EGANSTREET RESOURCES

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ORE SORTING TEST WORK ON DRILL CORE DEMONSTRATES POTENTIAL FOR LARGER ORE DRIVES AND INCREASED MINE PRODUCTION AT ROTHSAY

Latest results show potential for 3.5-times uplift in ore drive development grades

HIGHLIGHTS

- **Ore sorting test work programmes conducted by TOMRA in Sydney demonstrate the potential of ore sorting using X-ray transmission (XRT) technology to successfully separate the gold-bearing quartz from the ultramafic hanging wall and mafic footwall underground material at Rothsay.**
- **Test work was undertaken over seven drill intersections of 8m length core, which were quartered and crushed. Key results included:**
  - **XRT yielded:**
    - **A 22% mass yield inclusive of fines representing an overall 78% mass rejection; and**
    - **A 3.5-times upgrade to the gold grade**
  - **XRT followed by electromagnetic (EM) sensor yielded:**
    - **A 61% mass yield inclusive of fines representing an overall 39% mass rejection;**
    - **A 1.6-times upgrade to the gold grade;**
    - **Ore sorter tail grade was 0.03g/t Au; and**
    - **A 99.5% gold recovery was achieved into only 61% of the original mass.**
- **The results clearly demonstrate the significant benefits that could be expected from the application of Ore Sorting technology, including the potential to increase mine production and enhance the project economics.**
- **Test work was recently undertaken on a 10-tonne low-grade bulk sample which was processed by TOMRA during late April. Results are pending.**
- **Work is continuing on the Mineral Resource update for the Rothsay Project which is expected to be completed in the near future.**

EganStreet Resources (ASX: EGA) is pleased to advise that it has received highly encouraging results from further ore sorting test work on ore from its high-grade Rothsay Gold Project in Western Australia, confirming the potential of this technology to significantly enhance the project.

The Company has completed a further ore sorter test programme on seven diamond drill core intersections of 8m in length that were quartered, crushed and screened at the TOMRA facility in Castle Hill, Sydney.

The drill core selected for testing represented intersections throughout the Woodley's Shear including intervals of hangingwall and footwall material to mimic approximate dilution percentages of development ore drives with design dimensions of 4.2mW x 4.5mH. These dimensions of access tunnel would enable the use of high productivity larger underground mining machinery.

FIGURE 1 – TOMRA XRT AND EM ORE SORTER, CASTLE HILL SYDNEY

The XRT sensor, which uses atomic density to differentiate heavy elements (such as iron, which hanging-wall and footwall mafic and ultramafic rocks are rich in) from light elements (such as silicon - quartz), was able to very successfully separate the gold-bearing quartz rock from the ultramafic and mafic host rocks. This is a new development for the Rothsay Gold Project and has the potential to significantly enhance the value of the Project.

The XRT sensor demonstrated an ability to recover 77% of the gold into only 22% of the mass for diamond drill core representative of ore drive development material. Given that ore drive development generates approximately 45% of the material mined by mass, while only representing 24% of the ounces, this presents an opportunity to significantly reduce the amount of waste treated at cost through the plant, and thus add substantially to the free cash-flow generated by the project. The XRT reject grade averaged 0.66g/t Au.

Additionally, when the EM sensor was applied to the rejects from the XRT sort, the overall gold recovery was lifted from 77% to 99.5% with a low-grade product of 1.28g/t Au being produced which represented a further 39% mass pull. The EM sensor measures magnetic susceptibility and was able to differentiate mineralised material from un-mineralised waste on the basis of alteration which has destroyed magnetite.

TABLE 1 – AVERAGE OF SEVEN DIAMOND DRILL INTERSECTIONS, TOMRA MULTI-SENSOR ORE SORTER RESULTS

	Mass (%)	Grade (g/t Au)	Au Distribution (%)	Cumulative Au Dist (%)	Upgrade (%)
Fines	8.1	4.80	17.8	17.8	119
XRT Product	13.6	9.54	58.9	76.7	334
EM Product	39.0	1.28	22.8	99.5	
EM Reject	39.3	0.03	0.5	100.0	
Calculated Feed Grade	100.0	2.20	100.0		

Following these exciting results, a bulk trial from the low-grade stockpile located immediately adjacent the portal at the Woodley's underground mine has been processed at TOMRA's facility in Sydney. The bulk trial, which was completed in late April, will determine the ability of the ore sorter to successfully replicate the results achieved on diamond drill core at a commercial-scale production rate. The results of this trial are pending, however commercial-scale production rates were successfully achieved and, visually, the separation of gold-bearing quartz from the ultramafic hanging wall and mafic footwall also appeared successful.

