MACPHERSONS RESOURCES LIMITED

ABN 98 139 357 967

Annual Report

30 June 2018

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CORPORATE INFORMATION

ABN 98 139 357 967

Directors
Ashok Parekh
Jeffrey Williams
Peter Rozenauers

Company Secretary
Stephen Hewitt-Dutton

Principal Activity
Precious and base metal exploration

Registered and Head Office
109 Maritana Street
Kalgoorlie WA 6430
Phone: 08 9060 1300

Share Register
Automic Registry Services
Level 2, 267 St George's Terrace
Perth, Western Australia 6000
Telephone: 1300 288 664

Solicitors
Price Sierakowski
Level 24, St Martin's Terrace
44 St George's Terrace
Perth WA 6000

Auditors
HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Securities Exchange Listing

MacPhersons Resources Limited shares are listed on the Australian Securities Exchange (ASX: MRP)

CHAIRMAN'S LETTER

Dear Fellow Shareholder,

It is with qualified pleasure that I present to you my 2018 Chairman's Statement.

The pleasure arises from the fact that in 2017/18 we expanded our gold resource at Boorara. However, it was a challenging year for the Company with the pullback in the gold price impacting negatively on equity raising opportunities in the small company market.

In spite of the equity market conditions, your Company was able to raise about A$4.23m before costs at 13 cents per share in October 2017. This was a first capital raising since August 2014 as we have been determined to keep overheads as low possible to ensure funds are available for exploration. Your Company has progressed the drill program to plan at the Boorara Gold Project and completed around 55,000 metres of mostly Reverse Circulation drilling in the year to 30 June 2018. During the year we reported high grade intercepts near surface such as 5 metres grading 71.4 g/t and these gold hits combined with the wider intercepts of 136 metres grading 1.74 g/t plus intersections of the dolerite host below 620 metres suggests the existence of a larger gold system.

In March 2018 we reported a 118% increase in the gold resource to 507,000 ounces at the Boorara Goldfield (16.45 Mt at 0.96 g/t Au for 507,000 oz's, for full details please see ASX release dated 6 March 2018) and gold mineralisation was still open at depth and to the north. The upgraded resource estimate was based on extensional and infill drilling three areas in the 1,800 metres of strike and up to 300 metres in width. The gold anomalism demonstrated via air core drilling and surface sampling shows the gold zone may extend a further 1 kilometre to the north.

We have a small competent management team at Boorara under the capable leadership Andrew Pumphrey, General Manager of all activities at site. Your Board of Directors acknowledge their efforts and they communicate and link as a very good unit. We also have developed a good rapport with many of the local contractors and suppliers for their service during our drill program.

Looking forward into 2018/19, the Board of Directors plan to release an updated mineral resource estimate for the Boorara goldfield during October 2018 as we await for the final results from independent consultants, CSA Global.

In summary another successful year for MacPhersons and I thank shareholders for their patience and support.

Yours faithfully

Ashok Parekh
Non-Executive Chairman
28 September 2018

DIRECTORS' REPORT

Your directors submit the annual financial report of the consolidated entity (or Group) consisting of MacPhersons Resources Limited and the entities it controlled during the financial year ended 30 June 2018. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors

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

Names, qualifications, experience and special responsibilities:

Ashok Parekh (appointed 9 September 2009)
B.Bus FCA AIMM FTIA
Chairman – Non-Executive Director

Mr Ashok Parekh is a Chartered Accountant, with over 40 years' experience, who owns a large accounting practice in Kalgoorlie, which he has operated for 34 years. He was awarded the Centenary Medal in 2003 by the Governor General of Australia, and was recently awarded the Meritorious Service Award by Chartered Accountants Australia and New Zealand, the highest award granted by the Institute in Australia.

Mr Parekh has over 34 years' experience in providing advice to mining companies and service providers to the mining industry. He has spent many years negotiating with public listed companies and prospectors on mining deals which have resulted in new IPOs and the commencement of new gold mining operations. He has also been involved in the management of gold mining and milling companies in the Kalgoorlie region, and has been the Managing Director of some of these companies. He is well known in the West Australian mining industry and has a very successful background in the ownership of numerous businesses in the Goldfields, including Coolgardie Custom Milling, a toll processing gold and nickel plant which Ashok and his partner operated in the Goldfields for 12 years.

Other listed company Directorships:	Nil
In the last 3 years Mr Parekh has held directorships in:	Nil

Jeffrey Williams (appointed 20 January 2010)
BSc (Mining Eng), MBA, FAusIMM
Managing Director

Jeff Williams has over 40 years' industry experience with 16 years' experience as a professional mining engineer in Australia and seven years in the stockbroking industry, and is a Fellow of the Australasian Institute of Mining and Metallurgy. His mining experience ranges from mine planning, underground management and feasibility studies through to mine development. From 1972 to 1984, he held various positions with CRA Limited at Broken Hill in New South Wales. Following completion of his Masters of Business Administration (MBA) programme in 1987, he played a major role as a Senior Project Engineer with North Limited. From 1989 to 1996, he specialised in gold mining research in the stock broking industry.

Mr Williams was the Managing Director of Mineral Deposits Ltd for 15 years and departed in late 2011. He secured the Sabodala gold and Grande Cote zircon projects in Senegal in West Africa, and commenced gold production in March 2009. The market capitalisation of Mineral Deposits Limited increased from AUD$6 million in 2003 to over AUD$1,000 million in 2011.

Mr Williams has since been involved in a number of smaller mining companies on the ASX to develop exploration plans mostly in Australia.

Other listed company Directorships:	Alice Queen Limited (since March 2012)
In the last 3 years Mr Williams has held directorships in:	World Titanium Resources Limited (January 2012 to 9 September 2016)

Peter Rozenauers (appointed 18 August 2014)
BE – Mining Eng (Hons I), MBus (Applied Finance), MAusIMM
Non-Executive Director

Peter Rozenauers is a Portfolio Manager with Orion Mine Finance and has over 25 years of experience in the natural resources and finance industry. He holds a Bachelor of Mining Engineering (Hons I) from the UNSW, a Master of Applied Finance from the University of Technology Sydney and is a Member of the Australasian Institute of Mining and Metallurgy. Prior to Orion, Peter was a Senior Investment Manager for a predecessor business of Orion. Prior to that, Peter was Managing Director and Head of Asian Commodities Distribution for Barclays Capital in Singapore, a leading commodity global investment bank. Peter has spent over 13 years working in a variety of senior banking roles in Singapore, New York and London.

Other listed company Directorships – Heron Resources Limited (appointed 22 September 2017)

In the last 3 years Mr Rozenauers has held directorships in: Blackham Resources Limited (resigned 19 September 2017)

Company Secretary

Stephen Hewitt-Dutton (appointed 17 March 2010)
B.Bus., CA

Stephen is a Chartered Accountant and is an Associate Director of Trident Capital Pty Ltd. He holds a Bachelor of Business from Curtin University and is a member of Chartered Accountants Australia and New Zealand. He has over 20 years of experience in corporate finance, accounting and company secretarial matters.

Before joining Trident Capital, Stephen was an Associate Director of Carmichael Corporate where he assisted clients by providing equity market, IPO and M&A advice and assistance. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 20 years.

Principal Activities

The principal activity of the Group during the financial year was to explore and evaluate various mineral exploration projects.

Operating and Financial Review

	2018 $	2017 $
Net loss for the year	7,703,310	10,502,236

The net loss for the year ended 30 June 2018 and 30 June 2017 has been calculated in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), and includes net exploration expenditure of $5,955,943 (2017: $2,917,962) expensed in accordance with the Group's accounting policy.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Review of Operations to Year Ending 30 June 2018

Our focus

- Use our resources to develop the mining and exploration tenements hosting the 100% owned Boorara gold and Nimbus silver projects.
- Additional Reverse Circulation (RC) Resource Drilling at Boorara followed by a new resource estimate then proceed to a Definitive Feasibility Study on the Boorara gold project.
- Nimbus is a potential high-grade silver underground operation that requires further metallurgical test work.
- Exploration will be completed on some 20 kilometres (km) of 100% owned tenements.
- Assess potential dual processing options for Nimbus and Boorara to run in parallel, and
- Assess the availability of other processing gold mills in the Kalgoorlie region.

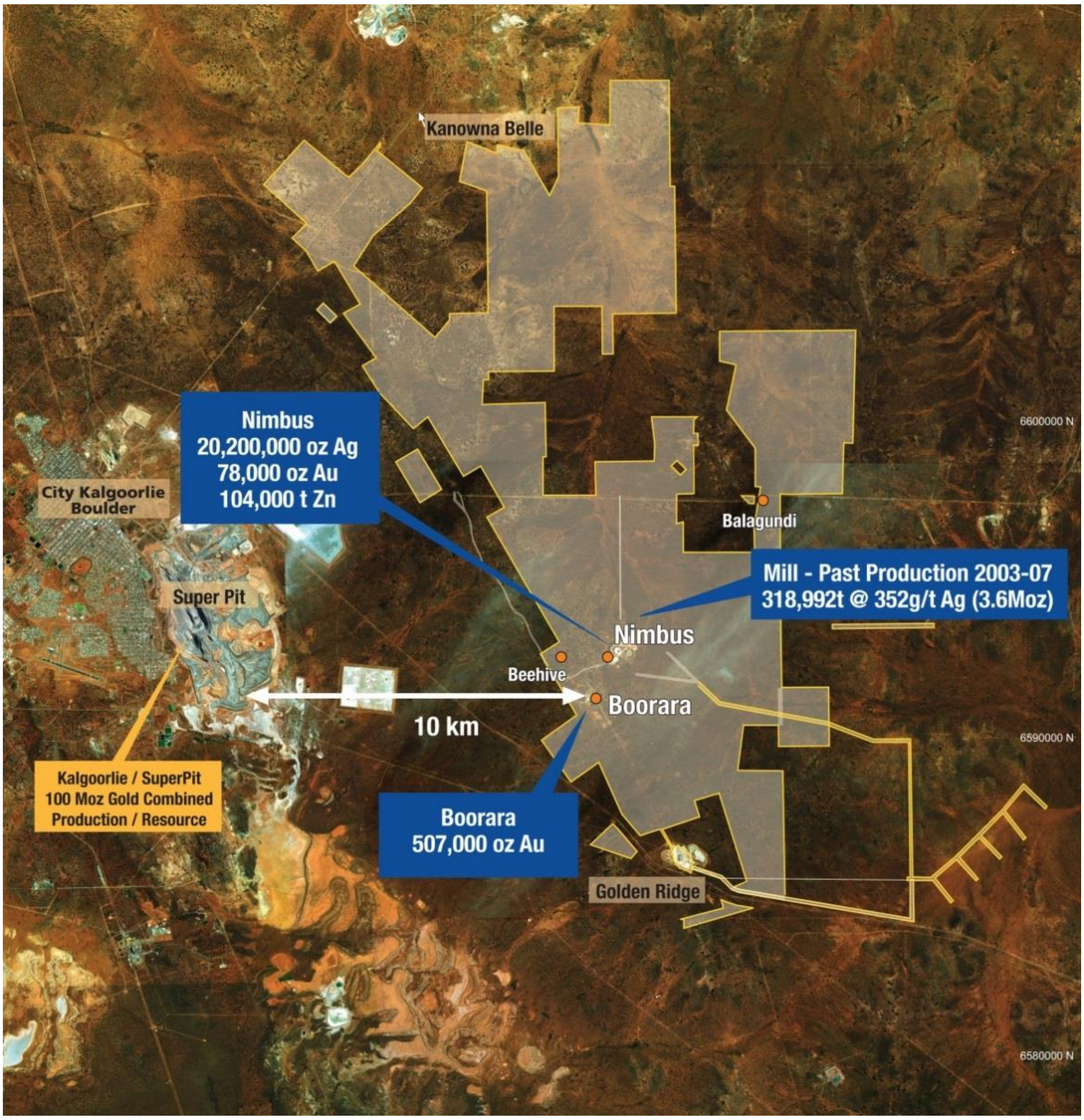

Figure 1: Location of the Nimbus-Boorara projects area, 10km east of the Kalgoorlie Super Pit, showing the Nimbus Mill site and the Boorara gold project within 1km of the Nimbus mine

BOORARA GOLD PROJECT

Background

Boorara Gold Project is located about one (1) kilometre (km) south-west of MacPhersons Resources Ltd (MRP) 100 per cent-owned Nimbus Project, which is in turn located 10km east of Kalgoorlie's Super Pit gold mine in Western Australia.

