

**WALKABOUT RESOURCES LTD**  
**ACN 119 670 370**

Interim Financial Report  
31 December 2018

**WALKABOUT RESOURCES LTD**  
**ACN 119 670 370**

**INTERIM FINANCIAL REPORT**  
**For the Half Year Ended 31 December 2018**

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**WALKABOUT RESOURCES LTD  
ACN 119 670 370**

**COMPANY DIRECTORY**

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**DIRECTORS**

Mr Trevor Benson  
(Executive Chairman)

Mr Allan Mulligan  
(Executive Director)

Mr Thomas Murrell  
(Non - Executive Director)

Mr Andrew Cunningham  
(Non - Executive Director)

Mr Michael Elliott  
(Non-Executive Director)

**COMPANY SECRETARY**

Mr Ian Hobson

**REGISTERED OFFICE**

Level 3, 681 Murray Street  
WEST PERTH, WA, 6005  
+61 8 6298 7500  
[admin@wkt.com.au](mailto:admin@wkt.com.au)

**AUDITORS**

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

**SHARE REGISTRAR**

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

**SECURITIES EXCHANGE LISTING**

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

**WALKABOUT RESOURCES LTD  
ACN 119 670 370**

**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

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**DIRECTORS REPORT**

Your directors submit the financial report of the Group for the half-year ended 31 December 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 half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated.

Trevor Benson	Executive Chairman
Allan Mulligan	Executive Director
Thomas Murrell	Non-Executive Director
Andrew Cunningham	Non-Executive Director
Michael Elliott	Non-Executive Director (appointed 20 <sup>th</sup> December 2018)

**RESULTS**

The loss after tax for the period ended 31 December 2018 was \$1,530,278 (2017: \$867,896).

**REVIEW OF OPERATIONS**

**TANZANIA**

**Lindi Jumbo Graphite Project**

During the period under review, the Lindi Jumbo Project was the first mining company in Tanzania after the regulatory amendments of 2017 to be awarded a Mining Licence (ML 579/2018). This milestone represented a significant event for the Company in that it allowed the follow-on business processes of graphite marketing through off-take agreements and project development funding to once again proceed.

The Company was pleased to announce an increase of 41% to the Mineral Resource following a short drilling and trenching program in the previous quarter (*ASX announcement of 19 December 2018*).

The drilling program to the north of the planned mining shell has not contributed significantly to the tonnage increase but has resulted in a classification improvement from Inferred to Indicated Resource that can now be included in the mining depletion model. This element of the Resource remains consistent with the high-grade zones of the initial resource model being present.

The Global mineral resource tonnage increased from 29.6 million tonnes to 41.8 million tonnes TGC within the Gilbert Arc Deposit and remains open along strike and to the west/down dip. Much of this increase in tonnage has resulted from the Inferred Resource zone to the south of the current planned mining shell and will not be used in the updated mining depletion model.

The new Inferred Resource area (12.8 million tonnes at 9.2 % TGC) lies directly to the south of the current planned open-pit area. (Figure 1 and Table 1).

