

ASX/Media Release

27 November 2018

# ROTHSAY RESOURCE INCREASES TO 454,000oz AT 9.2g/t Au

**53,000 ounces added at a discovery cost of \$30/oz**

## HIGHLIGHTS

- > **Substantial increase in the Mineral Resource Estimate (MRE) at the 100%-owned Rothsay gold project in WA's Midwest to 454,000oz**
- > **The new Resource comprises:**
  - **A 53,000-ounce (13%) increase in the total Mineral Resource to 1.54Mt<sup>1</sup> at 9.2g/t Au for 454,000oz; and**
  - **A 45,800-ounce (19%) increase in Indicated Resource, to 950,000t at 9.6g/t Au for 292,000oz, with the large majority of this expected to convert to Ore Reserves; and**
  - **A 7,200-ounce (5%) increase in Inferred Resource to 590,000t at 8.6g/t Au for 162,000oz; and**
  - **Average grade of the global Resource increases from 8.8g/t Au to 9.2g/t Au**
- > **The key Woodley's Shear Mineral Resource increases by 46,000oz to 342,000oz, representing 75% of the total Resource.**
- > **The increased Resource estimate and strike extensions to the north and south will feed into an updated mine design and Ore Reserve which has commenced.**
- > **A 5,000m RC exploration drilling programme is ongoing, targeting potential opportunities at the Orient and Clyde East Shears, where there is excellent potential to identify new Resources.**

Egan Street Resources Limited (ASX: EGA, **EganStreet** or the **Company**) is pleased to announce that it has taken another key step towards developing a high-grade gold operation at its 100%-owned **Rothsay Gold Project** in WA, (**Rothsay** or the **Project**), with a substantial increase in the Mineral Resource to 454,000 ounces.

The Mineral Resource Estimate has increased by 53,000 ounces, principally from shallow extensions to the main Woodley's Lode into areas that have historically been poorly, or not at all, tested, as well as identification of additional mineralisation on the Woodley's East hanging-wall lodes. This stems from a combination of successful infill and extensional drilling completed since the last Mineral Resource update announced on 14 May 2018.

The increased Resource comprises **1.54 million tonnes at 9.2g/t Au for 454,000oz**, reflecting the outstanding high-grade nature of the Rothsay Project and therefore its strong potential to be a low-cost, high-margin project which can deliver robust financial returns.

EganStreet Managing Director Marc Ducler said the expanded Resource further strengthened the economic outlook at Rothsay.

"This latest increase in Resources paves the way for further growth in production and free cashflow at Rothsay," Mr Ducler said.

<sup>1</sup> Note totals may not match due to rounding.

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“This Resource upgrade came in at discovery cost of \$30 per ounce and since the listing of EganStreet, our discovery cost has averaged \$35/oz. The consistency of these metrics provides further confidence that the Rothsay Gold Project will deliver value well beyond our initial production target published in July 2018.”

“With the main Woodley’s Shear increasing to 342,000 ounces at around 11g/t Au, these high-grades underpin the high margins we expect once in production.”

## NOVEMBER 2018 MINERAL RESOURCE UPDATE

The November 2018 MRE, which was independently estimated by Cube Consulting Pty Ltd, incorporates the results of two reverse circulation (RC) and one diamond drilling programme completed between May and September 2018, consisting of 46 holes for 5,042m of RC and 16 holes for 4,631m of diamond core.

The total Rothsay MRE has increased to **1.54 million tonnes at 9.2g/t Au for 454,000oz** (an increase of 53,000 ounces from the previous MRE of 1.42Mt @ 8.8g/t Au for 401koz). Importantly, the Indicated portion of the Mineral Resource, which is available for conversion to Ore Reserves, has increased by 45.8koz to **0.95Mt at 9.6g/t Au for 292koz** (from 0.82Mt @ 9.3g/t Au for 246koz).

The Inferred portion of the Mineral Resource has increased by 5% to **0.59Mt @ 8.6g/t Au for 162koz** (from 0.60Mt @ 8.0g/t Au for 155koz).

Exploration drilling programmes executed by EganStreet have intersected a third Woodley’s East hanging-wall zone of mineralisation which now forms part of the MRE. Together, the three Woodley’s East hanging-wall zones (Woodley’s East HW), total 177kt at 5.3g/t Au for 30koz. These three lenses are parallel to Woodley’s and Woodley’s East Shears, are located in close proximity to the Woodley’s East Shear and will be accessible by the underground mine development in the DFS. The new zone is located approximately 10m east of the Woodley’s East Shear. These three lenses are open in all directions and their extents are not defined. Follow-up drilling will be required.

The November 2018 Mineral Resource estimate for the Rothsay Gold Project is set out in Table 1 & 2 below:

TABLE 1 – NOVEMBER 2018 MINERAL RESOURCE ESTIMATE (AS PER JORC CODE 2012)

Lode	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)
Woodley’s	750	10.6	254	230	11.9	88	980	10.9	342
Woodley’s East	200	5.8	38	140	8.8	40	340	7.0	78
Woodley’s East HW				180	5.3	30	180	5.3	30
Other				40	3.3	5	40	3.3	5
<b>Total<sup>23</sup></b>	<b>950</b>	<b>9.6</b>	<b>292</b>	<b>590</b>	<b>8.6</b>	<b>162</b>	<b>1,540</b>	<b>9.2</b>	<b>454</b>

TABLE 2 – NOVEMBER 2018 MRE – SHOWING VARIOUS COG’S

COG	Tonnes (Mt)	Grade (g/t Au)	Ounces (koz)
0.0	6.04	2.6	510
1.0	1.81	8.0	469
2.0	1.62	8.8	460
<b>2.5</b>	<b>1.54</b>	<b>9.2</b>	<b>454</b>
3.0	1.45	9.6	446
4.0	1.23	10.7	422
5.0	1.07	11.6	399
8.0	0.73	14.0	329

<sup>2</sup> Note Resources quoted above 2.5g/t Au cut-off.

<sup>3</sup> Note totals may not match due to rounding.