Early drill success at Southern Stockworks deposit

From January to August 2017 the Company engaged mostly diamond drilling, and the company confirmed an extension of the Boorara Southern Stockwork deposit at a vertical depth below 200 metres from the surface and some 500 metres along strike. Within the Southern Stockworks deposit we reported BODH 025 (163m @ 4.29 g/t uncut) and BORC 173 (158m @ 1.6 g/t).

Gold mineralisation within the Southern Stockworks is hosted in a series of stacked quartz vein arrays that dip at 40-45° to the North West. The true thickness of the arrays is up to 50 metres vertical that are hosted within the quartz dolerite which dips at 73° to the north east. The mineralised dolerite has a true width of up to 40 metres based on a review of all the historic drilling and MRP drilling. Within the mineralised Boorara dolerite high grade localised ore shoots consist of vein arrays up to 20 metres in width. The increased width of the mineralised dolerite indicates that this is potentially a larger mineralised system.

RC drilling identifies 507,000 ounces of gold

The RC drilling program which started on 2 October 2017 of some 34,000 metres was completed on Thursday 18 January 2018. The reported drilling represented the second round of (20m x 10m) and (20m x 20m) RC drilling to infill the spacing at the Southern Stockwork, Crown Jewel and Northern Stockwork.

MacPhersons reported some spectacular high grade gold assays amongst others, 4 metres grading 91.4 g/t . The two (2) deep hole diamond drill program at the Southern Stockworks completed on 19 January 2018 intersected the mineralised dolerite zone below 620 metres from the surface.

On 6th March 2018 MRP announced a 118% increase in thereleased an update gold resource for the Boorara Gold Project of 16.45 Mt at 0.96 g/t Au for 507,000 oz's, for full details please see ASX release dated 6 March 2018. An independent Mineral Resource Estimate (MRE) for the Boorara Gold Project was prepared by Cube Consulting Pty Ltd, Perth. The upgraded resource estimate is based on extensional and infill drilling three areas in the 1,800 metres of strike and up to 300 metres in width with a revision of the estimate methodology and mineralised constraints. Our geological team also identified excellent potential of gold mineralisation extensions;

1. Within the existing resource "boundary" of 1,800 metres by 300 metres, four areas of some 700 metres strike length and within the "boundary" require in-fill drilling at Northern Stockworks and Crown Jewel. The resource is open in most areas beyond the limits of the drilling programme to 250 metres (see Figure 2).

2. Down plunge gold mineralisation extensions to the northwest. MacPhersons has identified a region in need of step-out drilling from Southern Stockworks and potentially plunging below the Crown Jewel deposit, and

3. Due north along the Boorara Dolerite (see Figure 6). On the 5th of April MRP commenced another 20,000 metres of drilling aiming to test gold mineralisation between the three proposed open pits and expanding the existing resource within the 1,800 metre gold zone as above in point 1 . Depth extensions plus gold mineralisation potential further north are yet to be drill tested.

During the second half of the year 143 RC holes have been drilled (BORC 222 - 299, 330 - 395) at Boorara Northern Stockwork (SSW), Crown Jewel (CJ) and Southern Stockwork (SSW) deposits for 23,733 metres to expand the gold mineralisation associated with discovery hole BODH 025 (163m @ 4.29 g/t). This drilling resulted in number of significant composite intersections (see table 1, page 65) and has extended gold mineralisation to below 200m at the SSW area. The SSW drilling has been undertaken on 115° drilling azimuth that is perpendicular to the north west dipping quartz vein arrays that host gold mineralisation whereas at CJ and NSW drilling has been undertaken at a 060° azimuth.

The drilling has been undertaken at all three deposits, NSW, SSW and CJ with significant results being reported (See Figure 2).

