EGAN STREET RESOURCES LIMITED AND CONTROLLED ENTITIES

ACN: 144 766 236

Annual Report for the Year ended 30 June 2018

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CORPORATE DIRECTORY

Head Company
Egan Street Resources Limited

Directors
Barry Sullivan – Non-Executive Chairman
Marc Ducler – Managing Director
Simon Eley – Non-Executive Director
Hedley Widdup – Non-Executive Director
Lindsay Franker – Executive Director (appointed 4 July 2017)

Company Secretary
Mr Simon Robertson

Registered and Principal Office
Suite 8, 77 Mill Point Road
South Perth WA 6151
Telephone: (+61) 8 6424 8130

Share Register
Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth Western Australia 6000

Auditors
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Solicitors
GTP Legal
68 Aberdeen St
Northbridge WA 6003

Securities Exchange Listing
The company is listed on the Australian Securities Exchange.
ASX Codes: EGA/EGAO

Website
www.eganstreetresources.com.au

CHAIRMAN'S LETTER

Dear Shareholder,

During the past 12 months, your company has made substantial progress towards realising the objective of becoming a new, high grade gold producer at the 100% owned Rothsay Gold Project which is located 300km north east of Perth in Western Australia's mid-west region.

Significant milestones have been achieved, the most notable being the completion of a positive Definitive Feasibility Study (DFS) which was based on an updated, increased Mineral Resource Estimate of 1.42Mt @ 8.8g/t gold for 402,000oz of gold. The overall conclusions of the DFS support the strong viability of the Rothsay Gold Project. The Project is planned to produce 250,000oz of gold over a 6.5 year life at a cash cost (C1) of A$941/oz. and an All-In-Sustaining-Cost of A$1083/oz. Gold produced over the first four years is expected to average 53,000ozpa, which equates to $30 million of free cash flow per year, with a Capital repayment in 1.5 years from commencement of production.

Subject to achievement of satisfactory financing arrangements, the Board has approved the Project to proceed to Construction and Production. Work has commenced to enable this in the shortest realistic timeframe, targeting first gold production in Quarter 4/2019.

While work towards the DFS has been the Company's top priority, we have not lost sight of the immense geological prospectivity of the Rothsay gold field, and have conducted continuing exploration (largely confirmatory drilling) within the planned mine. This work has delineated new Mineral Resources at Woodley's East, which is some 30-40m into the hanging-wall (east) of the main Woodley's Resource. In addition, there has been first pass drilling to test targets on the adjacent Orient, Clyde, Clyde East and Miners Shears. Significant results have been realised, with drilling continuing and more to be planned to further test these targets. A recent amendment to tenement conditions has also enabled access to test the Woodley's Shear for southern extension. This is a highly prospective target that could have positive implications for medium term mine planning.

All of the above has been made possible by two very much appreciated major inputs to the Company's funding support. The first was via an over-subscribed share placement which raised A$4 million (before costs) in September 2017, and the second was via the very strongly shareholder-backed exercise of options which were due to expire in March 2018. Assisted by solid under-writing support, the options raised A$12 million (also before costs). As a result of these two raisings, the Company is in a strong financial situation in order to carry out essential early project works while construction funding for Rothsay is sought, and well placed to continue further planning and exploration work.

The DFS, continued exploration, fund raising and all the associated necessary activities that are required to progress the Company have been very well lead by a very capable, professional, energetic and enthusiastic management team, well supported by equally enthusiastic Non-Executive Directors. An additional three senior employees have been welcomed to the team as the work-load has continued to increase, and management also has the appreciated support of and involvement of a number of key external consultants. My sincere thanks to all who have contributed to the achievements of the past 12 months, I look forward to on-going achievements as work progresses to gold production.

Thank You All.

BARRY SULLIVAN
NON-EXECUTIVE CHAIRMAN

2018 YEAR IN REVIEW – KEY HIGHLIGHTS

- Substantial increase in the Mineral Resource Estimate (MRE) at the 100%-owned Rothsay gold project in WA's Midwest in May 2018 comprising a 53% increase to 1.42Mt at 8.8g/t Au for 401koz over the year
- Mineral Resources estimated for the first time over Woodley's East, located some 30-40m into the hanging-wall of the main Woodley's Resource
- Positive Definitive Feasibility Study ("DFS") confirmed the technical and economic viability of EganStreet's 100%-owned Rothsay Gold Project in WA, with key highlights including:
    - Maiden start-up Ore Reserve of 1.4Mt at 4.4g/t Au for 200,000oz of gold
    - High-grade, processing 1.2Mt at 6.9g/t for gold production of 250,000oz over an initial 6.5-year mine life
    - Undiscounted pre-tax project cash-flow of $100 million[1,2] from revenue of $414 million[3]
    - Estimated cash cost (C1) of A$941/oz and all-in sustaining cost (AISC) of A$1,083/oz[4]
    - Capital payback within 1.5 years of production
    - Pre-tax NPV5% of $80.4 million and IRR of 57% based on a A$1,700/oz gold price
- Several programmes of ore sorting test work with TOMRA and Steinert confirmed the potential of ore sorting to separate the barren hanging-wall waste rock from the mineralisation using Electromagnetic properties (EM). Subsequent to year end, further successful tests using X-ray transmission (XRT) technology demonstrated the ability to separate the gold-bearing quartz from the waste rock
- Significant exploration results at Woodley's, Woodley's East, Woodley's East hanging-wall and initial regional testing of the Orient, Clyde, Clyde East and Miners Shears
- $12 million raised (before costs) from the exercise and underwriting of 48.1m 25c listed options (EGAO) in February 2018
- $4m raised (before costs) via share placement at 25c in September 2017

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[1] *All Dollars are Australian Dollars unless otherwise specified.*
[2] *Both NPV and cash-flow are pre-tax, this applies for the entire document.*
[3] *Based on US$1,275 gold price and A$: US$ exchange rate of 1.00: 0.75.*
[4] *Cash Cost (C1) = mining, processing, site services & administration costs. AISC = Cash Cost (C1) + royalties + sustaining capital costs but excludes exploration and corporate costs. This applies for the entire announcement.*

DIRECTORS' REPORT

Your directors present their report together with the financial statements on the Company and its controlled entities (collectively the "Group") for the year ended 30 June 2018.

The names of directors in office at any time during or since the end of the year are:

Barry Sullivan – Non-Executive Chairman
Marc Ducler – Managing Director
Simon Eley – Non-Executive Director
Hedley Widdup – Non-Executive Director
Lindsay Franker – Executive Director - Operations (appointed 4 July 2017)

Qualifications, Experience and Special Responsibilities of Directors

BARRY SULLIVAN –NON-EXECUTIVE CHAIRMAN (APPOINTED 6 MAY 2016)

Qualifications – BSc(MIN), ARSM, FAusIMM, MAICD

Mr Sullivan is an experienced and successful mining engineer, with a career spanning 40 years in the mining industry. His initial mining experience was gained in the South African gold mining industry, followed by more than 20 years with Mount Isa Mines (MIM). In the final five years of his tenure with MIM. Mr Sullivan was Executive General Manager, responsible for the extensive Mount Isa and Hilton operations.

Mr Sullivan was previously Chairman of Exco Resources, and was previously a non-executive Director of Bass Metals, Catalpa Resources, Sedimentary Holdings and Allegiance Mining. He is also the non-executive Chairman of Lion Selection Group.

Mr Sullivan also held directorship with the following ASX-listed companies in the 3 years immediately prior to the date of this report:

Name	Date Appointed	Date Resigned
Lion Selection Group Limited.	November 2011	Current

MARC DUCLER –MANAGING DIRECTOR

Qualifications – BSc(Metallurgy) WASM

Mr Ducler has over 20 years' experience in the mining industry. For the past 13 years he has been in senior management roles. His operational experience has been gained through senior roles with; GoldFields Australia (St Ives & Agnew), BHP Billiton (Mt Whaleback), Fortescue Metals Group Limited (Cloudbreak), Mineral Resources Limited (Carina Iron Ore Mine) and Roy Hill.

Mr Ducler has over 11 years operational experience in the gold processing industry with exposure to conventional CIL/CIP circuits and heap leaching. Mr Ducler brings a process orientated operational understanding of the gold mining industry as well as an up to date understanding of what is required to get a greenfield mining operation from concept to production.

Mr Ducler has not held directorships with any other ASX-listed companies over the last three years.

SIMON ELEY –NON-EXECUTIVE DIRECTOR

Qualifications – BA, LLB

Mr Eley is a solicitor with wide experience in the resource sector. He is a founding director of EganStreet and led the acquisition of the Rothsay Gold Project in 2011. He was Chairman of Tierra Grande Resources Inc. (OTCBB:TGRI) until the company entered a merger with VNUE Inc. (OTCQB: VNUE), a company focused on the development of advanced live music production, mobile distribution and automated rights clearing platform. Mr Eley was an Executive Director of Aragon Resources Limited (Aragon) and led the team that secured the Central Murchison Gold Project which became Aragon's core asset with approximately 2 million ounces in JORC compliant resources. Aragon was taken over by Westgold Resources Limited in 2011 valuing Aragon at $76 million.

Mr Eley previously worked for Woodside Petroleum Limited in Mauritania, West Africa in an advisory and commercial role dealing with government, joint venture partners and local and international contractors. He has also worked for Aquila Resources Limited (Aquila), Clough Limited and Clayton Utz. Mr Eley's experience includes capital raisings, corporate matters and dispute resolution. At Aquila he was engaged in corporate management and strategy and acquisitions and divestments. He also gained practical experience working in operating base metal and gold mines in Western Australia and the Northern Territory.

Mr Eley also held directorship with the following ASX-listed companies in the 3 years immediately prior to the date of this report:

Name	**Date Appointed**	**Date Resigned**
Pura Vida Energy NL.	October 2016	May 2018

HEDLEY WIDDUP – NON-EXECUTIVE DIRECTOR

Qualifications – BSc(Hons Geology), MAusIMM

Mr Widdup graduated as a geologist with first class honours from the University of Melbourne in 2000. Upon finishing his degree, Mr Widdup joined WMC Resources as a geologist working at the Mt Keith Nickel Mine. Mr Widdup has extensive experience as a mine geologist having worked at Olympic Dam, Mt Isa (Black Star open cut mine) and the St Ives Gold Mine where he was Senior Mine Geologist of the combined open pits. Mr Widdup joined Lion Selection Group in July 2007 as an analyst and completed a Graduate Diploma in Applied Finance in 2011. Mr Widdup is currently an Executive Director of Lion Manager Pty Limited.

Mr Widdup is a member of the Australian Institute of Mining and Metallurgy.

Mr Widdup also held directorship with the following ASX-listed companies in the 3 years immediately prior to the date of this report:

Name	**Date Appointed**	**Date Resigned**
Kasbah Resources Limited.	February 2017	July 2018

LINDSAY FRANKER – EXECUTIVE DIRECTOR (APPOINTED 4 JULY 2017)

Qualifications – BEng(Mining) WASM, MAusIMM

Mr Franker has over 20 years' mining experience in both operations and mining related finance. He has been employed by a number of mining companies in operations and consultancy – specialising in both underground and open pit mining in Australia. He has worked for several international investment banks, based out of Johannesburg and Singapore, with a global focus covering greenfield and brownfield projects. His experience includes capital markets in debt & equity, project & structured finance, M&A, ECA & asset backed finance, borrowing base finance, structured trade finance, commodity hedging and debt advisory. He has been involved in all stages of projects from exploration through to commercial production including project development, start-ups and expansions - in various commodities, mining methods for both open pit and underground.

Mr Franker is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Franker has not held directorships with any other ASX-listed companies over the last three years.

Company Secretary

MR SIMON ROBERTSON, B.BUS, CA, M APPL. FIN.

Mr Robertson gained a Bachelor of Business from Curtin University in Western Australia and Master of Applied Finance from Macquarie University in New South Wales. He is a member of the Institute of Chartered Accountants and the Chartered Secretaries of Australia. Mr Robertson has experience as a Company Secretary and in transaction management. He has also been involved in management of the ASX listing process and several specific asset transfers, general accounting for public companies and preparation of financial statements.

Principal Activities

The principal activity of the consolidated group during the year was the exploration, evaluation and development of the Rothsay Gold Project in the southern Murchison region of Western Australia.

Operating Results

The consolidated loss of the Group after providing for income tax amounted to $7,459,595 (2017: $4,339,273).

Review and results of Operations

EganStreet Resources Limited (EganStreet or the Company) made further substantial progress during the year towards its objective of becoming a new high-grade gold producer at its flagship 100%-owned **Rothsay Gold Project**, located 300km north-east of Perth in WA's Midwest region (Figure 1).

A major focus of activity was the completion of the Definitive Feasibility Study (DFS) on the Rothsay Project. The DFS was announced to the market on 19 July 2018, with the results confirming the potential for a new low-cost, high-margin Australian gold project capable of delivering strong financial returns for shareholders.

The DFS was based on the updated Mineral Resource Estimate (MRE) for the Rothsay Project announced in May 2018, which resulted in an increase to 1.42Mt @ 8.8g/t Au for 401koz (an increase of 31% from the December 2017 MRE of 880kt @ 10.9g/t Au for 307koz and 53% increase from the March 2017 MRE 701kt @ 11.6g/t for 262koz).

The Company also maintained a strong focus on exploration with 119 holes of RC completed for 11,530m and a further 39 holes of diamond drilling completed for 13,250m. The drilling focussed on resource infill on Woodley's and Woodley's East Shears as well as regional exploration on the adjacent shears.

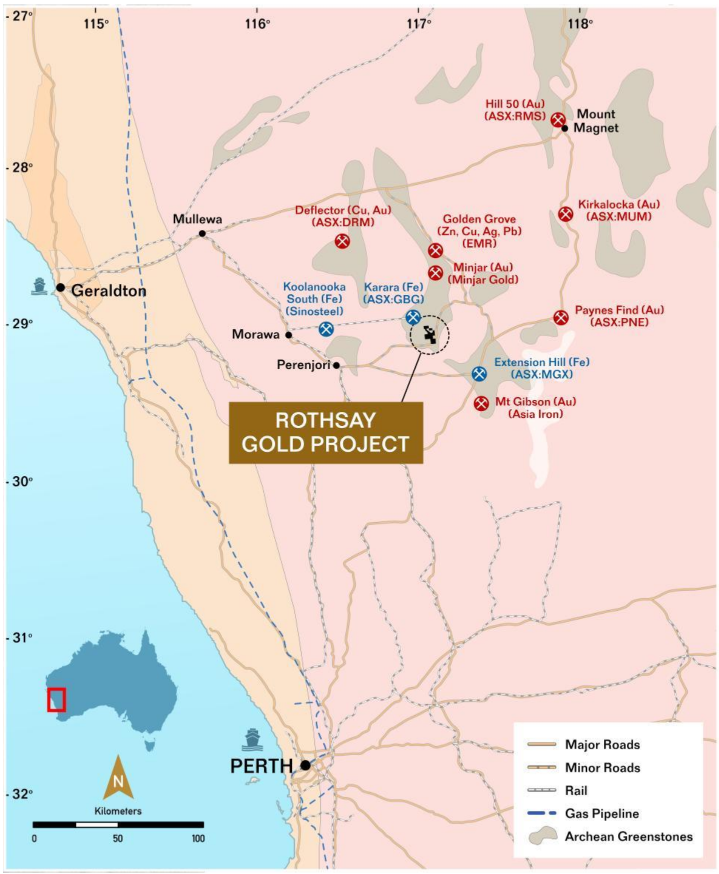

FIGURE 1 – ROTHSAY GOLD PROJECT, REGIONAL LOCATION

Definitive Feasibility Study

The DFS confirmed that the Rothsay Project is financially and technically viable based on the previously announced redevelopment strategy targeting unmined fresh material which can be accessed via an existing decline (see ASX announcement, 19 July 2018: "Rothsay DFS Confirms Low Capex High-Margin Operation").

The DFS builds on the Pre-Feasibility Study (PFS) completed in May 2017, delivering a 25% increase in projected gold production to 250,000oz over an initial 6.5-year mine life, with increased average annual production of 53,000ozpa over the first four years.

Together with a 22% increase in undiscounted pre-tax project cash-flow to $100 million, the DFS demonstrates that the Rothsay Project has the potential to generate strong cash-flows underpinned by high-grade, high-margin gold production.

The DFS is based on processing 1.2Mt at an average grade of 6.9g/t Au for approximately 250,000oz of gold production (up from 936,000t at 7.0g/t Au for 200,000oz in the May 2017 PFS).

Forecast life-of-mine (LOM) cash costs C1 are A$941/oz and all-in sustaining costs (AISC) are A$1,083/oz. The proposed 6.5-year LOM production target contains material from both the Indicated and Inferred Resource categories. The majority of the production target (73% of ounces) is sourced from Indicated Resources with the remaining (27% of ounces) drawn from Inferred Resources.

