

WALKABOUT RESOURCES LTD
ACN 119 670 370

Interim Financial Report
31 December 2016

WALKABOUT RESOURCES LTD
ACN 119 670 370

INTERIM FINANCIAL REPORT
For the Half Year Ended 31 December 2016

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COMPANY DIRECTORY

DIRECTORS

Mr Trevor Benson
(Executive Chairman)

Mr Allan Mulligan
(Executive Director)

Mr Thomas Murrell
(Non - Executive Director)

Mr Andrew Cunningham
(Non - Executive Director)

COMPANY SECRETARY

Mr Kimberley France

REGISTERED OFFICE

Level 3, 681 Murray Street
WEST PERTH, WA, 6005

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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

Your directors submit the financial report of the Group for the half-year ended 31 December 2016. 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 (appointed 13 September 2016) ^{1,2}
Allan Mulligan	Executive Director ³
Thomas Murrell	Non-Executive Director
Andrew Cunningham	Non-Executive Director

¹ Appointed as Non-Executive Chairman 13 September 2016.

² Appointed as Executive Chairman 22 February 2017

³ Resigned as Managing Director 22 February 2017, continuing as Executive Director

RESULTS

The loss after tax for the period ended 31 December 2016 was \$1,000,379 (2015:\$377,496).

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 325km² 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 Measured, Indicated and Inferred JORC 2012 Resource¹ upgrade drilling program and announced the Resource upgrade;
 - Increase in the high grade resource tonnage from 11.7 million tonnes to 29.6 million tonnes (an increase of 165%).
 - 40% of the resource in the Measured (6.4 million tonnes at 12.2% TGC) and Indicated (5.5 million tonnes @ 11% TGC) categories for 1.38 million tonnes of contained flake graphite.
 - Resource includes 4.7 million tonnes of super high grade material @ 22.8% TGC in three discrete shallow zones of which 1.7 million tonnes are in the Measured category confirming this to be by far the highest grade resource in Tanzania.

¹ See ASX announcement 06 December 2016

**WALKABOUT RESOURCES LTD
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INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

- Reported on “Industry Best” metallurgical test work;
 - Lindi Jumbo concentrate returns 75.98% graphite in high-value large flake (+180um) distribution at a concentrate grade of 98.3% TGC.
 - The premium super jumbo (+500um) ratio is the highest in the ASX peer group at 16.5% for surface material and 25.7% for fresh material with a concentrate purity of up to 97.2% TGC.
- Tested and reported on suitability for Lindi Jumbo Graphite expandable products;
 - Up to 590 cm³/g expansion ratios achieved after cold treatment and medium retention time of +180um fraction in intercalation tests in an independent German laboratory.
 - “...largest expansion volumes ever measured at our lab...” quoted from laboratory report.
 - Independent German laboratory concludes Lindi Jumbo graphite as highly suitable for the production of expandable graphite and graphite foil.
- Finalised a Scoping Study and proceeded to update numbers with the Measured and Indicated Resource when this became available.

BOTSWANA

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

Walkabout currently holds around 65% of the joint project.

During the period, the Company applied for renewal of the coal JV licence PL035/2007 and this is still pending with the Ministry.

The Governments of Botswana, Mozambique and Zimbabwe signed a Letter of Intent to reinvestigate the option of installing a functioning rail line between Gaborone and the port of Technobanine, south of Maputo in Mozambique.

NAMIBIA

The applications for lithium prospecting licences in the Erongo and Kara districts of Namibia remain pending with the Ministry of Mines and Energy. According to direct feedback, the process is in train and there are no current impediments.

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INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

CORPORATE

During the period under review the Company appointed a Non-Executive Chairman, Mr Trevor Benson, to the Board.

At the Annual General Meeting, the Company requested and received approval from shareholders to consolidate the share registry by a factor of 23 to 1 and this was completed prior to 31 December 2016.

EVENTS SUBSEQUENT TO REPORTING DATE

Scoping Study

On 13 January 2017 the Company announced the results of a Scoping Study.