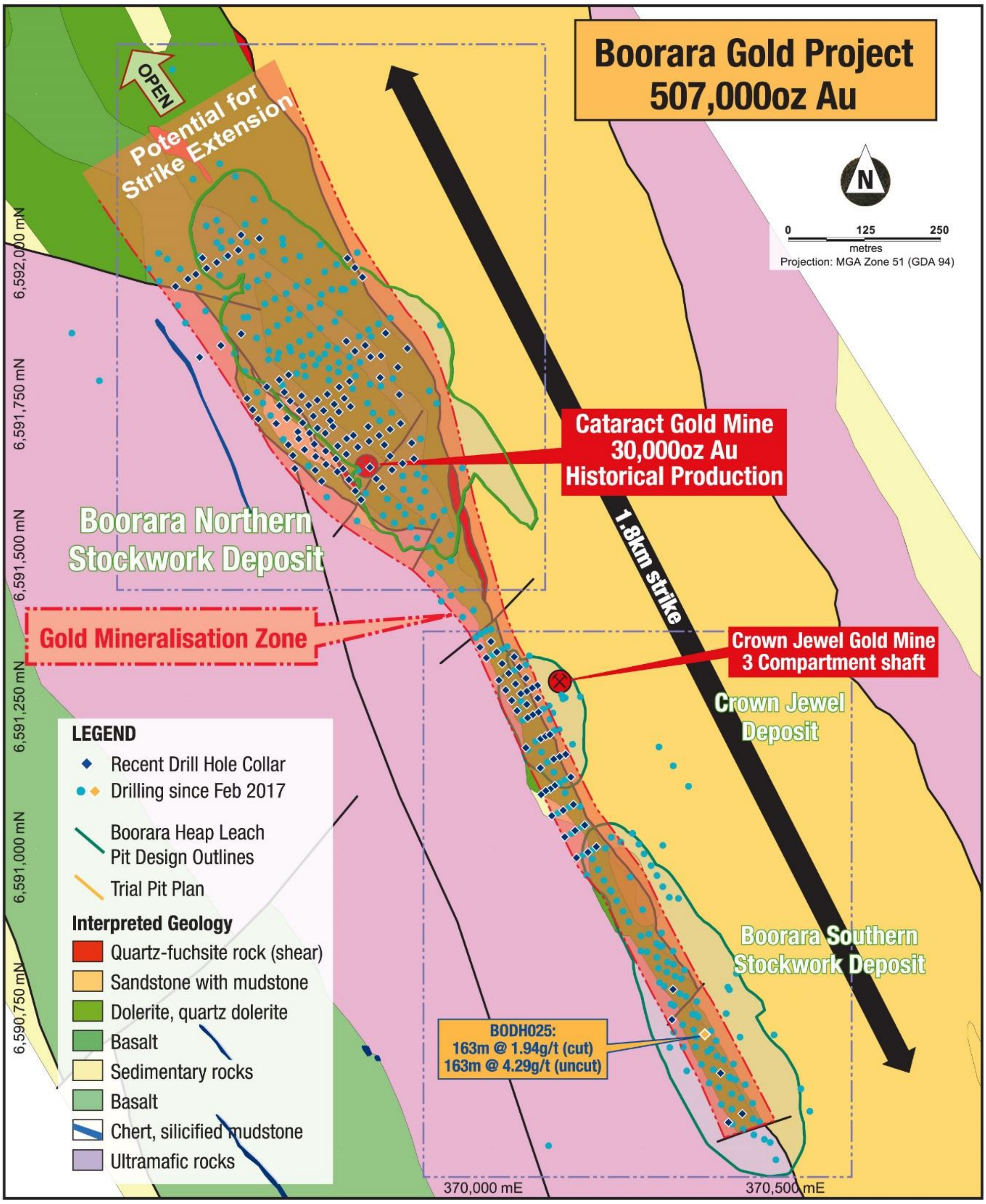

Figure 2: Boorara Gold Project Plan with Current Drilling

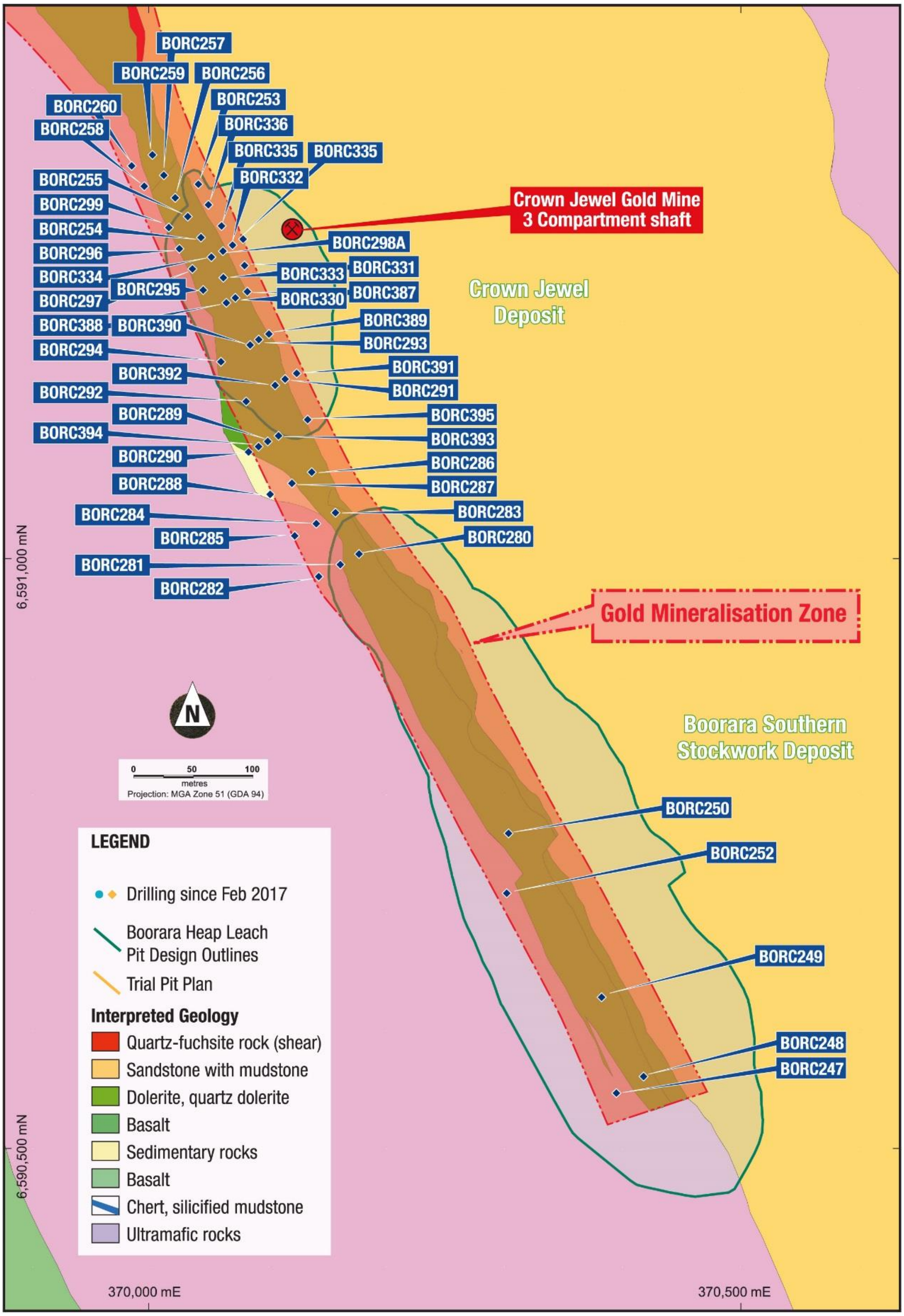

Figure 3: Southern Stockwork and Crown Jewel Drilling

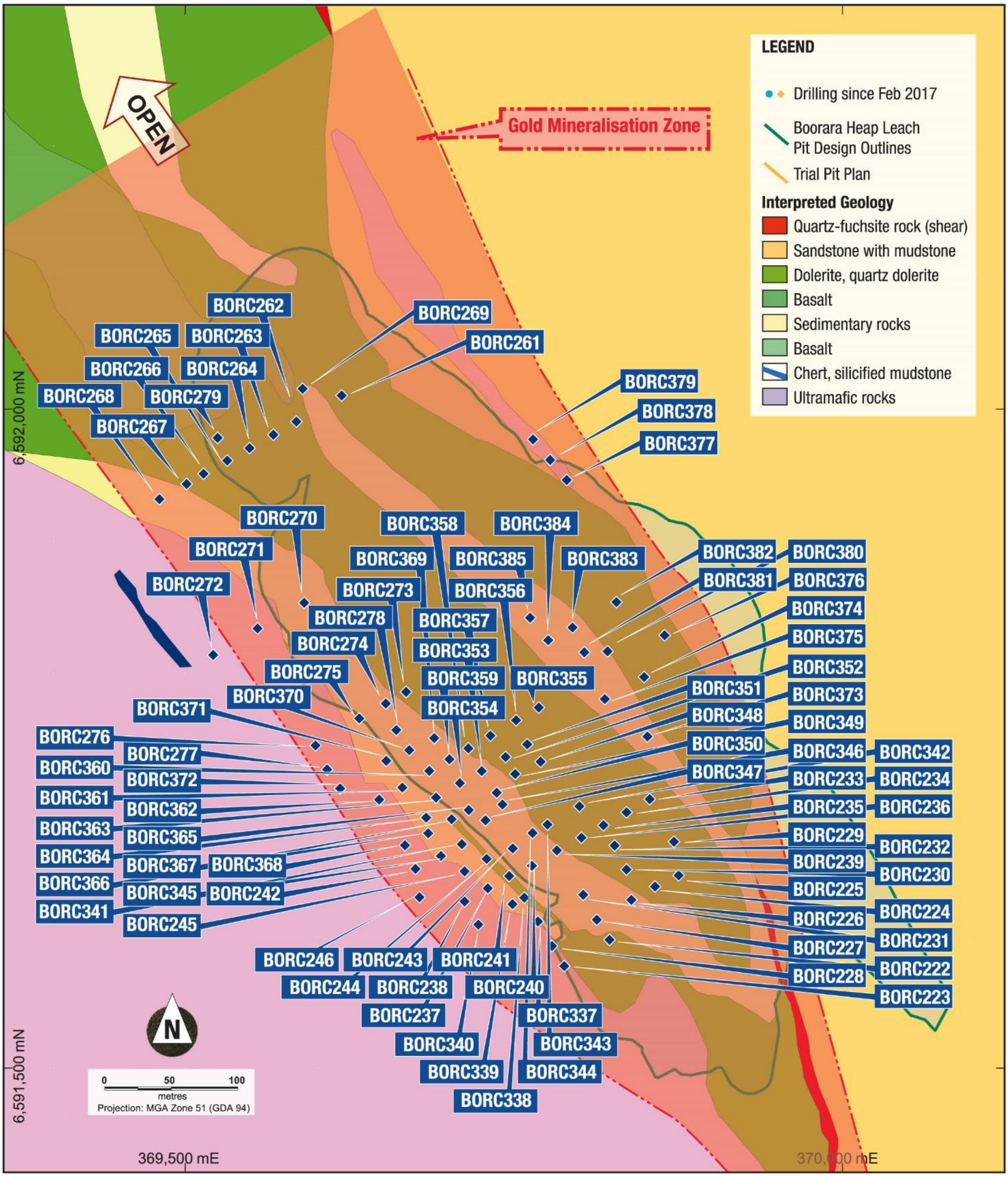

Figure 4: Southern Stockwork and Crown Jewel Drilling

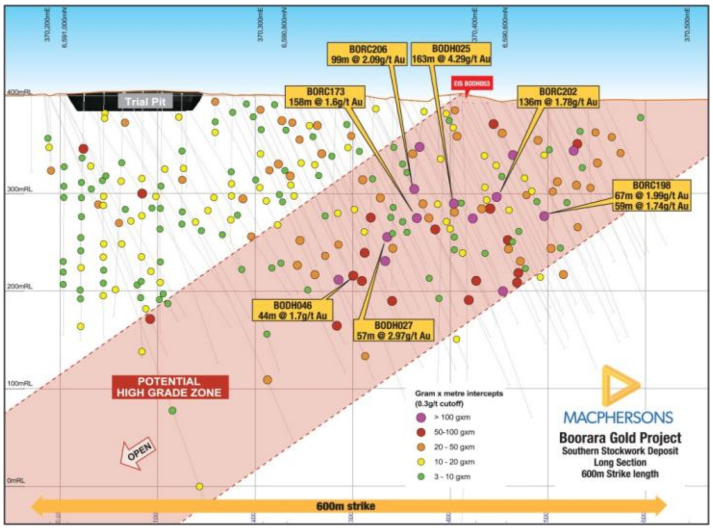

Figure 5: Boorara Southern Stockwork Deposit – Long Section with gram x metre intercepts

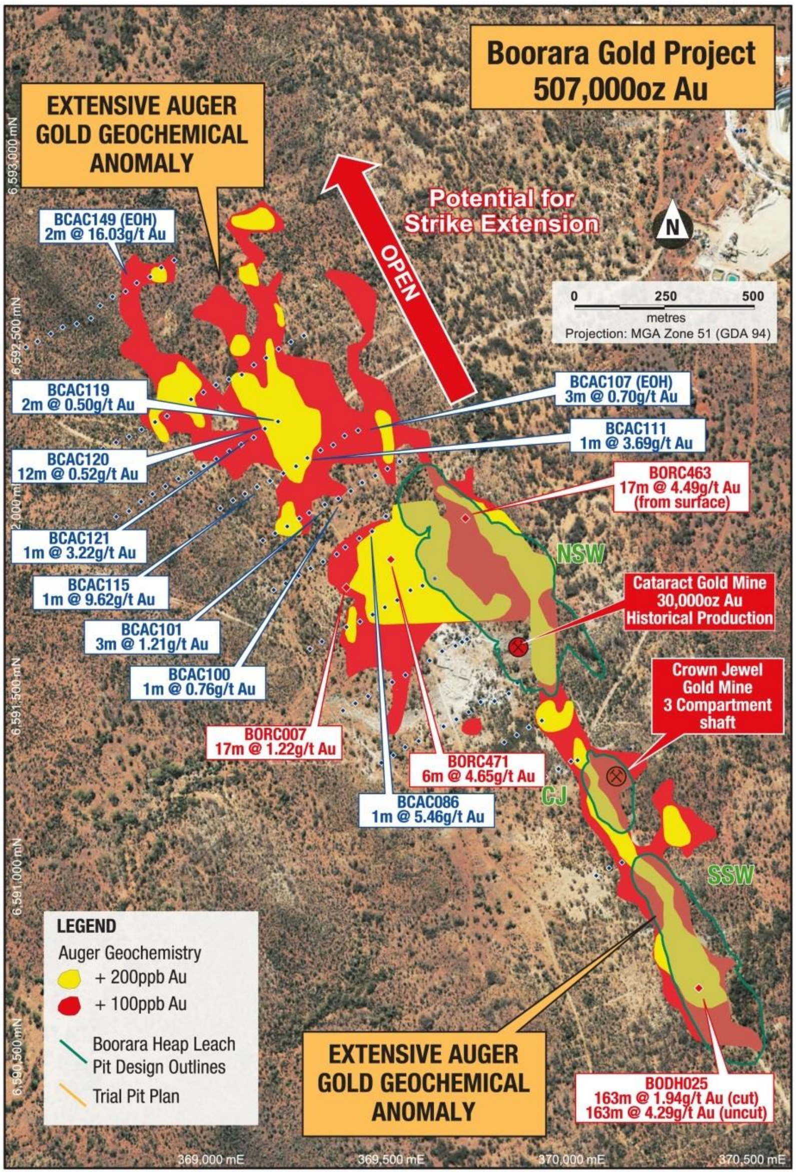

Figure 6: Boorara Exploration Potential

Ongoing Definitive Feasibility Study

The mining of the Boorara trial pit in 2016 was an important step for the ongoing DFS, followed by further drilling aimed at increasing the Boorara resource. The key aspects of the DFS that have been completed to date are listed below:

- Large area of granted Mining Leases
  - Permitted and approved TSF facility at Nimbus of 4.8 mt with potential to expand
  - Aboriginal heritage survey completed
  - Flora and Fauna survey completed
  - DMIRS Approved Boorara open pit and heap Leach Mining Proposal
  - Sterilisation drilling completed
  - Connected mains power 1.5 Mw allocation
  - Licenced to extract 1.5 million kilolitres of saline process water from tested and proved borefield – KCGM draws from the same aquifer
  - Established site offices and associated infrastructure
  - Geotechnical studies
  - Ongoing metallurgical testwork

Metallurgical sighter test work on composite transition ore samples from the SSW and NSW deposits is encouraging with excellent recoveries regardless of grind size and high gold recoveries reporting to the gravity concentrate as below

NSW (P80) 75 micron grind size	**93%** - Overall recovery	**60%** - Gravity Gold
NSW (P80) 180 micron grind size	**92%** - Overall recovery	**56%** - Gravity Gold
SSW (P80) 75 micron grind size	**86%** - Overall recovery	**51%** - Gravity Gold
SSW (P80) 180 micron grind size	**88%** - Overall recovery	**60%** - Gravity Gold

This transition ore sighter testwork was based on composite samples collected from RC drill chips, NSW composite consisted of 45 individual samples composited into one sample and SSW composite consisted of 21 individual samples composited into one sample.

What is highly encouraging is that the laboratory calculated head grade has been consistently higher than MRP's average fire assay grade.

	Average MRP Fire Assay Grade	**Lab Calculated Head Grade**
NSW Composite (P80) 75 Micron	1.66 g/t	2.52 g/t
NSW Composite (P80) 180 Micron	1.66 g/t	2.19 g/t
SSW Composite (P80) 75 Micron	1.93 g/t	2.25 g/t
SSW Composite 180 Micron	1.93 g/t	2.42 g/t

Geotechnical studies have been completed with an independent consultant (estimating rock strengths, open pit wall stability which ultimately assist in open pit design engineering) that has resulted in an improvement in overall pit slope angles compared to previous geotechnical work undertaken on the Boorara Gold Project. We are encouraged by this result moving forward with future open pit mining engineering studies.

Test work to characterise the Boorara ore under Semi-Autogenous Grinding (SAG) milling conditions has been completed via the JK Drop Weight Test; this is the industry standard for determining these comminution properties.

