walkabout

RESOURCES LTD

ACN 119 670 370

Interim Financial Report
31 December 2022

WALKABOUT RESOURCES LTD
ACN 119 670 370

INTERIM FINANCIAL REPORT
For the Half Year Ended 31 December 2022

DIRECTORS

Mr Andrew Cunningham
(Executive Director)

Mr Michael Elliott
(Non-Executive Director)
(Chair)

Mr Phil Montgomery
(Non-Executive Director)

Mr Peter Finnimore
(Non-Executive Director)

COMPANY SECRETARY
Mr Ben Donovan
Mr Tony Allen

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

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2022.

DIRECTORS

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

Michael Elliott	Non-Executive Director (Chair)
Andrew Cunningham	Executive Director
Phil Montgomery	Non-Executive Director
Peter Finnimore	Non-Executive Director

RESULTS

The loss after tax for the period ended 31 December 2022 was $3,300,342 (2021: $3,058,027).

REVIEW OF OPERATIONS

Lindi Jumbo Graphite Mine

During the period under review the Company's primary focus was the continuation of plant and site construction activities. Due to the delay in the debt drawdown with the CRDB bank (CRDB) no further shipments were dispatched although approximately 65% of all the processing plant equipment has now been delivered to site. Mechanical construction of the remainder of the processing plant equipment has been completed in China and Australia and is being prepared for shipment to Tanzania. The cost of remaining equipment to be shipped from China is less than US$2m. The small engineering, procurement and construction (EPC) team on site focussed their efforts on the front-end of the processing plant (ROM pad to the concentrator building) while the concrete works has focussed on the preparation of the areas for the remainder of the equipment on site and to complete the remainder of the building and equipment foundations in preparation for the installation of the equipment and buildings with shipments recommencing from China in mid-January 2023.

Concrete works focused around completing the foundations and plinths for the equipment already delivered to site as well as the preparation of the foundations for the concentrator and drying and screening buildings. The later shipments of equipment will continue to have a direct impact on the completion date of the project, notwithstanding the fact that preparation and construction activities continue on site as well as in China.

Construction continued of the Tailings Storage Facility (TSF) wall rockfill installation of various drainage pipes, stormwater drainage and culverts. The status of the civils, structural steel and mechanical installation of the equipment on site is estimated to be:

1. Front-end (including ROM bin, crushing and screening, Conveyors 1 to 4 and fine ore bin and associated infrastructure) approximately 80% - 90% complete.
2. Mechanical equipment within the concentrator section (Mills, classifiers, floatation cells) approximately 80%-90% complete.
3. Drying and screening section – civils approximately 80%-90% complete.

In preparation for commissioning and project start, Lindi Jumbo has prepared for the placement of critical operational contracts, started the recruitment of key operational personnel as in the operation readiness plan and advanced the formal framework and shareholders agreements around the free carried interest with The Government of the United Republic of Tanzania in accordance with previous documented guidelines from the ministry. These framework and shareholders agreements are not a pre-condition of operations nor product sales.

On 29 July 2022, the Company signed an amended binding Sales, Purchase and Marketing Agreement with Wogen Pacific Limited for the supply of all exported graphite production from its Lindi Jumbo Graphite Project in southeast Tanzania.

Under the terms of the Agreement, the full export production of Lindi Jumbo shall be sold to Wogen for a minimum term of 5 years. Wogen shall distribute the product into the global market, drawing on its substantial expertise and resources in speciality commodities marketing. Existing offtake agreements with other customers will be renegotiated to reflect this new arrangement. The amended binding Agreement will allow Lindi Jumbo to harness the skills and resources of an established international commodities marketing organisation across its full production capacity. Lindi Jumbo will draw on the considerable market knowledge and relationships Wogen has established in the graphite market since partnering with Walkabout Resources and Lindi Jumbo in 2019. It is anticipated that Lindi Jumbo's sales book will be more diversified and have greater exposure to shorter term pricing than previously as a result of the new arrangement. The Agreement also provides Lindi Jumbo enhanced access to supply chain financing, supporting the objective of operating a capital efficient balance sheet.

