(o) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance

The amount of the impairment loss is recognised in the Statement of Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(p) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – continued

(p) Financial assets - continued

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

(q) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(r) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – continued

(r) Impairment of financial assets – continued

impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(s) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets at the following rates:

Plant and equipment – 20%

Computer equipment – 30%

Motor Vehicles – 33.3%

Furniture and Fittings – 22.2%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – continued

(s) Plant and equipment - continued

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(t) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(v) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date, they are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expect future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(w) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There are currently two plans in place to provide these benefits:

- the incentive Performance Rights Plan, which provides benefits to Directors, Key Management and other eligible participants; and
- the Incentive Share Plan, which provides benefits to Directors, Key Management and other eligible participants

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

Where appropriate, fair value is determined by using a Black-Scholes model, further details of which are given in Note 20. From time to time the Company makes share-based payments to other parties, other than employees, for goods or services. Where the fair value of the goods and services cannot be reliably estimated, the Company measures their fair value by reference to the fair value of the equity instruments granted.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – continued

(w) Share- based payments transactions - continued

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Walkabout Resources Ltd (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

(x) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(y) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(z) Exploration and evaluation

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 14 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 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 exploitation 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES – continued

(z) Exploration & evaluation - continued

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.

(aa) Parent entity financial information

The financial information for the parent entity, Walkabout Resources Ltd, disclosed in Note 17 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Walkabout Resources Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Share-based payments

The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

NOTE 2: REVENUE AND EXPENSES

	Consolidated	
	2018 $	2017 $
Interest received	35,236	3,820
Expenses		
Foreign exchange losses / (gain)	68,439	6,094
Depreciation	6,924	10,693
Exploration costs written off	192,542	584,291

NOTE 3: INCOME TAX EXPENSE

a. The components of income tax expense comprise:

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2018	2017
Accounting profit before tax from continuing operations	(1,965,876)	(1,618,831)
Income tax expense / (benefit) calculated at 27.5% (2017: 27.5%)%	(584,444)	(445,179)
Non-deductible expenses	198,423	77,919
Difference in tax rate of subsidiaries operating in other jurisdictions	6,342	(12,263)
Effect due to changes in tax rates (2016: 30%, 2017:27.5%)	-	404,451
Unused tax losses not recognised as deferred tax assets	1,464,424	885,670
Effect due to derecognition of losses on Takatokwane Project	(724,236)	-
Effect due to change in accounting policy in relation to exploration spend	(731,059)	-
Other deferred tax assets and tax liabilities not recognised	(1,091,568)	(910,598)
R & D tax incentive	(159,376)	(233,536)
Income tax expense/(benefit) reported in the consolidated statement of comprehensive income	(159,376)	(233,536)

b. Unrecognised deferred tax balances

The following deferred tax assets and (liabilities) have not been brought to account:

	2018	2017
Deferred tax assets / (liabilities) comprise:		
• Losses available for offset against future taxable income – revenue	6,461,664	5,721,475
• Losses available for offset against future taxable income – capital	20,622	20,623
• Depreciation timing differences	2,211	4,707
• Accrued expenses and liabilities	32,133	27,846
• Exploration expenditure capitalised	(2,451,824)	(2,147,850)
	4,064,806	3,626,801

c. Income tax benefit not recognised direct in equity

	2018	2017
• Share issue costs	-	-
	-	-

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereof.

NOTE: 4: AUDITORS REMUNERATION

	Consolidated 2018 $	Consolidated 2017 $
Remuneration of the auditor for:		
Auditing or reviewing the financial report – HLB Mann Judd	32,000	30,750
Taxation compliance services – HLB Mann Judd	7,400	10,000
	39,400	40,750

NOTE 5: EARNINGS PER SHARE

	2018	2017
Basic and diluted earnings per share		
Basic earnings per share (cents per share)	(0.94)	(1.37)
Diluted earnings per share (cents per share)	(0.94)	(1.37)

Earnings

Earnings used in the calculation of basic and diluted earnings per share

	Consolidated 2018 $	Consolidated 2017 $
Loss from continuing operations	(1,965,876)	(1,421,369)

Weighted average number of ordinary shares

	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	209,223,375	103,545,806
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	209,223,375	103,545,806

