



Egan Street Resources Limited
ACN 144 766 236

PROSPECTUS

For

1. a non-renounceable rights issue offer to Eligible Shareholders of up to 27,097,768 Shares at an issue price of \$0.20 per Share on the basis of five (5) Shares for every six (6) Shares held to raise up to approximately \$5,419,554 (before costs of the Offers) with three (3) free Attaching Options for every two (2) Shares subscribed for (**Rights Issue**);
2. an offer of Shortfall Shares at an issue price of \$0.20 per Share with three (3) free Attaching Options for every two (2) Shortfall Shares subscribed for (**Shortfall Offer**); and
3. an offer of up to 2,902,232 Shares at an issue price of \$0.20 per Share to raise up to \$580,446 (before costs of the Offers) with three (3) free Attaching Options for every two (2) Shares subscribed for (before costs of the Offers) (**Public Offer**).

The Rights Issue is fully underwritten subject to the conditions set out in Section 6.17.

The Public Offer is not underwritten.

Conditional Offers

The Offers are conditional on the Offer Conditions outlined in Section 6.6 of this Prospectus being satisfied. In the event that the Offer Conditions are not satisfied, the Company will not proceed with the Offers and the Company will repay all Application Monies received.

Important Information

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

An investment in the Securities offered by this Prospectus should be considered as speculative.



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1. Important Information

1.1 Important Notice

This Prospectus is dated 28 July 2016 and was lodged with the ASIC on that date. ASX, ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of this Prospectus is that date which is 13 months after the date this Prospectus was lodged with the ASIC. No Securities may be issued on the basis of this Prospectus after that date. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary before deciding whether to invest. The Securities that are the subject of this Prospectus should be considered speculative. Please refer to Section 12 for details relating to risk factors that could affect the financial performance and assets of the Company.

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

Application will be made to ASX within seven days after the date of this Prospectus for Official Quotation of the Shares and Attaching Options the subject of this Prospectus.

Persons wishing to apply for Securities pursuant to the Offers must do so using the Application Form as provided with a copy of this Prospectus. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offers. You should only rely on information in this Prospectus.

1.2 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.eganstreetresources.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to, or accompanied by, the complete unaltered version of the Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Forms. If you have not, please contact the Share Registry by telephone (within Australia):

1300 850 505 or (outside Australia): +61 (03) 9415 4000 between 9.00am and 5.00pm (WST) Monday to Friday and they will send you, at no cost, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.eganstreetsources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

1.3 Overseas Applicants

The Offers of Securities made pursuant to this Prospectus are not made to persons to whom, or places in which, it would be unlawful to make such Offers of Securities. No action has been taken to register or qualify the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside of Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek legal advice on, and observe any of those restrictions. Failure to comply with these restrictions may violate securities laws.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

1.4 Forward looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'should', 'will', 'expect', 'anticipate', 'believes', 'estimate', 'intend', 'scheduled' or 'continue' or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward looking statements or information.

Whilst the Company considers the expectations reflected in any forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined in Section 12, as well as other matters not yet known to the Company or not currently considered material to the Company, may cause actual events to be materially different from those expressed, implied or projected in any forward looking statements or information. Any forward looking statement or information contained in this Prospectus is qualified by this cautionary statement.

1.5 Competent Persons Statements

The information in this Prospectus that relates to Exploration Results for the Rothsay Gold Project is based on and fairly represents information and supporting documentation prepared by Ms Julie Reid who is a Member of the Australasian Institute of Mining and Metallurgy. Ms Reid is a consultant to EganStreet. Ms Reid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the

activity that she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Ms Reid consents to the inclusion in this Prospectus of the matters based on her information in the form and context in which it appears.

The information in this Prospectus that relates to the Rothsay Mineral Resource is based on and fairly represents information and supporting documentation prepared by Mr Patrick Adams who is a Member of the Australasian Institute of Mining and Metallurgy, CP (Geo) and Australian Institute of Geoscientists. Mr Adams is a full time employee of Cube Consulting Pty Ltd. Mr Adams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Adams consents to the inclusion in this Prospectus of the matters based on the information in the form and context in which it appears.

1.6 Definitions

A number of defined terms are used in this Prospectus. Unless the contrary intention appears, the context requires otherwise or words are defined in Section 16, words and phrases in this Prospectus have the same meaning and interpretation as in the Corporations Act or ASX Listing Rules.

2. Corporate Directory

Directors

Mr Barry Sullivan (Non-Executive Chairman)
Mr Marc Ducler (Managing Director)
Mr Hedley Widdup (Non-Executive Director)
Mr Simon Eley (Non-Executive Director)

Company Secretary

Mr Simon Robertson

Registered Office

68 Aberdeen Street
Northbridge WA 6003
Telephone: +61 (0)8 65552955
Email: info@eganstreet.com.au

Investigating Accountant

BDO Corporate Finance WA Pty Ltd
38 Station Street
Subiaco WA 6008

Auditors

BDO Audit WA Pty Ltd
38 Station Street
Subiaco WA 6008

Lawyers

GTP Legal
68 Aberdeen Street
Northbridge WA 6003

Underwriter

Patersons Securities Limited
Level 23, Exchange Tower
2 The Esplanade
Perth WA 6000

Share Registry*

Computershare Investor Services Pty
Limited
Level 11,
172 St Georges Terrace
Perth WA 6000
Telephone (within Australia): 1300 850 505
Telephone (outside Australia): +61 (03)
9415 4000

Company Website

www.eganstreetresources.com.au

Proposed ASX Code

EGA

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

3. Key Information and Indicative Timetable

Description	Minimum Subscription	Maximum Subscription
Issue price per Share under the Offers	\$0.20	\$0.20
Shares offered under the Offers	27,097,768	30,000,000
Amount to be raised under the Offers (before costs of the Offers)	\$5,419,554	\$6,000,000
Shares on issue before completion of the Offers	32,517,398	32,517,398
Shares to be issued on completion for outstanding loans and creditors	2,061,896	2,061,896
Total Shares on issue on completion of the Offers	61,677,062	64,579,294
Market capitalisation on completion of the Offers at \$0.20 per Share	\$12,335,412	\$12,915,858
Options on issue before completion of the Offers	10,825,000	10,825,000
Options offered under the Offers	40,646,610	45,000,000
Options to be issued on completion for outstanding loans and creditors	3,092,843	3,092,843
Total Options on issue on completion of the Offers	54,564,453	58,917,843
Note: Refer to Section 6.10 for further details relating to the proposed capital structure of the Company.		

Indicative timetable	Date
Lodgement of this Prospectus with ASIC	28 July 2016
Record Date for Rights Issue	5pm (WST) on 4 August 2016
Prospectus sent to Eligible Shareholders	4 August 2016
Opening Date	4 August 2016
Closing Date for the Rights Issue	22 August 2016
Closing Date for the Shortfall Offer and Public Offer	26 August 2016
Issue of Securities under the Offers	7 September 2016
Dispatch of holding statements	9 September 2016
Expected date for Official Quotation on ASX	14 September 2016

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offers early without notice.

4. Investment Overview

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

4.1 Introduction

Topic	Summary	Details
Who is the issuer of the Prospectus?	Egan Street Resources Limited (ACN 144 766 236).	Section 7.1
What does the Company do?	EganStreet owns the Rothsay Gold Project at which it has undertaken exploration activities and resource evaluation and assessment work on the previously operating Rothsay gold mine. The Board's objective is to use the funds raised from the Offers to conduct a drilling program to expand known mineralisation and to increase the Indicated portion of the Rothsay Mineral Resource and to carry out evaluation, modelling and feasibility studies with the aim of, subject to positive results of such work, progressing a potentially near term, low capital intensity opportunity to commence development and gold production operations.	Section 7.1
Who is the Group?	The Company is a public company that was incorporated on 22 June 2010 as Auricup Resources Pty Ltd. Following shareholder approval the Company changed its name to Egan Street Resources Limited on 28 June 2016. The Rothsay Gold Project is held via a wholly owned subsidiary of EganStreet, Auricup (Rothsay) Pty Ltd.	Section 7.1
What are the Group's key asset?	EganStreet's primary asset is the Rothsay Gold Project, located approximately 300 kilometres north-north east of Perth, in the Southern Murchison region of Western Australia. The Rothsay Gold Project covers an area of approximately 69.4 km ² comprising the Rothsay Tenements (7 tenements in total). The Rothsay Gold Project has an Indicated and Inferred Mineral Resource of 624kt @ 11.3g/t Au for 226k ounces (Indicated 318kt @ 11.7g/t Au and Inferred 306kt @ 11g/t Au) at a 5.0 g/t Au cut-off estimated in accordance with the 2012 edition of the JORC Code (Rothsay Mineral Resource).	Section 7.2 section 4.3 of the Independent Geologists Report in Section 9

Topic	Summary	Details
What are the Company's Objectives	<p>The Company's main objectives on completion of the Offers is to:</p> <ul style="list-style-type: none"> • Conduct a drilling program to expand known mineralisation and to increase the Indicated portion of the Rothsay Mineral Resource; and • Carry out evaluation, modelling and feasibility studies with the aim of, subject to positive results of such work, progressing a potentially near term, low capital intensity opportunity to commence development and gold production operations. <p>The Directors are satisfied that on completion of the Offers, the Company will have sufficient funds to carry out its stated objectives.</p>	Section 7.3
What are the Offers?	<p>The Company is making the following offers pursuant to this Prospectus:</p> <ul style="list-style-type: none"> • Rights Issue: a non-renounceable rights issue offered to Eligible Shareholders of up to 27,097,768 Shares at an issue price of \$0.20 per Share on the basis of five (5) Shares for every six (6) Shares held to raise \$5,419,554 (before costs of the Offers) with three (3) free Attaching Options for every two (2) Shares subscribed for; • Shortfall Offer: an offer of Shortfall Shares (to the extent that all Shareholders do not take up their Entitlements under the Rights Issue) at an issue price of \$0.20 per Share with three (3) free Attaching Options for every two (2) Shortfall Shares subscribed for; and • Public Offer: an offer to the general public of up to 2,902,232 Shares at an issue price of \$0.20 per Share to raise up to \$580,446 (before costs of the Offers) with three (3) free Attaching Options for every two (2) Shares subscribed for. <p>The Rights Issue of \$5,419,554 has been fully underwritten. The Public Offer is not underwritten.</p>	Sections 6.1 to 6.5
What are the Offer Conditions?	<p>The Offers are conditional upon the following events occurring:</p> <ul style="list-style-type: none"> • the Company receiving the full amount under the underwritten Rights Issue; and • ASX granting conditional approval for the Company to be admitted to the Official List. <p>If the Offer Conditions are not achieved, then the Company will not proceed with the Offers and will repay all Application Monies received (without interest) in accordance with the Corporations Act.</p>	Sections 6.6 and 6.7

Topic	Summary	Details
What is the purpose of the Offers?	<p>The purpose of the Offers is to:</p> <ul style="list-style-type: none"> • facilitate an application by the Company for admission of the Company to the Official List; • conduct a drilling program to expand known mineralisation and to increase the Indicated portion of the Rothsay Mineral Resource; • carry out evaluation, modelling and feasibility studies; • provide the Company with access to equity capital markets for future funding needs; • enhance the public profile of the Company; • meet the costs of the Offers; and • provide working capital. 	Section 6.8
What is the proposed use of funds raised pursuant to the Offers?	<p>The Company intends to apply its existing cash reserves and the funds raised pursuant to the Offers for:</p> <ul style="list-style-type: none"> • R C Drilling; • Diamond Drilling; • Mineral Resource estimation; • Studies; • Corporate overheads; • Expenses of the Offers; and • Working Capital. 	Section 6.9
What is the effect of the Offers on the capital structure of the Company?	<p>Assuming Maximum Subscription is achieved under the Offers, the Shares issued under the Offers will represent approximately 46.45% of the enlarged issued share capital of the Company. If only the Minimum Subscription is achieved under the Offers, the Shares issued under the Offers will represent approximately 43.93% of the enlarged issued share capital of the Company, following completion of the Offers.</p>	Section 6.10
Who are the substantial Shareholders?	<p>Shareholders holding 5% or more of the Shares in the Company currently and at completion of the Offers are:</p> <p style="text-align: center;">Lion Selection Group Limited Chris Retzos and related entities</p>	Sections 6.18 and 14.4
Are the Offers underwritten?	<p>The Rights Issue has been fully underwritten subject to the conditions set out in Sections 6.17 and 13.1.</p> <p>The Public Offer is not underwritten.</p>	Sections 6.17 and 13.1

Topic	Summary	Details
Who is the Underwriter?	<p>Paterson Securities Limited is the Underwriter to the Rights Issue.</p> <p>The Underwriter has entered into sub-underwriting arrangements with major shareholders pursuant to which:</p> <ul style="list-style-type: none"> • Lion Selection Group Limited will acquire up to 1,372,560 Shortfall Shares with an aggregate issue price (at \$0.20 per Share) of \$274,512; and • Chris Retzos and related entities will acquire up to 2,500,000 Shortfall Shares with an aggregate issue price (at \$0.20 per Share) of \$500,000. <p>The Company will pay the Underwriter the following fees in connection with the Offers:</p> <ul style="list-style-type: none"> • an underwriting/selling fee of 6.5% of the total gross amount raised from all sources under the Offers (all sub-underwriting and selling fees to third parties will be met from this fee by the Underwriter); and • a corporate advisory fee of \$79,800. <p>Refer to Sections 6.17 and 13.1 for details of the terms of the Underwriting Agreement.</p>	Sections 6.17 and 13.1
What is the Company's financial performance?	<p>Based on the reviewed pro-forma consolidated statement of financial position of the Company as at 30 June 2016, following completion of the Offers the Company will have:</p> <ul style="list-style-type: none"> • total assets of approximately \$6.4 million (Minimum Subscription) or approximately \$6.9 million (Maximum Subscription); • total liabilities of approximately \$0.12 million (under both the Minimum Subscription and Maximum Subscription scenarios); and • net assets of approximately \$6.2 million (Minimum Subscription) or approximately \$6.8 million (Maximum Subscription). <p>Based on the reviewed pro-forma consolidated statement of financial position of the Company as at 30 June 2016, following completion of the Offers, and after taking into account the costs of the Offers, the Company will have cash and cash equivalents of approximately \$4.9 million (Minimum Subscription) or approximately \$5.5 million (Maximum Subscription).</p> <p>The information in respect of the historical performance of the Company should not be regarded as an indication of the future performance of the Company. Prospective investors should be aware that there is no certainty that the future performance of the Company will be similar to the historical performance of the Company.</p> <p>Relevant financial information in respect of the Company, including a pro-forma Statement of Financial Position detailing the effect of the Offers, is set out in the Investigating Accountant's Report in Section 11.</p>	Section 11

Topic	Summary	Details
What is the Company's dividend policy?	The Company does not intend to declare or pay any dividends in the immediately foreseeable future. The extent, timing and payment of any dividends declared or payable in the future will be determined by the Directors, based on a number of factors, including future earnings and the Company's financial position.	Section 6.12

4.2 Key strengths

Topic	Summary	Details
Existing Mineral Resource in accordance with the 2012 edition of JORC Code	The Rothsay Gold Project contains an Indicated and Inferred Mineral Resource of 624kt @ 11.3g/t Au for 226k ounces (Indicated 318kt @ 11.7g/t Au and Inferred 306kt @ 11g/t Au) at a 5.0 g/t Au cut-off estimated in accordance with the 2012 edition of the JORC Code (Rothsay Mineral Resource).	section 4.3 of the Independent Geologists Report in Section 9
Potential Near Term Production	The Company's objective is to to expand known mineralisation and to increase the Indicated portion of the Rothsay Mineral Resource and to to carry out evaluation, modelling and feasibility studies with the aim of, subject to positive results of such work, progressing a potentially near term, low capital intensity opportunity to commence development and gold production operations.	Section 7.2
Infrastructure	Extensive underground development infrastructure from historical workings remains in place. In addition, there is significant surface infrastructure in place including a tailings storage facility, access and haul roads, air strip and permitted bore fields.	Section 7.2
Significant Exploration Potential	Shears "C", "D" and "E" remain virtually untested. Each of these shears offers the potential to host both open pit and underground resources.	Section 7.2
Metallurgy	Previous production and recent test work provide a strong indication that acceptable metallurgical performance at the Rothsay Gold Project could be achieved by utilising processing flowsheets including conventional gravity and cyanidation unit processes.	Section 7.2
Experienced management team	The Company has a highly experienced management team. Mr Ducler and Mr Franker both have considerable experience in mining project assessment, development and operation.	Sections 8.1 and 8.5
Adequately capitalised	If only the Minimum Subscription is received the Company will have a cash balance of approximately \$4.9 million (after expenses) and no debt, providing adequate funding to carry out its business objectives. If the Maximum Subscription is received the Company will have a cash balance of approximately \$5.5 million (after expenses) and no debt.	Section 6.9

Topic	Summary	Details
Granted mining tenements	The Rothsay Mineral Resource is located on granted mining leases. See the Mining Tenement report in Section 10 for further details.	Section 10

4.3 Key risks

Prospective investors should be aware that subscribing for Securities involves a number of risks and uncertainties. The risk factors set out in Section 12 and other general risks applicable to all investments in listed Securities, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 12 for a more detailed summary of the risks.

Topic	Summary	Details
Results of Planned Studies	The Company is planning to undertake studies with the view to progressing the Rothsay Gold Project to production. While studies may be completed, the result of the studies may deem that it is not viable to commence mining.	Section 12.1(c)
Mineral Resource Estimates	<p>Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally made may alter significantly when new information or techniques become available. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change.</p> <p>In relation to the Rothsay Mineral Resource:</p> <ul style="list-style-type: none"> • limited database validation checks have been undertaken ; • historical drilling lacks supporting records and has not been fully verified; and • historical drilling data could not be validated as there is insufficient or non-existent QA/QC data. 	Section 12.1(b)

Topic	Summary	Details
Rehabilitation of the Decline at the Rothsay Gold Project	<p>In the event the Company proceeds with the positive decision to mine, in order to recommence mining the existing underground decline needs to be rehabilitated to gain access.</p> <p>In order to rehabilitate the underground infrastructure, risk is involved primarily in the geotechnical properties of the portal and decline. Although work has been done to date with testing, engineering and design the risk is still apparent and potential investors should consider the following:</p> <ul style="list-style-type: none"> • the decline, which has not been actively used for 25 years requires complete rehabilitation including dewatering, meshing, bolting and cable bolting in areas; • the current condition of the portal is poor and is considered unsupported. Extensive remediation work is required to make the portal safe; • although there are currently no apparent issues with the “A” Shear pit and access to the portal, there is the risk of geotechnical or seismic events which may adversely affect entry to the underground infrastructure; • the risk of seismic events which may affect the stability of the tailings storage facility; and • there may be risk that the tailings storage facility capacity is not enough to dewater the underground infrastructure with additional underground inflow coupled with a potential 1 in 100 year cyclonic event. 	Section 12.1(a)
Exploration Risk	Despite the best efforts of the Company, there is no guarantee of exploration success, and even if the Company achieves exploration success, there is no guarantee that development of any identified mineral deposit will be economically viable.	Section 12.1(d)

Topic	Summary	Details
Future Capital Requirements	<p>Changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated.</p> <p>Any inability to obtain additional funding, if required, will have a material adverse effect on the Company's business and its financial condition and performance and the Company's ability to continue as a going concern.</p> <p>Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offers and may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>The Company may undertake offerings of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, voting power of the Company's existing Shareholders will be diluted.</p>	Section 12.1(j)
Dilution Risk	<p>The Offers will result in the issue of a number of Shares. This means that each Share on issue at the date of this Prospectus will represent a significantly lower proportion of ownership in the Company. Existing EganStreet Shareholders should note that if they do not participate in the Offers, their holdings may be considerably diluted (as compared to their holdings at the date of this Prospectus).</p> <p>Upon completion of the Offers, and assuming the Maximum Subscription is achieved under the Public Offer, the existing Shares on issue will represent approximately 50.35% of the Company's enlarged share capital. If only the Minimum Subscription is raised the existing Shares on issue will represent approximately 52.72% of the Company's enlarged share capital following completion of the Offers.</p>	Section 12.1(k)
Economic conditions	<p>The value of Securities is affected by a number of general economic factors which are beyond the control of the Company and the Directors. Factors such as inflation, currency movements, interest rates, supply and demand and industrial disruption have the ability to affect operating costs, commodity prices, local and international economic conditions and general investor sentiment. In turn, these factors may affect the price of Securities.</p>	Section 12.2(d)

Topic	Summary	Details
Reliance on key personnel and ability to recruit additional personnel	The Company's operational success will depend substantially on the continuing efforts of Directors and senior executives. The loss of services of one or more Directors or senior executives may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.	Section 12.1(l)
Liquidity and realisation	There can be no guarantee that an active market in the Securities will develop or that the price of the Securities will increase. On completion of the Offers, 10.99% of the issued Shares and 3.67% of the Attaching Options will be subject to escrow with 89.01% of the issued Shares and 96.33% of the Attaching Options freely tradable.	Section 12.2(c)

4.4 Proposed use of funds and other key terms of the Offers

Topic	Summary	Details
What is the proposed use of funds raised under the Offers?	<p>The Company intends to apply its existing cash reserves and the funds raised pursuant to the Offers for:</p> <ul style="list-style-type: none"> • R C Drilling; • Diamond Drilling; • Mineral Resource estimation; • Studies; • Corporate overheads; • Expenses of the Offers; and • Working Capital. 	Section 6.9
Will the Company be adequately funded after completion of the Offers?	The Directors are satisfied that on completion of the Offers the Company will have sufficient working capital to carry out its business objectives as set out in this Prospectus.	Section 6.9
What are the key dates of the Offer?	<p>Lodgement of this Prospectus with ASIC: 28 July 2016 Record Date for Rights Issue: 4 August 2016 Opening Date for the Rights Issue: 4 August 2016 Closing Date for the Rights Issue : 22 August 2016 Closing Date for the Shortfall Offer and the Public Offer: 26 August 2016 Dispatch of holding statements: 9 September 2016 Expected date for Shares and Attaching Options to begin trading on ASX: 14 September 2016 The above dates are indicative only and may change without notice.</p>	
What rights and liabilities attach to the Shares being offered?	All Shares issued under the Offers will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 14.1.	Section 14.1

Topic	Summary	Details
What are the terms and conditions of the Attaching Options being offered?	The Attaching Options have an exercise price of \$0.25 each, expiring on the date which is 18 months from date of Official Quotation. The full terms and conditions of the Attaching Options are described in Section 14.2.	Section 14.2
Are the Offers underwritten?	The Rights Issue has been fully underwritten subject to the conditions set out in Sections 6.17 and 13.1. The Public Offer is not underwritten	Sections 6.17 and 13.1
Who is the underwriter to the Rights issue?	The Company has appointed Patersons Securities Limited as the Underwriter to the Rights Issue.	Sections 6.17 and 13.1
Will the Shares and Attaching Options issued under the Offers be listed?	The Company will apply for listing of the Shares and Attaching Options to be issued under the Offers on ASX under ASX code EGA and EGAO within seven days of the date of this Prospectus. Completion of the Offers is conditional on ASX approving this application.	Section 6.7
What are the tax implications of investing in Securities under the Offers?	The tax consequences of any investment in Securities will depend upon your particular circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Section 6.23
What is the Company's dividend policy?	The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to grow and develop its business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.	Section 6.12
How do I apply for Securities under the Offers?	Applications by Eligible Shareholders under the Rights Issue may be made using the BPAY facility established by the Company or by completing the Entitlement and Acceptance Form which must be accompanied by a cheque in Australian dollars for the full amount of the application being \$0.20 per Share and forwarded to the Share Registry. Applications for Securities under the Shortfall Offer and the Public Offer must be made by completing a relevant Application Form which must be accompanied by a cheque in Australian dollars for the full amount of the application being \$0.20 per Share and forwarded to the Share Registry. Cheques must be made payable to "Egan Street Resources Limited – Share Application Account" and should be crossed "Not Negotiable".	Section 6.13

Topic	Summary	Details
When will I receive confirmation that my application has been successful?	It is expected that holding statements will be sent to successful Applicants by post on or about 9 September 2016.	Section 3
How can I find out more about the Prospectus or the Offers?	Questions relating to the Offers can be directed to the Company on +61 8 6555 2955 between 9.00am and 5.00pm (WST) Monday to Friday. Questions relating to the completion of an Application Form can be directed to the Share Registry, on 1300 850 505 (International +61 3 9415 4000) between 9.00am and 5.00pm (WST) Monday to Friday.	Section 6.24

4.5 Board and Management

Topic	Summary	Details
Who are the Directors of the Company?	<p>The Board comprises:</p> <ul style="list-style-type: none"> Mr Barry Sullivan (Non-Executive Chairman) Mr Marc Ducler (Managing Director) Mr Hedley Widdup (Non-Executive Director) Mr Simon Eley (Non-Executive Director) <p>Refer to Section 8.1 for details of the relevant experience and expertise of the Directors.</p>	Section 8.1
Who are the key management personnel?	<p>The key management personnel of the Company are:</p> <ul style="list-style-type: none"> Mr Marc Ducler – Managing Director Mr Lindsay Franker - Chief Operating Officer Ms Julie Reid – Geology Manager <p>Refer to Sections 8.1 and 8.5 for details of the relevant experience and expertise of the key management personnel.</p>	Sections 8.1 and 8.5
What are the significant interests of Directors?	<p>The interests of the Directors are detailed in Section 8.2.</p> <p>The security holdings of Directors are set out in Section 8.3.</p> <p>Section 8.6 sets out details of related party agreements and transactions with the Company from which the Directors may benefit.</p> <p>These comprise customary executive service agreements, consultancy agreements, appointments and deeds of indemnity, insurance and access.</p>	Sections 8.2, 8.3 and 8.6
Are there any relationships between the Company and parties involved in the Offers that are relevant to investors?	<p>The Company has appointed Patersons Securities Limited as the Underwriter to the Rights Issue. Refer to Sections 6.17 and 13.1 for details of the terms of the Underwriting Agreement.</p> <p>The Company has been advised by LSG that its current intention is to subscribe for 100% of its Entitlements under the Rights Issue (\$925,488), and that it is a Sub-Underwriter of \$274,512 in the Shortfall Offer.</p>	<p>Sections 6.17 and 13.1</p> <p>Section 6.18</p>

4.6 Miscellaneous

Topic	Summary	Details
What material contracts is the Company a party to?	<p>The Company has entered into the Underwriting Agreement with Patersons Securities Limited.</p> <p>In connection with the acquisition of the Rothsay Tenements (other than the application for E59/2183), the Company has an obligation to pay a royalty of \$10 per ounce of gold extracted from the Rothsay Tenements (including part of E59/2183, if granted, only) commencing once EganStreet has produced 10,000 ounces from the those tenements up until the date on which \$700,000 has been paid, at which time the royalty shall be extinguished.</p>	Section 13
What is the financial position of the Company post completion of the Offers?	<p>Financial information regarding the Company is considered in the Investigating Accountant's Report in Section 11 of this Prospectus.</p>	Section 11
Will any Shares and Attaching Options be subject to escrow?	<p>No Securities issued under the Offers will be subject to escrow.</p> <p>A number of Securities on issue prior to the date of this Prospectus and to be issued prior to listing on ASX will be subject to escrow for up to 12 or 24 months from the date of Official Quotation. Details are contained in Section 6.11.</p>	Section 6.11

5. Chairman's Letter

On behalf of the Directors of EganStreet it is my great pleasure to introduce this Prospectus to you, and invite you to become a Shareholder of the Company.

EganStreet was incorporated in 2010 to focus on acquiring and developing small, high grade gold projects, and acquired the Rothsay Gold Project in 2011, which is described in Section 7 of this Prospectus. Through the depressed mining investment market of 2012-2015, the Company collated exploration, mining and processing data, as well as exploring in its own right. In 2015, the Company appointed new management in order to lead the assessment of potential redevelopment of the project.

The Rothsay Gold Project is located in the Mid West region, approximately 300km north north east of Perth, and has seen historic mining of high grade gold. The Rothsay Gold Project provides an exciting gold exploration and resource definition opportunity. It covers 69.4 square kilometres and contains an Indicated and Inferred Mineral Resource of 624kt @ 11.3g/t Au for 226k ounces (Indicated 318kt @ 11.7g/t Au and Inferred 306kt @ 11g/t Au) at a 5.0 g/t Au cut-off estimated in accordance with the 2012 edition of the JORC Code (see section 4.3 of the Independent Geologists Report in Section 9 for further information) (**Rothsay Mineral Resource**).

Significantly, there are multiple additional prospects and resource extension opportunities that are suggestive of further high grade gold resources at the project, which, if proven, would enable growth of the Resource. Details of the Rothsay Mineral Resource and geological potential are contained in Section 7 of this Prospectus. It is the Company's intention to conduct Mineral Resource definition and extension drilling and project economic studies with a view to developing Rothsay into a profitable, stand-alone gold producing mine.

The Board believes that the Rothsay Gold Project represents an exciting opportunity.

Directors and management of EganStreet have considerable experience in mining project assessment, development and operations. Executive management will be provided by Managing Director Mr Marc Ducler, and Chief Operating Officer Mr Lindsay Franker, who between them have extensive experience operating and developing mining projects in Australia, and EganStreet is very fortunate to secure the services of such knowledgeable and skilled technical individuals.

This Prospectus has been issued by EganStreet for the purpose of offering of up to 30,000,000 Shares at \$0.20 each to raise up to \$6 million (before costs of the Offers). The fund raising consists of two offers:

- (a) a rights issue offered to existing Shareholders on the basis of five (5) Shares for every six (6) Shares held, fully underwritten by Patersons Securities Limited to raise approximately \$5.4 million (before costs) and;
- (b) a public offer to raise up to approximately \$0.6 million (before costs).

For every two (2) Shares subscribed in the Offers investors will receive three (3) free Attaching Options.

Major Shareholder Lion Selection Group Limited has advised its current intention is to subscribe for 100% of its Entitlements under the Rights Issue (\$925,488), and that it is a Sub-Underwriter of \$274,512 in the Shortfall Offer.

Major Shareholder Chris Retzos has advised that he and related parties intend to subscribe for 100% of their Entitlements under the Rights Issue (\$608,333.22), and that they are Sub-Underwriters of \$500,000 in the Shortfall Offer.

The majority of the proceeds from the Offers will be applied to drilling and project economic studies to assess the options for recommencing gold production at the project and support future growth of the Company. Listing of the Company on ASX provides liquidity to existing shareholders, the opportunity for new Shareholders to invest in the Company, and improves the Company's ability to access capital markets and enhances the Company's public profile.

This Prospectus contains detailed information about the Offer and EganStreet's business, as well as the risks of investing in the Company. I encourage you to read it carefully.

On behalf of the Board, I invite you to become a Shareholder in EganStreet and to share a part of this exciting investment opportunity.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'B. Sullivan', with a horizontal line underneath.

Barry Sullivan
Chairman

6. Details of the Offers

6.1 The Offers

Under this Prospectus, the Company offers a total of up to 30,000,000 Shares and up to 45,000,000 Attaching Options by way of the following Offers:

- (a) Rights Issue: a fully underwritten rights issue offered to Eligible Shareholders, of up to 27,097,768 Shares, with three (3) free Attaching Options for every two (2) Shares subscribed for (a total of 40,646,649 free Attaching Options);
- (b) Shortfall Offer: a shortfall offer (to the extent Eligible Shareholders do not take up their Entitlements under the Rights Issue) made to Sub-Underwriters, of up to 27,097,768 Shares, with three (3) free Attaching Options for every two (2) Shares subscribed for (a total of 40,646,649 free Attaching Options); and
- (c) Public Offer: an offer to the general public of up to 2,902,232 Shares, with three (3) free Attaching Options for every two (2) Shares subscribed for (a total of 4,353,351 free Attaching Options).

The Offers will together raise up to \$6,000,000 (before costs of the Offer), without taking into account any funds that may be raised on the exercise of the Attaching Options.

