

EGANSTREET COMMENCES KEY METALLURGICAL TEST WORK PROGRAM FOR ROTHSAY GOLD PROJECT

Metallurgical test work results to form a key component of Definitive Feasibility Study which is now in full swing

HIGHLIGHTS

- > **27 diamond drill hole core samples submitted for comprehensive metallurgical testing:**
 - Over 109kg of diamond drill core to be tested
 - The submitted samples represent four zones within the “A” Shear Mineral Resource inventory, ensuring that adequate variability testing can be undertaken
- > The results of the metallurgical testing program will feed into the current Definitive Feasibility Study (DFS), due for completion in the second half of 2017.
- > Rothsay Pre-Feasibility Study also progressing well, and on track for completion this quarter.

Egan Street Resources Limited (ASX: EGA) (EganStreet or the Company) is pleased to announce that it has commenced a comprehensive metallurgical test work programme on representative diamond drill core from its 100%-owned Rothsay Gold Project in Western Australia.

27 diamond drill hole core samples comprising a total of 109kg of core and representing four zones within the “A” Shear Mineral Resource inventory have been submitted for metallurgical testing. The four zones have been established geographically to facilitate variability testing.

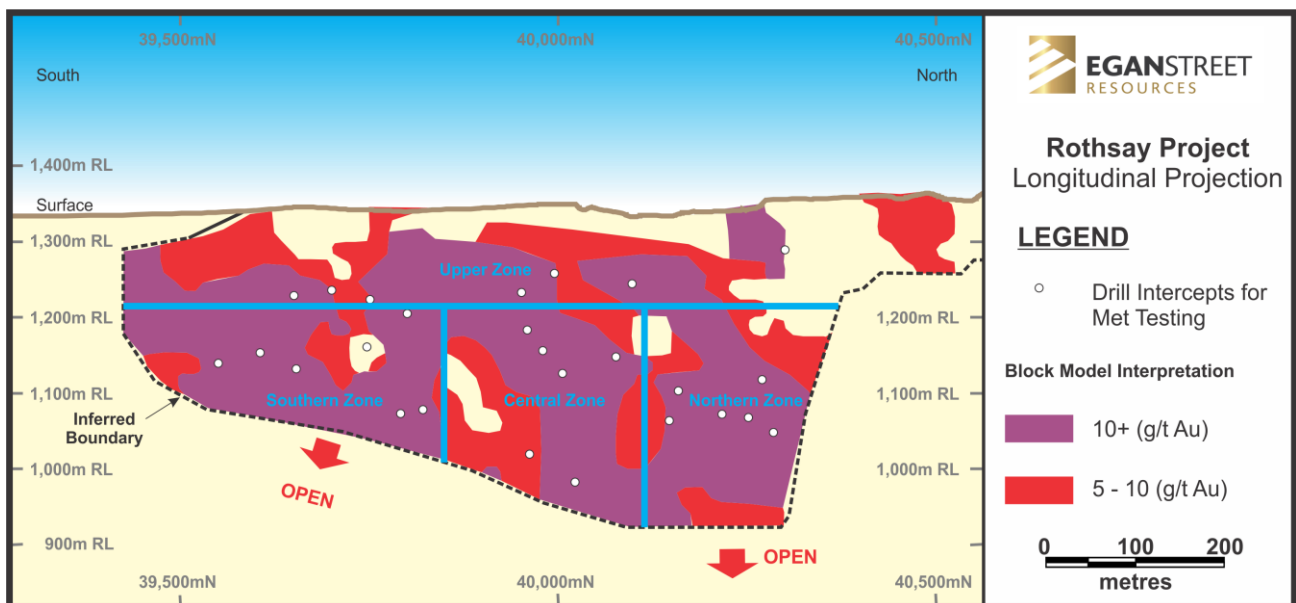


FIGURE 1 – LONG PROJECTION SHOWING PIERCE POINTS USED FOR METALLURGICAL TESTING

The metallurgical test programme is designed to confirm key parameters regarding gold recovery, power draw, grind size and reagent consumptions for inclusion in the Definitive Feasibility Study (DFS).

The programme consists of comminution testing, grind establishment, gravity recovery by Knelson concentrator with mercury amalgamation finish and a cyanide leach on the gravity tail.

Additional testing will be undertaken to satisfy the requirements for tailings storage design and licensing.

The flowsheet selected for the metallurgical testing is typical of a free-milling, high-grade gold deposit, with the intent of the test programme to provide further confidence in the robust process design selected in the Company's initial Scoping Study, published on 23 December 2017.



FIGURE 2 – LEACH/GRIND OPTIMISATION TEST

EganStreet Managing Director Marc Ducler said the acceleration of the Definitive Feasibility Study on the back of continued exploration success was contributing to a growing sense of momentum and excitement around the high-grade Rothsay Gold Project.

“The metallurgical test work programme represents another key step towards de-risking the project and establishing its credentials as a high-quality gold development opportunity,” he said.

“I am confident that the upcoming test work will go a long way towards dispelling the myths around the Rothsay Project about perceived metallurgical issues.

“The nine high grade intersections from the December quarter diamond drill program returned an average copper assay of just 69 ppm, and the metallurgical testing conducted in 2002 returned average gold recoveries of 97.4% on ore with that level of copper content.

“When you add to this the fact that historical plant recoveries of 94.7% were achieved by the previous operator, Metana Minerals, in its last quarter of operations, I am very confident that the met testing that is currently underway will return positive results that will serve to further strengthen the robust commercial and technical nature of the Rothsay Gold Project.”

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ABOUT EGANSTREET RESOURCES

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

The Rothsay Project currently hosts high-grade Mineral Resources of 262koz at an average grade of 11.6 g/t Au (Indicated 399kt @ 11.9g/t Au and Inferred 303kt @ 11.3g/t Au) and a production target (Scoping Study published 23 December 2016) of 493kt @ 6.7g/t for 101koz of gold produced.

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

A Pre-Feasibility Study is targeted for completion in the second quarter of 2017 and will feed into the Definitive Feasibility Study of the Rothsay Gold Project, which is due for completion in the second half of this year.

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

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

EganStreet's longer term growth aspirations are based on a strategy of utilising the cash-flow generated by an initial mining operation at Rothsay to target extensions of the main deposit and explore the surrounding tenements, which include a 10km strike length of highly prospective and virtually unexplored stratigraphy.

Competent Person's Statement

The information in this announcement that relates to the Rothsay Mineral Resource is extracted from the announcement titled "27% Increase in High-Grade Indicated Resource at Rothsay" lodged on 14 March 2017 which is available to view at www.eganstreetresources.com.au / 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.

Production Targets and Financial Information

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