With a low initial capital expenditure of $36.1M the Rothsay Gold Project delivers a Net Present Value using a 5% discount rate of $80.4 million and has an estimated capital payback period of less than 1.5 years. A gold price of US$1,275/oz and an exchange rate (USD: AUD) of 75 cents (A$1,700/oz gold price) has been assumed for the DFS.

The Rothsay Gold Project benefits from the existing infrastructure that is in place, including; portal and decline development to 142m below surface, an existing tailings storage facility, borefields and a fully maintained road network to the mine gate entrance.

Gold produced over the first four years is expected to average 53,000ozpa (peaking at 60,000ozpa), which equates to $30 million of free cash flow per year.

The key outcomes of the DFS are summarised in Tables 1 and 2 below:

TABLE 1 – KEY PHYSICALS

		Total	Pre-Production	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Mining Production Physicals									
Development Ore Mined	*kt*	**995**	47	322	301	199	126	-	-
Development Ore Grade	*g/t Au*	**2.5**	2.9	2.8	2.5	2.6	1.8	-	-
Stope Ore Mined	*kt*	**1,079**	20	271	294	282	212	-	-
Stope Ore Grade	*g/t Au*	**5.7**	4.3	6.3	5.6	5.6	5.2	-	-
Total Ore Mined	*kt*	**2,073**	67	592	595	481	338	-	-
Mined Grade	*g/t Au*	**4.2**	3.3	4.4	4.0	4.3	3.9	-	-
Contained Ounces	**koz**	**278**	**7**	**83**	**77**	**67**	**43**	**-**	**-**
Processing Physicals									
Ore Processed	*kt*	**1,185**	50	200	200	200	200	200	135
Concentrate Grade	*g/t Au*	**6.9**	4.3	9.9	8.9	8.8	7.2	3.5	2.4
Contained Ounces	*kt*	**265**	7	64	57	57	47	23	10
Recovery	*%*	**94.5%**	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%
Ounces Produced	**koz**	**250**	**7**	**60**	**54**	**54**	**44**	**21**	**10**

TABLE 2 – KEY PROJECT STATISTICS

Material in Mine Plan	Tonnage (kt)	Grade (g/t Au)	Contained Metal (Au koz)
Indicated Resources	1,206	5.2	201
Inferred Resources	509	4.6	76
Unclassified Waste	357	0.0	0
Total (Totals may not add due to rounding)	**2,073**	**4.2**	**278**
Material Processed	**Tonnage (kt)**	**Grade (g/t Au)**	**Contained Metal (Au koz)**
Ore Processed (Post Ore Sorter)	**1,185**	**6.9**	**265**
Initial Capital Costs			**A$m**
Process Plant			24.3
Non Process Infrastructure			3.0
Other Owners Costs			5.1
Contingency			3.7
Total Initial Capital			**36.1**
Production Summary			
Initial LOM		Years	6.5
Gold Production		Ounces	**250,047**
Average LOM Metallurgical Recovery		%	94.5
Project Economics			
Base Case gold price		US$/oz	1,275
Exchange Rate		A$:US$	1.00 : 0.75
Revenue		**A$m**	**413.9**
Cash Cost (C1)		$/oz	941
All In Sustaining Cost (AISC)		**$/oz**	**1,083**
Free Cashflow $_{\text{Pre-Tax}}$		**A$m**	**100.2**
NPV$_{\text{5\% Pre-tax}}$		A$m	80.4
IRR $_{\text{Pre-Tax}}$		%	57
Payback		Years	1.5

Ore Reserve

The maiden Ore Reserve for the Rothsay Project has been estimated by Entech, and is summarised below:

TABLE 3 – ROTHSAY ORE RESERVE

Reserve Category	kt	Grade (g/t Au)	Contained Metal (Au koz)
Proved	-	-	-
Probable	1,400	4.4	200
Total	1,400	4.4	200

The Ore Reserve has been estimated using the DFS assumptions (detailed in the ASX announcement of 19 July) except for a de-rated gold price of $A1,600/oz, and is based upon Indicated Mineral resources only.

December 2017 and May 2018 Mineral Resource Upgrade

In December 2017, the Company announced an increase in the Rothsay Mineral Resource Estimate (MRE) to 880kt @ 10.9g/t Au for 307koz (refer ASX announcement, 4 December 2017: "Rothsay Resources Grow Another 17% To More Than 300,000oz At 11g/T Au".

In May 2018, the Company announced a further increase in the Rothsay Mineral Resource Estimate (MRE) to 1.42Mt @ 8.8g/t Au for 401koz (refer ASX announcement, 14 May 2018: "Rothsay Resource Jumps 31% to 401,000 Ounces".

The May 2018 MRE, which was independently estimated by Cube Consulting Pty Ltd, incorporates the results of the Reverse Circulation (RC) and diamond drilling programmes completed between October 2017 and March 2018, which consisted of 62 holes for 6,411m of RC and 26 holes for 9,159m of diamond core.

The total Rothsay MRE increased to **1.42Mt @ 8.8g/t Au for 401koz** (an increase of 31% from the previous December 2017 MRE of 880kt @ 10.9g/t Au for 307koz and 53% increase from the March 2017 MRE 701kt @ 11.6g/t for 262koz).

Importantly, the Indicated portion of the Mineral Resource, which is available for conversion to Ore Reserves, increased by **62% to 0.82Mt @ 9.3g/t Au for 246koz** (from the March 17 MRE 0.39Mt @ 11.9g/t Au for 152koz).

The Inferred portion of the Mineral Resource increased by **41% to 0.60Mt @ 8.0g/t Au for 155koz** (from the March 2017 MRE 0.30Mt @ 11.3g/t Au for 110koz).

Exploration drilling programmes intersected two zones of mineralisation which now form part of the MRE, these being in the hanging wall of Woodley's East (Woodley's East HW), totalling 160kt at 4.3g/t Au for 22koz.

These two lenses, which are parallel to the Woodley's and Woodley's East Shears, are located in close proximity to Woodley's East. The DFS completed subsequent to year-end demonstrated that these zones can be profitably mined as part of the DFS Production Target.

The new zones sit approximately 10m and 20m (respectively) to the east of the Woodley's East Shear.
The May 2018 Mineral Resource estimate for the Rothsay Gold Project is set out in Table 4 below:

TABLE 4 – MAY 2018 MINERAL RESOURCE ESTIMATE (AS PER JORC CODE 2012)

	Indicated			Inferred			Total		
Lode	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)
Woodley's	630	10.6	213	240	10.6	83	870	10.6	296
Woodley's East	190	5.3	33	160	9.1	45	350	6.9	78
Woodley's East HW				160	4.3	22	160	4.3	22
Other				40	3.3	5	40	3.3	5
Total[5]	**820**	**9.3**	**246**	**600**	**8.0**	**155**	**1,420**	**8.8**	**401**

Long projections illustrating the MRE boundaries on Woodley's and Woodley's East Shears are shown in Figure 2 and Figure 3 respectively.

[5] Note Resources quoted above 2.5g/t Au lower cut-off.

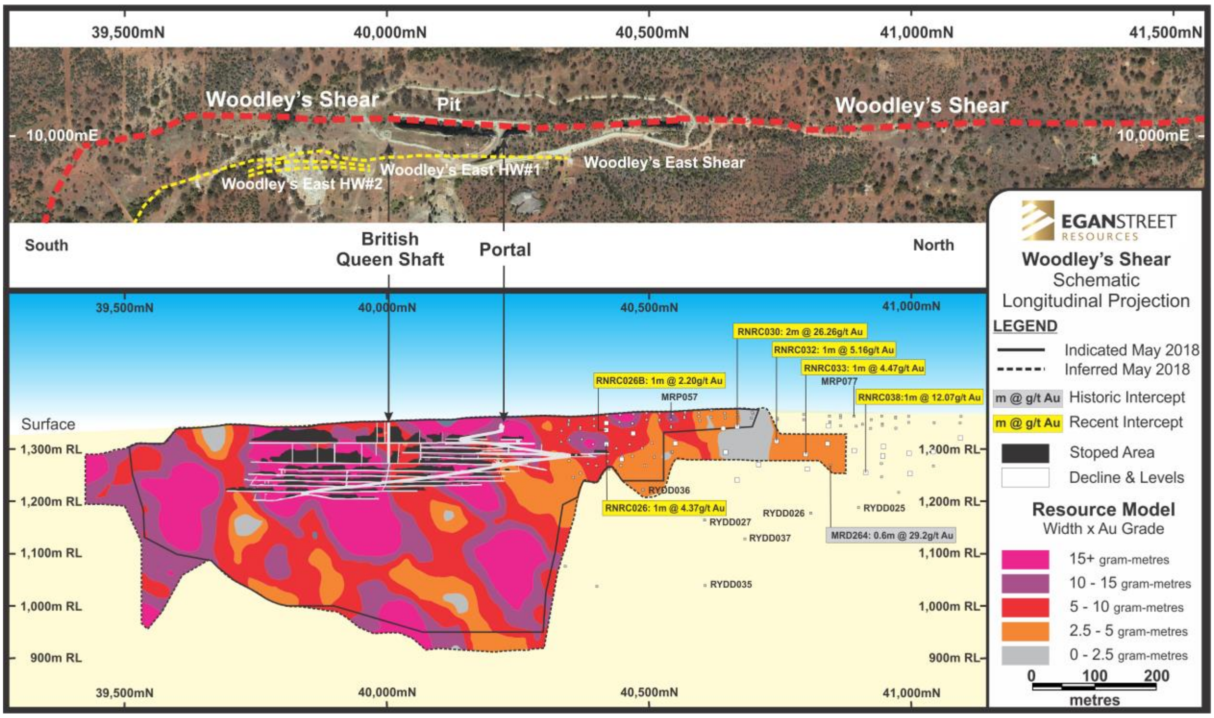

FIGURE 2 – WOODLEY'S SHEAR PROJECTION SHOWING MRE BOUNDARIES AND GRAM-METRES CONTOUR

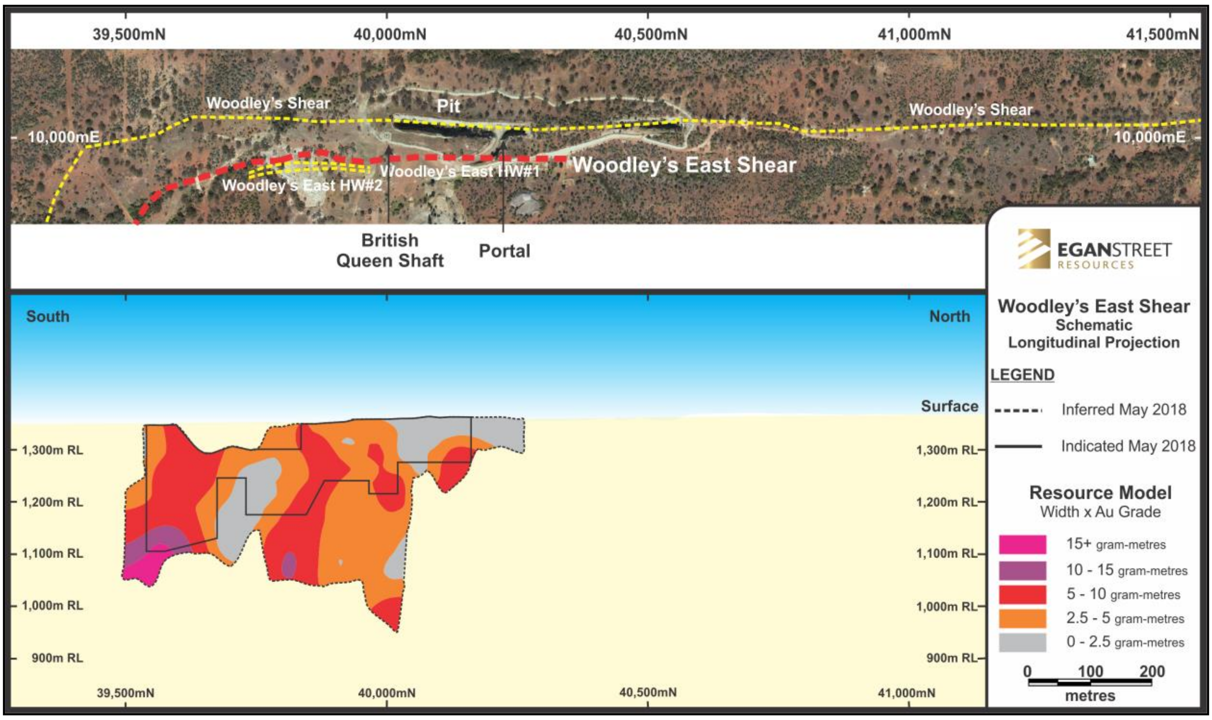

FIGURE 3 – WOODLEY'S EAST SHEAR PROJECTION SHOWING MRE BOUNDARY AND GRAM-METRES CONTOUR

Infill, Extensional and Regional Drilling Results

Several Diamond and RC drill campaigns were conducted at the Rothsay Gold Project during the financial year focusing on growing the gold inventory with resource definition and near-mine exploration.

The diamond drilling which targeted along strike and down dip extensions of Woodley's Shear delivered the following significant results:

TABLE 5 – SIGNIFICANT DIAMOND DRILLING INTERSECTIONS & RESULTS

Hole ID	Location	From (m)	To (m)	Length (m)	Grade g/t Au
RYDD051	Woodley's Shear	325.35	327.9	2.55	32.89
RYDD041	Woodley's East HW	328.75	329.3	0.55	96.97
RYDD052	Woodley's East HW	179.2	181	1.8	31.0
	(including)	180.7	181	0.3	159
	(including)	179.2	179.55	0.35	23.27
RYDD041	Woodley's Shear	418.72	419.14	0.42	110.00
RYDD038	Woodley's East Shear	247.52	249.49	1.97	20.43
RYDD062	Woodley's East Shear	310.5	311.4	0.9	30.93
RYDD031	Woodley's Shear	270.6	272.3	1.7	13.74
RYDD057	Woodley's East Shear	309	310	1.0	22.31
RYDD065	Woodley's East HW	198.85	201.25	2.4	8.19
RYDD047	Woodley's East Shear	376.15	376.48	0.33	59.01

The RC drilling which targeted along strike and down dip extensions of Woodley's Shear delivered the following significant results:

TABLE 6 – SIGNIFICANT RC DRILLING INTERSECTIONS & RESULTS

Hole ID	Location	From (m)	To (m)	Length (m)	Grade g/t Au
RHRC059	Woodley's East Shear	101	102	1	56.06
RNRC030	Woodley's Shear	33	35	2	26.26
RNRC011	Woodley's Shear	64	66	2	21.77
RHRC006	Woodley's East Shear	50	53	3	10.97
RNRC013	Woodley's Shear	103	105	2	15.50
RHRC023	Woodley's East	78	79	1	28.97
RHRC061	Woodley's Shear	127	131	4	8.47
	(including)	130	131	1	28.75
RHRC009	Woodley's East Shear	39	43	4	6.84
RNRC012	Woodley's Shear	57	59	2	13.65
RNRC008	Woodley's East Shear	104	106	2	12.35

While becoming a gold producer at Rothsay is the Company's priority, the Company has also been pursuing the mine, near-mine, and regional exploration potential. The prospective footwall (western) contact of the Woodley's Ultramafic, which hosts the Woodley's Resource, is duplicated over approximately 14km of strike. Historical workings can be found along approximately 6km of this strike, and the Woodley's Resource occupies less than 1.5km of that. The average depth of historical drilling is less than 45m. The delineation of Mineral Resources on a parallel geological contact at Woodley's East potentially multiplies the prospectivity of the gold field. EganStreet is continuing to explore for additional high-grade gold discoveries within the Rothsay Gold Project tenement package.

Immediate opportunities to grow the high-grade Resource and Reserve inventory exist to the south of the current Ore Reserve, and there are targets across the rest of the field which require further investigation and potentially drilling.

A 4,000m diamond drilling programme which forms part of a broader 6,700m RC and diamond drilling programme is scheduled to commence in early August 2018 to test for extensions to the south on both Woodley's and Woodley's East Shear. The Company has not been able to target these down-plunge extensions due to mining tenement conditions that previously restricted drilling in this part of the tenement. Importantly, the Woodley's Shear – the key gold-hosting structure at Rothsay – remains open at depth and along strike, and the project is highly leveraged to further increases in Resources and Reserves.