Applications for Securities must be made on the relevant Application Form as provided with a copy of this Prospectus and received by the Company on or before the Closing Dates. Persons wishing to apply for Securities should refer to Section 6.13 for further details and instructions.

6.2 Minimum Subscription

The Minimum Subscription is the amount to be raised under the Rights Issue of \$5,419,554 (before costs of the Offers) which has been fully underwritten by Patersons Securities Limited.

No Securities will be issued or allotted under this Prospectus until the Minimum Subscription has been achieved. If the Minimum Subscription has not been raised within four months after the date of this Prospectus (or such longer period as may be permitted under the Corporations Act), the Company will either refund Application Monies in full or issue a supplementary prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Monies.

6.3 Rights Issue

If you are an Eligible Shareholder you are invited to apply for Securities pursuant to this Prospectus under the fully underwritten Rights Issue, on the basis of five (5) Shares for every six (6) Shares held by you at the Record Date at an issue price of \$0.20 per Share. For every two (2) Shares subscribed for, you will receive three (3) free Attaching Options.

All Shares issued pursuant to the Rights Issue will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 14.1. Each Attaching Option will be exercisable at \$0.25 and will expire on the date which is

18 months from the date of Official Quotation and will otherwise be on the terms and conditions set out in Section 14.2.

You are an Eligible Shareholder if you have a registered address in Australia or New Zealand, and are registered as the holder of Shares at 5.00 pm WST time on the Record Date. Your Entitlement will be calculated based on the number of Shares for which you were then the registered holder. If the calculation of your Entitlement results in a fraction of a share your Entitlement will be rounded down.

Entitlements are non-renounceable. Accordingly, you will not be able to trade rights or transfer your Entitlement to another party.

6.4 Shortfall Offer

Any Shares offered but not subscribed for and allocated under the Rights Issue will be available under the Shortfall Offer each at an issue price of \$0.20 per Share. Applicants will receive three (3) free Attaching Options for every two (2) Shortfall Shares subscribed for under the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open until the Closing Date set out in Section 3. The Securities issued under the Shortfall Offer will be issued on the same terms as those issued under the Rights Issue.

Applications under the Shortfall Offer are restricted to Sub-underwriters, and the Shortfall Offer is not open to existing Shareholders or the general public.

The Directors will allocate the Shortfall as directed by the Underwriter.

6.5 Public Offer

By this Prospectus the Company is making an offer of up to 2,902,232 shares each at an issue price of \$0.20 per share to raise up to \$580,446 (before costs of the Offers).

Applicants will receive three (3) free Attaching Options for every two (2) Shares subscribed for under the Public Offer.

All Shares issued pursuant to the Public Offer will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 14.1 of the Prospectus. Each Attaching Option will be exercisable at \$0.25 and will expire on the date which is 18 months from date of Official Quotation and will otherwise be on the terms and conditions set out in Section 14.2.

The Directors retain the discretion to allocate the Securities under the Public Offer in their absolute discretion (in consultation with the Underwriter).

6.6 Conditions of Offers

The Offers are conditional upon the following events occurring:

- (a) the Company raising the full amount under the underwritten Rights Issue (refer to Section 6.2); and

- (b) ASX granting conditional approval for the Company to be admitted to the Official List (refer to Section 6.7),

(together the **Offer Conditions**)

If the Offer Conditions are not achieved, then the Company will not proceed with the Offers and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

6.7 ASX Listing

The Company will apply to ASX within seven days after the date of this Prospectus for admission to the Official List and for Official Quotation of the Shares and Attaching Options, other than those Shares and Attaching Options that ASX is likely to treat as Restricted Securities. For information on the Shares and Attaching Options which are likely to be treated as Restricted Securities, please refer to Section 6.11.

If the Shares and Attaching Options are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares or Attaching Options and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares and Attaching Options is not to be taken in any way as an indication of the merits of the Company or the Shares or Attaching Options now offered for subscription.

If granted, quotation of the Shares and Attaching Options will commence as soon as practicable after allotment of Shares and Attaching Options to Applicants.

6.8 Purpose of the Offers

The purpose of the Offers is to:

- (a) facilitate an application by the Company for admission of the Company to the Official List;
- (b) provide capital to progress the Rothsay Gold Project (see Section 7.5);
- (c) provide the Company with access to equity capital markets for future funding needs;
- (d) enhance the public profile of the Company;
- (e) meet the costs of the Offers; and
- (f) provide working capital.

6.9 Use of Funds

The table below sets out the intended use of funds raised under the Prospectus on the basis of the Company raising the full amount of the Offers in the year following completion of the Offers:

Use of funds	Minimum Subscription	Maximum Subscription
Cash on hand at 30 June 2016	\$184,000	\$184,000
Funds raised under the Offers	\$5,419,554	\$6,000,000
Total funds available	\$5,603,554	\$6,184,000
Drilling	\$2,200,000	\$2,800,000
Resource Estimation	\$50,000	\$50,000
Studies	\$550,000	\$550,000
Corporate overheads	\$925,000	\$925,000
Expenses of the Offers	\$687,650	\$727,650
Working capital ⁽¹⁾	\$1,190,904	\$1,131,350
Total funds Allocated	\$5,603,554	\$6,184,000

¹ Unallocated working capital will be utilised by the Company to meet general corporate costs, to pay for cost overruns in budgeted expenditures (if any), or in expenditures depending on results achieved and in the administration of the Company.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the results of its exploration activities, the results of studies undertaken, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Offers the Company will have sufficient working capital to meet its stated objectives as set out in this Prospectus.

The Company may require further debt or equity fundraisings in the future to fund its exploration or development activities or capitalise on new opportunities which may arise.

6.10 Capital Structure

The proposed pro forma capital structure of the Company following completion of the Offers is as follows:

Shares	Minimum Subscription	Maximum Subscription
Shares on issue before completion of the Offers	32,517,398	32,517,398
Shares offered under the Offers	27,097,768	30,000,000
Shares to be issued for outstanding loans and creditors	2,061,896	2,061,896
Total Shares on issue at the completion of the Offers	61,677,062	64,579,294

Options	Minimum Subscription	Maximum Subscription
Options on issue before completion of the Offers	10,825,000 ¹	10,825,000 ¹
Options offered under the Offers	40,646,610 ²	45,000,000 ²
Options to be issued for outstanding loans and creditors	3,092,843 ²	3,092,843 ²
Total Options on issue on completion of the Offers	54,564,453	58,917,843

- 1 1,875,000 Options exercisable at \$0.18 expiring on 17 June 2018;
700,000 Options exercisable at \$1.00 expiring 2 years from the date of Official Quotation
8,250,000 Incentive Options exercisable at \$0.25 expiring 3 years from the date of Official Quotation
- 2 Attaching Options Exercisable at \$0.25 expiring on 18 months from the date of Official Quotation.

Refer to Sections 14.1, 14.2 and 14.3 for the rights and obligations attaching to the Shares, Attaching Options and Incentive Options.

The Company has adopted an employee share option plan and is planning to implement the plan post admission to the Official List. Section 14.5 contains a summary of the terms and conditions of the plan. No decision has been made as to the number of Securities to be issued under the plan.

6.11 Restricted Securities

Chapter 9 of the Listing Rules prohibits holders of Restricted Securities from disposing of those Securities or an interest in those Securities or agreeing to dispose of those Securities or an interest in those Securities for the relevant restriction periods. The holder is also prohibited from granting a security interest over those Securities.

Subject to the Company being admitted to the Official List, certain Shares and Options on issue prior to the Offers or to be issued prior to listing may be classified by ASX as Restricted Securities and may be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Securities are prohibited from being transferred, trading in Securities may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Securities in a timely manner.

It is anticipated that:

- 7,146,611 Shares will be escrowed for 24 months from the date of Official Quotation (primarily held by Directors and entities holding promoter shares);
- 875,000 Shares will be escrowed for 12 months from the date of Official Quotation (held by vendors of assets acquired by the Company);
- 250,000 Shares will be escrowed for 12 months from the date the Shares were issued;
- 1,764,593 Attaching Options (and any Shares issued on exercise of those Attaching Options) will be escrowed for 24 months from the date of Official Quotation (primarily held by Directors and entities holding promoter shares);
- 833,333 Options exercisable at \$0.18 on or before 17 June 2018 (and any Shares issued on exercise of those Attaching Options) will be escrowed for 24 months from the date of Official Quotation (primarily held by Directors and entities holding promoter shares);
- 1,041,667 Options exercisable at \$0.18 on or before 17 June 2018 (and any Shares issued on exercise of those Attaching Options) will be escrowed for 12 months from the date the Options were issued; and
- 8,250,000 Incentive Options (and any Shares issued on exercise of those Incentive Options if exercised in the escrow period) granted to the Directors will be subject to ASX escrow for 24 months from the date of Official Quotation. Refer to Section 8.3 for the numbers of Incentive Options held by each Director and to Section 14.3 for the terms and conditions of the Incentive Options, including as to vesting.

None of the Shares or the Attaching Options issued under the Offers are expected to be Restricted Securities.

6.12 Dividend Policy

The Company does not expect to declare any dividends in the near future as its focus will primarily be on using cash reserves to grow and develop its business.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances can be given by the Company in relation to the payment of dividends or that franking credits may attach to any dividends.

6.13 Applications under the Offers

(a) Rights Issue

Pay by BPAY

Eligible Shareholders may apply and pay for their Entitlements using BPAY. If you wish to pay by BPAY, you do not need to return your Entitlement and Acceptance Form. Refer to the Section titled "Payment using BPAY" on the Entitlement and Acceptance Form for further details.

Payment by BPAY must be received before the Closing Date, 5.00 pm WST on 22 August. If paying by BPAY you will be deemed to have completed an Entitlement and Acceptance Form for the number of Securities that your application payment equates to.

Please make sure to use the specific Biller Code and unique Customer Reference Number on your Entitlement and Acceptance Form. If you received more than one personalised Entitlement and Acceptance Form, you will need to complete individual BPAY transactions using the Customer Reference Number specific to each individual personalised Entitlement and Acceptance Form that you receive. If you have inadvertently used the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied for only your Entitlement to which that Customer Reference Number applies and any excess amount will be refunded.

Pay by cheque, bank draft or money order

If you wish to pay by cheque, bank draft or money order, complete the Entitlement and Acceptance Form in accordance with the instructions set out in the form. Cheques must be in Australian currency only made payable to "**Egan Street Resources Limited – Share Application Account**" and crossed "Not Negotiable". Applicants must not forward cash. Receipts for payments will not be issued.

Entitlement and Acceptance forms, together with payment should be sent by post to the Company's Share Registry as detailed below, to arrive no later than the Closing Date, 5.00 pm WST on 22 August 2016. Payments by cheque, bank draft or money order will be deemed to have been made when the cheque, bank draft or money order is honoured by the bank on which it is drawn. Applications made by Eligible Shareholders in excess of their Entitlement will be refunded.

Completed Entitlement and Acceptance Forms and accompanying cheques must be received by the Share Registry before 5.00pm (WST) on the Closing Date at the following address:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

(b) Shortfall Offer

The Shortfall Offer is only available to the Underwriter or Sub-Underwriters.

If you have been invited by the Underwriter to participate in the Shortfall Offer as a Sub-Underwriter, you will be notified of your proportionate allocation of Shortfall Shares and Attaching Options within two (2) Business Days of the Closing Date for the Rights Issue. Upon such notification, you will be required to complete the relevant Shortfall Application Form accompanying this Prospectus and lodge the Shortfall Application Form together with the Application Monies in full prior to 5.00pm (WST) on the Closing Date for the Shortfall Offer in accordance with the Underwriter's instructions.

(c) Public Offer

If you wish to apply for Securities in the Public Offer complete the relevant Public Offer Application Form accompanying this Prospectus. The Public Offer Application Form should be returned, together with the Application Monies in full, prior to 5.00pm (WST) on the closing date for the Public Offer to the Share Registry.

Refer to the instructions on the back of the Public Offer Application Form when completing your Application. Cheques must be made payable to "**Egan Street Resources Limited – Share Application Account**" and crossed "Not Negotiable". All cheques must be in Australian currency.

An original completed and lodged Public Offer Application Form, together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Public Offer Application Form. The Public Offer Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted to the Company upon allotment of the Securities.

The Public Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Public Offer Application Form as early as possible. However, the Company reserves the right to extend the Public Offer or accept late Applications.

Completed Public Offer Application Forms and accompanying cheques must be received by the Share Registry before 5.00pm (WST) on the Closing Date at the following address:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

6.14 Application Monies to be held on Trust

Until the Securities are issued under this Prospectus, the Application Monies for Securities will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. If the Securities to be issued under this Prospectus are not admitted to quotation within three months after the date of this Prospectus, no Securities will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

6.15 Allocation of Securities

The Directors will determine the recipients of the Securities under the Shortfall Offer and the Public Offer in consultation with the Underwriter. The Directors (in conjunction with the Underwriter) reserve the right to reject any Application received in the Shortfall Offer, the Public Offer or to issue a lesser number of Securities than that applied for. If the number of Securities allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded by cheque to the Applicant (without interest).

Subject to ASX granting conditional approval for the Company to be admitted to the Official List, the issue of the Securities will occur as soon as practicable after the Offers close. Holding statements will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Securities.

Applicants who sell the Securities before they receive their holding statement will do so at their own risk.

6.16 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute Offers in any place in which, or to any person to whom it would not be lawful to make such Offers or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register this Prospectus or qualify the Securities or otherwise permit a public offering of the Securities, the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

6.17 Underwriter

Pursuant to an Underwriting Agreement between the Company and the Underwriter, the Underwriter has agreed to underwrite the Rights Issue and manage the Offers thereby guaranteeing (unless the Underwriting Agreement is terminated) that the Offers will raise \$5,419,553 in total (before costs of the Offer and subject to the terms of the Underwriting Agreement).

The Company will pay the Underwriter the following fees in connection with the Offers:

- an underwriting/selling fee of 6.5% of the total gross amount raised from all sources under the Offers (all sub-underwriting and selling fees to third parties will be met from this fee by the Underwriter); and
- a corporate advisory fee of \$79,800.

A summary of the Underwriting Agreement, including the events whereby the Underwriter may be released from its obligations under the Underwriting Agreement, is set out in Section 13.1.

The potential effect on control of the Company of the Underwriting Agreement is set out in Section 6.18.

6.18 Potential effect on Control

As at the date of this Prospectus, the Shareholders who have a substantial shareholding in the Company are as follows:

Shareholder	No. Shares Held	% interest as at date of Prospectus
Lion Selection Group Limited (LSG)	5,552,931	17.08
Chris Retzos and related entities	3,650,000	11.22

The potential effect the Offers will have on the control of the Company's undiluted share capital will depend on the extent to which Shareholders take up their Entitlement under the Rights Issue and the extent to which other investors subscribe for Securities under the Shortfall Offer and the Public Offer.

The Company has been advised by LSG that its current intention is to subscribe for 100% of its Entitlements under the Rights Issue (\$925,488), and that it is a Sub-Underwriter of \$274,512 in the Shortfall Offer.

The Company has been advised by Chris Retzos that his current intention is to subscribe for 100% of its Entitlements under the Rights Issue (\$608,333.22), and that he is a Sub-Underwriter of \$500,000 in the Shortfall Offer.

Any Shareholder that does not participate in the Offers will be diluted by up to 49.65% if the Offers are fully subscribed and by 47.28% if only the Minimum Subscription is raised (assuming no Options are exercised).

If the Maximum Subscription is received the substantial shareholders in the Company are expected to be as follows (assuming that no existing Shareholders participate in the Shortfall Offer or the Public Offer other than as detailed above and no Options are exercised):

Shareholder	No. Shares Held	% interest post Offers
Lion Selection Group Limited	11,164,475 ¹	17.29
Chris Retzos and related entities	8,484,125 ²	13.14

¹ Based on taking up 100% of Entitlements and sub-underwriting position assuming the substantial Shareholders are the only Shareholders to take up their Entitlements.

² Based on taking up 100% of Entitlements and sub-underwriting position assuming the substantial Shareholders are the only Shareholders to take up their Entitlements.

The obligations of the Underwriter are fully sub-underwritten. Accordingly it is not expected the Underwriter will acquire any significant voting power.

6.19 CHESS and Issuer Sponsorship

The Company will apply to participate in Clearing House Electronic Subregister System (CHESS), for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

All trading on ASX in the Securities will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of Securities.

Under CHESS, the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their holder identification number or security holder reference number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship. Ownership of Securities can be transferred without having to rely upon paper documentation.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Security holdings changes. Shareholders may request a statement at any other time, however a charge may be made for additional statements.

6.20 Risks

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 12 of this Prospectus. The Securities offered under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

6.21 Forecast Financial Information

Given the nature of the Company's business and the fact the Company is in an early stage of development, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On this basis and after considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared and accordingly have not included financial forecasts in this Prospectus.

6.22 Privacy Statement

If you complete an Application for Securities you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Securities in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised securities brokers; print service providers; mail houses and the Share Registry.

You can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

6.23 Taxation

The acquisition and disposal of Securities in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

6.24 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Securities under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Offers can be directed to the Company on +61 6555 2955 between 9.00am and 5.00pm (WST) Monday to Friday.

Questions relating to the completion of an Application Form can be directed to the Share Registry on 1300 850 505 (International +61 3 9415 4000) between 9.00am and 5.00pm (WST) Monday to Friday.

7. Company Overview

7.1 Background

The Company was incorporated on 22 June 2010 as Auricup Resources Limited with an objective to identify and acquire precious and base metal projects and exploration interests. In June 2016 the Company was renamed Egan Street Resources Limited (**EganStreet**).

In July 2011, EganStreet acquired the Rothsay Gold Project. Since that time the Company has compiled extensive historical data into a useable form as well as completed 2,200 metres of gold exploration drilling, which has resulted in the estimation of an Indicated and Inferred Mineral Resource of 624kt @ 11.3g/t Au for 226k ounces (Indicated 318kt @ 11.7g/t Au and Inferred 306kt @ 11g/t Au) at a 5.0 g/t Au cut-off estimated in accordance with the 2012 edition of the JORC Code (see section 4.3 of the Independent Geologists Report in Section 9 for further information (**Rothsay Mineral Resource**)).

Contingent on the results of further exploration activity and appropriate mining and project feasibility studies being carried out, the Rothsay Gold Project presents the Company with a potential near-term production opportunity.

EganStreet has a Board of Directors and management team with a strong development and operational background focused on realising the potential near term, high grade, low capital cost development of the Rothsay Gold Project.



Figure 1: Location of Rothsay Gold Project

7.2 The Rothsay Gold Project

(a) Background

The Rothsay Gold Project is located approximately 300 kilometres north-north east of Perth, in the Southern Murchison region of Western Australia (Figure 2). The Rothsay Project covers an area of approximately 69.4 km² comprising the Rothsay Tenements (see Section 10 of this Prospectus containing the Mining Tenement Report). The Rothsay Project contains the Rothsay Mineral Resource. The Project has historically been partially exploited by shallow open-pits and underground mining techniques up until the early 1990's.

Gold was discovered in the Rothsay Gold Project region in 1894. Historic gold produced totals an estimated 54,000oz. The Project was last mined by Metana Minerals NL, which ceased production in May 1991 after the gold price fell below US\$360/oz. Extensive underground development infrastructure from historical workings remains in place.



Figure 2: Location of Rothsay Gold Project

(b) Project Geology

The Rothsay Gold Project is located within the Warriedar Greenstone gold belt and the project area is host to gold mineralisation along an estimated +12km of strike, which occurs as a number of shear-hosted quartz veins parallel to bedding in a succession of high magnesium basalt and peridotite-gabbro sills (Figure 3).

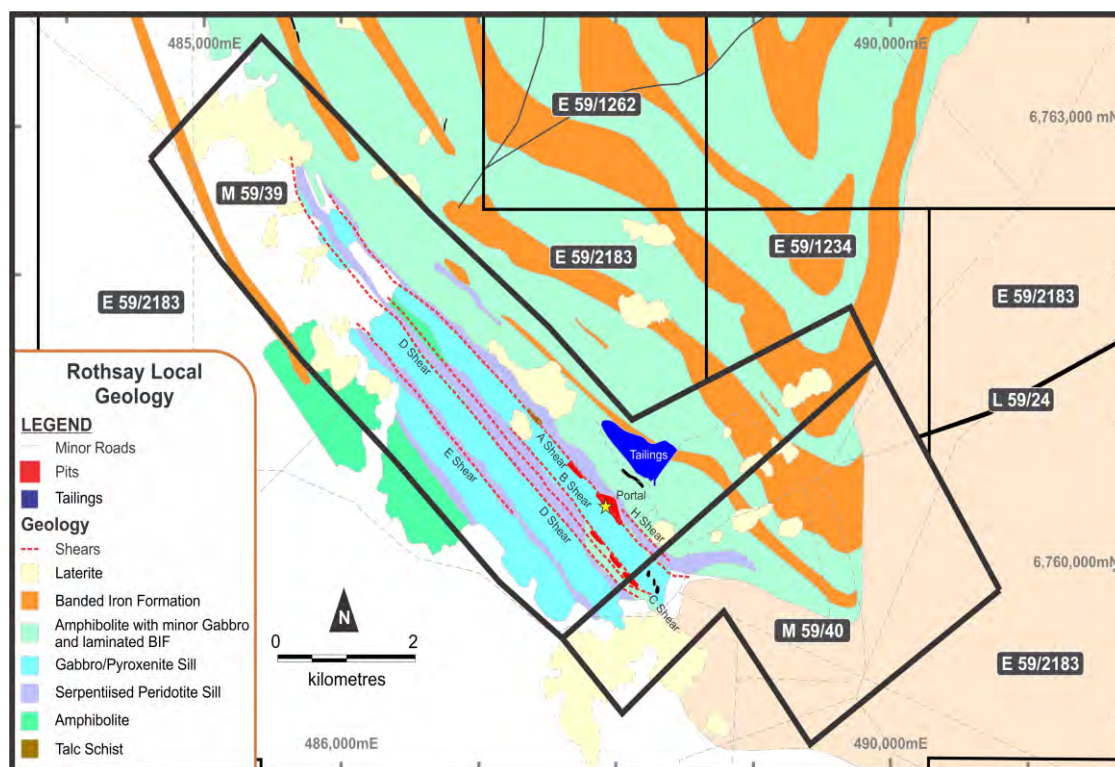


Figure 3 – Rothsay Gold Project Local Geology

Five parallel, north-westerly trending lines of workings have been identified as shears "A" to "E". Of the five shears, only the "A" shear has been methodically drilled with very limited, shallow drilling on the remaining four shears. The "A" shear alone contains an Indicated and Inferred Mineral Resource of 612kt @ 11.4g/t Au for 223k ounces (Indicated 318kt @ 11.7g/t Au and Inferred 294kt @ 11.0g/t Au) ("A" Shear Mineral Resource) (see Table 4.5 in section 4.3 of the Independent Geologist's Report in Section 9 for further information). There are currently no substantial Mineral Resources identified on the remaining four shears. However, historical stoping is visible from surface on shears "A", "D" and "E" and an additional "Hanging Wall" shear ("H" shear) has been interpreted. EganStreet considers that potential exists to increase the Mineral Resource in the "A" shear and that gold mineralisation similar to that already identified hosted in the "A" shear may be identified in one or more of shears "B" to "E".

The "B" shear has had a number of small, shallow pits completed along a part of its strike and the shear extent to the north is largely untested with the average depth being 31.2 metres. In addition, the "C" and "D" and "E" shears remain virtually untested. Each of these shears offers the potential to host both open pit and underground resources (Figure 4). There is a collective +12km of strike between the "A", "B", "C", "D" and "E" shears' interpreted extents. EganStreet believes that the evidence of historic mining is indicative that gold mineralisation has been developed on each of the identified shears, making each geologically prospective for exploration targeting purposes.

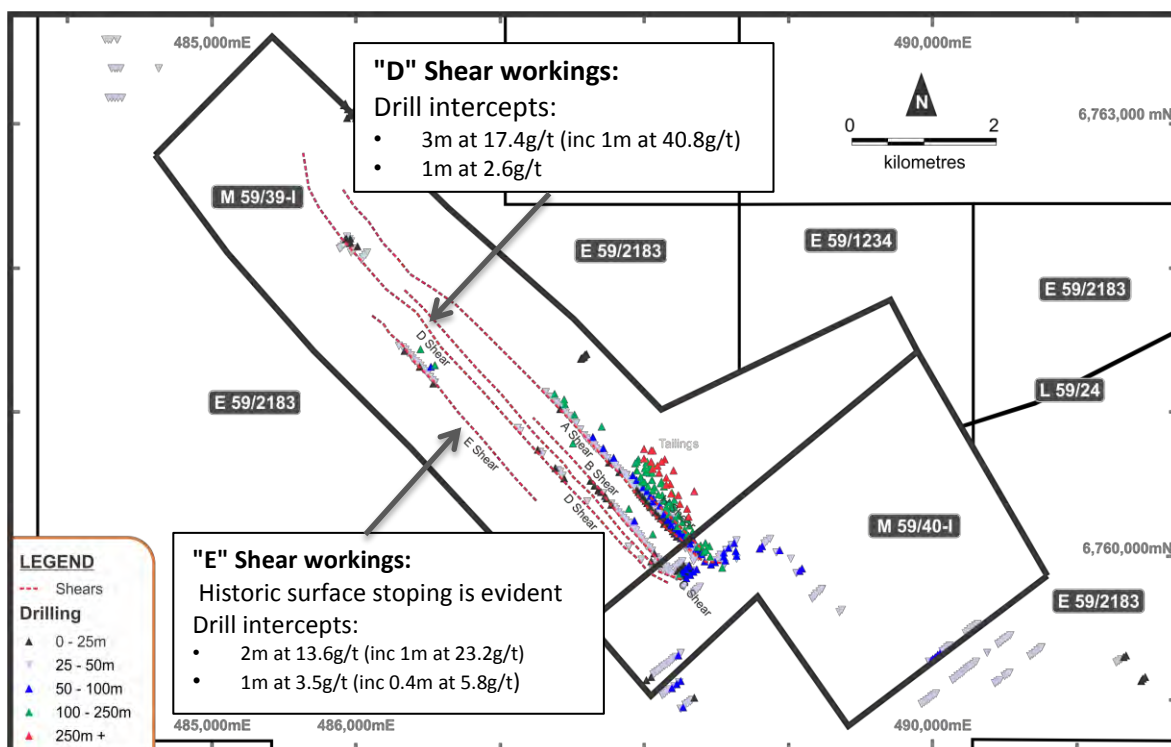


Figure 4 – Rothsay Drilling collar locations, colour coded by end of hole depth

A long projection of mineralisation that has been drilled on the "A" shear is presented in Figure 5. This illustrates the current limit of interpretation of mineralisation and contains the "A" shear Mineral Resource. Contours are gram metres of the assays returned from drilling. Also evident from the image are the untested portions both along strike from the ore body and at depth. The cross-section below (Figure 6) displays significant drill intercepts inside the "A" shear and "H" shear mineralised trend, historic mined area, and the "B" shear mineralisation, which is untested at depth.

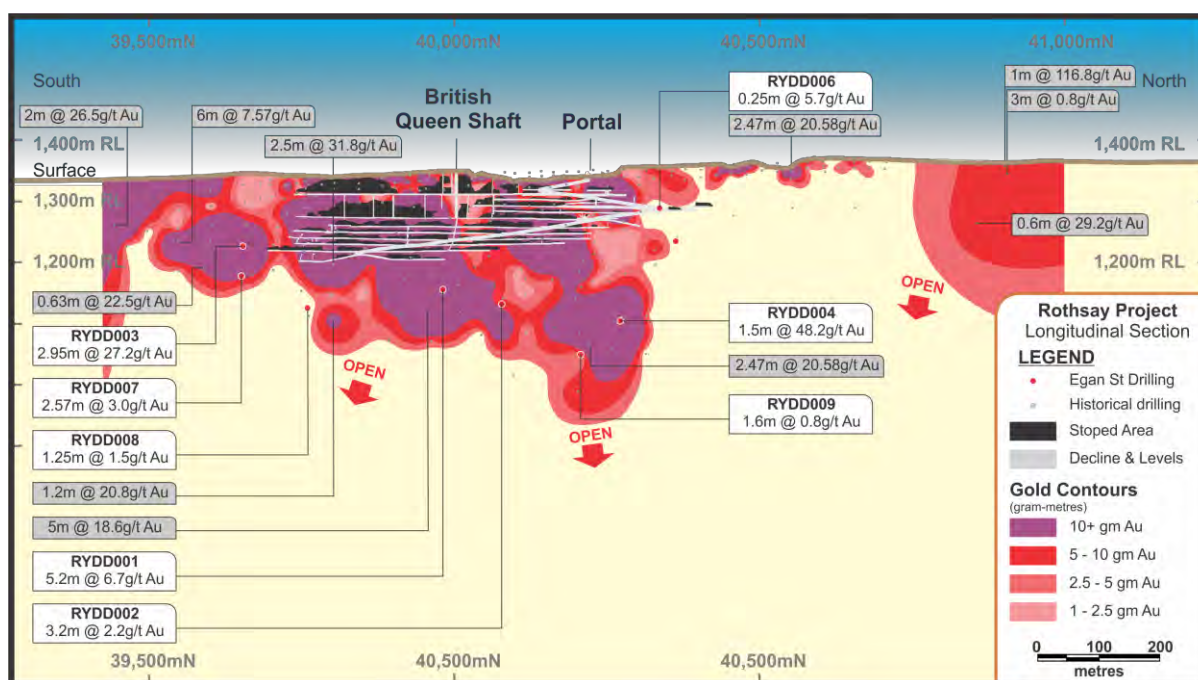


Figure 5 – Rothsay Gold Project "A" Shear Long Section with Significant Intercepts

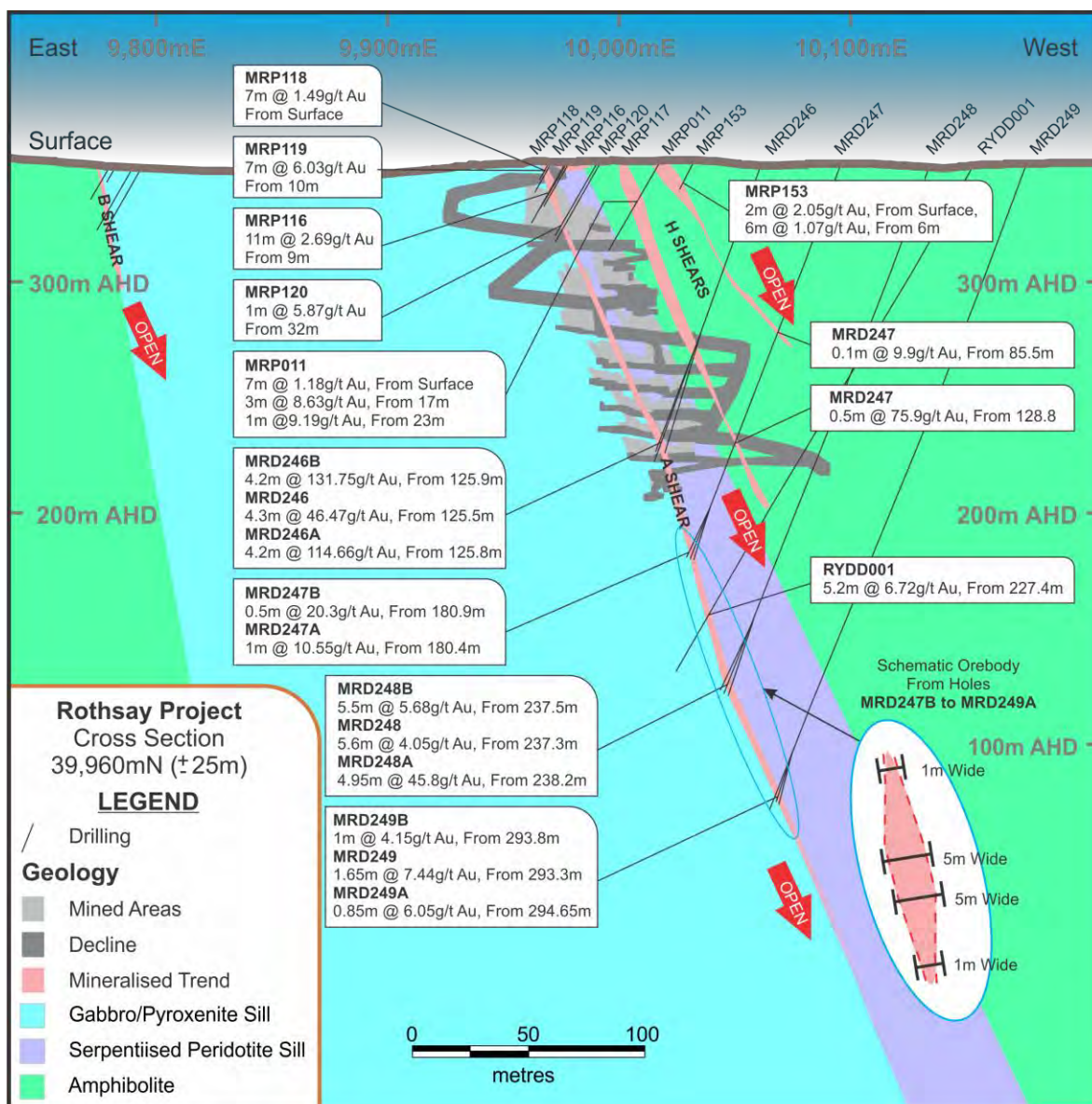


Figure 6 – Rothsay Gold Project "A" Shear Cross Section Displaying Significant Drill Intercepts

(c) **Rothsay Mineral Resource Estimate**

The Rothsay Mineral Resource estimate was completed by Cube Consulting in 2016 (Table 1).