EganStreet Managing Director Marc Ducler said the latest test work results provided a unique opportunity for EganStreet to ensure an optimum mine design, schedule and processing solution for the Rothsay Gold Project.

"These latest results will add significant value to the project metrics. Mine designs based on the December 2017 MRE indicate that significant increases in mine productivity can be achieved by using larger development ore drives while maintaining a single decline. The larger ore drives result in 700kt of development ore with an ore grade of 2.4g/t Au. By using an XRT sort, we can potentially lift this grade to over 6g/t Au and reduce the quantum of ore drive material by a factor of three.

"This provides the opportunity to increase the production rate of the underground mine, increase the ounce per annum profile of the project, reduce the operating costs and consequently reduce the Resource cut-off grade."

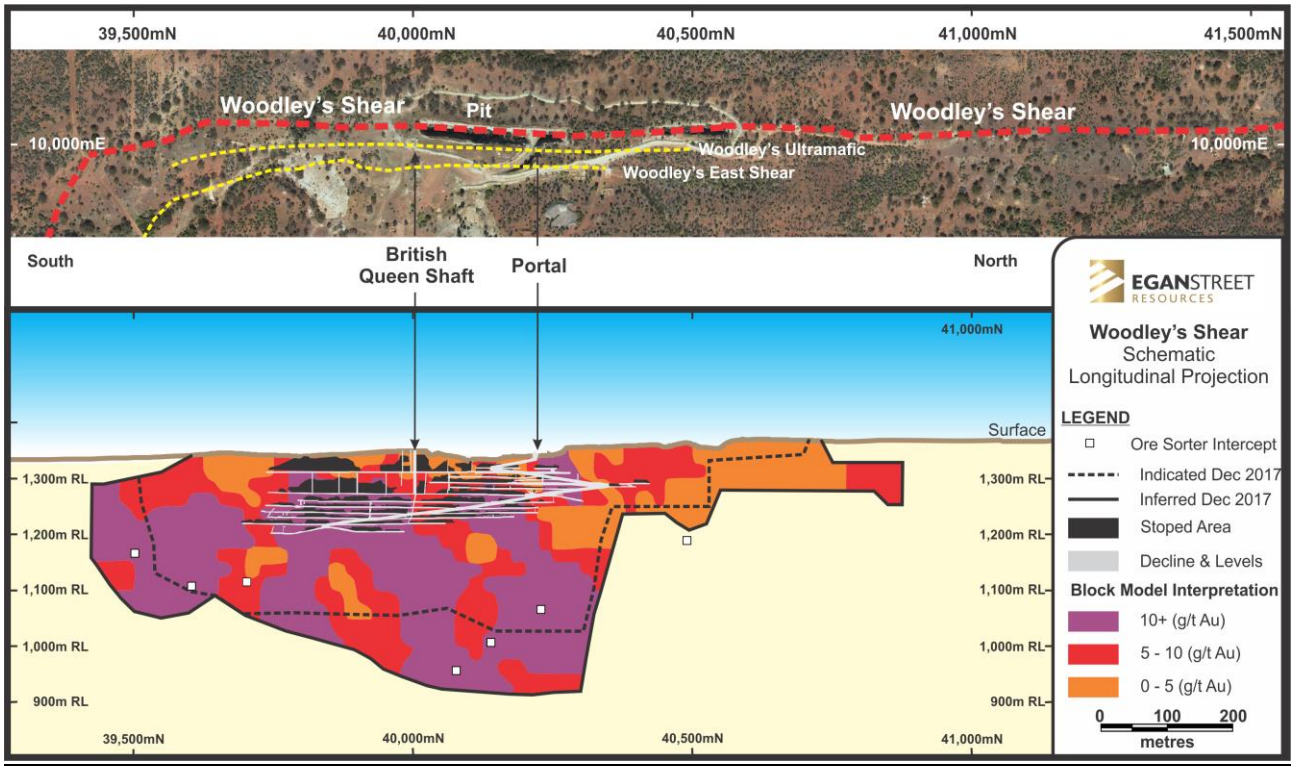

FIGURE 2 – LONG PROJECTION SHOWING PIERCE POINTS USED FOR ORE SORTING TRIAL

TABLE 2 – DIAMOND DRILL HOLE RYDD018 - TOMRA MULTI-SENSOR ORE SORTER RESULTS

	Mass (%)	Grade (g/t Au)	Au Distribution (%)	Cumulative Au Dist (%)	Upgrade (%)
Fines	7.5	0.52	10.2	10.2	36
XRT Product	27.2	0.99	70.1	80.3	158
EM Product	46.6	0.15	18.2	98.5	
EM Reject	18.8	0.03	1.5	100.0	
Calculated Feed Grade	100.0	0.38	100.0		