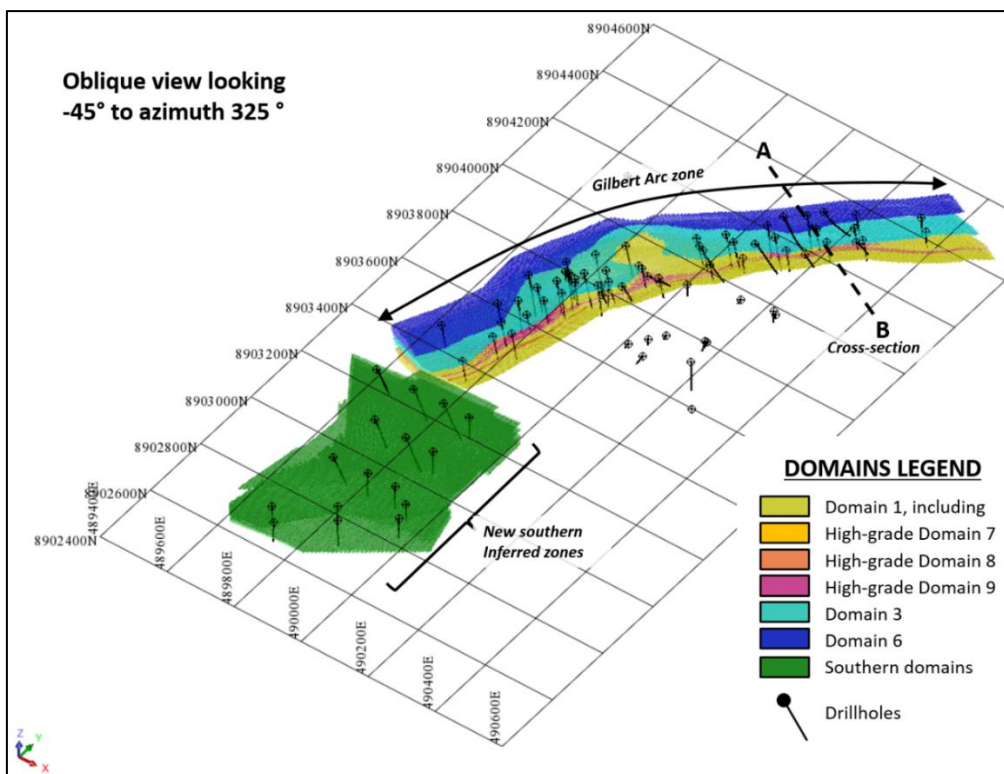
An updated mining study which will result in a new Mining reserve for the Project is underway and has been released after the record date. An updated and amended Definitive Feasibility Study (DFS) was due for completion in the first quarter of 2019.

**INTERIM FINANCIAL REPORT**  
**DIRECTORS' REPORT**

**Table 1: Resource category breakdown of the Gilbert Arc Deposit.**

Resource Category	Tonnes (millions)	TGC %	Contained Graphite (tonnes)
Measured <i>(Including High Grade)</i>	<b>6.5</b> <i>1.7</i>	<b>12.1</b> <i>23.4</i>	<b>781,800</b> <i>393,200</i>
Indicated <i>(Including High Grade)</i>	<b>8.4</b> <i>1.5</i>	<b>10.5</b> <i>21.2</i>	<b>887,300</b> <i>325,300</i>
Inferred <i>(Including High Grade)</i>	<b>26.9</b> <i>1.8</i>	<b>10.5</b> <i>22.7</i>	<b>2,837,600</b> <i>411,900</i>
<b>Grand Total</b> <i>High Grade Domains</i>	<b>41.8</b> <i>5.0</i>	<b>10.8</b> <i>22.5</i>	<b>4,506,700</b> <i>1,130,400</i>

*Note: Appropriate rounding applied*



**Figure 1: Mineralised domains at Gilbert Arc and the new southern area.**

The Indicated portion of the resource was extended for another 300m to the northeast would result in 51% of the resource that will form part of the initial mining area in the Measured and Indicated categories.

Following the initial period of four years the area of PL9993/2014 was required under Tanzanian mining regulations to be reduced in size by 50%. The Company has reapplied for the released area and this is under consideration by the Ministry.

**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

The retained 50% of PL9993/2014, which hosts occurrences of very high-grade graphite mineralisation that coincide with continuous conductive zones in excess of 4km in length, has subsequently been renewed by the Ministry. These graphite occurrences are similar to high-grade graphite mineralisation at the Gilbert Arc Deposit.

On award of the mining licence (ML579/2018), the underlying prospecting licence (PL9992/2014) lapsed and an application was subsequently lodged with the Ministry. The application has now been assessed by the Ministry and the application for PL13376/2018 has been recommended.