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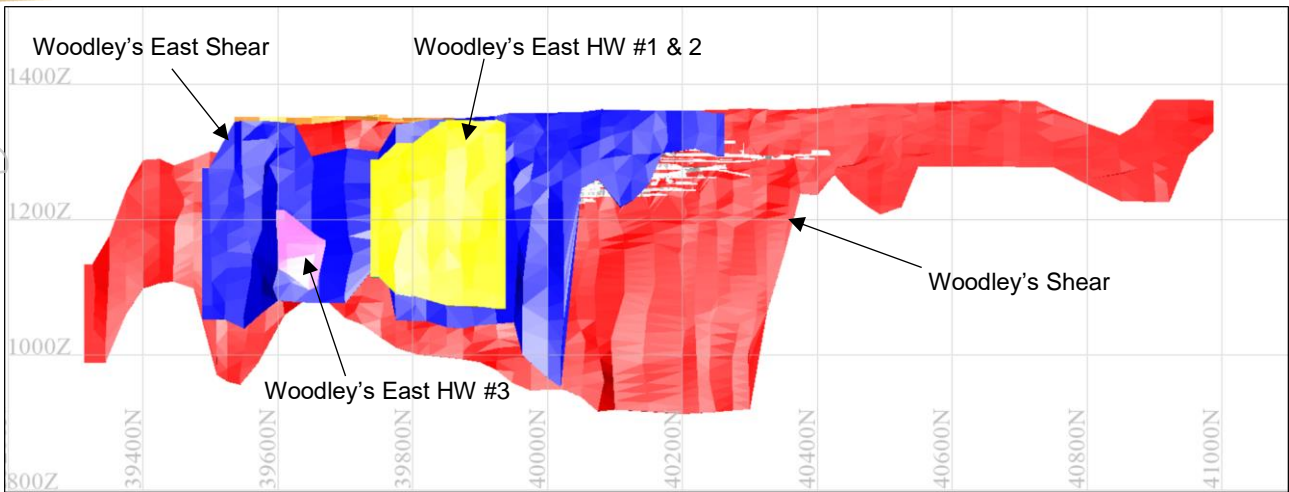


