

# DIAMOND DRILLING COMMENCES TO TEST HIGH GRADE EXTENSIONS AT ROTHSAY

23 February 2017

## HIGHLIGHTS

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- ***EganStreet to test for depth extension of shallow northerly plunging high grade gold mineralisation***
- *Successful recent drilling at Rothsay (nine of the ten holes drilled returned significant results, averaging 1.5m at 20.4g/t Au, including 5.1m at 14.8g/t Au and 1.7m at 60.7g/t Au) has demonstrated the potential to upgrade the Mineral Resource to the south and at depth*
- *Following on from this success, the Company is accelerating plans to test down plunge extensions of a high grade trend which is highly prospective. If confirmed, there is the potential to further upgrade the Mineral Resource to the north*
- *Any extensions to the Mineral Resource along strike are likely to increase the mine plan referred to in the Scoping Study, which may have a positive impact on the project value*
- *The program consists of up to 6 diamond drill holes for a total of 2580m and drilling is currently underway.*

## DIAMOND DRILLING PROGRAM

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Egan Street Resources Limited (ASX: EGA) (**EganStreet** or the **Company**) is pleased to report that Westralian Diamond Drillers has commenced drilling at the Rothsay Gold Project (**Rothsay**).

The diamond drilling program will test for a northern extension of high grade gold mineralisation on the "A" Shear, at an approximate depth from surface of 330m to 400m. The down plunge extension of the current high grade trend is untested and prospective (figure 1).

Drilling conducted at Rothsay during late 2016 was targeted to infill a portion of inferred resource, with the intention of elevating the resource in this area to a higher level of confidence. The successful program (announced on 6 February 2017), delivered results that were higher grade and in some cases thicker than that predicted by the Resource model, and as a result provide the potential to extend the mineralised strike to the south as well as improve the grade and width in that area (RYDD020 - 5.1m @ 14.8g/t Au). Resource modelling has commenced and an updated Mineral Resource estimate is expected by the end of the 1<sup>st</sup> Quarter, 2017.

Conceptual mine design based on the recently received drilling results has demonstrated that extensions to the mine plan (referred to in Scoping Study announced 23 December 2016) are likely. Extensions along strike are likely to result in ore drive lengths greater than 800m. Consequently, the drilling to test the northerly plunging high grade trend has been accelerated. If the results of this drill program are positive, consideration will be given to the development of a second decline to minimise ore drive lengths and increase productivity. This has the potential to increase production rates as a result of additional stoping fronts being available.

The planned program consists of up to 6 diamond drill holes, all drilled from surface, for a total of 2580m.