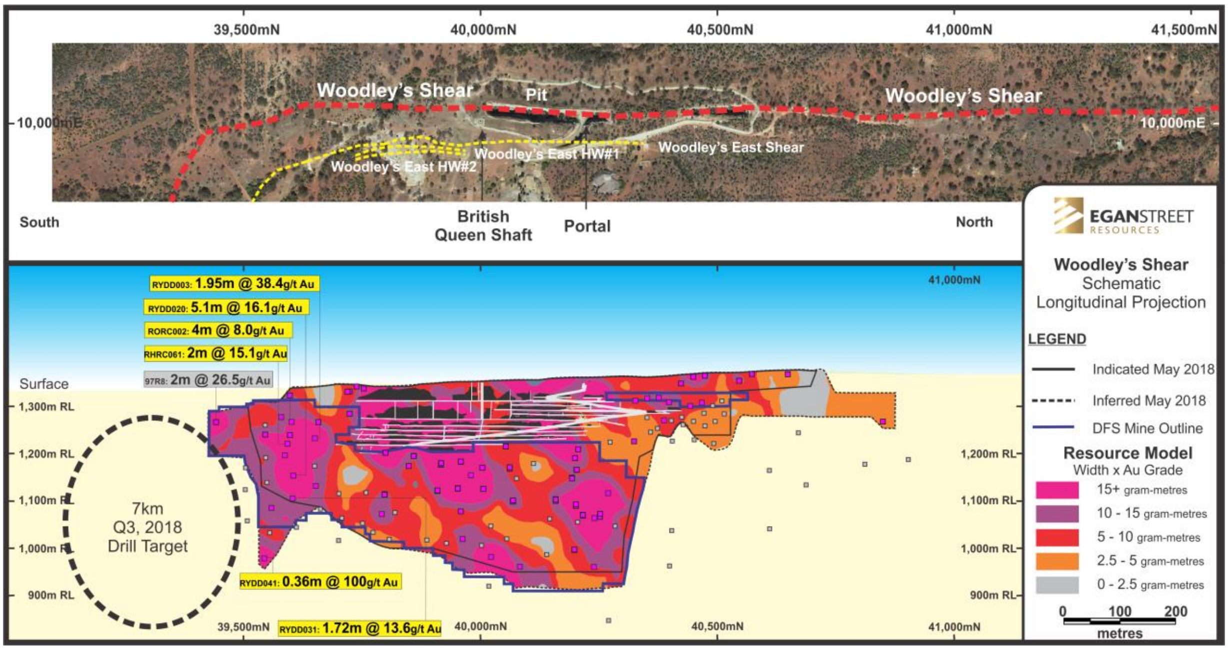

FIGURE 4 – WOODLEY'S SHEAR LONG PROJECTION SHOWING THE LOCATION OF UPCOMING EXPLORATION

Regional Exploration

EganStreet is currently exploring for additional high-grade gold discoveries within the Woodley's Shear with the Rothsay mining tenements containing a known 14km strike length of this highly prospective structure. EganStreet drilled 30 RC holes outside the current Rothsay resource.

The programme tested the upper zone of the Woodley's northern extension as well as the gold mineralisation on the Clyde North and Miners Shears. The Company drilled 5 holes on the Clyde and 6 holes on the Miners Shears. EganStreet drilled 19 RC holes as part of the Woodley's northern extension programme, which was designed to extend the gold resource on the main Woodley's Shear to the north of the current resource.

Results were positive for the Woodley's northern extension programme showing a potential moderate north plunging trend that extends 200m past the current resource. A study on 6 previously drilled diamond holes indicated that the Woodley's horizon continues and has the potential to host additional resources. Thin shear veining was intersected in three of the holes with associated gold grades. Sulphide minerals akin to the Woodley's resource were also present in variable quantities.

Significant Intersections include:

- 1.0m @ 12.3 g/t Au from 50m - Miners Shear (MWRC009);
- 2m @ 26.3 g/t Au from 33m - Woodley's North (RNRC030);
- 1m @ 5.2 g/t Au from 67m - Woodley's North (RNRC032);
- 1m @ 4.5 g/t Au from 96m - Woodley's North (RNRC033); and,
- 1m @ 4.2 g/t Au from 61m - Woodley's North (RNRC026).

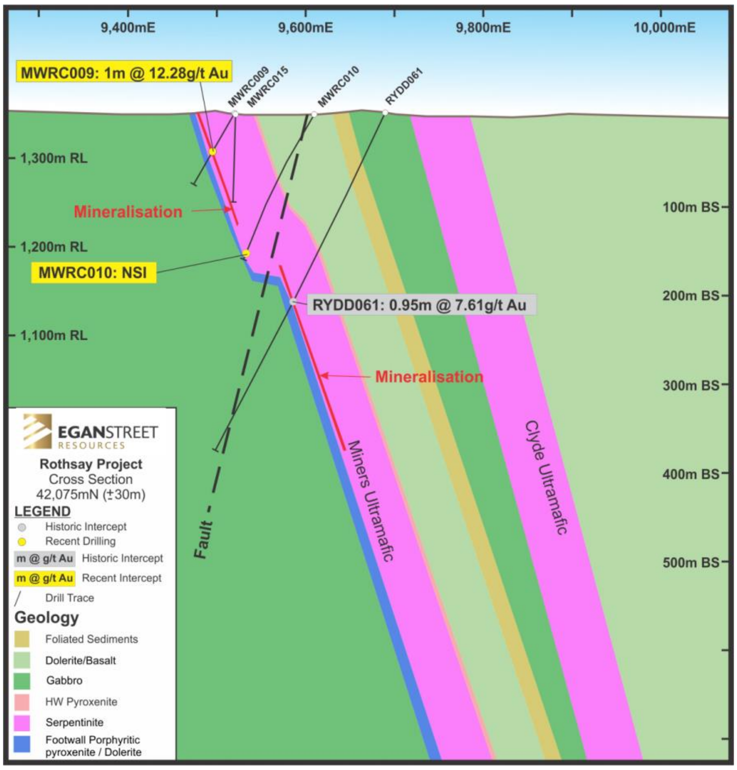

FIGURE 5 – MINERS AND CLYDE DRILL INTERSECTIONS

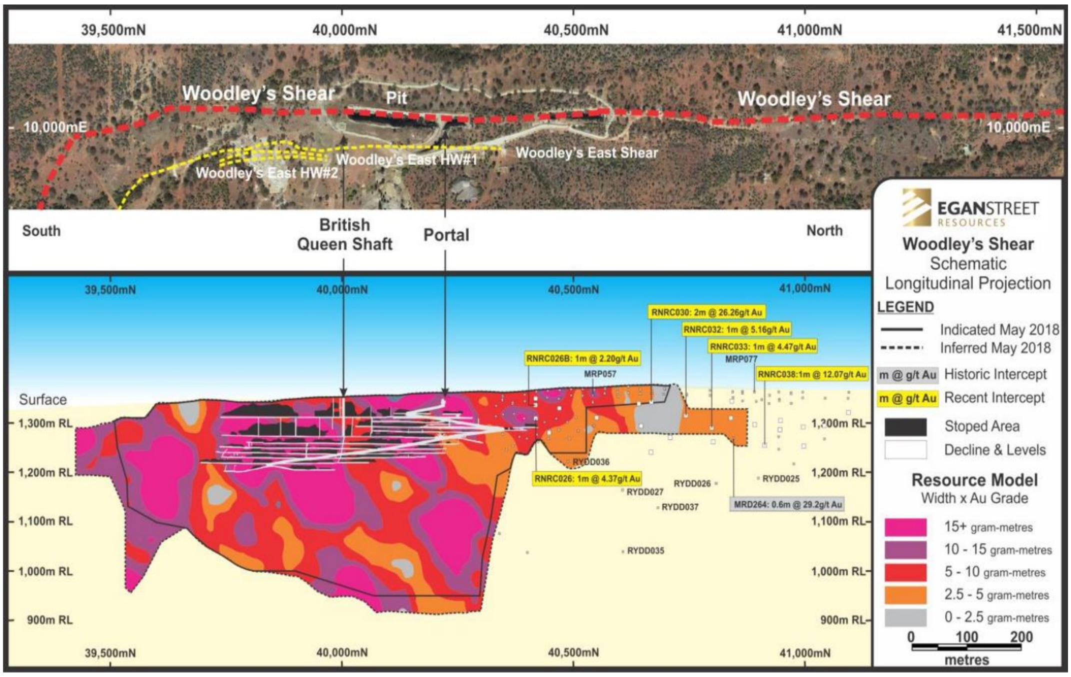

FIGURE 6 – WOODLEY'S SHEAR SCHEMATIC

A significant exploration programme started in August 2018. This programme is testing the southern portion of the Woodley's Shear following recent modification to tenement conditions on M59/39 and M59/40 which allow drilling to the south of the current MRE.

The programme will consist of up to 42 holes with a combination of both diamond and RC drilling for approximately 6,700m. Several of these holes are planned to be drilled in an oblique grid orientation that is perpendicular to the interpreted ultramafic trend to test stratigraphy and structure in this area.

Ore Sorting

During the Year, the Company received highly encouraging results from ore sorting test work on ore from the Rothsay Gold Project, confirming the potential of this technology to significantly enhance the project's economic outcomes. The Company completed several test programmes using electromagnetic (EM) and X-ray Transmission (XRT) sensors. The test work included representative diamond drill core intersections of 8m in length that were quartered, crushed and screened at the TOMRA facility in Castle Hill, Sydney.

The drill core selected for testing represented intersections throughout the Woodley's Shear, including intervals of hanging-wall and footwall material to represent approximate dilution percentages of development ore drives used in the DFS mine design. Further bulk tests (9.4t) were completed using low grade material from a historic surface stockpile as well as confirmatory testing on a bulk sample extracted from the historic underground workings. The bulk tests were completed to demonstrate the scalability of the technology.

FIGURE 7 – TOMRA XRT AND EM ORE SORTER, CASTLE HILL SYDNEY

The XRT sensor, which uses atomic density to differentiate heavy elements (such as iron, which hanging-wall and footwall mafic and ultramafic rocks are rich in) from light elements (such as silicon – quartz), was able to successfully separate the gold-bearing quartz rock from the ultramafic and mafic host rocks.

As a result of the test work completed, an ore sorter has been included in the flowsheet design of the DFS.

TABLE 6 – AVERAGE OF SEVEN DIAMOND DRILL INTERSECTIONS, TOMRA MULTI-SENSOR ORE SORTER RESULTS

	Mass (%)	Grade (g/t Au)	Au Distribution (%)	Cumulative Au Dist (%)	Upgrade (%)
Fines	8.1	4.80	17.8	17.8	119
XRT Product	13.6	9.54	58.9	76.7	334
EM Product	39.0	1.28	22.8	99.5	
EM Reject	39.3	0.03	0.5	100.0	
Calculated Feed Grade	100.0	2.20	100.0		

Corporate

As at 30 June 2018, EganStreet had cash reserves of $11.5 million.

On 25 September 2017, EganStreet announced it had successfully raised $4.04 (before costs) million in a heavily oversubscribed share placement. The share placement, comprised 16.14 million shares at an issue price of 25c, was undertaken to institutional and sophisticated investors, and resulted in the introduction of several leading Australian institutional investors to the EganStreet register.

The Company raised a total of $12.02 million (before costs) and issued 48.09 million shares following the exercise of EGAO listed options ("Options") which expired on 13 March 2018. The listed Options were originally issued on a 3-for-2 basis as part of the Company's $6 million Initial Public Offering in September 2016. Patersons Securities Limited ("Patersons") and Taylor Collison Limited ("Taylor Collison") acted as Joint Lead Managers and Joint Underwriters (together the "Underwriters") for the exercise of 27.5 million options as announced on 8 March 2018. Option-holders exercised 37.0 million options, representing a 77% take-up. In accordance with the underwriting agreement, 11 million shares were issued to the Underwriters, representing the balance of the unexercised options.

The Company strengthened its corporate, development and operations teams, with the appointment of three key executives. Mr Richard Hill was appointed as Chief Financial Officer (effective 10 October 17), Mr Jed Whitford was appointed as General Manager – Rothsay (effective 4 June 18) and Mr Jason Davis was appointed as Project Manager – Rothsay (effective 26 April 2018).

Forward Looking Statements & Disclaimers

This announcement includes forward-looking statements that are only predictions and are subject to risks, uncertainties and assumptions, which are outside the control of EganStreet.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, EganStreet does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

This announcement has been prepared by EganStreet. The document contains background information about EganStreet current at the date of this announcement. The announcement is in summary form and does not purport to be all-inclusive or complete.

Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

The announcement is for information purposes only. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

This announcement does not constitute investment advice and has been prepared without considering the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the fullest extent of the law, EganStreet, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinion, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from the announcement arising out of negligence or otherwise is accepted.

Financial Position and Significant Changes in the State of Affairs

The net assets of the consolidated group totalled $12,265,758 (2017: $3,619,909). The loss for the year was $7,459,595 (2017: $4,339,273). Cash on hand at 30 June 2018 totalled $11,506,291 (2017: $2,774,124). There have been no significant changes in the state of affairs during the year.

Dividends Paid or Recommended

No dividend has been declared or paid by the Company. The directors do not recommend the payment of a dividend.

Events Occurring After the Reporting Period

On 19 July 2018 the Company announced that it has completed the Definitive Feasibility Study (DFS) on its 100%-owned Rothsay Gold Project (Project), located 300 km north-east of Perth in WA's Midwest region, with the results confirming the potential for a new low-cost, high-margin Australian gold project capable of delivering strong financial returns for shareholders. The DFS concludes that the Rothsay Gold Project is financially and technically viable. The EganStreet board approved the DFS and, subject to obtaining a suitable financing arrangement, has approved the Rothsay Project to proceed to construction. It is expected construction will commence immediately after project financing has been completed, with first gold production targeted for Quarter 4, 2019.

There have been no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect:

- the consolidated group's operations in future years;
- the results of those operations in future years; or
- the consolidated entity's state of affairs in future years.

Future Developments, Prospects and Business Strategies

The consolidated group's primary strategy is exploration, evaluation and development of the Rothsay Gold Project.

The ability of the Company to achieve successful commercial developments will depend upon the success of the project development programmes and obtaining suitable financing arrangement for the Project.

Native Title

The consolidated group's activities in Australia are subject to the Native Title Act of the Commonwealth or State. The Company is not aware of any breaches of the consolidated entity's obligations under these Acts. The consolidated group is not aware of any matters that cannot be resolved through the normal legal process, should they arise.

Share Options

Unissued shares under option

At the date of this report, the unissued ordinary shares of Egan Street Resources Limited under option are as follows

Grant Date	Expiry Date	Exercise Price	Listed Options	Unlisted Options
11/08/2011	13/09/2018	$1.00	-	700,000
17/06/2016	13/09/2019	$0.25	-	8,250,000
22/03/2017	13/09/2019	$0.453	-	350,000
28/10/2016	13/09/2019	$0.476	-	450,000
24/10/2016	13/09/2019	$0.339	-	270,000
12/01/2018	13/09/2019	$0.381	-	250,000
07/05/2018	13/09/2019	$0.375	-	4,150,000
			-	**14,420,000**

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the year, 49,734,428 shares have been issued as a result of the exercise of options.

	Number Exercised	Exercise Date	Share Price at Exercise Date
$0.18 unlisted options expiring 27 May 2018	416,666	16/02/2018	$0.280
$0.25 listed options expiring13 March 2018	1,908,014	21/02/2018	$0.275
$0.25 listed options expiring13 March 2018	5,871,027	01/03/2018	$0.285
$0.25 listed options expiring13 March 2018	14,761,531	09/03/2018	$0.260
$0.25 listed options expiring13 March 2018	14,428,382	16/03/2018	$0.270
$0.25 listed options expiring13 March 2018	60,000	22/03/2018	$0.270
$0.25 listed options expiring13 March 2018	11,063,808	27/03/2018	$0.270
$0.18 unlisted options expiring 27 May 2018	1,225,000	31/05/2018	$0.255
	49,734,428		

Information on Directors

The Table below sets out each of the Director's relevant interest in shares, options over shares of the Company as at the date of this report:

Current Director	Number of ordinary shares	Number granted	Expiry date	Exercise price
Barry Sullivan	250,000	-	-	-
- Unlisted Options	-	750,000	13 September 2019	$0.25
- Listed Options	-	-	-	-
Marc Ducler	2,053,623	-	-	-
- Performance Rights	-	1,119,402	20 June 2020	-
- Unlisted Options		3,000,000	13 September 2019	$0.25
- Listed Options	-	-	-	-
Simon Eley	3,299,512	-	-	-
- Unlisted Options		750,000 31,250	13 September 2019 13 September 2018	$0.25 $1.00
- Listed Options	-	-	-	-
Hedley Widdup	-	-	-	-
- Unlisted Options		-	-	-
- Listed Options	-	-	-	-
Lindsay Franker	1,629,555	-	-	-
- Performance Rights	-	1,119,402	20 June 2020	-
- Unlisted Options	-	3,000,000	13 September 2019	$0.25
- Listed Options	-	-	-	-

Meetings of Directors

The number of formal meetings of directors (including committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Barry Sullivan	5	5
Marc Ducler	5	5
Hedley Widdup	5	5
Simon Eley	5	5
Lindsay Franker	5	5

Indemnification and Insurance of Directors and Officers

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on Behalf of Company

No person has applied for leave of Court under section 237 of the Corporations Act 2001 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.