Table 1 – Rothsay Undiluted Resource Calculated at 5 g/t Au cut-off (Cube Consulting 2016)

Cut-off g/t	Indicated			Inferred			Total		
	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	318	11.7	119	306	10.8	107	624	11.3	226

(d) **Project Metallurgy**

Based on previous mining at the Rothsay Gold Project the Company has data in relation to historic metallurgical performance.

From monthly mining production reports dating back to 1990 the Company has been able to determine that the Carbon in Pulp processing infrastructure in place at the time was capable of recovering an average of 94.5% of the contained gold.

In addition, Menzies Gold Limited in 2002, drilled 5 diamond drill holes as part of a metallurgical drill programme and submitted 2 representative samples for gravity and cyanidation test work. The composited samples assayed at 18.54g/t Au and 10.52g/t Au and the metallurgical recoveries returned were 97.9% and 96.8% respectively.

EganStreet believes that results of previous production and recent test work provide a strong indication that acceptable metallurgical performance at the Rothsay Gold Project could be achieved by utilising processing flowsheets including conventional gravity and cyanidation unit processes.

(e) **Infrastructure**

Extensive underground development infrastructure from historical workings remains in place. In addition, there is significant surface infrastructure in place including a tailings storage facility, access and haul roads, air strip and permitted bore fields.

7.3 Proposed Exploration Programs

The initial exploration program will focus on testing for strike extensions to the "A" shear mineralisation. The "A" Shear Mineral Resource in this area is defined along 1500 strike metres of a structure which has been interpreted to extend for approximately four kilometres. Shallow drilling further along strike of "A" shear indicates potential for additional gold mineralisation. The mineralisation identified to date has been drill tested to an average of diamond drillhole depth of 202 metres and, as such, testing of depth extensions will form an important aspect of the exploration program.

Testing of the "B" (host to three shallow open pits), "C", "D" and "E" shears will also form a significant component of the exploration program for the project.

The exploration work plan is summarised below:

- Complete approximately 2,600 metres of RC drilling and 7,000 metres of diamond core infill drilling to expand known mineralisation and to increase the Indicated portion of the Rothsay Mineral Resource and to test the strike and depth extensions of the "A" shear mineralisation;
- Complete approximately 800 metres of RC drilling and 900 metres of diamond core drilling along the "B" shear to test for mineralisation;
- In the event that the Offers are fully subscribed, a further 1,600 metres of RC drilling and 1,800 metres of diamond core drilling along the "C", "D" and "E" shears will be undertaken to test for mineralisation.

7.4 Proposed Study and Evaluation Work – Rothsay Gold Project

In addition to the exploration activities at the Rothsay Gold Project outlined in Section 7.3 the Company is focused on advancing the Rothsay Gold Project with a view to generating

near term cash-flow from gold production. Proposed activities to advance this objective include the following:

- Re-estimation of the Mineral Resource following completion of the exploration program proposed in Section 7.3;
- Completion of mining, processing and infrastructure option studies; and
- Compilation of a feasibility study to a sufficient level of detail to secure the requisite debt funding for project development.

The Company intends to commence a Scoping Study prior to the completion of the Offers which is expected to be completed shortly after completion of the Offers.

7.5 Proposed Budget

Estimates of expenditure to be incurred to carry out the proposed programs as outlined in Sections 7.3 and 7.4 are summarised in the table below:

Location	Activity	Minimum Subscription \$	Maximum Subscription \$
A Shear	RC Drilling	300,000	300,000
	Diamond Drilling	1,600,000	1,600,000
	Resource Estimation	50,000	50,000
	Scoping Study	50,000	50,000
	Feasibility Study	500,000	500,000
B Shear	RC Drilling	110,000	110,000
	Diamond Drilling	190,000	190,000
C, D & E Shear	RC Drilling	-	220,000
	Diamond Drilling	-	380,000
Total		2,800,000	3,400,000

It should be noted that the exploration activities and budget are subject to modification on an ongoing basis contingent on the results obtained from continuing exploration activities.

Due to market conditions, the development of new opportunities and or any number of other factors (including the risk factors outlined in this Prospectus), actual expenditure levels may differ significantly to the above estimates. The Company also intends to capitalise on other opportunities as they arise which may result in costs being incurred that are not included in these estimates.

For further details about the application of funds raised from the Offer refer to Section 6.9 of this Prospectus.

7.6 Other Projects

The Company also has a 50% interest in several mining concessions (both granted and applications) in the Sonora region of Mexico within the Sierra Madre Occidental Belt and a 100% interest in an application for a tenement at Victoria Bore in Western Australia. The concessions in Mexico are prospective for gold and silver and Victoria Bore tenement is prospective for gold and copper. These concessions and tenements are considered not material by the Company and accordingly the Company does not have any current intention to conduct exploration activities on these concessions and tenements. Post listing the Company will consider its options for obtaining the maximum value from the concessions or tenements which may include the sale of these assets or via a joint venture or farm-out.

7.7 Financial Information

The Investigating Accountant's Report in Section 11 contains the audited historical financial information for the years ended 30 June 2014, 2015 and 2016.

The audited historical financial information was in accordance with the measurement and recognition criteria of Australian Auditing Standards and accounting standards adopted by the Company.

The audited financial statements (inclusive of significant accounting policies) of the Group for the financial years ended 30 June 2014, 2015 and 2016 are available (free of charge) on request to the Company on +61 6555 2955 between 9.00am and 5.00pm (WST) Monday to Friday.

A consolidated pro-forma historical statement of financial position as at 30 June 2016 for the Company is contained in Appendix A of the Investigating Accountant's Report.

The pro-forma historical financial information has been derived from the audited historical financial information of the Group as at 30 June 2016, after adjusting for the effects of any subsequent events and pro forma adjustments described in Note 2 in the Annexure to the Investigating Accountant's Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro-forma adjustments relate, as described in Note 2 in the Annexure to the Investigating Accountant's Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro-forma historical financial information does not represent the Group's actual or prospective financial position.

Shareholders should read the Investigating Accountant's Report in full before making any investment decision.

8. Directors, Key Management and Corporate Governance

8.1 Director Profiles

Mr Barry Sullivan Non-Executive Chairman

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 Marc Ducler Managing Director

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 Hedley Widdup Non-Executive Director

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 Simon Eley Non-Executive Director

Mr Eley is a solicitor with wide experience in the resource sector. He is a founding director of Auricup and led the acquisition of the Rothsay Gold Project. He was also 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 has also gained practical experience working in operating base metal and gold mines in Western Australia and the Northern Territory.

8.2 Directors' Interests

Other than as set out in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (c) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a director of the Company, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

8.3 Directors' Security Holdings

Directors are not required under the Company's Constitution to hold any Shares. Set out in the table below are details of the existing relevant interests of the Directors in Securities at the date of this Prospectus and the anticipated relevant interests of the Directors in Securities upon completion of the Offers assuming the Maximum Subscription is received:

- (a) Securities at the date of this Prospectus

Director	No. Shares	% Total Shares	Unlisted Options
Mr Barry Sullivan ¹	-		750,000 ³
Mr Marc Ducler	572,917	1.76	3,416,666 ⁴
Mr Hedley Widdup ^{1 2}	35,715	0.11	750,000 ³
Mr Simon Eley	1,439,764	4.43	750,000 ³

¹ Mr Widdup and Mr Sullivan are Lion Selection Group Limited's (LSG) representatives on the Board of the Company. LSG's interest in the Company at the date of this Prospectus and on completion of the Offers is set out in Section 6.18. Mr Widdup and Mr Sullivan are not considered to have a relevant interest in the Securities held by LSG.

- ² Shares and Options held by Lion Manager Pty Ltd, a company in which Mr Widdup is a director and shareholder. Lion Manager Pty Ltd provides investment management services to Lion Selection Group.
- ³ Incentive Options exercisable at \$0.25 expiring 3 years from the date of Official Quotation
- ⁴ Incentive Options exercisable at \$0.25 expiring 3 years from the date of Official Quotation
- ⁵ 416,666 Options exercisable at \$0.18 expiring on 17 June 2018;
3,000,000 Incentive Options exercisable at \$0.25 expiring 3 years from the date of Official Quotation

(b) Securities on Completion of the Offers

Director	No. Shares	% Total Shares	Unlisted Options	Attaching Options
Mr Barry Sullivan ^{1 2} ⁴	100,000	0.15	750,000 ⁶	150,000
Mr Marc Ducler ³	1,136,957	1.76	3,416,666 ⁷	846,060
Mr Hedley Widdup ¹ ⁴	685,323 ⁸	1.06 ⁸	750,000 ⁶	974,472
Mr Simon Eley ⁵	3,095,809	4.79	750,000 ⁶	2,484,067

- ¹ Mr Widdup and Mr Sullivan are Lion Selection Group's representatives on the Board of the Company. Lion Selection Group's interest in the Company at the date of this Prospectus and on completion of the Offers is set out in Section 6.18. Mr Widdup and Mr Sullivan are not considered to have a relevant interest in the Securities held by LSG.
- ² Mr Sullivan has advised he intends to subscribe for 100,000 Shares in the Public Offer.
- ³ Mr Ducler has advised the Company that he and entities related to him currently intend to subscribe for 100% of his Entitlements. Mr Ducler will also receive 86,610 Shares and 129,915 Attaching Options on the conversion of amounts due to him at the date of this Prospectus to be issued on the same terms as the Offers.
- ⁴ Securities held by Lion Manager Pty Ltd, a company in which Mr Widdup is a director and shareholder. Lion Manager Pty Ltd provides investment management services to Lion Selection Group. The Company has been advised by Lion Manager Pty Ltd that its current intention is to subscribe for 100% of its Entitlements under the Rights Issue (\$5,952) and that it is a Sub-Underwriter of \$64,047) in the Shortfall Offer. Lion Manager Pty Ltd will also receive 390,241 Shares and 585,361 Attaching Options on the conversion of amounts due to it at the date of this Prospectus to be issued on the same terms as the Offers.
- ⁵ Mr Eley has advised that entities related to him currently intend to subscribe for 350,000 Shares of his Entitlements. Mr Eley will also receive 1,306,045 Shares and 1,959,067 Attaching Options on the conversion of amounts due to him at the date of this Prospectus to be issued on the same terms as the Offers.
- ⁶ Incentive Options exercisable at \$0.25 expiring 3 years from the date of Official Quotation.
- ⁷ 416,666 Options exercisable at \$0.18 expiring on 17 June 2018;
3,000,000 Incentive Options exercisable at \$0.25 expiring 3 years from the date of Official Quotation
- ⁸ Assuming the substantial Shareholders are the only Shareholders to take up their Entitlements.

8.4 Remuneration of Directors

The Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders or, until so, by the Directors. The aggregate remuneration for Non-Executive Directors has been set by the Board at an amount not to exceed \$300,000 per annum.

The Board has resolved that the Non-Executive Directors' fees will be \$45,000 plus 10% superannuation contributions per annum for the Chairman and \$35,000 plus 10% superannuation contributions per annum for non-executive Directors (inclusive of statutory superannuation). Mr Sullivan is Non-Executive Chairman, and Mr Widdup and Mr Eley are

Non-Executive Directors. Summaries of the material terms of their appointments are set out in Section 8.6.

The remuneration of Executive Directors will be fixed from time to time by the Directors and may be paid by way of fixed salary or consultancy fees. A summary of the material terms of the agreements between the Company and Mr Marc Ducler (Managing Director) is set out in Section 8.6(a).

Mr Ducler will receive annual fixed remuneration (inclusive of superannuation) of \$220,000 per annum payable from the date of Official Quotation.

In the two years prior to the date of this Prospectus, the Directors have been paid the following remuneration from the Group:

Director	Amount ¹
Mr Barry Sullivan	-
Mr Marc Ducler	\$22,356
Mr Hedley Widdup ²	\$62,500
Mr Simon Eley	\$62,500

1 Includes consulting fees paid to associated companies. Includes fees to be or satisfied by way of the issue of Securities.

2 Received by Lion Manager Pty Ltd, a company of which Mr Widdup is a director and shareholder.

8.5 Management Profiles

Mr Lindsay Franker **Chief Operating Officer**

Mr Franker has over 20 years' mining experience in both operations and mining related finance specialising in both underground and open pit mining. He has been employed by a number of mining companies in operations, contracting and consultancy including Newmont at Mt McClure Gold Mine, Brandrill at Bronzewing Gold Mine, Newcrest at Telfer Gold Mine and AMC Consultants. He has worked for several international investment banks, including Standard Bank, Nedbank Capital and Deutsche Bank, with a global focus covering greenfield and brownfield mining projects.

Mr Franker's mining experience includes underground development and production, feasibility studies, mine design, scheduling and costing. He also has financial experience in capital markets, debt and equity, project and structured finance, mergers and acquisitions, export credit agency financing, asset backed 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, startups and expansions in various commodities, and mining methods for both open pit and underground mining.

Mr Franker was previously a non-executive Director of Barra Resources. He is also a member of the Australasian Institute of Mining and Metallurgy.

Ms Julie Reid
Geology Manager

Ms Reid has over 30 years' experience in exploration and mine geology working throughout Australia, Indonesia and Vietnam covering a range of commodities within diversified geological terrain. Ms Reid has held a number of senior technical and management positions primarily within the Eastern Goldfields for various companies including Dominion, Mount Edon (Tarmoola), Pancontinental, Aurora Gold, Goldfields-AurionGold-Placer Dome and Avoca (Higginsville & South Kalgoorlie Operations).

Mr Simon Robertson
Company Secretary

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 Governance Council of Australia. Mr Robertson currently holds the position of Company Secretary for a number of publicly listed companies and has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.

8.6 Key Terms of Agreements with Directors, Management or Related Parties

(a) Executive Service Agreements

Mr Marc Ducler
Managing Director

EganStreet 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 EganStreet, immediately with payment in lieu of notice (subject to the limitation of the Corporations Act and Listing Rules);
 - (B) by EganStreet 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 Group during normal working hours and at such other times as may be reasonably necessary.
- (v) The remuneration comprises:
 - (A) a base salary of \$220,000 per annum (inclusive of 10% superannuation);
 - (B) 3.0 million Incentive Options each exercisable at \$0.25 on or before 3 years from the date of Official Quotation, vesting over several tranches (as set out in Section 14.3);

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

Mr Lindsay Franker
Chief Operating Officer

EganStreet and Mr Franker have entered into an executive service agreement for his role as Chief Operating 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 six months' notice, or in the case of EganStreet, immediately with payment in lieu of notice (subject to the limitation of the Corporations Act and Listing Rules);
 - (B) by EganStreet 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 Group during normal working hours and at such other times as may be reasonably necessary.
- (v) The remuneration comprises:
- (A) a base salary of \$220,000 per annum (inclusive 10% superannuation);
 - (B) 3.0 million Incentive Options each exercisable at \$0.25 on or before 3 years from the date of Official Quotation, vesting over several tranches (as set out in Section 14.3);

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

Ms Julie Reid
Geology Manager

EganStreet and Ms Reid have entered into a consultancy for her role as Geology Manager of the Group, to provide ongoing geology support and assistance for EganStreet with further estimation of the gold mineralisation at the Rothsay Gold Project.

The principal terms of the agreement are as follows:

- (i) The term is not fixed and continues until the agreement is terminated in accordance with its terms.
- (ii) The agreement may be terminated by either party without cause on four weeks' notice.
- (iii) Ms Reid must devote as much time as is required and agreed between EganStreet and Ms Reid. It is anticipated that Ms Reid will work for 40 hours per week in the initial period of 12 months following completion of the Offers.
- (iv) The fees payable to Ms Reid are \$90 per hour, and \$60 per hour for Vulcan Software, payable monthly in arrears.

The agreement otherwise contains industry-standard provisions for a geologist consulting to a public listed company.

(b) **Non-Executive Director Appointments**

Mr Barry Sullivan
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. In addition, the Company has issued Mr Sullivan 750,000 Incentive Options each exercisable at \$0.25 on or before 3 years from the date of Official Quotation, vesting over several tranches (as set out in Section 14.3).

The appointment of Mr Sullivan as Non-Executive Chairman is otherwise on terms that are customary for an appointment of this nature.

Mr Hedley Widdup
Non-Executive Director

The Company has entered into an agreement with Mr Widdup in respect of his appointment as a Non-Executive Director.

Lion Manager Pty Ltd, a company of which Mr Widdup is a director and shareholder, will be paid a fee of \$38,500 per annum in respect of Mr Widdup's services as a Non-Executive Director. Mr Widdup will be reimbursed for all reasonable expenses incurred in performing his duties. In addition, the Company has issued Lion Manager Pty Ltd 750,000 Incentive Options each exercisable at \$0.25 on or before 3 years from the date of Official Quotation, vesting over several tranches (as set out in Section 14.3).

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
Non-Executive Director

The Company has entered into an agreement with Mr Eley in respect of his appointment as a Non-Executive Director.

Mr Eley will be paid a fee of \$35,000 per annum (plus 10% superannuation) for his services as a Non-Executive Director and will be reimbursed for all reasonable expenses incurred in performing his duties. In addition, the Company has issued 750,000 Incentive Options to Mr Eley's nominee each exercisable at \$0.25 on or before 3 years from the date of Official Quotation, vesting over several tranches (as set out in Section 14.3).

The appointment of Mr Eley as Non-Executive Director is otherwise on terms that are customary for an appointment of this nature.

(c) **Deeds of indemnity, insurance and access**

The Company is party to deeds of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must also allow the Directors to inspect board papers in certain circumstances once the relevant Director cease to be a Director.

8.7 Corporate Governance

This summary identifies the key corporate governance policies and practices adopted by the Board. The Board is committed to ensuring continued investor confidence in the operations of the Company and in maintaining high standards of corporate governance in the performance of their duties.

The role of the Board

The role of the Board is to provide strategic guidance to the Company (and its related bodies corporate), effective oversight of management and to provide a sound base for a culture of good corporate governance within the Company.

The Board will always retain ultimate authority over the management and staff of the Company and its related bodies corporate.

In performing its role, the Board should act, at all times:

- (a) in recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, its shareholders, as well as its employees, customers and the community;
- (b) in a manner designed to create and continue to build sustainable value for shareholders;
- (c) in accordance with the duties and obligations imposed upon them by the Company's constitution and applicable law; and
- (d) with integrity and objectivity, consistently with the ethical, professional and other standards set out in the Company's corporate governance policies.

Responsibilities of the Board

The responsibilities of the Board include:

- (a) represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
- (b) protect and optimise the Company's performance and build sustainable value for Shareholders;
- (c) set, review and monitor compliance with the Company's values and governance framework; and
- (d) ensure that Shareholders are kept informed of the Company's performance and major developments.

Composition of the Board

Under the Company's constitution, the minimum number of Directors is three and the maximum number is ten. Upon Completion of the Offers, the Board will be comprised of four Directors as set out in Section 8.1. The Directors consider the size and composition of the Board is appropriate given the current size and status of the Company.

Each Director is bound by all of the Company's charters, policies and codes of conduct. If the Board determines it is appropriate or necessary, they may establish committees to assist in carrying out various responsibilities of the Board. Such committees will be established by a formal charter.

The Board delegates the management of the Company's business and day to day operation to the Managing Director who is authorised, in turn, to delegate such powers conferred on him or her to members of the senior management group and/or consultants.

The Board seeks to nominate persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board.

Independence of Directors

The Board considers the issue of independence with regard to a set of questions outlined in the Board charter

Independent professional advice

The Directors are entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Such advice may be sought in accordance with the procedures set out in the Board charter.

Securities trading policy

The Company has adopted a formal policy for dealing in the Company's Securities by Directors and employees and their related entities (in accordance with Listing Rule 12.9). The securities trading policy regarding allowable dealings is that those persons should:

- (a) not deal in the Company's securities while in possession of price sensitive, non-public information; and
- (b) only trade in the Company's securities after receiving clearance to do so from a designated clearance officers, where clearance may not be provided in defined "blackout periods".

The securities trading policy is available on the Company's website at www.eganstreetresources.com.au.

Remuneration policy

The Company has adopted a remuneration policy designed to promote superior performance and long term commitment to the Company.

Remuneration packages may contain any or all of the following:

- (a) annual base salary;
- (b) cash at risk component – the executives are eligible to participate in a cash bonus plan if deemed appropriate;
- (c) Options – the Company has issued Incentive Options to Directors (refer to Sections 8.6 and 14.3 for further details); and
- (d) other benefits, such as holiday leave, sickness benefits, superannuation payments and long service benefits.

Remuneration of executives will be reviewed annually by the Board.

The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders. Non-Executive Directors are not entitled to participate in equity based

remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's shareholders

Continuous disclosure policy

The Company, as a listed public company, is required to disclose price sensitive information to the market as it becomes known to comply with the continuous disclosure requirements of the Corporations Act and the Listing Rules.

The continuous disclosure policy of the Company ensures that all Shareholders and investors have equal access to the Company's information, to the extent practicable. Price sensitive information will be disclosed by way of an announcement to ASX and placed on the Company's website.

Shareholder communication

The Board strives to ensure that Shareholders are provided with full and timely information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to Shareholders:

- (a) through the release of information to the market via ASX;
- (b) through the distribution of the annual report and notice of annual general meeting;
- (c) through letters and other forms of communication directly to Shareholders; and
- (d) by posting relevant information on the Company's website.

Ethical standards and business conduct

The Board recognises the need for Directors and employees to observe appropriate standards of behaviour and business ethics when engaging in corporate activity. Through its code of conduct, the Board intends to maintain a reputation for integrity. The Company's business ethics are founded on openness, honesty, fairness, integrity, mutual respect, ethical conduct and compliance with laws.

The standards set out in the code of conduct are required to be adhered to by officers and employees of the Company. The code of conduct and further details of these standards can be found on the Company's website.

ASX Corporate Governance Principles and Recommendations

Where possible and having regard to the size and nature of the Company's operations, the Board has adopted the Corporate Governance Principles and Recommendations (3rd Edition) issued by the ASX Corporate Governance Council. As a listed entity the Company has been required to report any departures from the principles and recommendations in its annual report. The Company's departures from the principles and recommendations, as at the date of admission to the Official List, are set out in the table below.

Recommendation	Nature of departure	Explanation for departure
1.5	Measurable objectives for achieving gender diversity have not been established or disclosed.	<p>The Company has not formally established measurable objectives for achieving gender diversity given the current stage of its operations and number of employees.</p> <p>The Company has however adopted a Diversity Policy which outlines the Company's objectives in the provision of equal opportunities in respect of employment and employment conditions. The Diversity Policy is available on the Company's website. The Company will review the requirement to set and report on measurable objectives for achieving gender diversity as the Company's operations and employee numbers grow.</p>
2.1	The Board should have a Nomination Committee.	The Company has not constituted a Nomination Committee given the size of the Board and the nature and scale of the Company's operations. The full Board carries out the role of a Nomination Committee in accordance with the Nomination Committee Charter.
2.4	The majority of the Board should be independent directors	<p>The Board considers that its current composition is appropriate given the current size and stage of development of the Company and allows for the best utilisation of the experience and expertise of its members.</p> <p>Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.</p>
2.5	The Chairman should be an independent director	The Chairman, Mr. Barry Sullivan is not considered to be an independent Director due to his relationship with Lion Selection Group. Notwithstanding this, the Directors believe that Mr Sullivan will be able to, and will make, quality and independent judgement in the best interests of the Company on all relevant issues before the Board.
4.1	The Board should have an Audit Committee.	The Board does not have a separately constituted Audit Committee given the size of the Board and the nature and scale of the Company's operations. The Board as a

Recommendation	Nature of departure	Explanation for departure
		whole fulfils the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter.
7.1	The Board should have a committee to oversee risk.	The Board has not constituted a Risk Committee given the size of the Board and the nature and scale of its activities. The Board as a whole is responsible for the oversight of the Company's risk management and internal compliance and control framework. Following admission to quotation, responsibility for control of risk management will be delegated to the appropriate level of management within the Company, with the Managing Director having ultimate responsibility to the Board for the risk management and internal compliance and control framework.
8.1	The Board should have a Remuneration Committee.	The Board does not have a separately constituted Remuneration Committee given the size of the Board and the nature and scale of the Company's operations. The Board as a whole fulfils the functions normally delegated to the Remuneration Committee as detailed in the Remuneration Committee Charter.

9. Independent Geologist's Report



INDEPENDENT GEOLOGISTS REPORT

ROTHSAY GOLD PROJECT, WESTERN AUSTRALIA

July 2016

Prepared For:

Egan Street Resources Limited

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Cube Project: 2016_043

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1st July 2016

The Directors,
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INDEPENDENT GEOLOGISTS' REPORT ON THE MINERAL ASSETS OF THE ROTHSAI GOLD PROJECT

Dear Board Members,

Cube Consulting Pty Ltd ("Cube") has been commissioned by Egan Street Resources Limited ("Egan Street") to provide an Independent Geologist Report ("IGR") on the Rothsai Gold Project located in Western Australia. This Report will be included in a Prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on, or about 15 July 2016, offering investors the opportunity to subscribe for 27 million shares at an issue price of 20 cents per share to raise a minimum of \$5,400,000 before the costs of the issue ("Prospectus"). The funds raised will be used for exploration and evaluation of the mineral properties.

Reporting Standard

The purpose of this Report is to provide an independent technical assessment for inclusion in a prospectus to be issued by Egan Street to support the proposed listing on the Australian Stock Exchange ("ASX").

This Report does not provide a valuation of the mineral assets and has been prepared to the standard of, and is considered by Cube to be, a Technical Assessment Report in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("VALMIN Code"). The VALMIN Code is the code adopted by the Australasian Institute of Mining and Metallurgy ("AusIMM") and Australian Institute of Geoscientists ("AIG") and the standard is binding upon all AusIMM and AIG members. The VALMIN Code incorporates the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code, 2012 Edition").

This Report is not a Valuation Report and does not express an opinion as to the value of mineral assets or make any comment on the fairness and reasonableness of any transactions related to the proposed acquisition. Aspects reviewed in this Report may include product prices, socio-political issues and environmental considerations; however, Cube does not express an opinion regarding the specific value of the assets and tenements involved.

Cube

Cube is an independent Australian owned company of consultants providing a comprehensive range of specialist technical services to the mining industry in Australia and overseas. The organisation is well resourced with an established office in Perth and provides geological consulting services, mining engineering consulting services, technical audits, project reviews, mineral resource estimations, independent expert reports, and project management.

Disclaimer

This Report has been prepared for inclusion in the Prospectus. Cube disclaims any assumption of responsibility for any reliance on this Report for any purpose other than that for which it was prepared.

Competent Persons Statements

The information in this IGR that relates to the Rothsay Mineral Resource is based on and fairly represents information and supporting documentation prepared by Mr Patrick Adams who is a Member of the Australasian Institute of Mining and Metallurgy, CP (Geo) and Australian Institute of Geoscientists. Mr Adams is a full time employee of Cube Consulting Pty Ltd. Mr Adams has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Adams consents to the inclusion in this IGR of the matters based on the information in the form and context in which it appears.

Information in this IGR that relates to exploration results or mineral resources has been compiled by Mark Zammit, who is a full-time employee of Cube.

Mark Zammit, BSc Hons (Geology), is a Principal Consultant Geologist with Cube and has worked as a geologist for more than 20 years since graduation from the University of Western Australia. Relevant experience has been gained from working in the gold - base metal mining and exploration industry on various provinces throughout Australia and overseas. He is a current Member of the Australian Institute of Geoscientists (AIG). Mark Zammit has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mark Zammit consents to the inclusion in the Prospectus of the statements based on his information in the form and context in which they appear.

This report has been prepared independently and in accordance with the VALMIN and JORC codes. Cube and its nominated representatives do not hold any interest in Egan Street, its related parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are being charged at Cube's standard rates of which the payment is in no way contingent upon the conclusions drawn in this report.

Cube's Opinion

Based on Cube's assessment of the Rothsay Gold Project, it is our opinion that the Project is of sound technical merit and is considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of the economic potential, consistent with the proposed programs.

Exploration and evaluation programs summarised in the report amount to a total of \$2.8 million. Egan Street intends to raise a minimum of \$5.4 million, and at least half the liquid assets held, or funds proposed to be raised, by Egan Street are understood to be committed to the exploration, development and administration of the mineral properties, satisfying the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). Cube also understands that Egan Street has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(a).

Egan Street has prepared staged exploration and evaluation programs, specific to the potential of the project, which are consistent with the budget allocations. Cube considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure satisfying the requirements of ASX Listing Rule 1.3.3(a). The proposed exploration budget also exceeds the anticipated minimum statutory annual expenditure commitment on the various project tenements.

Information Basis of this Report

Cube has based its review of the Rothsay Gold Project on information provided by Egan Street up June 2016. Additional information has included technical reports prepared by consultants, Government agencies, previous tenement holder's project and annual technical reports, and other relevant published and unpublished data.

In accordance with the VALMIN Code, the author undertook a site visit to the Rothsay Gold Project on 24th May 2016. Where appropriate, and in accordance with ASIC Regulatory Guide 55, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals on the properties concerned.

The legal status, including Native Title considerations, associated with the tenure of the Egan Street properties has not been independently verified by Cube. The current status of tenements listed in this report is based on information provided by Egan Street, and the report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation.

Consents

Cube has provided consent for the inclusion, in full, of the Independent Geologists Report in the Prospectus, and to the inclusion of statements made by Cube, in the form and context in which the report and those statements appear, and has not withdrawn that consent before lodgement of the Prospectus with the ASIC.

Yours faithfully

Cube Consulting Pty Ltd



Mark Zammit, B.Sc. Hons (Geology), MAIG

Principal Consultant Geologist



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1.0 EXECUTIVE SUMMARY

1.1 Purpose

Cube Consulting Pty Ltd ("Cube") has prepared this Independent Geologists Report ("IGR") for Egan Street Resources Limited ("Egan Street") in connection with the IPO of the assets associated with the Rothsay Gold Project ("Project").

1.2 Summary of Mineral Assets

The mineral assets of Egan Street are located approximately 300 kilometres north-north east of Perth, in the mid-west region of Western Australia.

