

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

Interim Financial Report  
31 December 2015

**WALKABOUT RESOURCES LTD  
ACN 119 670 370**

**INTERIM FINANCIAL REPORT  
For the Half Year Ended 31 December 2015**

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## COMPANY DIRECTORY

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### DIRECTORS

Mr Allan Mulligan  
(Managing Director)

Mr Thomas Murrell  
(Non - Executive Director)

Mr Andrew Cunningham  
(Executive Director)

### COMPANY SECRETARY

Mr Kimberley France

### 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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Your directors submit the financial report of the Group for the half year ended 31 December 2015. 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.

Allan Mulligan	Managing Director
Thomas Murrell	Non-Executive Director
Andrew Cunningham	Executive Director (appointed 13 November 2015)
Geoffrey Wallace	Executive Director and Company Secretary (retired 13 November 2015)

**RESULTS**

The loss after tax for the period ended 31 December 2015 was \$377,496 (2014:\$851,257).

**REVIEW OF OPERATIONS**

**TANZANIA**

**Lindi Jumbo Graphite Project**

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

During the period under review, the Company has;

- Completed a helicopter suspended VTEM (Vertical Time-Domain Electromagnetic), magnetics and radiometrics survey over 200 line-kms in order to provide pinpoint accuracy for a maiden drilling program at Lindi Jumbo. The survey was conducted over two zones, some 10 kilometres apart, on the western (PL9992/2014) and central (PL9993/2014) project tenements.
- Completed a maiden drilling program at the Lindi Jumbo graphite project which revealed extensive, near surface visually classified massive graphite along with multiple wide intersections of graphitic schists and gneisses. The drilling confirmed the presence of multiple, wide, near surface graphite layers along the shallow dipping flanks of antiforms and synforms in the project area. The high grade, visible flake graphite was of sufficient quantity and continuous nature to define a discrete high grade resource (see ASX release 5/10/2015).
- Finalised initial petrography test work which confirmed the large and jumbo flake graphite with a majority of flakes ranging from 300µm to 1000µm and an interstitial nature of bonding (see ASX release 15/02/2016).

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- Reported all assays results. Of 23 exploration holes (20 RC and 3 Diamond), 19 were drilled within the Gilbert Arc structure. Of these, 13 were drilled along the western flank of the structure. All 13 of these holes returned wide intersections of very high grade %TGC with visible jumbo flakes and these are summarised in Table 1. Initial in-house 3D modelling of the high grade zones on the western flank indicated good correlation and continuity of these grade shells on section and along strike between sections. This continuity means that a high grade mining target area can be inferred that should enable a high grade run-of-mine (ROM) product to be delivered to the process plant.

All holes within the Gilbert Arc west flank						
Hole Number	Elevation (RL's)	Current Depth	Graphite From	Total Graphite Intersected	Best Intersection	Widest above 5% TGC
	m	m	m	m	m @ % TGC	m @ % TGC
LJRC001	243	59	13	35	8m @ 22.7	20m @ 12.7
LJRC006	230	67	11	16	4m @ 15.8	16m @ 10.3
LJRC009	228	55	1	46	10m @ 16.6	30m @ 11.8
LJRC010	214	61	7	61	8m @ 36.7	54m @ 12.7
LJRC013	218	70	11	36	5m @ 13.6	34m @ 9.7
LJRC014	234	65	14	24	3m @ 30.9	15m @ 14.1
LJRC015	223	67	13	49	3m @ 31.1	41m @ 11.6
LJRC016	230	51	3	16	6m @ 14.4	7m @ 10.3
LJRC017	224	98	25	73	5m @ 28.3	39m @ 15.0
LJRC021	228	54	1	54	9m @ 13.2	32m @ 9.6
LJDD001	213	70	15	27	6m @ 35.3	20m @ 20.5
LJDD002	224	69	9	56	3m @ 35.1	23m @ 14.4
LJDD003	227	76	1	74	8m @ 15.0	20m @ 12.7

Table 1: Table of all holes drilled in the western flank of the Gilbert Arc anti-form structure.

The development strategy for the Lindi Jumbo Project adopted by the Board envisages a focussed, pragmatic and low risk approach to exploration and potential mine development. This is intended to prevent large expenditure incurred on resource size at the expense of product quality.

The international graphite market is relatively limited in nature and there is an ongoing surplus of graphite exploration.

## **BOTSWANA**

### **Takatokwane Thermal Coal Project**

At Takatokwane, the Company has published a JORC Inferred Resource (2004) of some 6.9 billion

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**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

tonnes of thermal coal and has completed an advanced scoping study/project 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.