FIGURE 1 - LONG PROJECTION SHOWING THE WOODLEY'S MINERALISED ZONES

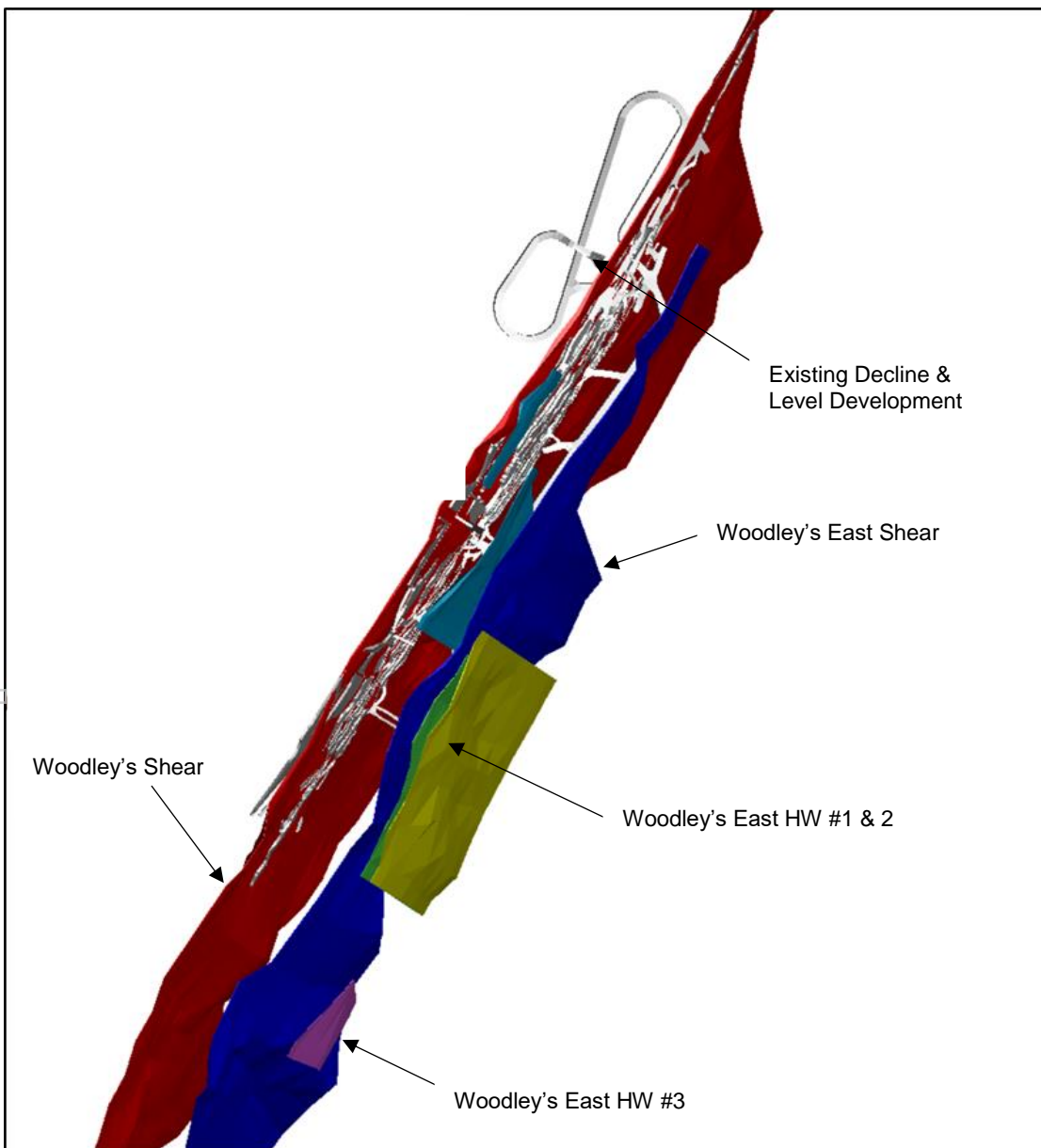


FIGURE 2 - OBLIQUE VIEW SHOWING THE WOODLEY'S MINERALISED ZONES

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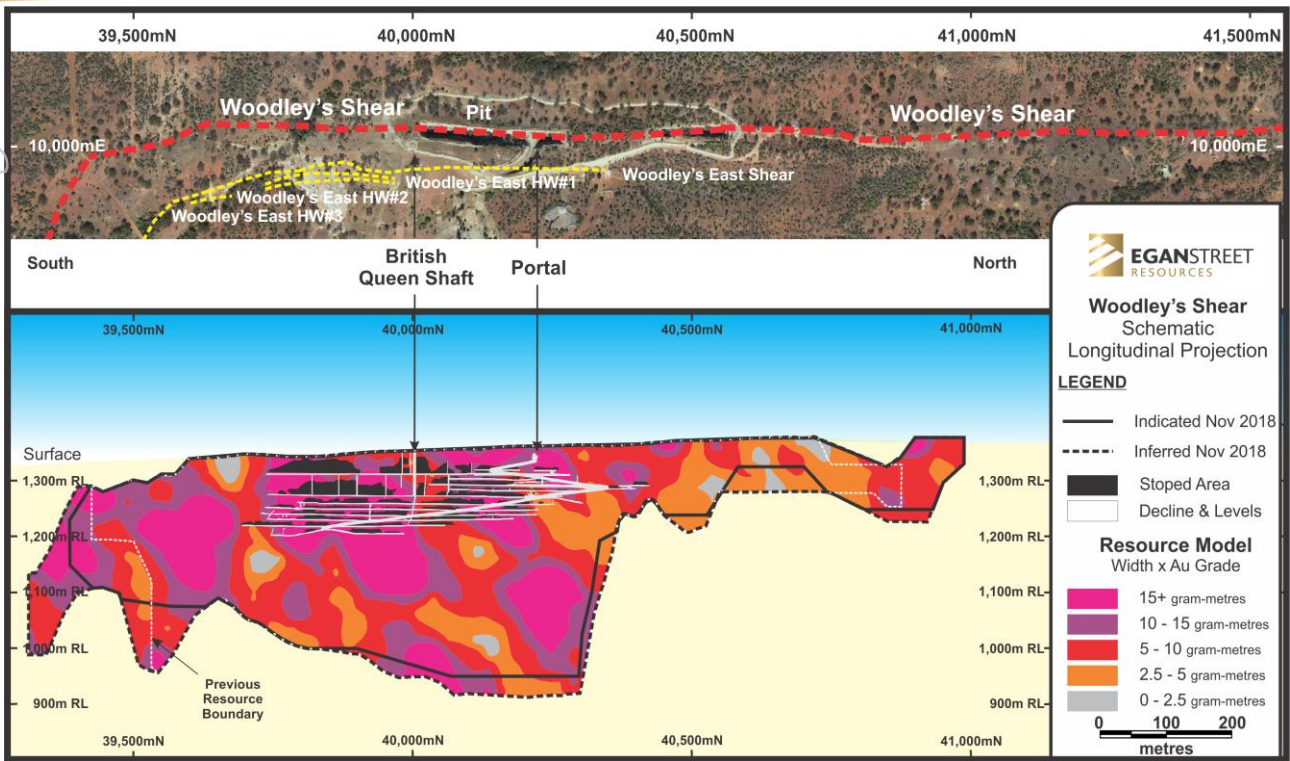


FIGURE 3- WOODLEY'S SHEAR PROJECTION SHOWING MRE BOUNDARIES AND BLOCK MODEL INTERPRETATION.

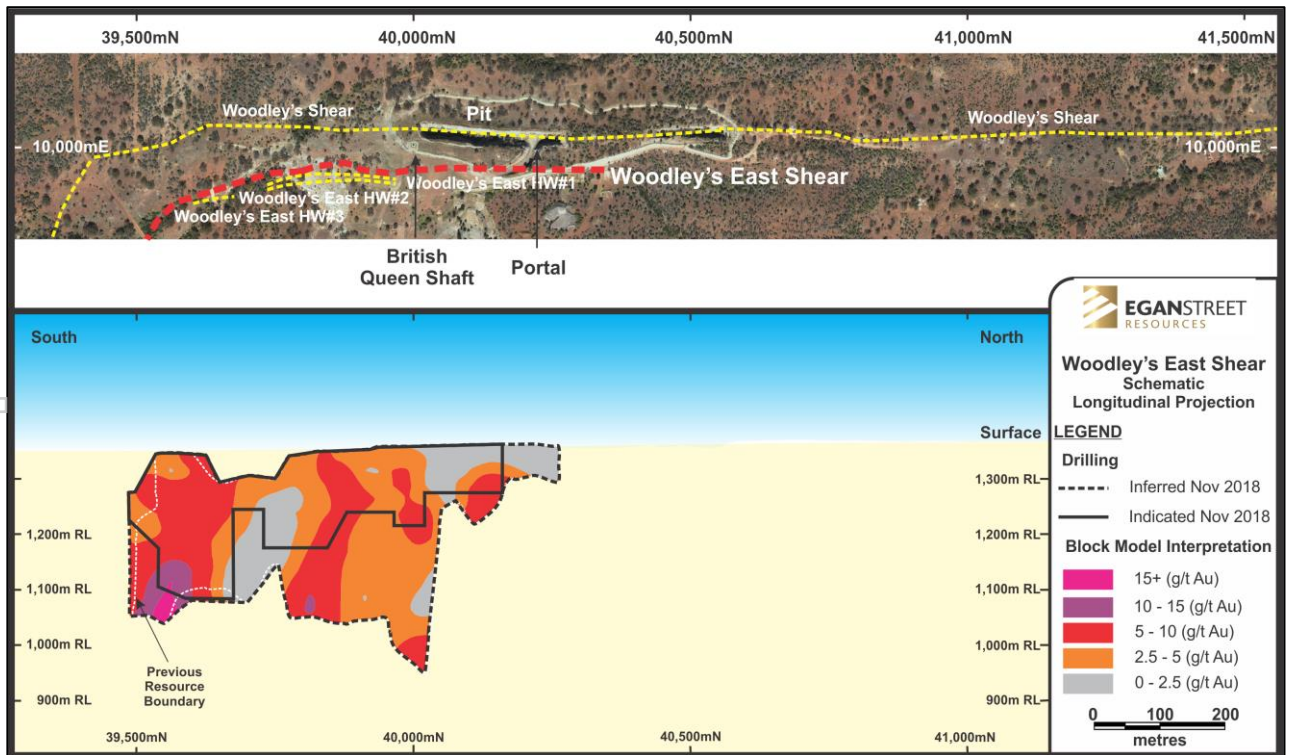


FIGURE 4 - WOODLEY'S EAST SHEAR PROJECTION SHOWING MRE BOUNDARY AND BLOCK MODEL INTERPRETATION.

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## SUMMARY AND NEXT STEPS

The 13% increase (401koz to 454koz) since May 2018 in the Rothsay MRE is a very positive result achieved on a modest exploration expenditure of \$1.6 million over a six-month period. Additionally, the Mineral Resource has more than doubled since listing in 2016 (226koz to 454koz), clearly demonstrating the significant upside to the deposit and supports the Company's strategy of targeting the area below the historical workings as well as along strike north and south, as the focus for the redevelopment of this high-grade mine.

The Rothsay Project has a rich mining history dating back to the discovery of gold in 1894 and includes several phases of mining, most recently by Metana Minerals in the early 1990s.

