

## DIAMOND DRILLING COMMENCES TO TEST DOWN-DIP AND NORTHERN EXTENSIONS OF HIGH-GRADE RESOURCE AT ROTHSAY GOLD PROJECT

**Multiple new regional exploration targets also identified by recently completed magnetic survey and stratigraphic review**

### HIGHLIGHTS

- > Multi-pronged exploration programme continuing, aimed at growing the high-grade 262,000-ounce<sup>1</sup> resource inventory at the Rothsay Gold Project in the Murchison Goldfields of WA.
- > Diamond drilling commenced late last week to test the down-dip and northern extensions of the Woodley's Shear (previously the "A" Shear), which hosts the current high-grade resource.
- > RC drilling targeting shallow up-dip extensions of the Woodley's Shear Resource, as well as the southern part of the Clyde, Clyde East and Woodley's East Shears (previously the "D", "C" & "H" Shears), now completed with 57 holes drilled for 5,100m – assays pending.
- > Interpretation of a recent close-spaced ground magnetic survey also completed, providing for a detailed interpretation of the full field stratigraphy, which controls the gold mineralisation.
- > A recently-completed regional exploration review has identified a number of new regional high-grade gold targets within the two Mining Leases at Rothsay.
- > These targets will be systematically ranked and prioritised for testing in parallel with the recently announced near-mine targets (see ASX announcement, 11 July 2017).

Egan Street Resources (ASX: EGA) ("EganStreet" or the "Company") is pleased to advise that it is continuing to rapidly advance exploration activities on several fronts aimed at growing the 262,000-ounce<sup>1</sup> high-grade resource inventory at its 100%-owned **Rothsay Gold Project** ("Rothsay" or the "Project") in WA.

Diamond drilling commenced late last week targeting the down-dip and northern extensions of the Woodley's Shear (previously the "A" Shear), which hosts the existing resource.

The previous naming convention of the geological features (shears named "A" through "E" and "H") has been changed to avoid confusion. The new nomenclature adopts historical names from the most extensive pre-1920's era, where the names reflect those of the previous leases and mines situated at Rothsay.

A 16-hole, 1,587m Reverse Circulation drilling programme targeting shallow up-dip extensions of the Woodley's Shear (previously the "A" Shear) Resource has also now been completed. Geological logging of this programme has confirmed that the shear has been intersected in several locations and assay results are awaited.

A further 41 holes totaling 3,523m were drilled targeting the southern end of the Clyde, Clyde East and Woodley's East Shears (previously the "D", "C" and "H" Shears). Logging of these holes has also confirmed

<sup>1</sup> Indicated Resource 399kt at 11.9g/t for 152koz and Inferred Resource of 303kt at 11.3g/t for 110koz

that the shear has been intersected in several areas. All samples have been delivered to the assay laboratory and results are expected to be available for release in August 2017.

In parallel with the drilling programmes focused on Resource extensions, a recently-completed review of the broader regional exploration potential of the Rothsay Gold Project has identified a number of exciting regional exploration targets.

This review builds on the results of a close-spaced ground magnetic survey (Figure 2) completed earlier this year, which has provided for a detailed interpretation of the stratigraphic controls on gold mineralisation across the full Rothsay Goldfield, and an exhaustive review of historical records.

The newly-identified regional targets add to the near-mine targets (see ASX announcement 11 July 2017 – “Near-mine Targets Highlight the Growth Potential at Rothsay”) and demonstrate the significant pipeline of exploration opportunities available to the Company at Rothsay.

EganStreet’s Managing Director, Marc Ducler, said the completion of the regional exploration review had provided exciting insights for the Company, as it revealed the potential to discover repeats of the existing high-grade Resource within parallel shear zones which had been virtually untouched by modern exploration.