Finalisation and optimisation of the advanced scoping study/PFS remains ongoing as is further engagement with the joint Botswana and Namibian government agencies responsible for managing the Trans-Kalahari Rail Project.

During the period under review, the Company secured a 2 year extension on licences PL157/2009 and PL160/2009 from the Botswana Government. Walkabout currently has a 40% (earning 65%) of these licences.

**EVENTS SUBSEQUENT TO REPORTING DATE**

**Maiden JORC Inferred Resource**

The Company has published a maiden Inferred Resource at the Lindi Jumbo Graphite Project in south eastern Tanzania. The JORC 2012 Inferred Resource was calculated by Trepanier Pty Ltd, an independent geological consultancy. (See ASX announcement 19 January 2016)

Category	Domain	Tonnes (millions)	TGC (%)	V <sub>2</sub> O <sub>5</sub> (%)	Contained TGC (t)	Contained V <sub>2</sub> O <sub>5</sub> (t)
Inferred	1	6.9	8.9	0.19	611,000	13,000
<b>Inferred</b>	<b>2<sup>1</sup></b>	<b>2.6</b>	<b>20.6</b>	<b>0.20</b>	<b>526,500</b>	<b>5,200</b>
Inferred	3	2.2	11.7	0.19	258,500	4,300
Inferred	4 <sup>2</sup>	3.7	3.9	0.04	146,000	1,600
Inferred	ALL	15.3	10.1	0.16	1,542,000	24,100
Inferred	Excluding Domain 4	11.7	11.9	0.19	1,396,000	22,500

<sup>1</sup> High grade core enveloped by Domain 1

<sup>2</sup> Low grade domain (eastern flank of The Gilbert Arc)

Note: Appropriate rounding applied

**Share Placement**

On 9 February 2016 the Company announced a private placement of 67,500,000 ordinary fully paid shares, raising \$216,000, and a Share Purchase Plan to eligible shareholders at an issue price of \$0.0032 per Share.

On 4 March 2016 the Company announced that 126,171,875 ordinary fully paid shares were taken up by eligible shareholders raising \$403,750 under the Share Purchase Plan.

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**INTERIM FINANCIAL REPORT**

**DIRECTORS' REPORT**

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On 4 March 2016 the Company announced a Shortfall Offer to place up to 139,235,312 ordinary fully paid shares at \$0.0032 per share. The offer opened on 8 March 2016 and, as at the date of this report, the Company has received firm commitments from investors to place the shares available under the shortfall offer.

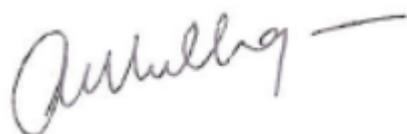
**AUDITOR'S INDEPENDENCE DECLARATION**

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 2015.

**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.

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.



Allan Mulligan  
Managing Director

Dated this 15<sup>th</sup> day of March 2016

## 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 2015, 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**  
**15 March 2016**

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

**WALKABOUT RESOURCES LTD**  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Half Year ended 31 December 2015

	Note	31 December 2015 \$	31 December 2014 \$
Revenue	2	2,111	1,695
Depreciation		(6,256)	(13,121)
Occupancy costs		(46,479)	(68,564)
Legal and compliance		(44,313)	(44,309)
Administration expenses		(192,284)	(206,691)
Consulting fees		(3,186)	-
Professional fees		(44,928)	(48,299)
Other expenses		(42,161)	(43,416)
Deferred exploration expenditure written off	3	-	(428,552)
<b>Loss before income tax</b>		<b>(377,496)</b>	<b>(851,257)</b>
Income tax expense		-	-
<b>Net loss for the period</b>		<b>(377,496)</b>	<b>(851,257)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations		(233,104)	279,535
<b>Other comprehensive (loss) / Income for the period net of tax</b>		<b>(233,104)</b>	<b>279,535</b>
<b>Total comprehensive loss for period</b>		<b>(610,600)</b>	<b>(571,722)</b>
Basic and diluted loss per share from continuing operations (cents)		(0.03)	(0.11)