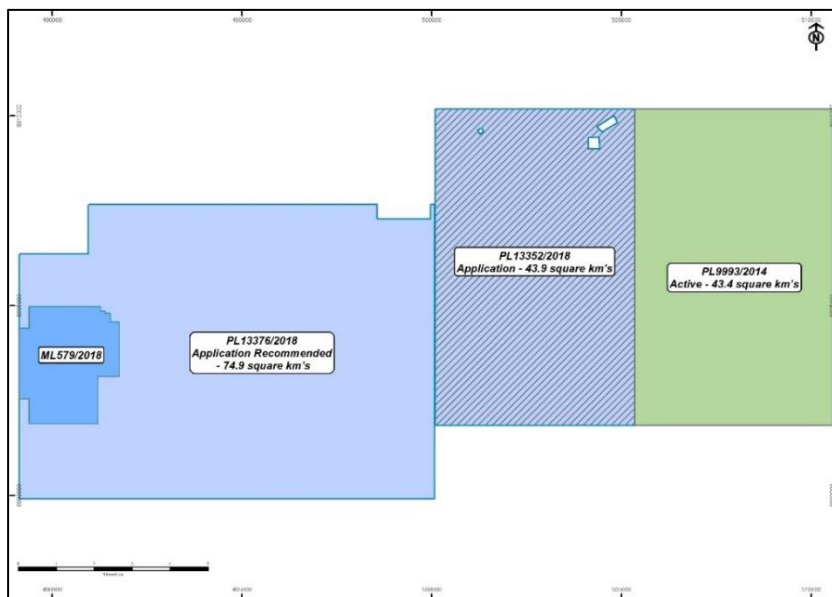


Figure 2: Map indicating the current status of the WKT tenure in the southeast of Tanzania.

**NAMIBIA**

**Eureka Lithium Project**

The JV licence EPL 5691, the subject to a Memorandum of Understanding with a local Namibian Company, (*ASX announcement 11 January 2018*) has yet to be renewed by the Namibian Ministry. Following interpretation of results from the recent sampling programs and considering the possible structural controls on the emplacement of the younger lithium bearing pegmatites the Company has decided to withdraw from the option to enter into a JV over the licence.

In relation to the Company's other licences, although the lithium grades from the various sampling campaigns fall well below the Company's internal cut off of at least 1% Li<sub>2</sub>O, the results have indicated various anomalous pegmatite clusters that are interpreted to be structurally controlled. Although weathered spodumene was sampled within the anomalous clusters, the assay results indicate significant lithium depletion which is typical of weathered pegmatites.

Due to the sparsity of outcrop over the vast majority of the clusters area more invasive work is planned to expose the pegmatite bodies to enable the determination of the extent of the anomalous pegmatite bodies and to map possible zonation within the clusters and individual pegmatite bodies.

**WALKABOUT RESOURCES LTD  
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INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

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**NORTHERN IRELAND & SCOTLAND**

**Gold and Base Metal Exploration**

During the period under review, the Company has focussed on processing all necessary permits, permissions and quotes to enable drilling to commence on the SkyTEM targets within the Tyrone licence area.

Initial reconnaissance exploration within the Scotland base metal and gold licence areas commenced and the relevant stakeholders have been briefed on the Company's intended programme in the area.

Efforts are currently directed toward finalising Access Agreements with the Forestry Department of Scotland. Close attention is being paid to the relevance and importance of heritage listing issues within the Scotland licence areas.

**Takatokwane Thermal Coal Project**

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

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

**CORPORATE**

During the half year under review, the Company undertook capital raisings comprising an underwritten Share Placement Plan to raise \$3 million before costs which were successfully finalised.

**WALKABOUT RESOURCES LTD  
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**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

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**EVENTS SUBSEQUENT TO REPORTING DATE**

On 31<sup>st</sup> January 2019, the Company reported that the valuation for the Resettlement Action Plan (RAP) compensation activities that were completed in 2018 has been approved by all the stakeholders and officially signed off by the Chief Government Valuator in Dodoma, Tanzania. The total mining area compensation payable is TSH 4,634,482,900 (Approximately USD2m). The company has negotiated for staged payouts of compensation over six months.

The Company announced to the ASX the updated Ore Reserve on 28 February 2019 and the updated DFS on 7 March 2019.

**AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2018.

**COMPETENT PERSON'S STATEMENT**

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.