During the reporting period the Company continued to work with CRDB in order to meet the final condition precedent for the debt facility, the provision of a US$20m Standby Letter of Credit (SBLC). As this proved to be a longer process than expected, the Company raised A$16.6 million through a non-renounceable entitlement issue. The Company received valid applications for entitlements and oversubscriptions from existing shareholders of A$11.54 million and raised a further A$5.06 million through the placement of shortfall pursuant to the Entitlement Issue. The A$11.54 million included the full conversion of $2m of shareholder debt via debt for equity subscriptions under the Entitlement Issue. This allowed a further US$10m to be allocated to construction activities in the Lindi Jumbo project.

Scotland and Northern Ireland Projects

With the primary focus in Tanzania during the period on the construction activities of the Lindi Jumbo Graphite project exploration activities in the UK were minimised and activities were focussed around the interpretation of the exploration data in preparation of the next phase of field activities.

Amani Gold Project - Tanzania

No field exploration activities were conducted during the period. Focussed exploration targeting has been completed and follow-up work is planned as soon as funds can be committed towards the field programmes.

EVENTS SUBSEQUENT TO REPORTING DATE

On 10 January 2023, the Company issued 7,891,674 ordinary fully paid shares at an issue price of $0.095 per share which was converted through the Subscription Shares Settlement mechanism as initiated by Battery Metals Capital Group LLC. The conversion to shares reduced the financial liability by US$500,000. On 13 January 2023, the Company issued 534,759 ordinary fully paid shares at an issue price of $0.11 per share for professional services rendered in relation to obtaining debt funding for the Lindi Jumbo graphite mine. In addition, the Company also issued 106,635 ordinary fully paid shares at an issue price of $0.211 per share to Peter Finnimore as compensation for directors' fees in lieu of cash. This was approved by the shareholders at the annual general meeting held on 30 November 2021.

On 17 January 2023, the Company issued 1,000 ordinary fully paid shares at an issue price of $0.14 per share under a prospectus. The purpose of the prospectus is to remove any trading restrictions that may have attached to the shares issued by the Company prior to the closing date of the prospectus.

On 6 February 2023, the Company announced that the latest batch of equipment has left China, bound for the Lindi Jumbo graphite mine in Tanzania. Jinpeng, the EPC contractor for the Lindi Jumbo graphite mine, has agreed to defer payment for the contractual milestone payment triggered by this shipment until full construction funding is in place. Containers with equipment for the Lindi Jumbo processing plant departed the port of Qingdao in China mid-January and are en route to Tanzania.

On 20 February 2023, the Company announced that it has reduced the commitments under its EPC Contract with Jinpeng. The agreed amended EPC contract has been reduced to US$12,003,378, a reduction in contract price of US$1,370,140.

The future committed payments under the EPC contract total US$2,685,130 including 5% retention and milestone payments that will only be paid after practical completion, successful commissioning and handover of the processing plant.

Under the amended EPC contract less than US$2 million is required to be paid to Jinpeng prior to practical completion of the Lindi Jumbo plant. To date Lindi Jumbo has paid for approximately 79% of the total EPC contract value which is a fixed price contract. Jinpeng has agreed to accept the issue of up to 25,974,387 shares at 11c each plus 30 million 25c unlisted options as payment for pre-completion EPC milestones. Shipments of the remaining equipment is expected to be despatched shortly.

On 27 February 2023, the Company announced that is has secured a US$10 million standby funding facility from Battery Metals Capital Group, LLC (the "Investor").

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

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

EVENTS SUBSEQUENT TO REPORTING DATE (continued)

On 27 February 2023, the Company announced that under the CRDB Loan Agreement, Lindi Jumbo Limited had pledged its assets to CRDB as a condition precedent to that loan. These assets will be required to be pledged to any other senior debt provider under potential funding deals currently being negotiated by the company. The company had requested that CRDB release this security in preparation for the grant to other parties.

On 28 February 2023, the Company announced that the earthmoving and civils contractor, TNR, and Lindi Jumbo have reached an agreement that will allow the continuation and completion of the earthworks and civils portion of the Lindi Jumbo Graphite Mine in Tanzania.

TNR has agreed to defer payments for work to be completed of up to US$1.4 million. This will enable acceleration of the civil and concrete works for the installation of the machinery and equipment currently being prepared for despatch from China. In addition, it will allow for the advancement of the tailing storage facility (TSF) before the start of the commissioning of the processing plant.