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

**WALKABOUT RESOURCES LTD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2015

	Note	31 December 2015 \$	30 June 2015 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		60,418	229,879
Trade and other receivables		71,918	18,036
<b>Total current assets</b>		<b>132,336</b>	<b>247,915</b>
<b>Non-current assets</b>			
Trade and other receivables		5,000	5,000
Property, plant and equipment		21,322	27,578
Deferred exploration and evaluation expenditure	3	10,717,727	10,120,095
<b>Total non-current assets</b>		<b>10,744,049</b>	<b>10,152,673</b>
<b>Total assets</b>		<b>10,876,385</b>	<b>10,400,588</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		530,616	435,942
Provisions		37,462	26,353
<b>Total current liabilities</b>		<b>568,078</b>	<b>462,295</b>
<b>Total liabilities</b>		<b>568,078</b>	<b>462,295</b>
<b>Net assets</b>		<b>10,308,307</b>	<b>9,938,293</b>
<b>Equity</b>			
Issued capital	4	48,508,316	47,527,702
Reserves		(178,676)	54,428
Accumulated losses		(38,021,333)	(37,643,837)
<b>Total equity</b>		<b>10,308,307</b>	<b>9,938,293</b>

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

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Half-Year Ended 31 December 2015

	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Foreign Currency Reserve</b>	<b>Total Equity</b>
	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	47,052,059	(34,548,721)	(228,037)	12,275,301
Loss for the period	-	(851,257)	-	(851,257)
Exchange differences arising on translation of foreign operations	-	-	279,535	279,535
<b>Total comprehensive loss for the period</b>	-	(851,257)	279,535	(571,722)
<b>Balance at 31 December 2014</b>	47,052,059	(35,399,978)	51,498	11,703,579
<b>Balance at 1 July 2015</b>	47,527,702	(37,643,837)	54,428	9,938,293
Loss for the period	-	(377,496)	-	(377,496)
Exchange differences arising on translation of foreign operations	-	-	(233,104)	(233,104)
<b>Total comprehensive loss for the period</b>	-	(377,496)	(233,104)	(610,600)
Shares issued during the period	986,546	-	-	986,546
Share issue costs	(5,932)	-	-	(5,932)
<b>Balance at 31 December 2015</b>	48,508,316	(38,021,333)	(178,676)	10,308,307

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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Half-Year Ended 31 December 2015

	<b>31 December 2015</b>	<b>31 December 2014</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(457,972)	(208,938)
Interest received	2,111	1,695
<b>Net cash flows used in operating activities</b>	<b>(455,861)</b>	<b>(207,243)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(660,613)	(138,959)
<b>Net cash flows used in investing activities</b>	<b>(660,613)</b>	<b>(138,959)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares, net of costs	947,013	-
<b>Net cash flows from financing activities</b>	<b>947,013</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(169,461)</b>	<b>(346,202)</b>
Cash and cash equivalents at the beginning of the period	229,879	420,556
Effect of foreign currency on cash balances	-	2,353
<b>Cash and cash equivalents at the end of the period</b>	<b>60,418</b>	<b>76,707</b>

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

**WALKABOUT RESOURCES LTD**  
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2015

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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 2015 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 2015.

**Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2015, 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 2015.

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

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the Half-Year Ended 31 December 2015

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

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

**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 half-year ended 31 December 2015, the Group recorded a net loss of \$377,496 and had a net cash outflow from operating and investing activities of \$1,116,474. At balance date the Group had available cash of \$60,418 and a working capital deficit of \$435,742. The Group also has exploration commitments in respect to its tenements, some of which may be deferred beyond twelve months.

The Board's strategy has been to fast track development of the Lindi Jumbo Graphite Project and on 19 January 2016 announced a maiden JORC Inferred Resource.

In addition, as detailed in subsequent events on pages 4 and 15 of this Interim Financial Report, the Group has successfully raised \$619,750. The Board is of the opinion that the calibre of the Lindi Jumbo Graphite Project will support future fund raising offers.

The Board, having carefully assessed the likelihood of securing additional funding and the Group's ability to effectively manage expenditures and cash flows from operations, believes 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, 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 and at the amounts stated in the interim financial report.

Should additional funding be unable to be obtained, the Directors are confident that the Company can remain a going concern by the further reduction of various operating expenditure or deferral of exploration. However, these circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

**2. LOSS BEFORE INCOME TAX EXPENSE**

	<b>31 December 2014 \$</b>	<b>31 December 2014 \$</b>
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	2,111	1,695
Deferred exploration expenditure written off	-	428,552
	<hr/>	<hr/>

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
For the Half-Year Ended 31 December 2015

**3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	Six Months To 31 December 2015 \$	Year To 30 June 2015 \$
Costs carried forward in respect of areas of interest in the following phases	10,717,727	10,120,095
<b>Exploration and evaluation phase – at cost</b>		
Balance at beginning of period	10,120,095	11,963,148
Purchase of tenements	-	39,304
Expenditure incurred	815,936	378,495
Foreign currency translation effect	(218,304)	256,231
Expenditure written off – directors assessment (i)	-	(2,000,000)
Expenditure written off – tenements relinquished (i)	-	(517,083)
Balance at end of period	10,717,727	10,120,095