Definitive Feasibility Study

On 17 February 2017 the Company announced the results of a Definitive Feasibility Study.

Share Placements

On 17 January 2017 the Company issued 2,742,019 shares, consisting of 966,184 ordinary fully paid shares at \$0.138 per share and 1,775,835 ordinary fully paid shares at \$0.0746 per share, in accordance with shareholder resolutions 6 and 7 at the annual general meeting dated 29 November 2016.

On 20 January 2017 the Company announced the closure of the Shortfall Offer pursuant to a prospectus dated 28 September 2016. Total issues under the Shortfall Offer were 9,463,843 ordinary fully paid shares with an attached free option for each share to raise \$870,674 (of which \$380,586 was issued post 31 December 2016).

On 25 January 2017 the Company issued 7,656,990 ordinary fully paid shares at an issue price of \$0.092, with an attached free option for each share, raising \$704,443.

**WALKABOUT RESOURCES LTD
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INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

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 2016.

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.



Allan Mulligan
Executive Director

Dated this 15th day of March 2017

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 2016, 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 2017

D I Buckley
Partner

WALKABOUT RESOURCES LTD
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Half-Year ended 31 December 2016

	Note	31 December 2016 \$	31 December 2015 \$
Revenue	2	2,331	2,111
Depreciation		(5,271)	(6,256)
Occupancy costs		(55,120)	(46,479)
Legal and compliance		(99,980)	(44,313)
Administration expenses		(194,737)	(192,284)
Consulting fees		(2,892)	(3,186)
Professional fees		(88,665)	(44,928)
Other expenses		(62,639)	(42,161)
Deferred exploration expenditure written off	3	(493,406)	-
Loss before income tax		(1,000,379)	(377,496)
Income tax expense		-	-
Net loss for the period		(1,000,379)	(377,496)
Other comprehensive income			
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations		504,384	(233,104)
Other comprehensive (loss) / Income for the period net of tax		504,384	(233,104)
Total comprehensive loss for period		(495,995)	(610,600)
Basic and diluted loss per share from continuing operations (cents)		(1.09)	(0.69)

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 2016

	Note	31 December 2016 \$	30 June 2016 \$
Assets			
Current assets			
Cash and cash equivalents		436,736	1,221,675
Trade and other receivables		135,008	79,698
Total current assets		571,744	1,301,373
Non-current assets			
Trade and other receivables		5,000	5,000
Property, plant and equipment		12,563	15,069
Deferred exploration and evaluation expenditure	3	11,389,963	9,726,473
Total non-current assets		11,407,526	9,746,542
Total assets		11,979,270	11,047,915
Liabilities			
Current liabilities			
Trade and other payables		251,488	201,632
Provisions		51,082	44,272
Total current liabilities		302,570	245,904
Total liabilities		302,570	245,904
Net assets		11,676,700	10,802,011
Equity			
Issued capital	4	52,180,730	50,810,046
Reserves		246,508	(257,876)
Accumulated losses		(40,750,538)	(39,750,159)
Total equity		11,676,700	10,802,011

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 2016

	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2015	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)
Total comprehensive loss for the period	-	(377,496)	(233,104)	(610,600)
Shares issued during the period	986,546			986,546
Share issue costs	(5,932)			(5,932)
Balance at 31 December 2015	48,508,316	(38,021,333)	(178,676)	11,703,579
Balance at 1 July 2016	50,810,046	(39,750,159)	(257,876)	10,802,011
Loss for the period	-	(1,000,379)	-	(1,000,379)
Exchange differences arising on translation of foreign operations	-	-	504,384	504,384
Total comprehensive loss for the period	-	(1,000,379)	504,384	(495,995)
Shares issued during the period	1,435,560	-	-	1,435,560
Share issue costs	(64,876)	-	-	(64,876)
Balance at 31 December 2016	52,180,730	(40,750,538)	246,508	11,676,700

The accompanying notes form part of these financial statements.