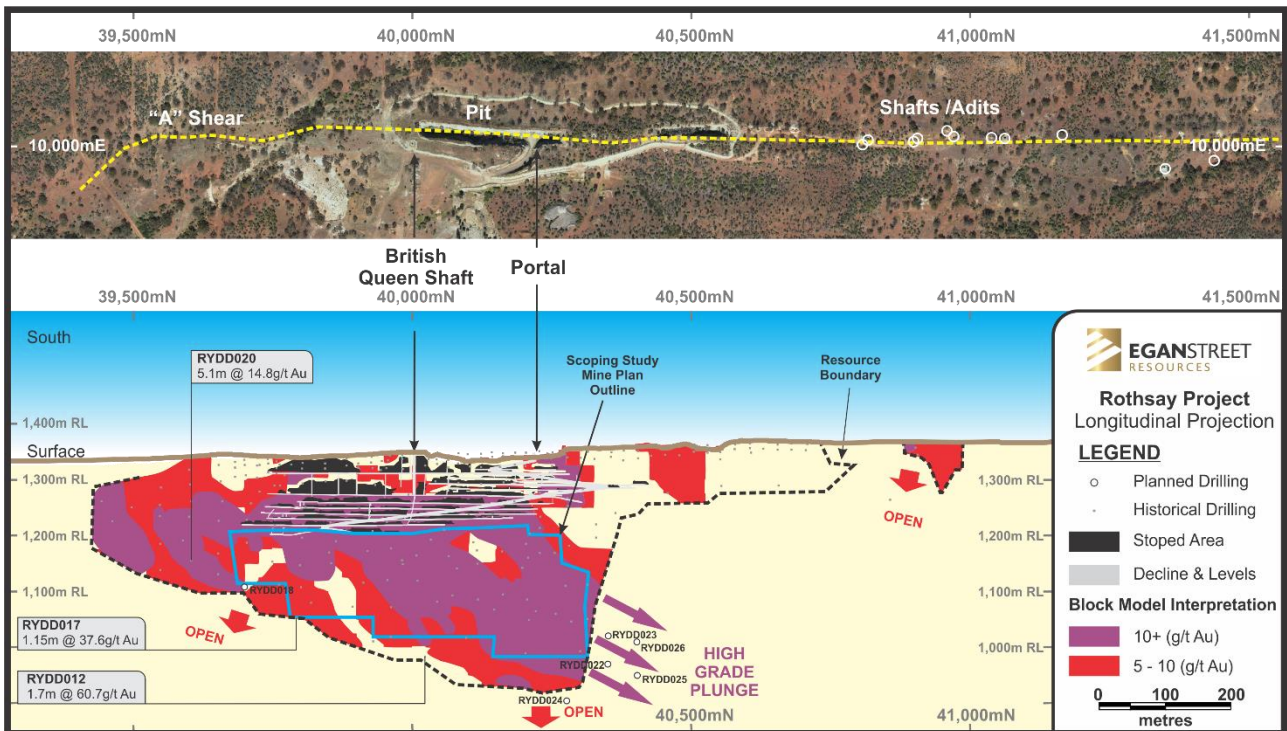


Figure 1 - "A" Shear long projection showing pierce points of proposed drilling, significant recent drill results shown against the backdrop of the current indicated and inferred Mineral Resource Estimate and the Mine Plan from the Scoping Study released 23 December 2016

## FURTHER EXPLORATION ACTIVITIES

EganStreet is also pleased to advise that a detailed ground magnetic survey has been scheduled for the first quarter of calendar year 2017. This detailed ground magnetic survey aims to identify the cross structures that are considered significant in concentrating the mineralisation as observed with the current "A" Shear Mineral Resource Estimate. Following interpretation of the ground magnetic survey, EganStreet plans to conduct reverse circulation drilling targeting repeat "A" Shear style mineralisation on the 10 kilometres of largely untested shears contained within the mining tenements at the Rothsay Gold Project.

Given the historic workings from the 1890's that are evident along these largely untested shears, the aim of these further exploration activities is to demonstrate that repeated mineralisation of the scale contained within the current Rothsay Mineral Resource Estimate may be hosted within the mining tenement package at Rothsay.

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## ABOUT EGANSTREET RESOURCES

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EganStreet owns the Rothsay Gold Project, located 300km NNE of Perth in the Southern Murchison region of Western Australia, which hosts high-grade Mineral Resources of 226,000 ounces at an average grade of 11.3 g/t Au (Indicated 318kt @ 11.7g/t Au and Inferred 306kt @ 10.8g/t) and a production target (Scoping Study published 23 December 2016) of 493kt @ 6.7g/t for 101koz of gold produced.

The Company is focused on increasing the geological confidence of the Mineral Resource, expanding the known mineralisation and carrying out the necessary evaluation, modelling and feasibility studies to progress a potential near term, low capital intensity and high grade gold production opportunity.

EganStreet has a strong Board and Management team which has the necessary range of technical and commercial skills to progress the Rothsay Gold Project.

The Company is funded to progress the Rothsay Gold Project to a decision to mine (technical and commercial studies completed, funding secured and key construction, mining and processing contracts in place).

### Competent Person Statements

The information in this announcement that relates to exploration results for the Rothsay Gold Project is extracted from

- the ASX announcement dated 6 February 2017, "Drilling Confirms More High Grade Gold Intersections" which is available from [www.eganstreetresources.com.au](http://www.eganstreetresources.com.au) / [www.asx.com.au](http://www.asx.com.au) and
- the Prospectus lodged on 28 July 2016, which is available to view at [www.eganstreetresources.com.au](http://www.eganstreetresources.com.au) and [www.asx.com.au](http://www.asx.com.au)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement referred to above or the Prospectus. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the announcement referred to above or the Prospectus.

The information in this announcement that relates to the estimation and reporting of the Rothsay Mineral Resource is extracted from the Independent Geologists Report included in the Prospectus lodged on 28 July 2016 which is available to view at [www.eganstreetresources.com.au](http://www.eganstreetresources.com.au) / [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Independent Geologists Report included in the Prospectus and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the Independent Geologists Report included in the Prospectus continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Independent Geologists Report included in the Prospectus.

Information in relation to the Rothsay Project Scoping Study, including production targets and financial information, included in this announcement is extracted from an ASX Announcement dated 23 December 2016 (see ASX Announcement – 23 December 2016, "Rothsay Scoping Study Revised", [www.eganstreetresources.com.au](http://www.eganstreetresources.com.au) and [www.asx.com.au](http://www.asx.com.au)). The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 23 December 2016 continue to apply and have not materially changed.