The Rothsay Gold Project comprises:

- Indicated plus Inferred Mineral Resource of 624,000t @ 11.3g/t Au for 226,000Oz (above 5.0 g/t Au cut-off). These mineral resources have been classified and reported in accordance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code, 2012 Edition");
- Mine infrastructure includes 5 shallow pits, a 4.5mW x 4.5mH decline which extends at a 1:7 gradient approximately 140m below the surface, a historic Tails Storage Facility and a small low grade stockpile.
- An area of approximately 69.4km² consisting of seven tenements being two mining leases, three granted exploration licenses, one pending exploration licence and one miscellaneous license. These are M59/39, M59/40, E59/1234, E59/1262, E59/1263, E59/2183 and L59/24.

1.3 Strategy and Proposed Exploration Budget

Cube understands the company exploration strategy is to commence shortly after listing to explore repeat structures across the five largely untested shear zones. The drill program will be designed to increase the current resource, improve the resource classification and assist in mine planning.

The initial exploration program will focus on improving confidence for areas of the "A" Shear dominated by historic drilling and also test for strike extensions. Shallow drilling further along strike of the "A" Shear indicates potential for additional gold mineralisation. Testing of the "B" Shear (host to three shallow open pits), "C", "D" and "E" Shears will also form a significant component of the exploration program for the project.

Egan Street is focused on progressing the development of the Rothsay Gold Project upon upgrading the size and classification of the existing Resource.

The exploration budget totals \$2.8m. In order to conduct this work \$2.5m will be for Rothsay A Shear and \$0.3m for regional exploration on B Shear.

1.4 Conclusions

Cube has completed a review of the current resource model and reported mineral resource estimate for the Rothsay Gold Project. The following issues were noted:

- The database used for estimation of the Mineral Resources is largely comprised of historical data which has been independently validated by a number of consultancy groups for internal consistency and accuracy. The scale of inconsistencies reported is not considered by Cube to be material to the estimation quality.



- The estimation method is considered to be appropriate for the style of mineralisation under consideration and has been validated and shown to be reflective of the informing data.

It is Cube's opinion that the June 2016 Mineral Resource represents a robust estimate of the in-situ gold mineralisation for the Rothsay Deposit at the modelled selectivity. The mineral assets of Egan Street that are the subject of this report offer the investor exposure to a historic gold project with infrastructure located in Western Australia, Australia.



2.0 INTRODUCTION

2.1 Scope and Terms of Reference

Cube Consulting Pty Ltd ("Cube") has prepared this Independent Geologists Report ("IGR") for Egan Street Resources Limited ("Egan Street") in regard to the proposed IPO of the Rothsay Gold Project in Western Australia for inclusion in a prospectus document for the listing of the ordinary shares of Egan Street to trade on the Australian Stock Exchange (ASX).

The IGR specifically provides an independent assessment of the technical resource work conducted and comments on the exploration and resource potential. The IGR does not include an Independent Valuation or detailed Risk Assessment for the Rothsay Gold Project.

Cube has undertaken the following data verification tasks as part of the review of the Project:

- Review resource reports;
- Review of the most recent Mineral Resource estimates completed by Mining Plus Pty Ltd (2013) and Cube Consulting Pty Ltd (2016);
- Database validation checks and QAQC reports review where available;
- Check digital mining depletion survey data (including pits and underground workings) and depletion of the current mineral resource models;
- Review and validate all weathering, geological and mineralisation wireframes;
- Review any mine reconciliation data;
- Review of previous resource reports and other studies completed as part of the document review;
- Investigate the global reported mineral resource estimate;
- Review the exploration data and comment on resource potential;
- Review proposed exploration strategies and budget; and
- Prepare the IGR detailing the findings of the review.

The report specifically provides a review of the previous resource work and exploration potential of the Rothsay Gold Project.

This report has been compiled by Mark Zammit who is a Principal Consultant Geologist with Cube and has been employee of Cube since 2002.

2.2 Purpose

Cube Consulting Pty Ltd ("Cube") has prepared this Independent Geologists Report ("IGR") for Egan Street Resources Limited ("Egan Street") in connection with the proposed IPO of the Rothsay Gold Project ("Project"). The report specifically provides a review of the historic Rothsay Gold Mine and associated mineral resource estimate which form the nucleus of this IGR and provides an independent assessment of the technical resource work conducted and the exploration and resource potential.

These properties are currently owned by Egan Street Resources Limited and collectively form Egan Street's qualifying properties (the "Qualifying Properties") for ASX listing purposes.

2.3 Mineral Assets

The Rothsay Gold Project is located approximately 300km north-north east of Perth, in the mid-west region of Western Australia and 70km east of the wheat belt town of Perenjori. The project is within close proximity to existing infrastructure and services. Numerous exploration tracks provide access within and around the Project area.



The Rothsay Gold Project currently covers an area of approximately 69.4km² and consists of seven tenements being two mining leases, four exploration licenses and one miscellaneous license. These are M59/39, M59/40, E59/1234, E59/1262, E59/1263, E59/2183 and L59/24 and are located on the 1:250,000 PERENJORI SH50-06 and the 1:100,000 ROTHSAI 2239 geological sheets.



Figure 2-1: Location Plan of the Rothsay Gold Project, Western Australia

The Rothsay Gold Project is located within the Warriedar Greenstone gold belt, an Archaean sequence of mafic, ultra-mafic, metavolcanic rocks and sediments folded in an anticlinal structure which plunges and strikes to the north-northwest with steeply dipping limbs.

Gold was discovered at the Rothsay Gold Project in 1894 and has been partially exploited by shallow open-pits and underground mining techniques returning consistently high grade ore (+10g/t Au). Historic gold production totals an estimated 50,000oz and the project was last mined by Metana Minerals NL who ceased production in May 1991 after the gold price fell below US\$360/oz. Extensive underground development infrastructure from historical workings is present and in reasonable condition.

The western limb contains smaller scale anticlinal and synclinal folds and hosts the Rothsay and Mt Mulgine mineralization. The Rothsay mining centre is host to gold mineralization occurring as a number of shear-hosted quartz veins parallel to bedding in a succession of high-Mg basalt and peridotite-gabbro sills. Five parallel, north-westerly trending lines of workings were originally described (Clarke, 1925), however at least 85% of the gold production was obtained from the British Queen workings and other workings on the Woodleys Reward line ("A shear").

The Rothsay Gold Project was acquired from Silver Lake Resources Limited in 2011 pursuant to a cash payment of \$1.2m.



2.4 Mineral Resources

Details of the June 2016 Mineral Resource completed by Cube Consulting are tabled below.

Resource Category	Kt	Grade (Au ppm)	Contained Metal (Au koz)
Indicated	318	11.7	119
Inferred	306	10.8	107
TOTAL	624	11.3	226

Table 2-1 2016 Rothsay Mineral Resource Estimate – reported at a 5.0ppm Au cut-off

2.5 Legal Tenure

Cube has compiled this report on the assumption that the tenements held by Egan Street are in current good standing. Cube has not independently verified Egan Street's legal tenure and is not qualified to make any statements in this regard and has relied on information provided by Egan Street.

Comment on the legal status of the Rothsay Gold Project tenements's will be included in a legal opinion in the prospectus, to be provided by Egan Street's legal counsel.

2.6 Principal Sources of Information and Data

The IGR has been prepared on information available up to and including 30th June, 2016. The author has relied on information provided by the current tenement holders, historic technical reports from consultants and previous explorers, as well as other published and unpublished data relevant to the area, including public domain data.

Mr Mark Zammit from Cube Consulting carried out a site visit to the Rothsay Gold Project in Western Australia for 1 day on the 24th May 2016.

Cube has endeavoured to confirm the authenticity and completeness of the technical data upon which this report is based, however Cube cannot guarantee the authenticity or completeness of such third party information.

All data used in the report has been verified and validated where practical and is based on information believed to be accurate at the effective date of this report. The author has not undertaken any independent sampling or assaying, detailed geological mapping, excavated any trenches, drilled any holes or carried out any independent exploration work.

In relation to mineral tenure and related agreements, environmental liabilities, political or other issues and other factors relevant to the report that are non-technical matters, Cube has relied upon reports, statements and information supplied by a representative of Egan Street.

Cube has not independently investigated the tenement status of the Rothsay Gold Project or the requirements for any future exploration and mining activities. The author of this report is not qualified to provide comment on the legal issues associated with the Rothsay Gold Project, including any agreements, joint venture terms, environmental issues and the legal status of the exploration permits included in the Project. The author has relied upon information supplied by the Egan Street with respect to details on the current tenure and ownership status.

The author has relied on the truth and accuracy of these various sources in the preparation of the data presented in this report.

Cube has followed professional standards in the preparation of the content of this report and this report is intended to be read in its entirety



2.7 Qualifications, Experience and Independence

Cube is an independent Australian owned company of consultants providing a comprehensive range of specialist technical services to the mining industry in Australia and overseas. The organisation is well resourced with an established office in Perth and provides geological consulting services, mining engineering consulting services, technical audits, project reviews, mineral resource estimations, independent expert reports, and project management.

Information in this IGR that relates to exploration results and mineral resources has been compiled by Mark Zammit, who is a full-time employee of Cube.

Mark Zammit, BSc Hons (Geology), is a Principal Consultant Geologist with Cube and has worked as a geologist for more than 20 years since graduation from the University of Western Australia. Relevant experience has been gained from working in the gold - base metal mining and exploration industry on various provinces throughout Australia and overseas. He is a current Member of the Australian Institute of Geoscientists (AIG). Mark Zammit has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mark Zammit consents to the inclusion in the Prospectus of the statements based on his information in the form and context in which they appear.

This report has been prepared independently and in accordance with the VALMIN and JORC codes. Cube and its nominated representatives do not hold any interest in Egan Street Resources Limited, its related parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are being charged at Cube's standard rates of which the payment is in no way contingent upon the conclusions drawn in this report.



3.0 ROTHSAY GOLD PROJECT

3.1 Physiography and Infrastructure

Physiography

The southern and western part of the tenement package consists of relatively flat residual plains with scattered drainage covered with open eucalypt and acacia bushland. The central part of the tenement package contains low northwest oriented ridge lines in the Rothsay Mine area and extending to the northwest.

The central area hosts several weakly incised ephemeral creeks. The northern and most eastern parts of the tenements contain some steeper hills and ridges associated with BIF units. The areas containing hills and ridges generally are covered with denser eucalypt woodlands.

Infrastructure

The Rothsay Gold Project can be accessed by sealed and gravel roads from Perenori or Paynes Find. Numerous exploration tracks provide access within and around the project area.

Underground mine workings from the historic Rothsay Gold Mine include decline development to a depth of approximately 140m below surface. The mine workings are currently flooded to approximately 50m vertically below the surface and the geotechnical status would need to be reviewed upon dewatering.

The Rothsay Tails Storage Facility (TSF) and some minor concrete footings for the mill and camp are the only significant infrastructure that remains from the historic mining operation which ceased operation in April 1991.

A gravel airstrip which is not currently in use is located approximately 1km away from the Rothsay decline.

3.2 Mineral Tenure and Agreements

The Rothsay Gold Project was acquired from Silver Lake Resources and currently consists of two mining leases, four exploration licences and one miscellaneous license (Table 3-2 and Figure 3-1).

Tenement ID	Area km ²	Status	Holder	Grant Date	Expiry Date	Expenditure
M59/39	7.097666	Live	Auricup (Rothsay) Pty Ltd	4/12/1986	3/12/2028	\$71,100
M59/40	3.805055	Live	Auricup (Rothsay) Pty Ltd	4/12/1986	3/12/2028	\$38,100
E59/2183	50.818482	Pending	Auricup (Rothsay) Pty Ltd	Pending	Pending	\$20,000
L59/24	0.067596	Live	Auricup (Rothsay) Pty Ltd	22/08/1989	21/08/2019	N/A
E59/1234	1.637013	Live	Auricup (Rothsay) Pty Ltd	29/01/2007	9/08/2017	\$20,000
E59/1262	2.990164	Live	Auricup (Rothsay) Pty Ltd	10/08/2007	9/08/2017	\$20,000
E59/1263	2.990645	Live	Auricup (Rothsay) Pty Ltd	10/08/2007	9/08/2017	\$20,000

Table 3-1 Tenement Summary

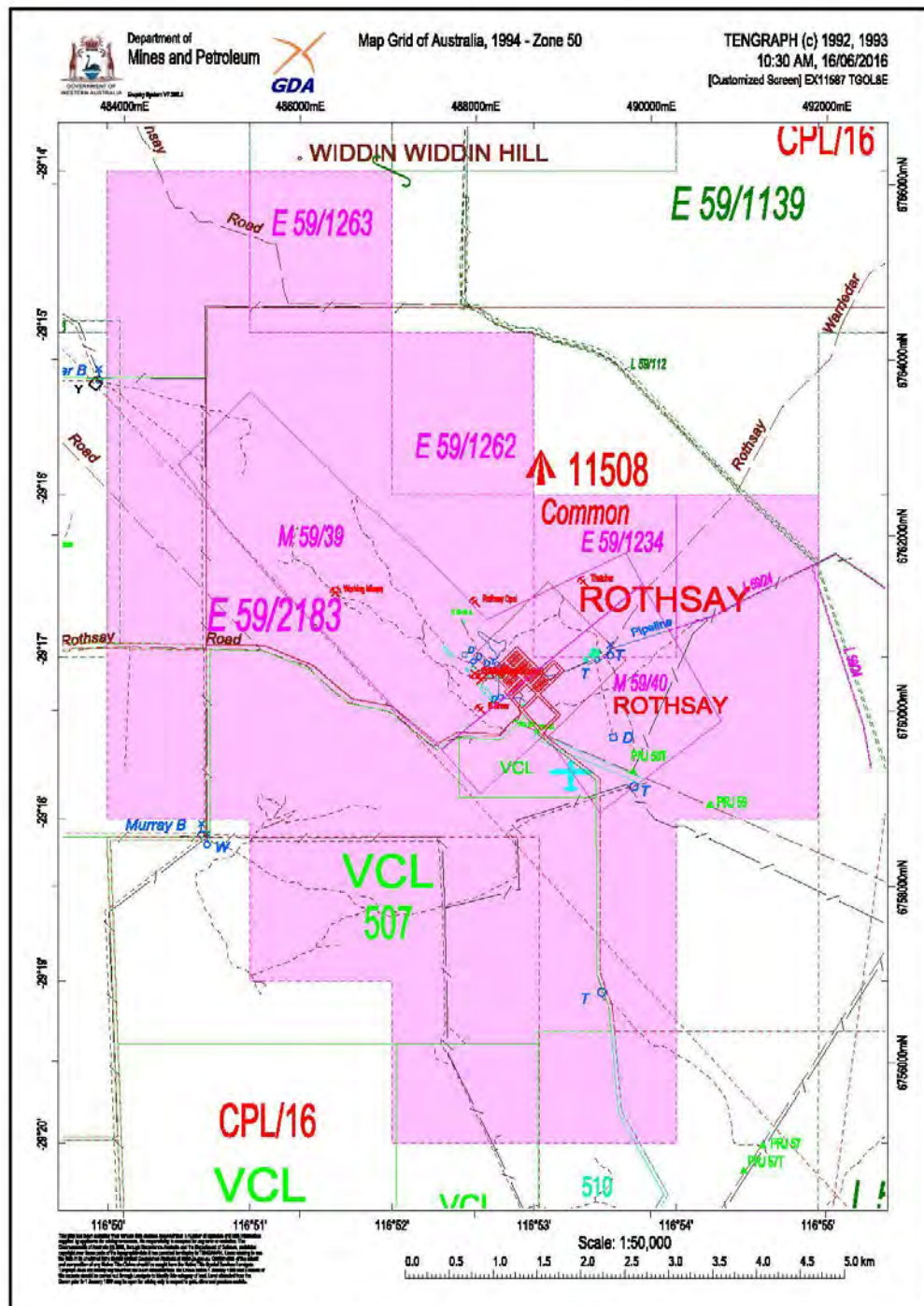


Figure 3-1: Tenement Plan - Rothsay Gold Project



Exploration activities at the Rothsay Gold Project are primarily conducted with reference to the Map Grid Australia Zone 50 (MGA94_50). Mine specific activities have been undertaken using a local Rothsay Mine Grid (RMG88) and the transformation parameters between MGA94_50 and RMG88 are defined below in Table 3-2.

Local Grid Coordinates			GDA94_50 Coordinates		
Northing	Easting	Point Name	Northing	Easting	Comments
39,900	10,000	BASELINE 1	6,760,279.89	488,140.5	Transformation Points
39,449.77	10,000	BASELINE 2	6,759,952.31	488,449.1	
39,649.585	10,000	BASELINE 3	6,760,097.69	488,312.2	Check Points
Scale: 0.999548533					
Rotation @ Baseline 1 : 316 42' 41" (-316.7114)					
Shift N @ Baseline 1 : 6,720,379.892					
Shift E @ Baseline 1 : 478,140.534					

Table 3-2 Grid Transformation Summary

3.3 Regional Geology

The Rothsay Gold Project is located within the Warriedar Greenstone Belt, and the Project area is host to gold mineralisation along an estimated +12km strike occurring as a number of shear-hosted quartz veins parallel to bedding in a succession of high magnesium basalt and peridotite-gabbro sills.

The Archaean greenstone belt consists of a sequence of mafic, ultra-mafic, meta-volcanic rocks and sediments folded in an anticlinal structure which plunges and strikes to the north-northwest with steeply dipping limbs. The western limb contains smaller scale anticlinal and synclinal folds and hosts the Rothsay and Mt Mulgine mineralization.

Fields Find occurs on the eastern limb of the structure, which is truncated by a major post-tectonic granitoid intrusion to the south. The truncated southern portion of the sequence forms the Ningham-Retaliation Fold Belt in the extreme south. A smaller intrusive granitoid stock has intruded the Warriedar Belt on an anticlinal fold axis at the Mt Mulgine and hosts tungsten-molybdenum mineralization. Several major north-northwest trending shear zones and faults are also located in the belt.

3.4 Project and Mine Geology

The gold mineralisation at the Rothsay Gold Project is primarily hosted within five interpreted quartz-bearing shear zones that occur parallel to stratigraphy in a succession of high-Mg basalt and peridotitic to gabbroic sills. The five shear zones, named "A" to "E" Shears, strike 320° and dip 70° to the east. These five parallel lines of workings were originally described by (Clarke 1925) and at the time at least 85% of the gold production was obtained from the British Queen and other workings on the Woodley's Reward Line ("A" Shear).

Mineralisation has been intersected irregularly along a strike length of approximately 5km. The current resource model (Adams, 2016) has interpreted mineralisation along the "A" Shear structure to have a strike length of approximately 1.5km and extend to a depth of 450m and the "B" Shear a strike length of approximately 0.7km to a depth of 35m. The mineralisation is open at depth and along strike.

The "A" Shear is located at the contact between serpentinised peridotite and a porphyritic pyroxenite intrusive. The serpentinite forms the hanging wall unit. A sequence of mafic volcanic and sub-volcanic sills forms the hangingwall to the serpentinite. The "A" Shear is characterised by several generations of quartz veining with adjacent random tremolite alteration. The early quartz phase is typically blue-black due to the partial replacement of alumina by chromium oxide. The shear zone is typically two to five meters thick and mineralisation does not typically occur outside the shear zone.



It is likely that the gold mineralisation has been deposited in two separate events. One of these events is closely associated with the copper in the system. This is seen where chalcopyrite is a common accessory to the gold mineralisation. The quartz veining is generally about 1.5m wide, occupying the shear zone with an average width of approximately 2.5m.

Within the "A" Shear the vein pinches and swells and commonly bifurcates to form hangingwall and footwall ore zones. The "A" Shear footwall pyroxenite is relatively unaltered and massive, while the hanging wall serpentinite has a weak to moderate pervasive fabric. The "D" and "E" Shears occur with the same lithological relationships as seen at the "A" Shear in what is likely thrust repeated units.

The "B" Shear has massive gabbro/dolerite as the hangingwall and strongly sheared amphibolite in the footwall. The "C" Shear is located at the hangingwall contact of the ultramafic unit that has the "D" Shear as the footwall contact.

Additional mineralized shears referred to as "H" Shears located in a hangingwall position to the "A" Shear have previously been interpreted by Sulaiman (2013). These have not been included in the most recent resource model (Adams, 2016) due to a lack of continuity and remain a future exploration target.

To the north of the mine area the stratigraphy changes from a volcanic and sub-volcanic dominated sequence to a volcano-sedimentary sequence with significant BIF units. It is thought that a major fault separates the two sequences. The sequence forms a doubly plunging synclinal keel with F2 and F3 fold axes (Watkins & Hickman, 1990).

The Thatcher BIF prospect is located within this area. The most recent interpretation is based on the mapping by (Cotton, 2004) who differentiated the mine stratigraphy into four discrete mafic horizons and three discrete ultramafic horizons.



Figure 3-2: Rothsay Gold Project – Project Geology and Location of Shears "A" to "E"

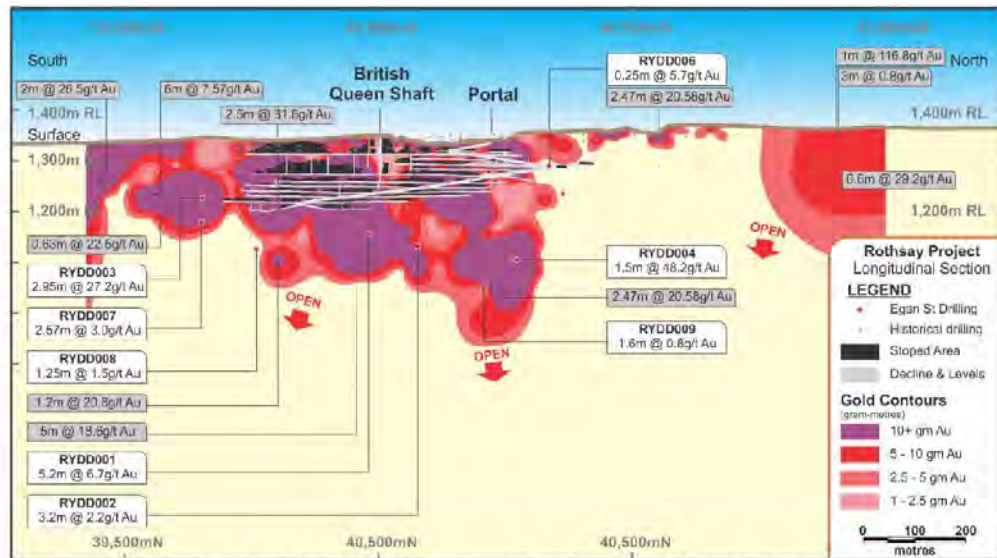


Figure 3-3: Rothsay Gold Project – "A" Shear Long Section with Drill Pierce Points and Significant Intercepts

A long section image of the "A" Shear is shown in Figure 3-3. This illustrates the approximate limit of the resource and shows gram metre contours. The image highlights the untested portions both along strike from the current workings and at depth.

The cross-section below (Figure 3-4) shows the unmined resource at depth, typical ore grade intersections, down-dip potential and possibility for parallel mineralised structures.

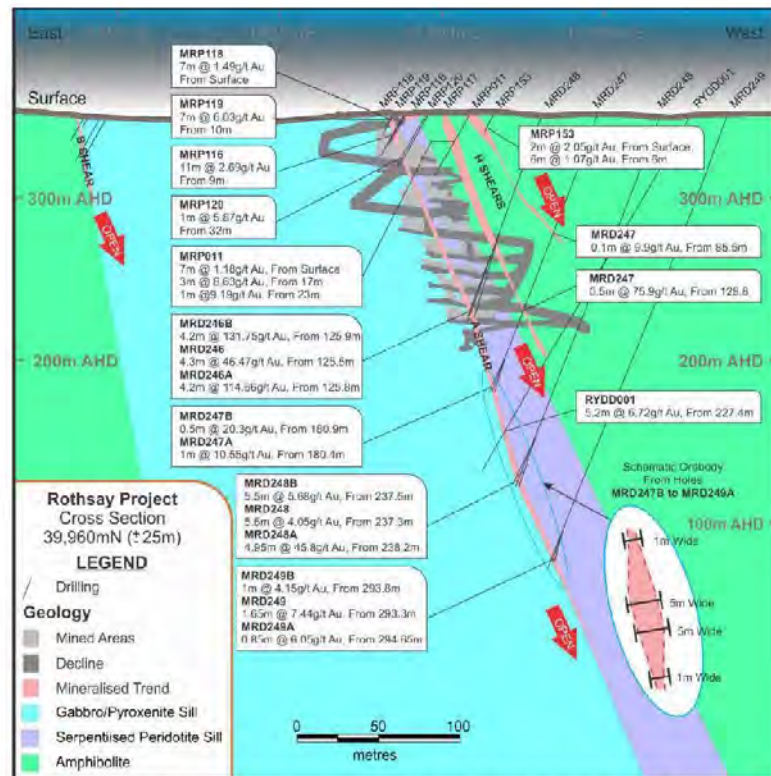


Figure 3-4: Rothsay Gold Project – "A" Shear Cross-Section Significant Drill Intercepts



4.0 ROTHSA Y GOLD MINE

4.1 History Mining and Exploration Activities

Gold was discovered by George Woodley in 1894. From 1898 to 1902, a Glasgow syndicate developed and operated the mine, with the official gold production from the Rothsay mine area reported as 3,298.02 oz Au (102.57 kg) from 8,966 tonnes of ore at a recovered grade of 11.27 g/t Au. There were significant amounts of copper associated with the gold mineralization, with the vein quartz commonly containing 1% chalcopyrite in addition to variable amounts of pyrite and pyrrhotite. Treatment problems resulting from the copper rich nature of the ore, was an important factor in the closure of the mine in 1902.

The British Queen workings were de-watered and a comprehensive sampling and ore reserve study was completed by Bewick Moreing and Co on behalf of Youanmi Gold Mines Ltd from 1914 to 1915. A recommendation was made to open the mine, but the outbreak of World War 1 prevented this. Up to 1923 official production figures indicated that 3,641.06 oz Au were obtained from 9,422.5 tonnes of ore. Analysis of all available data on the British Queen workings indicate that the total amount of ore treated was 40,500 tonnes at a recovered grade of 8.2 g/t Au. The average grade of the underground sampling was calculated to be 13.6 g/t Au.

BHP acquired an option on the British Queen between 1931 and 1932. BHP checked the Bewick Moreing sampling results on the 130ft (~40m) level above the water table and obtained very similar results. BHP concluded that the British Queen mine was a marginal proposition and they did not proceed further.

The mine was re-opened and operated by Rothsay Gold Mines NL from 1935 to 1940 and produced 221.3 kg Au of gold from 31,458 tonnes of ore for a recovered grade of 7.03 g/t Au. No details as to the composition of the throughput are known and these production figures may have included ore from outside sources.

Metana Minerals NL in joint venture with GENMIN evaluated an underground resource of 450,000 tonnes at 10 g/t Au. Open cut mining by Metana began in January 1989 and the first gold produced from the re-constructed Reedy treatment plant was poured in late June 1989. Metana processed 214,500 tonnes of ore to produce 36,000 oz Au at an average grade of 5.2 g/t Au from both open cut and underground sources up till May 1991. Mining operations ceased in April 1991 due to the lower gold price.

Mining operations at Rothsay were conducted as a decline operation with a planned final depth of 400m vertical. High grade ore over a minimum 1.2m mining width was accessed via sub-level development at 10m vertical intervals and mined by conventional hand held shrink stoping methods. It was later suggested that the mining methods employed resulted in significant dilution and a relatively high proportion of low grade development ore to high grade stoping ore. The ore was processed using a CIP treatment circuit. A second circuit utilized flotation and the INTEC copper-gold technology to separate copper concentrate suitable for smelting. Metallurgical recoveries from the copper-gold ore were 90%.

A mineral resource estimate completed in July 1991, indicated that the remaining Indicated and Inferred resources to be 240,000 tonnes at 6.8 g/t Au for 52,000 oz Au (Bird and McDonald, 1991). In addition, there was potential for a few thousand tonnes of additional high grade mineralization in the hanging wall veins which could increase the resource to 240,000 tonnes at 7.1 g/t Au for 55,000 oz Au.

Hunter Exploration entered into a joint venture with Central West Gold in 1997 and completed a detailed geological mapping program, rock chip sampling, lag sampling, RC and RAB drilling. The drilling successfully extended the strike length of the mineralisation along the "A" Shear by 250m to the south of the previously identified significant gold mineralization (Tanner, 1997).



In March 2000, Thundelarra entered into a joint venture agreement with the tenement holders, Central West Gold. In 2001-2002, Thundelarra and its joint venture partners Menzies Gold Ltd drilled 9 RC holes, 5 of which have HQ diamond tails and submitted two samples for metallurgical studies. In 2002-2003 Thundelarra carried out a mineral resource estimate for the deposit, flew a low level magnetic survey and carried out general reconnaissance of the Project.

In 2002-2003 United Gold (which subsequently became Royal Resources) acquired Thundelarra's 70% equity in the Project and completed the following exploration activities on the tenements:

- The drilling of eight percussion holes (435m), two with diamond tails (75.2m);
- The collection of 1,464 soil and 37 rock samples for multi-element analysis;
- Geological and structural mapping activities;
- Construction of an 8 man base camp; and
- Commissioned resource evaluations (ResEval 2004) for the "A" Shear that resulted in an Inferred resource of 591,000 tonnes at 6.99g/t Au for 132,900 oz Au at a 1.0 g/t Au cut-off.

In April 2006 Royal Resources Limited listed on the Australian Securities Exchange ("ASX") and became the manager of the Rothsay Gold Project. Under the terms of the joint venture between Royal Resources and Central West Gold, the equity of the project was divided 85% - 15% respectively.

In November 2007 Silver Lake Resources listed on the Australian Stock Exchange and became the 100% owner of the Rothsay Gold Project. Silver Lake conducted an airborne EM program targeting base metal sulphides. The survey failed to identify any massive sulphide conductors, though potential remains for disseminated massive sulphide mineralisation within the tenure.

During 2008-2009 Silver Lake Resources completed site reconnaissance which included the re-establishment of the local grid and completion of an aerial topographical survey over the Project area. Four RC holes were drilled for a total of 640m and four diamond holes were drilled for a total of 779.3m. Comments in the associated annual reports indicate that the RC program encountered technical difficulties, with only two holes reaching the target depth.

The four diamond holes reached target depth, three of the holes returned +1 g/t Au mineralisation with the best intersection being in 1ORODD004 with 1.6m @ 6.2 g/t Au from 157.85m downhole.

Silver Lake Resources also conducted a rock chip sampling program over BIF units located to the north of the Rothsay Mine area. A total of 74 samples were collected with 43 of the samples exceeding 40% Fe and 14 samples exceeding 50% Fe indicating significant iron potential within the tenure.

Egan Street drilled nine holes (RYDD001 to RYDD009) during March 2012 targeting the A Shear approximately 50 to 100m down dip and along strike from the existing mine workings. All drillholes intersected the shear at the anticipated position and included intersections summarised in Table 4-1.



Hole Id	Depth From	Depth To	Length	Au g/t
RYDD001	227.4	232.6	5.2	6.72
RYDD002	248.2	248.9	0.7	8.13
RYDD003	119.9	121.85	1.95	38.44
RYDD004	283.2	284.7	1.5	40.48
RYDD005	136.55	137.55	1	0.06
RYDD006	84.05	84.3	0.25	5.65
RYDD007	181.93	184.5	2.57	2.9
RYDD008	274.6	274.85	0.25	2.52
RYDD009	364.2	365	0.8	0.63

Table 4-1 Egan Street 2012 Drilling Summary

The most recent exploration undertaken by Egan Street has included limited rock chip samples from the low grade stockpiles and from the upper levels of the underground mine and a review of more recent airborne survey data collected by the Geological Survey of Western Australia ("GSWA"). In addition, work is ongoing compiling and digitising historical mine and exploration records.

4.1.1 Metallurgy

The most recent metallurgical testwork relating to the Rothsay Gold Project was completed from July to September 2002 by B G Harris Consulting Geologist for Thundelarra and its joint venture partners Menzies Gold Ltd. This included drilled 9 RC holes, 5 of which had HQ diamond tails and intersected mineralized zones at approximately 130m vertical depth over a 400 strike. Two representative bulk samples totally approximately 23kg and representing 25m mineralized intersection were submitted for metallurgical studies.