In July 2018, EganStreet published a Definitive Feasibility Study (DFS) based on a redevelopment proposal targeting unmined fresh material which can be accessed via the existing portal and decline which requires rehabilitation. The key findings of this DFS included production of 250koz over an initial 6.5-year mine life, with a pre-production CAPEX estimate of A\$36.1 million, cash costs of A\$941/oz, and all-in sustaining costs (AISC) of A\$1,083/oz. (refer ASX Announcement – 19 July 2018, "Rothsay DFS Confirms Low Capex High Margin Operation")

The November 2018 MRE extends approximately 200 metres to the south. The November 2018 MRE is currently being incorporated into an updated mine design and schedule, which anticipates a second portal and decline due to ore strike extension. This has the potential to give the Project greater flexibility, earlier ounces and higher sustained production rates.

With the increase in the MRE, the Company is confident that the updated mine design will deliver a larger mining inventory to the DFS, with multiple mining zones providing greater operational flexibility and ore throughput and consequently improved project value.

The Company is also continuing its Orient and Clyde East exploration drilling programme, the programme which commenced earlier this month initially consists of 65 RC holes for ~5,000 metres.

As previously reported, the Company requires three key Government approvals to allow construction activities and operations at Rothsay to commence.

- **The Project Management Plan (PMP)** – The WA Department of Mines, Industry Regulation and Safety (DMIRS) has **approved** the PMP for the Rothsay Project.
- **The Mining Proposal** – has **been submitted** to the DMIRS and the Company is awaiting approval. Once the Mining Proposal approval is received, EganStreet will then be able to commence key works at Rothsay including construction of the camp and other key infrastructure including site offices and power station.
- **The Works Approval and License Application** – has **been submitted** to the Department of Water and Environmental Regulation (DWER). Once the approval is received, EganStreet will then be able to commence construction of the process plant and start rehabilitation and development underground.

## MATERIAL INFORMATION SUMMARY

### **Geology and Geological Interpretation**

The Rothsay Gold Mine is located within the Warriedar Greenstone gold belt, an Archaean sequence of mafic, ultra-mafic, meta-volcanic and sedimentary rocks 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 mineralisation.

The main gold mineralisation is associated with shear-hosted quartz veins and intense tremolite alteration that is parallel to the mafic and ultramafic sequence. The orebody is of varying thickness (up to 4m) and is contained between the basal unit of porphyritic metadolerites (poMD) and serpentinised peridotite (SERP). The footwall poMD is relatively unaltered, while the hanging-wall (SERP) can be strongly foliated.

### **Drilling Techniques**

Diamond drilling was used to test the Rothsay deposit. DDH holes were cored from surface using either rock roll methods, PQ or HQ. This was changed to NQ2 when ground conditions were competent. The rock roll and PQ portions of the drill hole were not collected or sampled.

RC face-sample bits and dust suppression were used to minimise sample loss. Drilling airlifted the water column above the bottom of the hole to ensure dry sampling.

### **Sampling Techniques, Sub-Sampling Techniques and Sample Preparation**

All core was orientated, logged geologically and marked up for assay at a maximum sample interval of 1.2 metres constrained by geological boundaries. Drill core is cut in half by a diamond saw and half NQ core samples submitted for assay analysis. Samples taken in the HQ core were halved and the halved again, so a quarter core sample was taken where the sample length was over 0.5m. All diamond core is stored in industry standard core trays labelled with the drill-hole ID and core interval.

The project has been sampled using industry standard diamond drilling techniques. Diamond (DDH) drilling at Rothsay used HQ and NQ2 sizes. Down hole surveying has been undertaken using single shot cameras whilst drilling and gyroscopic instrumentation once hole completed.

RC samples are collected through a cyclone and cone splitter, the rejects deposited in a plastic bag, and the samples for the lab collected to a total mass optimised to ensure full sample pulverisation (2.5 to 4 kg).

Samples were prepared at the MinAnalytical Laboratory in Perth. Samples were dried, and the whole sample pulverised to 80% passing 75µm, and a sub-sample of approx. 200 g retained. A nominal 50 g was used for the gold analysis. The procedure is industry standard for this type of sample.

During drilling and sampling operations, EganStreet had on site, technically competent supervision and procedures in place to ensure sample preparation integrity and quality.

### **Sample Analysis Method**

Samples were analysed at the MinAnalytical and Bureau Veritas Laboratories in Perth. The analytical method used was a 50g and 40g Fire Assay for gold only respectively and a Four Acid Digest Multi Element (34 element) assay on all Woodley's and Woodley's East Shear samples. This is considered appropriate for the material and mineralisation.

### **Estimation Methodology**

A 2D estimation modelling approach using Ordinary Kriging was used to estimate block gold grades. The 2D parent estimation block dimensions used in the model were 25 m NS, 1m EW, and 25m 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 mineralised Woodleys shear domain. Block discretisation points were set to 5(Y) x 5(X) x 1(Z) points. The final 3D block dimensions used for volume definition were 3.125 m NS, 0.25m EW, and 1.5625m vertical

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. The primary estimation domain is the geological wireframe of quartz veins within the Woodley's Shear zone. Secondary domains are eight geological quartz vein wireframes of Orient (B, B2, & B3), Clyde East (C), Clyde(D), Woodley's ultramafic (umafic 1 & 2) and Woodley's East hanging wall (HW 1, 2 & 3) within shear envelopes.

Maximum extrapolation distance of 300m was applied to data points within a two-pass search strategy. Pass one used a maximum of 150m. Sample data have been composited across each vein interval based on logged

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geology in the first instance and stratigraphic down dip position of elevated grade in the absence of geological logging. Various top cuts were applied to intercept composite data to limit the influence of outlier accumulation values.

Check estimates using Inverse Distance methods are comparable. Comparisons are made to historic production figures; and comparisons are made to previous MRE's completed in 2012 and 2016.

#### **Classification**

This resource model has been classified as Indicated and Inferred Mineral Resources; The Rothsay 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, well controlled and industry standard recent drilling and re-sampling provides some validation of the information to support the estimation and classification of a Mineral Resource.

Indicated Mineral Resources are restricted only to the Woodley's and Woodley's East Shear domains and include blocks with an average distance 55m from estimating data and 12 informing data points. Inferred Mineral Resources were classified as blocks within an average distance 75m from estimating data and less than 12 informing data points. The remnant stopes and pillars contained within the mined area have been classified as Inferred.

#### **Cut-off Parameters**

The Mineral Resource has been reported at plus 2.5g/t Au cut-off and has been based on assumptions of suitable economic cut-off grades for underground mining utilising suitably size equipment.