Through the binding agreement Lindi Jumbo is required pay TNR in cash at least the lesser of (1) US$ 250,000 and (2) the actual amount of each invoice amount. The balance of the invoice amount will form the TNR deferred consideration of up to US$1.4 million. The total of monthly cash payments to be made by Lindi Jumbo to TNR during this period is not expected to exceed US$1.5 million.

As security for the obligations Walkabout will (subject to the below) issue to a newly incorporated, wholly owned subsidiary of Walkabout (Security Agent) fully paid ordinary shares in the capital of Walkabout (Security Shares) to the value of 120% of the monthly invoiced works. 9.2m Security Shares (representing security to the value of USD $661,710) will be issued to the Security Agent, under the arrangement, with the balance of the Security Shares (approximately 14.16m Security Shares as security to the value of USD $1,018,290) subject to shareholder approval to be sought at a general meeting to be called shortly.

The outstanding balance of the deferred consideration is repayable on either:

1. the date 9 months after the date of the Agreement;
2. the Project being fully funded to production;
3. 90 days following the successful completion of commissioning of the mine on the Project.

In the event that Lindi Jumbo fails to meet its obligations under the agreement, TNR can enforce its rights under the agreement to procure the sale of the Security Shares to repay the outstanding balance of the deferred consideration. After the obligations to TNR have been settled by repayment or otherwise, it is the intention of the Company to take steps to have the Security Shares cancelled.

On 1 March 2023, the Company announced that it has entered into bridging loans with a number of shareholders and directors for the provision of an aggregate loan of $1,600,000 (Bridging Loans).

With the recent announcement of shipments under the EPC Contract ("Shipping of Equipment Resumes From China" announcement dated 6 February 2023) & acceleration of the earth moving and civils contract ("TNR Provides Vendor Finance to Lindi Jumbo" announcement dated 28 February 2023), Lindi Jumbo has the responsibility to fund supportive costs such as landing charges, local logistics, & cash repayments of up to US$250,000 per month of the TNR contract.

The purpose of the Bridging Loan is to meet Lindi Jumbo's development costs while final project funding is being completed. The Bridging Loans require repayment on the earlier of:

a) 12 months; or
b) on final project funding.

EVENTS SUBSEQUENT TO REPORTING DATE (continued)

The Bridging Loans will be available to be drawn from 31 March 2023, with the following key terms:

a) Unsecured;
b) Term of 12 months;
c) Interest rate 17% - to be settled by the issue of shares (subject to shareholder approval) (Interest Shares);
d) Grant of free attaching unlisted Options (subject to shareholder approval) – 2 Options for every $1 loaned, expiring 18 months from the date of issue and with an exercise price of $0.25 (Bridging Options); and
e) No penalty on early repayment by Walkabout.

The Bridging loans include loans from the Directors, Mr Peter Finnimore and Mr Michael Elliott for $400,000 and $200,000, respectively. Subject to shareholder approval, Mr Peter Finnimore will convert the principal and interest of his Bridging Loan into shares and Mr Michael Elliott will convert the interest on his Bridging Loan into shares, with both being issued Bridging Options pro-rata to their Bridging Loans.

Together with the deferrals of payments under the TNR contract, the Bridging Loans provide for approximately 4.5 months of the remaining $2.9m of capital expenditure for construction completion by TNR.

Further, the issue of all Bridging Options and Interest Shares are subject to shareholder approval (including the securities to be issued to Directors).

There were no other matters or circumstances that have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is within this financial report.

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

M. Elliott

Mike Elliot
Non-Executive Director

Dated this 16th day of March 2023

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Walkabout Resources Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Perth, Western Australia
16 March 2023

L Di Giallonardo
Partner

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WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2022