The limited drilling intersections suggested that high gold content was general associated with the presence of visible chalcopyrite. Results from the two metallurgical samples resulted in total recovery greater than 96% and suggested that the Rothsay mineralisation responds well to conventional cyanidation and gravity treatment.

4.2 Exploration and Resource Databases

A database has been compiled by Egan Street to include all drilling associated with the Rothsay Project and consists of 897 collars totalling 62,494m. This is split into 880 historic holes with 11,244 assays and 17 recent holes by Egan Street and SRL with 666 assays. Historical drilling along with recent drilling by Egan Street Resources Limited ("Egan Street") and Silver Lake Resources ("SRL") is sufficient to establish an Indicated and Inferred Mineral Resource for the project.

A summary of the drilling database statistics is listed below.

Drill Type	No. of Holes	Total Metres	Average Depth	Length Sampled	No. Assays
Diamond Drill (DD)	194	39,488	204	3,601	3,412
Reverse Circulation (RC)	189	7,384	39	7,101	4,340
Percussion Drill (PER)	314	8,594	27	6,479	6,479
Rotary Air Blast (RAB)	181	5,985	33	5,977	1,858
Unknown (NR)	19	1,1043	55	1,043	272
Total	897	62,494		24,201	16,361

Table 4-2 Rothsay Gold Project – Drill Database Summary

Note that the DD completed by Metana typically consisted of a single parent hole with two daughter wedges holes. There are a total of 45 parent holes and 84 daughter holes completed by Metana



totalling 8,522m and 15,835m respectively. Within the database, each daughter hole is recorded as the total depth from surface when in reality is only approximately 40m or drill core wedged off the parent hole. No downhole survey exists for the daughter holes and has been assumed.

The drill spacing is typically on 25m east-west sections (RMG86) and angled toward the west. Diamond drilling dominates the depth extensions for the current resources along the A Shear. The minor shears are defined by a combination of relatively shallow RC and percussion drilling.

Limited database validation checks have been undertaken as part of previous Mineral Resource estimates completed by Resource Evaluations Pty Ltd (2004), Runge Limited (2012), Mining Plus Pty Ltd (2013) and Cube Consulting Pty Ltd (2016). Drilling completed prior to 2009 (prior to Egan Street and SRL) lack supporting records and has not been able to be fully verified.

QAQC

A review of the QAQC data from the most recent Egan Street drilling programs for the 2013 mineral resource update was conducted by Mining Plus Pty Ltd (2013). This involved assessment of internal standards and of external standards, blanks, laboratory replicates and check samples. The data quality for the recent drillholes is good and conforms to normal industry practices with commercial standards and blanks inserted (8 in 100) and these results were monitored by Egan Street staff during the drilling programme. The recent Egan Street and SRL data integrity is accepted with a high level of confidence.

The historical drilling data on the project could not be validated as there is insufficient or non-existent QAQC data. There is a risk associated with the large quantity of historical drilling with no available QAQC information. Cube (Adams, 2016) has accepted that the assay data is suitable for use in an MRE and contends that the classification assigned is sufficient to indicate the risk associated with the MRE as a result of lack of QA/QC information for the bulk of the sample data used.

4.3 Mineral Resource

The previous Mineral Resource Estimate ("MRE") for the Rothsay Gold Deposit was completed and reported in accordance with JORC 2004 by Mona Sulaiman at Mining Plus Pty Ltd ("MP") for Auricup Resources in February 2013. This MRE is summarised in Table 4-3 and was reported at a number of cut offs including above 0.5g/t and 5.0g/t Au to represent open cut and underground resources respectively. The 2013 MRE was based on a 0.5g/t Au grade cut-off interpretation and estimated by Inverse Distance (ID2) using 1m composites cut to 60g/t.

Cut-off Grade (g/t)	Indicated			Inferred			Total		
	Tonnes	Au (g/t)	Au (Oz)	Tonnes	Au (g/t)	Au (Oz)	Tonnes	Au (g/t)	Au (Oz)
0.5	788,000	5.2	132,000	1,951,000	3.3	208,000	2,740,000	3.9	341,000
5	329,000	8.4	89,000	416,000	7.8	105,000	745,000	8.1	194,000

Table 4-3 Historic Mineral Resource (Sulaiman, 2013)

The most recent updated Mineral Resource Estimate ("MRE") for the Rothsay Gold Deposit was completed and reported in accordance with JORC (2012) by Rick Adams at Cube Consulting Pty Ltd ("Cube") for Egan Street Resources in June 2016. The global MRE is summarised in Table 4-4 and has been reported at a 5.0g/t Au based on an assumption of mining by underground small scale methods. Table 4-5 summarises the A Shear MRE reported at a 5.0g/t Au which is included with the global MRE.



Resource Category	Kt	Grade (Au ppm)	Contained Metal (Au koz)
Indicated	318	11.7	119
Inferred	306	10.8	107
TOTAL	624	11.3	226

Table 4-4 2016 Current Global Mineral Resource - 5.0ppm Au cut-off (Adams, 2016)

Resource Category	Kt	Grade (Au ppm)	Contained Metal (Au koz)
Indicated	318	11.7	119
Inferred	294	11.0	104
TOTAL	612	11.4	223

Table 4-5 2016 A Shear Mineral Resource - 5.0ppm Au cut-off (Adams, 2016)

The 2016 MRE is based on a geological interpretation of mineralisation influenced strongly by narrow high grade quartz veins located within a broader sheared fabric completed. Cube utilised Ordinary Block Kriging of accumulation (Au x horizontal width) intercept composites for the grade estimation. The estimation was undertaken within a 2D longitudinal block model consisting of 25mN x 25mRI parent cells and the final grades were imported into a 3D block model for final classification and reporting.

The 2D estimation methodology used by Cube has a long established reputation in the estimation of narrow high grade vein deposits. The method has a number of advantages over the traditional 3D block model approach and is the recommended method for this style of mineralisation.

Cube has reviewed the 2016 MRE and considers the principal risks and recommendations to include:

- Database protocols and procedures need to be reviewed and updated to ensure a single complete and correct data store with an established documented audit trail;
- Current QAQC procedures should be continued in order to ensure the quality of future data is sufficient for Mineral Resource updates under the JORC (2012) guidelines including umpire laboratory check samples and field repeats;
- Gold recovery data should be collected in order to increase the confidence in the estimation of this important modifying parameter;
- Infill resource definition drilling to 25m centres has the potential to materially reduce the risk in the existing MRE and extensional resource definition drilling to test the down dip extensions of Inferred Mineralisation is recommended;
- Undertaking routine density determinations, particularly in the adjacent hanging and foot wall shear zones to the quartz veins is also recommended, as this will increase the accuracy of determining dilution tonnes in design stopes.



5.0 EXPLORATION STRATEGY AND BUDGET

Cube understands the company exploration strategy is to commence shortly after listing to explore repeat structures across the largely untested shear zones. The drill program will be designed to increase the current resource, improve the resource classification and assist in mine planning.

The initial exploration program will focus on "A" Shear with drilling designed to increase confidence of areas dominated by historic drilling and also test for strike extensions. Shallow drilling further along strike of the "A" Shear indicates potential for additional gold mineralisation. Drill testing of "B" Shear (host to three shallow open pits), will also form a component of the exploration program for the project. In the event of achieving maximum subscription exploration will be also conducted on the "C", "D" and "E" Shears.

Egan Street is focused on progressing the development of the Rothsay Gold Project upon upgrading the size and classification of the existing Resource. Subject to achieving the anticipated resource upgrade, proposed activities to advance the development of the Project include the following:

- Development of resource models and inputs relating to mining, processing, environmental and viability of the project;
- Collection and collation of sufficient data for life of mine planning and to understand the geology and controls on the mineralisation;
- Commencement and completion of environmental and mining approvals including hydrological assessments;
- Completion of a mining, processing and infrastructure options study;
- Site works and rehabilitation of the decline for survey, assessment and exploration drilling; and
- Compilation of a Feasibility Study and future works program for the development of the project.

The exploration budget totals \$2.8m. In order to conduct this work \$2.5m will be for Rothsay A Shear and \$0.3m for regional exploration on B Shear.

Project	Activity	Total (\$)
Rothsay Mine		
	A Shear RC Drilling	\$300,000
	A Shear DD	\$1,600,000
	Resource Estimation	\$50,000
	Scoping Study	\$50,000
	Feasibility Study	\$500,000
Regional Exploration		
	B Shear RC Drilling	\$110,000
	B Shear DD	\$190,000

Rothsay Gold Project: Exploration budget (based on minimum subscription).



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7.0 GLOSSARY OF TECHNICAL TERMS & ABBREVIATIONS

%	Percentage
2D	Two dimensional
3D	Three dimensional
3DM	Three dimensional model
A\$	Australian dollar currency
Actinolite	An amphibole silicate mineral with the chemical formula $\text{Ca}_2(\text{Mg,Fe})_5\text{Si}_8\text{O}_{22}(\text{OH})_2$
Albite	A mineral from the common rock-forming plagioclase group with the chemical formula $\text{NaAlSi}_3\text{O}_8$
Amphibole	A group of generally dark-coloured rock-forming minerals, generally iron and magnesium rich
Anticline, anticlinal	A description of folding of rocks which has produced a convex shape
Archaean	Era of the geological time scale containing rocks greater than 2500 million years old
Arsenopyrite	A silver-white to steel-grey mineral which is a sulfarsenide of iron, FeAsS , an important source of arsenic
ASX	Australian Securities Exchange
Au	The chemical symbol for the element gold
Au g/t	Gold concentration in grams per tonne
Au ppb	Gold concentration in parts per billion
Au ppm	Gold concentration in parts per million (equivalent to grams per tonne)
Basement	The surface beneath which sedimentary rocks are not found; the igneous, metamorphic, or highly deformed rock underlying sedimentary rocks
BCM	Bank cubic metres, a measure of volume applied to unbroken rock
Bulk density	A property of particulate materials. It is the mass of many particles of the material divided by the volume they occupy. The volume includes the space between particles as well as the space inside the pores of individual particles
BLEG	Bulk leach extractable gold
Brecciated	Describes a rock composed of broken angular fragments, and generally indicates the presence of a fault zone
°C	Degrees Celsius, measurement of temperature
Carbonaceous	A rock or sediment that is rich in carbon or containing organic matter
Chert	A very fine-grained silica-rich sedimentary rock that may contain small fossils



Chlorite	A group of mostly green minerals of varying composition often found as alteration products of ferromagnesian minerals
CIL	Carbon-in-leach gold recovery process
Contact aureole	A zone where rocks show the effect of contacting intruding, hot igneous rock
CRM	Certified reference material
Crustal	Relating to the outermost hard layer of the Earth
Cyanidation	Metallurgical technique for the extracting gold from low grade ores.
DD	Diamond core drilling, a drilling method which produces a cylindrical core of rock by drilling with a diamond tipped bit
Disseminated	Mineralisation carrying fine particles, usually sulphides scattered throughout the rock
Dolerite	medium-grained, dark grey to black intrusive igneous rock
Domes	a deformational feature consisting of symmetrically-dipping anticlines; their general outline on a geologic map is circular or oval
DTM	Digital Terrain Model – wireframe of surfaces, infrastructure, or 3 dimensional models of geology and mineralisation, normally created in Surpac mining software
Early Proterozoic	Era of the geological time scale within the Precambrian eon containing rocks of approximately 1600 – 2500 million years old
Epigenetic	Produced or formed at or near the surface of the Earth
Fault, faulting	A fracture in rock along which displacement has occurred
Feldspar	An important group of rock-forming minerals which make approximately 60% of the Earth's crust. Feldspars crystallize from magma in both intrusive and extrusive rocks
Fold (folding)	A flexure in rocks
Geosyncline	Linear trough of subsidence of the Earth's crust within which vast amounts of sediment accumulate
Granite	A coarse grained intrusive felsic igneous rock
Greywacke	A variety of sandstone generally characterised by its hardness, dark color, and poorly-sorted, angular grains of quartz, feldspar, and small rock fragments set in a compact, clay-fine matrix
Gneiss	A banded or foliated metamorphic rock, usually of the same composition as granite
g/t	Grams per tonnes (equivalent to parts per million)
ha	Hectares
Hydrothermal	Of or relating to hot magmatic emanations rich in water.



Intercept	Mineralised intersection in a drillhole
Intrusion, intrusive	The emplacement of magma into pre-existing rock, the resultant rock formed
JORC Code	The JORC Code provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported. The current version is dated 2012.
kg	Kilogram
km ²	Square kilometres
km	Kilometre
kt	Thousand tonnes
koz	Thousand ounces (troy ounces)
Lower amphibolite	A particular set of high temperature and pressure conditions during metamorphism which result in rocks dominated by amphibole mineral assemblage
Lower greenschist	A particular set of low temperature and pressure conditions during metamorphism which result in the development of typical greenschist facies minerals chlorite, actinolite and albite
LUC	Local Uniform Conditioning, non-linear estimation technique at a SMU size
m	Metre
M	Million
m ³	Cubic metre
Magmatic	A mixture of molten or semi molten rock, volatiles and solids that is found beneath the surface of the Earth
Massive	A term used to describe a large occurrence of a pure mineral species, often with no structure
Mesothermal	A class of hydrothermal mineral deposits originating in the earth's interior by deposition of a mineral mass from hot mineralised aqueous solutions, circulating at depths of approximately 1,000 m
Metamorphic	The process of metamorphism or its results
Metamorphism	Alteration of the minerals, texture and composition of a rock caused by exposure to heat, pressure and chemical actions
Metasedimentary	A sediment or sedimentary rock that shows evidence of having being subjected to metamorphism
Mineralisation	The presence of minerals of possible economic value or the description of the process by which the concentration of valuable minerals occurs
MLN	Mineral Lease Number
mm	Millimetre



Moz	Million ounces (troy ounces)
MRE	Mineral Resource Estimate
MS Access	Microsoft Office (version 2010) database software
Mt	Million tonnes
Mtpa	Million tonnes per annum
Mudstone	Sedimentary rock composed primarily of clay- or silt-sized particles (less than 0.063 mm)
Ordinary kriging, OK	A geostatistical estimation method using a distance weighting technique which is based upon the relative spatial continuity of the samples
Ore	Mineralised material which is economically mineable at the time of extraction and processing
Orebody	Usually refers to the deposit as a whole
Orogenic, orogen	A mountain-building event or area, generally one that occurs in geosynclinal areas
oz	Ounces (troy ounces) –Imperial unit used to express the mass of gold.
Pit optimisation	A mathematical process whereby an open cut volume is optimised according to certain financial criteria
Pluton	A body of intrusive igneous rock (called a plutonic rock) that crystallized from magma slowly cooling below the surface of the Earth
Porphyry	An igneous rock with relatively large crystals set in a finer grained background mass
ppb	Parts per billion
Preg-robbing	During mill processing, the preferential absorption of gold by carbonaceous material, resulting in gold recovery loss.
Proterozoic	Era of the geological time scale within the Precambrian eon containing rocks of approximately 1000 – 2500 million years old
Pyrite	Pale brass-yellow mineral, the bisulfide of iron, FeS_2
Pyrrhotite	Bronze-yellow to bronze-red mineral, a sulfide of iron sometimes containing nickel and is magnetic
ppm	Parts per million (equivalent to grams per tonne)
QAQC	Quality assurance - Quality control
Q-Q plots	A probability plot which is a graphical method for comparing two probability distributions by plotting their quartiles against each other
RAB	Rotary air blast drilling, a cheap and quick drilling method using a rotating bit together with air pressure to produce rock chips for sampling. It is used at the exploration stage of project evaluation



Range	The distance at which the variogram model reaches its maximum value
ResEval	Resource Evaluations Pty Ltd
RC	Reverse circulation drilling, a drilling method that uses compressed air and a hammer bit to produce rock chips
RQD	Rock quality designation, a quantitative estimate of rock mass quality from recovered drill core
RL	Reduced level (same as elevation coordinate)
Sandstone	A sedimentary rock consisting of sand size grains, generally the mineral quartz, which is in a consolidated mass
Saprolite	Deeply weathered bedrock formed within the lower zones of the soil profile
Sericite	A mica mineral – product of hydrothermal alteration
Shear, shearing	deformation of a material so that its layers move laterally over each other, and bends, twist and draws out rocks
Sill	tabular igneous intrusion emplaced parallel to the bedding of the enclosing rock
Siltstone	A detrital sedimentary rock composed of clay minerals similar to mudstone but with mostly of angular silt sized particles (0.0039m to 0.063mm)
SMU	Selective Mining Unit
Stockwork	A network of veins
Stratabound	A mineral deposit confined to a single stratigraphic unit
Stratiform	Describes a layered or tabular shaped body of mineralised rock that is aligned parallel to bedding
Sulphide, sulphidic	Minerals consisting of a chemical combination of sulphur with a metal. Also refers to fresh or unoxidised material
Syenite	A coarse-grained igneous rock, similar in appearance and composition to granite
Syngenetic	A deposit which formed at the same time as the rocks that enclose it
t	Metric tonne
The JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The Joint Ore Reserves Committee, December 2012
Thrust, thrusting	Low-angle reverse faulting/shearing
Top-cut	A process that reduces the effect of isolated (and possible unrepresentative) outlier assay values on the estimation
Tpa	Tonnes per annum
Tuff	General term for rocks that consist of fine grained fragmental material thrown into the air by explosive volcanic activity



Turbidite	a type of sedimentary rock composed of layered particles that grade upward from coarser to finer sizes and are thought to have originated from ancient turbidity currents in the oceans
UC	Uniform Conditioning, non-linear estimation technique
UTM	Universal Transverse Mercator geographic coordinate system
VALMIN	The VALMIN Code provides a set of fundamental principles and supporting recommendations regarding good professional practice to assist those involved in the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports. The VALMIN Code is binding on members of The AusIMM when preparing public independent expert reports required by the Corporations Act concerning mineral and petroleum assets and securities'
Variogram	A mathematical function used to quantify the dissimilarity between groups of values
Volcanogenic	Of volcanic origin
All units are metric unless otherwise stated.	



DEFINITIONS

Mineral Resource

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material or natural solid fossilized organic material including base and precious metals, coal and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

The term Mineral Resource covers mineralisation and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase 'reasonable prospects for economic extraction' implies a judgement by the Competent Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A Mineral Resource is an inventory of mineralisation that under realistically assumed and justifiable technical and economic conditions might become economically extractable. These assumptions must be presented explicitly in both public and technical reports.

Inferred Mineral Resource

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.

Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

Indicated Mineral Resource

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

Confidence in the estimate is sufficient to allow the application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit.



Mineralisation may be classified as an Indicated Mineral Resource by the Competent Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralisation. The Competent Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.

Measured Mineral Resource

A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

Confidence in the estimate is sufficient to allow the application of technical and economic parameters and to enable an evaluation of economic viability that has a greater degree of certainty than an evaluation based on an Indicated Mineral Resource.

Mineralisation or other natural material of economic interest may be classified as a Measured Mineral Resource by the Competent Person when the nature, quality, quantity and distribution of data are such that the tonnage and grade of the mineralisation can be estimated to within close limits and that variation from the estimate would not significantly affect potential economic viability. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

Ore Reserve

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

Ore Reserves are those portions of Mineral Resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the Competent Person making the estimates, can be the basis of a viable project, after taking account of all relevant Modifying Factors.

Ore Reserves are reported as inclusive of marginally economic material and diluting material delivered for treatment or dispatched from the mine without treatment.

The term 'Ore Reserve' need not necessarily signify that extraction facilities are in place or operative or that all governmental approvals have been received. It does signify that there are reasonable expectations of such approvals.

Probable Ore Reserve

A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing,



legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A Probable Ore Reserve has a lower level of confidence than a Proved Ore Reserve but is of sufficient quality to serve as the basis for a decision on the development of the deposit.

Proven Ore Reserve

A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A Proved Ore Reserve represents the highest confidence category of reserve estimate. The style of mineralisation or other factors could mean that Proved Ore Reserves are not achievable in some deposits.

Feasibility Study

A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations together with any other relevant operational factors and detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

Preliminary Feasibility Study

A Preliminary Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established, and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Ore Reserve.



8.0 JORC TABLE 1

JORC Table 1 – Rothsay Gold Project

Section 1: Sampling Techniques and Data		
Criteria	Explanation	Commentary
Sampling techniques.	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<p>A database has been compiled to include all drilling associated with the Rothsay Gold Project and consists of 897 collars totaling 62,494m. This is split into 880 historic holes with 11,244 assays and 17 recent holes by ARL and Silver Lake Resources (SRL) with 666 assays.</p> <p>The project has been sampled using industry standard drilling techniques including diamond drilling (DD) and RC drilling. Diamond drilling undertaken by ARL has been collared using HQ and completed using with NQ2 diameter drilling rods.</p> <p>The historic data has been gathered by a number of owners since the 1980s. There is a lack of detailed information available pertaining to the equipment used, sample techniques, sample sizes, sample preparation and assaying methods used to generate these data sets.</p> <p>Down hole surveying of the drilling where documented has been undertaken using Eastman single shot cameras (in some of the historic drilling) and magnetic multi-shot tools and gyroscopic instrumentation (ARL drilling).</p> <p>RC samples were predominantly collected as 1m samples.</p> <p>The ARL data set contains diamond core samples that are selectively collected according to geological boundaries and sample lengths vary between 0.1-1.2m.</p> <p>The historic data has been gathered by a number of owners since the 1980s. There is a lack of detailed information available pertaining to the equipment used, sample techniques, sample sizes, sample preparation and assaying methods used to generate these data sets.</p>



Drilling techniques.	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<p>Majority of drilling is DD (194 holes) and RC (189 holes). A number of historical DD holes have been used to produce multiple mineralised intersections using diamond wedge techniques. Diamond core is not orientated. The age of the RC drilling late 1980s to 2009 suggests to Cube that it would be force sampling hammer technique, however this is not documented in the database.</p> <p>Additionally, the database contains 314 percussion holes PER (MRP prefixed) presumed to be open hole hammer type drilled by Metana in the early 1990s and 181 rotary air blast RAB holes (RR, RRAB and RRB prefixed) drilled by Hunter Exploration in the late 1990s.</p>
Drill sample recovery.	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>Harris, 2002 reports that excellent drilling conditions were encountered throughout the Thundelarra programme of 5 DD holes with 100% core recovery in hanging and foot wall rocks. RQD was calculated from the total length of all core pieces greater than 10cm per core run and expressed as a percentage of the core run length. Hanging wall ultramafic rocks demonstrated an RQD in the range 90-97%, footwall dolerite rocks in the range 60-86%.</p> <p>No assessment has been made of the relationship between recovery and grade.</p>



Logging.	<ul style="list-style-type: none"> Whether core and chip samples have been logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography. The total length and percentage of the relevant intersections logged. 	<p>The majority of holes (80%+) within the mineralised intervals have lithology information which has provided sufficient detail to enable reliable interpretation of wireframe.</p> <p>The logging is qualitative in nature, describing oxidation state, grain size, an assignment of lithology code and stratigraphy code by geological interval.</p> <p>Cube has used the descriptive lithology as the primary guide to wireframing the mineralised volume.</p>
Sub-sampling techniques and sample preparation.	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>Very little, readily available documentation of the sampling procedures for historic drilling are available. Where reports have been reviewed (Turley, 2001 and Harris, 2002) it appears that NQ quarter core has been sawn for sampling. ARL in 2012 submitted sawn NQ half core.</p> <p>No documentation of the sampling of RC chips is available for the Metana or Hunter Exploration drilling.</p> <p>Cube is unable to comment with any certainty on the quality or appropriateness of the sample preparation for the pre 2012 drilling.</p> <p>The 9 DD holes drilled by ARL have been drilled and sampled to industry standard with appropriate QA/QC procedures in place to ensure representivity.</p> <p>Cube is unable to comment with any certainty on the quality control procedures for sub-sampling for the pre 2012 drilling.</p> <p>Cube is unable to comment on the appropriateness of sample sizes to grain size as no petrographic studies have been undertaken or supplied to Cube.</p>



Quality of assay data and laboratory tests.	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established. 	<p>No QA/QC have been conducted on historical datasets.</p> <p>A review of the QA/QC data from the most recent ARL drilling programs for the 2013 mineral resource update was conducted by Mining Plus Pty Ltd as documented in Sulaiman 2013. This involved assessment of internal standards and of external standards, blanks, laboratory replicates and check samples.</p> <p>Data quality for the ARL drillholes is good and conforms to normal industry practices. The recent ARL data integrity is accepted with a high level of confidence, however the historical drilling data could not be validated as there is insufficient or non-existent QA/QC data.</p>
Verification of sampling and assaying.	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>A site visit by Cube geologist, Mark Zammit provided some visual verification of intersections and mineralisation by inspection of core and underground exposures.</p> <p>Data management and verification protocols are undocumented.</p> <p>There has been no adjustments to assay data by Cube for this MRE.</p>



Location of data points.	<ul style="list-style-type: none"> • Specification of the grid system used • Quality and adequacy of topographic control. 	A total of 50 historical and SLR drill hole collars have been resurveyed and locations have been verified by ARL for the 2013 MRE by Sulaiman.
Data spacing and distribution.	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<p>Drill spacing is approximately 25m (along strike) by 20m (on section) at shallow depths and from 50m by 50m to 100m x 100m at depth. This is considered adequate to establish both geological and grade continuity. Broader spaced drilling has also been used in the modelling but with lower confidence.</p> <p>Existing mine extents provide increased confidence in the geological continuity of the main mineralised structures.</p> <p>Sample compositing have been applied for this estimation.</p>
Orientation of data in relation to geological structure.	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	The orientation of the drilling is approximately perpendicular to the strike and dip of the mineralisation and is unlikely to have introduced any significant sampling bias.
Audits or reviews.	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	No reviews have been undertaken of the historical datasets.



Section 2: Reporting of Exploration results

- Mineral tenement and land tenure status
- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.
 - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.

Tenement ID	Area km ²	Status	Holder	Grant Date	Expiry Date
M59/39	7.097666	Live	Auricup (Rothsay) Pty Ltd	4/12/1986	3/12/2028
M59/40	3.805055	Live	Auricup (Rothsay) Pty Ltd	4/12/1986	3/12/2028
E59/2183	50.818482	Pending	Auricup (Rothsay) Pty Ltd	Pending	Pending
L59/24	0.067596	Live	Auricup (Rothsay) Pty Ltd	22/08/1989	21/08/2019
E59/1234	1.637013	Live	Auricup (Rothsay) Pty Ltd	29/01/2007	9/08/2017
E59/1262	2.990164	Live	Auricup (Rothsay) Pty Ltd	10/08/2007	9/08/2017
E59/1263	2.990645	Live	Auricup (Rothsay) Pty Ltd	10/08/2007	9/08/2017



<p>Exploration done by other parties</p>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>Gold was first discovered at Rathsay in 1894 and a number of parties have explored and mined the area since then. In more recent times, Metana Minerals NL explored and mined the leases from 1989 – 1991. Hunter Exploration entered into a joint venture with Central West Gold in 1997 and completed a detailed geological mapping program, rock chip sampling, lag sampling, RC and RAB drilling. The drilling successfully extended the strike length of the mineralisation along the "A" Shear by 250m to the south of the previously identified significant gold mineralization (Tanner, 1997).</p> <p>In March 2000, Thundelarra entered into a joint venture agreement with the tenement holders, Central West Gold. In 2001-2002, Thundelarra and its joint venture partners Menzies Gold Ltd drilled 9 RC holes, 5 of which have HQ diamond tails and submitted two samples for metallurgical studies. In 2002-2003 Thundelarra carried out a mineral resource estimate for the deposit, flew a low level magnetic survey and carried out general reconnaissance of the Project.</p> <p>In 2002-2003 United Gold (which subsequently became Royal Resources) acquired Thundelarra's 70% equity in the Project and completed the following exploration activities on the tenements:</p> <ul style="list-style-type: none"> The drilling of eight percussion holes (435m), two with diamond tails (75.2m); The collection of 1,464 soil and 37 rock samples for multi-element analysis; Geological and structural mapping activities; Construction of an 8 man base camp; and Commissioned resource evaluations (Re-Eval 2004) for the "A" Shear <p>In November 2007 Silver Lake Resources became the 100% owner of the Rathsay Gold Project. Silver Lake conducted an airborne EM program targeting base metal sulphides. The survey failed to identify any massive sulphide conductors, though potential remains for disseminated massive sulphide mineralisation within the tenure. During 2008-2009 Silver Lake Resources completed site reconnaissance which included the re-establishment of the local grid and completion of an aerial topographical survey over the Project area. Four RC holes were drilled for a total of 640m and four diamond holes were drilled for a total of 779.3m.</p> <p>ARL drilled nine holes (RYDD001 to RYDD009) during March 2012 targeting the A Shear approximately 50 to 100m down dip and along strike from the existing mine workings.</p> <p>The most recent exploration undertaken by Auricup has included limited rock chip samples from the low grade stockpiles and from the upper levels of the underground mine and a review of more recent Airborne survey data collected by the Geological Survey of Western Australia ("GSWA"). In addition, work is ongoing compiling and digitising historical mine and exploration records.</p>
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Geology	<ul style="list-style-type: none">• Deposit type, geological setting and style of mineralisation.	<p>The gold mineralisation at the Rathsay Gold Project is primarily hosted within five interpreted quartz-bearing shear zones that occur parallel to stratigraphy in a succession of high-Mg basalt and peridotitic to gabbroic sills. The five shear zones, named "A" to "E" Shears, strike 320° and dip 70° to the east. These five parallel lines of workings were originally described by (Clarke 1925) and at the time at least 85% of the gold production was obtained from the British Queen and other workings on the Woodley's Reward Line ("A" Shear).</p> <p>The previous resource model (Sulaiman, 2013) has interpreted mineralisation to have a strike length of 2.5km and extends to a depth of 375m. The current resource is open along strike and at depth, with only 1.6km of the "A" Shear structure tested to date and 1.2km of the "B" Shear tested to a depth of 30m.</p> <p>The "A" Shear is located at the contact between serpentinised peridotite and a porphyritic pyroxenite intrusive. The serpentinite forms the hanging wall unit. A sequence of mafic volcanic and sub-volcanic sills forms the hanging wall to the serpentinite. The "A" Shear is characterised by several generations of quartz veining with adjacent random tremolite alteration. The early quartz phase is typically blue-black due to the partial replacement of alumina by chromium oxide. The shear zone is typically two to five metres thick and mineralisation does not typically occur outside the shear zone.</p> <p>It is likely that the gold mineralisation has been deposited in two separate events. One of these events is closely associated with the copper in the system. This is seen where chalcopyrite is a common accessory to the gold mineralisation. The quartz veining is generally about 1.5m wide, occupying the shear zone with an average width of approximately 2.5m.</p> <p>Within the "A" Shear the vein pinches and swells and commonly bifurcates to form hanging wall and footwall ore zones. The "A" Shear footwall pyroxenite is relatively unaltered and massive, while the hanging wall serpentinite has a weak to moderate pervasive fabric. The "D" and "E" Shears occur with the same lithological relationships as seen at the "A" Shear in what is likely thrust repeated units.</p> <p>The "B" Shear has massive gabbro/dolerite as the hanging wall and strongly sheared amphibolite in the footwall. The "C" Shear is located at the hanging wall contact of the ultramafic unit that has the "D" Shear as the footwall contact.</p>
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Drill hole Information	<ul style="list-style-type: none">A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<ul style="list-style-type: none">○ easting and northing of the drill hole collar○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar○ dip and azimuth of the hole○ down hole length and interception depth○ hole length.If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	<p><i>The current report is a documentation of an updated Mineral Resource Estimate, in the course of the historic and more recent exploration and past mining of the project area, sufficient material information has been released by the owners and is available in the public domain to provide an understanding of the project geology and the relationship of the drilling data to that geology.</i></p> <p><i>This report provides in Appendix II a listing of the historic and more recent drilling that support the 2016 MRE.</i></p>
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Data aggregation methods	<ul style="list-style-type: none">• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.• The assumptions used for any reporting of metal equivalent values should be clearly stated.	No new exploration results are being reported, the most recent exploration has been undertaken by ARL in 2012 and the results of that have been released to the ASX at the appropriate time.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none">• These relationships are particularly important in the reporting of Exploration Results.• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	The mineralised lode geometry is well known from open pit and underground exposure. The drilling is targeted to intersect mineralisation at a high incident angle ensuring that the down hole lengths are closely aligned to the true widths of mineralisation.



