

## JUNE 2019 QUARTERLY ACTIVITIES REPORT

### OVERVIEW

EganStreet Resources Limited (ASX: EGA, **EganStreet** or the **Company**) continued to make progress during the June 2019 Quarter towards its goal of developing a new high-grade gold operation at its 100%-owned **Rothsay Gold Project** in WA (**Rothsay** or the **Project**).

During the quarter, EganStreet received approval for the Mining Proposal and Mine Closure Plan for the Project, marking another key step towards completing final permitting.

The approvals are for the two Mining Leases (M59/39 and M59/40) and an associated Miscellaneous Licence (L59/24), covering the planned mining, processing, waste facilities and haul roads (*refer to Figure 1*).

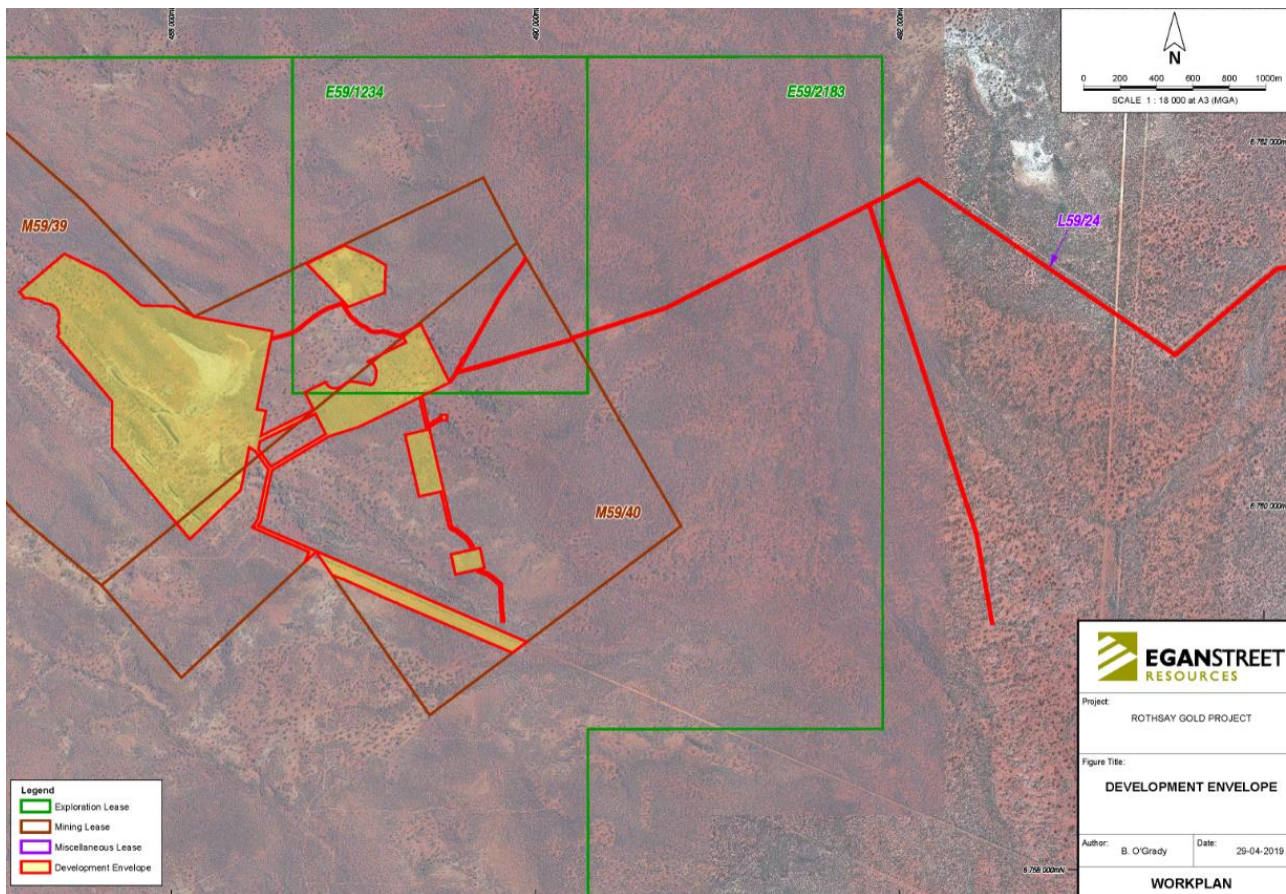


FIGURE 1 – ROTHSAY GOLD PROJECT APPROVED DEVELOPMENT ENVELOPE

## TENURE

A full listing of the Company's current tenement holdings, as at the date of this release, is included in Table 3.