	Note	31 December 2022 $	31 December 2021 $
Income		5,238	917
Depreciation		(18,717)	(15,790)
Occupancy costs		(121,191)	(164,296)
Legal and compliance		(385,770)	(244,453)
Administration expenses		(946,936)	(769,303)
Finance charges	2	(292,949)	(8)
Consulting fees		(718,255)	(576,283)
Professional fees		(192,905)	(155,209)
Other expenses		(76,797)	(188,315)
Exploration expenditure expensed as incurred		(184)	(509,897)
Realised foreign exchange gain/(loss)		(551,876)	(435,390)
Loss before income tax		**(3,300,342)**	**(3,058,027)**
Income tax expense		-	-
Net loss for the period		**(3,300,342)**	**(3,058,027)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		103,316	1,517,950
Other comprehensive income for the period net of tax		**103,316**	**1,517,950**
Total comprehensive loss for the period		**(3,197,026)**	**(1,540,077)**
Loss attributable to:			
Owners of the parent		(3,300,342)	(3,049,359)
Non-controlling interest		-	(8,668)
		(3,300,342)	**(3,058,027)**
Total comprehensive loss attributable to:			
Owners of the parent		(3,197,026)	(1,533,208)
Non-controlling interest		-	(6,869)
		(3,197,026)	**(1,540,077)**
Basic and diluted loss per share from continuing operations (cents)		(0.67)	(0.72)

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	31 December 2022 $	30 June 2022 $
Assets			
Current assets			
Cash and cash equivalents		2,373,305	1,018,843
Trade and other receivables	3	1,653,675	2,226,228
Total current assets		**4,026,980**	**3,245,071**
Non-current assets			
Trade and other receivables		9,786	9,758
Property, plant and equipment		113,864	135,468
Mine properties	4	46,217,211	44,002,506
Deferred exploration and evaluation expenditure	5	2,448,883	2,326,351
Total non-current assets		**48,789,744**	**46,474,083**
Total assets		**52,816,724**	**49,719,154**
Liabilities			
Current liabilities			
Trade and other payables	6	1,219,031	10,694,156
Provisions		35,208	35,208
Financial liability	7	4,659,060	4,510,589
Total current liabilities		**5,913,299**	**15,239,953**
Total liabilities		**5,913,299**	**15,239,953**
Net assets		**46,903,425**	**34,479,201**
Equity			
Issued capital	8	113,350,602	97,936,740
Reserves		2,281,999	1,971,295
Accumulated losses		(68,729,176)	(65,428,834)
Total equity		**46,903,425**	**34,479,201**

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2022

	Contributed Equity	Accumulated Losses	Foreign Currency Translation Reserve	Share-based Payment Reserve	Option Reserve	Total	Non-Controlling Interest	Total Equity
	$	$	$		$	$	$	$
Balance at 1 July 2021	82,330,019	(61,472,669)	(238,443)	-	1,488,420	22,107,327	(55,599)	22,051,728
Loss for the period	-	(3,049,359)	-	-	-	(3,049,359)	(8,668)	(3,058,027)
Exchange differences arising on translation of foreign operations	-	-	1,516,151	-	-	1,516,151	1,799	1,517,950
Total comprehensive loss for the period	-	(3,049,359)	1,516,151	-	-	(1,533,208)	(6,869)	(1,540,077)
Shares issued - placement	7,622,518	-	-	-	-	7,622,518	-	7,622,518
Shares issued – conversion of prepaid share subscriptions	651,863	-	-	-	-	651,863	-	651,863
Shares issued – commencement fee	326,356	-	-	-	-	326,356	-	326,356
Balance at 31 December 2021	90,930,756	(64,522,028)	1,277,708	-	1,488,420	29,174,856	(62,468)	29,112,388
Balance at 1 July 2022	97,936,740	(65,428,834)	1,950,236	21,059	-	34,479,201	-	34,479,201
Loss for the period	-	(3,300,342)	-	-	-	(3,300,342)	-	(3,300,342)
Exchange differences arising on translation of foreign operations	-	-	103,316	-	-	103,316	-	103,316
Total comprehensive loss for the period	-	(3,300,342)	103,316	-	-	(3,197,026)	-	(3,197,026)
Shares issued – placement (net of costs)	15,413,862	-	-	-	-	15,413,862	-	15,413,862
Options issued	-	-	-	-	207,388	207,388	-	207,388
Balance at 31 December 2022	113,350,602	(68,729,176)	2,053,552	21,059	207,388	46,903,425	-	46,903,425