*“We are now beginning to form a much clearer picture of the potential of the Rothsay Gold Project. In addition to a near-term, high-grade production opportunity, we can now see a clear pathway to grow our gold inventory, both in the immediate near-mine environment and further afield,” he said.*

*“The regional exploration review has given us a much clearer understanding of the structural controls on the gold mineralisation in the field and highlighted opportunities to target potential repeats of the Woodley’s Shear Resource on parallel trends.*

*“In conjunction with the current diamond drilling programme, which is aimed at extending the resource to the north as well as down-dip, and the recently completed shallow RC drilling campaign which targeted northern extensions of the resource, we expect to be in a position to deliver exploration news-flow on multiple fronts as we continue to advance the Definitive Feasibility Study towards completion.”*

## DIAMOND DRILLING PROGRAMME COMMENCES

Westralian Diamond Drillers commenced drilling at Rothsay late last week targeting the down-dip and northern extensions of the Woodley’s Shear (previously the “A” Shear), which hosts the existing resource.

Following the identification of three near-mine targets (from a recent study of drill cores, examining stratigraphy, alteration and structural aspects of ore development – see ASX announcement 11 July 2017 – “Near-mine Targets Highlight the Growth Potential at Rothsay”), the diamond drilling programme will initially test two of these targets, namely the down-dip and northern extensions of the Woodley’s Shear (previously the “A” Shear).

Four holes have been planned (Figure 1) with POW approval to initially test the northern extension target. These holes are well north of the current Woodley’s Shear Resource, where mineralisation is known to persist, based on historical workings and shallow, high grade historical drill-hole intercepts which are open at depth (e.g. 2.47m at 20.58g/t Au, 1.0m at 116.8g/t Au, 0.6m at 29.2g/t Au – see ASX announcement 09 September 2016 – “Prospectus”).

Six holes are currently POW-approved to be drilled into the down-dip target in order to square-off the deeper southern section of the current Woodley’s Shear Resource. A further 22 holes are planned and are awaiting POW approval.