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

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



Trevor Benson  
Executive Director

Dated this 11th day of March 2019



**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 2018, 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  
11 March 2019



**D I Buckley**  
**Partner**

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**WALKABOUT RESOURCES LTD**  
**ACN 119 670 370**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Half-Year ended 31 December 2018

	Note	31 December 2018 \$	31 December 2017 \$ (Restated)
Revenue	2	25,791	2,667
Depreciation		(1,511)	(456)
Occupancy costs		(112,474)	(72,146)
Legal and compliance		(115,789)	(236,546)
Administration expenses		(478,206)	(237,113)
Consulting fees		(360,803)	(12,594)
Professional fees		(37,850)	(111,910)
Other expenses		(275,859)	(76,457)
Share based payments		(162,033)	-
Deferred exploration expenditure written off		(12,574)	-
Exploration expenditure expensed as incurred	2	(30,967)	(182,285)
Realised foreign exchange gain		31,997	58,944
<b>Loss before income tax</b>		<b>(1,530,278)</b>	<b>(867,896)</b>
Income tax expense		-	-
<b>Net loss for the period</b>		<b>(1,530,278)</b>	<b>(867,896)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		464,868	(66,141)
<b>Other comprehensive (loss) / income for the period net of tax</b>		<b>464,868</b>	<b>(66,141)</b>
<b>Total comprehensive loss for period</b>		<b>(1,065,410)</b>	<b>(934,037)</b>
Basic and diluted loss per share from continuing operations (cents)		(0.55)	(0.54)

*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 2018

	No	31 December 2018 \$	30 June 2018 \$
<b>Assets</b>			
<b>Current assets</b>			
		6,200,036	6,412,501
		162,162	82,714
		<b>6,362,198</b>	<b>6,495,215</b>
<b>Non-current assets</b>			
		5,000	5,000
		7,428	8,939
	3	11,709,450	9,563,843
		<b>11,721,878</b>	<b>9,577,782</b>
		<b>18,084,076</b>	<b>16,072,997</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
		765,023	665,536
		109,533	84,092
		<b>874,556</b>	<b>749,628</b>
		<b>874,556</b>	<b>749,628</b>
		<b>17,209,520</b>	<b>15,323,369</b>
<b>Equity</b>			
	4	68,476,783	65,462,255
		1,276,094	874,193
		(52,543,357)	(51,013,079)
		<b>17,209,520</b>	<b>15,323,369</b>

*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 2018

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Share based Payment Reserve	Total Equity
	\$	\$	\$	\$		\$
<b>Balance at 1 July 2017</b>	53,582,608	(49,047,203)	(242,123)	-	87,775	4,381,057
Loss for the period	-	(867,896)	-	-	-	(867,896)
Exchange differences arising on translation of foreign operations	-	-	(66,141)	-	-	(66,141)
<b>Total comprehensive loss for the period</b>	-	(867,896)	(66,141)	-	-	(934,037)
Shares issued during the period	6,465,449	-	-	-	-	6,465,449
Share issue costs	(220,269)	-	-	-	-	(220,269)
<b>Balance at 31 December 2017</b>	59,827,788	(49,915,099)	(308,264)	-	87,775	9,692,200
<b>Balance at 1 July 2018</b>	65,462,255	(51,013,079)	(93,203)	603,171	364,225	15,323,369
Loss for the period	-	(1,530,278)	-	-	-	(1,530,278)
Exchange differences arising on translation of foreign operations	-	-	464,868	-	-	464,868
<b>Total comprehensive loss for the period</b>	-	(1,530,278)	464,868	-	-	(1,065,410)
Options issued during the period	-	-	-	301,258	-	301,258
Share based payment reversal	-	-	-	-	(139,225)	(139,225)
Conversion of performance rights to shares	225,000	-	-	-	(225,000)	-
Shares issued during the period	3,000,000	-	-	-	-	3,000,000
Share issue costs	(210,472)	-	-	-	-	(210,472)
<b>Balance at 31 December 2018</b>	68,476,783	(52,543,357)	371,665	904,429	-	17,209,520

*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 2018

	<b>31 December 2018</b>	<b>31 December 2017</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(1,123,594)	(695,802)
Interest received	25,791	2,667
<b>Net cash flows used in operating activities</b>	<b>(1,097,803)</b>	<b>(693,135)</b>
<b>Cash flows from investing activities</b>		
Payments for construction works in progress	-	(384,594)
Payments for exploration and evaluation	(1,904,190)	(1,217,880)
<b>Net cash flows used in investing activities</b>	<b>(1,904,190)</b>	<b>(1,602,474)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares, net of costs	2,789,528	6,124,691
<b>Net cash flows from financing activities</b>	<b>2,789,528</b>	<b>6,124,691</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(212,465)</b>	<b>3,829,082</b>
Cash and cash equivalents at the beginning of the period	6,412,501	262,259
Effect of foreign currency on cash balances	-	-
<b>Cash and cash equivalents at the end of the period</b>	<b>6,200,036</b>	<b>4,098,341</b>