NIMBUS SILVER PROJECT

The Company continues to evaluate alternatives for the further development of the Nimbus Silver project. During the year further metallurgical test work focused on maximising the silver recovery whilst reducing the cyanide requirement of the silver leach to commercial levels and examining opportunity to increase the grind size. This work will also examine opportunities of how laboratory scale silver zinc recoveries can be converted to a potentially commercially economic process plant flow sheet.

Regional Exploration

A number of exploration gold targets for have been generated that are auger soil gold anomalies that will be tested in the future with aircore drilling.

Competent Person's Statement

The information is this report that relates to mineral resources and exploration results is based on information compiled by Andrew Pumphrey who is a Member of the Australian Institute of Geoscientists and is a Member of the Australasian Institute of Mining and Metallurgy. Andrew Pumphrey is a full time employee of Macphersons Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pumphrey has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the year other than as outlined in this report.

Meetings of Directors

During the year, 9 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number Attended
Ashok Parekh	9	9
Jeff Williams	9	9
Peter Rozenauers	9	9

The Board of Directors also approved five (5) circular resolutions during the year ended 30 June 2018 which were signed by all Directors of the Company.

Interests in the shares and options of the Company

The following relevant interests in shares and options of the Company were held by the directors as at the date of this report.

Directors	Number of options over ordinary shares	Number of fully paid ordinary shares
Jeff Williams	2,500,000	4,315,384
Ashok Parekh	Nil	42,039,390
Peter Rozenauers	Nil	Nil

At the date of this report unissued ordinary shares of the Company under option are:

Securities	Number of Options
Options exercisable at $0.15, expiry 9 December 2019	5,000,000
Options exercisable at $0.36, expiry 28 February 2020	700,000

Significant events after reporting date

There has not been any matter or circumstance that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

Environmental legislation

The Group is not subject to any significant environmental legislation.

Indemnifying Officers or Auditors

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or of a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Remuneration Report

This report outlines the remuneration arrangements in place for the key management personnel of MacPhersons Resources Limited (the "Company") for the financial year ended 30 June 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Key Management Personnel

Directors
Ashok Parekh (Chairman)
Jeff Williams (Managing Director)
Peter Rozenauers

Executives
Andrew Pumphrey (General Manager)
Stephen Hewitt-Dutton

Remuneration Philosophy
The performance of the Company depends upon the quality of the directors and executives. The philosophy of the company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration Committee
The Remuneration Committee is to assist the Board in establishing human resources and compensation policies and practices for the Directors (executive and non-executive) and senior executives, including retirement termination policies and practices, company share schemes and other incentive schemes, company superannuation arrangements and remuneration arrangements.

Remuneration Policy
The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

The Company currently has an Employee Incentive Plan in place. The executive directors and executives receive a superannuation guarantee contribution required by the government, which during the 2018 financial year was currently 9.5%, and do not receive any other retirement benefits. All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $250,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

The objective of the Company's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

Directors' fees

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Bonuses

No bonuses were paid to key management personnel during the 2018 and 2017 year.

Performance based remuneration

The board may exercise discretion in relation to approving incentives, bonuses and options. This is in addition to cash remuneration.

Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options or Performance Rights to eligible directors and executives to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder wealth.

Remuneration of key management personnel

		Short-term employee benefits	Post-employment benefits			
Directors		Salary & Fees $	Super-annuation $	Share based Payments $	Total $	Performance Related %
Ashok Parekh	2018	52,000	4,940	-	56,940	-%
	2017	52,000	4,940	-	56,940	-%
Jeff Williams	2018	175,344	21,676	-	197,020	-%
	2017	166,154	30,866	91,653	288,673	-%
Peter Rozenauers	2018	-	-	-	-	-%
	2017	-	-	-	-	-%
Executives						
Andrew Pumphrey	2018	219,000	-	-	219,000	-%
	2017	219,000	-	91,653	310,653	-%
Company Secretary						
Stephen Hewitt-Dutton	2018	66,300	-	-	66,300	-%
	2017	77,500	-	-	77,500	-%
Total	2018	512,644	26,616	-	539,260	-%
	2017	514,654	35,806	183,306	733,766	-%

Details of Executive Agreements are shown below. Mr Rozenauers does not receive any fees in relation to his role as a non-executive director.

Mr Stephen Hewitt-Dutton was not in receipt of any remuneration or any other fees from MacPhersons Resources Limited during the 2018 and 2017 financial years. Mr. Hewitt-Dutton is an employee of Trident Management Services Pty Ltd, to which MacPhersons Resources Limited paid fees under a Service Agreement for the provision of accounting and company secretarial services. These fees are included above.

Transactions with key management personnel are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. These amounts are not included in the table of remuneration unless stated.

a) The Group paid Goldfield Hotels Pty Ltd, a company associated with Mr Ashok Parekh, an amount of $37,867 (2017: $35,314) in relation to rent of the Group's premises at 109 Maritana Street, Kalgoorlie on normal commercial terms.

b) The Group has paid the Palace Hotel, a business owned by Mr Ashok Parekh a total of $8,109 (2017: $11,425) for the provision of function rooms and accommodation and meals for staff. All amounts were provided on an arm's length basis.

No other benefits have been received or are receivable by Directors or Director related entities, other than those already disclosed in the remuneration report and notes to the financial statements.

(a) Option holdings of Key Management Personnel

Details of options held directly, indirectly or beneficially by key management personnel and their related parties are as follows:

Options over Ordinary shares in MacPhersons Resources Limited (number)

30 June 2018	Balance at beginning of year	Granted as remuneration	Options Exercised or Expired	Bought or (Sold)	Balance at end of year
Directors					
Ashok Parekh	-	-	-	-	-
Jeffrey Williams	2,500,000	-	-	-	2,500,000
Peter Rozenauers	-	-	-	-	-
Executives					
Andrew Pumphrey	2,500,000	-	-	-	2,500,000
Stephen Hewitt-Dutton	-	-	-	-	-
	5,000,000	-	-	-	5,000,000

Options over Ordinary shares in MacPhersons Resources Limited (number)

30 June 2017	Balance at beginning of year	Granted as remuneration	Options Exercised or Expired	Bought or (Sold)	Balance at end of year
Directors					
Ashok Parekh	-	-	-	-	-
Jeffrey Williams	-	2,500,000	-	-	2,500,000
Peter Rozenauers	-	-	-	-	-
Executives					
Andrew Pumphrey	-	2,500,000	-	-	2,500,000
Stephen Hewitt-Dutton	-	-	-	-	-
	-	5,000,000	-	-	5,000,000

(b) Shareholdings of Key Management Personnel

Ordinary shares held in MacPhersons Resources Limited (number)

30 June 2018	Balance at beginning of year	Granted as remuneration	On Exercise of Options	Net Change Other	Balance at time of resignation	Balance at end of year
Directors						
Ashok Parekh	41,026,570	-	-	1,012,820	-	42,039,390
Jeffrey Williams	4,000,000	-	-	315,384	-	4,315,384
Peter Rozenauers	-	-	-	-	-	-
Executives						
Andrew Pumphrey	-	-	-	-	-	-
Stephen Hewitt-Dutton	30,000	-	-	57,692	-	87,692
	45,056,570	-	-	1,385,896	-	46,442,466

Ordinary shares held in MacPhersons Resources Limited (number)

30 June 2017	Balance at beginning of year	Granted as remuneration	On Exercise of Options	Net Change Other	Balance at time of resignation	Balance at end of year
Directors						
Ashok Parekh	41,026,570	-	-	-	-	41,026,570
Jeffrey Williams	4,000,000	-	-	-	-	4,000,000
Peter Rozenauers	-	-	-	-	-	-
Executives						
Andrew Pumphrey	-	-	-	-	-	-
Stephen Hewitt-Dutton	30,000	-	-	-	-	30,000
	45,056,570	-	-	-	-	45,056,570

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

Service Agreements
The agreements related to remuneration are set out below:

a) Ashok Parekh is engaged as Chairman of the Company and his appointment is not subject to a fixed term.

His remuneration package is made up of:
- annual salary of $52,000 plus statutory superannuation.
- a cash or share bonus as determined by the Board from time to time.
- Mr Parekh has no special terms in relation to termination.

The employment agreement contains additional provisions considered standard in an agreement of this type.

b) Jeffrey Williams is currently engaged as the Managing Director of the Company and his appointment is not subject to a fixed term.

His remuneration package is made up of:
- annual salary of $175,000 plus statutory superannuation. Following the Board approving to proceed with development of any of the Company's projects and obtaining financing of the project, Mr Williams' salary will increase to $250,000 plus statutory superannuation.
- an incentive by way of the issue of shares as determined by the Board from time to time.
- Mr Williams has no special terms in relation to termination.

The employment agreement contains additional provisions considered standard in an agreement of this type.

c) Andrew Pumphrey is currently engaged as the General Manager of the Company and his appointment is not subject to a fixed term.

His remuneration package is made up of:
- annual remuneration of $219,000.
- an incentive by way of the issue of shares as determined by the Board from time to time.
- Mr Pumphrey has no special terms in relation to termination.

The employment agreement contains additional provisions considered standard in an agreement of this type.

d) The Company has entered into a service agreement with Trident Management Services Pty Ltd, whereby the Company has agreed to pay $4,000 per month, plus an hourly amount for services outside the scope of the monthly retainer, for company secretarial services. The agreement was renewed for a further 12 months in March 2018. The Agreement may be renewed annually for 12 months unless either party gives at least 30 days prior written notice. The agreement may be terminated immediately for breach of the agreement, breach of confidentiality or insolvency. If the agreement is terminated immediately Trident Management Services Pty Ltd is entitled to be paid any fees accrued.

Compensation Options Granted

During the prior year 2,500,000 options were issued by the Company to each of Jeff Williams and Andrew Pumphrey (2018: Nil). The fair value of the options issued was calculated using the Black-Scholes option valuation methodology and applying the following inputs:

	15c Options
Grant date	9 December 2016
Share Price on 9 December 2017	$0.095
Exercise Price	15c
Expiry Date	9 December 2019
Risk Free Rate	2.5%
Volatility	75%
Value per Option	$0.0367
Total Value of Options	$183,306
Amount Expensed in Current Year	$183,306
Amount to be Expensed in Future Years	$-
Options Lapsed	Nil
Options Exercised	Nil
Options vested and exercisable	5,000,000

End of remuneration report

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 19 and forms part of this directors' report for the year ended 30 June 2018.

Proceedings

No person has applied for leave of Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

Details of amounts paid or payable to the auditor during the year are detailed in Note 15 to the financial statements. No amounts were paid to the auditor for non-audit services.

Signed in accordance with a resolution of the directors.

