EGANSTREET RESOURCES
ACN 144 766 236

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ROTHSAY GOLD PROJECT BOOSTED BY PRODUCTION TARGET UPGRADE

Forecast life-of-mine gold production jumps to 289,000 ounces following a new Mineral Resource Estimate and mine design

HIGHLIGHTS

- **Updated Definitive Feasibility Study ("Updated DFS") following a new mine design on the November 2018 Mineral Resource Estimate (MRE) has resulted in increased production target, project revenues, and free cash flows at EganStreet's 100%-owned Rothsay Gold Project in WA**
- **Based on the same gold price and exchange rate assumptions as the DFS announced to ASX on 19 July 2018, (gold price US$1,275, AUD:USD 0.75) undiscounted pre-tax project cashflow has increased to $116 million[1] from revenue of $470 million[2] and comes off a modest extensional and infill exploration expenditure of $1.1 million – clearly demonstrating the significant upside to the Rothsay Gold Project**
- **Ore mined has been increased to 2.3Mt at 4.4g/t Au for 320,000oz of gold[3]**
- **Ore mined to be upgraded via a (laser and EM) ore sorter to produce a concentrate of 1.3Mt at 7.2g/t Au, which is then processed through a standard CIL circuit, per the DFS plan**
- **Forecast gold production of 289,000 over an initial 7-year mine life**
- **Estimated cash cost (C1) of A$876/oz and all-in sustaining cost (AISC) of A$1,069oz[4]**
- **Initial Capital Expenditure for processing plant and associated infrastructure of $39.7 million, is now based on a fixed price contracting strategy and still includes $3.6 million in contingencies – this has been significantly de-risked from the DFS pricing**
- **Gold production averages 64,000 ounces over the first two years of production, and averages 57,000 over the first four years. Average free cash-flow of $32 million per annum over the first 5 years of production**
- **Capital payback within 1.3 years of production**
- **At a A$1,700/oz gold price the Project has a Pre-tax NPV5% of $95.1 million and IRR of 54%**
- **Current gold price of A$1,850/oz, the Project has a NPV5% of $132.4 million and IRR of 71%**
- **First gold production targeted for Quarter 1, 2020**

[1] *Both NPV and cash-flow are pre-tax, this applies for the entire document.*

[2] *Based on US$1,275 gold price and A$:US$ exchange rate of 1.00 : 0.75.*

[3] *Inclusive of Inferred Resources.*

[4] *Cash Cost (C1) = mining, processing, site services & administration costs. AISC = Cash Cost (C1) + royalties + sustaining capital costs but excludes exploration and corporate costs. This applies for the entire announcement.*

Egan Street Resources Limited (ASX: EGA) (EganStreet) is pleased to advise that following the release of the November MRE, it has completed a mine design and updated the July 2018 DFS on its 100%-owned **Rothsay Gold Project (Project)**, located 300 km north-east of Perth in WA's Midwest region. With the results demonstrating a significant increase in the production target, free cash flow generation and Net Present Value (NPV) of the Project.

The updated DFS builds on the DFS released in July 2018, delivering a 16% increase in projected gold production to 289,000oz over an initial 7-year mine life, together with a 16% increase in undiscounted pre-tax project cash-flow to $116.1 million, based on unchanged gold price and exchange rate assumptions. This update which has been achieved following a modest infill and extensional exploration investment of $1.1 million, further demonstrates that the Rothsay Project has the potential to generate strong cash-flows underpinned by high-grade, high-margin gold production, with significant upside.

The updated DFS is based on processing 1.3Mt at an average grade of 7.2 g/t Au for approximately 289,000oz of gold production (up from 1.2Mt at 6.9g/t Au for 250,000oz in the July 2018 DFS).

Forecast life of mine (LOM) cash costs C1 are A$876/oz and all-in sustaining costs (AISC) are A$1,069/oz.

The proposed 7-year LOM production target contains material from both the Indicated and Inferred Resource categories. The majority of the production target (75% of ounces) is sourced from Indicated Resources with the remaining (25% of ounces) drawn from Inferred Resources.

Based on these parameters, the Rothsay Gold Project delivers a Net Present Value using a 5% discount rate of $95.1 million and has an estimated capital payback period of less than 1.3 years. A gold price of US$1,275/oz and an exchange rate (USD: AUD) of 75 cents (A$1,700/oz gold price) has been assumed for the DFS.

Gold produced over the first four years averages 57,000ozpa (peaking at 64,000ozpa for the first two years), with free cash flow of $32 million per year over the first five years.

Importantly, a well credentialled project management team has been established, as a result, the major work packages have been advanced and are either in contract or at a "ready" to execute stage. The style of agreement is either fixed price design & construct (D&C) or fixed price build, own, transfer (BOT) contracts. This significantly de-risks the capital cost for the Rothsay Gold Project.

Key changes in this update (other than the new mine design) are driven by advancement in the project execution from a capital cost perspective, whilst operating costs have been updated to reflect the current underground mining contract tender returns and LNG power generation contract all other operating costs remain unchanged.

Next Steps

EganStreet continues to advance project finance discussions, an independent technical expert (ITE) report has been completed, with all material assumptions from the DFS confirmed and no material risks identified. This has been provided to the preferred financiers that provided non-binding offers of conventional debt ranging up to $35 million. It is expected construction will commence immediately following project financing and receiving all necessary environmental approvals. As a result of the pending environmental approvals, first gold production is targeted for Quarter 1, 2020.

EganStreet Managing Director, Marc Ducler, said the updated Definitive Feasibility Study showed that significant value could be added for very modest sums of exploration expenditure. Rothsay remains fertile ground with a potential steeply plunging southerly extension, depth extensions and strike extents to the north all to be tested once underground. Rothsay is a high-quality gold project with low initial capital expenditure, strong margins and the ability to generate outstanding financial returns for shareholders.