During the quarter, the following changes occurred:

- > Exploration Licence E08/2847 was granted.

Subsequent to the end of the Quarter, the following changes have occurred:

- > Exploration Licence E59/2354 was granted; and
- > Exploration Licence E59/2355 was granted.

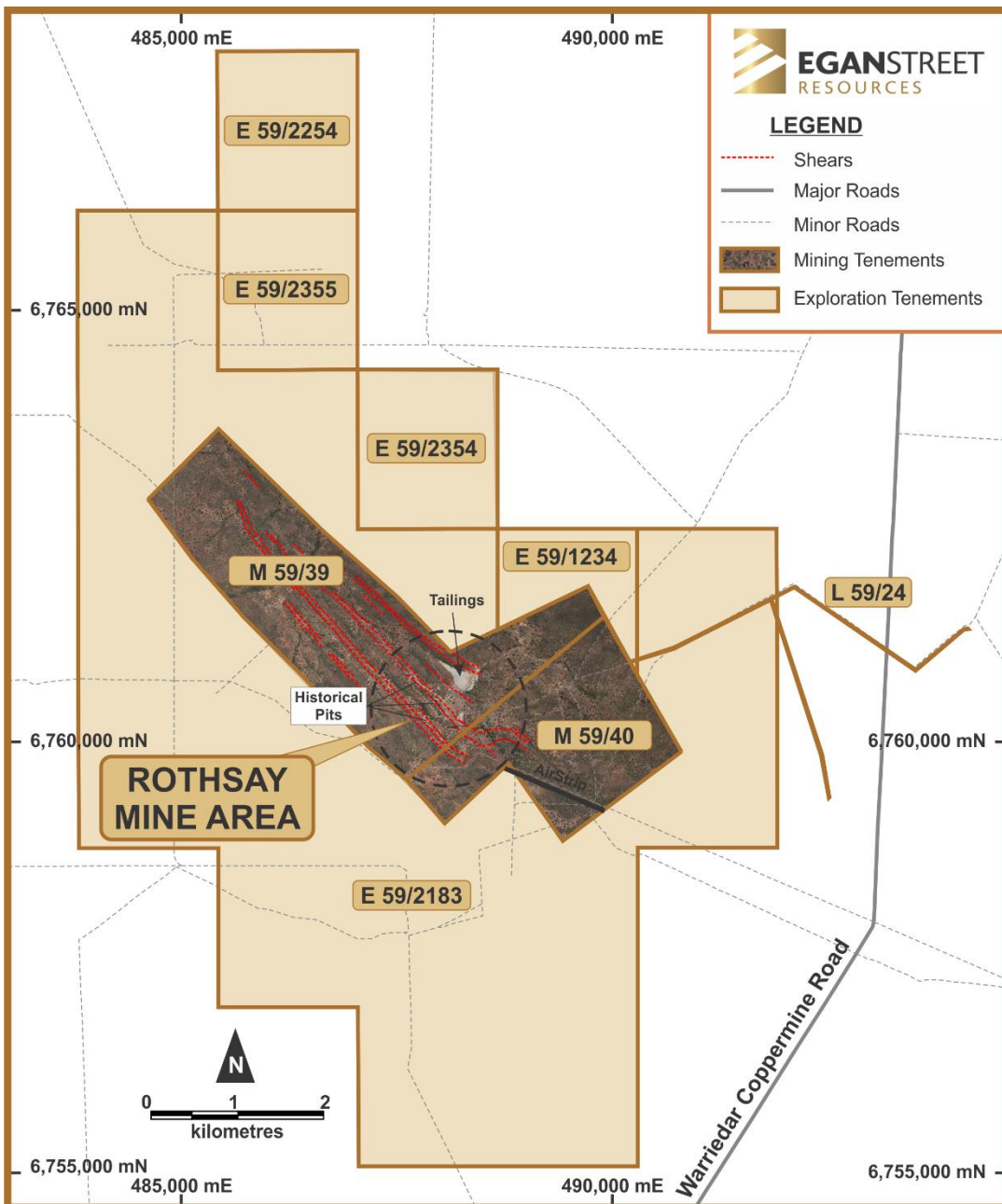


FIGURE 2 – ROTHSA Y MINE AREA & SURROUNDING TENEMENTS

## PROJECT APPROVALS

In total, the Project requires 13 separate approvals from various State Government Departments and the local Shire of Perenjori. To date, nine of these approvals have either been granted or are not considered critical to commencement of works in the coming 12-month period.