Remuneration Report (Audited)

The remuneration report for the year ended 30 June 2018 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 and its regulations. The Remuneration Report forms part of the Directors' Report. The disclosures contained within this report have been audited.

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

KEY MANAGEMENT PERSONNEL

Details of the Key Management Personnel (KMP) are as follows:

Name	Position	Term as KMP
DIRECTORS		
B Sullivan	Non-executive Chairman	Full Financial Year
M Ducler	Managing Director	Full Financial Year
L Franker	Executive Director	Appointed as Executive Director on 4 July 2017, formerly Chief Operating Officer of the Company.
H Widdup	Non-executive Director	Full Financial Year
S Eley	Non-executive Director	Full Financial Year
EXECUTIVES		
R Hill	Chief Financial Officer	Appointed 10 October 2017
J Whitford	General Manager - Rothsay	Appointed 4 June 2018

PRINCIPLES OF REMUNERATION

The full Board governs the Group's remuneration structures. When Board members have an interest in a matter put forward for discussion by the Board, they excuse themselves from the discussion whilst the matter is being considered by the Board and may not vote on the matter.

Remuneration structures are aligned with the long term interests of the Company and its shareholders. Executive remuneration and other terms of employment are reviewed annually.

Key objectives of the Group's remuneration policy are to ensure that remuneration practices:

a) Attraction and retention of capable and experiences management;
b) Performance incentives designed to motivate toward the achievement of strategic objectives
c) Provide strong linkage between executive incentive rewards and creation of value for shareholders ;
d) The competitive state of the employment market for different specific skill sets;
e) Comply with applicable legal requirements and appropriate standards of governance.

REMUNERATION STRUCTURE

Director Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The maximum aggregate remuneration approved for non-executive directors is currently $300,000.

It is recognised that non-executive directors' remuneration is ideally structured to exclude equity based remuneration. However, whilst the Group remains small and the full Board, including the non-executive directors, are included in the operations of the Group more closely than may be the case with larger companies the non-executive directors are entitled to participate in equity based remuneration schemes.

Shareholders must also approve the framework for any broad-based equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be approved by the shareholders.

All directors are entitled to have their indemnity insurance paid by the Group.

Assessing performance

The Board is responsible for assessing performance against KPIs and determining the STI and LTI to be paid. To assist in this assessment, the Board receives detailed reports on performance from management which are based on independently verifiable data such as financial measures and market performance of the Company and peer group.

Fixed Remuneration

Fixed remuneration of executives comprises base remuneration and employer contributions to superannuation funds.

Performance Linked Remuneration

Performance linked remuneration are designed to reward key management personnel for meeting and exceeding their objectives and include:

a) Short-Term Incentives

Performance incentives may be offered to executive directors and senior management of the Group through the operation of a cash bonus at the ultimate discretion of the Board.

The Managing Director reviews the performance of KMP and makes recommendations to the Board in relation to awarding of any short-term incentive. In addition, the Board assess the performance of executive directors. A cash bonus may be recommended at the discretion of the Board where the Group's objectives have been met or exceeded or individual personal performance expectations have been exceeded.

During the reporting period, a performance evaluation of KMP was undertaken in accordance with this process. A Short Term incentive (STI) cash bonus was awarded to executive members of the KMP in relation to the 2018 financial year and is to be paid in September 2018.

b) Long Term Incentives

The Board of Directors may allow KMP to participate in Long Term Incentive Plans (LTI). The LTIs are in the form of share options or performance rights given to eligible participants with attached vesting conditions that align KMP's interests with those of shareholders and the generation of long-term shareholder value.

At the Annual General Meeting on 29 November 2017 shareholders approved the adoption of the Egan Street Resources Limited Long term Incentive Plan.

The details of the options issued to KMP in the year are noted in the table below.

DETAILS OF REMUNERATION FOR YEAR ENDED 30 JUNE 2018

The remuneration for each Director and other KMP of Egan Street Resources Limited during the year and the previous year was as follows:

2018

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Total Remune-ration Repre-sented by Options	Performance Related
	Salary and Fees	Cash Bonus (vii)	Non-cash benefit	Other	Super-annuation	Other	Equity (i) (iii)	Options (ii) (iii)			
	$	$	$	$	$	$	$	$	$	%	%
Non-Executive Directors											
Barry Sullivan	45,000	-	-	-	4,500	-	-	15,746	65,246	24	24
Simon Eley	35,000	-	-	-	3,500	-	-	15,746	54,246	29	29
Hedley Widdup	35,000	-	-	-	-	-	-	15,746	50,746	31	31
Executive Directors											
Marc Ducler	279,951	112,657	-	-	20,544	-	21,722	62,985	497,859	16	40
Lindsay Franker (iv)	279,951	112,657	-	-	20,544	-	21,722	62,985	497,859	16	40
Executives											
Richard Hill (v)	132,835	22,531	-	-	12,620	-	5,524	39,750	213,260	21	32
Jed Whitford (vi)	22,218	5,000	-	-	1,671	-	-	39,750	68,639	58	31
	829,955	**252,845**	**-**	**-**	**63,379**	**-**	**48,968**	**252,708**	**1,447,855**		

2017

Key Management Person	Short-term Benefits				Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Total Remuneration Represented by Options	Performance Related
	Salary and Fees	Cash Bonus	Non-cash benefit	Other	Super-annuation	Other	Equity	Options (i)			
	$	$	$	$	$	$	$	$	$	%	%
Non-Executive Directors											
Barry Sullivan	36,000	-	-	-	3,600	-	-	38,733	78,733	49	49
Simon Eley	48,253	-	-	-	3,500	-	-	38,733	90,486	43	43
Hedley Widdup	35,000	-	-	-	-	-	-	38,733	73,733	53	53
Executive Directors											
Marc Ducler	160,606	-	-	-	15,258	-	-	154,931	330,795	47	47
Executives											
Lindsay Franker	160,606	-	-	-	15,258	-	-	154,931	330,795	47	47
	440,465	**-**	**-**	**-**	**37,616**	**-**	**-**	**426,061**	**904,142**		

(i) Performance rights. Refer to Note 24 for further details of how the charge was calculated.
(ii) The option charge is calculated using the Black Scholes model. Refer to Note 24 for further details of how the charge was calculated.
(iii) No options or performance rights were issued to non-executive directors during the 2018 financial year.
(iv) Mr Franker was appointed as Executive Director on 4 July 2017. Mt Franker was formerly Chief Operating Officer of the Company.
(v) Mr Hill commenced with the company on 10 October 2017
(vi) Mr Whitford commenced with the company on 4 June 2018.
(vii) A Short Term incentive (STI) cash bonus was awarded to KMP in relation to the 2018 financial year and is to be paid in September 2018.

DETAILS OF PERFORMANCE BASED REMUNERATION GRANTED AND FORFEITED DURING THE YEAR

The following table shows for each KMP how much of their STI cash bonus was awarded and how much was forfeited. It also shows the value of options and performance rights that were granted, exercised and forfeited during 2018.

Key Management Person	Total STI Bonus (cash)			LTI Options and Rights	
	Total Opportunity	Awarded	Forfeited	Value Granted	Total Exercised
	$	%	%	$	$
Non-Executive Directors					
Barry Sullivan	-	-	-	-	-
Simon Eley	-	-	-	-	-
Hedley Widdup	-	-	-	-	-
Executive Directors					
Marc Ducler	150,000	75.11	24.89	96,268	-
Lindsay Franker	150,000	75.11	24.89	96,268	-
Executives					
Richard Hill	30,000	75.11	24.89	194,826	-
Jed Whitford	5,000	100.00	-	164,975	-

The number of options and performance rights for each grant are disclosed below.

DETAILS OF SHARES HELD BY KEY MANAGEMENT PERSONNEL

Key Management Person	Balance 1.7.2017	Received as Compensation	On Appointment	Disposal	Acquired	Consolidation 4:1 basis	Balance 30.6.2018
Barry Sullivan	100,000	-	-	-	150,000	-	250,000
Marc Ducler	1,136,957	-	-	-	916,666	-	2,053,623
Simon Eley	3,095,809	-	-	-	203,703	-	3,299,512
Hedley Widdup (i)	-	-	-	-	-	-	-
Lindsay Franker	892,889	-	-	(180,000)	916,666	-	1,629,555
Richard Hill	-	-	-	-	120,000	-	120,000
Jed Whitford	-	-	-	-	-	-	-
	5,225,655	**-**	**-**	**(180,000)**	**2,307,035**	**-**	**7,352,690**

(i) Mr Widdup is a director and shareholder of Lion Manager Pty Ltd, which holds 1,397,438 shares. Lion Manager Pty Ltd provides investment management services to Lion Selection Group Limited, which holds 21,137,007 shares.

DETAILS OF OPTIONS HELD BY KEY MANAGEMENT PERSONNEL

Key Management Person	Balance 1.7.2017	Granted as Compensation	Exercised/ Expired	Acquired	Balance 30.6.2018	Total Vested 30.6.2018	Total Exercisable 30.6.2018	Total Unexercisable 30.6.2018
Barry Sullivan	900,000	-	(150,000)	-	750,000	250,000	250,000	500,000
Marc Ducler	4,262,726	-	(1,262,726)	-	3,000,000	1,000,000	1,000,000	2,000,000
Simon Eley	3,265,317	-	(2,517,400	33,333	781,250	281,250	281,250	500,000
Hedley Widdup (i)	-	-	-	-	-	-	-	-
Lindsay Franker	4,131,000	-	(1,131,000)	-	3,000,000	1,000,000	1,000,000	2,000,000
Richard Hill	-	1,500,000	-	-	1,500,000	-	-	-
Jed Whitford	-	1,500,000	-	-	1,500,000	-	-	-
	12,559,043	**3,000,000**	(5,061,126)	**33,333**	**10,531,250**	**2,531,250**	**2,531,250**	**5,000,000**

(i) Mr Widdup is a director and shareholder of Lion Manager Pty Ltd, which holds 750,000 Options of which 250,000 are vested and exercisable. Lion Manager Pty Ltd provides investment management services to Lion Selection Group Limited, which does not hold any Options.

SHARE BASED PAYMENTS – OPTIONS GRANTED, VESTED AND OUTSTANDING DURING THE YEAR

Key Management Person	Tranche	Options Granted		Terms and Conditions for each Grant				Vested	
		Number	Grant Date	Fair Value per Option at Grant	Exercise Price per Option	Expiry Date	Vesting Date	Number	% Vested During Year
Barry Sullivan	Tranche 2	250,000	17-Jun-16	0.086	0.25	13-Sep-19	30-Sep-18	-	0%
	Tranche 3	250,000	17-Jun-16	0.086	0.25	13-Sep-19	1-Sep-19	-	0%
Marc Ducler	Tranche 2	1,000,000	17-Jun-16	0.086	0.25	13-Sep-19	30-Sep-18	-	0%
	Tranche 3	1,000,000	17-Jun-16	0.086	0.25	13-Sep-19	1-Sep-19	-	0%
Lindsay Franker	Tranche 2	1,000,000	17-Jun-16	0.086	0.25	13-Sep-19	30-Sep-18	-	0%
	Tranche 3	1,000,000	17-Jun-16	0.086	0.25	13-Sep-19	1-Sep-19	-	0%
Simon Eley	Tranche 2	250,000	17-Jun-16	0.086	0.25	13-Sep-19	30-Sep-18	-	0%
	Tranche 3	250,000	17-Jun-16	0.086	0.25	13-Sep-19	1-Sep-19	-	0%
Hedley Widdup (i)	Tranche 2	-	-	-	-	-	-	-	-
	Tranche 3	-	-	-	-	-	-	-	-
Richard Hill	Tranche 2	750,000	8-May-18	0.110	0.375	13-Sep-19	31-Oct-18	-	0%
	Tranche 3	750,000	8-May-18	0.110	0.375	13-Sep-19	13-Sep-19	-	0%
Jed Whitford	Tranche 2	750,000	8-May-18	0.110	0.375	13-Sep-19	30-Sep-18	-	0%
	Tranche 3	750,000	8-May-18	0.110	0.375	13-Sep-19	1-Sep-19	-	0%

(i) Mr Widdup is a director and shareholder of Lion Manager Pty Ltd, which holds 750,000 Options of which 250,000 are vested and exercisable. Lion Manager Pty Ltd provides investment management services to Lion Selection Group Limited, which does not hold any Options.

The Terms and Conditions of all options granted in any year which affected or will affect compensations are as follows:

Item	Tranche 2	Tranche 3
Assessed fair value at grant date	$0.0216	$0.0216
Number of options	11,000,000	11,000,000
Vesting Conditions	Delivery of a feasibility study, the necessary funding and the decision to mine	Upon the first gold production
Vesting date	30 September 2018	1 September 2019
Exercise price ($)	0.0625	0.0625
Exercise period	3	3
Grant Date	17 June 2016	17 June 2016
Expiry date	3 years from the date of official quotation	3 years from the date of official quotation

Following the consolidation of shares on a 1 for 4 basis on 30 June 2016 the options are now held as 8,250,000 options with an exercise price of $0.25.

Item	Tranche 2	Tranche 3
Assessed fair value at grant date	$0.11	$0.11
Number of options	2,075,000	2,075,000
Vesting Conditions	Delivery of a feasibility study, the necessary funding and the decision to mine	Upon the first gold production
Vesting date	30 September 2018	1 September 2019
Exercise price ($)	0.375	0.375
Exercise period	13 September 2019	13 September 2019
Grant Date	8 May 2018	8 May 2018
Expiry date	13 September 2019	13 September 2019

DETAILS OF PERFORMANCE RIGHTS HELD BY KEY MANAGEMENT PERSONNEL

Key Management Person	Balance 1.7.2017	Granted as Compensation	Exercised/ Expired	Acquired	Balance 30.6.2018	Total Vested 30.6.2018	Total Exercisable 30.6.2018	Total Un-exercisable 30.6.2018
Barry Sullivan	-	-	-	-	-	-	-	-
Marc Ducler (1)	-	1,119,402	-	-	1,119,402	-	-	1,119,402
Simon Eley	-	-	-	-	-	-	-	-
Hedley Widdup	-	-	-	-	-	-	-	-
Lindsay Franker (1)	-	1,119,402	-	-	1,119,402	-	-	1,119,402
Richard Hill	-	373,134	-	-	373,134	-	-	373,134
Jed Whitford	-	373,134	-	-	373,134	-	-	373,134
	-	**2,985,072**	-	**-**	**2,985,072**	**-**	**-**	**2,985,072**

1. Approved by shareholders on 29 November 2017.

SHARE BASED PAYMENTS – PERFORMANCE RIGHTS GRANTED, VESTED AND OUTSTANDING DURING THE YEAR

Key Management Person	Tranche	Rights Granted		Terms and Conditions for each Grant		Vested	
		Number	Grant Date	Fair Value per Right at Grant	Test Date	Number	% Vested During Year
Marc Ducler	Tranche 1	559,701	29-Nov-17	0.010	30-Jun-20	-	0%
	Tranche 2	559,701	29-Nov-17	0.162	30-Jun-20	-	0%
Lindsay Franker	Tranche 1	559,701	29-Nov-17	0.010	30-Jun-20	-	0%
	Tranche 2	559,701	29-Nov-17	0.162	30-Jun-20	-	0%
Richard Hill	Tranche 1	186,567	15-Jan-18	0.016	30-Jun-20	-	0%
	Tranche 2	186,567	15-Jan-18	0.144	30-Jun-20	-	0%

The Terms and Conditions of all performance rights granted in any year which affected or will affect compensations are as follows:

Executive Director Performance Rights

Item	Tranche 1	Tranche 2
Assessed fair value at grant date	$0.010	$0.162
Number of Rights	1,119,402	1,119,402
Vesting Conditions	Total Shareholder Return $\geq$30% over the period 1 July 2017 to 30 June 2020	Peer Total Shareholder Return Comparison $\geq$ 75th percentile over the period 1 July 2017 to 30 June 2020
Valuation Date	29 November 2017	29 November 2017
Expiry Date	31 July 2020	31 July 2020
Life of the Rights	2.67	2.67
Performance period start	1 July 2017	1 July 2017
Performance period end	30 June 2020	30 June 2020
Remaining performance period	2.59	2.59
Dividends	Nil	Nil
Volatility of the 30 day VWAP	20%	20%
Underlying share price	$0.26	$0.26
Risk free rate	1.86%	1.86%

Other KMP Performance Rights

Item	Tranche 1	Tranche 2
Assessed fair value at grant date	$0.016	$0.144
Number of Rights	527,052	527,052
Vesting Conditions	Total Shareholder Return $\geq$30% over the period 1 July 2017 to 30 June 2020	Peer Total Shareholder Return Comparison $\geq$ 75th percentile over the period 1 July 2017 to 30 June 2020
Valuation Date	18 January 2018	18 January 2018
Expiry Date	31 July 2020	31 July 2020
Life of the Rights	2.53	2.53
Performance period start	1 July 2017	1 July 2017
Performance period end	30 June 2020	30 June 2020
Remaining performance period	2.45	2.45
Dividends	Nil	Nil
Volatility of the 30 day VWAP	20%	20%
Underlying share price	$0.28	$0.28
Risk free rate	2.20%	2.20%

DETAILS OF LOANS AND OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Mr Hedley Widdup is a director and shareholder of Lion Manager Pty Ltd which was paid $5,972 during the year by way of reimbursements for travel expenditure.