> *"This most recent upgrade to the DFS is compelling in that it is off the back of a very modest infill and extensional exploration programme.*
>
> *With the project estimation achieving further maturity and all our main work packages either in contract or "ready to execute", the financial metrics of the Rothsay Gold Project continue to strengthen despite the slight increase in capital costs.*
>
> *Coupled with the future potential to deliver more growth once in production and the buoyant gold price – it's certainly an exciting time to be developing the Rothsay Gold Project."*

TABLE 0-1 – KEY PHYSICALS

		Total	Pre-Production	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Mining Production Physicals										
Development Ore Mined	*kt*	**1,012**	112	281	213	210	176	20	-	-
Development Ore Grade	*g/t Au*	**2.7**	3.2	3.1	2.7	2.4	2.0	1.9	-	-
Stope Ore Mined	*kt*	**1,270**	15	299	352	244	275	84	-	-
Stope Ore Grade	*g/t Au*	**5.7**	6.8	6.4	5.9	5.5	5.3	4.4	-	-
Total Ore Mined	*kt*	**2,281**	127	580	565	454	451	104	-	-
Mined Grade	*g/t Au*	**4.4**	3.6	4.8	4.7	4.1	4.0	3.9	-	-
Contained Ounces	*koz*	**320**	**15**	**90**	**85**	**59**	**58**	**13**	**-**	**-**
Processing Physicals										
Ore Processed	*kt*	**1,324**	64	200	200	200	200	200	200	59
Concentrate Grade	*g/t Au*	**7.2**	6.5	10.7	10.3	8.2	8.0	5.1	2.4	2.4
Contained Ounces	*kt*	**306**	13	69	66	53	52	33	16	5
Recovery	*%*	**94.5%**	93.3%	93.3%	95.3%	95.2%	94.8%	94.7%	94.3%	94.3%
Ounces Produced	*koz*	**289**	**13**	**64**	**63**	**50**	**49**	**31**	**15**	**4**

TABLE 0-2 - KEY PROJECT STATISTICS

Material in Mine Plan	**Tonnage (kt)**	**Grade (g/t Au)**	**Contained Metal (Au koz)**
Indicated Resources	1,397	5.3	239
Inferred Resources	476	5.2	80
Unclassified Waste	407	0.0	1
Total (Totals may not add due to rounding)	**2,281**	**4.4**	**320**

Material Processed	**Tonnage (kt)**	**Grade (g/t Au)**	**Contained Metal (Au koz)**
Ore Processed (Post Ore Sorter)	**1,324**	**7.2**	**306**

Initial Capital Costs	**A$m**
Process Plant	28.7
Non Process Infrastructure	3.0
Other Owners Costs	4.3
Contingency	3.6
Total Initial Capital	**39.7**

Production Summary		
Initial LOM	Years	7.7
Gold Production	Ounces	**289,062**
Average LOM Metallurgical Recovery	%	94.5

Project Economics		
Base Case gold price	US$/oz	1,275
Exchange Rate	A$:US$	1.00 : 0.75
Revenue	**A$m**	**470.1**
Cash Cost (C1)	$/oz	876
All In Sustaining Cost (AISC)	**$/oz**	**1,069**
Free Cashflow Pre-Tax	**A$m**	**116.1**
$NPV_{5\%\ Pre\text{-}tax}$	A$m	95.1
$IRR_{Pre\text{-}Tax}$	%	54
Payback	Years	1.3

The updated DFS has been prepared by a number of independent consultants in conjunction with (and brought together by) EganStreet employees and management. Contributors are described in more detail below:

- **Mineral Resource Estimate –** Cube Consulting Pty Ltd (Cube)
- **Mining** – Maksena Engineering Solutions Pty Ltd（Maksena) and EganStreet
- **Financial Model –** EganStreet

1. INTRODUCTION

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. (Figure 1-1)

The Rothsay Gold Project currently hosts high-grade Mineral Resources of 454koz at an average grade of 9.2g/t Au (Indicated 0.95Mt @ 9.6g/t Au and Inferred 0.59Mt @ 8.6g/t Au).

The Company is focused on successfully bringing the Rothsay Gold Project into production. EganStreet has a strong Board, Management and Project Development 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.

This Study is completed to the level of Definitive Feasibility Study as defined in clause 39 of the 2012 Edition of the JORC Code.