The most significant remaining approvals are the: Native Vegetation and Clearing Permit (NVCP) and Works Approval and License application (DWER). Both of these approvals have been progressed throughout the quarter with the relevant government authority, and both are expected to be granted during the September quarter.

## CORPORATE

### Cash and cash equivalents

As at 30 June 2019, EganStreet had cash reserves of \$3.1 million.

### Capital structure

The Company's capital structure as 30 June 2019 and as at the date of this report is as follows:

- > Shares on issue                    130.5 million
- > Unlisted options                    13.7 million
- > Performance Rights                7.2 million

### Silver Lake Resources to Make Recommended Takeover Offer for EganStreet

On 30 July 2019, subsequent to the quarter-end, the Company announced that it has entered into a Bid Implementation Deed ("**BID**") with Silver Lake Resources Limited ("**Silver Lake**"), pursuant to which Silver Lake will acquire all of the issued and outstanding ordinary shares (the "**Offer**") of EganStreet (the "**EganStreet Shares**").

Under the terms of the BID, each EganStreet Shareholder will receive 0.27 Silver Lake shares for every EganStreet share held (the "Offer Consideration").

The Offer Consideration values EganStreet at \$0.40 per share, which implies a \$52 million total transaction enterprise value and represents a premium of:

- > 28.9% to the Last Close Price of \$0.310, being the price of EganStreet's shares on ASX at the close of trading on 29 July 2019;
- > 24.2% to EganStreet's 5-day volume weighted average price ("VWAP") of \$0.322 up to and including 29 July 2019; and
- > 43.4% to EganStreet's 30-day VWAP of \$0.279 up to and including 29 July 2019.

The EganStreet Board of Directors unanimously recommends that EganStreet shareholders accept the Offer and have indicated that they will accept the Offer in respect of all EganStreet shares they own or control, in both instances in the absence of a superior proposal.

In addition, EganStreet's largest shareholder, Lion Selection, has entered into a Pre-Bid Acceptance Deed with Silver Lake under which it has agreed to accept the Offer in respect of its 16.2% holding.

## MINERAL RESOURCE AND ORE RESERVE ESTIMATE

The current Mineral Resource Estimate for the Rothsay Gold Project reflects the November 2018 MRE and is set out in Table 1 below:

Lode	Indicated			Inferred			Total		
	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)
Woodley's	750	10.6	254	230	11.9	88	980	10.9	342
Woodley's East	200	5.8	38	140	8.8	40	340	7.0	78
Woodley's East HW				180	5.3	30	180	5.3	30
Other				40	3.3	5	40	3.3	5
<b>Total</b>	<b>950</b>	<b>9.6</b>	<b>292</b>	<b>590</b>	<b>8.6</b>	<b>162</b>	<b>1,540</b>	<b>9.2</b>	<b>454</b>

TABLE 1 – MINERAL RESOURCE ESTIMATE

The current Ore Reserve Estimate for the Rothsay Gold Project is set out in Table 2 below:

Reserve Category	kt	Grade (g/t Au)	Contained Metal (Au koz)
Proved	-	-	-
Probable	1,400	4.4	200
<b>Total</b>	<b>1,400</b>	<b>4.4</b>	<b>200</b>

Note, totals may not match due to rounding

TABLE 2 – ORE RESERVE ESTIMATE

## TENEMENT INFORMATION

Tenement	Status	Location	Interest Held (%)
E 59/1234-I	Granted	Western Australia	100
E 59/2183	Granted	Western Australia	100
E59/2254	Granted	Western Australia	100
M 59/39-I	Granted	Western Australia	100
M 59/40-I	Granted	Western Australia	100
L59/24	Granted	Western Australia	100
E59/2354	Granted	Western Australia	100
E59/2355	Granted	Western Australia	100
E59/2320	Pending	Western Australia	100
E08/2847	Granted	Western Australia	100