#### **Mining and Metallurgical Factors or Assumptions**

Previous test work 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 drilling 9 RC holes, 5 of which had HQ diamond tails and intersected mineralised zones at approximately 130m vertical depth over a 400 strike. Two representative bulk samples totaling approximately 23kg and representing 25m mineralised intersection were submitted for metallurgical studies.

These limited drilling intersections suggested that high gold content was general associated with the presence of visible chalcopyrite.

The more recent metallurgical test work relating to the Rothsay Gold Project reported in May 2017 consisted of 27 diamond drill hole core samples comprising a total of 109kg of core and representing four zones within the Woodley's Shear Mineral Resource inventory. The four zones were established geographically to provide a representation of the metallurgical performance.

Results from this programme combined with historical metallurgical testing in 2002 resulted in total recoveries greater than 95% and suggested that the Rothsay mineralisation responds well to conventional cyanidation and gravity treatment.

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## ABOUT EGANSTREET RESOURCES

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

The Rothsay Gold Project currently hosts high-grade Mineral Resources of 454koz at an average grade of 9.2g/t Au (Indicated 950kt @ 9.6g/t Au and Inferred 590kt @ 8.6g/t Au) and a production target (Definitive Feasibility Study published 19 July 2018) of 2.1Mt mined and 1.4Mt processed at 6.9g/t Au for 250koz of gold produced.

The Company is focused on successfully bringing the Rothsay Gold Project into production. EganStreet has a strong Board and Management team which has the necessary range of technical and commercial skills to progress the Rothsay Gold Project.

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 14 km strike length of highly prospective and virtually unexplored stratigraphy.

## APPENDIX 1 COMPETENT PERSON'S STATEMENT

The information in this report that relates to the Rothsay Mineral Resource is based on and fairly represents information and supporting documentation prepared by Mr Mark Zammit who is a Member of the Australian Institute of Geoscientists. Mr Zammit is a full-time employee of Cube Consulting Pty Ltd. Mr Zammit 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 Zammit consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Information in relation to the Rothsay Project Definitive Feasibility Study, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 19 July 2018 (see ASX Announcement – "Rothsay DFS Confirms Low Capex High Margin Operation", [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 19 July 2018 continue to apply and have not materially changed.

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## APPENDIX 2 - JORC CODE, 2012 EDITION –TABLE 1 REPORT

### SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sampling techniques	<p>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</p>	<p>All core was orientated, logged geologically and marked up for assay at a maximum sample interval of 1.2 metres constrained by geological boundaries. Drill core is cut in half by a diamond saw and half NQ core samples submitted for assay analysis. Samples taken in the HQ core were halved and the halved again, so a quarter core sample was taken where the sample length was over 0.5m. All diamond core is stored in industry standard core trays labelled with the drill hole ID and core interval.</p> <p>RC samples are collected at 1m intervals via a cyclone and splitter system and logged geologically. A four-and-a-half-inch RC hammer bit was used ensuring plus 20kg of sample collected per metre.</p>
	<p>Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.</p> <p>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 (e.g. submarine nodules) may warrant disclosure of detailed information.</p>	<p>Sampling was carried out under EganStreet's protocols and QAQC procedures as per industry best practice. See further details below. There is a lack of detailed information available pertaining to QAQC practices prior to 2012.</p> <p>The project has been sampled using industry standard diamond drilling techniques. Diamond (DDH) drilling at Rothsay used HQ and NQ2 sizes. Down hole surveying has been undertaken using single shot cameras whilst drilling and gyroscopic instrumentation once hole completed.</p> <p><u>Historical Drilling:</u> Several generations of drilling have been undertaken and historic data 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. 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). The Rothsay data set contains diamond core samples that are selectively collected according to geological boundaries and sample lengths vary between 0.1-1.2m.</p>
Drilling techniques	<p>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, 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>	<p>Diamond drilling was used to test the Rothsay deposit. DDH holes were cored from surface using either rock roll methods, PQ or HQ. This was changed to NQ2 when ground conditions were competent. The rock roll and PQ portions of the drill hole were not collected or sampled. RC Drilling was completed using a face sampling hammer reverse circulation technique with a 4.5-inch bit.</p> <p><u>Historical Drilling:</u> Majority of this drilling is DD (194 holes) and RC (189 holes). A number of the 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 that it would be face sampling hammer technique, however this is not documented in the database. 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	<p>Method of recording and assessing core and chip sample recoveries and results assessed</p>	<p>Diamond core recoveries were recorded as a percentage of the measured core vs the drilling interval. Core loss locations were recorded on core blocks by the drilling crew. Diamond core was reconstructed into continuous runs where possible and metres checked against the depth as recorded on core blocks by the drilling crew.</p>

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	<p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p>	<p>DDH drilling collects uncontaminated fresh core samples which are cleaned at the drill site to remove drilling fluids and cuttings to present clean core for logging and sampling. RC: RC face-sample bits and dust suppression were used to minimise sample loss. Drilling airlifted the water column above the bottom of the hole to ensure dry sampling. RC samples are collected through a cyclone and cone splitter, the rejects deposited in a plastic bag, and the samples for the lab collected to a total mass optimised to ensure full sample pulverisation (2.5 to 4 kg).</p>
	<p>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>	<p>There is no significant loss of material reported in any of the DDH core</p> <p>Definitive studies on RC recovery at Rothsay have not been undertaken systematically, however the combined weight of the sample reject and the sample collected indicated recoveries in the high nineties percentage range.</p> <p>RC face-sample bits and dust suppression were used to minimise sample loss. Drilling airlifted the water column above the bottom of the hole to ensure dry sampling. RC samples are collected through a cyclone and cone splitter, the rejects deposited in a plastic bag, and the samples for the lab collected to a total mass optimised to ensure full sample pulverisation (2.5 to 4 kg).</p> <p>No assessment has been made of the relationship between recovery and grade. Except for the top of the hole, while collaring there is no evidence of excessive loss of material and at this stage no information is available regarding possible bias due to sample loss.</p>
<p>Logging</p>	<p>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p>	<p>Diamond drill core was geologically logged for the total length of the hole using a graphic logging method. All core was photographed, and images are stored in the company database. Logging routinely recorded, RQD, weathering, lithology, mineralogy, mineralisation, structure, alteration and veining. Logs were coded using the company geological coding legend and entered to company database.</p>
	<p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</p>	<p>All core was photographed in the cores trays, with individual photographs taken of each tray both dry, and wet, and photos uploaded to the EganStreet Server.</p>
<p>Sub-sampling techniques and sample preparation</p>	<p>The total length and percentage of the relevant intersections logged</p> <p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</p>	<p>All DDH holes were logged in full.</p> <p>All chips were geologically logged by company or contracted geologists, using EganStreet current company logging scheme.</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>RC: Logging of RC chips records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. All samples are wet-sieved and stored in a chip tray. All chip trays were photographed by hole and photos uploaded to the Egan Street Server.</p> <p>All RC holes were logged in full</p> <p>Core samples were cut in half using an Almonte diamond saw. Half core samples were collected for assay, and the remaining half core samples stored in the core trays. Some HQ samples were quarter cored.</p> <p>Diamond holes only were drilled, however where the rock roll or PQ was used for pre-collars these were discarded and not sampled.</p> <p><u>Historical Drilling:</u>        No documentation of the sampling of RC chips is available for the Metana or Hunter Exploration drilling. 2012 RC drilling collected 1 metre RC drill samples that were channelled through a rotary cone-splitter, installed directly below a rig mounted cyclone, and an average 2-3 kg sample is collected in pre-numbered calico bags, and positioned on top of the plastic bag. All samples were dry.</p>