ASHOK PAREKH
Chairman
Perth 28 September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

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

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

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

Perth, Western Australia	**N G Neill**
28 September 2018	**Partner**

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STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated 2018 $	Consolidated 2017 $
Revenue	2	**93,488**	**83,629**
Administration expense		(558,781)	(562,463)
Depreciation	9	(146,571)	(181,115)
Office and site office costs		(312,822)	(228,136)
Exploration expenditure	2	(5,955,943)	(2,917,962)
Employee benefits expenses		(996,292)	(1,137,698)
Loss on disposal of assets		(432)	(164,977)
Share based payments	18	-	(246,406)
Fair value change on financial assets (listed shares)		-	(652,800)
Loss on sale of other financial assets		(43,950)	-
Loss on sale of assets held for sale	26	-	(1,992,646)
Provision for impairment of plant and equipment	9	-	(2,619,290)
Provision for rehabilitation costs		(88,395)	(590,657)
Loss before income tax expense		**(8,009,698)**	**(11,210,521)**
Income tax benefit	3	306,388	708,285
Net loss for the year		**(7,703,310)**	**(10,502,236)**
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive loss for the year		**(7,703,310)**	**(10,502,236)**
Basic loss per share (cents per share)	5	(2.25)	(3.31)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	Consolidated 2018 $	Consolidated 2017 $
Current Assets			
Cash and cash equivalents	7	3,009,616	2,853,887
Trade and other receivables	8	170,757	1,697,308
Total Current Assets		3,180,373	4,551,195
Non-Current Assets			
Property, plant and equipment	9	2,635,809	2,717,313
Deferred exploration and evaluation expenditure	10	7,590,817	7,590,817
Other financial assets	11	-	2,112,000
Total Non-Current Assets		10,226,626	12,420,130
Total Assets		13,406,999	16,971,325
Current Liabilities			
Trade and other payables	12	589,336	544,149
Employee entitlements	13	50,757	35,862
Total Current Liabilities		640,093	580,011
Non-Current Liabilities			
Employee entitlements	13	16,218	12,731
Mine rehabilitation provision	14	679,052	590,657
Total Non-Current Liabilities		695,270	603,388
Total Liabilities		1,335,363	1,183,399
Net Assets		12,071,636	15,787,926
Equity			
Issued capital	16	80,439,863	76,452,843
Reserves	17	246,406	246,406
Accumulated losses	19	(68,614,633)	(60,911,323)
Total Equity		12,071,636	15,787,926

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated 2018 $	Consolidated 2017 $
Cash flows from operating activities			
Receipts from customers		-	2,579,646
Payments to suppliers and employees (including exploration and evaluation activities)		(7,736,394)	(7,210,018)
Research and development grant received		306,388	708,285
Interest received		53,555	58,147
Other receipts		42,609	23,428
Net cash (used in)/generated from operating activities	7	(7,333,842)	(3,840,512)
Cash flows from investing activities			
Purchase of property plant & equipment		(65,499)	(56,424)
Proceeds on sale of financial assets		2,068,050	-
Proceeds from sale of subsidiary (net of cash at time of sale and costs)	8, 26	1,500,000	3,274,873
Net cash generated from investing activities		3,502,551	3,218,449
Cash flows from financing activities			
Proceeds from the issue of shares		4,226,784	-
Payment of share issue costs		(239,764)	
Net cash generated from financing activities		3,987,020	-
Net (decrease)/increase in cash and cash equivalents		155,729	(622,063)
Cash and cash equivalents at beginning of year		**2,853,887**	**3,475,950**
Cash and cash equivalents at end of year	7	**3,009,616**	**2,853,887**

The accompanying notes form part of these financial statements.

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

Consolidated	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 30 June 2017		**76,452,843**	**246,406**	**(60,911,323)**	**15,787,926**
Loss for the year		-	-	(7,703,310)	(7,703,310)
Total comprehensive loss for the year		**-**	**-**	**(7,703,310)**	**(7,703,310)**
Share based payments	18	-	-	-	-
Shares issued during the year	16	4,401,784	-	-	4,401,784
Share issue costs		(414,764)	-	-	(414,764)
Balance at 30 June 2018		**80,439,863**	**246,406**	**(68,614,633)**	**12,071,636**

Consolidated	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 30 June 2016		**76,452,843**	**-**	**(50,409,087)**	**26,043,756**
Loss for the year		-	-	(10,502,236)	(10,502,236)
Total comprehensive loss for the year		**-**	**-**	**(10,502,236)**	**(10,502,236)**
Share based payments	18	-	246,406	-	246,406
Shares issued during the year	16	-	-	-	-
Balance at 30 June 2017		**76,452,843**	**246,406**	**(60,911,323)**	**15,787,926**

The accompanying notes form part of these financial statements.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial report has also been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The company is a listed public company, incorporated in Australia. The entity's principal activities are to explore and evaluate various mineral exploration projects.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2018 the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period.

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 company accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2018. 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 the Group's business and, therefore, no change necessary to Group accounting policies.

(c) Statement of Compliance

The financial report was authorised for issue on 28 September 2018.

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

(d) Basis of Consolidation

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

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

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Exploration expenditure
The recoverability of the carrying amount of exploration and evaluation expenditure carried forward forward is dependent on the future successful outcome from exploration activity or alternative the sale of the respective area of interest. Where exploration results are unsuccessful, or no further work is to be undertaken, the directors will then assess whether an impairment write-down is required, which will be recognised in the statement of comprehensive income.

(f) Foreign Currency Translation

Both the functional and presentation currency of MacPhersons Resources Limited is Australian dollars.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

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

(h) Income Tax

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

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

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

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

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

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

Tax consolidation legislation

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

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

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

Research and development grant

Amounts received under research and development tax incentive scheme are recognised in full as an income tax benefit in the period in which the amount becomes receivable.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

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

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

(j) Impairment of assets

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

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

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

(k) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the company.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(m) Exploration and evaluation

Exploration and evaluation costs including costs of studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities along with those for general and administrative costs are expensed in the period they are incurred. Acquisition costs of acquiring licences will be assessed on a case by case basis and, if appropriate, will be capitalised. Those acquisition costs are carried forward when the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(n) Mine rehabilitation provision

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

(o) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Property improvements	2.5% per annum
Plant and equipment	8% to 40% per annum

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each balance date.

(i) Impairment

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Impairment losses are recognised in the statement of comprehensive income.

(ii) Derecognition and disposal

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

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

(p) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(q) Employee leave benefits

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

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

(ii) Long service leave

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

(r) Issued capital

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

(s) Earnings per share

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

Diluted earnings/(loss) per share is calculated as net profit/(loss) attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
- the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(t) Segment reporting

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

(u) Share-based Payment Transactions

(i) Equity settled transactions:

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

The Group has an Employee Incentive Plan which was approved at the Annual General Meeting held on 24 November 2016.

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model.

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

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

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

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(v) Parent Entity Financial Information

The financial information for the parent entity, MacPhersons Resources Limited, disclosed in note 25 has been prepared on the same basis as the consolidated financial statements, except as set out below.

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

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

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

NOTE 2: REVENUE AND EXPENSES

	Consolidated 2018 $	Consolidated 2017 $
Included in the net loss for the year are the following revenue and expense items:		
(a) Revenue		
Interest received or receivable	50,879	60,201
Other revenue	42,609	23,428
	93,488	83,629
(b) Exploration Expenses		
Gold sales	-	(2,579,646)
Cost of trial mining and processing	-	2,296,048
Gross profit from trial mining operations	-	(283,598)
Exploration expenditure	5,955,943	3,201,560
Net exploration expenditure	5,955,943	2,917,962
(c) Other Expenses		
Auditor's remuneration	34,006	33,250
Advertising and sponsorships	68,011	26,345
Consultancy fees	326,557	42,570
Depreciation	146,571	181,115
Travel and accommodation	103,607	96,369
Provision for mine rehabilitation costs	88,395	590,657

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

NOTE 3: INCOME TAX

		Consolidated 2018 $	Consolidated 2017 $
(a)	Income tax benefit		
	Current tax	306,388	708,285
	Deferred tax	-	-
		306,388	708,285
(b)	The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:		
	Loss before tax	(8,009,698)	(11,210,521)
	Prima facie tax benefit on loss at 27.5% (2017: 30%)	2,202,667	3,363,156
	Less:		
	Tax effect of:		
	- Other non-allowable items	(1,793)	(74,716)
	- Other assessable income	-	(72)
	- Movement in unrecognised temporary difference	-	(3,987)
	Unused tax benefit not recognised as deferred tax asset	(2,233,903)	(3,346,231)
		(2,235,696)	(3,425,006)
	Add:		
	Tax effect of:		
	Capital raising costs	33,029	61,850
	Research and development grant	306,388	708,285
		339,417	770,135
	Income tax benefit	306,388	708,285

		Consolidated 2018 $	Consolidated 2017 $
(c)	The following deferred tax balances at 27.5% (2017: 30%) have not been recognised:		
	Deferred Tax Assets at 27.5% (2017: 30%):		
	Carry forward revenue losses	17,364,334	17,336,679
	Capital raising costs	101,465	22,291
	Deductible temporary differences	954,393	851,527
		18,420,192	18,210,497

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

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

(a) assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
(b) conditions for deductibility imposed by the law are complied with; and
(c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

	Consolidated 2018 $	Consolidated 2017 $
Deferred tax liabilities at 27.5% (2017: 30%)		
Accrued income	2,837	3,898
Investments	-	558,208
Capitalised exploration	1,916,023	2,085,397
	1,918,860	2,647,503

The above deferred tax liabilities have not been recognised as they have given rise to the carry forward revenue losses for which the deferred tax asset has not been recognised.

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% (2017: 30%) payable by Australian corporate entities on taxable profits under Australian tax law.

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

Tax Consolidation

MacPhersons Resources Limited and its 100% owned Australian resident subsidiaries have resolved to consolidate under the tax consolidation legislation. The accounting policy for the implementation of the tax consolidation legislation is set out in note 1(h).

NOTE 4: SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker (deemed to be the Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of MacPhersons Resources Limited reviews internal reports prepared as financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the year, the Group operated predominantly in one segment being the mineral exploration sector in Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTE 5: LOSS PER SHARE

	Consolidated 2018 $	Consolidated 2017 $
Basic loss per share:		
The loss and weighted average number of ordinary shares used in the calculation of basic loss per share, are as follows:		
Net loss for the year	(7,703,310)	(10,502,236)
	Number	**Number**
Weighted average number of ordinary shares	342,280,188	317,166,611

The Company has not disclosed diluted earnings per share as the effect of potential ordinary shares is to decrease the loss per share.

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

NOTE 6: DIVIDENDS

No dividends were declared or paid during the year.

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated 2018 $	Consolidated 2017 $
Cash at bank	1,109,166	338,802
Cash on term deposit	1,900,450	2,515,085
	3,009,616	2,853,887

Cash at bank earns interest at variable rates based on daily bank deposit rates. Term deposits have varying maturities and are matched to the Group's cash requirements.

The Group was not party to any borrowing facilities for the year ended 30 June 2018.

All cash was available for use, and no restrictions were placed on the use of cash at any time during the year.

(i) Reconciliation of net loss for the year after income tax to net cash used in operating activities

	Consolidated 2018 $	Consolidated 2017 $
Net loss for the year	(7,703,309)	(10,502,236)
Adjustments for:		
Non-cash expenses – depreciation	146,571	181,115
Non-cash expenses – provision for impairment of plant	-	2,619,290
Non-cash expenses – provision for mine rehabilitation costs	88,395	590,657
Non-cash expenses – movement in value of investments	43,950	652,800
Loss on sale of Coolgardie Project	-	1,992,646
Share based payments	-	246,406
Decrease in debtors	23,707	38,447
Decrease/(Increase) in prepayments	168	(3,107)
(Increase)/Decrease in interest receivable	2,676	(2,054)
Increase/(Decrease) in creditors	45,186	159,652
Increase/(Decrease) in employee entitlements	18,382	20,895
Loss on sale of fixed assets	432	164,977
Net cash (used in) operating activities	(7,333,842)	(3,840,512)

Non-cash financing and investing activities

The company engaged in the following non-cash financing activities for the year ended 30 June 2018 by the issue of shares:

- Payment for corporate advisory services.

The company did not engage in any non-cash financing activities for the year ended 30 June 2017 by the issue of shares.