TABLE 3 – TENEMENT SCHEDULE

For more information, please contact:

### Investors:

**Marc Ducler, Managing Director**

**T. 08 6424 8130**

**[E. info@eganstreet.com.au](mailto:info@eganstreet.com.au)**

### Media:

**Nicholas Read, Read Corporate**

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## ABOUT EGANSTREET RESOURCES

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

The Rothsay Gold Project currently hosts high-grade Mineral Resources of 454koz at an average grade of 9.2g/t Au (Indicated 949kt @ 9.6g/t Au and Inferred 590kt @ 8.6g/t Au). The Updated Definitive Feasibility Study published 12 February 2019 provided a production target upgrade to 2.3Mt mined at 4.4 g/t Au for 329koz of gold, upgraded via an ore sorter (laser and EM) to produce a concentrate of 1.3Mt at 7.2 g/t Au for 289koz of gold production.

## APPENDIX 1 – COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Ms. Julie Reid, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Ms. Reid is a full-time employee of the Company. Ms. Reid has sufficient experience 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'. Ms. Reid consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Various information in this report that relates to exploration results is extracted from the following announcements:

- > "Rothsay Resource Increases to 454,000oz at 9.2 g/t Au", dated 27 November 2018; and
- > "Rothsay DFS Confirms Low Capex High Margin Operation", dated 19 July 2018.

All above listed ASX announcements are available to view at [www.eganstreetresources.com.au](http://www.eganstreetresources.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements referred to above or the Prospectus. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the announcements referred to above, or the Prospectus.

The information in this announcement that relates to the Rothsay Mineral Resource is extracted from the announcement titled "Rothsay Resources 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](http://www.eganstreetresources.com.au) and [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource Estimate continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Information in relation to the Updated Rothsay Project Definitive Feasibility Study, including ore reserve, production targets and financial information, included in this report is extracted from the ASX announcement, dated 12 February 2019 (refer to ASX Announcement – "Rothsay Boosted by Production Target Upgrade") and the ASX Announcement dated 19 July 2018 (refer ASX Announcement – 19 July 2018, "Rothsay DFS Confirms Low Capex High-Margin Operation", [www.eganstreetresources.com.au](http://www.eganstreetresources.com.au) and [www.asx.com.au](http://www.asx.com.au)). The Company confirms that all material assumptions underpinning the ore reserve, production target and financial information set out in the announcement released on 12 February 2019 continue to apply and have not materially changed.

## APPENDIX 2 – FORWARD LOOKING STATEMENTS & DISCLAIMERS

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

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

This announcement has been prepared by EganStreet. The document contains background information about EganStreet current at the date of this announcement. The announcement is in summary form and does not purport to be all-inclusive or complete.

Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

The announcement is for information purposes only. Neither this announcement nor the information contained in it constitute an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

This announcement does not constitute investment advice and has been prepared without considering the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the fullest extent of the law, EganStreet, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from the announcement arising out of negligence or otherwise is accepted.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

EGAN STREET RESOURCES LIMITED

**ABN**

91 144 766 236

**Quarter ended ("current quarter")**

30 JUNE 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(68)	(2,264)
(b) development	(609)	(2,698)
(c) production	-	-
(d) staff costs (including exploration)	(567)	(2,279)
(e) administration and corporate costs	(129)	(774)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	90
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,369)</b>	<b>(7,925)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(244)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Appendix 5B  
Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(244)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(67)	(254)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(67)</b>	<b>(254)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	4,524	11,508
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,369)	(7,925)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3)	(244)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(67)	(254)
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>3,085</b>	<b>3,085</b>



<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	3,055	4,494
5.2 Call deposits	30	30
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,085</b>	<b>4,524</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

199

-

6.1 Payment for directors' fees and salaries, inclusive of on-costs.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	40
9.2 Development	420
9.3 Production	-
9.4 Staff costs	634
9.5 Administration and corporate costs	373
9.6 Other (capital raising costs)	150
<b>9.7 Total estimated cash outflows</b>	<b>1,617</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E08/2847 (Western Australia)	Direct Interest held by wholly-owned subsidiary of Egan Street Resources Limited.	0%	100%

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



31 July 2019

Sign here: .....  
(Company secretary)

Date: .....

Print name: BRENDON MORTON

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.