*The accompanying notes form part of these financial statements.*

**WALKABOUT RESOURCES LTD**  
**ACN 119 670 370**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2018

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**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 2018 and any public announcements made by Walkabout Resources Ltd and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

**Basis of preparation**

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

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

**Accounting policies and methods of computation**

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

**Significant accounting judgements and key estimates**

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

In preparing this half-year report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2018.

**Adoption of new and revised Accounting Standards**

**Standards and Interpretations applicable to 31 December 2018**

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group operations and effective for annual reporting periods beginning on or after 1 July 2018, specifically AASB9 Financial Instruments and AASB15 Revenue from Contracts with Customers.

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

**WALKABOUT RESOURCES LTD**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the Half-Year Ended 31 December 2018

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Standards and Interpretations on issue not yet adopted**

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2018. As a result of this review the Directors have determined that AASB 16 Leases may have a material effect on the application in future periods.

AASB 16 replaces AASB 117 Leases and related interpretations.

AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Most leases will be capitalised on the statement of financial position by recognising a lease liability for the present value obligation and a 'right of use' asset. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in the expense recognition with interest and depreciation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

This Standard will primarily affect the accounting for the Group's operating lease commitments predominately relating to its leases on premises and accommodation units. The Group is considering available options to account for this transition which may result in an increase in reported earnings before interest, tax and depreciation and amortisation (EBITDA) and increase in lease assets and liabilities recognition. The Standard may also have an impact on deferred tax balances. This will however be dependent on the lease arrangements in place when the new Standard is effective. The Group has commenced the process of evaluating the impact of the new Standard.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019. A lessee can choose to apply the Standard using a full retrospective or modified retrospective approach.

**2. LOSS BEFORE INCOME TAX EXPENSE**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	25,791	2,667
Deferred exploration expenditure written off	(12,574)	-
Exploration expenditure expensed as incurred	(30,967)	(182,285)

**WALKABOUT RESOURCES LTD**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
For the Half-Year Ended 31 December 2018

**3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	<b>Six Months To 31 December 2018</b>	<b>Year To 30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Costs carried forward in respect of areas of interest in the following phases	11,709,450	9,563,843
<b>Exploration and evaluation phase – at cost</b>		
Balance at beginning of period	9,563,843	4,498,677
Purchase of tenements	159,196	1,865,318
Expenditure incurred	1,547,045	3,050,928
Foreign currency translation effect	451,940	148,920
Expenditure written off	(12,574)	-
Balance at end of period	11,709,450	9,563,843

**4. ISSUED CAPITAL**

		<b>31 December 2018</b>	<b>30 June 2018</b>
		<b>\$</b>	<b>\$</b>
<b>Ordinary Shares</b>			
304,249,748 (30 June 2018: 268,416,321) issued and fully paid.		68,476,783	65,462,256
	<b>Six Months To 31 December 2018</b>	<b>Year To 30 June 2018</b>	<b>Six Months To 31 December 2018</b>
	<b>Number</b>	<b>Number</b>	<b>\$</b>
<b>Movements in ordinary shares on issue</b>			<b>\$</b>
At start of period	268,416,321	119,746,122	65,462,256
Issued for cash – entitlement issue	-	67,104,080	-
Issued for cash – placements	-	55,433,805	-
Conversion of Director performance rights	2,500,000	-	225,000
Issued for cash – share placement plan	33,333,427	26,132,314	3,000,000
Less: costs of issue	-	-	(210,473)
At end of period	304,249,748	268,416,321	68,476,783



**WALKABOUT RESOURCES LTD**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the Half-Year Ended 31 December 2018

**5. OPTIONS**

	<b>Six Months 31 December 2018 Number</b>	<b>Year to 30 June 2018 Number</b>
Movements in options		
Opening balance <sup>1</sup>	40,664,321	27,550,019
Issued for nil consideration – entitlement issue	-	16,776,311
Issued in lieu of cash	-	15,500,000
Issued for nil consideration – placements	-	8,388,010
Issued as Director Incentive <sup>2</sup>	7,000,000	-
Expired	-	(27,550,019)
At 31 December	<u>47,664,321</u>	<u>40,664,321</u>

1. Listed Options exercisable at 15 cents are expiring 31 December 2019.
2. Unlisted Options exercisable at 20 cents are expiring 11 December 2021 issued to Directors following Shareholder approval on 15 November 2018.