EMPLOYMENT CONTRACTS OF DIRECTORS AND SENIOR EXECUTIVES

Mr Marc Ducler – appointed as Managing Director 13 September 2016

Managing Director

The Company and Mr Ducler have entered into an executive service agreement for his role as Managing Director of the group.
The principal terms of the agreement are as follows:

i. The employment term is not fixed and continues until the agreement is terminated in accordance with its terms.
ii. The agreement may be terminated:
    a. (subject to paragraph (iii) below) by either party without cause with six months' notice, or in the case of the Company, immediately with payment in lieu of notice (subject to the limitation of the Corporations Act and Listing Rules);
    b. by the Company on one months' notice, if Mr Ducler is unable to perform his duties due to illness, accident or incapacitation, for three consecutive months or a period aggregating more than three months in any 12-month period; or

   c. summarily following material breach or in the case of serious misconduct.

iii. If the agreement is terminated by reason of redundancy, including in connection with a change of control of the Company, Mr Ducler will be entitled to receive 12 months' remuneration in addition to any redundancy amount payable under applicable law and any accumulated entitlements.
iv. Mr Ducler must devote the whole of his time and attention to the business of the Company during normal working hours and at such times as may be reasonably necessary.
v. The remuneration comprises a base salary of $300,000 per annum (inclusive of 10% superannuation);

The agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

Mr Lindsay Franker– appointed as Executive Director 4 July 2017

Executive Director

The Company and Mr Franker have entered into an executive service agreement for his role as Executive Director of the group.
The principal terms of the agreement are as follows:

i. The employment term is not fixed and continues until the agreement is terminated in accordance with its terms.
ii. The agreement may be terminated:
   a. (subject to paragraph (iii) below) by either party without cause with six months' notice, or in the case of the Company, immediately with payment in lieu of notice (subject to the limitation of the Corporations Act and Listing Rules);
   b. by the Company on one months' notice, if Mr Franker is unable to perform his duties due to illness, accident or incapacitation, for three consecutive months or a period aggregating more than three months in any 12-month period; or
   c. summarily following material breach or in the case of serious misconduct.
iii. If the agreement is terminated by reason of redundancy, including in connection with a change of control of the Company, Mr Franker will be entitled to receive 12 months' remuneration in addition to any redundancy amount payable under applicable law and any accumulated entitlements.
iv. Mr Franker must devote the whole of his time and attention to the business of the Company during normal working hours and at such times as may be reasonably necessary.
v. The remuneration comprises a base salary of $300,000 per annum (inclusive of 10% superannuation);

The agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

Mr Richard Hill– appointed 10 October 2017

Chief Financial Officer

The Company and Mr Hill have entered into an executive service agreement for his role as Chief Financial Officer of the group.
The principal terms of the agreement are as follows:

i. The employment term is not fixed and continues until the agreement is terminated in accordance with its terms.
ii. The agreement may be terminated:
   a. (subject to paragraph (iii) below) by either party without cause with three months' notice, or in the case of the Company, immediately with payment in lieu of notice (subject to the limitation of the Corporations Act and Listing Rules);
   b. by the Company on one months' notice, if Mr Hill is unable to perform his duties due to illness, accident or incapacitation, for three consecutive months or a period aggregating more than three months in any 12-month period; or
   c. summarily following material breach or in the case of serious misconduct.
iii. If the agreement is terminated by reason of redundancy, including in connection with a change of control of the Company, Mr Hill will be entitled to receive six months' remuneration in addition to any redundancy amount payable under applicable law and any accumulated entitlements.
iv. Mr Hill must devote the whole of his time and attention to the business of the Company during normal working hours and at such times as may be reasonably necessary.
v. The remuneration comprises a base salary of $250,000 per annum (inclusive of 10% superannuation)

The agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

Mr Jed Whitford– appointed 4 June 2018

General Manager - Rothsay

The Company and Mr Whitford have entered into an executive service agreement for his role as General manager - Rothsay.
The principal terms of the agreement are as follows:

i. The employment term is not fixed and continues until the agreement is terminated in accordance with its terms.
ii. The agreement may be terminated summarily following material breach or in the case of serious misconduct.
iii. If the agreement is terminated by reason of redundancy, Mr Whitford is to receive three months remuneration.
iv. If Mr Whitford suffers a material diminution, Mr Whitford is to receive, in lieu of notice period, six months remuneration.
v. Mr Whitford must devote the whole of his time and attention to the business of the Company during normal working hours and at such times as may be reasonably necessary.
vi. The remuneration comprises a base salary of $300,000 per annum (inclusive of 10% superannuation)

The agreement otherwise contains industry-standard provisions for a senior executive of a public listed company.

Mr Barry Sullivan – appointed 6 May 2016
Non-Executive Chairman

The Company has entered into an agreement with Mr Sullivan in respect of his appointment as Non-Executive Chairman. Mr Sullivan will be paid a fee of $45,000 per annum (plus 10% superannuation) for his services as Non-Executive Director and Chairman and will be reimbursed for all reasonable expenses incurred in performing his duties. The appointment of Mr Sullivan as a Non-Executive Chairman is otherwise on terms that are customary for an appointment of this nature.

Mr Hedley Widdup – appointed 19 December 2013
Non-Executive Director

The Company has entered into an agreement with Mr Widdup in respect of his appointment as Non-Executive Director. Lion Manager Pty Ltd, a company of which Mr Widdup is a director and shareholder, will be paid a fee of $35,000 per annum in respect of Mr Widdup's services as a Non-Executive Director and will be reimbursed for all reasonable expenses incurred in performing his duties. The appointment of Mr Widdup as a Non-Executive Director is otherwise on terms that are customary for an appointment of this nature.

Mr Simon Eley – appointed 11 March 2011
Non-Executive Director

The Company has entered into an agreement with Mr Eley in respect of his appointment as Non-Executive Director. Mr Eley will be paid a fee of $35,000 per annum (plus 10% superannuation) for his services as Non-Executive Director and will be reimbursed for all reasonable expenses incurred in performing his duties. The appointment of Mr Eley as a Non-Executive Director is otherwise on terms that are customary for an appointment of this nature.

CONSOLIDATED ENTITY PERFORMANCE AND LINK TO REMUNERATION

Fixed remuneration paid to KMP is not directly linked to performance of the consolidated entity. Directors and executives have been granted performance rights and options which vest based on meeting certain milestones as set out in this report. Bonus and incentive payments may be paid at the discretion of the Board.

VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING ON 29 NOVEMBER 2017

EganStreet received more than 90% of "yes" votes on its remuneration report for the 2017 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

[End of Remuneration Report - Audited]

Non Audit Services

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditors' independence for the following reasons:

- All non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the audit; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year, BDO prepared tax returns and provided tax advice and were paid $15,452 (2017: $16,760) for the services provided. Other than the tax returns and tax advice, no other fees were paid to BDO for non-audit services provided during the year ended 30 June 2018.

Environmental Regulation and Performance

The Company's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities. There have been no significant known breaches by the Company during the financial period.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 31.

Signed in accordance with a resolution of the directors.

Marc Ducler
Managing Director
14 September 2018

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF EGAN STREET RESOURCES LIMITED

As lead auditor of Egan Street Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Egan Street Resources Limited and the entities it controlled during the period.

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 14 September 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	30 June 2018 $	30 June 2017 $
Revenue	4	44,348	21,313
Employee benefits expense	5(a)	(755,260)	(147,615)
Administration expenses		(568,877)	(654,117)
Exploration expenditure		(5,744,377)	(2,549,299)
Depreciation expense		(16,470)	(13,001)
Share based payments	24	(418,959)	(484,832)
Loss from continuing operations before income tax		(7,459,595)	(3,827,551)
Income tax benefit	6	-	-
Loss from continuing operations after tax		(7,459,595)	(3,827,551)
Discontinued operations			
Loss for the year from discontinued operations	27	-	(511,723)
Net loss for the year		(7,459,595)	(4,339,273)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss		-	-
Exchange differences on translation of foreign operations		-	-
Items that have been reclassified subsequently to profit or loss		-	-
Exchange differences on disposal of controlled entities		-	(97,530)
Other comprehensive loss for the year, net of tax		-	(97,530)
Total comprehensive loss for the year, net of tax		(7,459,595)	(4,436,803)

	Note	30 June 2018 $	30 June 2017 $
Loss for the year is attributable to:			
Owners of Egan Street Resources Limited		(7,459,595)	(4,318,536)
Non-Controlling interests		-	(20,738)
Total loss from continuing operations		(7,459,595)	(4,339,273)
Total comprehensive loss for the year attributable to :			
Owners of Egan Street Resources Limited		(7,459,595)	(4,416,066)
Non-controlling interests		-	(20,738)
Loss for the year attributable to owners of the parent		(7,459,595)	(4,436,803)
Loss per share			
Basic and diluted loss from continuing and discontinued operations (cents)	26	(8.15)	(7.47)
Basic and diluted loss from continuing operations per shares (cents)	26	(8.15)	(6.59)
Basic and diluted loss from discontinued operations per shares (cents)	27	-	(0.88)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Note	30 June 2018 $	30 June 2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8(a)	11,506,291	2,774,124
Trade and other receivables	9	74,252	106,047
TOTAL CURRENT ASSETS		11,580,543	2,880,171
NON-CURRENT ASSETS			
Property, plant and equipment	10	118,010	49,776
Exploration and evaluation expenditure	11	1,360,510	1,360,510
TOTAL NON-CURRENT ASSETS		1,478,520	1,410,286
TOTAL ASSETS		13,059,063	4,290,457
CURRENT LIABILITIES			
Trade and other payables	12	706,566	594,151
Provisions	13	86,739	76,397
TOTAL CURRENT LIABILITIES		793,305	670,548
TOTAL LIABILITIES		793,305	670,548
NET ASSETS		12,265,758	3,619,909
SHAREHOLDERS' EQUITY			
Issued capital	14	31,248,386	15,561,901
Reserves	15	1,304,051	885,092
Accumulated losses		(20,286,679)	(12,827,083)
TOTAL SHAREHOLDERS' EQUITY		12,265,758	3,619,909

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

Consolidated Group	Issued Capital $	Other Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $	Non controlling interest $	Total Equity $
Balance at 30 June 2016	9,683,872	400,260	97,530	(8,508,548)	1,673,114	(814,054)	859,060
Total Comprehensive Income							
Loss for the year	-	-	-	(4,318,536)	(4,318,536)	(20,738)	(4,339,273)
Other comprehensive income							
Foreign currency translation difference	-	-	(97,530)	-	(97,530)	-	(97,530)
Total comprehensive loss for the year	-	-	(97,530)	(4,318,536)	(4,416,066)	(20,738)	(4,436,803)
Transactions with owners in their capacity as owners							
De-recognition of non-controlling interest on disposal	-	-	-	-	-	834,792	834,792
Shares issued during the year (net of costs)	5,878,029	-	-	-	5,878,029	-	5,878,029
Employee options issued	-	484,832	-	-	484,832	-	484,832
Balance at 30 June 2017	15,561,901	885,092	-	(12,827,084)	3,619,909	-	3,619,909
Total Comprehensive Income							
Loss for the year	-	-	-	(7,459,595)	(7,459,595)	-	(7,459,595)
Other Comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(7,459,595)	(7,459,595)	-	(7,459,595)
Transactions with owners in their capacity as owners							
Shares issued during the year (net of costs)	15,686,485	-	-	-	15,686,485	-	15,686,485
Performance rights issued	-	59,049	-	-	59,049	-	59,049
Employee options issued	-	359,910	-	-	359,910	-	359,901
Balance at 30 June 2018	31,248,386	1,304,051	-	(20,286,679)	12,265,758	-	12,265,758

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Note	30 June 2018 $	30 June 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest income		44,348	21,313
Payments to suppliers and employees		(1,008,408)	(486,187)
Payments for exploration expenditure		(5,905,554)	(2,425,191)
Net cash used in operating activities	8(c)	(6,869,614)	(2,890,065)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of tenements		-	20,070
Payments for plant and equipment		(84,704)	(5,992)
Net cash used in investing activities		(84,704)	14,078
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		4,035,000	6,000,000
Proceeds from option conversions		12,318,690	-
Costs of capital raising		(667,205)	(534,352)
Net cash provided by financing activities		15,686,485	5,465,648
Net increase in cash held		8,732,167	2,589,663
Cash at beginning of financial period		2,774,124	184,461
Cash at end of financial period	8(b)	11,506,291	2,774,124

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. CORPORATE INFORMATION

Egan Street Resources Limited (the Company) is a listed public company effective from 13 September 2016 limited by shares incorporated in Australia.

The nature of operations and principal activities of the Company and its subsidiaries (the Group) are described in the Directors' Report.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a for profit entity for the purposes of preparing the financial statements.

The financial report covers the consolidated financial statements of Egan Street Resources Limited and its subsidiaries.

The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars unless otherwise stated.

Compliance with IFRS

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As at 30 June 2018, the Group had working capital of $10,787,238 (current assets less current liabilities). The group has sufficient cash to discharge its current liabilities, and progress its budgeted, Board-approved, exploration programme. The EganStreet board has approved the Rothsay Project to proceed to construction subject to obtaining a suitable financing arrangement.

Exploration and evaluation expenditure

Exploration and evaluation expenditure is written off in the year incurred, except for acquisition of exploration properties, which is capitalised and carried forward.

When production commences, any accumulated costs for the relevant area of interest, which have been capitalised and carried forward, will be amortised over the life of the area according to the rate of depletion of the economically recoverable resources.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. The carrying value of any capitalised expenditure is assessed by the Directors each year to determine if any provision should be made for the impairment of the carrying value. The appropriateness of the Group's ability to recover these capitalised costs has been assessed at year end and the Directors have made the decision to impair amounts.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the Statement of Profit or Loss and other comprehensive income.

Income tax

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

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

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 assets and unused tax losses can be utilised except where the 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.

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 utilised.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit of Loss and other comprehensive income.

Cash and cash equivalents

Cash in the statement of financial position comprise cash at bank.

For the purposes of the cash flow statements, cash and cash equivalents consist of cash and cash equivalents as defined above.

Trade and Other Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

Collectability of receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable.

Investments and Other Financial Assets

Investments and financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial period end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after reporting date, which are classified as non-current.

Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on either the straight-line basis or diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rate used for plant and equipment is between 5 - 25%.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial period end.

Derecognition

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and other comprehensive income.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included.

Impairment

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.
Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for each individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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 assessment of the time value or money and the risks specific to the asset or group of assets being assessed.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments, where substantially all the risk and benefits remain with the lessor, are recognised as an expense in the Statement of Profit or Loss and other comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. Trade accounts are normally settled within 60 days.

Payables to related parties are initially recognised at fair value and subsequently measured at amortised cost.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

Provisions and Employee Benefits

Provisions are recognised when the Group has a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

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 respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Share Based Payment Transactions

Equity settled transactions
The Group provides benefits to its employees, including key management personnel (KMP), in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The cost of these 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. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of Egan Street 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 (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the Statement of Profit or Loss and Other Comprehensive Income is the product of:

(i) the grant date fair value of the award;
(ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
(iii) The expired portion of the vesting period.

The charge to the Statement of Profit or Loss and Other Comprehensive Income for the period is the cumulative amount as calculated above less the amounts already charged to previous periods. There is a corresponding entry to equity.

Equity-settled awards granted by Egan Street Resources Limited to employees of its subsidiary are recognised in the parent's separate financial statements as an additional investment in the subsidiary with a corresponding credit to equity. As a result, the expense recognised by Egan Street Resources Limited in relation to equity-settled awards only represents the expense associated with grants to employees of the parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

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. An additional 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 a cancelled award and designated as a replacement award on the date that it was 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 diluted earnings per share.