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	6,412,501	269,259

Cash at bank earns interest at floating rates based on daily bank deposit rates

NOTE: 7: TRADE AND OTHER RECEIVABLES

CURRENT		
Other debtors	82,714	46,305
NON-CURRENT		
Security bonds	5,000	5,000

NOTE 8: PLANT AND EQUIPMENT

	Consolidated	
	2018 **$**	**2017** **$**
NON-CURRENT		
Plant and Equipment		
At cost	115,676	106,954
Accumulated depreciation	(106,737)	(99,813)
Total plant and equipment	8,939	7,141

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Consolidated	
	2018 **$**	**2017** **$**
Balance at the beginning of the year	7,141	15,069
Additions	8,722	2,765
Depreciation expense	(6,924)	(10,693)
Balance at end of the year	8,939	7,141

NOTE 9: DEFERRED EXPLORATION EXPENDITURE

	Consolidated	
	2018 **$**	**2017** **$** **(Restated)**
NON-CURRENT		
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	4,498,677	1,983,081
Purchase of tenements	1,865,318	15,826
Expenditure incurred	3,050,928	3,133,000
Foreign currency exchange variation	148,920	(48,939)
Expenditure written off (i)	-	(584,291)
Carrying amount at end of year	9,563,843	4,498,677

(i) During the 2017 financial year, exploration and evaluation expenditure totalling $548,217 was written off as a result of tenement relinquishments and the Directors' assessment of the value of some of the Groups' projects and as a result no further exploration is planned.

Ultimate recovery of exploration and evaluation expenditure carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively, by sale of the respective areas.

NOTE 10: TRADE AND OTHER PAYABLES

	Consolidated	
	2018 $	2017 $
CURRENT		
Trade payables	462,677	250,486
Sundry payables and accrued expenses	202,859	127,772
	665,536	378,258

Trade payables are non-interest bearing and are normally settled on 30 day terms.

NOTE 11: SHARE CAPITAL

	Consolidated	
	2018 $	2017 $
a) Ordinary Shares		
(i) Issued and paid-up capital 268,416,321 (2017: 119,746,122) fully paid ordinary shares	**65,462,256**	**53,582,609**

	2018		2017	
	No. of Shares	**$**	**No. of Shares**	**$**
(ii) Movements in share capital				
Opening balance	119,746,122	53,582,608	1,981,229,810[1]	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
Issued for cash – share purchase plan	26,132,314	1,520,901	-	-
Capital consolidation on a 23:1 basis	-	-	(2,240,612,827)	-
Issued for cash – entitlement issue	67,104,080	6,710,408	4,306,808[2]	396,226
Issued in lieu of cash	-	-	4,561,296[2]	387,357
Issued for cash – placements	55,433,805	4,944,549	7,656,990[2]	704,443
Conversion of Director performance rights	-	-	1,086,956[2]	75,000
Employee incentive shares	-	-	286,957[2]	20,087
	268,416,321	66,758,466	119,746,122	53,858,080
Less costs of issues	-	(1,296,210)	-	(275,472)
Closing balance	268,416,321	65,462,256	119,746,122	53,582,608

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

(iii) Holders of ordinary shares have the right to receive dividends as declared and in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held and the amount paid up.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each holder in person or by proxy has one vote on a show of hands.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTE 11: SHARE CAPITAL - continued

	Consolidated	
	2018 No. of Options	**2017 No. of Options**
b) Options		
Movements in Options		
Opening balance	27,550,019	-
Issued for nil consideration – entitlement issue	-	341,230,132[1]
Capital consolidation on a 23:1 basis	-	(326,393,911)[1]
Issued for nil consideration – entitlement issue	16,776,311	4,056,808[2]
Issued in lieu of cash*	15,500,000	1,000,000[2]
Issued for nil consideration – placements	8,388,010	7,656,990[2]
Expired	(27,550,019)	-
Closing balance	40,664,321	27,550,019

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

Upon exercise, the options have the same rights as fully paid ordinary shares.