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
ACN 119 670 370

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2022

	Note	31 December 2022 $	31 December 2021 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,831,230)	(2,928,861)
Interest received		5,328	917
Interest paid		-	(8)
Net cash flows used in operating activities		**(2,825,902)**	**(2,927,952)**
Cash flows from investing activities			
Payments for property, plant & equipment		(10,852,554)	(5,665,291)
Payments for exploration and evaluation		(110,853)	(822,292)
Net cash flows used in investing activities		**(10,936,407)**	**(6,487,583)**
Cash flows from financing activities			
Proceeds from the issue of shares, net of costs		13,413,862	7,948,874
Non Recourse debt	7	2,000,000	-
Net cash flows from financing activities		**15,413,862**	**15,769,134**
Net increase in cash and cash equivalents		1,624,553	6,353,599
Cash and cash equivalents at the beginning of the period		1,018,843	5,659,691
Effect of exchange rate changes on cash and cash equivalents		(270,091)	482,811
Cash and cash equivalents at the end of the period		**2,373,305**	**12,496,101**

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

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

It is recommended that this half-year report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Walkabout Resources Ltd and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

Basis of preparation

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

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

Accounting policies and methods of computation

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

Significant accounting judgements and key estimates

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

In preparing this half-year report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2022.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going concern

During the half-year ended 31 December 2022, the Group recorded a net loss of $3,300,342 (2021: $3,058,027) and net cash inflows of $1,624,553 (2021: inflows of $6,353,599). At 31 December 2022, the Group had cash available of $2,373,305 (30 June 2022: $1,018,843) and exploration, lease and Lindi Jumbo Graphite Project construction commitments for the next 12 months of approximately $9,687,164.

Subsequent to balance date, the Group has entered into bridging loans with shareholders and directors for an aggregate of $1,600,000 as well as vendor finance arrangements with the two largest Lindi Jumbo contractors covering $6,455,000 of the remaining construction costs. The Company has also secured a US$10,000,000 standby facility from Battery Metals Capital Group, LLC as set out in Note 12. The Company continues to make good progress in other Lindi Jumbo full funding options which are expected to cover the remaining Lindi Jumbo construction costs, start up working capital and repay interim funding measures. Five funding terms sheets received to date are currently being evaluated by the Company and its advisers with a preferred transaction currently before the potential lender's investment committee for updated approval.

As a result of the above, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report, whilst also recognising that certain assumptions have been made in reaching this view. If the funding options are not finalised to the Company's satisfaction and in the amount required to fund the Group's planned commitments at least for the period of 12 months from the date of signing the interim financial report, there is a material uncertainty that may cast significant doubt as to the ability of the Group to continue as a going concern and whether it will be able to realise its assets and extinguish its liabilities in the ordinary course of business.

New and Revised Accounting Standards and Interpretations

The accounting policies have been consistently applied by the Group and are consistent with those in the June 2022 annual financial report and the corresponding interim reporting period except for the impact (if any) of new and revised standards and interpretations outlined below. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half-year.

Standards and Interpretations applicable to 31 December 2022
In the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2022. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted by the Group and, therefore, no change is necessary to Group accounting policies.

2. FINANCE CHARGES

	Half Year to 31 December 2022 $	Half Year to 31 December 2021 $
BMCG Financing	85,561	-
Options – Non Recourse Loans	207,388	-
Other	-	8
	292,949	8

3. TRADE AND OTHER RECEIVABLES

	31 December 2022 $	30 June 2022 $
Other debtors	1,653,675	2,226,228

Other debtors comprise primarily Tanzanian VAT receivable.

4. MINE PROPERTIES

	31 December 2022 $	30 June 2022 $
At cost	46,217,211	44,002,506
Accumulated amortisation	-	-
Total	46,217,211	44,002,506

Movement for the period/year:

	Half Year to 31 December 2022 $	Year to 30 June 2022 $
Balance at the beginning of the period/year	44,002,506	15,540,554
Additions	1,860,167	27,127,405
Transfer from Deferred Exploration and Evaluation Expenditure	-	2,909
Foreign exchange translation effect	354,538	1,331,638
Balance at end of the period/year	46,217,211	44,002,506

5. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2022 $	30 June 2022 $
Costs carried forward in respect of areas of interest in the following phases		
Exploration and evaluation phase – at cost		
Balance at beginning of period/year	2,326,351	1,821,685
Expenditure incurred	110,853	1,106,771
Foreign currency translation effect	11,863	(92,625)
Expenditure written off	(184)	(506,571)
Transfer to Mine Properties	-	(2,909)
Balance at end of period/year	2,448,883	2,326,351

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

6. TRADE AND OTHER PAYABLES

	31 December 2022 $	30 June 2022 $
Trade payables	939,109	9,811,732
Sundry payables and accrued expenses	279,922	882,424
	1,219,031	10,694,156

The majority of trade payables relates to contractors associated with the Lindi Jumbo construction project.