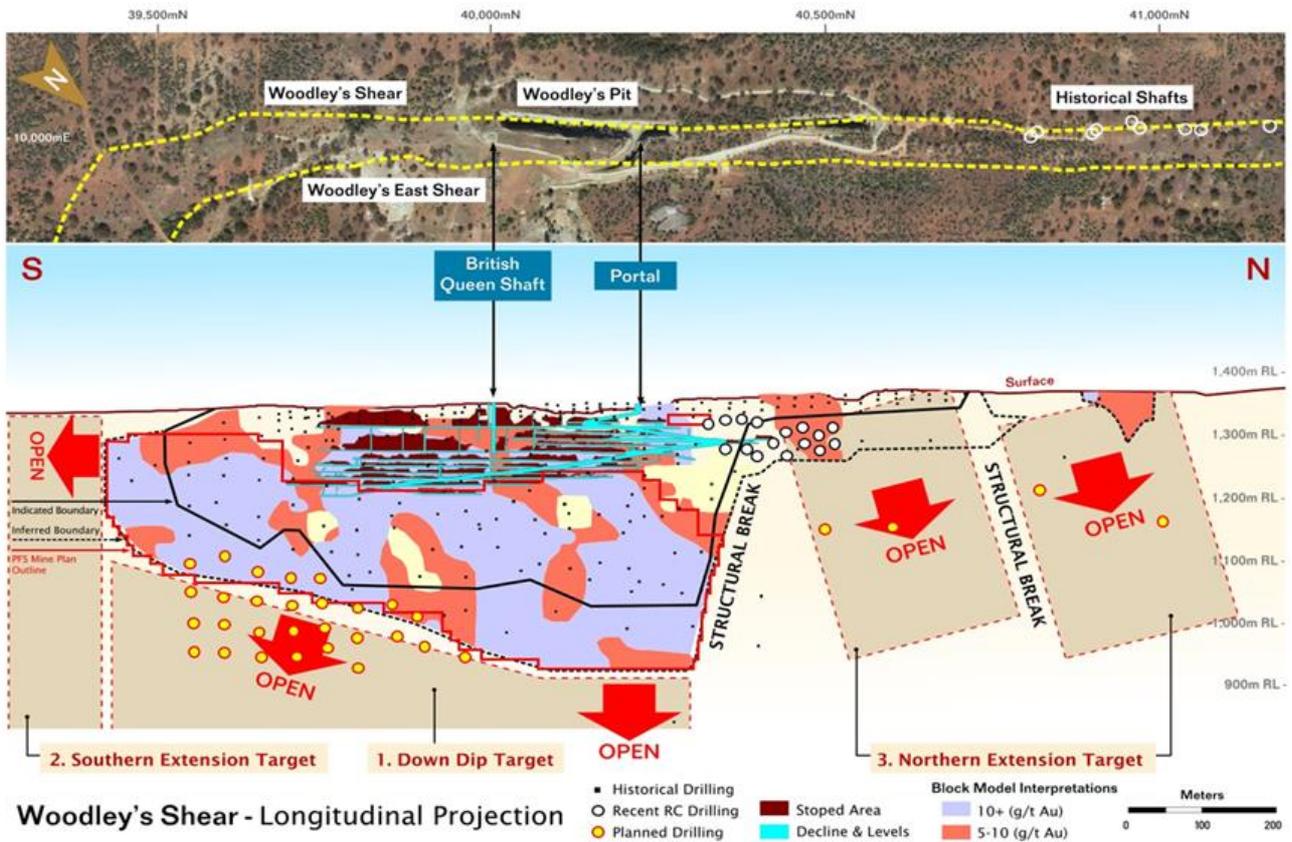


FIGURE 1 – WOODLEY'S SHEAR LONG PROJECTION SHOWING PIERCE POINTS OF PLANNED DIAMOND DRILLING

## ROTHSAY GOLDFIELD EXPLORATION REVIEW

EganStreet has completed an exploration review which assessed the geological potential of the Rothsay Goldfield for the discovery of new high-grade gold mineralisation. The review utilised all existing exploration data, including drill core, the 1989-91 mining production data, new close-spaced magnetic data and a drill core study which assisted in confirming near-mine stratigraphy and the structural and alteration characteristics associated with the gold mineralisation.

The review has already identified several near-mine targets (see ASX announcement 11 July 2017 – “Near-mine Targets Highlight the Growth Potential at Rothsay”) which the Company intends to progress in the short term, and which may provide extensions to the existing Mineral Resource.

There is now also a portfolio of regional targets across EganStreet's 100%-owned tenements which present opportunities for the discovery of new zones of mineralisation. The regional targets will be prioritised in the coming quarter to a drill-ready target.

Modern exploration of the Rothsay Goldfield has been conducted by a number of companies, mainly junior miners and explorers, resulting in a vast database of more than 888 drill holes. Approximately 68% of historical drilling on Woodley's Shear is diamond core, which has been used to compile the Mineral Resource.

There are numerous drilling results of high-grade gold (>1g/t Au) in positions regarded as being prospective and there are also numerous additional anomalous gold intercepts which all require follow-up.

EganStreet estimates that more than 80% of the interpreted mineralised strike, estimated by the Company at more than 14km, is completely untested by drilling, including some areas beneath historic gold mines.

The existence of historical mines on multiple host structures across the tenements is viewed as highly promising for prospectivity of the Rothsay Goldfield, as it demonstrates that gold has been deposited in multiple locations and on multiple structures, in concentrations that have been rewarding enough for historical miners to exploit using hand-held mining and basic processing.