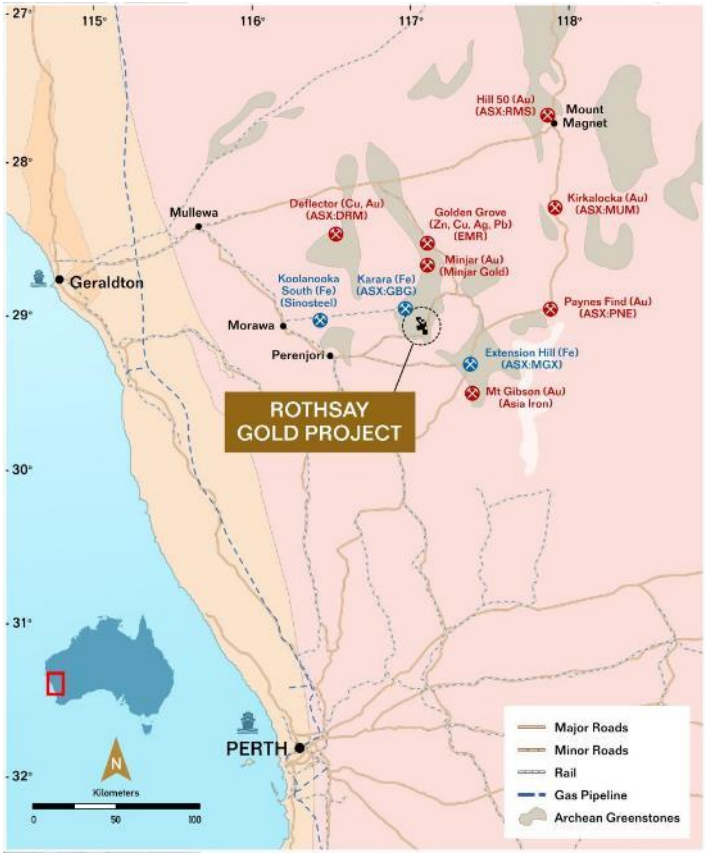

FIGURE 1-1 ROTHSAY GOLD PROJECT LOCATION

2. MINERAL RESOURCE ESTIMATION

The Mineral Resource Estimate (MRE) for the Rothsay Gold Project was updated by Cube Consulting Pty Ltd in November 2018 (See ASX announcement "Rothsay Resource increases to 454,000oz at 9.2g/t Au" dated 27 November 2018), the associated JORC table 1 sections 1 to 3 can be found in appendix 2. The November 2018 MRE is an update of the May 2018 MRE and incorporates the results of reverse circulation (RC) and diamond drilling programmes completed between May and September 2018, which consisted of 46 holes for 5,042m of RC and 16 holes for 4,631m of diamond core.

The MRE has been classified and reported in accordance with the 2012 Edition of the JORC Code. The current MRE is reported at a cut-off grade of 2.5g/t Au (Table 2-1).

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).

TABLE 2-1: GLOBAL MRE

	Indicated			Inferred			Total		
Lode	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)
Woodley's	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
Total[5,6]	**950**	**9.6**	**292**	**590**	**8.6**	**162**	**1,540**	**9.2**	**454**

3. PERMITTING REQUIREMENTS

In total, the project requires 13 separate approvals from various state government departments and the local Shire of Perenjori. To date, 7 of these approvals have either been granted or are not considered necessary for the works to proceed in the coming 12-month period. The most significant remaining approvals are the: Mining Proposal and Mine Closure Plan (DMIRS), Native Vegetation and Clearing Permit (NVCP) and Works Approval and License application (DWER), these have all been submitted and are currently being processed by the relevant government authority. All avenues are currently being pursued to ensure that these outstanding approvals do not impact the revised project schedule.

4. MINING

As a part of the July 2018 DFS, Entech Pty Ltd (Entech), Maksena Engineering Solutions Pty Ltd and EganStreet completed a mining study to a Definitive Feasibility level of accuracy.

New estimates for mining capital and operating costs were supplied by independent mining contractors as part of the current mining contract tender process and have been reflected in this updated DFS. A detailed mine design, schedule and cost estimation was completed based on the November 2018 MRE.

As part of the mining contract tender process, responses have been provided that offered a reduced ore drive profile of 4.0mW x 4.0mH whilst maintaining the productivity of large-scale mining fleet. All other assumptions and mining methods remain unchanged.

The design parameters are outlined in Table 4-1.

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

[6] Note totals may not match due to rounding.

TABLE 4-1: MINE DESIGN PARAMETRES

Description	
Decline gradient	1 in 7
Decline Profile	5.0mW x 5.0mH
Decline Turning Radius	17.5 m
Level Spacing	15 m
Stope Height (Back to Floor)	11 m
Ore Drive Profile	4.0mW x 4.0mH
Stope Dilution	0.4 m
Mining Recovery	97.5%
Minimum Mining Width including Planned Dilution	1.4 m
Average Stope Width	1.9 m
Fully Costed Cut-Off Grade	2.8 g/t
Incremental Cut-Off Grade	1.7 g/t
Marginal Cut-Off Grade	1.0 g/t
Maximum Stope Width	5.3 m
Notional Open Stope Length	35 m