Diagrams	<ul style="list-style-type: none">• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	<i>Plans and sections are included in the accompanying report.</i>
Balanced reporting	<ul style="list-style-type: none">• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	<i>Statistical tabulations are included in the accompanying report.</i>
Other substantive exploration data	<ul style="list-style-type: none">• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	<i>No other relevant exploration data is referenced for this MRE.</i>



Further work	<ul style="list-style-type: none">• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	<p>Currently Cube is not aware of the company's plans for further work. Cube has recommended both infill and extensional drilling. Infill drilling to 25x25m centres will reduce the risk inherent in this estimate and extensional drilling will test for depth extensions to the main A Shear hosted lode.</p>
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Section 3: Estimating and Reporting of Mineral Resources

Database integrity.	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used 	<p>The author has not undertaken an independent data verification of the data supplied in the databases pertaining to this project.</p> <p>The data compilation has been undertaken by independent consultants to the company and company employees and Cube accepts that the work was diligently undertaken and does not represent a material risk to the project.</p> <p>Validation checks by Cube included the following work:</p> <ul style="list-style-type: none"> Sample data exceeding the recorded depth of hole; Checking for sample overlaps; Reporting missing assay intervals; Visual validation of co-ordinates of collar drill holes; Visual validation of downhole survey data. <p>No material issues were identified by Cube.</p>
Site Visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<p>Database is found to be good and with no significant errors due to data corruption and transcription have been identified.</p> <p>The author has not been to site. Mr Mark Zammit Principal Geologist at Cube Consulting Pty Ltd undertook a site visit to the Rathsay Project for one day on the 24th May 2016.</p>



Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<p>The "A" Shear of Rathsay deposit has been mined through open pit and underground methods. Interpreted extensions of mineralised lodes have been substantially established through production history and available mapping information.</p> <p>While the current knowledge is enough to guide and control estimation factors, further review and understanding of lithological, geochemical and structural controls are required to confirm the degree of precision and accuracy of geological interpretation.</p> <p>Cube has assumed the mineralisation is contained within quartz lodes within shear zones. Alternative interpretations have been made on the mineralisation at Rathsay, for example the MRE of Sulaiman 2013 which modelled a broader zone including much of the variably mineralised and lower grade shear zones in the hanging and foot walls. The result of this different interpretation is significantly more tonnes at a lower grade above cut offs. A detailed discussion of comparison is available in the current MRE Report.</p> <p>The mineralised volume is primarily based on the logged geological description identifying quartz veining</p>
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<p>The Rathsay resource area extends over a strike length of 2.0km (from 39,250mN – 41,250mN), a width of 750m (9500mE-10250mE) and 450m vertically from surface (1350mRL to 900mRL).</p>



<p>Estimation and modelling techniques.</p>	<ul style="list-style-type: none"> • The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available. 	<p>The parent estimation block dimensions used in the model were 25 m NS, 1m EW, and 25m vertical, with minimum subcell size of 5m NS, 0.5m EW and 0.5m vertical. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing in the deposit, future mining considerations and width of mineralized A-shear vein;</p> <p>Ordinary Kriging interpolation technique was used to estimate block gold grades.</p> <p>The key assumption of the Mineral Resource Estimate (MRE) is that the economic gold content is contained within narrow quartz lodes within variably mineralised shear zones.</p> <p>The primary estimation domain is the geological wireframe of quartz veins within the A Shear zone;</p> <p>Secondary domains are six geological quartz vein wireframes of A2, B, B2, B3 C, and D within shear envelopes.</p> <p>Maximum extrapolation distance of 300m was applied to data points within a two pass search strategy. Pass one used a maximum of 150m.</p> <p>Samples data have been composited across each vein interval based on logged geology in the first instance and stratigraphic down dip position of elevated grade in the absence of geological logging;</p> <p>Various top cuts were applied to intercept composite data to limit the influence of outlier accumulation values.</p> <p>No check estimate was done; Comparisons are made to historic production figures; and comparisons are made to the previous MRE completed in 2012.</p> <p>No assumptions have been made regarding gold recovery;</p> <p>No other estimation of other elements was undertaken;</p> <p>Validation of the model included detailed statistical and visual comparison of composite grades and block grades by northing and elevation with informing data.</p>
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Moisture..	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.
Cut-off parameters.	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	The Mineral Resource has been reported at plus 5g/t Au cut-off and has been based on assumptions of suitable economic cut-off grades for underground mining.
Mining factors or assumptions.	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<p>Cube has assumed that the deposit could potentially be mined using medium to small scale underground techniques. No dilution factor has been applied to this resource model.</p> <p>The MRE extends to a depth of 400m below surface which is not considered un-reasonable for an underground mining method.</p>



Metallurgical factors or assumptions.	<ul style="list-style-type: none">The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	<p><i>The most recent metallurgical test work relating to the Rathsay Gold Project was completed from July to September 2002 by B G Harris Consulting Geologist for Thundelarra and its joint venture partners Menzies Gold Ltd. This included drilled 9 RC holes, 5 of which had HQ diamond tails and intersected mineralized zones at approximately 130m vertical depth over a 400 strike. Two representative bulk samples totaling approximately 23kg and representing 25m mineralized intersection were submitted for metallurgical studies.</i></p> <p><i>These limited drilling intersections suggested that high gold content was general associated with the presence of visible chalcopyrite. Results from the two metallurgical samples resulted in total recovery greater than 96% and suggested that the Rathsay mineralisation responds well to conventional cyanidation and gravity treatment.</i></p>
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Environmental factors or assumptions	<ul style="list-style-type: none">Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	<p><i>No assumptions have been made in regard to possible waste and process residue disposal options or the potential environmental impacts of the mining and processing operation. However, the project is the site of historic mining activity, located within an existing mineral field;</i></p>
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Bulk density.	<ul style="list-style-type: none">• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.• The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	<p><i>Bulk density measurements are assumed based on 97 SG measurements commissioned by ARL on the recent diamond drilling core.</i></p>
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Classification.	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors. i.e. relative confidence in tonnage/grade computations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data. Whether the result appropriately reflects the Competent Person(s)' view of the deposit. 	<p>This resource model has been classified as Indicated and Inferred Mineral Resources; The Rathsay Gold Project has been subject to mining since 1898 and historical workings demonstrate grade and geological continuity. While data quality control is lacking for the majority of historic drilling used, a small amount of well controlled and industry standard recent drilling and re-sampling provides some validation of the information to support the estimation and classification of a MR. All blocks that fall within an average of 55 m from 12 informing data points and only in the A Shear vein wireframe, were classified as Indicated. Inferred Mineral Resources were classified as blocks within an average distance 75m from estimating data. The remnant stopes and pillars contained with the mined area have been classified as Inferred.</p> <p>The result of Cubes work appropriately reflects the Competent Persons view of the deposit</p>
Audits or reviews.	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<p>Internal audits and peer review have been completed by Cube which verified the technical inputs, methodology, parameters and results of the estimate.</p>



<p>Discussion of relative accuracy/confidence</p>	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and/or confidence in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages or volumes, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<p><i>Cube's opinion is that reported Indicated resource should be treated with due care as the accuracy and precision of the assay determinations in the historic data used are unknown and only partially validated.</i></p> <p><i>Historical open cut and underground mining activities for 100 years and continuous geological nature of A Shear is in the Cube's opinion sufficient to support the classification of Indicated Mineral Resources to be applied to portions of the Rathsay Resource Model.</i></p> <p><i>The risk implied by the classification of Inferred Mineral Resources appropriately reflects the uncertainty of volume, tonnes and grade for all other quartz vein lodes modelled.</i></p> <p><i>No statistical or geostatistical procedures have been used to quantify the relative accuracy of this MRE, however historic reporting suggests that a total of 50,000oz gold have been won from the existing underground workings. The MRE reports 47,000oz gold within the mined drives and stopes.</i></p>
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10. Mining Tenement Report



28 July 2016

The Directors
Egan Street Resources Limited
68 Aberdeen Street
Northbridge
Western Australia 6003

Dear Sirs

Egan Street Resources Limited – Solicitor's Report on Mining Tenements and Native Title

This report (**Report**) has been prepared for due diligence purposes in relation to a prospectus (**Prospectus**) to be issued by Egan Street Resources Limited ACN 144 766 236 (**Company**) for:

- (a) a non-renounceable pro rata rights issue to eligible shareholders of on the basis of five new shares for every six shares held with an issue price of \$0.20 per share to raise up to \$5,419,554 (before costs); and
- (b) an offer of up to 2,902,232 shares at an issue price of \$0.20 per share to raise up to \$580,446 (before costs).

We have been requested to report on the mining tenements in Western Australia comprising the Rothsay Project in which the Company has an interest (**Tenements**). Details of the Tenements are set out in the Schedule and Notes to this Report. The Schedule together with the Notes to the Schedule form part of this Report. The Company also has a pending application for an exploration licence at Victoria Bore, which is not covered by this Report.

This Report covers:

- (a) Details of searches made in respect of the Tenements.
- (b) Qualifications and Assumptions.
- (c) General information about mining tenements in Western Australia.
- (d) Overview of native title and cultural heritage issues relevant to the Tenements in Western Australia.
- (e) Aboriginal Heritage.
- (f) Details of the Tenements as set out in the Schedule.
- (g) Summary of material contracts in respect of the Tenements.

Tenement Report 28 07 16

Opinion

1. As a result of our searches and enquiries, subject to the assumptions, qualifications and exceptions set out in this Report, we are of the opinion that:
 - (a) the information included in this Report is an accurate statement as to the status of the Tenements and the details of the registered holders as at 18 July 2016;
 - (b) all applicable rents and other fees due under the *Mining Act 1978* (WA) (**Mining Act**) in respect of the Tenements have been paid;
 - (c) all expenditure requirements under the Mining Act in respect of the Tenements have been complied with;
 - (d) the Company's rights to explore and mine the Tenements are subject to various conditions imposed by the Department of Mines and Petroleum (**DMP**). The key conditions imposed by the DMP in relation to each Tenement are noted in the Schedule; and
 - (e) all applications for determination of native title which affect the Tenements are noted in this Report and the Schedule.

Key Highlights of the Tenements

2. There are six granted Tenements in which the Company has an interest. The Company also has one Tenement application which is currently pending with the DMP. The key highlights of the granted Tenements and the pending Tenement application are as follows:
 - (a) The Rothsay Project comprises a total of six granted mining tenements namely mining leases 59/39 and 59/40, exploration licences 59/1234, 59/1262, 59/1263 and miscellaneous licence 59/24 for the purpose of a pipeline bore. On 30 May 2016, the Company applied for an exploration licence (59/2183) to cover areas that were the subject of previous tenements held by the Company that expired in 2014 and 2015, and for additional areas. The endorsements and conditions affecting this licence will not be confirmed until this licence is granted.
 - (b) All Tenements and the Tenement application are registered in the name of Auricup (Rothsay) Pty Ltd, a wholly owned subsidiary of the Company.
 - (c) The granted Tenements for the Rothsay Project are all in good standing. The objection closing date for Tenement applications for 59/2183 (Rothsay Project) was 4 July 2016 and our searches confirm that no objections were received prior to that date.
 - (d) The exploration licences for the Rothsay Project expire at various dates during 2017.
 - (i) Exploration licence 59/1234 expires on 1 January 2017. The Minister may extend the term (as to the whole of or part of the land the subject of the exploration licence) for a further period of one year.

- (ii) Exploration licences 59/1262 and 59/1263 expire on 9 August 2017. The Minister may extend the term (as to the whole of or part of the land the subject of the exploration licence) for a further period of two years.

Refer to Section 5 for further details and Reg 23AB of the *Mining Regulations 1981* (WA) for the grounds for extension.

- (e) Mining leases 59/39 and 59/40, exploration licences 59/1234, 59/1262, 59/1263 and pending exploration licence 59/2183 encroach on Crown Reserve 11508 reserved for the purpose of a common. Consent to mine on that reserve must be obtained from the Minister before any mining activities can be conducted within the area of the reserve.
- (f) Mining leases 59/39 and 59/40, exploration licence 59/1234 and pending exploration licence 59/2183 encroach on the Rothsay townsite. Consent to mine within the townsite must be obtained from the Minister before any mining activities can be conducted within that area. The Minister has given his consent to mining in the townsite in relation to mining leases 59/39 and 59/40 subject to conditions as detailed in the schedule.
- (g) Mining lease 59/39, exploration licence 59/1263, and pending exploration licence 59/2183 encroach on a portion of a former pastoral lease purchased by the Department of Parks and Wildlife (previously CALM) for the purpose of conservation. Consent to mine on those reserves must be obtained from the Minister before any mining activities can be conducted within the area of the reserves. The Minister has given his consent to mining in this reserve in relation to exploration licence 59/1263 subject to various conditions as detailed in in the schedule.
- (h) Mining leases 59/39 and 59/40 and exploration licence application 59/2183 encroach on road reserves. If required, roads can be moved at the licensee's expense.
- (i) A school site reserve and cemetery reserve are noted on Mining lease 59/40. These reserves do not show in TENGRAPH however they are still conditions of the tenement. The Company is determining whether these conditions still apply.
- (j) Three of the Tenements cover areas that are subject to pastoral lessees
 - (i) Exploration licence 59/2183 is 3.8% over Pastoral Lease PL N049416 (**Wanarra**); and
 - (ii) Miscellaneous licence 59/24 is 16.7% over Wanarra.

Compensation is not payable under the Mining Act to a pastoral lessee for deprivation of the possession of the land the subject of the pastoral lease. However compensation is payable under the Mining Act to a pastoral lessee for any damage to improvements on the land caused by the tenement holder and for any substantial loss of earnings suffered by the pastoral lessee resulting from mining by the tenement holder. It is not necessary to conclude an agreement with a pastoral lessee as to compensation before a mining tenement application can be granted. However it is not uncommon for tenement holders and pastoral lessees to enter into such agreements. We have been informed by the Company that there are no

compensation agreements with the pastoral lessee of the Wanarra pastoral lease concerning the Tenements.

- (k) A Rothsay native title claim made by the Widi Mob has not been accepted for registration in respect of the Tenements comprising the Rothsay Project. Refer to NNTT number WC97/72, Federal Court Number WAD6193/98.
- (l) Under the NTA the grant of a mining tenement is a "future act". A future act will be valid only if the requirements of the NTA were complied with. Since 2001, the Western Australian Government has complied with the NTA procedures when granting mining tenements. All of the Tenements other than mining leases 59/39 and 59/40 were granted after 2001 and therefore, have been validly granted under the NTA.
- (m) Mining leases 59/39 and 59/40 were granted prior to 1 January 1994. Therefore they are deemed to be valid and native title (if any exists) has been suspended by their grant.
- (n) There are no performance bonds against any of the Tenements.
- (o) A tenement holder is usually required to file separate operations reports for each individual tenement held. However, arrangements have been approved for combined mineral exploration reports to be filed for all of the live Tenements.
- (p) All of the Tenements met combined expenditure requirements in 2015 and for the 2016 commitments that have become due, either in full or in accordance with expenditure exemptions granted by the DMP. The expenditure requirements for exploration licence 59/2183 will only be known when this licence is granted by DMP.
- (q) There are no granted miscellaneous licences or applications for a miscellaneous licence affecting the Tenements other than L59/24 held by the Company.

Searches

- 3. For the purposes of this Report we have conducted the following searches in respect of the Tenements:
 - (a) Title searches

Searches of the register maintained by the DMP pursuant to the Mining Act for the Tenements dated 18 July 2016.

'Quick Appraisal' Tengraph on-line searches obtained from the DMP for the Tenements dated 14 June to 21 June 2016.
 - (b) Native title searches

Searches of the Register of Native Title Claims (**RNTC**) maintained by the National Native Title Tribunal (**NNTT**) provided on 16 and 17 June 2016, including extracts from the RNTC.

Reviewed online 'application summary' at www.nntt.gov.au from a schedule of native title applications maintained by the NNTT in respect of each native title claim not appearing on the RNTC.

Reviewed online information at www.nntt.gov.au derived from the Register of Indigenous Land Use Agreements maintained by the NNTT under the *Native Title Act 1993* (Cth) (**NTA**).

(c) Aboriginal heritage searches

Searches of the online register of Aboriginal heritage sites maintained by the Department of Indigenous Affairs (**DIA**) in Western Australia to search for any Aboriginal sites on that register established under the *Aboriginal Heritage Act 1972* (WA) on 14 June 2016.

Searches reveal that there are no registered Aboriginal heritage sites in the areas covered by the Tenements other than the pending exploration license 59/2183. It is no possible to run Aboriginal heritage searches over pending exploration licences.

Qualifications and Assumptions

4. This Report is based on, and subject to, the following assumptions and qualifications:
- (a) We have relied upon information provided by third parties, including various government departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of searches, being accurate, current and complete as at the date of its receipt by us.
 - (b) We have relied upon details of agreements which have been disclosed by the Company. Those details may not have been fully or accurately disclosed and there may be other agreements of which we are not aware that may materially affect the information in this Report.
 - (c) References in the Schedule are taken from details shown on the searches we have obtained from the relevant departments referred to in the Searches section above. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of Tenement areas or the areas of the relevant native title claims.
 - (d) Our review of the Register of Indigenous Land Use Agreements indicates that no ILUA has been registered in relation to the area covered by the Tenements which affect the Company. We have assumed that no agreements exist with registered or unregistered native title claimants allowing use of the land covered by the Tenements.
 - (e) Statements made in respect of the standing of the Tenements are based only on the information contained in the relevant search on the instrument of title for the Tenements.
 - (f) As far as we are aware there have been no material changes in the standing of the Tenements since the date of our investigations.

- (g) Where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim.
- (h) Native title may exist in the areas covered by the Tenements. While we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that additional native title claims could be made in the future.
- (i) Aboriginal heritage sites or objects (as defined in the *Aboriginal Heritage Act 1972* (WA) or under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth)) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.
- (j) The information for the material contracts was obtained from agreements supplied by the Company. Not all original documents were sighted and therefore the accuracy of information can not be assured.

General Information about Exploration Licences and Mining Leases in Western Australia

5. Exploration licences

(a) Licence area

Exploration licences are described by graticular blocks, which range in area from approximately 2.8km² to 3.3km² depending on where the block is located in the State of Western Australia. The holder of an exploration licence is permitted to carry out certain exploratory activities with respect to its area, subject to any conditions imposed on the grant of the licence. Exploration licences may be granted for areas not exceeding 70 blocks unless the Minister has designated areas of the State that may be made the subject of applications for exploration licences up to 200 blocks.

(b) Duration of licence

An exploration licence that was applied for before 11 February 2006 remains in full force for up to 5 years from the date of grant, with the possibility of renewal by the Minister in certain circumstances for a further two periods of 2 years, and then periods of 1 year provided the reason for extension is within prescribed grounds. An exploration licence applied for on or after 11 February 2006, remains in force for 5 years with a possibility of renewal by the Minister in certain circumstances for a period of 5 years and then a further period or periods of 2 years.

(c) Compulsory statutory reduction of licence area

The holder of an exploration licence applied for on or after 11 February 2006 must lodge a compulsory surrender of 40% of the number of blocks that are the subject of the licence at the end of the fifth year of the term. The holder of an exploration licence applied for before 10 February 2006 must, before the third and fourth anniversary of the licence, compulsorily surrender 50% of the number of blocks that are the subject of the licence. There are grounds for obtaining exemption from compulsory partial surrender for licences applied for before 11 February 2006 and obtaining a one year deferral from compulsory partial surrender for exploration licences applied for after 11 February 2006.

(d) Retention Status

The holder of an exploration licence applied for after 11 February 2006 may apply for retention status for the whole or part of the land the subject of the exploration licence which may be approved if there is an identified mineral resource located in the land and mining of that identified mineral resource is impractical for economic or marketing reasons or if there are political, environmental or other difficulties in obtaining requisite approvals. On approval of retention status the holder of an exploration licence may have to comply with a specified programme of work. The Minister may ask the holder of an exploration licence with retention status to show cause as to why a mining lease or leases should not be applied for over the land.

(e) Right to apply for mining leases

The Mining Act confers on the holder of an exploration licence which is in force, the right to apply for and, subject to the Mining Act, have granted, one or more mining leases over any part of the land the subject of that licence. The Mining Act limits the ability to apply for mining leases to instances where the Director, Geological Survey is satisfied that significant mineralisation exists or where a mining proposal has been prepared. Significant mineralisation is defined in the Mining Act as a deposit of minerals where there is a reasonable prospect of those minerals being obtained by mining operations. A mining proposal is a document which sets out in detail the mining operations proposed to be carried out on the area of the application.

(f) First Year of licence

Under the Mining Act, an exploration licence, or an interest therein, may not, during the first year of the term of the licence, be assigned, transferred, sublet or made the subject of any trust or other dealing, whether directly or indirectly, without the written consent of the Minister, and any such transaction entered into without such consent will be void.

6. Mining leases

(a) Application for a mining lease

The holder of an exploration licence has, subject to the Mining Act, the right to apply for and have granted a mining lease over the land the subject of the exploration licence. The grant of mining leases under the Mining Act lies with the Minister on

recommendation of the Mining Registrar or Warden. Applications for mining leases are not transferable, except when a mining lease application wholly within the area of the exploration licence, is transferred and the mining lease application then continues in the name of the transferee if the transferee was the applicant.

(b) No Assignment

It is a covenant and condition of a mining lease that the lessee not assign, underlet or part with possession of any part of a mining lease without the prior approval of the Minister or an officer of the relevant department acting on the authority of the Minister.

(c) Duration and rights of a mining lease

A mining lease remains in force for up to 21 years from the date of grant. The maximum area over which a mining lease may be granted before 11 February 2006 was 10 square kilometres, since 11 February 2006 the area is unrestricted. The holder has an option to renew for a further 21 years and then for a further 21 years with Ministerial consent. A mining lease entitles the holder to exclusive possession of the land for the purposes of mining. The holder may work and mine the land for any minerals, extract and dispose of such minerals and do all acts and things necessary in order to carry out mining operations on the land the subject of that mining lease, conditional on a Programme of Work being approved by the DMP.

(d) Other obligations

The Mining Act also imposes obligations upon the holder of a mining tenement in relation to entry to, and use of, land, notice requirements and compensation to the landholder. The tenement holder must give written notice to landholders of the relevant land (including native title holders), before entering the land for exploration or mining purposes, and access arrangements are to be entered into in accordance with the requirements of the Mining Act. The holder of a mining tenement is also required to compensate every person having an interest in any land upon which mining operations are carried out in pursuance of the Mining Act, and this includes persons holding native title in the relevant land. Compensation may be by agreement or determined by the Court. Obligations are also imposed in relation to compliance with environmental, conservation and heritage obligations and rehabilitation requirements.

(e) Conditions of tenements

Mining tenements in Western Australia are granted subject to various conditions prescribed by the Mining Act including payment of rent, expenditure and reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement. The rent and expenditure obligations and current status of these for the Tenements are set out in the Schedule along with the Endorsements and conditions affecting the Tenements. Failure to comply with a condition, to which the tenement is subject, such as the payment of rent or compliance with prescribed expenditure conditions, will render the tenement liable to forfeiture by the Minister (or alternatively the Minister may impose a penalty of up to \$50,000). Further, where the expenditure

conditions have not been complied with (or relieved by the grant of an exemption) any person may apply to the mining warden for the forfeiture of the licence. The warden may only recommend forfeiture where the non-compliance is of sufficient gravity to justify forfeiture and alternatively may impose a penalty of up to \$10,000.

(f) Other statutory requirements

Mining tenements in Western Australia are also subject to statutory requirements of certain other Acts including but not limited to the *Aboriginal Heritage Act 1972*, *Environmental Protection Act 1986*, *Rights in Water and Irrigation Act 1914* and *Conservation and Land Management Act 1984*.

Native Title – Overview

7. Recognition of native title

In June 1992 the High Court of Australia delivered judgement in *Mabo v Queensland (No.2)* and for the first time the common law of Australia recognised the continuing existence of Aboriginal native title rights to their traditional land and waters following the colonisation of Australia by European settlement.

Generally, these native title rights to land and water will be recognised if:

- (a) the claimants can establish that they have maintained a continuous connection with the land in accordance with traditional laws and customs since British settlement in 1788; and
- (b) the native title rights have not been lawfully extinguished.

The High Court held that native title could be extinguished by the valid exercise of governmental powers provided there was a clear and plain intention to do so. Further, in order for extinguishment to be lawful it must comply with the obligations imposed by the *Racial Discrimination Act 1975* (Cth).

After the *Mabo* case, considerable uncertainty existed surrounding the validity of proprietary rights in Australia, including mining tenements, and as a consequence the NTA was enacted by the Commonwealth Parliament and came into operation on 1 January 1994. The NTA was substantially amended in 1998 in response to the decision of the High Court in *Wik People v Queensland* which recognised that the granting of a pastoral lease did not necessarily extinguish all native title rights, some of which could co-exist with the rights under a pastoral lease.

In summary, the NTA:

- (a) provides for recognition and protection of native title;
- (b) establishes a regime by which claims for native title and compensation can be determined by the Federal Court of Australia;
- (c) provides procedures by which any future act affecting native title (such as the grant of a mining tenement) may be validly undertaken and by which registered claimants may be afforded certain procedural rights including the 'right to negotiate';

- (d) makes valid certain 'past acts' which would otherwise be invalidated because of native title;
- (e) extinguishes native title by the grant of private freehold title and exclusive possession tenures such as freehold leases. The grant of a freehold interest in land is considered so inconsistent with the continued enjoyment of native title rights that it extinguishes native title and once extinguished native title cannot be revived;
- (f) establishes the position of a Native Title Registrar with responsibility to consider whether claims filed pass the requirements of the 'registration test', maintain registers of native title claims, proven native title and Indigenous Land Use Agreements, and provide mediation services to parties to native title applications; and
- (g) establishes the National Native Title Tribunal, with responsibility to assist the Native Title Registrar and provide services and support to parties to native title claims.

8. Native title claims

The NTA provides for procedures whereby a claimant may lodge an application for a determination of native title with the Federal Court. Once a native title claim has been lodged, the Federal Court will refer the claim to the Native Title Registrar who must determine whether the claim meets certain conditions concerning the merits of the claim, and certain procedural and other requirements set out by the NTA (**Registration Test**).

If the Native Title Registrar is satisfied that the claim meets the Registration Test, the claim will be entered on the Register of Native Title Claims maintained by the NNTT. If a claim fails to meet the Registration Test it may still be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. Both registered and unregistered native title claims proceed through the mediation and determination process in the Federal Court. However, claimants of unregistered claims are not usually afforded certain procedural rights under the NTA, including rights of notification and rights to negotiate in relation to activities such as the grant of mining tenements on the land the subject of their unregistered claim.

9. The 'right to negotiate' and the Future Act Regime

The NTA provides procedures for the benefit of registered native title claimants that are collectively known as the future act regime. After registration of their native title claim, claimants will be entitled to the 'right to negotiate' with respect to certain proposed future acts that may affect native title. The granting of a mining tenement in Western Australia constitutes an act that may affect native title. In Western Australia, the State gives notice of its intention to proceed with the grant of a tenement either under the 'right to negotiate' process operated by the DMP or under the expedited procedure.

Generally, in relation to exploration licences and prospecting licences, the State issues a notice including a statement that the tenement should be granted under the expedited procedure. This means the tenement will be granted without negotiations with any native title claimants. Registered claimants may lodge an objection to this within 4 months after the notification date. If there are no objections lodged within the 4 month period, the NNTT does not become involved and the State may proceed to grant the tenement in accordance with the Mining Act

procedures. If one or more objections are lodged the matter is referred to the NNTT. The parties may negotiate, agree that the proposed future act is an act attracting the expedited procedure and consent to a determination that the expedited procedure applies. In such cases, the State will proceed to grant under the Mining Act.

If the parties do not reach agreement, the NNTT must determine the matter. If the NNTT decides that the expedited procedure does apply, the State may proceed to grant the tenements. Alternatively, if the NNTT determines that the expedited procedure does not apply, the process for grant of the tenement must comply with the 'right to negotiate' provisions of the NTA administered by the DMP. Under the NTA, the expedited procedure will not apply if the grant of the exploration licence or prospecting licence is likely to interfere with the community or social activities on the land, areas or sites of particular significance, or involve major disturbance to any land or waters.

The right to negotiate provisions of the NTA require the parties (i.e. the State, the tenement applicant and the registered native title claimants) to negotiate in good faith for a period of not less than 6 months following the publication of the State's notice that it intends to grant the tenement. If no agreement is reached within that time, the matter may be referred to the NNTT for determination as to whether, under the NTA, the tenement may be granted. If it determines that the tenement may be granted, the NNTT may impose conditions on the grant additional to those imposed under the Mining Act.

If the right to negotiate procedure applies in relation to a future act but is not complied with, the act will be invalid to the extent that it affects native title.

10. Proving a native title claim

Whether a native title claim is registered or unregistered, the native title claimants must prove that their claimed native title rights exist in the Federal Court in order to have their claimed native title rights formally recognised. Native title claims may be resolved through a full trial or may be the subject of a consent determination following a successful mediation process. If a native title claim is successfully proven, the then current holder of any mining tenement may be liable for compensation for any effect of the grant of that tenement on the native title proven to exist. As yet, there has not been any determination of a compensation claim of this kind in Australia.

Native Title – Western Australia

11. Current policy

As at the date of this Report, the Western Australian government's current policy in respect of the assessment of applications for the grant of exploration licences and prospecting licences engages the operation of the future act regime where the grant of such tenements may affect native title.

Under the present guidelines, the applicant for the grant of a tenement may provide evidence to the DMP, in the manner required by the guidelines, that it has executed a standard form heritage agreement or an alternative heritage agreement is in place with a native title representative body (NTRB) or with native title parties not represented by a NTRB. In those circumstances, the WA government, in giving notification of the application for the grant of a prospecting or exploration licence required under section 29 of the NTA, will apply the

expedited procedures set out in section 32 of the NTA. Provided that objection is not lodged by an interested native title claimant or party, and provided that a heritage agreement of the type referred to above is executed by the NTRB or relevant claimants or parties, the application may proceed to grant without further consideration of native title issues. If an executed heritage agreement is not signed by the parties, the NTA right to negotiate regime will be engaged and the applicant for the licence will need to negotiate in good faith together with the State and the native title claimant to progress the application to grant.

12. Validity of granted Tenements

(a) Tenements granted prior to 1 January 1994

Under the NTA, tenements granted in Western Australia prior to 1 January 1994 are deemed to be valid and native title (if any exists) has been suspended by their grant.

According to our DMP searches, two of the Tenements, M59/0039 and M59/0040, were granted prior to 1 January 1994 and so are deemed to be valid.

(b) Tenements granted after 1 January 1994

Unless native title had previously been extinguished in respect of the land upon which the Tenements were granted, these Tenements would necessarily attract the operation of the future act provisions of the NTA and engage the right to negotiate procedures to the extent that the grant of those Tenements might affect native title.

Accordingly, the Tenements, other than M59/0039 and M59/0040, will be valid provided that the future act regime under the NTA was followed by the relevant parties.

Native Title

13. There is one Native Title claim affecting the Tenements: The Native Title claim was made by the Widi Mob (NNTT number WC97/72, Federal Court Number WAD6193/98). As noted above, this claim was not accepted for registration in respect of the Tenements.

Agreements with Native Title Parties

14. There are no compensation agreements with Native Title Parties in respect of the areas covered by the Tenements.

Aboriginal Heritage

15. Both Commonwealth and State legislation protects and provides for the preservation of places, areas, and objects of significance to Aboriginal people in accordance with Aboriginal traditions. Even if native title has been extinguished, the notion of an Aboriginal person's traditional land and the spiritual and cultural value of sites on the land will remain.
16. The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) provides the Commonwealth Minister with power to make declarations for the protection and preservation of an area or object that is of Aboriginal significance. Before making a declaration, the Commonwealth Minister must commission a report in relation to the area. We are informed

by the Company that it is not aware of any application having been made under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) in relation to the Tenements.