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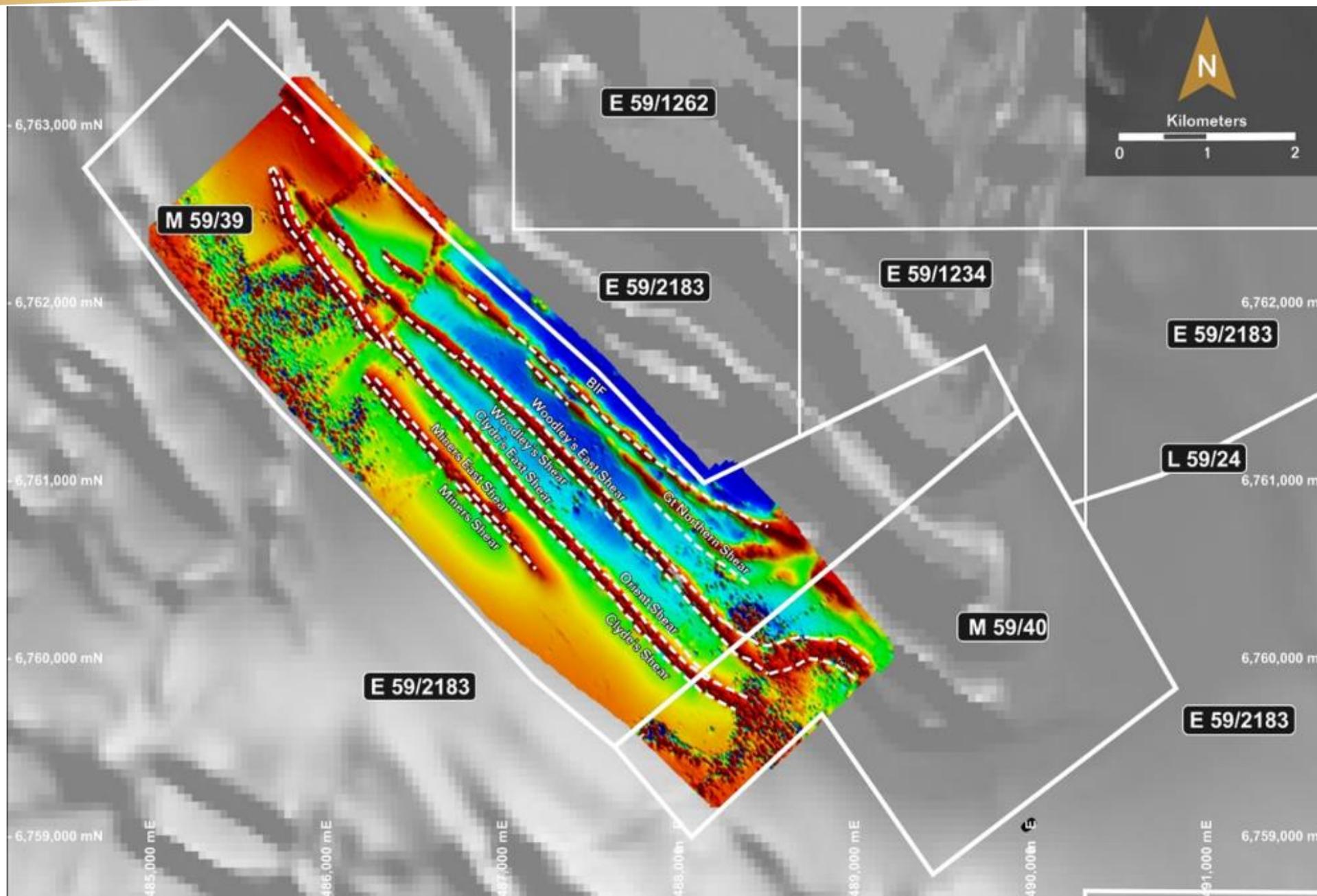


FIGURE 2 – GROUND MAGNETIC SHOWING REGIONAL TARGETS WITH HISTORICAL NAMES

## ROTHSAY GEOLOGY (INCORPORATING HISTORIC NAMING CONVENTION)

The Rothsay Goldfield is hosted by a sequence of steeply dipping, north-west trending mafic and ultramafic rocks. Known gold mineralisation is hosted on the sheared contacts between lithological units, and is commonly associated with quartz veining. There is a collective strike of over 14km of mineralised shears.

The Company has re-named geological features, as the identification of new prospective zones has made previous naming (shears were named "A" through "E" and "H") confusing. The new nomenclature adopts historical names from the most extensive pre-1920's era, where the names reflect those of the previous leases and mines situated on the goldfield (Figure 2).

Gold was discovered at Rothsay in 1894, which led to the development of several underground gold mines. Reports suggest that some 23,000oz were produced in two main periods of mining in the 1890's through to the late 1930's.

Historical mines range in significance from shallow prospecting pits, to single shafts with sub-surface drifts, up to multi-shaft mines and stoping. Prior to 1925 the deepest shaft that had been developed on the goldfield was the British Queen Shaft (270 feet). EganStreet estimates that the average depth of workings across the Rothsay Goldfield is in the order of 25m.

Metana Minerals mined from a series of small open pits and an underground mine, which operated from 1989 to 1991. Metana produced 36,000oz from 214,500 tonnes, largely from underground ore.

The full extent of historical workings that exist on the Rothsay Goldfield was recently compiled, following high resolution aerial photography. The most extensive development of gold mineralisation identified so far occurs on the western (footwall) contact of ultramafic rocks. There is further (presently considered less extensive) development of gold on other stratigraphic contacts in the hangingwall sequence to the ultramafics.