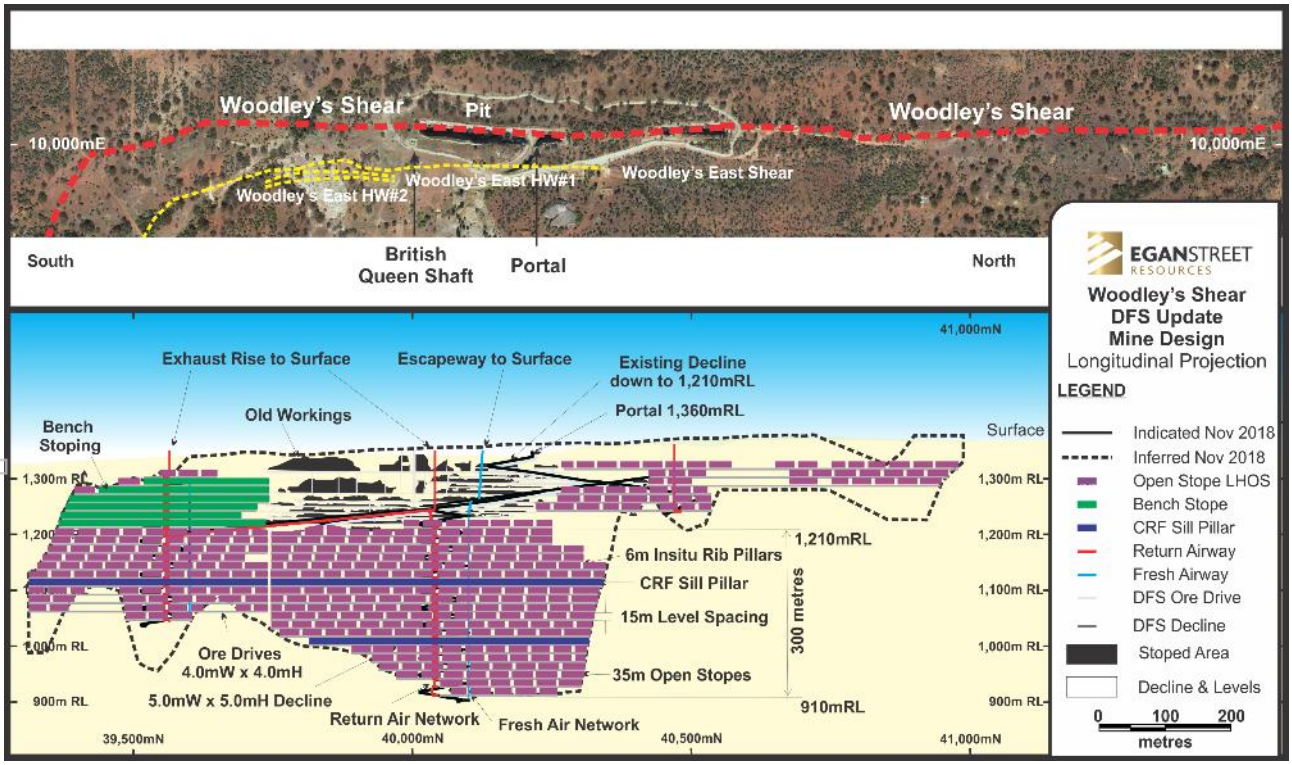

FIGURE 4-1: ROTHSAY DFS UPDATE MINE DESIGN LONG PROJECTION

4.1 MINE SCHEDULING

Maksena have developed a detailed mine production schedule. The mining sequence commences with rehabilitation of the existing portal. Priority is given to establishing primary ventilation, then developing both to depth and laterally to the upper southern stoping areas to commence the stope mining sequence. Rehabilitation of the existing Rothsay decline continues to its full depth to allow for access to hangingwall lodes in the upper areas of the mine.

Mobile fleet equipment requirements have been cross-checked with equipment fleets proposed by the mining contractor. All ore and waste material from the mine is planned to be hauled to surface using conventional 50 tonne underground haulage trucks, being placed on ROM pads (for ore) or waste dumps (for waste).

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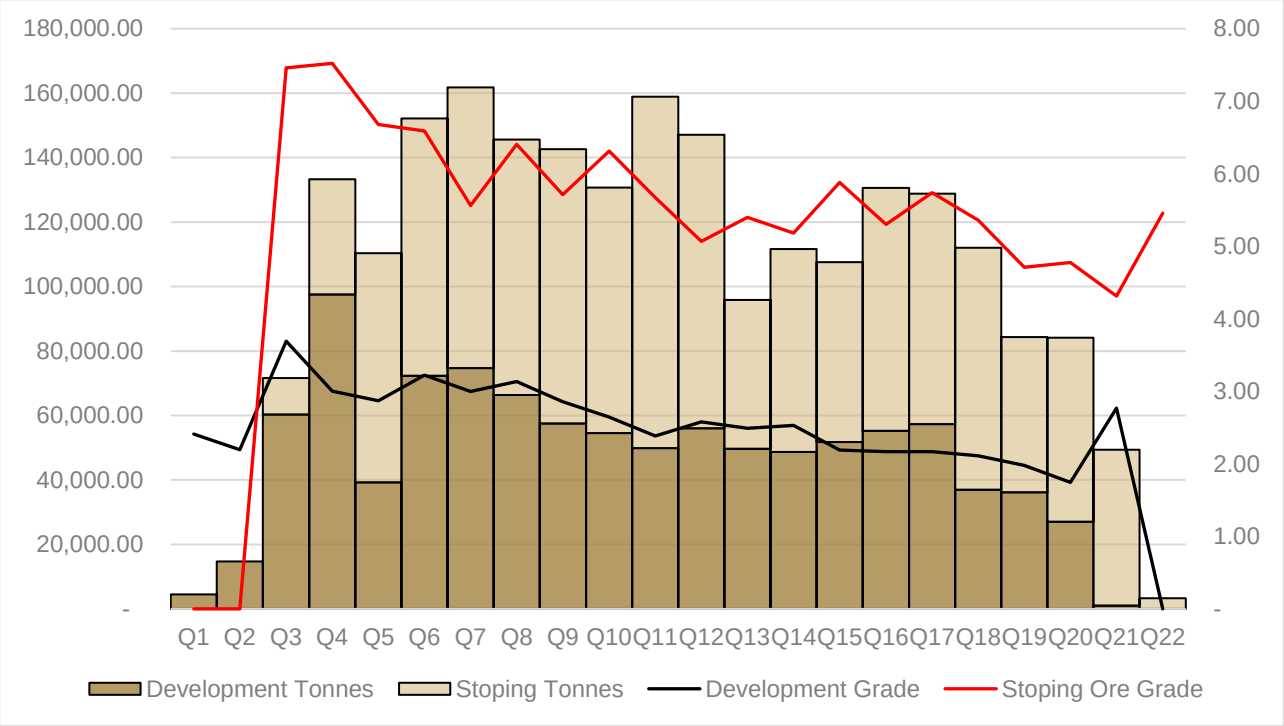

FIGURE 4-2: PRODUCTION TARGET BY TYPE

The key results of the schedule are itemised below in Table 4-2.

TABLE 4-2 - KEY PHYSICALS

Key Physical	
UG Mine Project Life	5.3 years
Production Target Tonnes	2,281kt
Production Target Gold Grade	4.4 g/t Au
Production Target Mined Gold	320koz

4.2 PRODUCTION TARGET RESOURCE CATEGORIES

The Rothsay mine production target contains mineral resource classifications of various confidence levels as reported in the MRE. A summary of the different types of resource material classifications that make up the mine plan discussed in the DFS Update can be seen in Figure 4-3.