*Underwriter options

15,500,000 options were granted to the Underwriter pursuant to the Prospectus dated 20 December 2017. The fair value of the options at grant date are determined using a Black Scholes pricing method that takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The following table lists the inputs to the model used for valuation of the unlisted options:

Item	**Inputs**
Volatility (%)	100%
Risk free interest rate (%)	1.95%
Expected life of option (years)	1.87
Expected dividend yield	Nil
Exercise price per terms and conditions	$0.15
Underlying security price at grant date	$0.096
Expiry date	31 December 2019
Value per option	$0.0389

b) Performance Rights

	2018	2017
Movements in performance rights		
Opening balance	6,086,957	-
Issued to Directors	8,586,957	7,173,913
Conversion to ordinary shares	-	(1,086,956)
Expired	(6,086,957)	-
Closing balance	8,586,957	6,086,957

d) Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2017.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

NOTE 12: RESERVES

	Consolidated	
	2018 $	2017 $ (Restated)
Opening Balance 1 July	(154,348)	(257,876)
Restatement adjustment 1 July 2016 (note 14)	-	132,283
Translation of foreign operations	148,920	(116,530)
Issue of share based payments	364,225	162,775
Issue of options	603,171	-
Conversion of performance rights	-	(75,000)
Expiry of non-market vesting condition	(87,775)	-
Closing Balance 30 June	874,193	(154,348)

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign subsidiary accounts.

Opening Balance 1 July	(242,123)	(257,876)
Translation of foreign operations	148,920	(116,530)
Restatement adjustment 1 July 2016 (note 14)	-	132,283
Closing Balance 30 June	(93,203)	(242,123)

Share Based Payments Reserve

The share based payments reserve records the value of equity benefits provided to employees and Directors as part of their remuneration.

Opening Balance 1 July	87,775	-
Issue of share based payment	364,225	162,775
Conversion of performance rights	-	(75,000)
Expiry of non-market vesting condition	(87,775)	-
Closing Balance 30 June	364,225	87,775

Option Reserve

The option reserve records the value of options issued to service providers as part of their remuneration.

Opening Balance 1 July	-	-
Issue of options to broker (share issue costs)	603,171	-
Closing Balance 30 June	603,171	-

NOTE 13: SEGMENT REPORTING

Walkabout Resources Ltd operates predominantly in one industry and four geographical segments being the mining and exploration industry in Australia, Botswana and Tanzania, with Namibia and Northern Ireland as an emerging segment.

Segment Information

Identification of reportable segments

The Company 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.

The Company is managed primarily on the basis of its graphite project in Tanzania, copper projects in Northern Ireland, other developing prospects in Tanzania and Namibia and its corporate activities, with the coal exploration in Botswana under review. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

Graphite
Segment assets, including acquisition cost of exploration licences and all expenses related to the tenements in Tanzania are reported in this segment.

Coal
Segment assets, including acquisition cost of exploration licences and all expenses related to the tenements in Botswana and Tanzania are reported in this segment.

Lithium
Segment assets, including acquisition cost of exploration licences and all expenses related to the tenements in Tanzania and Namibia are reported in this segment.

Copper
Segment assets, including acquisition cost of exploration licences and all expenses related to the tenements in Northern Ireland are reported in this segment.

Corporate
Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents, and investments in financial assets are reported in this segment.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- net gains on disposal of available-for-sale investments;
- income tax expense;
- deferred tax assets and liabilities;
- intangible assets; and
- discontinuing operations.

NOTE 13: SEGMENT REPORTING – Continued

(i) Segment performance

	Continuing Operations						
	Corporate	**Coal**	**Gold**	**Graphite**	**Copper**	**Lithium**	**Total**
30 June 2018	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Segment revenue	35,236	-	-	-	-	-	35,236
Segment result	(1,448,588)	(128,620)	(131,282)	(87,300)	(168,436)	(1,650)	(1,965,876)
Included with segment results:							
• Depreciation	(6,924)	-	-	-	-	-	(6,924)
• Interest revenue	35,236	-	-	-	-	-	35,236
• Income tax benefit	159,376	-	-	-	-	-	159,376
• Share-based payment	(276,450)	-	-	-	-	-	(276,450)
Acquisition of non-current assets	1,798	-	-	4,136,516	749,863	178,800	5,066,977
Segment assets	6,389,493	16,297	31,458	8,614,891	749,863	270,995	16,072,997
Segment liabilities	(538,330)	(122,882)	(31,458)	(6,940)	(50,018)	-	(749,628)
30 June 2017							
Segment revenue	3,820	-		-	-	-	3,820
Segment result	(805,916)	(80,221)		(22,838)	(471,319)	(41,075)	(1,421,369)
Included with segment results:							
• Depreciation	(10,693)	-		-	-	-	(10,693)
• Interest revenue	3,820	-		-	-	-	3,820
• Income tax benefit	233,536						
• Share-based payment	(177,383)						
Acquisition of non-current assets	2,765	-		3,021,792	37,363	19,990	3,081,910
Segment assets	317,571	1,176		4,478,937	-	28,698	4,826,382
Segment liabilities	(382,465)	(4,131)		(12,258)	-	(46,471)	(445,325)