## PROSPECTIVE GOLD LODES

EganStreet has identified prospective positions within the stratigraphy based on surface expressions of historical workings and gold assays from drill core obtained by the Company or historical exploration work. Working through stratigraphy from east to west:

- > **A banded iron formation (BIF).** With evidence of historical workings. Mineralisation contained by BIF's is often structurally controlled, so the target character is different to that of the rest of the Rothsay Goldfield, and focusses on cross cutting structures identified from detailed magnetics.
- > The **Great Northern Shear** occupies the western contact of a weakly magnetic peridotite unit. A series of shallow shafts some of which have been back-filled, have worked a steeply-dipping quartz vein. EganStreet intersected 0.75m of 11.60g/t Au in RYDD024, as reported (see ASX announcement 11 July 2017 – "Near-mine Targets Highlight the Growth Potential at Rothsay") which is interpreted to be down-dip of these workings.
- > The **Woodley's East Shear** (previously known as the "H" Shears are mineralised contacts identified in the hanging wall to the main Woodley's Shear. This mineralisation occurs on the lithological contacts within the mafic sequence and also on the ultramafic hanging wall contact (Woodley's East Shear). Extensive workings exist in the south on this contact (Woodley's East Shear) and there are minor historical workings further east in the mafic sequence. Multiple anomalous intersections have been returned historically and from EganStreet drilling (best results include 0.35m @ 51.0g/t Au from 249.8m in RYDD014, 1.0m @ 12.1g/t Au from 264m in RYDD013 and 0.65m @ 9.21g/t Au from 174.5m in RYDD019 - see ASX announcement 06 February 2017 – "Drilling Confirms More High Grade Gold Intersections"), These structures have never been specifically targeted by drilling and have been intersected by holes targeting the Woodley's Shear (previously known as the "A" Shear) mineralisation. Consequently, some intersections were not sampled until holes were re-logged by the company in 2012-2013.
- > The **Woodley's Shear** (previously known as the "A" Shear) is the main host of gold mineralisation and contains most of the existing Mineral Resource. The Woodley's Shear occurs on the footwall of the Woodley's ultramafic and can be traced, with the aid of magnetic data, for 3km along strike. This has seen the most extensive mining to date at the British Queen shaft on the Woodley's Reward Mine, as

well as other shafts mapped over 2km of strike. Less than 1 km has been explored with substantial drilling.

- > The **Orient Shear** (previously known as the “B” Shear) is hosted by a contact between a basalt and a dolerite, and is understood to have been a historically significant source of gold production. The second deepest shaft on the goldfield (New Era shaft) is located at the southern end of the Orient Shear where Metana Minerals mined several shallow open pits.
- > The **Clyde East Shear** (previously known as the “C” Shear) and the Clyde Shear (previously known as the “D” Shear) are the hangingwall and footwall contacts (respectively) of the Clyde ultramafic, and features historic shafts and prospecting pits over approximately 2km of strike. Best intersections returned to date from these structures include 2m @ 11.6g/t Au from 28m in MRP373, 3m @ 17.8g/t Au (30g cut) from 9m in MRP191 and 2m @ 7.1g/t Au from 14m in MRP427 (see ASX announcement 09 September 2016 – “Prospectus”).
- > The **Miners East Shear** (previously un-named) and **Miners Shear** (previously known as the “E” Shear) are the hangingwall and footwall contacts (respectively) of the Miners ultramafic. After Woodley’s and Orient, the Miners is the most extensively developed area of historic mining with numerous shafts and stopes that break through to surface mapped over 1.5km. Best intercepts include 2m at 13.6g/t Au from 3m, and 3m at 17.4g/t Au from 107.3m (see ASX announcement 09 September 2016 – “Prospectus”).