17. In Western Australia, the *Aboriginal Heritage Act 1972* (WA) protects all Aboriginal sites and objects of significance to Aboriginal persons on or under an Aboriginal site whether or not those sites are registered on the Register of Aboriginal Sites established by that Act. Although the Aboriginal Heritage Act encourages the registration of Aboriginal sites, the Aboriginal Heritage Act protects all Aboriginal sites, whether registered or not.
18. The Aboriginal Heritage Act does not provide a mechanism for determining the existence of Aboriginal sites, although the register enables sites to be identified. Accordingly, to ensure that all sites in an area are avoided, the practice has developed for exploration and mining companies to undertake Aboriginal heritage surveys with Aboriginal traditional owners to identify ethnographic sites and to undertake archaeological surveys to identify archaeological sites.
19. Searches reveal that there are no registered Aboriginal heritage site in the areas covered by the Tenements.

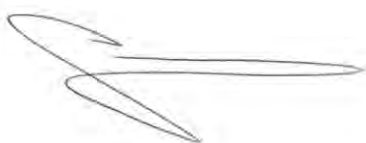
Tenement Obligations

20. The rent and expenditure obligations for the Tenements are set out in the Schedule. Endorsements, conditions and dealings affecting the Tenements are summarised in the Schedule.

Conclusion

This Report has been prepared for the purposes of the Prospectus only. We consider that this Report provides an accurate statement of the status of the Tenements as at the date of the searches outlined in paragraph 3 above. Please contact us if you have any further queries.

Yours faithfully



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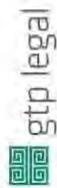
EGAN STREET RESOURCES LIMITED – SCHEDULE OF ROTHSAI TENEMENTS

Tenement	Status	Holder	Grant Date	Expiry Date	Area (Ha)	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
E 59/1234-I	Live	Auricup (Rothsay) Pty Ltd	29/01/2007	28/01/2017	298.97	\$301.35 (paid in full)	Expended year end 28/01/2016 – EXPENDED IN FULL Current Year (28/01/2017) Commitment - \$20,000	E1, E6 C1, C3, C14-C18	None	WC97/72
E 59/1262-I	Live	Auricup (Rothsay) Pty Ltd	10/08/2007	09/08/2017	299.02	\$301.35 (paid in full)	Expended year end 09/08/2015 – EXPENDED IN FULL Current year (09/08/2016) Commitment - \$20,000	E1, E6, C14-C17	None	WC97/72
E 59/1263-I	Live	Auricup (Rothsay) Pty Ltd	10/08/2007	09/08/2017	299.06	\$301.35 (paid in full)	Expended year end 09/08/2015 – EXPENDED IN FULL Current year (09/08/2016) Commitment - \$20,000	E1, E6 C2, C14-17	None	WC97/72
E 59/2183	Pending	Auricup (Rothsay) Pty Ltd	N/A	N/A	5081.85	\$2,129.25 (paid in full)	To be confirmed once granted	To be confirmed once granted	To be confirmed once granted	WC97/72
M 59/39-I	Live	Auricup (Rothsay) Pty Ltd	04/12/1986	03/12/2028	709.77	\$11,731.50 (paid in full)	Expended Year end 03/12/2015 – EXPENDITURE EXEMPTION GRANTED Current year (03/12/2016) commitment - \$71,100.00	E2- E5 C3-C4, C5 (except for(k)), C9- C10, C13, C18-C22	None	WC97/72
M 59/40-I	Live	Auricup (Rothsay) Pty Ltd	04/12/1986	03/12/2028	380.51	\$6,286.50 (paid in full)	Expended year end 03/12/2015 – EXPENDED IN FULL Current year (03/12/2016) commitment - \$38,100.00	E2-E5 C3-C4, C5 (except (i)), C6-C9, C10 (except for (d)), C12, C19-C22	None	WC97/72

Tenement	Status	Holder	Grant Date	Expiry Date	Area (Ha)	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
L59/24	Live	Auricup (Rothsay) Pty Ltd	22/08/1989	21/08/2019	6.76	\$102.20 (paid in full)	No expenditure required	C22 - 26	None	WC97/72

Endorsements

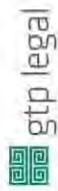
1. The licensee pursuant to the approval of the Minister responsible for the Mining Act 1978 under Section 111 of the Mining Act 1978 is authorized to explore for iron.
2. Consent to mine on the Rothsay Townsite granted subject to:
 - (a) The grant of this Lease does not include any private land referred to in Section 29(2) of the Mining Act 1978 except that below 30 metres from the natural surface of the land.
3. The lessee pursuant to the approval of the Minister responsible for the Mining Act 1978 under Section 111 of the Mining Act 1978 is authorized to work and mine for iron.
4. In respect to Water Resource Management Areas (WRMA) the following endorsements apply:
 - (a) The Lessee attention is drawn to the provisions of the:
 - Waterways Conservation Act, 1976
 - Rights in Water and Irrigation Act, 1914
 - Metropolitan Water Supply, Sewerage and Drainage Act, 0909
 - Country Areas Water Supply Act, 1947
 - Water Agencies (Powers) Act 1984
 - Water Resources Legislation Amendment Act 2007



- (b) The rights of ingress to and egress from the mining tenement being at all reasonable times preserved to officers of Department of Water for inspection and investigation purposes.
 - (c) The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the Department of Water's relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.
5. In respect to Proclaimed Ground Water Areas (Pilbara) the following endorsement applies:
 - (a) The abstraction of groundwater is prohibited unless a current licence to construct/alter a well and a licence to take groundwater has been issued by the DoW.
6. The Licensee's attention is drawn to:
 - (a) the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder;
 - (b) the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.

Conditions

1. Mining on a strip of land 20 metres wide with any pipeline as the centerline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such strip and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
2. In respect to the area designated as CPL 16 in TENGRAPH, being portion of former Pastoral Lease 3114/886, the following conditions apply:
 - (a) Prior to any ground-disturbing activity, as defined by the Director, Environment, DoIR preparing a detailed program for each phase of proposed exploration for approval of the director, Environment, DoIR. The program is to include:
 - maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and any other disturbances;
 - the purpose, specifications and life of all proposed disturbances;
 - proposals which may disturb any declared rare or geographically restricted flora and fauna; and



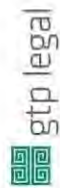
- techniques, prescriptions and timetable for the rehabilitation of all proposed disturbances.
- (b) The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the license to the satisfaction of the Director, Environment, DoIR. Such rehabilitation as is appropriate and may include:
- Stockpiling and return of topsoil;
 - Backfilling all holes trenches and costeans;
 - Ripping;
 - Contouring to the original landform;
 - Revegetation with seed; and
 - Capping and backfilling of all drill holes.
- (c) Prior to the cessation of exploration/prospecting activity the licensee notifying the Environmental Officer, DoIR and arranging an inspection as required.
3. No mining on Rothsay Townsite Reserve without the prior written consent of the Minister for Minerals and Energy.
4. Mining on any road or road reserve being confined to below a depth of 15 metres.
5. The construction and operation of the projects and measures to protect the environment being carried out generally in accordance with the document titled:
- (a) "Notice of intent, Rothsay Gold Project" dated November 1988 and retained on Mines Department File No. 1026/88;
 - (b) (MP Reg ID: 39820) "Auricup Resource Pty Ltd Rothsay Gold Project Mining Proposal – Stockpile Removal Doc: ENV-D-003-AU-Rev 1 submitted June 2013 revised July 2013 Tenement: M59/39" dated 25 July 2013 signed by Sean Richardson and retained on Department of Mines and Petroleum file No: EARS-MPMCP-39820;
 - (c) (Reg ID 43574) "Auricup Resources Pty Ltd: Rothsay Gold Mine – Mine Closure Plan: Doc: ENV-D-001-AU-Rev 1" dated 1 October 2013 signed by Sean Richardson and retained on Department of Mines and Petroleum File No. EARS-MCP-43574;

- (d) (MP Reg ID 39103) "Auricup Resources Pty Ltd Rothsay Gold Mining Proposal – Dewatering Activities Doc: ENV-D-002-AU-Rev 1 Submitted: July 2013 Tenements: M59/39 and M59/40" dated 30 July 2013 signed by Sean Richardson and retained on Department of Mines and Petroleum File No. EARS-MPMC-39103

Where a difference exists between the above document and the following conditions, then the following conditions shall prevail.

- (e) The development and operation of the project being carried out in such a manner so as to create the minimum practicable disturbance to the existing vegetation and natural landform.
- (f) All topsoil being removed ahead of all mining operations from sites such as pit areas, waste disposal areas, ore stockpile areas, pipeline, haul roads and new access roads and being stockpiled for later respreading or immediately respreads as rehabilitation progresses.
- (g) At the completion of operations, all buildings and structures being removed from site or demolished and buried to the satisfaction of the State Mining Engineer.
- (h) All rubbish and scrap being progressively disposed of in a suitable manner.
- (i) At the completion of operations, or progressively where possible, all access roads and other disturbed areas being covered with topsoil, deep ripped and revegetated with local native grasses, shrubs and trees to the satisfaction of the State Mining Engineer.
- (j) Any alteration or expansion of operations within the lease boundaries beyond that outlined in the above document(s) not commencing until a plan of operations and a programme to safeguard the environment are submitted to the Executive Director, Environment Division, Department of Mines and Petroleum (DMP) for his assessment and until his written approval to proceed has been obtained;
- (k) On the completion of operations or progressively when possible, all waste dumps, tailings storage facilities, stockpiles or other mining related landforms must be rehabilitated to form safe, stable, non-polluting structures which are integrated with the surrounding landscape and support self sustaining, functional ecosystems comprising suitable, local provenance species or alternative agreed outcome to the satisfaction of the Executive Director, Environment Division, DMP.

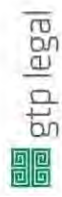
- 6. No mining on School Site Reserve 6296 without the prior written consent of the Minister for Minerals and Energy.
- 7. No mining on Cemetery Reserve No. 6295 and mining within a distance of 140 metres laterally from the Reserve being confined to below a depth of 50 metres from the lowest part of the surface of the land with rights of ingress to and egress from the said Reserve being at all times preserved to the public.



8. In respect to the area designated as CPL 16 in TENGRAPH the following conditions apply:
 - (a) Prior to any ground-disturbing activity, as defined by the Director, Environment, DMP the licensee preparing a detailed program for each phase of proposed exploration for approval of the director, Environment, DMP. The program is to include:
 - maps and/or aerial photographs showing all proposed routes, construction and upgrading of tracks, camps, drill sites and any other disturbances;
 - the purpose, specifications and life of all proposed disturbances;
 - proposals which may disturb any declared rare or geographically restricted flora and fauna; and
 - techniques, prescriptions and timetable for the rehabilitation of all proposed disturbances
 - (b) The licensee, at his expense, rehabilitating all areas cleared, explored or otherwise disturbed during the term of the license to the satisfaction of the Director, Environment, DMP. Such rehabilitation as is appropriate and may include:
 - Stockpiling and return of topsoil;
 - Backfilling all holes trenches and costeans;
 - Ripping;
 - Contouring to the original landform;
 - Revegetation with seed; and
 - Capping and backfilling of all drill holes.
9. The Lessee submitting to the Executive Director, Environment Division, DMP, a brief annual report outlining the project operations, minesite environmental management and rehabilitation work undertaken in the previous 12 months and the proposed operations, environmental management plans and rehabilitation programs for the next 12 months. This report to be submitted each year in:
 - (a) February

10. Consent to mine on the Rothsay Townsite granted subject to:
 - (a) Access to the surface of land within the Rothsay Townsite for mining purposes being subject to the approval of the local Authority or relevant reserve vestees, and mining activities within the first 100 metres below the surface of the land being limited to such mining activities as may be approved by the Director, Environment DMP.
 - (b) The Lessee taking all reasonable measures to prevent or minimize the generation of dust from all materials handling operations, stockpiles, open areas and transport activities.
 - (c) A Mine Closure Plan is to be submitted in the Annual Environmental Reporting month specified in tenement conditions in the year specified below, unless otherwise directed by an Environmental Officer, DMP. The Mine Closure Plan is to be prepared in accordance with the "Guidelines for Preparing Mine Closure Plans, June 2011" available on DMP's website:
 - 2016
 - (d) On the completion of operations or progressively when possible, all waste dumps, tailings storage facilities, stockpiles or other mining related landforms must be rehabilitated to form safe, stable, non-polluting structures which are integrated with the surrounding landscape and support self sustaining, functional ecosystems comprising suitable, local provenance species or alternative agreed outcome to the satisfaction of the Executive Director, Environment Division, DMP.
11. No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
12. No interference with Geodectic Survey Station PRJ 60 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
13. No interference with Geodectic Survey Station G59-16 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
14. All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
15. All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Industry and Resources (DoIR). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DoIR.

16. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
17. Unless the written approval of the Environmental Officer, DoIR is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanized equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
18. The rights of ingress to and egress from Miscellaneous Licence 59/24 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
19. Survey.
20. No development or productive mining being commenced until the tenement holder has submitted a plan of the proposed operations and measures to safeguard the environment to the Director, Environment, DoIR for assessment; and until his written approval has been obtained.
21. All topsoil being removed ahead of all mining operations from sites such as pit areas, waste disposal areas, or stockpile areas, pipeline, haul roads and new access roads and being stockpiled for later respreading or immediately respreads as rehabilitation progresses.
22. Compliance with the provisions of the Aboriginal Heritage Act, 1972 to ensure that no action is taken which is likely to interfere with or damage any Aboriginal Site.
23. Ingress and egress of pastoralists and tenement holders to be preserved by the construction of vehicular access crossings constructed over any pipeline and all pre-existing roadways and tracks that are crossed by any pipeline.
24. Upon expiration of the term of the licence or any earlier surrender, forfeiture or abandonment thereof, the Licensee shall forthwith commence and within a reasonable time:
 - (a) Remove all pipes and pipelines constructed pursuant to the licence or having been construed prior to the grant of the licence and being the subject of the licence; and
 - (b) Cover over all walls and holes in the ground to such degree as safety as determined by the District Mining Engineer (**Inspector**); and
 - (c) On such areas as cleared of natural growth by the holder or any of its agents, it shall plant trees and/or shrubs and/or any other plants as shall conform to the general pattern and type of growth in that area and as directed by the Inspector and properly maintained same until such time as the Forests Department advises that Inspector that the whole of such regrowth is self supporting and the Inspector so advises the licensee.



25. All topsoil being removed ahead of mining operations and stockpiled for replacement in accordance with the direction of the Inspector.
26. Ingress to and egress of pastoralists and tenement holders and officers of any Government Department that may be required to pass in or out or remain on the ground for any purpose from time to time.

11. Investigating Accountant's Report





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28 July 2016

The Directors
Egan Street Resources Limited
68 Aberdeen Street
NORTHBRIDGE WA 6003

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Egan Street Resources Limited (formerly Auricup Resources Ltd) ('EganStreet' or 'the Company') to prepare this Investigating Accountant's Report ('Report') in relation to certain financial information of EganStreet, for the Initial Public Offering of shares in EganStreet, for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 30,000,000 shares at an issue price of \$0.20 each to raise up to \$6,000,000 before costs and up to 45,000,000 free attaching options ('Maximum Subscription') by the way of the following offers ('the Offers'):

- A fully underwritten rights issue offered to eligible shareholders, of up to 27,097,768 shares at an issue price of \$0.20 per share to raise \$5,419,554 before costs, with three free attaching options for every two shares subscribed for ('Rights Issue');
- A shortfall offer made to the sub-underwritten, of up to 27,097,768 shares, with three free attaching options for every two shares subscribed for ('Shortfall Offer'); and
- An offer to the general public of up to 2,902,232 shares at an issue price of \$0.20 per share, with three free attaching options for every two shares subscribed for ('Public Offer').

The Offers are conditional upon the Company receiving the full amount under the Rights Issue and the Shortfall Offer ('Minimum Subscription').

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

2. Scope

You have requested BDO to perform a review engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of EganStreet included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2016, 30 June 2015 and 30 June 2014;
- the audited historical Statement of Financial Position as at 30 June 2016, as at 30 June 2015 and as at 30 June 2014; and
- the audited historical Statement of Cash Flows for the years ended 30 June 2016, 30 June 2015 and 30 June 2014.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of EganStreet for the years ended 30 June 2016, 30 June 2015 and 30 June 2014 which was audited by BDO Audit (WA) Pty Ltd (**'BDO Audit'**) in accordance with the Australian Auditing Standards. BDO Audit issued an unmodified audit opinion with an emphasis of matter paragraph regarding the Company's ability to continue as a going concern on the financial report.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the **'Pro Forma Historical Financial Information'**) of EganStreet included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2016.

The Pro Forma Historical Financial Information has been derived from the historical financial information of EganStreet, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by EganStreet to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on EganStreet's financial position as at 30 June 2016. As part of this process, information about EganStreet's financial position has been extracted by EganStreet from EganStreet's financial statements for the year ended 30 June 2016.

3. Directors' responsibility

The directors of EganStreet are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements Involving Corporate Fundraisings and/or Prospective Financial Information*.

Our review procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the Statement of Profit or Loss and Other Comprehensive Income of EganStreet for the years ended 30 June 2016, 30 June 2015 and 30 June 2014;
- the Statement of Financial Position of EganStreet as at 30 June 2016, as at 30 June 2015 and as at 30 June 2014; and
- the Statement of Cash Flows of EganStreet for the years ended 30 June 2016, 30 June 2015 and 30 June 2014.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of EganStreet as at 30 June 2016,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 30 June 2016:

- Upon completion of the Offers, the Company will settle \$412,379 in trade and other payables through the issue of 2,061,895 shares and 3,092,842 options with an exercise price of \$0.25 expiring 18 months from official quotation on the ASX.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of EganStreet not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix Z. This has been prepared based on the financial statements as at 30 June 2016, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 27,097,768 shares at an offer price of \$0.20 each to raise \$5,419,554 before costs with three free attaching options for every two shares subscribed for based on the Minimum Subscription or the issue of 30,000,000 shares at an offer price of \$0.20 per share to raise \$6,000,000 before costs with three free attaching options for every two shares subscribed for based on the Maximum Subscription; and
- Costs of the Offer are estimated to be \$0.69 million based on the Minimum Subscription or \$0.73 million based on the Maximum Subscription. These costs are to be offset against the contributed equity.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO is the auditor of EganStreet and from time to time, BDO provides EganStreet with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However,

BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Adam Myers

Director

APPENDIX 1
EGANSTREET RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-16 \$	Audited for the year ended 30-Jun-15 \$	Audited for the year ended 30-Jun-14 \$
Revenue	693	4,305	5,968
Other income	-	5,474	340,715
Corporate and administration expense	(155,629)	(311,916)	(456,240)
Employee benefits expense	(116,148)	(103,020)	(546,873)
Interest expense - Convertible Note	(151,300)	-	-
Exploration expenditure	(422,854)	(215,627)	(742,687)
Depreciation expense	(12,521)	(20,217)	(25,596)
Profit/(loss) on disposal of PP&E	(974)	-	-
Impairment of exploration and evaluation expenditure	(524,744)	(320,000)	-
Net loss before income tax	(1,383,477)	(961,001)	(1,424,713)
Income tax expense	-	-	-
Loss from continuing operations	(1,383,477)	(961,001)	(1,424,713)
Other comprehensive income/(loss)			
Exchange difference on translation of foreign operations	-	57,649	(21,082)
Total comprehensive income/(loss) for the year after tax	(1,383,477)	(903,352)	(1,445,795)

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 2
EGANSTREET RESOURCES LIMITED
PRO-FORMA STATEMENT OF FINANCIAL POSITION

	Notes	Audited as at 30-Jun-16	Subsequent events	Pro-forma adjustments Minimum	Pro-forma adjustments Maximum	Pro-forma Minimum	Pro-forma Maximum
		\$	\$	\$	\$	\$	\$
CURRENT ASSETS							
Cash and cash equivalents	2	184,461	-	4,731,934	5,272,380	4,916,395	5,456,841
Trade and other receivables		11,909	-	-	-	11,909	11,909
TOTAL CURRENT ASSETS		196,370	-	4,731,934	5,272,380	4,928,304	5,468,750
NON-CURRENT ASSETS							
Property, plant and equipment		64,135	-	-	-	64,135	64,135
Exploration and evaluation expenditure		1,360,510	-	-	-	1,360,510	1,360,510
TOTAL NON-CURRENT ASSETS		1,424,645	-	-	-	1,424,645	1,424,645
TOTAL ASSETS		1,621,015	-	4,731,934	5,272,380	6,352,949	6,893,395
CURRENT LIABILITIES							
Trade and other payables	3	748,702	(412,379)	-	-	336,323	336,323
Provisions		13,253	-	-	-	13,253	13,253
TOTAL CURRENT LIABILITIES		761,955	(412,379)	-	-	349,576	349,576
TOTAL LIABILITIES		761,955	(412,379)	-	-	349,576	349,576
NET ASSETS		859,060	412,379	4,731,934	5,272,380	6,003,373	6,543,819
EQUITY							
Contributed equity	4	9,683,872	161,859	4,731,934	5,272,380	14,577,664	15,118,111
Reserves	5	400,260	250,520	-	-	650,780	650,780
Foreign Exchange		97,530	-	-	-	97,530	97,530
Accumulated losses		(8,508,548)	-	-	-	(8,508,548)	(8,508,548)
Minority interests		(814,054)	-	-	-	(814,054)	(814,054)
TOTAL EQUITY		859,060	412,379	4,731,934	5,272,380	6,003,373	6,543,819

The pro-forma statement of financial position after the Offers is as per the statement of financial position before the Offers adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4.

APPENDIX 3**EGANSTREET RESOURCES LTD****NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

b) Going Concern

The historical financial information has been prepared on a 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.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Exploration and evaluation expenditure

Exploration and evaluation expenditure is generally 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 Company'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 income statement.

d) Income tax

Deferred income tax is provided on all temporary differences at the balance sheet 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 balance sheet 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 balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

e) Cash and cash equivalents

Cash in the Historical Financial Information 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.

f) 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.

g) 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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

h) Depreciation

Depreciation is calculated on either the straight-line basis or diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rate used for plant and equipment is 30%.

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

i) 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 Other Comprehensive Income.

j) 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.

k) 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 of money and the risks specific to the asset or group of assets being assessed.

l) 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.

m) 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.

n) Issued capital

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.

o) Provisions and Employee Benefits

Provisions are recognised when the Company 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.

p) 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.

	Audited 30-Jun-16	Pro-forma Minimum	Pro-forma Maximum
NOTE 2: CASH AND CASH EQUIVALENTS	\$	\$	\$
Cash and cash equivalents	184,461	4,916,395	5,456,841
EganStreet audited balance as at 30 June 2016		Minimum 184,461	Maximum 184,461
<i>Adjustments to arise at the pro-forma balance:</i>			
Proceeds from Capital Raising		5,419,554	6,000,000
Capital raising costs		(687,620)	(727,620)
Pro-forma adjustments		4,731,934	5,272,380
Pro-forma Balance		4,916,395	5,456,841

	Audited 30-Jun-16	Pro-forma Minimum	Pro-forma Maximum
NOTE 3: TRADE AND OTHER PAYABLES	\$	\$	\$
Trade and other payables	748,702	336,323	336,323
EganStreet audited balance as at 30 June 2016		Minimum 748,702	Maximum 748,702
Subsequent events:			
<i>Settlement of trade and other payables</i>		(412,379)	(412,379)
Subsequent events adjustments		(412,379)	(412,379)
Pro-forma Balance		336,323	336,323

	Audited 30-Jun-16 \$		Pro-forma Minimum \$	Pro-forma Maximum \$
NOTE 4. CONTRIBUTED EQUITY				
Contributed equity	9,683,872		14,577,664	15,118,111
	Number of shares (min)	Number of shares (max)	Minimum (\$)	Maximum (\$)
EganStreet audited balance as at 30 June 2016	32,517,398	32,517,398	9,683,872	9,683,872
Subsequent events:				
<i>Issue of shares to trade creditors*</i>	2,061,895	2,061,895	161,859	161,859
Pro-forma adjustments:				
Proceeds from shares issued under the Prospectus	27,097,768	30,000,000	5,419,554	6,000,000
Capital raising costs	-	-	(687,620)	(727,620)
	27,097,768	30,000,000	4,731,934	5,272,380
Pro-forma Balance	61,677,061	64,579,293	14,577,664	15,118,111

*Under AASB2, we have apportioned the fair market value of the trade and other payables to be settled to reserves and contributed equity to recognise the share and option components.

	Audited 30-Jun-16 \$		Pro-forma Minimum \$	Pro-forma Maximum \$
NOTE 5. RESERVES				
Reserves	400,260		650,780	650,780
	Number of options (min)	Number of options (max)	Minimum (\$)	Maximum (\$)
EganStreet audited balance as at 30 June 2016	10,825,000	10,825,000	400,260	400,260
Subsequent events:				
<i>Issue of options to trade creditors*</i>	3,092,842	3,092,842	250,520	250,520
Pro-forma adjustments:				
Free attaching options to be issued under the Offers	40,646,606	45,000,000	-	-
Pro-forma Balance	54,564,448	58,917,842	650,780	650,780

*Under AASB2, we have apportioned the fair market value of the trade and other payables to be settled to reserves and contributed equity to recognise the share and option components.

We note that the free attaching options to be issued under the Offers are considered issued equity to the equity holders and we have therefore not recognised this in the Statement of Profit or Loss and Other Comprehensive Income.

The fair value of the options to be issued to trade creditors has been calculated using the Black-Scholes option valuation methodology. The following inputs were used.

Issue of options to trade creditors		\$
Number of options	3,092,842	
Underlying share price	\$0.20	
Exercise price	\$0.25	
Expected volatility	100.00%	
Expiry date (years)	1.50	
Expected dividends	Nil	
Risk free rate	1.57%	

NOTE 7: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 8: CONTINGENT LIABILITIES

At the date of this Report, the Company is party to a claim regarding the final payment for a lease and is currently unresolved. A provision has been raised based on the Directors' estimate at this time. There are no other contingent liabilities as at 30 June 2016.

APPENDIX 4
EGANSTREET RESOURCES LTD
HISTORICAL STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Audited as at 30-Jun-16 \$	Audited as at 30-Jun-15 \$	Audited as at 30-Jun-14 \$
CURRENT ASSETS			
Cash and cash equivalents	184,461	14,882	322,463
Trade and other receivables	11,909	15,759	53,931
TOTAL CURRENT ASSETS	196,370	30,641	376,394
NON-CURRENT ASSETS			
Trade and other receivables	-	4,000	35,254
Property, plant and equipment	64,135	78,774	148,471
Exploration and evaluation expenditure	1,360,510	1,882,902	2,194,855
TOTAL NON-CURRENT ASSETS	1,424,645	1,965,676	2,378,580
TOTAL ASSETS	1,621,015	1,996,317	2,754,974
CURRENT LIABILITIES			
Trade and other payables	748,702	444,010	432,680
Provisions	13,253	13,253	57,320
TOTAL CURRENT LIABILITIES	761,955	457,263	490,000
TOTAL LIABILITIES	761,955	457,263	490,000
NET ASSETS	859,060	1,539,054	2,264,974
EQUITY			
Contributed equity	9,683,872	9,168,097	8,991,926
Reserves	400,260	207,500	207,500
Foreign Exchange	97,530	100,441	64,631
Accumulated losses	(8,508,548)	(7,426,852)	(6,546,530)
Minority interests	(814,054)	(510,132)	(452,553)
TOTAL EQUITY	859,060	1,539,054	2,264,974

APPENDIX 5
EGANSTREET RESOURCES LTD
HISTORICAL STATEMENT OF CASHFLOWS

	Audited for the year ended 30-Jun-16 \$	Audited for the year ended 30-Jun-15 \$	Audited for the year ended 30-Jun-14 \$
Cash flows from operating activities			
Interest	693	608	5,968
Research and development grant	-	-	340,715
Payments to suppliers and employers	(138,921)	(221,245)	(862,261)
Payments for exploration and evaluation expenditure	(202,019)	(148,107)	(704,146)
Net cash used in operating activities	(340,247)	(368,744)	(1,219,724)
Cashflows from investing activities			
Purchase of tenements	(16,158)	-	(43,546)
Purchase of bank guarantees	-	-	20,000
Forfeit of bank guarantees	-	31,254	-
Proceeds from the sale of plant and equipment	-	29,000	-
Purchase of plant and equipment	-	-	(10,371)
Net cash used in investing activities	(16,158)	60,254	(33,917)
Cashflows from financing activities			
Proceeds from issue of shares	300,000	-	1,339,755
Costs of Capital Raising	(9,225)	-	-
Proceeds from issue of convertible note	225,000	-	-
Proceeds from related party loans	-	-	197,500
Repayment of related party loans	-	-	(60,000)
Net cash used in financing activities	515,775	-	1,477,255
Net increase/(decrease) in cash	159,370	(308,490)	223,614
Cash and cash equivalents at the beginning of the period	14,882	322,463	98,849
Effect of exchange rate changes on cash balance	10,209	909	-
Cash and cash equivalents at the end of the period	184,461	14,882	322,463

12. Risk Factors

The Securities offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities pursuant to this Prospectus.

The below list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by the holders of Securities. The proposed future activities of the Company are subject to a number of risks and other factors which may affect its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated.

12.1 Specific Risks.

(a) Rehabilitation of underground infrastructure

In the event the Company proceeds with the positive decision to mine, potential investors should understand that in order to recommence mining the existing underground decline needs to be rehabilitated to gain access. Previous studies have been undertaken by Mining Plus Pty Ltd in 2012. These include the dewatering of the underground infrastructure to the tailings storage facility, the rehabilitation of the portal in the "A" Shear pit and the rehabilitation of the decline.

In order to rehabilitate the underground infrastructure, risk is involved primarily in the geotechnical properties of the portal and decline. Although work has been done to date with testing, engineering and design the risk is still apparent and potential investors should consider the following:

- (i) the decline, which has not been actively used for 25 years requires complete rehabilitation including dewatering, meshing, bolting and cable bolting in areas;
- (ii) the current condition of the portal is poor and is considered unsupported. Extensive remediation work is required to make the portal safe;
- (iii) although there are currently no apparent issues with the "A" Shear pit and access to the portal, there is the risk of geotechnical or seismic events which may adversely affect entry to the underground; and
- (iv) the risk of seismic events which may affect the stability of the tailings storage facility.

(b) Mineral Resource Estimates

The interpretation of exploration results and Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally made may alter significantly when new information or techniques become available. In addition, by their very nature, exploration results and Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

Specific risks relating to the Rothsay Mineral Resource include:

- (i) limited database validation checks have been undertaken as part of Mineral Resource estimate. Drilling completed prior to 2009 (prior to EganStreet and Silver Lake Resources Limited) lacks supporting records and has not been able to be fully verified; and
- (ii) The historical drilling data on the project could not be validated, as there is insufficient or non-existent QAQC data.

For further information in respect to these matters see section 4.2 of the Independent Geologists report in Section 9.

(c) Results of Studies

Potential investors should understand that although it is the Company's intention to perform the required work, including studies (scoping, prefeasibility or feasibility studies) to proceed to a decision to mine, this does not guarantee the Rothsay Gold Project will get to production.

The above mentioned studies may be completed however; the result of the studies may deem that it is not viable to commence mining. This may be for a variety of reasons including but not limited to economic, legal, environmental, social etc.

(d) Exploration risk

Exploration is a high risk undertaking. The Company does not give any assurance that the planned exploration of the Rothsay Tenements will result in the indicated portion of the Mineral Resource at the Rothsay Gold Project being increased or that future exploration will result in the estimation or discovery of other significant or economic Mineral Resources. Even if the Rothsay Mineral Resource is improved or other significant Mineral Resources are identified, there can be no guarantee that they can be economically exploited. In addition, the Mineral Resources may become depleted, resulting in a reduction of the value of those tenements.