14: 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. The accounting policy for other exploration assets remain unchanged.

(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 full year to 30 June 2017 reporting period and in the statement of financial position as at 30 June 2017, are after the change in accounting policy for exploration and evaluation expenditure.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Previously Stated 30 June 2017	Restatement	Restated 30 June 2017
	$	$	$
Exploration expenditure expensed	(548,217)	(36,074)	(584,291)
Loss before income tax	**(1,385,295)**	**(36,074)**	**(1,421,369)**
Net loss for the period	**(1,385,295)**	**(36,074)**	**(1,421,369)**
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations	54,908	(171,438)	(116,530)
Other comprehensive (loss) / Income for the period net of tax	**54,908**	**(171,438)**	**(116,530)**
Total comprehensive loss for period	**(1,330,387)**	**(207,512)**	**(1,537,899)**
Basic and diluted loss per share from continuing operations (cents)	(1.34)	(0.03)	(1.37)

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 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 $36,074 for the year ended 30 June 2018. This has also resulted in a corresponding reduction of $36,074 being reflected in the net cash outflows from investing activities for the same reporting period.

NOTE 15: CASH FLOW INFORMATION

	Consolidated	
	2018 $	**2017 $ (Restated)**
Reconciliation of net cash flow from operating activities with loss after Income Tax		
Loss after income tax	(1,965,876)	(1,421,369)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss		
- Exploration written off	-	584,291
- Depreciation	6,924	10,693
- Share based payments	276,450	197,383
Decrease / (increase) in trade and other receivables	(7,985)	(1,915)
Increase / (decrease) in trade payables and accruals	214,440	63,745
Net cash used in operating activities	(1,476,047)	(567,172)

NOTE 16: EVENTS AFTER THE BALANCE DATE

On 30 August 2018, the Company announced it has received confirmation from the Ministry of Minerals of Tanzania for the granting of Mining Licence ML00638/2017 for the Lindi Jumbo Graphite Project in south eastern Tanzania.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 17: PARENT ENTITY DISCLOSURES

Financial position

	2018 $	2017 $ (Restated)
Assets		
Current assets	6,371,619	290,979
Non-current assets	9,486,145	4,472,543
Total assets	15,857,764	4,763,522
Liabilities		
Current liabilities	534,395	382,465
Total liabilities	534,395	382,465
EQUITY		
Issued capital	65,462,255	53,582,608
Reserves	963,311	83,690
Accumulated losses	(51,102,197)	(49,285,241)
TOTAL EQUITY	15,323,369	4,381,057
Financial performance		
Total comprehensive loss for the period	(1,816,956)	(1,330,657)

The parent entity has no contingent liabilities or commitments at balance date.

NOTE 18: RELATED PARTY TRANSACTIONS

	Consolidated	
Amounts owing to related parties at year end:	2018 $	2017 $
Other Related Parties		
Thomas Murrell	14,634	12,815
Andrew Cunningham	26,800	24,613

Transactions between related parties are on normal commercial terms which are no more favourable than those available to other parties unless otherwise stated.

- Fees paid are for the provision of geological and marketing services to the Company.