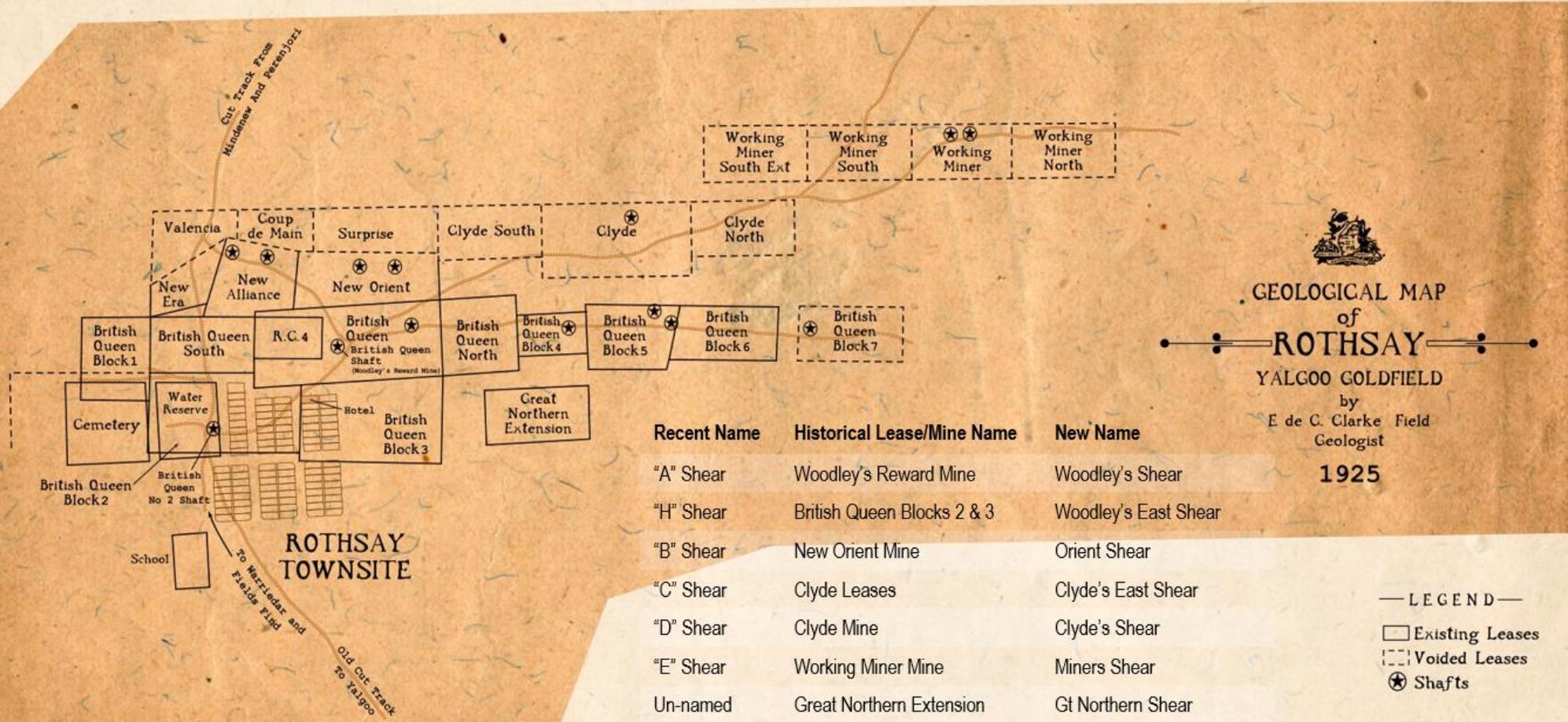
The northern third of the goldfield is obscured by shallow alluvial cover, however magnetics indicate the prospective geology persists. Shears also extend under laterite cover at the southern end of the goldfield

While historical workings and drilling data provide an indication of where gold mineralisation has developed, the goldfield as a whole has poor data coverage and at present, there is insufficient data to determine if anyone of the shears is more prospective than another.

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Recent Name	Historical Lease/Mine Name	New Name
"A" Shear	Woodley's Reward Mine	Woodley's Shear
"H" Shear	British Queen Blocks 2 & 3	Woodley's East Shear
"B" Shear	New Orient Mine	Orient Shear
"C" Shear	Clyde Leases	Clyde's East Shear
"D" Shear	Clyde Mine	Clyde's Shear
"E" Shear	Working Miner Mine	Miners Shear
Un-named	Great Northern Extension	Gt Northern Shear

  
**GEOLOGICAL MAP**  
 of  
**ROTHSAY**  
 YALGOO GOLDFIELD  
 by  
 E de C. Clarke Field Geologist

**1925**

— LEGEND —  
 □ Existing Leases  
 ▭ Voided Leases  
 ★ Shafts

FIGURE 3 – HISTORICAL MAP SHOWING LEASE NAMES

## NEW REGIONAL EXPLORATION TARGETS

EganStreet considers the full 14km strike of mineralised shears to be prospective, and with a growing understanding of the controls of mineralisation and ore genesis will iteratively modify the target portfolio as targets are progressed.