Cautionary Statement – There is a low level of geological confidence associated with Inferred Mineral Resources, and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

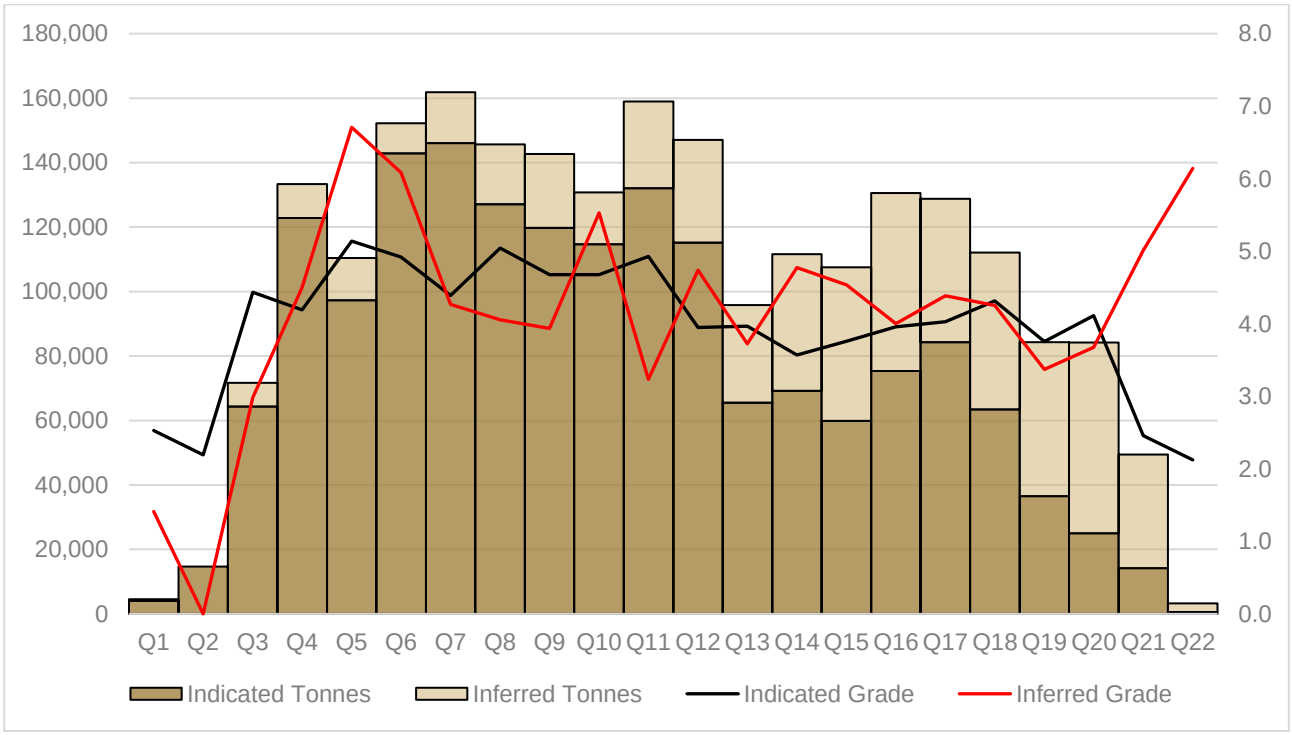

FIGURE 4-3: PRODUCTION TARGET BY CATEGORY

The majority of the ounces mined in the DFS schedule will be from the Indicated category (75%) and are predominantly mined prior to the Inferred Mineral Resource (from which 25% of the total ounces will be produced). Approximately 72% of the total ounces mined from the Inferred Mineral Resource will be extracted in the final 2.5 years of the mine schedule.

5. PROCESSING

As a result of a competitive tender process for a fixed price lump sum design and construct contract the process plant design has been modified to reflect additional detailed engineering. The material changes are the removal of a tailings thickener, an increase to the mill motor power (from 500kW to 600kW), an increase in residence time of the leach circuit to 27 hours (from 24 hours) and increase in the elution and regeneration capacity from 1.0t AARL elution process to a 2.5t Zadra elution process. All aspects of the process plant design remain unchanged. The process plant design and process flow for Rothsay is based on well understood and proven technology.

Operating costs for the process plant remain unchanged with the exception of power which is updated to reflect the use of LNG engines for power generation and the cyanide consumption has been modelled to reflect a “floating” cyanide consumption based on modelled copper grade in the process plant feed. This results in an overall cyanide consumption of 1.84 kg/t compared to 1.75 kg/t from the original DFS.

Additionally, the gold recovery model has been updated from a fixed gold recovery over the life of mine (LOM) of 94.5% to a gold recovery assumption which is “floating” based on the copper grade (a deleterious element which was demonstrated to impact gold recovery when in high concentrations). The updated gold recovery over the LOM remained at 94.5% with a lower gold recovery of 90.7% and a high gold recovery of 95.8%.

6. INFRASTRUCTURE

6.1 POWER INFRASTRUCTURE

The power design has been updated following a competitive tender process. The preferred tenderer has been selected and funds have been released to secure gas fueled generators. As a result, the operating costs over for power generation have been reduced. All other aspects have not materially changed.

6.2 OTHER SURFACE INFRASTRUCTURE

A competitive tender process was run for the supply and construction of the surface infrastructure requirements. The contract method selected is a build own transfer style agreement (BOT). This provides for a lower initial capital requirement and reconditioned demountable buildings with all new internal fit-out.

The camp size has been increased to 104-person camp, all other material aspects remain unchanged from the DFS.

7. FINANCIALS

Assuming a gold price of A$1,700/oz, the operation is shown to produce undiscounted pre-tax project cash-flow of $116.1 million, which equates to a net present value of approximately A$95.1 million at a discount rate of 5%, and an internal rate of return of 54%.

An indicative sensitivity analysis to the gold price and operating costs for key financial metrics have been included in Table 7-4.