Segment Reporting

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the Statement of Profit or Loss and other comprehensive income and Statement of Financial Position.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Egan Street Resources Limited as at 30 June 2018 and the results of all subsidiaries for the year ended. Egan Street Resources Limited and its subsidiaries together are referred to as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases.

Intercompany transactions, balances and unrealised gains on transaction between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it de-recognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial report is presented in Australian dollars, which is Egan Street Resources Limited's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as discontinued, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discounted form the start of the comparative period.

New and amended standards adopted by the Group

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New accounting standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

<u>Forthcoming requirements</u>
As at 14 September 2018, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending 30 June 2018.

Interpretation 23 Uncertainty over Income Tax Treatments
The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;
- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored;
- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method best predicts the resolution of the uncertainty; and
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements.

<u>1 January 2019</u>

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity

instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018. The impact of its adoption by the consolidated entity is not expected to be material.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018. The impact of its adoption by the consolidated entity is not expected to be material.

AASB 16 Leases

Under AASB 16 lessees have to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for almost all lease contracts.
This is a significant change compared to AASB 117 under which lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet).

The application date is for annual reporting periods beginning on or after 1 January 2019, the impact of its adoption is yet to be assessed by the consolidated entity.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting estimates and assumptions

Impairment of exploration and evaluation expenditure
The future recoverability of capitalised mineral acquisition expenditure is dependent upon a number of factors, including whether the Group decides to exploit the related area of interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised mineral acquisition expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made.

In addition, mineral acquisition expenditure is capitalised if activities in an area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which the determination is made.

Income taxes
The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are a number of transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax liabilities based on the group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences may impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future. Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

No tax liabilities are recognised for the year ended 30 June 2018.

Share based payment transactions

The Group measures the cost of equity-settled share based payment transactions with employees by reference to the fair value of the equity instruments at the grant date. The fair value is determined using a recognised option valuation model. The inputs into this model are judgemental, and the use of different inputs could materially alter the amounts recorded. The expense from these options are recognised over the vesting period as estimated by the directors. Refer to note 24 for disclosure.

The establishment of the Egan Street Resources Limited Long Term Incentive Plan was approved by shareholders at the 2017 annual general meeting. The Long Term Incentive Plan is designed to provide long-term incentives for senior managers and above (including executive directors) to deliver long-term shareholder returns. Under the plan, participants are granted performance rights and options which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The amount of performance rights that will vest depends on EganStreet's total return to shareholders (TSR), including share price growth, dividends, capital return and a ranking within a peer group of ASX Gold Companies on the ASX Accumulation Index over a three year period. Once vested, 25% of the shares are escrowed for one year and 25% escrowed for two years.

Performance rights and options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option and performance right is convertible into one ordinary share.

The number of performance rights issued and exercise price of options is based on the weighted average price at which the company's shares are traded on the Australian Stock Exchange during the week up to and including the date of the grant.

	30 June 2018 $	30 June 2017 $

4. Revenue

	30 June 2018 $	30 June 2017 $
Interest income	44,348	21,313
	44,348	21,313

5. Loss for the Period

	30 June 2018 $	30 June 2017 $
(a) Employee benefits expense		
Wages and salaries	512,839	81,413
Superannuation expense	100,944	52,345
Annual leave	60,342	13,144
Other expenses	81,135	713
	755,260	147,615
(b) Lease payments included in the Statement of Profit or Loss and Other Comprehensive Income		
Rental expense on operating leases		
— minimum lease payments	7,247	15,175

6. Income Tax

	30 June 2018 $	30 June 2017 $
(a)The major components of income tax expense are:		
Current income tax	-	-
Deferred income tax	-	-
Income tax (benefit)/expense reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-
(b) A reconciliation between tax expense and the product of accounting loss before tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting loss before income tax	7,459,595	4,339,273
At the Group's statutory income tax rate of 27.5%	(2,051,389)	(1,193,300)
Non-deductible expenses	117,053	278,923
Deferred tax assets not brought to account as their realisation is not regarded as probable	1,934,336	914,377
Income tax benefit reported in the Statement of Profit or Loss and other comprehensive income	-	-

6. INCOME TAX (CONTINUED)

Statement of Financial Position

(c) Deferred income tax

	30 June 2018 $	30 June 2017 $
Deferred income tax at 30 June relates to the following:		
Consolidated		
Deferred tax liabilities		
Capitalised exploration and evaluation expenditure	(374,140)	(374,140)
Prepayments	(1,540)	(1,513)
Recognition of losses to offset future taxable income	375,680	375,653
	-	-
Deferred tax assets		
Accruals	13,907	29,344
Provisions	23,853	7,259
Losses available to offset against future taxable income	4,696,578	2,720,542
Capital Losses	939,867	123,200
Blackhole Expenditure	266,816	121,756
Property plant and equipment	-	645
Recognition of losses to offset future taxable income	(375,680)	(375,653)
Deferred tax assets not brought to account as their realisation is not regarded as probable	(5,565,341)	(2,627,093)
	-	-

(d) Tax losses

		30 June 2018 $	30 June 2017 $
Tax losses carried forward (revenue)	(i)	17,078,466	9,892,881
Tax losses carried forward (capital)	(i)	3,417,699	448,000
	(i)	20,496,165	10,340,881

(i)Tax losses are available to carry forward indefinitely. The Group has recognised a deferred income tax asset in relation to these losses only to the extent that they offset deferred tax liabilities. Realisation of the balance of these losses is not regarded as probable.

(e) Tax consolidation

Egan Street Resources Limited and its 100% owned Australian subsidiaries have formed a tax consolidated group.

7. PARENT ENTITY – EGAN RESOURCES LIMITED

	30 June 2018 $	30 June 2017 $
Financial Position		
Current assets	11,580,543	2,880,172
Non-current assets	98,118	26,792
Total Assets	11,678,661	2,906,964
Current Liabilities	793,305	670,548
Total Liabilities	793,305	670,548
Shareholders' Equity		
Share Capital	31,248,386	15,561,901
Reserves	1,304,051	881,677
Accumulated losses	(21,667,081)	(14,207,162)
Total Shareholders' equity	10,885,356	2,236,416
Financial Performance		
Loss for the period	(7,459,919)	(3,804,116)
Other Comprehensive Income	-	-
Total Comprehensive Loss	(7,459,919)	(3,804,116)

The Parent Company Egan Street Resources Limited has no contingent liabilities as at 30 June 2018 (2017: Nil) refer to Note 20 for further information.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2018 and 30 June 2017.

8. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the Statement of Financial Position		
Cash at bank and in hand	11,487,291	2,764,124
Restricted cash (i)	19,000	10,000
	11,506,291	2,774,124

(b) Reconciliation to the cash flow statement		
Cash at the end of the financial period as shown in the cash flow statement is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents	11,506,291	2,774,124

Refer to Note 17 for financial risk exposure details.

8. CASH AND CASH EQUIVALENTS (CONTINUED)

	30 June 2018 $	30 June 2017 $
(c) Reconciliation of net loss after income tax to cash flows used in operations		
Net loss after income tax	(7,459,595)	(4,339,273)
Non-cash items		
Share based payments	418,959	897,212
Foreign exchange gain/(loss)	-	36,296
Depreciation	16,470	13,888
Disposal of subsidiary	-	452,937
Changes in assets and liabilities		
Decrease/(Increase) in receivables	37,395	(88,638)
Decrease/(Increase) in other current assets	(5,600)	(5,500)
Increase/(decrease) in provisions	10,342	63,144
Increase/(decrease) in payables	112,415	79,869
Net cash used in operations	(6,869,614)	(2,890,065)
(d) Non-cash investing and financing activities		
Shares issued in lieu of loan repayment	-	1,683,411
Total	-	1,683,411

9. TRADE AND OTHER RECEIVABLES

CURRENT

	30 June 2018 $	30 June 2017 $
Prepayments	8,149	23,751
GST receivable	60,503	76,796
Other receivables	5,600	5,500
	74,252	106,047

None of the receivables are past due. Receivables are therefore not impaired and are within initial trade terms.

Refer to Note 17 for financial risk exposure details.

10. Plant and Equipment

	30 June 2018 $	30 June 2017 $
Plant & equipment, at cost	102,365	65,619
Accumulated depreciation	(32,726)	(26,477)
	69,639	39,142
Vehicles, at cost	101,451	53,493
Accumulated depreciation	(53,080)	(42,859)
	48,371	10,634
Total plant and equipment	203,816	119,112
Accumulated depreciation	(85,806)	(69,336)
Net carrying amount	118,010	49,776
At 1 July	49,776	64,135
Foreign Exchange revaluation	-	(1,939)
Additions	84,704	5,991
Disposals	-	(5,410)
Depreciation expense	(16,470)	(13,001)
At 30 June	118,010	49,776

11. Exploration and evaluation Expenditure

	30 June 2018 $	30 June 2017 $
At 1 July	1,360,510	1,360,510
Expenditure incurred	-	-
Impairment of exploration and evaluation expenditure	-	-
Foreign exchange revaluation	-	-
At 30 June	1,360,510	1,360,510

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

12. Trade and Other Payables

	30 June 2018 $	30 June 2017 $
CURRENT		
Trade payables and accruals	706,566	594,151
	706,566	594,151

13. Provisions

		30 June 2018 $	30 June 2017 $
CURRENT			
Provision for employee benefits	(i)	86,739	26,397
Provision for lease expense		-	50,000
		86,739	76,397

(i) The measurement and recognition criteria relating to employee benefits have been included in Note 2 to this report.

14. Issued Capital

	30 June 2018 No.	30 June 2017 No.
(a) Ordinary Shares		
Issued and fully paid	130,453,719	64,579,291

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

a) Ordinary Shares	**2018**		**2017**	
	Number of Shares	**$**	**Number of Shares**	**$**
At the beginning of the year	64,579,291	15,561,901	32,517,395	9,683,872
Shares issued during the year				
5 September 2016 – shares issued in lieu of directors fees and loans	-	-	2,061,896	412,379
12 September 2016 – Capital raising	-	-	30,000,000	6,000,000
22 September 2017 – Capital raising	16,140,000	4,035,000	-	-
16 February 2018 – Option conversion	416,666	75,000	-	-
21 February 2018 – Option conversion	1,908,014	477,003	-	-
1 March 2018 – Option conversion	5,871,027	1,467,757	-	-
9 March 2018 – Option conversion	14,761,531	3,690,383	-	-
16 March 2018 – Option conversion	14,428,382	3,607,095	-	-
22 March 2018 – Option conversion	60,000	15,000	-	-
27 March 2018 – Option conversion	11,063,808	2,765,952	-	-
31 May 2018 – Option conversion	1,225,000	220,500	-	-
Share issue costs	-	(667,205)	-	(534,350)
At the end of the year	130,453,719	31,248,386	64,579,291	15,561,901

(b) Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

The Group is not subject to any externally imposed capital requirements.

15. RESERVES

		30 June 2018 $	30 June 2017 $
Share Based Payments Expense Reserve	(a)	1,304,051	885,092
		1,304,051	885,092
(a) Movement in share based payments expense reserve:			
At 1 July		885,092	400,260
Performance rights issued	Note 24	59,049	-
Employee options issued	Note 24	359,910	484,832
At 30 June		1,304,051	885,092

The Option Reserve is used to record the value of options issued share based payments

16. RELATED PARTY DISCLOSURE

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity is considered Key Management Personnel (KMP). For details of disclosures relating to KMP, refer to Note 23.

(b) Transactions with Key Management Personnel and Other Related Parties

Lion Manager Pty Ltd which Mr Hedley Widdup is a director and shareholder of, was paid $5,972 during the year by way of reimbursements for travel expenditure.

All the related party transactions listed above are considered to be at arm's length.

Other than the above, there were no other transactions with related parties during the current or previous financial period.

17. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Group's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to fund capital expenditure on the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. Being at an exploration stage, the Group has limited exposure to risks arising from its financial instruments.

Currently the Group does not have any exposure to commodity price risk. As the Group moves into development and production phases, exposure to commodity price risk and credit risk are expected to increase. The Board will set appropriate policies to manage these risks dependent on market conditions and requirements at that time.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2.

	Note	30 June 2018 $	30 June 2017 $
(b) Interest rate risk			
At reporting date, the Group had the following financial assets exposed to interest rate risk:			
Cash and cash equivalents (i)		11,506,291	2,774,124
Receivables (ii)		-	-
		11,506,291	2,774,124

(i) The weighted average interest rate of cash and cash equivalents is 0.6% (2017: 0.6%)
(ii) Receivables are non-interest bearing.

None of the Group's financial liabilities are interest bearing.

(c) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposure to credit risk in relation to each class of financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Group has in place policies that aim to ensure that counterparties and cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to one financial institution is limited as far as is considered commercially appropriate. Since the Group trades only with recognised third parties, there is no requirement for collateral.
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

(d) Liquidity Risk

Liquidity risk is the risk that the Company does not have sufficient funds to pay its debts as and when they become due and payable. The Company currently does not have major funding in place. However, the Company continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans if and when required.

Cash at bank and on hand, as set out in Note 8, is available for use by the Group without restrictions.

	30 June 2018 $	**30 June 2017 $**
At reporting date, the Group had the following financial liabilities:		
Trade and other payables	706,566	594,151
	706,566	594,151

Financial liabilities of the Group at 30 June 2018 and 30 June 2017 are expected to be settled within 6 months of year end.

(f) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values, determined in accordance with the accounting policies disclosed in Note 2

18. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 2:

Name	**Principal place of business/ Country of incorporation**	**Ownership Interest 2018 %**	**Ownership Interest 2017 %**
Egan Street Rothsay Pty Ltd (formerly Auricup (Rothsay) Pty Ltd)	Australia	100%	100%
Egan Street Victoria Bore Pty Ltd (formerly Auricup Victoria Bore Pty Ltd)	Australia	100%	100%

19. COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	30 June 2018 $	30 June 2017 $
Payable – minimum lease payments:		
— not later than 1 year	-	4,355
— later than 1 year but not later than 5 years	-	-
	-	4,355

(b) Mineral Acquisition Exploration Tenements

In order to maintain current rights of tenure to exploration tenements the consolidated entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various State governments. These obligations can be reduced by selective relinquishment of exploration tenure or renegotiation. Due to the nature of the consolidated entity's operations in exploring and evaluating areas of interest, exploration expenditure commitments beyond twelve months cannot be reliably determined. It is anticipated that expenditure commitments in subsequent periods will be similar to that for the forthcoming twelve months. These obligations are not provided for in the financial report.

Minimum expenditure on exploration tenements

Payable:

— not later than 1 year	159,200	149,200
— later than 1 year but not later than 5 years	636,800	766,800
	796,000	916,000

20. PROVISIONS AND CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2018.

21. EVENTS AFTER THE REPORTING DATE

On 19 July 2018 the Company announced that it has completed the Definitive Feasibility Study (DFS) on its 100%-owned Rothsay Gold Project (Project), located 300 km north-east of Perth in WA's Midwest region, with the results confirming the potential for a new low-cost, high-margin Australian gold project capable of delivering strong financial returns for shareholders. The DFS concludes that the Rothsay Gold Project is financially and technically viable. The EganStreet board approved the DFS and, subject to obtaining a suitable financing arrangement, has approved the Rothsay Project to proceed to construction. It is expected construction will commence immediately after project financing has been completed, with first gold production targeted for Quarter 4, 2019.

There have been no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect:

- the consolidated group's operations in future years;
- the results of those operations in future years; or
- the consolidated entity's state of affairs in future years.

22. AUDITORS' REMUNERATION

	30 June 2018 $	30 June 2017 $
The auditor of Egan Street Resources Limited for the year ended 30 June 2018 is BDO Audit (WA) Pty Ltd		
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
An audit or review the financial report of the entity and any other entity in the consolidated group	52,195	47,291
Other services	15,452	16,760
Total Remuneration	67,647	64,051

23. KEY MANAGEMENT PERSONNEL DISCLOSURES

	30 June 2018 $	30 June 2017 $
Compensation for Key Management Personnel		
Short term employee benefits	1,082,800	440,465
Post-employment benefits	63,379	37,616
Share based payments	301,676	426,061
Total	1,447,855	904,142

24. SHARE BASED PAYMENTS

Employee incentive options

During the year, the following options were issued as part of the Employee Option Plan:

- 250,000 unlisted incentive options to employees exercisable at $0.381 on or before 13 September 2019 and is subject to milestones;
- 4,150,000 unlisted incentive options to employees exercisable at $0.375 on or before 13 September 2019 and is subject to milestones;

Total value of the options issued is $484,648. During the year $121,392 was expensed to employee benefit expenses commensurate with the vesting period.