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For all sample types, the nature, quality and appropriateness of the sample preparation technique.

Samples were prepared at the MinAnalytical Laboratory in Perth. Samples were dried, and the whole sample pulverised to 80% passing 75um, and a sub-sample of approx. 200 g retained. A nominal 50 g was used for the gold analysis. The procedure is industry standard for this type of sample.

Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.

Diamond core was sawn with a diamond saw and half core samples taken for assay. At the laboratory, regular Repeats and Lab Check samples are assayed.

Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.

The sampling techniques for collection of the sample to be submitted to the assay facility for diamond drilling are of consistent quality and appropriate. During drilling and sampling operations, EganStreet had on site, technically competent supervision and procedures in place to ensure sample preparation integrity and quality. No field duplicates were taken for diamond drilled samples.

Whether sample sizes are appropriate to the grain size of the material being sampled.

No documentation of the sampling of RC chips is available for the Metana or Hunter Exploration drilling. Recent RC drilling collects 1 metre RC drill samples that are channelled through a rotary cone-splitter, installed directly below a rig mounted cyclone, and an average 2-3 kg sample is collected in pre-numbered calico bags, and positioned on top of the plastic bag. All samples were dry. Unable to comment with any certainty on the quality control procedures for sub-sampling for the pre-2012 drilling. Post 2012 samples were prepared at the Genalysis or MinAnalytical Laboratories in Perth. Samples were dried, and the whole sample pulverised to 80% passing 75um, and a sub-sample of approx. 200 g retained. A nominal 50 g was used for the gold analysis. The procedure is industry standard for this type of sample. Unable to comment with any certainty on the quality control procedures for sub-sampling for the pre-2012 drilling. No sub-sampling. At the laboratory, regular Repeats and Lab Check samples are assayed. RC: 1 metre RC samples are split on the rig using a cone-splitter, mounted directly under the cyclone. Samples are collected to weigh less than 3kg to ensure total preparation at the pulverisation stage. Are unable to comment on the appropriateness of sample sizes to grain size on pre-2012 data as no petrographic studies have been undertaken. Sample sizes are considered appropriate to give an indication of mineralisation given the particle size and the preference to keep the sample weight below a targeted 3kg mass which is the optimal weight to ensure requisite grind size in the LM5 sample mills used by the relevant Laboratories in sample preparation.

The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.

The sample sizes are considered appropriate for the diamond core and RC sampling. Samples were analysed at the MinAnalytical Laboratory in Perth. The analytical method used was a 50 g Fire Assay for gold only and a Four Acid Digest Multi Element (34 element) assay on all Shear samples. This is considered appropriate for the material and mineralisation.

Quality of assay data and laboratory tests

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.

N/A

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	<p>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</p>	<p>Data quality for EganStreet diamond and RC drill holes are good and conform to normal industry practices. Protocol for Diamond and RC DH programmes is for Field Standards (Certified Reference Materials) and Blanks inserted at a rate of 5 Standards or Blanks per 100 samples. Results of the Field and Lab QAQC are checked on assay receipt using QAQCR software. All assays passed QAQC protocols, showing no levels of contamination or sample bias. No assay data was adjusted. The lab's primary Au field is the one used for plotting and resource purposes. No averaging is employed.</p>
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p>	<p>Significant results were checked by the Egan Street Geology Manager and Executive Directors</p>
	<p>The use of twinned holes.</p>	<p>Twin holes were not employed during this part of the programme.</p>
	<p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p>	<p>All field logging is carried out on Toughbooks using excel templates. Logging data is submitted electronically to a Database Geologist in the Perth office. Assay files are received electronically from the Laboratory. All data is now stored in a Datashed database system and maintained by Maxwell Geoscience. Pre-2012 Data management and verification protocols are undocumented</p>
	<p>Discuss any adjustment to assay data.</p>	<p>No assay data was adjusted. The lab's primary Au field is the one used for plotting and resource purposes. No averaging is employed.</p>
Location of data points	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</p>	<p>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. The post 2010 drill hole collar locations were picked up by a qualified surveyor using DGPS (differential). For set-up the rig is aligned by surveyed marker pegs and compass check, and the drill rig mast is set up using a clinometer. Drillers use an electronic single-shot camera to take dip and azimuth readings inside the stainless-steel rods, at 30m intervals and a 5- 10m interval Gyro survey is conducted once the hole is drilled to depth. Drill hole collar locations were picked up by a qualified surveyor using DGPS (differential).</p>
	<p>Specification of the grid system used.</p>	<p>Grid projection is GDA94, Zone 50. A Local Grid (RMG88) is used using a two-point transformation and 43.2886-degree rotation.</p>
	<p>Quality and adequacy of topographic control.</p>	<p>Detailed surface control has been established by photogrammetry</p>
Data spacing and distribution	<p>Data spacing for reporting of Exploration Results.</p>	<p>Primary: approximately 25m - 50 m on section by 25m - 50 m along strike.</p>
	<p>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.</p>	<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. Existing mine extents provide increased confidence in the geological continuity of the main mineralised structures. The orientation of the drill holes is approximately perpendicular to the strike and dip of the targeted mineralisation and observed shearing.</p>
Orientation of data in relation to geological structure	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p>	<p>The orientation of the drill holes is approximately perpendicular to the strike and dip of the targeted mineralisation and observed shearing.</p>