All other trade payables are non-interest bearing and are normally settled on 30 day terms.

7. FINANCIAL LIABILITY

	31 December 2022 $	30 June 2022 $
Prepaid Share Placements	4,659,060	4,510,589

7. FINANCIAL LIABILITY (CONTINUED)

The movement in prepaid share placements during the period/year are as follows:

Half-year to 31 December 2022:	**$**
Balance at beginning of the period	4,510,589
Finance charge – 5%	26,210
8% VWAP discount provided	59,351
Unrealised loss on translation	62,910
Balance at end of the period	4,659,060

Year to 30 June 2022:	**Tranche 1 $**	**Tranche 2 $**	**Total $**
Balance at beginning of the period	-	-	-
Drawdown	1,941,823	5,878,437	7,820,260
Commencement fee charge equivalent to 2,360,495 shares	331,685	-	331,685
Conversion to shares – US$400,000	(543,478)	-	(543,478)
Conversion to shares – US$1,000,000	(1,392,176)	-	(1,392,176)
Conversion to shares – US$1,959,000	(538,085)	(2,187,282)	(2,725,367)
Finance charge – 5%	104,572	245,779	350,351
5% VWAP discount provided	-	275,060	275,060
Realised forex on conversion to shares	95,659	31,334	126,993
Unrealised loss on translation at year end rates	-	267,261	267,261
Balance at end of the period	-	4,510,589	4,510,589

In addition, during the half-year, debt funding of $2,000,000 was received from shareholders and was ultimately repaid via the issue of shares as part of the Company's non-renounceable entitlement issue.

8. ISSUED CAPITAL

	31 December 2022 $	30 June 2022 $
Issued capital		
603,184,202 (30 June 2022: 452,275,112) issued and fully paid	113,350,602	97,936,740

Movements in ordinary shares on issue	Half Year to 31 December 2022 Number	Year to 30 June 2022 Number	Half Year to 31 December 2022 $	Year to 30 June 2022 $
At start of period/year	452,275,112	381,133,645	97,936,740	82,330,019
Issued for cash – placements	132,727,273	38,112,587	14,600,000	7,622,546
Issued– non recourse debt shares	18,181,817	-	2,000,000	-
Issued – commencement shares	-	2,360,495	-	326,356
Issued – initial placement shares	-	3,800,000	-	665,000
Issued on conversion of prepaid share subscriptions	-	26,868,385	-	6,992,819
Share issue costs	-	-	(1,186,138)	-
At end of period/year	603,184,202	452,275,112	113,350,602	97,936,740

On 16 November 2022, the Company issued 150,909,090 ordinary fully paid shares at an issue price of $0.11 per share raising $16,600,000 before costs through its non-renounceable entitlement issue pursuant to the Prospectus dated 25 August 2022 and Supplementary prospectus dated 8 September 2022. The entitlement issue closed on 28 September 2022.

9. OPTIONS

	Half Year to 31 December 2022 Number	Year to 30 June 2022 Number	Half Year to 31 December 2022 $	Year to 30 June 2022 $
Movements in options				
Opening balance	-	7,000,000	-	1,488,420
Issued [(1)]	6,666,667	-	207,388	-
Exercised	-	-	-	-
Expired [(2)]	-	(7,000,000)	-	(1,488,420)
Closing balance	-	-	207,388	-

[(1)]On 31 July 2022, the Company granted 6,666,667 unlisted options exercisable at $0.25 each and expiring on 30 April 2023. These options were attached to the non-recourse debt finance of $1,000,000 obtained from shareholders to fund short-term working capital of the Group. The fair value of the options at grant date is $207,388 calculated using the Black Scholes valuation method with valuation inputs disclosed below, and this value has been expensed in the current period and included in finance charges. There are no vesting conditions attached to the options.