250,000 unlisted incentive options were issued to an employee on 12 January 2018, these options were granted with an exercise price of $0.381 on or before 13 September 2019. These options were fair valued using the Black and Scholes option valuation methodology taking into account the exercise price, term of the options, share price at grant date, expected volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

24. SHARE BASED PAYMENTS (CONTINUED)

Options

250,000 unlisted incentive options were issued to employees on 12 January 2018, these options were granted with an exercise price of $0.381 on or before 13 September 2019. These options were fair valued using the Black and Scholes option valuation methodology taking into account the exercise price, term of the options, share price at grant date, expected volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

Details of the assumptions used in the valuation of these options issued are as follows:

Item	Tranche 1	Tranche 2
Assessed fair value at grant date	$0.113	$0.113
Number of options	83,333	166,667
Vesting Conditions	Delivery of a feasibility study, the necessary funding and decision to mine.	First gold production
Vesting date	30 September 2018	1 September 2019
Exercise price ($)	$0.381	$0.381
Exercise period	1.7	1.7
Grant Date	12 January 2018	12 January 2018
Expiry date	13 September 2019	13 September 2019
Share price at grant date	$0.28	$0.28
Expected volatility of the Company's shares (1)	101%	101%
Expected dividend yield	0%	0%
Risk-free interest rate	1.96%	1.96%
Exercise conditions	nil	nil

Total value of the options issued is $28,218. During the year $11,416 was expensed to employee benefit expenses commensurate with the vesting period.

4,150,000 unlisted incentive options were issued to employees on 7 May 2018, these options were granted with an exercise price of $0.375 on or before 13 September 2019. These options were fair valued using the Black and Scholes option valuation methodology taking into account the exercise price, term of the options, share price at grant date, expected volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

Details of the assumptions used in the valuation of these options issued are as follows:

Item	Tranche 1	Tranche 2
Assessed fair value at grant date	$0.110	$0.110
Number of options	2,075,000	2,075,000
Vesting Conditions	Delivery of a feasibility study, the necessary funding and decision to mine.	First gold production
Vesting date	30 September 2018	1 September 2019
Exercise price ($)	$0.375	$0.375
Exercise period	1.4	1.4
Grant Date	7 May 2018	7 May 2018
Expiry date	13 September 2019	13 September 2019
Share price at grant date	$0.29	$0.29
Expected volatility of the Company's shares (1)	101%	101%
Expected dividend yield	0%	0%
Risk-free interest rate	2.03%	2.03%
Exercise conditions	nil	nil

Total value of the options issued is $456,430. During the year $109,976 was expensed to employee benefit expenses commensurate with the vesting period.

24. SHARE BASED PAYMENTS (CONTINUED)

Performance Rights

During the year, 3,292,908 Peformance Rights issued to directors and employees subject to vesting conditions, expiring 31 July 2020.

2,238,804 Performance Rights were issued to directors on 2 February 2018. The Tranche 1 performance rights have been valused using a Hybrid multiple share price barrier model. The model incorporates a Monte Carlo similuation, and simulates the stock's share price at the test date. The Tranche 2 performance rights were valued using a Hybrid employee share option pricing model which uses a correlated simulation that simultaneously calcuates the Total Shareholder Return (TSR) of the Company and each constituent of the Peer Group on a risk neutral basis as at the vesting date with regards to the performance period The performance of the TSR of the Company is ranked against the TSR of each constituent of the Peer Group as at the vesting date and a vesting percentage is calculated from the vesting schedule.

Details of the assumptions used in the valuation of these performance rights are as follows:

Item	Tranche 1	Tranche 2
Assessed fair value at grant date	$0.010	$0.162
Number of Rights	1,119,402	1,119,402
Vesting Conditions	Total Shareholder Return $\geq$30% over the period 1 July 2017 to 30 June 2020	Peer Total Shareholder Return Comparison $\geq$ 75th percentile over the period 1 July 2017 to 30 June 2020
Valuation Date	29 November 2017	29 November 2017
Expiry Date	31 July 2020	31 July 2020
Life of the Rights	2.67	2.67
Performance period start	1 July 2017	1 July 2017
Performance period end	30 June 2020	30 June 2020
Remaining performance period	2.59	2.59
Dividends	Nil	Nil
Volatility of the 30 day VWAP	20%	20%
Underlying share price	$0.26	$0.26
Risk free rate	1.86%	1.86%

Total value of the director performance rights issued is $192,537. During the year $43,443 was expensed to employee benefit expenses commensurate with the vesting period

1,054,104 Performance Rights were issued to employees on 2 February 2018. The Tranche 1 performance rights have been valused using a Hybrid multiple share price barrier model. The model incorporates a Monte Carlo similuation, and simulates the stock's share price at the test date. The Tranche 2 performance rights were valued using a Hybrid employee share option pricing model which uses a correlated simulation that simultaneously calcuates the TSR of the Company and each constituent of the Peer Group on a risk neutral basis as at the vesting date with regards to the performance period The performance of the TSR of the Company is ranked against the TSR of each constituent of the Peer Group as at the vesting date and a vesting percentage is calculated from the vesting schedule.

Item	Tranche 1	Tranche 2
Assessed fair value at grant date	$0.016	$0.144
Number of Rights	527,052	527,052
Vesting Conditions	Total Shareholder Return $\geq$30% over the period 1 July 2017 to 30 June 2020	Peer Total Shareholder Return Comparison $\geq$ 75th percentile over the period 1 July 2017 to 30 June 2020
Valuation Date	18 January 2018	18 January 2018
Expiry Date	31 July 2020	31 July 2020
Life of the Rights	2.53	2.53
Performance period start	1 July 2017	1 July 2017
Performance period end	30 June 2020	30 June 2020
Remaining performance period	2.45	2.45
Dividends	Nil	Nil
Volatility of the 30 day VWAP	20%	20%
Underlying share price	$0.28	$0.28
Risk free rate	2.20%	2.20%

Total value of the employee performance rights issued is $84,328. During the year $15,606 was expensed to employee benefit expenses commensurate with the vesting period

Reconciliation of Share Based payments Expense

	30 June 2018 $	30 June 2017 $
8,250,000 unlisted options exercisable at $0.25 expiring 13 September 2019	173,208	426,061
350,000 unlisted options exercisable at $0.453 expiring 13 September 2019	21,585	23,080
450,000 unlisted options exercisable at $0.476 expiring 13 September 2019	27,425	28,869
270,000 unlisted options exercisable at $0.339 expiring 13 September 2019	16,300	6,822
250,000 unlisted options exercisable at $0.381 expiring 13 September 2019	11,416	-
4,150,000 unlisted options exercisable a $0.375 expiring 13 September 2019	109,976	-
2,238,804 director performance rights	43,443	-
1,054,104 employee performance rights	15,606	-
Total share based payments	418,959	484,832

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year.

	2018 No.	2018 WAEP	2017 No.	2017 WAEP
Outstanding at the beginning of the year	59,987,780	$0.26	10,825,000	$0.29
Granted during the period	4,400,000	$0.38	49,162,780	$0.25
Expired during the period	(233,352)	$0.18	-	-
Exercised during the period	(49,734,428)	$0.25	-	-
Outstanding at the end of the year	14,420,000	$0.34	59,987,780	$0.26

Management have used an expected volatility of 101% in the calculation of the share option charge. This amount was determined through assessment of the two-year historic volatilities of the share prices of comparable companies. Comparability was based on factors including: having equities listed on the Australian Securities Exchange; being gold exploration entities with a primary area focus in Australia; and having a market capitalisation of less than $20m

25. Segment information

The Group operates in one business segment, namely the mineral exploration industry. AASB 8 'Operating Segments" states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative threshholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative threshholds and as such do not have to be reported separately. Egan Street Resources Limited has therefore decided to aggregate all its operating segments into one reportable operating segment.

The revenues and results of this segment are those of the Group as a whole and are set out in the statement of profit or loss and other comprehensive income.

The Group has exploration and evaluation assets in Australia. The Group divested its interests in Mexico in the 2017 financial year. Geographical information is shown below:

Geographical Segment Information	**2018 Revenue $**	**2018 Non-Current Assets $**	**2017 Revenue $**	**2017 Non-Current Assets $**
Australia	-	1,478,520	-	1,410,286
Total	-	1,478,520	-	1,410,286

26. Earnings Per Share

	30 June 2018 $	**30 June 2017 $**
(a) Loss per share		
Loss used in calculating basic and dilutive loss per share for continuing and discontinued operations	(7,459,595)	(4,339,273)
Loss used in calculating basic and dilutive loss per share for continuing operations	(7,459,595)	(3,827,551)
Loss used in calculating basic and dilutive loss per share for discontinued operations	-	(511,723)
	Number of shares	**Number of shares**
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	91,535,386	58,118,617

27. DISCONTINUED OPERATIONS

(a) Description

On 13 January 2017, the Company announced the sale of its 100% interest in Auricup International Pty Ltd and wholly owned subsidiary Recursos Auricup S de R L. de C.V, and the sale of it 60% interest in Auricup Baviacora Pty Ltd and its wholly owned subsidiary. The disposal of these entities and their wholly owned subsidiaries was deemed to be a discontinuation of Mexican operations, as subsequent to the time of disposal the Company had no subsidiaries in Mexico.

(b) Financial performance and cash flow information

Loss for the year from discontinued operations

	30 June 2018 $	30 June 2017 $
Discontinued operations		
Exploration expenses	-	(57,801)
Administration expenses	-	(97)
Impairment of exploration and evaluation expenditure	-	-
Depreciation expense	-	(887)
Loss on disposal of property, plant and equipment	-	-
Loss from discontinued operations before income tax	**-**	**(58,785)**
Income tax expense	-	-
Loss on sale of the subsidiary after income tax (see (c) below)	-	(452,937)
Loss after tax attributable to the discontinued operation	**-**	**(511,723)**
Exchange differences on translation of discontinued operations	-	97,350
Other comprehensive income from discontinued operations	**-**	**97,350**

Cash flows from discontinued operations

Net cash flows from operating activities	-	(691)
Net cash flow from investing activities	-	-
Net cash flows from financing activities	-	-
	-	(691)

(c) Details of the sale of the subsidiaries

Consideration received	-	20,070
Carrying amount of net liabilities sold	-	264,254
Gain on sale before income tax and reclassification of foreign currency translation reserve	-	284,324
Reclassification of foreign currency translation reserve	-	97,530
De-recognition of non-controlling interest	-	(834,792)
Income tax expense gain	-	-
Loss on sale after income tax	**-**	**(452,937)**

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes set out on page 32 to 60 are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of their performance for the period ended on that date.

2 The financial report also complies with International Financial Reporting Standards.

3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

This declaration is made in accordance with a resolution of the Board of Directors.

Marc Ducler
Managing Director
14 September 2018

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INDEPENDENT AUDITOR'S REPORT

To the members of Egan Street Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Egan Street Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other 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 report, 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:

(i) 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 ended on that date; and

(ii) 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 *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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.

Accounting for Share Based Payments

Key audit matter	*How the matter was addressed in our audit*
Egan Street Resources Limited awarded share based payments, in the form of share options and rights, to eligible executives and employees as detailed in Note 24. The Group performed calculations to record the related share based payment expense in accordance with AASB 2 Share Based Payments in the consolidated statement of profit or loss and other comprehensive income. In addition, there were a number of options issued to key management personnel and other employees in the prior period which required management to re-assess the expected achievement and timing of non-market performance conditions. Share-based payments are a complex accounting area and due to the judgemental estimates used in determining the fair value of the share-based payments in accordance with AASB 2: Share Based Payments, we consider management's calculation of the share based payment expense to be a key audit matter.	Our audit procedures in respect of this area included but were not limited to the following: • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Involving our valuation specialists to assess the assumptions and inputs used in the valuation; • Assessing management's determination of achieving non-market vesting conditions of the options issued; • Assessing the allocation of the share-based payment expense over management's expected vesting period; and • Assessing the adequacy of the disclosure in the financial report (refer Note 2 and Note 24).

Other information

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

Our opinion on the financial report does not cover the other information and 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.

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 has 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 the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 29 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Egan Street 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.

BDO Audit (WA) Pty Ltd

BDO

Neil Smith

Director

Perth, 14 September 2018

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Egan Street Resources Limited (the "Company") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

This statement sets out the main corporate governance practices in place throughout the financial year in accordance with the 3rd edition of the ASX Principles of Good Corporate Governance and Best Practice Recommendations.

Further information about the Company's corporate governance practices is set out on the Company's website at www.eganstreetresources.com.au

This Statement was approved by the Board of Directors and is current as at11 September 2018.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

ASX Recommendation 1.1: a listed entity should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.

The Board has adopted a formal charter that details the respective board and management functions and responsibilities. A copy of this board charter is available in the corporate governance section of the Company's website at www.eganstreetresources.com.au

The Company has complied with this recommendation.

ASX Recommendation 1.2: a listed entity should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director and provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.

Appropriate checks are undertaken before the appointment of directors.

Information in relation to Directors seeking reappointment is set out in the Directors' report and Notice of Annual General Meeting.

The Company has complied with this recommendation.

ASX Recommendation 1.3: a listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.

The Company has in place written agreements with each Director and senior executive.

The Company has complied with this recommendation.

ASX Recommendation 1.4: the company secretary of a listed company should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Board Charter provides for the Company Secretary to be accountable directly to the board through the Chair.

The Company has complied with this recommendation.

ASX Recommendation 1.5: a listed entity should:

- **have a diversity policy which includes the requirement for the board to set measurable objectives for achieving gender diversity and assess annually the objectives and the entity's progress to achieving them;**
- **disclose the policy or a summary of it;**
- **disclose the measurable objectives and progress towards achieving them; and**
- **disclose the respective proportions of men and women on the board and at each level of management and the company as a whole.**

The Company has adopted a Diversity Policy which is available in the corporate governance section of the Company's website at www.eganstreetresources.com.au

The Board considers that, due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy at this time is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.

As at 30 June 2018, the Company does not have any female Board members (2017: nil). At 30 June 2018 the Company has one full time employee which is a female (2017: one female employee).

The Company partly complies with this recommendation.

ASX Recommendation 1.6: a listed entity should disclose the process for evaluating the performance of the board, its committees and individual directors and whether a performance evaluation was carried out during the reporting period in accordance with that process.

An informal process has been established to review and evaluate the performance of the Board. Given the size of the Company, the Board is continuously reviewing the role of the Board, assessing its performance over the previous period, including comparison with others, and examining ways in which the Board can better perform its duties.

The Chairman will have primary responsibility for conducting performance appraisals of non-executive Directors in conjunction with each non-executive Director.

A performance review was undertaken during the reporting period.

The Company has complied with this recommendation.

ASX Recommendation 1.7: a listed entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose in relation to each reporting period where a performance evaluation was undertaken in accordance with a process.

The Managing Director will conduct a performance evaluation of the senior executives on a yearly basis to review performance against the senior executive's responsibilities through a formal process involving an annual formal meeting with each senior executive and ongoing informal monitoring throughout each financial year.

The performance of the Managing Director will be reviewed by the Board.

A performance review was undertaken during the reporting period.

The Company has complied with this recommendation.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

ASX Recommendation 2.1: The board of a listed entity should establish a nomination committee:

- **with at least three members the majority of which are independent directors**
- **chaired by an independent Director; and**
- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.**

Given the present size and complexity of the Company the Board has not constituted a Nomination Committee with the full Board carrying out the role of a Nomination Committee.

The Company has not complied with this recommendation.

ASX Recommendation 2.2: a listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board has established a skills matrix. On a collective basis the Board has the following skills:

Strategic expertise - ability to identify and critically assess strategic opportunities and threats, to develop strategies and review strategies through constructive questioning and suggestion.
Legal – Overseeing compliance with numerous laws, ensuring appropriate legal and regulatory compliance frameworks and systems are in place and understanding an individual Director's legal duties and responsibilities.
Accounting and finance - the ability to read and comprehend the company's accounts, financial material presented to the board, financial reporting requirements and some understanding of corporate finance;
Risk management - Identify and monitor risks to which the Company is, or has the potential to be exposed to.
Experience with financial markets - Experience in working in or raising funds from the equity or capital markets.
Investor relations - Experience in identifying and establishing relationships with Shareholders, potential investors, institutions and equity analysts.
Experience with financial markets - Experience in working in or raising funds from the equity, debt or other capital markets.
Industry knowledge – Geological, mining, metallurgical or engineering qualifications and/or a broad background and experience in the resources sector including exploration, permitting, mineral resource evaluation, project development and mining.
Government relations - Experience in dealing with relevant Government authorities.

The Company has complied with this recommendation.

ASX Recommendation 2.3: a listed entity should disclose the names of the directors considered by the board to be independent directors and provide details in relation to the length of service of each Director.

Mr Simon Eley is considered to be an independent Director.

Mr Barry Sullivan and Mr Hedley Widdup are nominees of a substantial shareholder of the Company and as such are not considered to be independent.