The fees payable to Directors and options issued to Directors are disclosed in the Remuneration Report included in this Financial Report. Key management personnel remuneration is disclosed in Note 23. There are no other related party transactions that have occurred throughout the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
Parent Entity:		**2018**	**2017**
Walkabout Resources Ltd	Australia		
Subsidiaries of Walkabout Resources Ltd:			
Reveal Resources Pty Ltd	Australia	100%	100%
Walkabout Resources Australia Pty Ltd	Australia	100%	100%
Walkabout Resources (Pty) Ltd	Botswana	100%	100%
Wizard Investments(Pty) Ltd	Botswana	70%	70%
Triprop Energy (Pty) Ltd	Botswana	40%[1]	40%[1]
Walkabout Resources Pty Ltd	Malawi	100%	100%
Walkabout Resources Pty Ltd	Tanzania	100%	100%
Lindi Jumbo Ltd	Tanzania	100%	100%
Alro Investments Forty Nine (Pty) Ltd	Namibia	100%	100%
Shackleton Resources Ltd	Northern Ireland	100%	-
Antrim Metals Ltd	UK	50%	-

* Percentage of voting power is in proportion to ownership

[1] The Group has consolidated Triprop Energy (Pty) Ltd as the Directors' consider the Group controls this company through the terms of the farm-in agreement.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are therefore not disclosed in this note.

NOTE 19: FINANCIAL INSTRUMENTS

a. Financial Risk Management

The consolidated entity's financial instruments consist of deposits with banks, accounts receivable and payable, loans to a controlled entity and a cash advance to a third party.

i. Treasury Risk Management

The Company's funds are held with an Australian "four pillar" bank with the majority residing in a high interest low transaction fee account.

The Company's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the formulation of credit risk policies and future cash flow requirements.

ii. Financial Risks

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

Iii Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the group's measurement currency.

b. Foreign Currency Risk Sensitivity

At 30 June 2018, there would have been an immaterial change in post-tax loss for the year as a result of a 4% change in the value of the Australian Dollar to the Botswana Pula and an 6% change in the value of the Australian Dollar to the Tanzanian Schilling. The effect on equity would be the same.

NOTE 19: FINANCIAL INSTRUMENTS - Continued

c. Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's and the Group's expected maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

Consolidated

	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	$	$	$	$	$
2018					
Non-interest bearing	544,158	121,378	84,092	-	-
	544,158	121,378	84,092	-	-

Consolidated

	Less than 1 month	1 – 3 Months	3 months – 1 year	1 – 5 years	5+ years
	$	$	$	$	$
2017					
Non-interest bearing	357,433	20,825	67,067	-	-
	357,433	20,825	67,067	-	-

d. Credit risk

The main exposure to credit risk as at 30 June 2018 relates to three separate advances made to the Company's wholly owned subsidiaries, Walkabout Resources Pty Ltd ($16,148,580), Reveal Resources Pty Ltd ($448,105) and Shackleton Resources Ltd ($702,381). These separate advances have been made for the purpose of funding the day to day operations of the subsidiaries and their exploration activities. The loans are unsecured. The risk associated with these advances is exploration risk. These advances will not be repaid if the exploration does not provide an economic deposit. This risk is mitigated by providing the best opportunity to make an economic discovery by utilising exploration professionals of the highest standard and by obtaining the necessary funding.

e. Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities are detailed in the liquidity risk section of this note. At balance date, the Group is not materially exposed to interest rate risk.

f. Fair Value

The carrying amount of the Group's financial assets and liabilities approximate their carrying amount at balance date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 20: SHARE-BASED PAYMENT PLANS

On 29 November 2016, the Group established share incentive plans that entitle Directors, employees and contractors to receive or purchase shares / performance rights in the Company under the terms contained in the plans.

Incentive Performance Rights Plan

On 15 November 2017, shareholders granted Directors performance rights over unissued shares at no consideration in accordance with the following vesting conditions:

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

The following share-based payment arrangements were in place as at 30 June 2018:

Series	Date performance rights granted	Number of shares under right	Exercise price of right	Expiry date of right	Fair value at grant date $	Vesting date
1	15 November 2017	2,173,914	Nil	15 November 2018	0.09	30 Sept 2018
2	15 November 2017	3,913,043	Nil	15 November 2018	0.09	Unlikely to vest
3	15 November 2017	2,500,000	Nil	15 November 2018	0.09	20 Feb 2018

The Series 3 Performance Rights vested during the year and converted to ordinary shares on 17 July 2018.

On 29 November 2016, shareholders granted Directors performance rights over unissued shares at no consideration in accordance with the following vesting conditions:

- Series 1 – an announcement to the ASX platform of positive results of a definitive feasibility study by an independent consultant within 6 months of shareholder approval;
- Series 2 – an announcement to the ASX platform upon securing 80% of the initial funding requirement for project development within 12 months of shareholder approval;
- Series 3 – an announcement to the ASX platform of commencement of first commercial production of graphite concentrate from Lindi Jumbo Project within 18 months of shareholder approval.