Gant date	31 July 2022
Expiry date	30 April 2023
Exercise price	$0.25
Grant date share price	$0.215
Risk-free rate	2.49%
Volatility	57%

[(2)]7,000,000 options exercisable at 20 cents expired on 11 December 2021.

10. SEGMENT REPORTING

Operating Segments by business activity

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

Segment Information

The following tables present segment information provided to the Board of Directors for the half year periods ended 31 December 2022 and 31 December 2021.

	Corporate	Gold and Base Metals	Graphite	Unclassified	Total
31 December 2022	**$**	**$**	**$**	**$**	**$**
Segment income	5,238	-	-	-	5,238
Segment result	(2,786,009)	(36,791)	(473,268)	(4,274)	(3,300,342)
Segment assets	2,103,491	2,366,476	48,237,232	109,525	52,816,724
Segment liabilities	(5,062,193)	(29,696)	(821,410)	-	(5,913,299)
31 December 2021					
Segment income	917	-	-	-	917
Segment result	(2,078,287)	(76,863)	(570,853)	(332,027)	(3,058,027)
Segment assets	2,774,081	2,062,059	39,093,513	109,782	44,039,435
Segment liabilities	(8,813,823)	(32,030)	(6,081,194)	-	(14,927,047)

11. COMMITMENTS AND CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since the last annual reporting date.

12. CAPITAL AND LEASING COMMITMENTS

		31 December 2022	30 June 2022
a.	**Property Lease Commitments**		
	Payable — minimum lease payments	$	$
	- not later than 12 months	50,315	34,992
	- between 12 months and 5 years	-	-
		50,315	34,992
b.	**Capital Expenditure Commitments**		
	Minimum expenditure commitments for mining tenements:		
	- not later than 12 months	604,262	1,411,774
	- between 12 months and 5 years	838,922	633,519
	Lindi Jumbo mining project expenditure commitments:		
	- not later than 12 months	8,193,665	-
	- between 12 months and 5 years	-	-
		9,636,849	2,045,293

13. FAIR VALUE MEASUREMENT

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

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

14. EVENTS SUBSEQUENT TO REPORTING DATE

On 10 January 2023, the Company issued 7,891,674 ordinary fully paid shares at an issue price of $0.095 per share which was converted through the Subscription Shares Settlement mechanism as initiated by Battery Metals Capital Group LLC. The conversion to shares reduced the financial liability by US$500,000.On 13 January 2023, the Company issued 534,759 ordinary fully paid shares at an issue price of $0.11 per share for professional services rendered in relation to obtaining debt funding for the Lindi Jumbo graphite mine. In addition, the Company also issued 106,635 ordinary fully paid shares at an issue price of $0.211 per share to Peter Finnimore as compensation for directors' fees in lieu of cash. This was approved by the shareholders at the annual general meeting held on 30 November 2021.

14. EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

On 17 January 2023, the Company issued 1,000 ordinary fully paid shares at an issue price of $0.14 per share under a prospectus. The purpose of the prospectus is to remove any trading restrictions that may have attached to the shares issued by the Company prior to the closing date of the prospectus.

On 6 February 2023, the Company announced that the latest batch of equipment has left China, bound for the Lindi Jumbo graphite mine in Tanzania. Jinpeng, the EPC contractor for the Lindi Jumbo graphite mine, has agreed to defer payment for the contractual milestone payment triggered by this shipment until full construction funding is in place. Containers with equipment for the Lindi Jumbo processing plant departed the port of Qingdao in China mid-January and are en route to Tanzania.

On 20 February 2023, the Company announced that it has reduced the commitments under its EPC Contract with Jinpeng. The agreed amended EPC contract has been reduced to US$12,003,378, a reduction in contract price of US$1,370,140.

The future committed payments under the EPC contract total US$2,685,130 including 5% retention and milestone payments that will only be paid after practical completion, successful commissioning and handover of the processing plant.

Under the amended EPC contract less than US$2 million is required to be paid to Jinpeng prior to practical completion of the Lindi Jumbo plant. To date Lindi Jumbo has paid for approximately 79% of the total EPC contract value which is a fixed price contract. Jinpeng has agreed to accept the issue of up to 25,974,387 shares at 11c each plus 30 million 25c unlisted options as payment for pre-completion EPC milestones. Shipments of the remaining equipment is expected to be despatched shortly.