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

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

**4. ISSUED CAPITAL**

			31 December 2015 \$	30 June 2015 \$
<b>Ordinary Shares</b>				
1,378,235,128 (30 June 2015: 1,049,386,462) issued and fully paid.			48,508,316	47,527,702
	Six Months To 31 December 2015 Number	Year To 30 June 2015 Number	Six Months To 31 December 2015 \$	Year To 30 June 2015 \$
<b>Movements in ordinary shares on issue</b>				
At start of period	1,049,386,462	798,978,489	47,527,702	47,052,059
Shares issued – placement	-	119,845,000	-	119,845
Shares issued – to directors in lieu of fees – entitlement issue	-	50,748,667	-	152,246
Shares issued – for cash – entitlement issue and shortfall offer	328,848,666	79,814,306	986,546	239,443
Less: costs of issue	-	-	(5,932)	(35,811)
At end of period	1,378,235,128	1,049,386,462	48,508,316	47,527,702

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
For the Half-Year Ended 31 December 2015

**5. SEGMENTAL 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 presents segment information provided to the Board of Directors for the half year periods ended 31 December 2015 and 31 December 2014.

	Corporate	Coal	Graphite	Copper	Total
<b>31 December 2015</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>		<b>\$</b>
<b>Segment revenue</b>	2,111	-	-	-	2,111
<b>Segment result</b>	(364,953)	(6,475)	(6,068)	-	(377,496)
Included with segment results:					
Depreciation	(6,256)	-	-	-	(6,256)
Interest revenue	2,111	-	-	-	-
<b>Segment assets</b>	2,073,827	7,165,298	1,066,260	571,000	10,876,385
<b>Segment liabilities</b>	389,234	1,839	177,005	-	568,078
<b>31 December 2014</b>					
<b>Segment revenue</b>	1,695	-	-	-	1,695
<b>Segment result</b>	(379,293)	(41,221)	-	(430,743)	(851,257)
Included with segment results:					
Depreciation	(13,121)	-	-	-	(13,121)
Interest revenue	1,695	-	-	-	1,695
<b>Segment assets</b>	2,030,883	9,293,915	-	745,424	12,067,222
<b>Segment liabilities</b>	240,607	28,159	-	94,877	363,643

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
For the Half-Year Ended 31 December 2015

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**6. OPTIONS**

There are no options on issue.

**7. EVENTS SUBSEQUENT TO REPORTING DATE**

On 9 February 2016 the Company announced a private placement of 67,500,000 ordinary fully paid shares, raising \$216,000, and a Share Purchase Plan to eligible shareholders at an issue price of \$0.0032 per Share.

On 4 March 2016 the Company announced that 126,171,875 ordinary fully paid shares were taken up by eligible shareholders raising \$403,750 under the Share Purchase Plan.

On 4 March 2016 the Company announced a Shortfall Offer to place up to 139,235,312 ordinary fully paid shares at \$0.0032 per share. The offer opened on 8 March 2016 and, as at the date of this report, the Company has received firm commitments from investors to place the shares available under the shortfall offer.

**8. COMMITMENTS AND CONTINGENT LIABILITIES**

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

**9. FAIR VALUE MEASUREMENT**

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

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**DIRECTORS' DECLARATION**

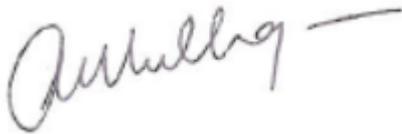
For the Half Year Ended 31 December 2015

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The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 15 are in accordance with the Corporations Act 2001, including:
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the Group's financial position as at 31 December 2015 and its performance for the half-year ended on that date.
2. In the Directors' opinion 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.



Allan Mulligan  
Managing Director

Dated this 15<sup>th</sup> day of March 2016

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Walkabout Resources Limited

**Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Walkabout Resources Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed 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 of the group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*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 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 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of 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*.

*Conclusion*

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:

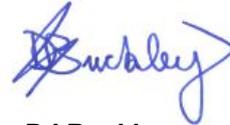
- a) giving a true and fair view of the group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Emphasis of matter*

Without qualifying our conclusion, we draw attention to Note 1 to the interim financial report which indicates that the ability of the Group to continue as a going concern is dependent upon raising sufficient funding. Accordingly, there is a material uncertainty that may cast significant doubt whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



**HLB Mann Judd**  
Chartered Accountants



**D I Buckley**  
Partner

**Perth, Western Australia**  
**15 March 2016**