The Series 1 Performance Rights vested and converted to ordinary shares on 31 March 2017. The series 2 and 3 Performance Rights lapsed.

NOTE 21: CONTINGENT LIABILITES

The Directors are not aware of any contingent liabilities as at the date of this report.

NOTE 22: CAPITAL AND LEASING COMMITMENTS

		Consolidated	
		2018	**2017**
		$	**$**
a.	**Property Lease Commitments**		
	Payable — minimum lease payments		
	- not later than 12 months	61,443	-
	- between 12 months and 5 years	-	-
		61,443	-
b.	**Capital Expenditure Commitments**		
	Minimum expenditure commitments for mining tenements:		
	- not later than 12 months	1,872,413	2,126,312
	- between 12 months and 5 years	1,496,202	-
		3,368,615	2,126,312

NOTE 23: DIRECTORS AND EXECUTIVES DISCLOSURES

Details of Key Management Personnel
Directors

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

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

The totals of remuneration paid to key management personnel of the Company and the Group during the year are as follows:

	Consolidated	
	2018	**2017**
	$	**$**
Short-term employment benefits	796,338	611,246
Post-employment benefits	47,500	34,482
Other long-term benefits	-	-
Share-based payments	364,225	162,775
Total KMP compensation	1,208,063	808,503

DIRECTORS' DECLARATION

1. In the opinion of the directors of Walkabout Resources Ltd (the 'Company'):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of their performance for the year then ended; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

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

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

This declaration is signed in accordance with a resolution of the Board of Directors.

Trevor Benson
Executive Chairman

Dated this 21st day of September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report
To the Members of Walkabout Resources Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Walkabout Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report**.**

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Note 9 of the financial report	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and	Our procedures included but were not limited to the following: ▪ We obtained an understanding of the key processes associated with management's

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Note 9 of the financial report	
subsequently applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group.	review of the carrying values of each area of interest; ▪ We considered the Directors' assessment of potential indicators of impairment; ▪ We obtained evidence that the Group has current rights to tenure of its areas of interest; ▪ We examined the exploration budget for the year ending 30 June 2019 and discussed with management the nature of planned ongoing activities; ▪ We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and ▪ We examined the disclosures made in the financial report.

Key Audit Matter	How our audit addressed the key audit matter
Change of accounting policy Note 14 of the financial report	
During the current year, the Group changed its accounting policy in relation to deferred exploration and evaluation expenditure in relation to an area of interest. In previous reporting periods, exploration and evaluation expenditure was capitalised under AASB 6 Exploration for and Evaluation of Mineral Resources. The accounting policy of the are of interest in this respect has been changed to expense exploration expenditure as incurred on the basis described in Note 14. Management has assessed this change against accounting standards requirements with respect to voluntary changes in accounting policies and the change in accounting policy is on the basis that it will result in more relevant and reliable information in the financial report. The change in accounting policy resulted in the restatement of affected 30 June 2017 balances and the disclosure of the impact of the change for each financial statement line item affected. The change in accounting policy was considered a key audit matter as it was determined to be important to the users understanding of the financial statements as a whole, was material in size and nature and involved the most communication with those charged with governance.	Our procedures included but were not limited to: ▪ We considered the appropriateness of the change in accounting policy ensuring that the disclosure requirements set out in accounting standards were complied with, including that the change provided more relevant financial information to the users of the financial report; and ▪ We reconciled the restated balances to the prior year audited balances ensuring that the change was correctly calculated and disclosed.

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of

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- our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Walkabout Resources Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
21 September 2018

DBuckley

D I Buckley
Partner

ADDITIONAL INFORMATION FOR ASX LISTED PUBLIC COMPANIES

The following additional information is provided as at 20 September 2018.