TABLE 7-1- KEY ASSUMPTIONS

Description			
General			
Basis	Project level, pre-tax, excludes depreciation & debt financing		
Construction Period			1.0 years
LOM (including construction)			7.7 years
Exchange Rate		A$:US$	1.00 : 0.75
Gold Price			US$1,275/oz
Royalty Rate		Up to a max of A$700,000 plus 2.5%	
Material in Mine Plan		**Au koz**	**% oz**
Indicated Resources		239	75%
Inferred Resources		80	25%
Total		320	
Ore Processed			
Plant throughput			200,000tpa
Plant Recovery	(Exclusive of ore sorting)		94.5%
Gold Production			289koz

TABLE 7-2 - KEY PHYSICALS

		Total	Pre-Production	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Mining Production Physicals										
Development Ore Mined	*kt*	**1,012**	112	281	213	210	176	20	-	-
Development Ore Grade	*g/t Au*	**2.7**	3.2	3.1	2.7	2.4	2.0	1.9	-	-
Stope Ore Mined	*kt*	**1,270**	15	299	352	244	275	84	-	-
Stope Ore Grade	*g/t Au*	**5.7**	6.8	6.4	5.9	5.5	5.3	4.4	-	-
Total Ore Mined	*kt*	**2,281**	127	580	565	454	451	104	-	-
Mined Grade	*g/t Au*	**4.4**	3.6	4.8	4.7	4.1	4.0	3.9	-	-
Contained Ounces	*koz*	**320**	**15**	**90**	**85**	**59**	**58**	**13**	**-**	**-**
Processing Physicals										
Ore Processed	*kt*	**1,324**	64	200	200	200	200	200	200	59
Concentrate Grade	*g/t Au*	**7.2**	6.5	10.7	10.3	8.2	8.0	5.1	2.4	2.4
Contained Ounces	*kt*	**306**	13	69	66	53	52	33	16	5
Recovery	*%*	**94.5%**	93.3%	93.3%	95.3%	95.2%	94.8%	94.7%	94.3%	94.3%
Ounces Produced	*koz*	**289**	**13**	**64**	**63**	**50**	**49**	**31**	**15**	**4**

TABLE 7-3 - KEY PROJECT METRICS

Material in Mine Plan	Tonnage (kt)	Grade (g/t Au)	Contained Metal (Au koz)
Indicated Resources	1,397	5.3	239
Inferred Resources	476	5.2	80
Unclassified Waste	407	0.0	1
Total (Totals may not add due to rounding)	**2,281**	**4.4**	**320**
Material Processed	**Tonnage (kt)**	**Grade (g/t Au)**	**Contained Metal (Au koz)**
Ore Processed (Post Ore Sorter)	**1,324**	**7.2**	**306**
Initial Capital Costs			**A$m**
Process Plant			28.7
Non Process Infrastructure			3.0
Other Owners Costs			4.3
Contingency			3.6
Total Initial Capital			**39.7**
Production Summary			
Initial LOM		Years	7.7
Gold Production		Ounces	**289,062**
Average LOM Metallurgical Recovery		%	94.5
Project Economics			
Base Case gold price		US$/oz	1,275
Exchange Rate		A$:US$	1.00 : 0.75
Revenue		**A$m**	**470.1**
Cash Cost (C1)		$/oz	876
All In Sustaining Cost (AISC)		**$/oz**	**1,069**
Free Cashflow Pre-Tax		**A$m**	**116.1**
$NPV_{5\%}$ Pre-tax		A$m	95.1
IRR Pre-Tax		%	54
Payback		Years	1.3

TABLE 7-4 – A$ GOLD SENSITIVITY AND OPEX SENSITIVITY

Gold Price (A$/oz)	FCF (A$m)	$NPV_{5\%}$ (A$m)	IRR (%)	Payback (Mths)	Opex Sensitivity	AISC ($/t mined)	$NPV_{5\%}$ (A$m)	IRR (%)	Payback (Mths)
1,400	31.4	20.7	16%	40.0	-25%	850	156.1	85%	11.0
1,500	59.7	45.5	30%	24.0	-15%	938	131.7	73%	13.0
1,600	87.9	70.3	42%	19.0	-10%	981	119.5	66%	14.0
1,700	**116.1**	**95.1**	**54%**	**16.0**	**Base Case**	**1,069**	**95.1**	**54%**	**16.0**
1,800	144.3	120.0	65%	14.0	10%	1,156	70.8	41%	19.0
1,900	172.5	144.8	76%	12.0	+15%	1,200	58.6	35%	21.0
2,000	200.8	169.6	87%	11.0	+25%	1,287	34.2	23%	27.0

7.1 CAPITAL COSTS

The initial capital cost is estimated at $39.7 million (inclusive of contingencies of $3.6 million). In addition, $2.9 million has been provided for underground rehabilitation and $13.2 million for pre-production working capital (pre-production operating costs offset by initial gold sales).

A breakdown of capital is as follows:

TABLE 7-5 - CAPITAL COST ESTIMATE

Description	Total Cost (A$m)
Process Plant	28.7
Non Process Infrastructure	3.0
Other Owners Costs	4.3
Contingency	3.6
Total Initial Capital	**39.7**
Underground Rehabilitation	2.9
Pre-Production Working Capital	13.2
Total Pre-Production Capital	**55.8**

7.2 PROJECT OPERATING COSTS

Operating costs are subdivided into mining, processing, site services, royalties and sustaining capital expenditure. The operating costs have been determined to a ± 15% level of accuracy.

All operating costs with the exception of mining contractor costs and power generation costs remain unchanged. Mining contractor costs have been updated to reflect the tender submissions from the current mining contractor tender process. The power generation costs have been updated to reflect the power costs from the preferred build own operator power provider, which includes LN gas fired generation engines, LNG storage and gasification associated equipment and LNG fuel pricing.

TABLE 7-6 - OPERATING COST ESTIMATE

Opex	A$/t mined	A$/oz	A$m
Mining	63	520	144
Processing	31	255	71
Site Services	12	100	28
Cash Costs (C1)	***106***	***876***	***242***
Royalties	5	43	12
Near Mine Exploration	1	5	1
Sustaining Capex	18	145	40
AISC	***130***	***1,069***	***296***

8. PROJECT FUNDING

The capital cost to develop the project is A$55.8 million which includes costs for plant construction, contingencies, rehabilitation of the existing underground and pre-production working capital.