As announced on 11 July 2017, the immediate priority targets are the near-mine targets on the Woodley's Shear (previously the "A" Shear), as these have the potential to grow the existing Mineral Resource and potentially extend mineable inventory and mine life.

Regional targets are based on either demonstrated mineralisation (presence of historical workings or results) or geological characteristics that bear similarity to mineralisation in the Resource at Woodley's.

- > High-grade gold results were obtained by Metana Minerals and others from diamond drilling and percussion drilling. The best results outside of the Woodley's Resource and immediate surrounds include:
  - > 3m at 17.4g/t Au (including 1m at 40.8g/t Au - see ASX announcement 09 September 2016 – "Prospectus") on the Clyde Shear, which was drilled under a geochemical target under shallow cover at the northern end of the goldfield. There are no historic workings in this area due to shallow alluvial cover.
  - > 2m at 13.6g/t Au (including 1m at 23.2g/t Au - see ASX announcement 09 September 2016 – "Prospectus"), which was drilled under significant historic workings on the Miners Shear.
  - > There are numerous other anomalous gold results from historic drilling to follow up, mainly from the Woodley's and Orient Shears. In addition, detailed magnetic data recently collected has highlighted several areas where historic drilling may not have reached the target lode, and where a lack of anomalism may have until now been regarded as being a negative result.
- > The exploration review and magnetic survey have also identified prospective host lithologies that were previously unknown or poorly understood.
  - > Fault offset positions of ultramafics under alluvial cover in the north of the goldfield.
  - > Woodley's Shear previously believed closed to the south remains open.
  - > Pyroxenite and banded iron formation units in the east of the goldfield, which show the least evidence of historical workings.

Regional targets will be systematically ranked and prioritised for exploration testing in parallel with the recently announced near-mine targets.

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## ABOUT EGANSTREET RESOURCES

EganStreet is an emerging West Australian gold company which is focused on the exploration and development of the 100%-owned Rothsay Gold Project, located 300km north-east of Perth in WA's Midwest region.

The Rothsay Project currently hosts high-grade Mineral Resources of 262koz at an average grade of 11.6 g/t Au (Indicated 399kt @ 11.9g/t Au and Inferred 303kt @ 11.3g/t Au) and a production target (Pre-Feasibility Study published 16 May 2017) of 936kt @ 7.0 g/t for 200koz 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 opportunity to commence mine development and gold production operations.

A Definitive Feasibility Study is targeted for completion towards the end of the 3<sup>rd</sup> quarter of 2017.

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

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).

EganStreet's longer term growth aspirations are based on a strategy of utilising the cash-flow generated by an initial mining operation at Rothsay to target extensions of the main deposit and explore the surrounding tenements, which include a 14km strike length of highly prospective and virtually unexplored stratigraphy.

## APPENDIX 1 COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results for the Rothsay Gold Project is extracted from the ASX announcements dated the 11 July 2017, "Near-mine Targets highlight the Growth Potential at Rothsay", 06 February 2017, "Drilling Confirms More High-Grade Gold Intersections" and the 09 September 2016, "Prospectus", which are 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 announcements referred to above or the Prospectus. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the announcements referred to above or the Prospectus. The information in this announcement that relates to the Rothsay Mineral Resource is extracted from the announcement titled "27% Increase in High-Grade Indicated Resource at Rothsay" lodged on 14 March 2017 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 original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Information in relation to the Rothsay Project Pre-feasibility Study, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 16 May 2017 (see ASX Announcement – 16 May 2017, "Rothsay PFS Confirms Potential New High-Grade Gold Project", [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 16 May 2017 continue to apply and have not materially changed.

## APPENDIX 2 FORWARD LOOKING STATEMENTS & DISCLAIMERS

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

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