Distribution of Shareholders	Fully Paid Ordinary Shares		Options	
Category (size of holding)	Number of Holders	Number of Shares	Number of Holders	Number of Options
1 – 1,000	461	153,314	119	51,434
1,001 – 5,000	354	1,074,022	176	478,660
5,001 – 10,000	311	2,369,567	70	480,255
10,001 – 100,000	864	34,026,050	204	7,478,896
100,001 – and over	421	233,293,372	71	32,175,076
	2,411	270,916,325	640	40,664,321

The number of shareholdings held in less than marketable parcels is 662

The names of the substantial are:

	Number	
Shareholder	**Ordinary**	**%**
Hong Kong Tiande Baorun Trade Co Limited	23,043,656	8.51

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote

Options

- Options are not entitled to a vote

Performance Rights

- Performance rights are not entitled to a vote

Corporate Governance

The 2018 corporate governance statement is located on the Company's website at www.wkt.com.au.

Unlisted securities :

There are 4 holders of 6,086,957 performance rights expiring 15 November 2018 as follows:

Name	Holding	% Held
Trevor Benson	2,173,913	36%
Allan Mulligan	1,304,348	21%
Andrew Cunningham	1,304,348	21%
Thomas Murrell	1,304,348	21%
Total	**6,086,957**	

ADDITIONAL INFORMATION FOR ASX LISTED PUBLIC COMPANIES

	20 Largest Shareholders — Ordinary Shares		
	Name	**Number Held**	**% Held**
1	HONG KONG TIANDE BAORUN TRADE CO LIMITED	23,043,656	8.51
2	MARCOLONGO NOMINEES PTY LTD <MARCOLONGO FAMILY A/C>	10,364,018	3.83
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	9,819,071	3.62
4	MR JOHN RICHARD TURNER + MRS CLARE FRANCES TURNER <TURNER SUPER FUND A/C>	6,696,265	2.47
5	MR ALLY MBARAK MOHAMED	4,213,703	1.56
6	OODACHI PTY LTD <P & M KERR FAMILY A/C>	4,152,068	1.53
7	PANTAI INVESTMENTS PTY LTD <ORCHARD SUPER FUND A/C>	4,000,000	1.48
8	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,801,651	1.40
9	MR ALLAN MULLIGAN	3,640,497	1.34
10	MRS ROBYN JOY CRASE	2,981,213	1.10
11	GERROA SERVICES PTY LIMITED	2,839,310	1.05
12	MR TREVOR BRUCE BENSON	2,720,144	1.00
13	MR NAVEEN TEJPAL + MRS JYOTI TEJPAL	2,630,567	0.97
14	MR ROBERT LINCOLN WESTLAKE	2,520,000	0.93
15	MR GLEN RAYMOND TIERNEY	2,483,960	0.92
16	MR THOMAS ANDREW CALVERT MURRELL	2,332,774	0.86
17	BNP PARIBAS NOMS PTY LTD <DRP>	2,202,316	0.81
18	MR SHANNON EDWARD RUTTY	2,100,000	0.78
19	P & M ZUVIC PTY LIMITED <ELLIOTT FAMILY SUPER A/C>	2,000,000	0.74
20	CITICORP NOMINEES PTY LIMITED	1,879,448	0.69
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**96,420,661**	**35.59**
Total Remaining Holders Balance		**174,495,664**	**64.41**

ADDITIONAL INFORMATION FOR ASX LISTED PUBLIC COMPANIES

	20 Largest option holders — listed options expire 31/12/2019 exercisable at $0.15		
	Name	**Number Held**	**% Held**
1.	MR TREVOR ALAN POWER	2,000,000	4.92
2.	MARCOLONGO NOMINEES PTY LTD <MARCOLONGO FAMILY A/C>	1,766,502	4.34
3.	ADRA FUTURE CO LIMITED	1,552,057	3.82
4.	HONG KONG TIANDE BAORUN TRADE CO LIMITED	1,440,229	3.54
5.	MR ROGER GOES	1,364,793	3.36
6.	MR ROBERT LINCOLN WESTLAKE	1,200,001	2.95
7.	MR STEPHEN JOHN HOGAN	1,200,000	2.95
8.	MR HAYDEN JOHN DAHM	1,125,306	2.77
9.	MR STEPHEN JOHN HOGAN + MS KAREN MAREE HOGAN <SJ & KM HOGAN SUPER A/C>	1,050,000	2.58
10.	CLARKE WEALTH PTY LTD	953,511	2.34
11.	MR ROBERT KEITH HOWARD	947,196	2.33
12.	MR MATIU RUDOLPH + MRS JANELLE LESLEY RUDOLPH <RUDOLPH FAMILY A/C>	850,781	2.09
13.	OODACHI PTY LTD <P & M KERR FAMILY A/C>	847,933	2.09
14.	MR CHRISTOPHER POHLNER	772,517	1.90
15.	MR HEATH BERNARD MCCARTNEY <MCCARTNEY INVESTMENT A/C>	700,000	1.72
16.	MR BRUCE NEVILLE VICTOR TOMICH	686,968	1.69
17.	MR ANDREW WILLIAM BUTLER	685,693	1.69
18.	MR MARK ANTHONY MURTAGH	650,000	1.60
19.	MR SIMON DAVID FEHRE	600,000	1.48
20.	MR DAVID PAUL INGLIS	600,000	1.48
	Totals: Top 20 holders of listed options	**20,993,487**	**51.63**
	Total Remaining Holders Balance	**19,670,834**	**48.37**