WALKABOUT RESOURCES LTD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2016

	31 December 2016	31 December 2015
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(467,108)	(457,972)
Interest received	2,331	2,111
Net cash flows used in operating activities	(464,777)	(455,861)
Cash flows from investing activities		
Payments for property, plant & equipment	(2,765)	-
Payments for exploration and evaluation	(1,547,761)	(660,613)
Net cash flows used in investing activities	(1,550,526)	(660,613)
Cash flows from financing activities		
Proceeds from the issue of shares, net of costs	1,230,364	947,013
Net cash flows from financing activities	1,230,364	947,013
Net decrease in cash and cash equivalents	(784,939)	(169,461)
Cash and cash equivalents at the beginning of the period	1,221,675	229,879
Effect of foreign currency on cash balances	-	-
Cash and cash equivalents at the end of the period	436,736	60,418

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 2016

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 2016 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 2016.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2016, 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 2016.

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
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Half-Year Ended 31 December 2016

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 2016. 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 2016, the Group recorded a net loss of \$1,000,379 and had a net cash outflow from operating and investing activities of \$2,015,303. At balance date the Group had available cash of \$436,736 and a working capital surplus of \$269,174. 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 17 February 2017 announced a Definitive Feasibility Study.

In addition, as detailed in subsequent events on pages 4 and 15 of this Interim Financial Report, the Group has successfully raised \$1,085,028 before costs. 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 and therefore its ability to realise its assets and extinguish its liabilities in the normal course of business and at the amounts recognised in the financial report.

2. LOSS BEFORE INCOME TAX EXPENSE

	31 December 2016 \$	31 December 2015 \$
The following revenue and expense items are relevant in explaining the financial performance for the half-year:		
Interest revenue	2,331	2,111
Deferred exploration expenditure written off	(493,406)	-

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Half-Year Ended 31 December 2016

3. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Six Months To 31 December 2016 \$	Year To 30 June 2016 \$
Costs carried forward in respect of areas of interest in the following phases	11,389,963	9,726,473
Exploration and evaluation phase – at cost		
Balance at beginning of period	9,726,473	10,120,095
Purchase of tenements	-	45,049
Expenditure incurred	1,862,744	1,229,269
Foreign currency translation effect	294,152	(258,485)
Expenditure written off – directors assessment (i)	(467,997)	(1,409,455)
Expenditure written off – tenements relinquished (i)	(25,409)	-
Balance at end of period	11,389,963	9,726,473

(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 2016 \$	30 June 2016 \$
Ordinary Shares		
102,017,115 (30 June 2016: 1,981,229,810 (pre-consolidation)) issued and fully paid.	52,180,730	50,810,046

	Six Months To 31 December 2016 Number	Year To 30 June 2016 Number	Six Months To 31 December 2016 \$	Year To 30 June 2016 \$
Movements in ordinary shares on issue				
At start of period	1,981,229,810	1,049,386,462	50,810,046	47,527,702
Issued for cash – placements	-	325,900,000	-	1,508,000
Issued for cash – entitlement issue	341,230,132	328,848,666	1,319,920	986,546
Issued for cash – share purchase plan	-	265,407,144	-	849,302
Issued in lieu of cash	20,000,000	11,687,538	100,000	73,725
Capital consolidation on 23:1 basis	(2,240,612,827)		-	
Issued for cash – entitlement issue	170,000		15,640	
Less: costs of issue	-	-	(64,876)	(135,229)
At end of period	102,017,115	1,981,229,810	52,180,730	50,810,046

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the Half-Year Ended 31 December 2016

5. 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 presents segment information provided to the Board of Directors for the half year periods ended 31 December 2016 and 31 December 2015.