Payback occurs in less than 1.3 years at a gold price of A$1,700/oz.

EganStreet intends to finance the project through a combination of debt and equity. EganStreet intends to take a prudent and measured approach in setting the level of debt whilst minimising shareholder dilution.

Negotiations for debt funding are ongoing. EganStreet has received indicative non-binding terms for conventional debt instruments of up to $35 million. An independent technical expert (ITE) report has been completed and has been submitted to the preferred financiers.

9. POTENTIAL TIMELINE TO PRODUCTION

Construction of the Rothsay Gold Project will commence immediately upon receipt of all outstanding government approvals, gold production now scheduled for Quarter 1, 2020.

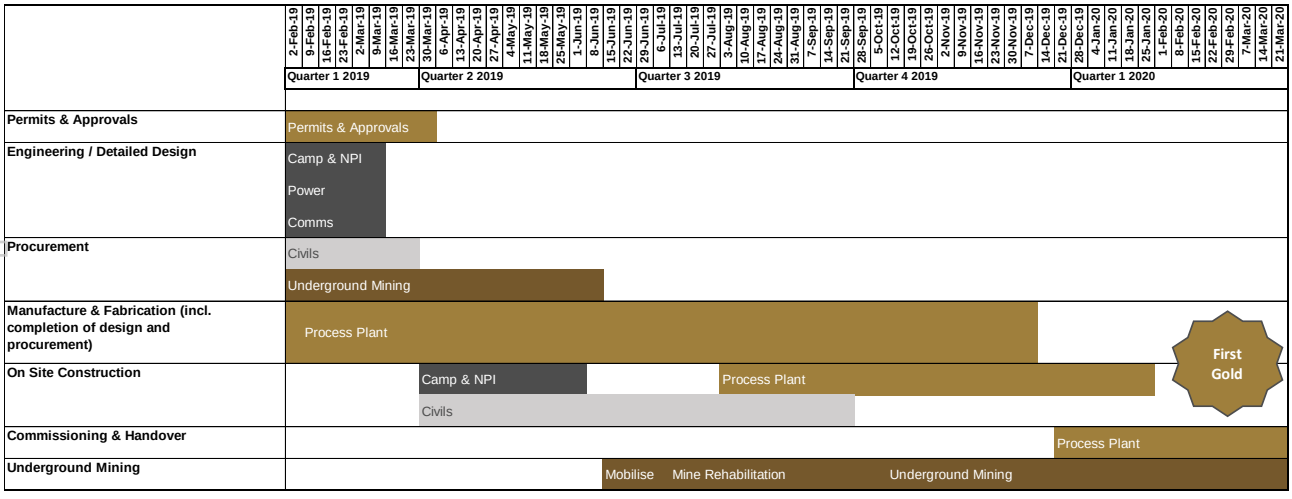

FIGURE 9-1 – POTENTIAL TIMELINE TO PRODUCTION

For more information, please contact:

Investors:

Marc Ducler, Managing Director

T. 08 6424 8130

E. info@eganstreet.com.au

Media:

Nicholas Read, Read Corporate

T. 08 9388 1474

E. nicholas@readcorporate.com.au

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 949kt @ 9.6g/t Au and Inferred 590kt @ 8.6g/t Au) and a production target (Updated Definitive Feasibility Study Update published 12 February 2019) of 2.3Mt mined and 1.3Mt processed at 7.2g/t Au for 289koz 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 announcement that relates to the Rothsay Mineral Resource is extracted from the announcement titled "Rothsay Increases to 454,000oz at 9.2 g/t Au" lodged on 27 November 2018 which is available to view at www.eganstreetresources.com.au and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

APPENDIX 2 JORC TABLE 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code (2012) explanation	Commentary
	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	*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.* *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.*
	Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.	*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.*
Sampling techniques	*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.*	*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.* *Historical Drilling:* *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.*
Drilling techniques	*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.).*	*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.* *Historical Drilling:* *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*

Criteria	JORC Code (2012) explanation	Commentary
		RRB prefixed) drilled by Hunter Exploration in the late 1990s.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	*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.*
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	*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).*
	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.	*There is no significant loss of material reported in any of the DDH core* *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.* *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).* *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.*
Logging	*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.*	*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.*
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	*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.*
	The total length and percentage of the relevant intersections logged	*All DDH holes were logged in full.* *All chips were geologically logged by company or contracted geologists, using EganStreet current company logging scheme.* *The logging is qualitative in nature, describing oxidation state, grain size, an assignment of lithology code and stratigraphy code by geological interval.* *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.* *All RC holes were logged in full*
Sub-sampling techniques	*If core, whether cut or sawn and whether quarter, half or all core taken.*	*Core samples were cut in half using an Almonte diamond saw. Half core samples were collected for assay, and the*

Criteria	JORC Code (2012) explanation	Commentary
and sample preparation		*remaining half core samples stored in the core trays. Some HQ samples were quarter cored.*
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	*Diamond holes only were drilled, however where the rock roll or PQ was used for pre-collars these were discarded and not sampled.* *Historical Drilling:* *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.*
	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*

Criteria	JORC Code (2012) explanation	Commentary
Quality of assay data and laboratory tests	*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.*
	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*
	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.	*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.*
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	*Significant results were checked by the Egan Street Geology Manager and Executive Directors*
	The use of twinned holes.	*Twin holes were not employed during this part of the programme.*
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	*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*
	Discuss any adjustment to assay data.	*No assay data was adjusted. The lab's primary Au field is the one used for plotting and resource purposes. No averaging is employed.*
Location of data points	*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.*	*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).*
	Specification of the grid system used.	*Grid projection is GDA94, Zone 50. A Local Grid(RMG88) is used using a two-point transformation and 43.2886 degree rotation.*
	Quality and adequacy of topographic control.	*Detailed surface control has been established by photogrammetry*
	Data spacing for reporting of Exploration Results.	*Primary: approximately 25m - 50 m on section by 25m - 50 m along strike.*