TABLE 3 – DIAMOND DRILL HOLE RYDD031 - TOMRA MULTI-SENSOR ORE SORTER RESULTS

	Mass (%)	Grade (g/t Au)	Au Distribution (%)	Cumulative Au Dist (%)	Upgrade (%)
Fines	5.7	4.49	6.9	6.9	21
XRT Product	15.6	16.70	70.5	77.4	351
EM Product	39.6	2.04	21.8	99.2	
EM Reject	39.1	0.08	0.8	100.0	
Calculated Feed Grade	100.0	3.71	100.0		

TABLE 4 – DIAMOND DRILL HOLE RYDD036 - TOMRA MULTI-SENSOR ORE SORTER RESULTS

	Mass (%)	Grade (g/t Au)	Au Distribution (%)	Cumulative Au Dist (%)	Upgrade (%)
Fines	8.4	0.51	6.9	7.5	
XRT Product	9.0	3.94	70.5	69.6	588
EM Product	33.1	0.51	21.8	99.1	
EM Reject	49.5	0.01	0.8	100.0	
Calculated Feed Grade	100.0	0.57	100.0		

TABLE 5 – DIAMOND DRILL HOLE RYDD043 - TOMRA MULTI-SENSOR ORE SORTER RESULTS

	Mass (%)	Grade (g/t Au)	Au Distribution (%)	Cumulative Au Dist (%)	Upgrade (%)
Fines	8.8	0.49	21.3	21.3	141
XRT Product	8.4	0.38	15.7	37.0	87
EM Product	30.6	0.35	52.7	89.7	72
EM Reject	52.2	0.04	10.3	100.0	
Calculated Feed Grade	100.0	0.20	100.0		

TABLE 6 – DIAMOND DRILL HOLE RYDD045 - TOMRA MULTI-SENSOR ORE SORTER RESULTS

	Mass (%)	Grade (g/t Au)	Au Distribution (%)	Cumulative Au Dist (%)	Upgrade (%)
Fines	7.3	1.70	7.5	7.5	3
XRT Product[1]	5.2	5.06	16.0	23.6	208
EM Product	54.7	2.29	76.2	99.8	39
EM Reject	32.8	0.01	0.2	100.0	
Calculated Feed Grade	100.0	1.64	100.0		

NOTE 1 – RYDD045 intersected 0.66m at 27.3g/t Au – this material was logged as "altered mafic at contact between ultramafic hanging wall and footwall dolerite", that is there was little/no quartz associated gold for the XRT sensor to identify

TABLE 7 – DIAMOND DRILL HOLE RYDD051 - TOMRA MULTI-SENSOR ORE SORTER RESULTS

	Mass (%)	Grade (g/t Au)	Au Distribution (%)	Cumulative Au Dist (%)	Upgrade (%)
Fines	9.6	22.20	24.9	24.9	160
XRT Product	21.9	24.70	63.4	88.3	190
EM Product	36.3	2.72	11.6	99.9	
EM Reject	32.3	0.03	0.1	100.0	
Calculated Feed Grade	100.0	8.53	100.0		

TABLE 8 – DIAMOND DRILL HOLE RYDD058 - TOMRA MULTI-SENSOR ORE SORTER RESULTS

	Mass (%)	Grade (g/t Au)	Au Distribution (%)	Cumulative Au Dist (%)	Upgrade (%)
Fines	9.4	0.19	10.4	10.4	11
XRT Product	8.8	1.49	76.4	86.9	771
EM Product	30.4	0.04	7.1	94.0	
EM Reject	51.4	0.02	6.0	100.0	
Calculated Feed Grade	100.0	0.17	100.0		

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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 307koz at an average grade of 10.9g/t Au (Indicated 460kt @ 11.5g/t Au and Inferred 420kt @ 10.2g/t Au) and a production target (Pre-Feasibility Study published 16 May 2017) of 936kt @ 7.0 g/t for 200koz of gold produced.

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

A Definitive Feasibility Study is targeted for completion this quarter. The Company is well funded with $12.4m cash on hand, which will allow completion of the DFS and commencement of early works (pending a decision to mine).

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.

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

COMPETENT PERSON'S STATEMENT

The information in this report that relates to ore sorting test work is based on and fairly represents information and supporting documentation compiled by Mr Marc Ducler, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Ducler is a Director and full-time employee of the Company. Mr Ducler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ducler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the Rothsay Mineral Resource is extracted from the announcement titled "Rothsay Resources Grow to More Than 300,000ozs" lodged on 4 December 2017 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.