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	<p>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.</p>	<p>The orientation of the drill holes is approximately perpendicular to the strike and dip of the targeted mineralisation and contacts. No significant sampling bias has been introduced.</p>
Sample security	<p>The measures taken to ensure sample security.</p>	<p>DDH drilling pre-numbered calico sample bags were collected in polywoven bags (four to five calico bags per single polywoven bag), sealed, and transported by company transport or Mining Services to the MinAnalytical Laboratory in Perth.</p>
Audits or reviews	<p>The results of any audits or reviews of sampling techniques and data.</p>	<p>Sampling and assaying techniques are industry-standard. No specific audits or reviews have been undertaken at this stage in the programme.</p>

## SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY																																										
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.	<p>The drilling occurred within tenements M59/39 and M59/40, which are fully owned by Auricup (Rothsay) Pty Ltd which is a 100% owned subsidiary of Egan Street Resources Ltd. The Rothsay Townsite is located within the Mining tenements.</p> <table border="1"> <thead> <tr> <th>Tenement ID</th> <th>Area km<sup>2</sup></th> <th>Status</th> <th>Holder</th> <th>Grant Date</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>M59/39</td> <td>7.10</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>4/12/1986</td> <td>3/12/2028</td> </tr> <tr> <td>M59/40</td> <td>3.81</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>4/12/1986</td> <td>3/12/2028</td> </tr> <tr> <td>E59/2183</td> <td>40.75</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>24/02/2017</td> <td>23/02/2022</td> </tr> <tr> <td>L59/24</td> <td>0.068</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>22/08/1989</td> <td>21/08/2019</td> </tr> <tr> <td>E59/1234</td> <td>1.64</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>29/01/2007</td> <td>28/01/2019</td> </tr> <tr> <td>E59/2254</td> <td>2.99</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>27/12/2017</td> <td>26/12/2022</td> </tr> </tbody> </table>	Tenement ID	Area km <sup>2</sup>	Status	Holder	Grant Date	Expiry Date	M59/39	7.10	Live	Auricup (Rothsay) Pty Ltd	4/12/1986	3/12/2028	M59/40	3.81	Live	Auricup (Rothsay) Pty Ltd	4/12/1986	3/12/2028	E59/2183	40.75	Live	Auricup (Rothsay) Pty Ltd	24/02/2017	23/02/2022	L59/24	0.068	Live	Auricup (Rothsay) Pty Ltd	22/08/1989	21/08/2019	E59/1234	1.64	Live	Auricup (Rothsay) Pty Ltd	29/01/2007	28/01/2019	E59/2254	2.99	Live	Auricup (Rothsay) Pty Ltd	27/12/2017	26/12/2022
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	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	The tenements are in good standing with the Western Australian Department of Mines and Petroleum.																																										
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<p>Numerous companies have previously explored the area. Gold was discovered by George Woodley in 1894 and a number of parties have explored and mined the area since then. In more recent times, Metana Minerals NL in joint venture with GENMIN mined and conducted drilling activities the area from January 1989 until 1991. Hunter Exploration entered into a joint venture with Central West Gold in 1997 and completed a detailed geological mapping programme, rock chip sampling, lag sampling, RC and RAB drilling. The drilling successfully extended the strike length of the mineralisation along the A Shear (renamed Woodley's Shear in 2017) by 250m to the south of the previously identified significant gold mineralisation (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 and 4 Diamond tails. In 2002-2003 United Gold (which subsequently became Royal Resources) acquired Thundelarra's 70% equity in the Project and completed further exploration activities and a mineral resource on the tenements.</p> <p>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 programme targeting base metal sulphides. During 2008-2009 Silver Lake Resources completed site reconnaissance which included the re-establishment of the local grid, 4 Diamond holes and completion of an aerial topographical survey over the Project area. Auricup Resources Limited drilled nine diamond core holes (RYDD001 to RYDD009) during March 2012 targeting the A Shear (renamed Woodley's Shear) approximately 50 to 100m down dip and along strike from the existing mine workings. 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 was completed compiling and digitising historical mine and exploration records.</p>																																										

Deposit type, geological setting and style of mineralisation.

The Rothsay Gold Project is located 300 km N-NE of Perth and 70 km East of the wheat belt town of Perenjori. 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 in reasonable condition. The Rothsay Gold Mine is located within the Warriedar Greenstone gold belt, an Archaean sequence of mafic, ultra-mafic, meta-volcanic and sedimentary rocks 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 mineralisation. 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.

## Geology

The deposit is hosted in three discrete areas and within five individual shear zones. Woodley's Shear (formerly A Shear) and Woodley's East and associated HW shears (formerly H Shear) occur in to the east. Orient Shear (formerly B Shear) and Clyde and Clyde East Shears (formerly C and D Shears) occur in a second area further west and Miners Shear (formerly E Shear) occurs as an isolated shear in the north west. The Woodley Shear is located at the contact between serpentinised peridotite and a porphyritic pyroxenite. The serpentinite forms the hanging wall unit. A sequence of mafic volcanic and sub-volcanic sills forms the hanging wall to the serpentinite. The Woodley's 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. The main gold mineralisation is associated with shear-hosted quartz veins of blue and white quartz of up to 3m thickness the footwall poMD is relatively unaltered, while the hanging wall is strongly foliated and was subjected to intense tremolite alteration (SERP). Aeromagnetic surveys and geological mapping suggest that the ultramafic host rocks are truncated by granite that is mostly covered by lateritic duricrust.

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:

- 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.

Refer to Figures in previous release for relevant tables.

## Drill hole Information

## Data aggregation methods

In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.

Grades are reported as down-hole length-weighted averages of grades selected using geological and grade continuity criteria. Considerations included continuity of thickness, dip and strike, association with lithology and geological logging (weathering, lithology, structure, alteration, sulphides, veining), internal dilution (~1 to 2 m) and an approximated 0.5 to 1.0 g/t Au cut-off. No top cuts have been applied to the reporting of the assay results

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	<p>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.</p>	<p>Higher grade intervals are included in the reported grade intervals, individual assays &gt; 5.0 g/t Au have been reported for each intersection.</p>
<p>Relationship between mineralisation widths and intercept lengths</p>	<p>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').</p>	<p>Mineralised shear zones are north-northwest striking and steep to moderate east dipping. The general drill direction of -60degrees to 270 (local Grid) is approximately perpendicular to the shear zones and a suitable drilling direction to avoid directional biases. As a result, reported intersections approximate, but are not, true width.</p>
<p>Diagrams</p>	<p>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.</p>	<p>Refer to Figures in previous release for relevant plans.</p>
<p>Balanced reporting</p>	<p>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.</p>	<p>All intersections reporting to the geological interpretation of the Woodley and Woodley East Shears have been reported.</p>
<p>Other substantive exploration data</p>	<p>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.</p>	
<p>Further work</p>	<p>The nature and scale of planned further work (e.g. 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>	<p>Further RC and diamond drilling is planned to infill and test strike extents to the north and south of the prospect.</p> <p>Geological interpretation and modelling is ongoing.</p>



## SECTION 3 ESTIMATING AND REPORTING OF MINERAL RESOURCES

(Criteria in this section apply to all succeeding sections.)