**Director options**

7,000,000 options were granted to two Directors at the AGM on 15 November 2018. 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:

<b>Item</b>	<b>Inputs</b>
Volatility (%)	95%
Risk free interest rate (%)	2.155%
Expected life of option (years)	3.07
Expected dividend yield	Nil
Exercise price per terms and conditions	\$0.20
Underlying security price at grant date	\$0.095
Expiry date	11 December 2021
Value per option	\$0.0389

**6. PERFORMANCE RIGHTS**

	<b>Six Months 31 December 2018 Number</b>	<b>Year to 30 June 2018 Number</b>
Movements in performance rights		
Opening balance	8,586,957	6,086,957
Issued to Directors	-	8,586,957
Conversion to ordinary shares	(2,500,000)	-
Expired	(6,086,957)	(6,086,957)
At 31 December	<u>-</u>	<u>8,586,957</u>

**WALKABOUT RESOURCES LTD**  
**ACN 119 670 370**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
For the Half-Year Ended 31 December 2018

**6. SEGMENT REPORTING**

***Operating Segments by business activity***

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

***Segment Information***

The following tables present segment information provided to the Board of Directors for the half year periods ended 31 December 2018 and 31 December 2017.

	<b>Corporate</b>	<b>Coal</b>	<b>Graphite</b>	<b>Copper</b>	<b>Lithium</b>	<b>Unclassified</b>	<b>Elimination</b>	<b>Total</b>
<b>31 December 2018</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment revenue</b>	25,791	-	-	-	-	-	-	25,791
<b>Segment result</b>	(1,150,189)	(17,817)	(276,906)	(67,417)	(17,949)	-	-	(1,530,278)
<b>Segment assets</b>	6,165,859	15,653	10,450,689	1,146,930	304,945	-	-	18,084,076
<b>Segment liabilities</b>	489,872	43,372	221,755	118,646	912	-	-	874,557
<b>31 December 2017</b>								
<b>Segment revenue</b>	2,667	-	-	-	-	-	-	2,667
<b>Segment result</b>	(557,209)	(112,540)	(28,647)	(168,436)	(1,064)	-	-	(867,896)
<b>Segment assets</b>	6,107,125	264,784	5,694,538	-	110,643	65	(1,969,351)	10,207,804
<b>Segment liabilities</b>	296,028	2,165,115	11,625	-	-	12,187	(1,969,351)	515,604

**WALKABOUT RESOURCES LTD**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2018

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**7. COMMITMENTS AND CONTINGENT LIABILITIES**

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

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

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

On 31<sup>st</sup> January 2019, the company reported that the valuation for the Resettlement Action Plan (RAP) compensation activities that were completed in 2018 has been approved by all the stakeholders and officially signed off by the Chief Government Valuator in Dodoma, Tanzania.

The total mining area compensation payable is TSH 4,634,482,900 (approximately USD2m). The company has negotiated for staged payouts of compensation over six months.

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

**8. 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.

**9. RELATED PARTY TRANSACTIONS**

On 15 November 2018 Shareholders of the Company approved the issue of 7,000,000 options exercisable at 20 cents expiring on 11 December 2021 as Director incentive remuneration as follows:

Allan Mulligan	4,000,000
Andrew Cunningham	3,000,000
	<u>7,000,000</u>

**WALKABOUT RESOURCES LTD**  
**ACN 119 670 370**

**DIRECTORS' DECLARATION**  
For the Half-Year Ended 31 December 2018

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The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 17 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Trevor Benson  
Executive Director

Dated this 11th day of March 2019

## **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 2018, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Directors' responsibility for the half-year 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.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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**  
**Chartered Accountants**

**Perth, Western Australia**  
**11 March 2019**



**D I Buckley**  
**Partner**