NOTE 8: CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated 2018 $	Consolidated 2017 $
Prepayments	18,843	19,011
Deferred consideration on sale of Coolgardie assets	-	1,500,000
Interest receivable	10,317	12,993
GST recoverable	135,585	159,292
Sundry debtors	6,012	6,012
	170,757	1,697,308

As of 30 June 2018, there were no trade or other receivables which were past due but not impaired.
Please refer to Note 20 for assessment of Financial Risk Management.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Consolidated	Motor Vehicles $	Property Improvements $	Plant & Equipment $	Processing Plant $	Total $
Year ended 30 June 2018					
Opening balance at 1 July 2017	60,877	223,180	327,143	2,106,113	2,717,313
Additions	16,500	3,770	46,034	-	66,304
Disposals	-	-	(1,237)	-	(1,237)
Depreciation charge for the year	(16,004)	(22,485)	(74,021)	(34,061)	(146,571)
At 30 June 2018, net of accumulated depreciation and impairment	61,373	204,465	297,919	2,072,052	2,635,809
At 30 June 2018					
Cost					6,850,843
Accumulated depreciation and impairment					(4,215,034)
Net carrying amount					2,635,809

Consolidated	Motor Vehicles	Property Improvements	Plant & Equipment	Processing Plant	Total
	$	$	$	$	$
Year ended 30 June 2017					
Opening balance at 1 July 2016	76,088	212,561	390,335	4,939,403	5,618,387
Additions	-	27,720	28,184	520	56,424
Disposals	(789)	-	-	(163,297)	(164,086)
Change to asset classification	5,294	818	(6,112)	-	-
Assets classified as held for sale	-	6,383	610	-	6,993
Provision for impairment[1]	-	-	-	(2,619,290)	(2,619,290)
Depreciation charge for the year	(19,716)	(24,302)	(85,874)	(51,223)	(181,115)
At 30 June 2017, net of accumulated depreciation and impairment	60,877	223,180	327,143	2,106,113	2,717,313
At 30 June 2017					
Cost					6,780,718
Accumulated depreciation and impairment					(4,063,405)
Net carrying amount					2,717,313

(1) The positive results from exploration being conducted on the Boorara Gold project has seen the Company focus on that project. The Company continues to conduct further studies to progress the Nimbus Project however the Nimbus Plant, which was acquired in 2011 along with the Nimbus Silver mine, is not likely to be utilised in the short to medium term. Further, usage of the Nimbus Plant in the short to medium term would require significant restoration works is not considered likely. Taking the above matters into account the Directors have resolved to fully provide for the impairment of the Nimbus Plant during the 30 June 2017 year.

NOTE 10: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2018 $	Consolidated 2017 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	7,590,817	7,590,817
Total deferred exploration and evaluation expenditure	**7,590,817**	**7,590,817**

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

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

NOTE 11: OTHER FINANCIAL ASSETS

	Consolidated 2018 $	Consolidated 2017 $
CURRENT		
Listed shares held at fair value	-	2,112,000

As part consideration for the sale of the Coolgardie Gold Project the Company received 38,400,000 shares (being 40,000,000 less the selling agent's fee) in Primary Gold Limited. During the year Primary Gold Limited was subject to a takeover bid by Hanking Australia and the Company disposed of its entire holding in Primary Gold Limited.

This note provides information about how the Group determines fair values of various financial assets and liabilities.

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis
The Group's financial assets are measured at fair value at the end of the reporting period based on Level 1 inputs in the fair value hierarchy.

Measurement of fair value of financial instruments
The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

There have been no transfers between the levels of fair value hierarchy during the half-year.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis
The Group did not measure any financial asset or financial liabilities at fair value on a non-recurring basis as at 30 June 2018.

NOTE 12: TRADE AND OTHER PAYABLES

	Consolidated 2018 $	Consolidated 2017 $
CURRENT		
Trade payables (i)	370,617	447,297
Accruals	152,671	20,000
Other creditors	66,048	76,852
	589,336	544,149

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

NOTE 13: EMPLOYEE ENTITLEMENTS

CURRENT		
Annual leave	50,757	35,862
NON-CURRENT		
Long service leave provision	16,218	12,731

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

NOTE 14: MINE REHABILITATION PROVISION

	Consolidated 2018 $	Consolidated 2017 $
NON-CURRENT		
Provision for mine rehabilitation costs	679,052	590,657

NOTE 15: REMUNERATION OF AUDITORS

Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the entity and any other entity in the Group	34,006	33,250
	34,006	33,250

NOTE 16: ISSUED CAPITAL

	Consolidated 2018 $	Consolidated 2017 $
Ordinary shares issued and fully paid	80,439,863	76,452,843

	2018		2017	
	No.	$	No.	$
Movement in ordinary shares on issue				
Opening balance	317,166,611	76,452,843	317,166,611	76,452,843
Share placement plan	9,334,536	1,213,490	-	-
Placement	23,179,201	3,013,294	-	-
- Issue costs	-	(414,764)	-	-
Shares issued – Corporate advisory services	1,346,153	175,000	-	-
Balance at end of financial year	351,026,501	80,439,863	317,166,611	76,452,843

NOTE 17: RESERVES

	Consolidated 2018 $	Consolidated 2017 $
Share based payments reserve	246,406	246,406

The share-based payments reserve arises on the grant of share options during the prior year to the managing director and general manager (no grants were made in the current financial year). Amounts are transferred out of the reserve and into issued capital when options are exercised. See note 18 for details of the calculation of the fair value of options issued.

NOTE 18: SHARE BASED PAYMENTS

During the prior financial year, $246,406 (2018: $Nil) was recognised as a share based payment made to the managing director and staff of the Company. The issue of options to the managing director was as approved at the General Meeting held on 24 November 2016. The fair value of the options as determined using the Black-Scholes option valuation methodology and applying the following inputs:

	December 2016 Options	February 2017 Options
Date of issue	9 December 2016	28 February 2017
Number of options	5,000,000	700,000
Closing price on date of issue	$0.095	$0.23
Exercise Price	15c	36c
Expiry Date	9 December 2019	28 February 2020
Risk Free Rate	2.5%	2.5%
Volatility	75%	75%
Value per Option	$0.0367	$0.0901
Total Value of Options	$183,306	$63,100
Amount Expensed in Current Year	$183,306	$63,100
Amount to be Expensed in Future Years	$-	$-

No other share based payment transactions were entered into during the period.

NOTE 19: ACCUMULATED LOSSES

Movements in accumulated losses were as follows:	Consolidated 2018 $	Consolidated 2017 $
Opening balance	(60,911,323)	(50,409,087)
Net loss for the year	(7,703,310)	(10,502,236)
Balance at end of financial year	(68,614,633)	(60,911,323)

NOTE 20: FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

The Group did not enter into or trade financial instruments, including derivates financial instruments, for speculative purposes. The use of financial derivatives was governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives. Compliance with policies and exposures limits is reviewed by the directors on a continuous basis.

Exposure to credits, interest rate and currency risks arises in the normal course of the Group's business.

(b) Credit Risk

Credit risk arises from cash and cash equivalents, deposits held with banks and financial institutions as well as credit exposures to counterparties through the potential failure of counterparties to meet their obligations at maturity of contracts. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations will be performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At the reporting date there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

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

The Group held the following financial instruments as at 30 June 2018 and 30 June 2017:

2018 - Consolidated Financial Instruments	Floating interest rate 2018 $	Non-interest bearing 2018 $	Fixed interest rate maturing in: 1 year or less 2018 $	Total carrying amount 2018 $	Weighted average effective interest rate 2018 %
Financial assets					
Cash at bank	1,109,166	-	-	1,109,166	0.58
Term deposits	-	-	1,900,450	1,900,450	2.43
Receivables	-	170,757	-	170,757	-
Total financial assets	1,109,166	170,757	1,900,450	3,180,373	-
Financial liabilities					
Creditors & borrowings	-	589,338	-	589,338	-
Total financial liabilities	-	589,338	-	589,338	-

2017 - Consolidated Financial Instruments	Floating interest rate 2017 $	Non-interest bearing 2017 $	Fixed interest rate maturing in: 1 year or less 2017 $	Total carrying amount 2017 $	Weighted average effective interest rate 2017 %
Financial assets					
Cash at bank	338,802	-	-	338,802	0.56
Term deposits	-	-	2,515,085	2,515,085	2.41
Receivables	-	1,697,308	-	1,697,308	-
Total financial assets	338,802	1,697,308	2,515,085	4,551,195	-
Financial liabilities					
Creditors & borrowings	-	544,149	-	544,149	-
Total financial liabilities	-	544,149	-	544,149	-

(c) Capital risk

MacPhersons Resources Limited's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's equity management is determined by funds required to undertake exploration activities and meet its corporate and other costs.

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

(d) Liquidity risk

Maturity profile of financial instruments

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Group's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates.

The directors monitor the cash-burn rate of the company on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 day terms of creditor payments.

(e) Interest Rate Risk Sensitivity

The sensitivity analysis below has been determined on the exposure to interest rates for non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At balance date, if the interest rates had been 50 basis points higher or lower and all other variables were held constant, the company's net loss would decrease by $14,837 (2017: $14,170) and increase by $14,837 (2017: $14,170) respectively. This is attributable to the Group's exposure to interest rates on its cash deposits.

(f) Fair value estimation

AASB 7 *Financial Instruments: Disclosures* require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment allowance of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

The Group's principal financial instruments consist of cash and deposits with banks, accounts receivable, trade payables and loans payable. The main purpose of these non-derivative financial instruments is to finance the Group's operations.

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

NOTE 21: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of MacPhersons Resources Limited and the subsidiaries listed in the following table.

Name	*Country of Incorporation*	*% Equity Interest 2018*	*% Equity Interest 2017*	*Investment 2018 $*	*Investment 2017 $*
Kalgoorlie Ore Treatment Company Pty Ltd	Australia	100%	100%	4,500,000	4,500,000
Polymetals (WA) Pty Ltd	Australia	100%	100%	3,000,000	3,000,000

MacPhersons Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. These amounts have not been included in the table of remuneration included Remuneration Report unless otherwise stated.

a) The Group paid Goldfield Hotels Pty Ltd, a company associated with Mr Ashok Parekh, an amount of $37,867 (2017: $35,314) in relation to rent of the Group's premises at 109 Maritana Street, Kalgoorlie on normal commercial terms.

b) The Group has paid the Palace Hotel, a business owned by Mr Ashok Parekh a total of $8,109 (2017: $11,425) for the provision of function rooms and accommodation and meals for staff. All amounts were provided on an arm's length basis.

No other benefits have been received or are receivable by Directors or Director related entities, other than those already disclosed in the remuneration report and notes to the financial statements.

NOTE 22: COMMITMENTS AND CONTINGENCIES

Exploration commitments

Future minimum commitments in relation to exploration and mining tenements as at the balance date are as follows:

Payable	**2018 $**	**2017 $**
Within one year	911,020	801,285
After one but no more than five years	2,282,294	2,345,003
More than five years	4,232,863	4,616,528
	7,426,177	7,762,816

NOTE 23: EVENTS AFTER THE REPORTING DATE

There are no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future years.

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

NOTE 24: KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) Directors

Ashok Parekh	Chairman (Executive)
Jeffrey Williams	Director (Managing Director)
Peter Rozenauers	Director (non-executive)

(ii) Executives

Andrew Pumphrey	General Manager
Stephen Hewitt-Dutton	Company Secretary

(b) Remuneration of Key Management Personnel

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report. Total remuneration paid to key management personnel is as follows:

	2018 $	2017 $
Short term benefits	512,644	514,654
Share based payments	-	183,306
Post employment benefits	26,616	35,806
	539,260	733,766

NOTE 25: PARENT ENTITY DISCLOSURES

Financial position

	2018 $	2017 $
Assets		
Current assets	5,702,291	7,072,922
Non-current assets	7,704,708	9,307,746
Total assets	13,406,999	16,380,668
Liabilities		
Current liabilities	640,093	580,011
Non-current liabilities	695,270	12,731
Total liabilities	1,335,363	592,742
Equity		
Issued capital	80,389,863	76,402,842
Reserves	246,406	246,406
Accumulated losses	(68,564,633)	(60,861,322)
	12,071,636	15,787,926

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

Financial performance

	2018	2017
	$	$
Loss for the year	(7,703,119)	(17,447,553)
Other comprehensive income	-	-
Total comprehensive loss	(7,703,119)	(17,447,553)

Commitments

The parent entity's commitments at 30 June 2018 were $Nil (2017: $Nil).