ADDITIONAL INFORMATION FOR ASX LISTED PUBLIC COMPANIES

Tenement Schedule

Project / Location	Tenement Type	Tenement Number		Interest	Comment
Botswana					
Takatokwane	PL	35/2007		70%	Renewed
Takatokwane	PL	157/2009		40%	Earning 65% Renewed
Takatokwane	PL	160/2009		40%	Earning 65% Renewed
Namibia					
Eureka	EPL*	6308		100%	
Eureka	EPL*	6309		100%	
Eureka	EPL*	5691		0%	Earning 51% and then 75%
Tanzania					
Kimoingan	PL	11119/2017		100%	
Lindi	PL	9992/2014		100%	Transfer pending to 100% WKT
Lindi	PL	9993/2014		70%	Subject to ongoing commitments
Lindi	ML	00638/2017		100%	Notification of grant received 29 August 2018
Northern Ireland					
NE Antrim	MPL#	LON01/14		50%	Antrim Metals JV
Glenariff	MPL#	LON02/14		50%	Antrim Metals JV
The Sheddings	MPL#	LON03/14		100%	
Gortnamoyagy	MPL#	LON05/14		100%	
Tyrone	MPL#	KOZ01/16		0%	Earning 50% and then 75%

Lindi Jumbo Graphite Project 2012 JORC Mining Reserve – Annual Review as at 30 June 2018

The Resources considered for mining were based on the JORC 2012 Mineral Resource Estimate that was announced on 6 December 2016. The Ore Reserve is based only on the Measured and Indicated Mineral Resource (see ASX announcement of 6 December 2016) and is summarised in Table 1.

A DFS was completed by Walkabout Resources for the Lindi Jumbo Project with the study proposing an operation processing an average of 276,000 tonnes per annum to produce 40,000 tonnes of concentrate. The DFS found the project to be economically viable with a robust Internal Rate of Return (IRR) and a payback period of less than two (2) years. The DFS was based on production from Proven and Probable Ore Reserves resulting in a Life of Mine (LOM) of approximately 20 years. The classification of the ore reserve considered only the Measured and Indicated Resources (JORC 2012). No Inferred material is mined in the current mining schedule. The DFS is discussed in more detail in ASX announcement of 7 February 2017.

Table 1: Lindi Jumbo Project Ore Reserve.

Category	Tonnes (million)	TGC %	Contained Graphite (tonnes)
Proven Ore Reserves	3.2	16.6	529,423
Probable Ore Reserves	1.8	15.4	279,580
Total Ore Reserves	5.0	16.1	809,081

Walkabout conducts an annual review of its Mineral Resources and Ore Reserves. This process is managed by the Directors and competent person. As of 30 June 2018 it was determined that there would be no change to Mineral Resources and Ore Reserves statement which remains the same as that of 30 June 2017.

There has not be been any material change or update that requires a restatement of the Mineral Resources. The governance arrangements and internal controls in place with respect to its estimates of mineral resources and ore reserves and the estimation process include oversight of the competent person by the managing director and review by the board. No mining has commenced and no additional mining studies have been completed.

Competent Person – Mr Andrew Cunningham

The information in this report that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr Andrew Cunningham (Director of Walkabout Resources Limited). Mr Cunningham is a member of the Australian Institute of Geoscientists and has 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. Mr Cunningham consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.