Mr Marc Ducler and Mr Lindsay Franker are Executive Directors and are not considered to be independent Directors as they are employed in an executive capacity.

The appointment date of Directors is set out below:

- Barry Sullivan 6 May 2016
- Marc Ducler 12 June 2015
- Lindsay Franker 4 July 2017
- Hedley Widdup 19 December 2013
- Simon Eley 11 March 2011

The Company has complied with this recommendation.

ASX Recommendation 2.4: the majority of the board of a listed entity should be independent directors.

The majority of the Board are not considered independent directors.

The Board considers that the composition of the Board is adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business. These skills include members with significant experience as directors of public companies, relevant experience in the management and growth of businesses together with extensive experience in the industry in which EganStreet Resources operates.

The Board will review its composition as the Company's circumstances change.

The Company has not complied with this recommendation.

ASX Recommendation 2.5: The Chair of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The Chairperson, Mr Barry Sullivan is not considered to be an independent Director. Notwithstanding this the Directors believe that Mr Sullivan is able to, and does make, quality and independent judgement in the best interests of the Company on all relevant issues before the Board.

Mr Marc Ducler is Managing Director of the Company.

The Company has partly complied with this recommendation.

ASX Recommendation 2.6: a listed entity should have a programme for inducting new directors and provide appropriate professional development opportunities.

The Board is responsible for providing new directors with an induction to the Company and for the programme for providing adequate professional development opportunities for directors and management.

The Company has complied with this recommendation.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

ASX Recommendation 3.1: a listed entity should establish a code of conduct and disclose the code or a summary of the code.

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A copy of the Company's code of conduct is available in the corporate governance section of the Company's website at www.eganstreetresources.com.au

The Company has complied with this recommendation.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

ASX Recommendation 4.1: The Board of a listed entity should establish an audit committee:

- **with at least three members, all of whom are non-executive directors and a majority of which are independent directors**
- **chaired by an independent Director; and**
- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.**

Given the present size and complexity of the Company the Board has not constituted an Audit Committee with the full Board carrying out the role of an Audit Committee.

The qualifications of the members of the Board are set out in the Directors' report forming part of the Annual Financial Statements.

The Company has not complied with this recommendation.

ASX Recommendation 4.2: The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the 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.

The Board has received the assurances required by ASX Recommendation 4.2 in respect of financial statements for the year ended 30 June 2018 from the Managing Director and CFO (or equivalent).

The Company has complied with this recommendation.

ASX Recommendation 4.3: a listed entity should ensure that the external auditor attends its Annual General Meeting and is available to answer questions from security holders relevant to the audit.

The external auditor will attend the Annual General Meeting and be available to answer questions from shareholders relevant to the audit and financial statements. The external auditor will also be allowed a reasonable opportunity to answer written questions submitted by shareholders to the auditor as permitted under the Corporations Act.

The Company has complied with this recommendation.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

ASX Recommendation 5.1: a listed entity should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company has established a continuous disclosure policy which is designed to guide compliance with ASX Listing Rule disclosure requirements and to ensure that all Directors, senior executives and employees of the Company understand their responsibilities under the policy. The Board has designated the Non-Executive Chairman, Managing Director and the Company Secretary act as the as the persons responsible for ensuring that this policy is implemented and enforced and that all required price sensitive information is disclosed to the ASX as required.

In accordance with the Company's continuous disclosure policy, all information provided to ASX for release to the market is posted to its website at www.eganstreetresources.com.au after ASX confirms an announcement has been made.

The Company has complied with this recommendation.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

ASX Recommendation 6.1: a listed entity should provide information about itself and its governance to investors via its website.

The Company's website at www.eganstreetresources.com.au contains information about the Company's projects, Directors and management and the Company's corporate governance practices, policies and charters. All ASX announcements made to the market, including annual and half year financial results are posted on the website as soon as they have been released by the ASX. The full text of all notices of meetings and explanatory material, the Company's Annual Report and copies of all investor presentations are posted on the website.

The Company has complied with this recommendation.

ASX Recommendation 6.2: a listed entity should design and implement an investor relations programme to facilitate effective two-way communication with investors.

The Company's Board are the Company's main contact for investors and potential investors and make themselves available to discuss the Company's activities when requested together with other Directors as required. In addition to announcements made in accordance with its continuous disclosure obligations the Company, from time to time, prepares and releases general investor updates about the Company.

Contact with the Company can be made via email addresses provided on the website.

The Company has complied with this recommendation.

ASX Recommendation 6.3: a listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company encourages participation of shareholders at any general meetings and its Annual General Meeting each year. Shareholders are encouraged to lodge direct votes or proxies subject to the adoption of satisfactory authentication procedures if they are unable to attend the meeting.

The full text of all notices of meetings and explanatory material are posted on the Company's website at www.eganstreetresources.com.au

The Company has complied with this recommendation.

ASX Recommendation 6.4: a listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.

Contact with the Company can be made via email addresses provided on the website and investors can subscribe to the Company's mailing list.

The Company's share register provides a facility whereby investors can provide email addresses to receive correspondence from the Company electronically and investors can contact the share register via telephone, facsimile or email.

The Company has complied with this recommendation.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

ASX Recommendation 4.1: The Board of a listed entity should have a committee to oversee risk:

- **with at least three members, all of whom are non-executive directors and a majority of which are independent directors**
- **chaired by an independent Director; and**
- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.**

Given the present size and complexity of the Company the Board has not constituted a Risk Committee with the full Board responsible for risk management.

The Company has not complied with this recommendation.

ASX Recommendation 7.2: The Board or a committee of the Board, of a listed entity should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and disclose in relation to each reporting period whether such a review was undertaken.

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and design of risk management is delegated to the appropriate level of management within the Company the Board being responsible for the risk management and control framework.

A review of the Company's risk management and control framework was undertaken during the reporting period ending 30 June 2018.

The Company has complied with this recommendation.

ASX Recommendation 7.3: a listed entity should disclose if it has an internal audit function and if it does not have an internal audit function that fact and the processes it employs for evaluating and continually improving the effectiveness of risk management and internal control processes.

Given the Company's current size and level of operations it does not have an internal audit function.

The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and design of risk management is delegated to the appropriate level of management within the Company the Board being responsible for the risk management and control framework.

The Company has complied with this recommendation.

ASX Recommendation 7.4: a listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and if it does how it manages or intends to manage those risks.

The Company has exposure to economic risks, including general economy wide economic risks and risks associated with the economic cycle.

There may be a requirement in the future for the Company to raise additional funding to pursue its business objectives. The Company's ability to raise capital may be affected by these economic risks.

The Company has in place risk management procedures and processes to identify, manage and minimise its exposure to these economic risks where appropriate

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceed. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The Board currently considers that the Company does not have any material exposure to social sustainability risk. The Company's Corporate Code of Conduct outlines the Company's commitment to integrity and fair dealing in its business affairs. The code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behavior expected from employees when dealing with stakeholders.

The Company has complied with this recommendation.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

ASX Recommendation 8.1: The board of a listed entity should establish a remuneration committee:

- **with at least three members the majority of which are independent directors**
- **chaired by an independent Director; and**
- **disclose the charter of the committee, the members of the committee and the number of times the committee met throughout the period and member attendance at those meetings.**

Given the present size and complexity of the Company, the Board has not constituted a Remuneration Committee with the full Board responsible for remuneration role and responsibilities.

The Company has not complied with this recommendation.

ASX Recommendation 8.2: a listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company remunerates non-executive Directors at a fixed fee for time, commitment and responsibilities. In addition, non-executive Directors may be paid fees under consulting arrangements. Remuneration for non-executive Directors is not linked to individual performance. From time to time the Company may, subject to shareholder approval, grant options to non-executive Directors. The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

Executives of the Company typically receive remuneration comprising a base salary component and other fixed benefits based on the terms of their employment agreements with the Company and potentially the ability to participate in bonus arrangements and may, subject to shareholder approval if appropriate, be granted options and performance rights.

The Company has complied with this recommendation.

ASX Recommendation 8.3: a listed entity which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme and disclose the policy or a summary of that policy.

A participant in an equity based remuneration plan operated by the Company must not enter into a transaction (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the equity based remuneration plan.

The Company has complied with this recommendation.

ASX ADDITIONAL INFORMATION

The following additional information required by the ASX listing rules is current at 11 September 2018:

1. Twenty Largest Shareholders

Ordinary Shares	Number	Percentage
LION SELECTION GROUP LIMITED	21,137,007	16.20
RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	8,415,869	6.45
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,340,924	2.56
RESMIN PTY LTD <SPE INVESTMENT A/C>	3,262,476	2.50
MR ROBERT LEON	2,946,429	2.26
VALBONNE II	2,946,429	2.26
MR RICHARD THOMAS HAYWARD DALY + MRS SARAH KAY DALY <THE DALY FAMILY S/F A/C>	2,845,882	2.18
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	2,790,000	2.14
BROWN BRICKS PTY LTD <HM A/C>	1,968,378	1.51
T E & J PASIAS PTY LTD	1,945,410	1.49
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,834,972	1.41
MS JULIE STRINICH	1,750,444	1.34
MISS MEI YEN TAN	1,674,167	1.28
RETZOS FAMILY PTY LTD <RETZOS FAMILY S/FUND A/C>	1,597,410	1.22
OODACHI PTY LTD <P & M KERR FAMILY A/C>	1,500,000	1.15
SAM GOULOPOULOS PTY LTD <S GOULOPOULOS F/SUPER A/C>	1,500,000	1.15
LION MANAGER PTY LTD	1,397,438	1.07
RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	1,300,000	1.00
DR DANIEL TILLETT	1,030,947	0.79
FRANKER CAPITAL PTY LTD <FRANKER SUPER FUND A/C>	1,000,555	0.77
Total Top 20	66,184,737	50.73
Other	64,268,982	49.27
Total ordinary shares on issue	130,453,719	100.00

2. Substantial Shareholders

Substantial Holder	Number
Lion Selection Group Limited	21,137,007
Mr Chris Retzos	13,350,779

3. Distribution of Equity Securities

	Ordinary Shares	Options at $1.00 Expiring 13 September 2018	Options at $0.375 Expiring 13 September 2019	Options at $0.453 Expiring 13 September 2019	Options at $0.476 Expiring 13 September 2019	Options at $0.25 Expiring 13 September 2019	Options at $0.339 Expiring 13 September 2019	Options at $0.339 Expiring 13 September 2019	Options at $0.30 Expiring 22 August 2021	Performance Rights Expiring on 31 July 2020
1 - 1,000	17	-		-	-	-	-	-	-	-
1,001 - 5,000	214	-		-	-	-	-	-	-	-
5,001 - 10,000	169	-		-	-	-	-	-	-	-
10,001 - 100,000	469	-		-	-	-	-	-	-	-
100,001 over	178	17	3	1	1	5	1	1	1	5
Total	**1,047**	**17**	3	1	1	5	1	1	1	5
Number	**130,453,719**	**700,000**	**4,150,000**	**350,000**	**450,000**	**8,250,000**	**270,000**	**250,000**	**1,500,000**	**3,292,908**
Number being held less than a marketable parcel	87									

4. Option Holders

Unlisted Options (holders > 20% of options issued other than pursuant to an employee option plan)	**Number**
Unlisted Options exercisable at $0.25 expiring 13 September 2019	
Mrs Rebecca Mary Ducler des Rauches	3,000,000
Mr Lindsay Franker	3,000,000

5. Securities subject to Escrow

Security	**Escrow Expiry**	**Number**
Ordinary Shares	13 Sept 2018	8,844,742
Unlisted Options exercisable at $0.25 expiring 13 Sept 2019	13 Sept 2018	8,250,000

6. Voting Rights

See Note 14 to the Annual Financial Statements.

7. On-Market Buy Back

There is currently no on-market buyback programme for any of the Company's listed securities.

8. Mineral Resource

At 30 June 2018 the Company has the Rothsay Mineral Resource estimate, which was completed by Cube Consulting in May 2018 as set out below:

	Indicated			Inferred			Total		
Lode	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)
Woodley's	630	10.6	213	240	10.6	83	870	10.6	296
Woodley's East	190	5.3	33	160	9.1	45	350	6.9	78
Woodley's East HW				160	4.3	22	160	4.3	22
Other				40	3.3	5	40	3.3	5
Total(i) (ii)	**820**	**9.3**	**246**	**600**	**8.0**	**155**	**1,420**	**8.8**	**401**

(i) Resources quoted above 2.5g/t Au lower cut-off.
(ii) Totals may not match due to rounding

In preparing the Mineral Resource estimate, Cube Consulting Pty Ltd:

1. Reviewed available gold assay QAQC data, with a view towards establishing the suitability of the informing data for mineral resource estimation;
2. Conducted database validation checks;
3. Carried out geological and mineralisation interpretations leading to the definition of estimation domains;
4. Carried out estimation of gold and density;
5. Carried out estimation, validation and reporting of Mineral Resources, and
6. Authoring a technical report detailing the work completed, according to JORC (2012) guidelines.

At 30 June 2017 the Company has the Rothsay Mineral Resource estimate, which was completed by Cube Consulting in March 2017 as set out below:

Cut-off g/t	Tonnes (Kt)	Grade (g/t Au)	Ounces (Koz)	Tonnes (Kt)	Grade (g/t Au)	Ounces (Koz)	Tonnes (Kt)	Grade (g/t Au)	Ounces (Koz)
5.0	399	11.9	152	303	11.3	110	701	11.6	262

(i) Totals may not match due to rounding

In preparing the Mineral Resource estimate, Cube Consulting Pty Ltd:

1. Reviewed available gold assay QAQC data, with a view towards establishing the suitability of the informing data for mineral resource estimation;
2. Conducted database validation checks;
3. Carried out geological and mineralisation interpretations leading to the definition of estimation domains;
4. Carried out estimation of gold and density;
5. Carried out estimation, validation and reporting of Mineral Resources, and
6. Authoring a technical report detailing the work completed, according to JORC (2012) guidelines.

9. Schedule of Tenements

The Group holds the following tenements or Mineral Concessions:

Tenement	Status	Location	Interest Held (%)
E 59/1234-I	Granted	Western Australia	100
E 59/1262-I	Granted	Western Australia	100
E 59/1263-I	Granted	Western Australia	100
E 59/2183	Granted	Western Australia	100
M 59/39-I	Granted	Western Australia	100
M 59/40-I	Granted	Western Australia	100
L59/24	Granted	Western Australia	100
E08/2847	Application	Western Australia	100

10. Competent Persons Statements

Various information in this announcement that relates to exploration and ore sorting results is extracted from the following announcements:

- *"High-Grade Results from Regional Drilling at Rothsay" dated 19 July 2018, and*
- *"Further Positive Ore Sorting Results on Drill Core" dated 3 May 2018, and*
- *"More High-Grade Hits at Depth at Woodley's East" dated 11 April 2018, and*
- *"Infill Drilling Delivers More High-Grade Results" dated 27 March 2018, and*
- *"Additional Strong Results from Ore Sorting at Rothsay" dated 15 March 2018, and*
- *"159g/t Gold Show Rothsay Set to be a High-Grade WA Gold Mine" dated 27 February 2018, and*
- *"Hits of up to 56g/t Gold Boost Imminent Resource" dated 15 February 2018, and*
- *"EganStreet Accelerates Exploration Drilling at Rothsay" dated 19 January 2018, and*
- *"Outstanding Results from Ore Sorting Testwork at Rothsay" dated 9 January 2018, and*
- *"Hits up to 110g/t to Underpin a Resource Update Revised" dated 15 December 2017, and*
- *"More High-Grade Hits at Rothsay Gold Project" dated 24 October 2017, and*
- *"New High-Grade Discoveries Expand Scale and Potential" dated 8 August 2017, and*
- *"Near-mine Targets highlight the Growth Potential at Rothsay" dated 11 July 2017, and*
- *"Drilling Confirms More High-Grade Gold Intersections" dated 6 February 2017, and*
- *the Prospectus lodged on 28 July 2016.*

All of above listed ASX announcements are available to view at www.eganstreetresources.com.au and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements referred to above or the Prospectus. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the announcements referred to above or the Prospectus.

The information in this announcement that relates to the Rothsay Mineral Resource is extracted from the announcement titled "Rothsay Resource Jumps 31% to 401,000 Ounces" lodged on 14 May 2018 which is available to view at www.eganstreetresources.com.au and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Information in relation to the Rothsay Project Definitive Feasibility Study, including ore reserve, production targets and financial information, included in this report is extracted from an ASX Announcement dated 19 July 2018 (see ASX Announcement – 19 July 2018, "Rothsay DFS Confirms Low Capex High-Margin Operation", www.eganstreetresources.com.au and www.asx.com.au). The Company confirms that all material assumptions underpinning the ore reserve, production target and financial information set out in the announcement released on 19 July 2018 continue to apply and have not materially changed.