PRODUCTION TARGETS AND FINANCIAL INFORMATION

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

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 EXPLAINATION	COMMENTARY
Sampling techniques	• 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 • Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used. • 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 30g 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.	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. The remaining half core was quartered. Selected intersections were "bulked" out to 8m lengths. The hanging wall component represented 70% of the unmineralised section of the intersection and the footwall was the remaining 30%. 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.
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.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed • Measures taken to maximise sample recovery and ensure representative nature of the samples. • 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.	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. 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. There is no significant loss of material reported in any of the DDH core.
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. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged	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 into the company database. 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. All DDH holes were logged in full.

Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representation of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled.	Recent 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. The remaining half core was quartered. Selected intersections were "bulked" out to 8m lengths. The hanging wall component represented 70% of the unmineralised section of the intersection and the footwall was the remaining 30%. The sample sizes are considered appropriate for the diamond core sampling.
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. • 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 • 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	Samples were analysed at Bureau Veritas in Sydney. The analytical method used was a 50 g Fire Assay for gold and assayed in duplicate. This is considered to be appropriate for the material and mineralisation The laboratory had its own internal QAQC comprising standards
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	Significant results were checked by the Egan Street Managing Driector, calculated assays from recombination of the product fractions were compared with the original exploration assays and are comparable.
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. • Specification of the grid system used. • Quality and adequacy of topographic control.	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). Grid projection is GDA94, Zone 50. Detailed surface control has been established by photogrammetry
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • 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	Not Applicable to this announcement

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. • 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.	Not Applicable to this announcement
Sample security	• The measures taken to ensure sample security.	Samples were collected and quartered by EganStreet senior employees, samples were accompanied by the Managing Director to Sydney
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	Ore sorting was conducted under the supervision of Company Directors and Employees. All trials were directly supervised by EganStreet Resources; Company Director and Employee.

SECTION 2 REPORTING OF EXPLORATION RESULTS

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

CRITERIA	JORC CODE EXPLAINATION	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. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The sampling 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.

Tenement ID	Area km^2	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	28/01/2018
E59/2254	2.99	Live	Auricup (Rothsay) Pty Ltd	27/12/2017	26/12/2022

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. • Deposit type, geological setting and style of mineralisation.	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 in 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 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 purchased the tenements and drilled nine diamond core holes (RYDD001 to RYDD009) during March 2012 targeting the Woodley ("A") 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 Airbourne survey data collected by the Geological Survey of Western Australia ("GSWA"). In addition, work was completed compiling and digitising historical mine and exploration records. 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. A Shear (renamed Woodley's Shear) and H Shear (renamed Woodley's HW Shear 2017) occur in one area, Shear B (renamed Orient Shear 2017) and Shear C (renamed Clyde and Clyde East 2017) occur in a second area and Shear D (renamed Miners Shear 2017) occurs as an isolated shear. The Woodley's Shear is located at the contact between serpentinised peridotite and a porphyritic pyroxenite intrusive. 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 mineralization is associated with shear-hosted quartz veins which are parallel to bedding of the mafic and ultramafic sequence. The orebody is within veins of blue and white quartz of approximately 2.0m thickness and controlled by the basal contact of porphyritic metadolerites(poMD) and serpentinised peridotite(SERP) that was subjected to intense tremolite alteration. The footwall poMD is relatively unaltered, while the hangingwall is strongly foliated 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.	Not Applicable to this announcement
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.	No top cuts have been applied to the reporting of the assay results
	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.	Not Applicable to this announcement
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').	Not Applicable to this announcement
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.	Not Applicable to this announcement
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.	Not Applicable to this announcement

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.	This report relates to ore sorting of a seven intersections of the Woodley Shear that were from the recent infill and extensional drilling programmes previously reported. The intersections were "bulked out" to 8 m lengths to represent an average grade that would be expected when developing ore drives of 4.2 x 4.5m dimensions. The hanging wall made up 70% of the unmineralised portion of the intersection and the footwall was 30%. Ore sorting was conducted under the supervision of the Managing Director and an Employee to ensure correct sample identification prior to sorting Results have been included in tables 1 – 8.
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.	A 10-tonne bulk sample was taken from the low-grade stockpile immediately adjacent to the historic Rothsay Gold Mine on the Woodley Shear. The sample was taken by excavating 1 trench through the stockpile to a depth of approximately 1.5m. This material will be sorted using a similar sort programme as that used for the results reported above. The intention is to confirm the previous results and determine the ability of the unit to run at a production rate required for the Rothsay Gold Project being considered in the DFS