The exploration costs of the Company have been estimated based on certain assumptions which are subject to significant uncertainties. The actual costs may materially differ from these estimates. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised. The Company may be materially and adversely affected if the actual costs are substantially greater than the estimated costs.

(e) Operational risks

The operations of the Company may be affected by various factors which are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in exploration, difficulties in commissioning or operating plant and equipment or mechanical failure which may affect extraction costs, adverse weather conditions, environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destructions of, equipment, personal injury, environmental damage, business interruption and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(f) Gold, base metal and other commodity prices

As an explorer for gold, base metals and, potentially, other minerals, any future earnings of the Company are expected to be closely related to the price of those commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration and project development plans, together with the ability to fund those plans and activities.

(g) Native Title

The *Native Title Act* recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the *Native Title Act*.

For tenements validly granted (or renewed) after 1 January 1994, the future act regime established by the *Native Title Act* must be complied with.

The existence of a Native Title Claim is not an indication that Native Title in fact exists on the land covered by the claim, as this matter is ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

(h) Tenement title

Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of licences. Each licence is granted for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, its tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

All of the tenements in which the Company has an interest (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority.

If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

(i) Environmental

Exploration activities on tenements are subject to laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's activities on the tenements are expected to have a variety of environmental impacts. The Company's activities on the tenements will be subject to the satisfaction of environmental guidelines and requisite approvals from applicable government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications for the Company.

(j) Future capital needs

The future capital requirements of the Company will depend on many factors. The Company believes that the proceeds of the Offers should be adequate to fund its business activities in the short term as stated in this Prospectus. Changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated.

Should the Company require additional funding, there can be no assurance that additional financing (whether debt or equity) will be available, either on acceptable terms or at all. Any inability to obtain additional funding, if required, will have a

material adverse effect on the Company's business and its financial condition and performance and the Company's ability to continue as a going concern.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offers and may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

The Company may undertake offerings of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, voting power of the Company's existing shareholders will be diluted.

(k) Dilution Risk

The Offers will result in the issue of a number of Shares. This means that each Share on issue at the date of this Prospectus will represent a significantly lower proportion of ownership in the Company. This means that each Share on issue at the date of this Prospectus will represent a significantly lower proportion of ownership in the Company. Existing EganStreet Shareholders should note that if they do not participate in the Offers (and even if they do), their holdings may be considerably diluted (as compared to their holdings at the date of this Prospectus)

Upon completion of the Offers, and assuming the Maximum Subscription is achieved under the Public Offer, the existing Shares on issue will represent approximately 50.35% of the Company's enlarged share capital following completion of the Offers.

(l) Reliance on key personnel and ability to recruit additional personnel

The Company's operational success will depend substantially on the continuing efforts of Directors and senior executives. The loss of services of one or more Directors or senior executives may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.

12.2 General Risks

(a) Securities investments

There are risks associated with any securities investment. The prices at which the Securities trade on ASX may fluctuate in response to a number of factors including:

- (i) the recruitment or departure of key personnel;
- (ii) actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- (iii) variations in the Company's financial results or those of companies that are perceived to be similar to the Company including changes caused by

changes in financial accounting standards or practices or taxation rules or practices;

- (iv) announcements regarding litigation or other proceedings that involve the Company;
- (v) war or acts of terrorism or catastrophic disasters that disrupt world trade or adversely affect confidence in financial markets;
- (vi) other general economic, industry and market conditions; and
- (vii) other factors described in this Section 12.

(b) Share market conditions

Share market conditions may affect the value of the Securities, regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and mining and resources related stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Liquidity risk

There is no guarantee that there will be an ongoing liquid market for the Securities. Accordingly, there is a risk that, should the market for the Securities become illiquid, Shareholders will be unable to realise their investment in the Company.

(d) Economic risk

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the mining and resources industries including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;

- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
 - (iii) the strength of the equity and share markets in Australia and throughout the world, and in, particular, investor sentiment towards the mining and resources sector;
 - (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
 - (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.
- (e) Taxation

There is the potential for further changes to tax laws and changes in the way tax laws are interpreted. Any change to the current rates of taxes imposed on the Company is likely to affect returns to Shareholders.

The Company obtains external expert advice on the application of the tax laws to its operations. An interpretation of taxation laws by a revenue authority that is contrary to the Company's interpretation of those laws may increase the amount of tax to be paid.

In addition, an investment in the Securities involves tax considerations which may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.
- (f) Policies and legislation

The introduction of new legislation or amendments to existing legislation by governments, and the decisions of courts and tribunals, can impact adversely on the assets, operations and, ultimately, the financial performance of the Company.

Any adverse developments in political and regulatory conditions in the countries in which the Company conducts business could materially affect the Company's prospects. Political changes, such as changes in both monetary and fiscal policies, expropriation, methods and rates of taxation and currency exchange controls may impact the performance of the Company as a whole.

12.3 Investment Speculative

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

13. Material Contracts

13.1 Underwriting Agreement

Pursuant to the Underwriting Agreement, the Underwriter has agreed to manage the Offers and fully underwrite the Rights Issue.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter the following fees in connection with the Offers:

- an underwriting/selling fee of 6.5% of the total gross amount raised from all sources under the Offers (being \$352,271 if the Minimum Subscription is achieved and \$390,000 if the Maximum Subscription is received) (all sub-underwriting and selling fees to third parties will be met from this fee by the Underwriter); and
- a corporate advisory fee of \$79,800 (accruing in 3 equal monthly payments from 3 May 2016).

In addition, the Underwriter will be reimbursed for all costs and expenses of and incidental to the Offers. If the Company or the Underwriter terminates the Underwriting Agreement, the Company will pay the Underwriter a termination fee equal to the amount of the corporate advisory fee which has accrued up until the date of termination, as well as any accrued expenses up to the date of termination.

The obligation of the Underwriter to underwrite the Rights Issue is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement, upon or at any time prior to the Issue Date, if:

- (a) **(Indices fall)**: the All Ordinaries Index, the S&P/ASX Small Resources Index or the S&P/All Ordinaries Gold Index as published by ASX is at any time after the date of the Underwriting Agreement, 7.5% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (b) **(Prospectus)**: the Prospectus or the Offers are withdrawn by the Company;
- (c) **(No Official Quotation)**: ASX gives formal notice that the Shares or Attaching Options will not be granted Official Quotation;
- (d) **(Supplementary prospectus)**:
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in paragraph (p)(vi) below, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or

- (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter;
- (e) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information required by section 710 of the Corporations Act;
- (f) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 710 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (g) **(Restriction on issue)**: the Company is prevented from issuing the Securities offered under this Prospectus within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (h) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (i) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (j) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (k) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (l) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving Australia and any one or more of New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, or the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated in any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world, provided that such circumstance is not existing at the date of this Agreement, which has or is reasonably likely to have a Material Adverse Effect;

- (m) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (n) **(Indictable offence)**: a director or a senior manager of a Relevant Company is charged with an indictable offence;
- (o) **(Conditions not satisfied)**: any of the Conditions of the Offer is not satisfied by the date the Prospectus specifies it must be satisfied;
- (p) **(Termination Events)**: subject always to the material adverse effect qualification described below, any of the following events occur:
- (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking (other than a breach that is capable of remedy and which is remedied by the Company promptly following request by the Underwriter);
 - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change which is reasonably likely to occur after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (v) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results (as defined in the Underwriting Agreement) or any part of the verification material (as defined in the Underwriting Agreement) was false, misleading or deceptive or that there was an omission from them;
 - (vi) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
 - (vii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offers or the Prospectus;
 - (viii) **(Misleading information)**: any material information supplied at any time by the Company or any person on its behalf to the Underwriter in

respect of any aspect of the Offers or the issue of the Securities offered under this Prospectus or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;

- (ix) **(Conditional listing letter)**: the conditional listing letter from ASX confirming that it will grant Official Quotation subject to satisfaction of specified conditions contains any non-customary qualifications or conditions (customary conditions include: (i) the allotment of the Offer Securities, and (ii) securing the requisite number of holders to satisfy ASX spread requirements for quotation);
- (x) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xi) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs and is not otherwise permitted under the Underwriting Agreement or contemplated by the Prospectus;
- (xii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (xiv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any Relevant Company having a claim value of more than \$100,000, other than any claims foreshadowed in the Prospectus;
- (xvi) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before completion of the Offers without the prior written consent of the Underwriter;
- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company other than as contemplated in the Prospectus or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xviii) **(Timetable)**: there is a delay in any specified date in the timetable set out in the Underwriting Agreement which is greater than 5 Business Days and the Underwriter has not given its prior written consent agreement to a delay exceeding 5 Business Days;

- (xix) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
- (xxii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a related company; or
- (xxiii) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriter may not exercise its rights under termination event (p) above unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a termination event has or is likely to have, or two or more termination events together have or are likely to have:

- (a) a Material Adverse Effect; or
- (b) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

Defined terms used in this Section 13.1 have the following meanings, which are given to the terms in the Underwriting Agreement:

"Event of Insolvency" means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or

- (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

"Force Majeure" means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

"Insolvency Provision" means any Act relating to insolvency, sequestration, liquidation or bankruptcy (including any Act relating to the avoidance of conveyances in fraud of creditors or of preferences, and any Act under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

"Material Adverse Effect" means:

- (a) a material adverse effect on the outcome of the Offers or on the subsequent market for the Shares issued under the Offers (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in Shares under the Offers); or
- (b) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole; or
- (c) the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement; or
- (d) a material adverse effect on the tax position of either:
- (i) the Company and its Subsidiaries either individually or taken as a whole; or
 - (ii) an Australian resident shareholder in the Company.

"Prescribed Occurrence" means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy back agreement or;
 - (ii) resolving to approve the terms of a buy back agreement under section 257C or 257D of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the Offers or the terms of the Underwriting Agreement;
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to a Relevant Company; or
- (j) the making of an order by a court for the winding up of a Relevant Company.

"Relevant Company" means the Company and each material Subsidiary.

"Subsidiary" means each company which at the date of execution of the Underwriting Agreement or at the time of completion of the Offers is a subsidiary of the Company within the meaning of the Corporations Act.

13.2 Royalty Agreement

EganStreet has entered into a deed of assignment of royalty with Silver Lake Resources Limited (**Silver Lake**) and Magnetite Mines Limited (**Magnetite Mines**) (**Deed of Assignment**) with effect from completion of the acquisition of the Rothsay Tenements (other than the application for E59/2183).

Pursuant to the Deed of Assignment, Silver Lake has assigned, and EganStreet has accepted, obligations to pay the royalty (**Royalty**) under an agreement between Silver Lake, Magnetite Mines and Central West Gold NL dated 12 June 2007 (under which Magnetite Mines and Central West Gold NL agreed to sell 100% of the interests in the Rothsay Tenements (other than the application for E59/2183), and several other mining tenements over ground now covered by the application for E59/2183, to Silver Lake).

The Royalty is \$10 per ounce of gold extracted from the Rothsay Tenements commencing once EganStreet has produced 10,000 ounces from the Rothsay Tenements (including part of E59/2183, if granted, only) and payable up until the date on which \$700,000 has been paid, at which time the Royalty shall be extinguished.

The Royalty shall be paid as follows:

- (a) 85% to Magnetite Mines; and
- (b) 15% to Central West Gold NL.

14. Additional Information

14.1 Rights Attaching to Shares

Full details of the rights attaching to Shares are set out in the Constitution a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to all shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders.

(a) General meeting and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney; representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, ASX Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(d) Variation of rights

At present, the Company has on issue one class of shares only, namely Shares.

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) Transfer of Shares

Subject to the Constitution, the Corporations Act and Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) Partly paid Shares

The Directors may, subject to compliance with the Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) Dividends

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (excluding any amount paid in advance of calls) bears to the total issue price of the share.

(h) Winding up

Subject to the rights of holders of shares with special rights in a winding-up, if the Company is wound up, members will be entitled to participate in any surplus assets of the Company in proportion to the percentage of the capital paid-up or credited as paid up on the shares when the winding up begins.

(i) Dividend reinvestment and Share plans

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) Directors

The Constitution states that the minimum number of Directors is 3 and the maximum is 10.

(k) Powers of the Board

Except as otherwise required by the Corporations Act, any other law, Listing Rules or the Constitution, the Directors have power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) Share buy backs

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by Directors.

(m) Unmarketable parcels

The Company's constitution permits the Board to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the ASX Settlement Operating Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the Shareholder notice of the intended sale.

If a Shareholder does not want his Shares sold, he may notify the Company accordingly.

(n) Capitalisation of profits

The Company may capitalise profits. Subject to the Constitution and the terms of the issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(o) Capital reduction

Subject to the Corporations Act and the Listing Rules, the Company may reduce its share capital.

(p) (Preference Shares)

The Company may issue preference shares including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's members.

14.2 Terms and Conditions of Attaching Options

- (a) **(Entitlement)** The Attaching Options (**Attaching Options**) entitle the holder to subscribe for one Share upon the exercise of each Attaching Option.
- (b) **(Exercise price)** The exercise price of each Attaching Option is \$0.25.
- (c) **(Expiry date)** 18 months from the date of Official Quotation.
- (d) **(Exercise period)** The Attaching Options are exercisable at any time from the date of issue to the Expiry Date.

- (e) **(Notice of exercise)** The Attaching Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Attaching Option being exercised. Any notice of exercise of an Attaching Option received by the Company will be deemed to be a notice of the exercise of that Attaching Option as at the date of receipt.
- (f) **(Shares issued on exercise)** Shares issued on exercise of the Attaching Options rank equally with the Shares of the Company.
- (g) **(Quotation of Shares on exercise)** Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Attaching Options.
- (h) **(Timing of issue of Shares)** After an Attaching Option is validly exercised the Company must as soon as possible following receipt of cleared funds equal to the sum payable on the exercise of the Attaching Options:
 - (i) issue the Share; and
 - (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 days from the date of exercise of the Attaching Option.
- (i) **(Participation in new issues)** There are no participation rights or entitlements inherent in the Attaching Options and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Attaching Options.

 However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Attaching Options the opportunity to exercise their Attaching Options prior to the date for determining entitlements to participate in any such issue.
- (j) **(Adjustment for bonus issues of Shares)** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Attaching Option will be increased by the number of Shares which the Attaching Option holder would have received if the Attaching Option holder had exercised the Attaching Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (k) **(Adjustment for rights issue)** If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Attaching Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-S+D]}{N+1}$$

O = the old Exercise Price of the Attaching Option.

E = the number of underlying Shares into which one (1) Attaching Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

- (l) **(Adjustments for reorganisation)** If there is any reconstruction of the issued share capital of the Company, the rights of the Attaching Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (m) **(Quotation of Attaching Options)** Application will be made to ASX within seven days after the date of this Prospectus for Official Quotation of the Attaching Options the subject of this Prospectus
- (n) **(Attaching Options transferable)** The Attaching Options are transferable subject to compliance with the Corporations Act.
- (o) **(Lodgement Instructions)** Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Attaching Options with the appropriate remittance should be lodged with the Company's Share Registry.

14.3 Terms and Conditions of Incentive Options

- (a) **(Entitlement)** The Incentive Options (**Incentive Options**) entitle the holder to subscribe for one Share upon the exercise of each Incentive Option.
- (b) **(Exercise price)** The exercise price of each Incentive Option is \$0.25.
- (c) **(Vesting Milestones)**
 - Tranche 1 Incentive Options vest upon the successful listing of the Company on ASX.
 - Tranche 2 Incentive Options vest upon the delivery of a feasibility study, the necessary funding and the decision to mine.
 - Tranche 3 Incentive Options vest upon the first gold production

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- (d) **(Vesting on change of control)** Any Incentive Options that have been issued but have not yet vested will automatically vest upon one or more of the following events occurring:
 - (i) the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
 - (ii) the service of a bidder's statement or a like document on the Company by any party to acquire Shares in the Company;
 - (iii) the date upon which a person or a group of associated person becomes entitled, subsequent to the date of issue of the Incentive Options, to sufficient Shares to give it or them the ability, in general meeting to replace all, or allow a majority, of Directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons.
 - (e) **(Expiry date)** 3 years from the date of Official Quotation.
 - (f) **(Exercise period)** The Incentive Options are exercisable at any time from the Vesting Date to the Expiry Date.
 - (g) **(Notice of exercise)** The Incentive Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Incentive Option being exercised. Any notice of exercise of an Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.
 - (h) **(Shares issued on exercise)** Shares issued on exercise of the Incentive Options rank equally with the Shares of the Company.
 - (i) **(Quotation of Shares on exercise)** Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Incentive Options.
 - (j) **(Timing of issue of Shares)** After an Incentive Option is validly exercised the Company must as soon as possible following receipt of cleared funds equal to the sum payable on the exercise of the Incentive Options:
 - (i) issue the Share; and
 - (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Incentive Option.
 - (k) **(Participation in new issues)** There are no participation rights or entitlements inherent in the Incentive Options and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days

after the issue is announced. This will give the holder of Incentive Options the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

- (l) **(Adjustment for bonus issues of Shares)** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
- (i) the number of Shares which must be issued on the exercise of an Incentive Option will be increased by the number of Shares which the Incentive Option holder would have received if the Incentive Option holder had exercised the Incentive Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (m) **(Adjustment for rights issue)** If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Incentive Option will be reduced according to the following formula:
- $$\text{New exercise price} = O - \frac{E[P-S+D]}{N+1}$$
- O = the old Exercise Price of the Incentive Option.
- E = the number of underlying Shares into which one (1) Incentive Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.
- (n) **(Adjustments for reorganisation)** If there is any reconstruction of the issued share capital of the Company, the rights of the Incentive Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (o) **(Quotation of Incentive Options)** The Incentive Options will be unlisted Incentive Options. No application for quotation of the Incentive Options will be made by the Company until such time as the Company in its absolute discretion determines otherwise. Should the Company make an application for quotation of the Incentive Options and the ASX accepts the application for quotation of the Incentive Options then the Incentive Options will be listed Incentive Options from time to time that the ASX accepts such application.

- (p) **(Incentive Options transferable)** The Incentive Options are transferable subject to compliance with the Corporations Act.
- (q) **(Lodgement Instructions)** Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Incentive Options with the appropriate remittance should be lodged at the Company's Share Registry.

14.4 Substantial Shareholders

At the date of this Prospectus, the following parties have a voting power of 5% or more of the Shares on issue.

Shareholder	No. Shares Held	% Total Shares Held as at date of this Prospectus	No. Shares Held on Completion of the Offers ¹	% Total Shares Held on Completion of the Offers ¹
Lion Selection Group Limited	5,552,931	17.08	11,164,475	17.29
Chris Retzos and related entities	3,650,000	11.22	8,484,125	13.14

¹ Note: assuming the substantial Shareholders are the only Shareholders to take up their Entitlement, the Maximum Subscription is raised and no Options are exercised.

The Company will announce to the ASX details of its top-20 Securityholders (following completion of the Offers) prior to the Securities commencing trading on ASX.

14.5 Employee Share Option Plan

The Company has established an employee share option plan (**ESOP**) to assist in the attracting, motivating and rewarding employees who are eligible to participate. The key terms of the ESOP are set out below:

- (a) The Directors, at their discretion, may issue Employee Options to Participants at any time, having regard to relevant considerations such as the Participant's past or potential contribution to the Company, and their period of employment with the Company.
- (b) Participants in the Employee Option Plan are full-time or part-time employees of the Company or a related body corporate (which includes Directors, the Company Secretary and officers) or such other persons as the Board determines. The Company will seek Shareholder approval for Director and related party participation in accordance with Listing Rule 10.14.
- (c) The Employee Option Plan is administered by the Directors of the Company, who have the power to:
- (d) determine appropriate procedures for administration of the Employee Option Plan consistent with its terms;

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- (e) resolve conclusively all questions of fact or interpretation in connection with the Employee Option Plan;
 - (f) delegate the exercise of any of its powers or discretions arising under the Employee Option Plan to any one or more persons for such period and on such conditions as the Board may determine; and
 - (g) suspend, amend or terminate the Employee Option Plan.
 - (h) Employee Options must be granted for nil monetary consideration or no more than nominal monetary consideration.
 - (i) The exercise price of the Employee Options shall be determined by the Board in its discretion.
 - (j) The Company must have reasonable grounds to believe that the number of Shares to be received on exercise of the Employee Options when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three years under:
 - (k) an employee incentive plan of the Company covered by ASIC Class Order 14/1000; or
 - (l) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,
 - (m) does not exceed 5% (or such other maximum permitted under any ASIC Class Order providing relief from the disclosure regime of the Corporations Act) of the total number of issued Shares at the time the Offer to acquire Options is made (but disregarding any offer of Options that can be disregarded in accordance with relevant ASIC Class Orders).
 - (n) The Shares to be issued on exercise of the Employee Options will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.
 - (o) The Board may determine the time periods or performance hurdles after which the Employee Options will vest and the percentage of Employee Options issued which will vest at each particular time. The Employee Option Plan provides for the release of vesting conditions at the Board's discretion in the event of a change of control of the Company.
 - (p) An Employee Option must be exercised (if at all) not later than its expiry date and may only be exercised at any time after the Employee Option has vested. The Board may determine (in its absolute discretion) any further conditions of exercise consistent with the terms of the Employee Option Plan.
 - (q) Employee Options will not be listed for quotation. However, the Company will make application to ASX for official quotation of all Shares issued on exercise of the Employee Options as soon as practicable after their Issue Date.
 - (r) The Employee Options are not transferable unless vested and with the prior written approval of the Board and provided that the transfer complies with the Corporations Act.

- (s) If there is any reorganisation of the issued share capital of the Company, the rights of the Employee Option holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
- (t) There are no participating rights or entitlements inherent in the Employee Options and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Employee Options.
- (u) **Employee** means a person who is a full-time or part-time employee or officer or director of the Company or a related body corporate, or such other person as the Board determines.
- (v) **Employee Option** means an Option granted under the Employee Option Plan.
- (w) **Employee Option Plan** means the Company's employee option plan summarised in Section [insert].
- (x) **Invitation** means a written invitation to an Employee to participate in the Employee Option Plan.
- (y) **Participant** means an Employee who has accepted an Invitation to participate in the Employee Option Plan.

The ESOP otherwise contains terms considered standard for a document of this nature.

14.6 Company Structure

Egan Street has the following Subsidiaries:

Name	% Ownership	Country of Incorporation	Activity
Auricup (Rothsay) Pty Ltd	100	Australia	Holder of the Rothsay Gold Project
Auricup Victoria Bore Pty Ltd	100	Australia	Holder of tenement application
Auricup Baviacora Pty Ltd	100	Australia	Holding company of Recursos Auricup de R.L de C.V.
Recursos Auricup de R.L de C.V.	100	Mexico	Holder of concessions in Mexico
Auricup International Pty Ltd	50	Australia	Holding company of Minera Auricup de R.L de C.V.
Minera Auricup de R.L de C.V.(100% owned subsidiary of Auricup International Pty Ltd)	50	Mexico	Holder of concessions in Mexico

14.7 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no promoter or person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or had within two years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers under this Prospectus; or
- (c) the Offers under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered in connection with the formation or promotion of the Company or the Offers of Securities under this Prospectus.

Patersons Securities Limited has acted as Underwriter of the Rights Issue and corporate adviser. In respect of this work Patersons will be paid approximately \$470,000 (excluding GST) based on the Maximum Subscription being received and approximately \$432,000 (excluding GST) based on only the Minimum Subscription being received as detailed in Section 6.17. During the 24 months preceding lodgement of this Prospectus at the ASIC, Patersons has received \$9,000 (exclusive of GST) in fees from the Company.

GTP Legal has acted as the solicitors to the Company in relation to the Offers and has been involved in due diligence enquiries on legal matters. The Company estimates it will pay GTP Legal approximately \$60,000, (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, GTP Legal has received approximately \$10,000 (exclusive of GST) in fees from the Company which includes fees for matters done in advance of and necessary to conduct the Offers.

BDO Corporate Finance WA Pty Ltd has acted as investigating accountant and has prepared the Investigating Accountant's Report which has been included in Section 11 of this Prospectus. The Company estimates it will pay BDO Corporate Finance WA Pty Ltd a total of \$6,000 (exclusive of GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Audit WA Pty Ltd received \$62,457 (exclusive of GST) in fees from the Company.

Computershare Investor Services Pty Limited acts as the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

14.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a

contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this Section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offers; and
- (c) makes no representations regarding, and, in light of the above, only to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any statements in, or omissions from any part of this Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Prospectus with the consent of that party as specified in this Section.

Patersons Securities Limited has given its written consent to being named as the Underwriter and corporate adviser in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Cube Consulting Pty Ltd has given its written consent to being named as Independent Geologist in this Prospectus and to the inclusion of the Independent Geologist's Report in Section 9 in the form and context in which the report is included. Cube Consulting Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

BDO Corporate Finance WA Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 11 in the form and context in which the report is included. BDO Corporate Finance WA Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

BDO Audit WA Pty Ltd has given its written consent to being named as the auditor to the Company in this Prospectus. BDO Audit WA Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

GTP Legal has given its written consent to being named as the lawyers to the Company in this Prospectus. GTP Legal has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named the Company's Share Registry in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

14.9 Litigation

To the knowledge of the Directors, as at the date of this Prospectus, no Group company is involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against any Group company.

14.10 ASX Waivers

As the Company is applying for admission to the Official List, the Company will be required to meet the requirements of Chapters 1 and 2 of the Listing Rules. These requirements include that the exercise price for any options on issue must be at least 20 cents in cash (pursuant to Listing Rule 1.1 Condition 11).

Following completion of the Offers, the Company will have 1,875,000 Options on issue with an exercise price of \$0.18, being less than the 20 cent exercise price required by Listing Rule 1.1 Condition 11. See Section 6.10 for further details.

The Company has obtained in principle confirmation from ASX that a waiver of Listing Rule 1.1 Condition 11 will be available on listing, to allow the Company to have those Options on issue with an exercise price of 18 cents.

14.11 Expenses of the Offers

The estimated expenses of the Offers are as follows:

Item of Expenditure	Minimum Subscription Amount (\$)	Maximum Subscription Amount (\$)
ASIC fees	2,350	2,350
Legal fees	60,000	60,000
Investigating Accountant	6,000	6,000
Independent Geologist	19,300	19,300
Underwriting Fee	352,000	390,000
Corporate Adviser Fee	80,000	80,000
ASX fees	133,000	135,000
Preparation, printing and other expenses	25,000	25,000
Share Registry	10,000	10,000
Total	687,650	727,650

15. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

A handwritten signature in black ink, appearing to read 'MD', is enclosed within a thin black rectangular border.

Marc Ducler

Director

for and on behalf of Egan Street Resources Limited

28 July 2016

16. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or \$ means an Australian dollar.

Applicant means a person who submits an Application.

Application means a valid application for Securities pursuant to an Application Form.

Application Form means an Entitlement and Acceptance Form, a Shortfall Offer Application Form and a Public Offer Application Form (as applicable).

Application Monies means application monies for Securities received and banked by the Company.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange operated by ASX Limited (as the context requires).

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Operating Rules means the settlement rules of ASX Settlement.

Attaching Option means an Option offered under this Prospectus exercisable at \$0.25 on or before the date which is 18 months from the date of Official Quotation and otherwise on the terms and conditions set out in Section 14.2.

Board means the board of Directors as constituted from time to time.

Business Day means a week day when trading banks are ordinarily open for business in Melbourne, Victoria.

Closing Dates means the dates on which each of the Offers closes as set out in the indicative timetable in Section 3.

Company or EganStreet means Egan Street Resources Limited (ACN 144 766 236).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company specified in Section 8.1.

Eligible Shareholder means a registered holder of Shares with a registered address in either Australia or New Zealand as at the Record Date.

Entitlement means each Eligible Shareholder's right to subscribe for five (5) Shares at an issue price of \$0.20 per Share for every six (6) Shares recorded in their name on the Company's Share register as at the Record Date with three (3) free Attaching Options for every two (2) Shares subscribed for.

Entitlement and Acceptance Form means a personalised entitlements and acceptance form accompanying this Prospectus for acceptance of the Rights Issue.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Group means the Company and its subsidiaries.

GST has the same meaning as in *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

Incentive Options means the incentive options with the terms and conditions in Section 14.3.

Independent Geologist Report means the independent geologist report in Section 9.

Investigating Accountant's Report means the investigating accountant's report in Section 11.

JORC Code means the JORC Coe 2012 Edition.

Listing Rules means the official listing rules of ASX.

LSG means Lion Selection Group Limited ABN 26 077 729 572 (ASX:LSX).

Maximum Subscription means the raising of \$6,000,000 (before costs of the Offers) by the acceptance of Applications for:

- (a) 27,097,768 Shares at \$0.20 each to raise \$5,419,554 (before costs of the Offers) in the Rights Issue and the Shortfall Offer; and
- (b) 2,902,232 Shares at \$0.20 each to raise \$580,446 (before costs of the Offers) in the Public Offer.

Minimum Subscription means the raising of \$5,419,554 (before costs of the Offers) by the acceptance of Applications for 27,097,768 Shares at \$0.20 each in the Rights Issue and the Shortfall Offer.

Mining Tenement Report means the report in Section 10.

Offer Conditions means the Offer Conditions outlined in Section 6.6.

Offers means the Rights Issue, the Shortfall Offer and the Public Offer (as applicable).

Official List means the official list of ASX.

Official Quotation means official quotation of the Securities by ASX in accordance with the Listing Rules.

Opening Date means the first date for receipt of completed Application Forms which is 4 August 2016.

Option means an option to acquire an unissued Share.

Prospectus means this prospectus dated 28 July 2016.

Public Offer means the offer of up to 2,902,232 Shares at an issue price of \$0.20 per Share pursuant to this Prospectus to raise up to \$580,446 (before costs of the Offers), with three (3) free Attaching Options for every two (2) Shares subscribed for, as outlined in Section 6.5.

Public Offer Application Form means the Public Offer Application Form accompanying this Prospectus for application under the Public Offer.

Record Date means 5pm (WST) on 4 August 2016.

Restricted Securities has the meaning given to that term in the Listing Rules.

Rights Issue means the offer of 27,097,768 Shares to Eligible Shareholders on the basis of five (5) Shares at an issue price of \$0.20 per Share for every six (6) Shares held as at the Record Date, to raise up to \$5,419,554 (before costs of the Offers), with three (3) free Attaching Options for every two (2) Shares subscribed for, as outlined in Section 6.3.

Rothsay Gold Project means the gold project, located approximately 300 kilometres north-north east of Perth, in the Southern Murchison region of Western Australia covering an area of approximately 69.4 km² comprising the Rothsay Tenements.

Rothsay Mineral Resource means the Indicated and Inferred Mineral Resource of 624kt @ 11.3g/t Au for 226k ounces (Indicated 318kt @ 11.7g/t Au and Inferred 306kt @ 11g/t Au) at a 5.0 g/t Au cut-off estimated in accordance with the 2012 edition of the JORC Code as detailed in section 4.3 of the Independent Geologists Report in Section 9.

Rothsay Tenements means the 7 tenements specified as such in the Mining Tenement Report.

Section means a section of this Prospectus.

Security means a Share or an Option (as applicable).

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277), trading as Computershare.

Shareholder means a holder of Shares.

Shortfall or **Shortfall Shares** means those Shares forming Entitlements or part of Entitlements not accepted under the Rights Issue.

Shortfall Application Form means the Shortfall Application Form accompanying this Prospectus for application under the Shortfall Offer.

Shortfall Offer means the offer of Shortfall Shares at an issue price of \$0.20 per Share with three (3) free Attaching Options for every two (2) Shortfall Shares subscribed for as outlined in Section 6.4.

Sub-Underwriter means a person identified by the Underwriter as a sub-underwriter to the Rights Issue in accordance with the terms of the Underwriting Agreement.

Underwriter means Patersons Securities Limited (ACN 008 896 311).

Underwriting Agreement means the Underwriting Agreement between the Underwriter and the Company.

WST means Australian Western Standard Time.