NOTE 26: ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

On 29 June 2016 the Directors resolved to seek a purchaser for the Coolgardie Gold Project. On 2 August 2016 the Company announced that it had entered into a Binding Heads of Agreement with Primary Gold Limited to sell the Coolgardie Gold Project for consideration of $5 million cash and $5 million in Primary Gold Limited Shares ($0.125 per share). The sale was effected through the sale of the Company's 100% owned subsidiary MacPhersons Reward Pty Ltd and completion occurred on 7 December 2016.

Sale of MacPhersons Reward Pty Ltd

	30 June 2017
	$
Consideration received or receivable:	
Cash received	3,500,000
Cash receivable	1,500,000
Listed securities received (at fair value at completion ($0.72 per share)	2,880,000
Selling agent's fees paid (cash and shares)	(340,200)
Net sale proceeds	7,539,800
Net assets at date of completion	
Other assets and liabilities	329
Property, plant and equipment	153,712
Deferred exploration and evaluation expenditure	9,378,405
Total assets held for sale	9,532,446
Loss on disposal	(1,992,646)
Net cash inflow on disposal	
Cash consideration received	3,500,000
Cash and cash equivalents disposed of	(127)
Selling agent's fees paid	(225,000)
Net sale proceeds	3,274,873

DIRECTORS' DECLARATION

1. In the opinion of the directors of MacPhersons Resources Limited ('the company'):

   a. The financial statements and notes thereto, as set out on pages 20 to 44 are in accordance with the Corporations Act 2001 including:

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

      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and

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

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

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

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

Ashok Parekh
Chairman

Dated 28 September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

Independent Auditor's Report
to the Members of MacPhersons Resources Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

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

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

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

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

Basis for Opinion

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

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

Key Audit Matters

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

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Note 10 of the financial report	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure might no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: ▪ We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; ▪ We considered the Directors' assessment of potential indicators of impairment; ▪ We obtained evidence that the Group has current rights to tenure of its areas of interest; ▪ We examined the exploration budget for the year ending 30 June 2019 and discussed with management the nature of planned ongoing activities; ▪ We enquired with management, reviewed ASX announcements and reviewed minutes of Directors' meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and ▪ We examined the disclosures made in the financial report.

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

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

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

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

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

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

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

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

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
28 September 2018

Norman Neill

N G Neill
Partner

CORPORATE GOVERNANCE STATEMENT

The Board is responsible for establishing the Company's corporate governance framework, they key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The corporate governance statement set out below discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.mrpresources.com.au, under the section marked "Corporate Governance":

(a) Board Charter;
(b) Board Performance Evaluation Policy;
(c) Code of Conduct;
(d) Audit Committee Charter;
(e) Remuneration and Nomination Committee Charter;
(f) Security Trading Policy;
(g) Continuous Disclosure Policy;
(h) Shareholder Communication and Investor Relations Policy;
(i) Risk Management Policy; and
(j) Diversity Policy.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

(a) setting and reviewing strategic direction and planning;
(b) reviewing financial and operational performance;
(c) identifying principal risks and reviewing risk management strategies; and
(d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Managing Director. The Managing Director is accountable to the Board.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

Recommendation 1.3

The Company has a written agreement with each of the Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Managing Director, any of its directors, and any other person or entity who is a related party of the Managing Director or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

(a) ensuring a good flow of information between the Board, its committees, and Directors;

(b) monitoring policies and procedures of the Board;

(c) advising the Board through the Chairman of corporate governance policies; and

(d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

Recommendation 1.5

The Company has a Diversity Policy, the purpose of which is:

(a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and

(b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set.

Recommendation 1.6

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

(a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;

(b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and

(c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually.

An evaluation of the performance of the Board was conducted in accordance with the policy during the reporting period.

Recommendation 1.7

The Managing Director will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chair will be responsible for evaluating the performance of the Company's Managing Director in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

During the current reporting period, the Company has not conducted an evaluation of the Managing Director. A review was conducted during August 2018.

Principle 2: Structure the board to add value

Recommendation 2.1

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

Recommendation 2.2

The mix of skills and diversity which the Board is looking to achieve in its composition is:

(a) a broad range of business experience; and

(b) technical expertise and skills required to discharge duties.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

(a) Ashok Parekh (Non-executive Chairman);

(b) Jeff Williams (Managing Director); and

(c) Peter Rozenauers (Non-executive Director);

Mr Parekh, who is a non-independent, non- executive chairman, was appointed to the Board on 9 September 2009. Mr Jeff Williams was appointed to the Board on 20 January 2010. Mr Rozenauers has been a director of the Company since 18 August 2014. He is an employee of Orion Resource Partners, a substantial shareholder, and accordingly, is also not independent.

Recommendation 2.4

Currently, the Board considers that membership weighted towards relevant expertise is appropriate at this stage of the Company's operations. Accordingly, the Board does not have a majority of independent directors.

Recommendation 2.5

As noted above, Mr Parekh is not an independent Chairman. Mr Parekh is considered to be the most appropriate person to Chair the Board because of his relevant experience.

Recommendation 2.6

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Managing Director and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Company is committed to:

(a) ensuring that shareholders and the market are provided with full and timely information about its activities;

(b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and

(c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Managing Director manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.mrpresources.com.au. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

(a) relevant announcements made to the market via ASX;

(b) media releases;

(c) investment updates;

(d) Company presentations and media briefings;

(e) copies of press releases and announcements for the preceding three years; and

(f) copies of annual and half yearly reports including financial statements for the preceding three years.

Recommendation 6.2

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

(a) reports to Shareholders;

(b) ASX announcements;

(c) annual general meetings; and

(d) the Company website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

Recommendation 6.3

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

Principle 7: Recognise and manage risk

Recommendation 7.1

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

(a) operational risk;

(b) financial reporting;

(c) compliance / regulations; and

(d) system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

Recommendation 7.2

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

(a) monthly reporting to the Board in respect of operations and the financial position of the Company; and

(b) quarterly rolling forecasts prepared;

Recommendation 7.3

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Given the speculative nature of the Company's business, it is subject to general risks and certain specific risks.

The Company will identify and monitor those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclose how it intends to manage those risks.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

Due to the size of the Board, the Company does not have a separate Remuneration and Nomination Committee. The Board is responsible for the functions of the Remuneration and Nomination Committee.

The duties of the committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website

The committee carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

Recommendation 8.2

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

(a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;

(b) trading in the Company's securities which is not subject to the Company's trading policy; and

(c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is as at 18 September 2018.

Shareholdings as at 18 September 2018

Substantial shareholders
The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act are:

Shareholder Name	Number of Shares	Percentage
Orion Mine Finance (Master) Fund I LP	61,677,600	17.57%
Ashok Aaron Parekh	42,039,390	11.98%
Ray Wright	32,703,368	9.32%

Unmarketable parcels
The number of shareholders holding less than a marketable parcel is 262.
There is only one class of share and all ordinary shareholders have equal voting rights.

Voting rights
All ordinary shares carry one vote per share without restriction.

Unquoted securities
At the date of this report unissued ordinary shares of the Company under option are:

Securities	Number of Options
Options exercisable at $0.15, expiry 9 December 2019	5,000,000
Options exercisable at $0.36, expiry 28 February 2020	700,000

On-market buyback
There is no current on-market buy-back

Stock Exchange listing
Quotation has been granted for the Company's Ordinary Shares.

Securities subject to escrow
There are no securities currently subject to escrow:

Distribution of security holders

Category	Number of Holders	Number of Shares
1 – 1,000	48	7,755
1,001 – 5,000	181	601,857
5,001 – 10,000	228	1,915,663
10,001 – 100,000	786	31,375,517
100,001 and over	302	317,125,709
	1,545	351,026,501

Twenty largest shareholders – Ordinary Shares

Name	Number of ordinary shares held	Percentage of capital held
JP Morgan Nominees Australia Limited	63,912,008	18.21
Goldfields Hotels Pty Ltd <Palace Investment A/C>	24,168,368	6.89
Goldfields Hotels Pty Ltd <K M Wright Family A/C>	24,168,368	6.89
Mr Ashok Parekh	16,238,201	4.63
Bond Street Custodians Limited <DAVKRE – DO8642 A/C>	14,038,954	4.00
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd DRP	12,357,576	3.52
Bond Street Custodians Limited <DAGOLL – D04766 A/C>	8,000,000	2.28
J&D Banks Pty Ltd <J & D Banks Super Fund A/C>	6,338,005	1.81
Mr William Dudley James Powell	6,000,000	1.71
Rada Investments Pty Ltd <Wright Family A/C>	6,000,000	1.71
Banks Pty Ltd	5,062,874	1.44
WGS Pty Ltd	4,595,388	1.31
Parkview Super Nominees Pty Ltd <Park View Super Fund A/C>	4,315,384	1.23
Mr Jan Gunnink + Mrs Marie Odile Caroline Gunnink <Carojan Retirement Fund A/C>	4,229,999	1.21
Raglan Super Pty Ltd <Raglan Super Fund A/C>	3,912,011	1.11
Dr Neelesh Bhasin	3,673,896	1.05
Wilmar Furniture Manufacturing Pty Ltd <Kim A Strickland S/F A/C>	2,852,000	0.81
McEldrew Super Fund Pty Ltd <P & S Super Fund A/C>	2,800,000	0.80
Mr John Schotkamp	2,715,384	0.77
Bond Street Custodians Limited <DAVKRE – V16672 A/C>	2,426,467	0.69
TOTAL	**217,804,883**	**62.07**

SCHEDULE OF MINING TENEMENTS

Project	Location	Tenement Number	Economic Entity's Interest at Quarter End
Nimbus/Boorara	Kalgoorlie, WA	E25/511	100%
Nimbus/Boorara	Kalgoorlie, WA	L25/0032	100%
Nimbus/Boorara	Kalgoorlie, WA	L26/0240	100%
Nimbus/Boorara	Kalgoorlie, WA	L26/0252	100%
Nimbus/Boorara	Kalgoorlie, WA	L26/0266	100%
Nimbus/Boorara	Kalgoorlie, WA	L26/0275	100%
Nimbus/Boorara	Kalgoorlie, WA	L25/0035	100%
Nimbus/Boorara	Kalgoorlie, WA	L25/0036	100%
Nimbus/Boorara	Kalgoorlie, WA	L26/0270	100%
Nimbus/Boorara	Kalgoorlie, WA	L26/0274	100%
Nimbus/Boorara	Kalgoorlie, WA	M25/0355	100%
Nimbus/Boorara	Kalgoorlie, WA	M26/0029	100%
Nimbus/Boorara	Kalgoorlie, WA	M26/0161	100%
Nimbus/Boorara	Kalgoorlie, WA	M26/0277	100%
Nimbus/Boorara	Kalgoorlie, WA	M26/0318	100%
Nimbus/Boorara	Kalgoorlie, WA	M26/0490	100%
Nimbus/Boorara	Kalgoorlie, WA	M26/0598	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2192	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2193	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2194	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2195	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2196	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2247	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2251	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2552	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2261	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2292	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2322	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2393	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2394	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2403	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2404	100%
Nimbus/Boorara	Kalgoorlie, WA	P25/2405	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2450	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2467	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2468	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2469	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2470	100%

Project	Location	Tenement Number	Economic Entity's Interest at Quarter End
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2471	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2472	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2473	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2474	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2475	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA25/2526	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/3791	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/3792	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/3793	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/3794	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/3795	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/3796	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/3797	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/3798	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/3799	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/3800	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/4020	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/4035	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/4036	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/4053	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/4054	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/4055	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4199	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4200	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4201	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4202	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4203	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4204	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4205	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4206	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4207	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4208	100%
Nimbus/Boorara	Kalgoorlie, WA	P26/4297	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4298	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4299	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4300	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4301	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4302	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4381	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4382	100%

Project	Location	Tenement Number	Economic Entity's Interest at Quarter End
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4383	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4384	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4385	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4386	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4405	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4406	100%
Nimbus/Boorara	Kalgoorlie, WA	PLA26/4407	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2041	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2042	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2043	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2044	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2045	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2050	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2051	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2052	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2138	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2139	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2140	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2141	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2142	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2146	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2147	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2148	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2265	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2266	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2267	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2268	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2269	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2270	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2271	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2272	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2273	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2274	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2275	100%
Nimbus/Boorara	Kalgoorlie, WA	P27/2276	100%

SCHEDULE OF ORE RESERVES AND MINERAL RESOURCES

Results of Annual Review of Mineral Resource and Ore Reserve

Boorara

The Boorara mineral resource was announced on 6 March 2018. In accordance with Paragraph 15 of the JORC 2012 Code, the mineral resource has been reviewed and there has been no material change to the mineral resource.