On 27 February 2023, the Company announced that is has secured a US$10 million standby funding facility from Battery Metals Capital Group, LLC (the "Investor").

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

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

14. EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

On 27 February 2023, the Company announced that under the CRDB Loan Agreement, Lindi Jumbo Limited had pledged its assets to CRDB as a condition precedent to that loan. These assets will be required to be pledged to any other senior debt provider under potential funding deals currently being negotiated by the company. The company had requested that CRDB release this security in preparation for the grant to other parties.

On 28 February 2023, the Company announced that the earthmoving and civils contractor, TNR, and Lindi Jumbo have reached an agreement that will allow the continuation and completion of the earthworks and civils portion of the Lindi Jumbo Graphite Mine in Tanzania.

TNR has agreed to defer payments for work to be completed of up to US$1.4 million. This will enable acceleration of the civil and concrete works for the installation of the machinery and equipment currently being prepared for despatch from China. In addition, it will allow for the advancement of the tailing storage facility (TSF) before the start of the commissioning of the processing plant.

Through the binding agreement Lindi Jumbo is required pay TNR in cash at least the lesser of (1) US$ 250,000 and (2) the actual amount of each invoice amount. The balance of the invoice amount will form the TNR deferred consideration of up to US$1.4 million. The total of monthly cash payments to be made by Lindi Jumbo to TNR during this period is not expected to exceed US$1.5 million.

As security for the obligations Walkabout will (subject to the below) issue to a newly incorporated, wholly owned subsidiary of Walkabout (Security Agent) fully paid ordinary shares in the capital of Walkabout (Security Shares) to the value of 120% of the monthly invoiced works.

The outstanding balance of the deferred consideration is repayable on either:

1. the date 9 months after the date of the Agreement;
2. the Project being fully funded to production;
3. 90 days following the successful completion of commissioning of the mine on the Project.

In the event that Lindi Jumbo fails to meet its obligations under the agreement, TNR can enforce its rights under the agreement to procure the sale of the Security Shares to repay the outstanding balance of the deferred consideration. After the obligations to TNR have been settled by repayment or otherwise, it is the intention of the Company to take steps to have the Security Shares cancelled.

On 1 March 2023, the Company announced that it has entered into bridging loans with a number of shareholders and directors for the provision of an aggregate loan of $1,600,000 (Bridging Loans).

The purpose of the Bridging Loans is to meet Lindi Jumbo's development costs while final project funding is being completed. The Bridging Loans require repayment on the earlier of:

a) 12 months; or
b) on final project funding.

14. EVENTS SUBSEQUENT TO REPORTING DATE (CONTINUED)

The Bridging Loans will be available to be drawn from 31 March 2023, with the following key terms:

a) Unsecured;
b) Term of 12 months;
c) Interest rate 17% - to be settled by the issue of shares (subject to shareholder approval) (Interest Shares);
d) Grant of free attaching unlisted Options (subject to shareholder approval) – 2 Options for every $1 loaned, expiring 18 months from the date of issue and with an exercise price of $0.25 (Bridging Options); and
e) No penalty on early repayment by Walkabout.

The Bridging loans include loans from the Directors, Mr Peter Finnimore and Mr Michael Elliott for $400,000 and $200,000, respectively. Subject to shareholder approval, Mr Peter Finnimore will convert the principal and interest of his Bridging Loan into shares and Mr Michael Elliott will convert the interest on his Bridging Loan into shares, with both being issued Bridging Options pro-rata to their Bridging Loans.

Together with the deferrals of payments under the TNR contract, the Bridging Loans provide for approximately 4.5 months of the remaining $2.9m of capital expenditure for construction completion by TNR.

Further, the issue of all Bridging Options and Interest Shares are subject to shareholder approval (including the securities to be issued to Directors).

There were no other matters or circumstances that have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

WALKABOUT RESOURCES LTD
ACN 119 670 370

DIRECTORS' DECLARATION

For the Half-Year Ended 31 December 2022

1. In the opinion of the directors:

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

      i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half- 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.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2022.

Signed in accordance with a resolution of the board of directors

Mike Elliott
Non-Executive Director

Dated this 16th day of March 2023

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Walkabout Resources Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Walkabout Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

(a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

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

Basis for conclusion

We conducted our review in accordance with ASRE *2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

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

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
16 March 2023