Criteria	JORC Code (2012) explanation	Commentary
Data spacing and distribution	*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.*	*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.*
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	*The orientation of the drill holes is approximately perpendicular to the strike and dip of the targeted mineralisation and observed shearing.*
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	*The orientation of the drill holes is approximately perpendicular to the strike and dip of the targeted mineralisation and contacts. No significant sampling bias has been introduced.*
Sample security	*The measures taken to ensure sample security.*	*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.*
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	*Sampling and assaying techniques are industry-standard. No specific audits or reviews have been undertaken at this stage in the programme.*

SECTION 2 REPORTING OF EXPLORATION RESULTS

<table>
<tr><th>Criteria</th><th>JORC Code (2012) explanation</th><th>Commentary</th></tr>
<tr><td rowspan="2">Mineral tenement and land tenure status</td><td>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.</td><td>The drilling occurred within tenements M59/39 and M59/40, which are fully owned by Egan Street Rothsay Pty Ltd which is a 100% owned subsidiary of Egan Street Resources Ltd. The Rothsay Townsite is located within the Mining tenements.
<table>
<tr><th>Tenement ID</th><th>Area km2</th><th>Status</th><th>Holder</th><th>Grant Date</th><th>Expiry Date</th></tr>
<tr><td>M59/39</td><td>7.10</td><td>Live</td><td>Egan Street 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>Egan Street 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>Egan Street 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>Egan Street 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>Egan Street Rothsay Pty Ltd</td><td>29/01/2007</td><td>28/01/2018</td></tr>
<tr><td>E59/2254</td><td>2.99</td><td>Live</td><td>Egan Street Rothsay Pty Ltd</td><td>27/12/2017</td><td>26/12/2022</td></tr>
</table></td></tr>
<tr><td>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.</td><td>The tenements are in good standing with the Western Australian Department of Mines and Petroleum.</td></tr>
<tr><td>Exploration done by other parties</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>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).

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.

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.</td></tr>
</table>

Criteria	JORC Code (2012) explanation	Commentary
Geology	*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.* *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.*
Drill hole Information	*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.*
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*

Criteria	JORC Code (2012) explanation	Commentary
	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.	*Higher grade intervals are included in the reported grade intervals, individual assays > 5.0 g/t Au have been reported for each intersection.*
Relationship between mineralisation widths and intercept lengths	*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').*	*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.*
Diagrams	*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.*	*Refer to Figures in previous release for relevant plans.*
Balanced reporting	*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.*	*All intersections reporting to the geological interpretation of the Woodley and Woodley East Shears have been reported.*
Other substantive exploration data	*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.*	
Further work	*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.*	*Further RC and diamond drilling is planned to infill and test strike extents to the north and south of the prospect.* *Geological interpretation and modelling is ongoing.*

SECTION 3 ESTIMATING AND REPORTING OF MINERAL RESOURCES

Criteria	JORC Code (2012) 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	*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.* *No material issues were identified by Cube.* *Database is found to be good and with no significant errors due to data corruption and transcription have been found.*
Site Visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	*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	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	*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.* *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.* *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.* *The mineralised volume is primarily based on the logged geological description identifying quartz veining and/or shearing.*
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 (from39,250mN – 41,250mN), a width of 750m (9500mE-10250mE) and 450m vertically from surface (1350mRL to 900mRL).*
Estimation and modelling techniques.	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* *The availability of check estimates, previous estimates and/or mine*	*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.* *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*

	production records and whether the MRE takes appropriate account of such data. *The assumptions made regarding recovery of by-products.* *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units.* *Any assumptions about correlation between variables.* *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	*considerations and width of mineralized Woodley's (A) shear vein. Block descretisation 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.* *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.No assumptions have been made regarding gold recovery.* *No other estimation of other elements was undertaken.* *Validation of the model included detailed statistical and visual comparison of composite grades and block grades by northing and elevation with informing data.*
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	*Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.*
Cut-off parameters.	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	*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.*
Mining factors or assumptions.	*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.*	*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.* *The MRE extends to a depth of 450m below surface which is not considered un-reasonable for an underground mining method.*
Metallurgical factors or assumptions.	*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.*	*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.* *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.*
Environmental factors or assumptions	*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.*	*No assumptions have been made in regard to possible waste and process residue disposal options or the potential environmental impacts of the mining and processing operation.* *However, the project is the site of historic mining activity, located +within an existing mineral field.*
Bulk density.	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	*A total of 309 bulk density measurements have been completed by Egan Street and Auricup Resources Limited from diamond drilling core completed since 2012.* *The density determinations have been measured using traditional achimedean methodology of weighing dried core in and out of water.* *No voids within the mineralised zones have been observed.* *The final bulk density assignment was based on the measured data and assigned according to the oxidation state and lithology.*
Classification.	*The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors. i.e. relative confidence in tonnage/grade computations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data.* *Whether the result appropriately reflects the Competent Person(s)' view of the deposit.*	*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.* *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.* *The result of Cubes work appropriately reflects the Competent Persons view of the deposit.*
Audits or reviews.	*The results of any audits or reviews of MREs.*	*Internal audits and peer review have been completed by Cube which verified the technical inputs, methodology, parameters and results of the estimate.*
Discussion of relative	*Where appropriate a statement of the relative accuracy and/or confidence in the MRE using an approach or procedure deemed appropriate by the Competent*	*Cube's opinion is that reported Indicated resource should be treated with due care as the accuracy and precision of the assay*

accuracy/confidence	*Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages or volumes, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	*determinations in the historic data used are unknown and only partially validated.* *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.* *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.* *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.*

APPENDIX 3 FORWARD LOOKING STATEMENTS & DISCLAIMERS

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