	Corporate	Coal	Graphite	Copper	Lithium	Total
31 December 2016	\$	\$	\$	\$	\$	\$
Segment revenue	2,331	-	-	-	-	2,331
Segment result	(496,166)	(5,782)	(8,198)	(466,626)	(23,607)	(1,000,379)
Included with segment results:						
Depreciation	(5,271)	-	-	-	-	(5,271)
Interest revenue	2,331	-	-	-	-	2,331
Segment assets	2,518,056	6,078,314	3,356,571	-	26,329	11,979,270
Segment liabilities	249,531	5,539	46,011	-	1,489	302,570
31 December 2015						
Segment revenue	2,111	-	-	-	-	2,111
Segment result	(364,953)	(6,475)	-	-	-	(377,496)
Included with segment results:						
Depreciation	(6,256)	-	-	-	-	(6,256)
Interest revenue	2,111	-	-	-	-	2,111
Segment assets	2,073,827	7,165,298	1,066,260	571,000	-	10,876,395
Segment liabilities	389,234	1,839	177,005	-	-	568,078

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2016

6. OPTIONS

	Six Months 31 December 2016 Number	Year to 30 June 2016 Number
Movements in options on issue		
At 1 July	-	-
Issued ¹	341,230,132	-
Capital Consolidation on a 23:1 basis	(326,393,911)	-
Issued ²	170,000	-
At 31 December	15,006,221	-

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

1. Pre consolidation
2. Post consolidation

7. EVENTS SUBSEQUENT TO REPORTING DATE

On 13 January 2017 the Company announced the results of a Scoping Study.

On 17 January 2017 the Company issued 2,742,019 shares, consisting of 966,184 ordinary fully paid shares at \$0.138 per share and 1,775,835 ordinary fully paid shares at \$0.0746 per share, in accordance with shareholder resolutions 6 and 7 at the annual general meeting dated 29 November 2016.

On 20 January 2017 the Company announced the closure of the Shortfall Offer pursuant to a prospectus dated 28 September 2016. Total issues under the Shortfall Offer were 9,463,843 ordinary fully paid shares with an attached free option for each share to raise \$870,674 of which \$380,586 was issued post 31 December 2016.

On 25 January 2017 the Company issued 7,656,990 ordinary fully paid shares at an issue price of \$0.092, with an attached free option for each share, raising \$704,443.

On 17 February 2017 the Company announced the results of a Definitive Feasibility Study.

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

WALKABOUT RESOURCES LTD
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2016

10. RELATED PARTY TRANSACTIONS

On 29 November 2016 Shareholders of the Company approved the issue of up to 165,000,000 (pre-Consolidation) Performance Rights (or 7,173,916 post-Consolidation) as Director incentive remuneration. As at 15 March 2017 these Performance Rights have not been issued.

The Performance Rights will be issued for nil consideration and entitles the holder to apply for one share per Performance Right and vest as follows:

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

Dir / Rec	Tranche 1	Tranche 2	Tranche 3	Total
Trevor Benson	434,783	869,565	1,304,348	2,608,696
Allan Mulligan	217,391	434,783	869,566	1,521,740
Andrew Cunningham	217,391	434,783	869,566	1,521,740
Tom Murrell	217,391	434,783	869,566	1,521,740
	1,086,956	2,173,914	3,913,046	7,173,916

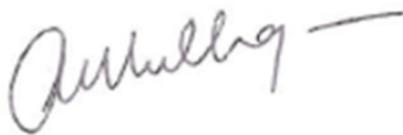
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DIRECTORS' DECLARATION
For the Half-Year Ended 31 December 2016

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 16 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 2016 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.



Allan Mulligan
Executive Director

Dated this 15th day of March 2017

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 consolidated statement of financial position as at 31 December 2016, 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.

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 2016 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*.

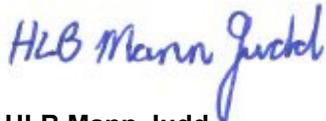
Conclusion

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 2016 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 qualification to the conclusion expressed above, we draw attention to Note 1 in the financial report which indicates the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink that reads 'D I Buckley'.

D I Buckley
Partner

Perth, Western Australia
15 March 2017