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Database integrity.	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.	The author has not undertaken an independent data verification of the data supplied in the databases pertaining to this project. 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.
	Data validation procedures used	<p>Validation checks by Cube included the following work:            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> <p>No material issues were identified by Cube.</p> <p>Database is found to be good and with no significant errors due to data corruption and transcription have been found.</p>
Site Visits	<p>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</p> <p>If no site visits have been undertaken indicate why this is the case.</p>	Mr Mark Zammit Principal Geologist at Cube Consulting Pty Ltd undertook a site visit to the Rothsay Project for one day on the 24th May 2016.
Geological interpretation	<p>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</p> <p>Nature of the data used and of any assumptions made.</p> <p>The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation.</p> <p>The use of geology in guiding and controlling Mineral Resource estimation.</p> <p>The factors affecting continuity both of grade and geology.</p>	<p>The Woodley's Shear of Rothsay 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, continuous review and understanding of lithological, geochemical and structural controls are required to further increase the degree of precision and accuracy of the geological interpretation.</p> <p>Cube has assumed the mineralisation is contained predominantly within quartz lodes within shear zones. This is supported by pit and underground development mapping and recent drilling completed by EganStreet.</p> <p>The mineralised volume is primarily based on the logged geological description identifying quartz veining and/or shearing.</p>
Dimensions	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.	The Rothsay 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).

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<p>Estimation and modelling techniques.</p>	<p>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.</p> <p>The availability of check estimates, previous estimates and/or mine production records and whether the MRE takes appropriate account of such data.</p> <p>The assumptions made regarding recovery of by-products.</p> <p>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</p> <p>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.</p> <p>Any assumptions about correlation between variables.</p> <p>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</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. The primary estimation domain is the geological wireframe of quartz veins and shear zone within the Woodley Shear zone and additional quartz vein and/ore shear zone domains.</p> <p>A 2D estimation approach using Ordinary Kriging was used to estimate block gold grades at Rothsay. The 2D parent estimation block dimensions used in the model were 25 m NS, 1m EW, and 25m 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 Woodley's (A) shear vein. Block discretisation points were set to 5(Y) x 5(X) x 1(Z) points. The final 3D block dimensions used for volume definition were 3.125 m NS, 0.25m EW, and 1.5625m vertical. Maximum extrapolation distance of 300m was applied to data points within a two-pass search strategy. Pass one used a maximum of 150m. 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. Various top cuts were applied to intercept composite data to limit the influence of outlier accumulation values.</p> <p>Check estimates using Inverse Distance methods are comparable. Comparisons are made to historic production figures; and comparisons are made to the previous MRE completed in December 2017 and May 2018.</p> <p>No assumptions have been made regarding gold recovery. Estimates for Sulphur and Copper was also included. Validation of the model included detailed statistical and visual comparison of composite grades and block grades by northing and elevation with informing data.</p>
<p>Moisture</p>	<p>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</p>	<p>Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.</p>
<p>Cut-off parameters.</p>	<p>The basis of the adopted cut-off grade(s) or quality parameters applied.</p>	<p>The Mineral Resource has been reported at plus 2.5g/t Au cut-off. This is assumed as a suitable economic cut-off grade for underground mining based on conceptual evaluations and consideration of comparable deposits.</p>
<p>Mining factors or assumptions.</p>	<p>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>	<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 450m below surface which is not considered un-reasonable for an underground mining method.</p>

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<p>Metallurgical factors or assumptions.</p>	<p>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>	<p>Previous test work 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. These limited drilling intersections suggested that high gold content was general associated with the presence of visible chalcopyrite.</p> <p>The more recent metallurgical test work relating to the Rothsay Gold Project reported in May 2017 consisted of 27 diamond drill hole core samples comprising a total of 109kg of core and representing four zones within the Woodley's Shear Mineral Resource inventory. The four zones were established geographically to provide a representation of the metallurgical performance.</p> <p>Results from this programme combined with historical metallurgical testing in 2002 resulted in total recoveries greater than 95% and suggested that the Rothsay mineralisation responds well to conventional cyanidation and gravity treatment.</p>
<p>Environmental factors or assumptions</p>	<p>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>	<p>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.</p> <p>However, the project is the site of historic mining activity, located +within an existing mineral field.</p>
<p>Bulk density.</p>	<p>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.</p> <p>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.</p> <p>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</p>	<p>A total of 309 bulk density measurements have been completed by Egan Street and Auricup Resources Limited from diamond drilling core completed since 2012.</p> <p>The density determinations have been measured using traditional achimedeian methodology of weighing dried core in and out of water.</p> <p>No voids within the mineralised zones have been observed.</p> <p>The final bulk density assignment was based on the measured data and assigned according to the oxidation state and lithology.</p>

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<p>Classification.</p>	<p>The basis for the classification of the Mineral Resources into varying confidence categories.</p> <p>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.</p> <p>Whether the result appropriately reflects the Competent Person(s)' view of the deposit.</p>	<p>This resource model has been classified as Indicated and Inferred Mineral Resources; The Rothsay 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 moderate 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 Mineral Resource.</p> <p>Indicated Mineral Resources are restricted only to the Woodleys and Woodleys East Shear domains and include blocks with an average distance 55m from estimating data and 12 informing data points. Inferred Mineral Resources were classified as blocks within an average distance 75m from estimating data and less than 12 informing data points. The remnant stopes and pillars contained within 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>
<p>Audits or reviews.</p>	<p>The results of any audits or reviews of MREs.</p>	<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>	<p>Where appropriate a statement of the relative accuracy and/or confidence in the MRE 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.</p> <p>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.</p> <p>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</p>	<p>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.</p> <p>Historical open cut and underground mining activities for 100 years and the continuous geological nature of Woodley's Shear is in the Cube's opinion sufficient to support the classification of Indicated Mineral Resources to be applied to portions of the Rothsay Resource Model.</p> <p>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.</p> <p>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 48,200oz gold within the mined drives and stopes.</p>



## APPENDIX 3 FORWARD LOOKING STATEMENTS & DISCLAIMERS

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

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

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