Nimbus

The Nimbus mineral resource was announced on 28 April 2015. In accordance with Paragraph 15 of the JORC 2012 Code, the mineral resource has been reviewed and there has been no material change to the overall mineral resource.

The Nimbus mineral resource was reviewed during the 2016 year and a high grade core identified. The result was the delineation of a high grade core within the overall mineral resource. Details of the high grade core resource were announced on 10 May 2016. In accordance with Paragraph 15 of the JORC 2012 Code, the mineral resource has been reviewed and there has been no material change to the overall mineral resource.

Governance Arrangements for Mineral Resource and Ore Reserves Estimates

Mineral Resources and Ore Reserves are estimated by suitably qualified full-time staff of MacPhersons Resources Limited in accordance with the JORC 2012 Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. These estimates and the supporting documentation are then reviewed by a suitably qualified Competent Person from the Company. The final statements and the models upon which they are based, are then peer-reviewed by independent international consultants in accordance with the JORC 2012 Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources.

All statements have been accompanied by the appropriate sections of Table 1 from the JORC (2102) guidelines.

Mineral Resources included in the Annual Report are reviewed by suitably qualified Competent Persons from the Company prior to its inclusion.

Boorara Mineral Resource

30 June 2018

Category	Tonnes	Grade Au g/t	Ounces Au
Measured	6,110,000	0.92	181,000
Indicated	7,260,000	0.97	227,000
Inferred	3,080,000	1.00	99,000
Total	**16,450,000**	**0.96**	**507,000**

As at 6 March 2018.
The Mineral Resource has been estimated within a geological boundary and reported above 0.5 g/t lower cutoff grade for resources that are potentially open pit extractable and a 1.0 g/t lower cutoff grade for resources that are potentially extractable by underground methods.

Boorara Mineral Resource

30 June 2017

Category	Tonnes	Grade Au g/t	Ounces Au
Measured	1,740,000	1.10	62,000
Indicated	2,910,000	1.20	118,000
Inferred	1,300,000	1.3	52,000
Total	**5,950,000**	**1.2**	**232,000**

As at 25 February 2017. In accordance with Paragraph 15 of the JORC 2012 Code, we have reviewed this MRE and find no material change to report.
Mineral resource reported at a cut-off of 0.4g/t Au

Nimbus Mineral Resource

30 June 2016 and 30 June 2017

Zone	Category	Tonnes *Mt*	Ag Grade *g/t*	Au Grade *g/t*	Zn Grade *%*	Ag Metal *Moz*	Au Metal *koz*	Zn Metal *kt*
Silver Zone	Measured	3.620	102	0.09	1.20	11.9	9.9	45
	Indicated	3.182	48	0.21	1.00	4.9	21.1	30
	Inferred	5.283	20	0.27	0.50	3.4	46.5	29
	Total	**12.085**	**52**	**0.20**	**0.90**	**20.2**	**77.5**	**104**

In accordance with Paragraph 15 of the JORC 2012 Code, we have reviewed this MRE and find no material change to report. Mineral resource as at 28 April 2015. Mineral resource reported at a cut-off of 12g/t Ag, 0.5% Zn and 0.3g/t Au. Differences in totals occur due to rounding.

Nimbus High Grade Mineral Resource

30 June 2016 and 30 June 2017

This high-grade underground resource is part of the above global resource of 12.1 million tonnes at 52 g/t silver, 0.9% zinc, 0.2 g/t gold containing 20.2 million oz of silver, 78,000 oz of gold and 104,000 tonnes of zinc (refer above and "ASX Announcement 30 April 2015 - Nimbus Increases Resources").

High Grade Mineral Resource as at 10 May 2016

Category	Tonnes *t*	Ag Grade *g/t*	Zn Grade *%*	Ag Metal *Oz*	Zn Metal *t*
Indicated	170,587	762.1	12.75	4,179,569	21,746
Inferred	85,311	797.3	13.02	2,186,733	11,109
Total	**255,898**	**773.8**	**12.84**	**6,366,302**	**32,855**

In accordance with Paragraph 15 of the JORC 2012 Code, we have reviewed this MRE and find no material change to report. Mineral resource as at 10 May 2016. Mineral resource reported at a cut-off of 500g/t Ag. Differences in totals occur due to rounding.

High Grade Mineral Resource as at 10 May 2016
Lodes 3,4,5,7

Category	Tonnes *t*	Ag Grade *g/t*	Zn Grade *%*	Ag Metal *Oz*	Zn Metal *t*
Indicated	79,409	921.4	19.17	2,352,284	15,220
Inferred	52,666	1,039.5	19.64	1,760,167	10,345
Total	**132,075**	**968.5**	**19.36**	**4,112,452**	**25,565**

In accordance with Paragraph 15 of the JORC 2012 Code, we have reviewed this MRE and find no material change to report. Mineral resource as at 10 May 2016. Mineral resource reported at a cut-off of 500g/t Ag. Differences in totals occur due to rounding.

Table 1: Selected significant Boorara RC drilling composite results below from during the half year (please see ASX releases dated 19/01/18, 30/04/18, 4/05/18, 24/05/18, 2/07/18 for full details of all drilling results).

SIGNIFICANT RESULTS	
BORC 224	14m at 1.84 g/t Au from 95m
BORC 228	4m at 43.64 g/t Au from 226m, **including 1m at 170.5 g/t Au**
BORC 229	4m at 43.64 g/t Au from 226m, **including 1m at 170.5 g/t Au**
BORC 230	8m at 1.78 g/t Au from 111m
BORC 232	14m at 1.28 g/t Au from 110m
BORC 234	9m at 1.57 g/t Au from 21m
BORC 235	12m at 1.15 g/t Au from 71m, **including 1m at 6.22 g/t Au**
BORC 236	16m at 1.31 g/t Au from 12m
BORC 238	13m at 1.24 g/t Au from 174m, **including 1m at 6.34 g/t Au**
BORC 239	6m at 1.57 g/t Au from 53m
BORC 242	5m at 4.91 g/t Au from 177m, **including 1m at 14.4 g/t Au and 1m at 6.77 g/t Au**
BORC 245	8m at 6.26 g/t Au from 117m, **including 1m at 45.8 g/t Au**
BORC 248	33m at 1.58 g/t Au from 17m, **including 1m at 9.79 g/t Au and 1m at 12.95 g/t Au**
BORC 249	1m at 31.6 g/t Au from 238m
BORC 250	1m at 40.9 g/t Au from 69m
BORC 254	1m at 7.73 g/t Au from 27m
BORC 254	8m at 1.54 g/t Au from 49m
BORC 257	8m at 1.54 g/t Au from 49m

SIGNIFICANT RESULTS	
BORC 257	6m at 2.16 g/t Au from 138m, **including 1m 7.54 g/t Au**
BORC 258	5m at 71.37 g/t Au from 75m, **including 1m at 348 g/t Au and 1m at 6.97 g/t Au**
BORC 258	15m at 1.78 g/t Au from 161m, **including 1m at 13.2 g/t Au**
BORC 259	11m at 1.43 g/t Au from 34m, **including 1m at 8.98 g/t Au**
BORC 262	23m at 1.73 g/t Au from 124m, **including 1m at 26.2 g/t Au**
BORC 264	3m at 13.98 g/t Au from 95m, **including 1m at 39.1 g/t Au**
BORC 266	6m at 1.4 g/t Au from 85m
BORC 267	15m at 1.32 g/t Au from 101m, **including 1m at 5.17 g/t Au, 1m at 5.92 g/t Au**
BORC 268	2m at 4.26 g/t Au from 43m, **including 1m at 8.16 g/t Au**
BORC 270	2m at 3.67 g/t Au from 94m, **including 1m at 7.02 g/t Au**
BORC 271	19m at 1.56 g/t Au from 137m, **including 1m at 6.75 g/t Au**
BORC 274	6m at 1.68 g/t Au from 96m
BORC 277	3m at 2.65 g/t Au from 126m, **including 1m at 6.06 g/t Au**
BORC 279	4m at 4.55 g/t Au from 31m, **including 1m at 15.4 g/t Au**
BORC 279	4m at 2.79 g/t Au from 71m, **including 1m at 8.82 g/t Au**
BORC 292	1m at 6.79 g/t Au from 101m
BORC 293	37m at 0.77 g/t Au from 14m, **including 7m at 1.41 g/t Au**
BORC 293	36m at 4.19 g/t Au from 120m, **including 7m at 5.25 g/t Au & 11m at 8.83 g/t Au**
BORC 293	5m at 2.28 g/t Au from 169m, **including 1m at 6.99 g/t Au**
BORC 296	4m at 2.05 g/t Au from 32m, **including 1m at 6.99 g/t Au**
BORC 297	22m at 0.94 g/t Au from 20m
BORC 298A	37m at 1.18 g/t Au from 22m, **including 19m at 1.74 g/t Au**
BORC 298A	11m at 2.02 g/t Au from 136m, **including 1m at 6.96 g/t Au & 1m at 8.78 g/t Au**
BORC 331	22m at 1.21 g/t Au from 65m, **including 1m at 5.55 g/t Au**
BORC 331	6m at 4.45 g/t Au from 98m, **including 1m at 24.1 g/t Au**
BORC 331	23m at 1.51 g/t Au from 113m**, including 1m at 8.43 g/t Au**
BORC 332	9m at 2.16 g/t Au from 41m
BORC 332	10m at 1.54 g/t Au from 91m
BORC 334	1m at 6.93 g/t Au from 39m
BORC 334	5m at 4.05 g/t Au from 182m, **including 1m at 18.7 g/t Au**
BORC 335	23m at 1.67 g/t Au from 80m, **including 1m at 6.71 g/t Au**
BORC 343	20m at 1.88 g/t Au from 20m
BORC 345	6m at 3.54 g/t Au from 116m, **including 1m at 14.15 g/t Au and 1m at 5.69 g/t Au**
BORC 345	1m at 55.2 g/t Au from 146m