

Quarterly Activities Report – September 2016

EganStreet is admitted to the official list of ASX

28 October 2016

Highlights

- On Tuesday 13th September 2016, the Company successfully listed on the Australian Securities Exchange, having raised A\$6m (before costs)
- Diamond drill rig mobilised to site on 28 October 2016
- A scoping study examining the financial viability of commencing gold production at the Rothsay Gold Project based on the current Indicated Mineral Resource (318kt @ 11.7g/t Au) has commenced

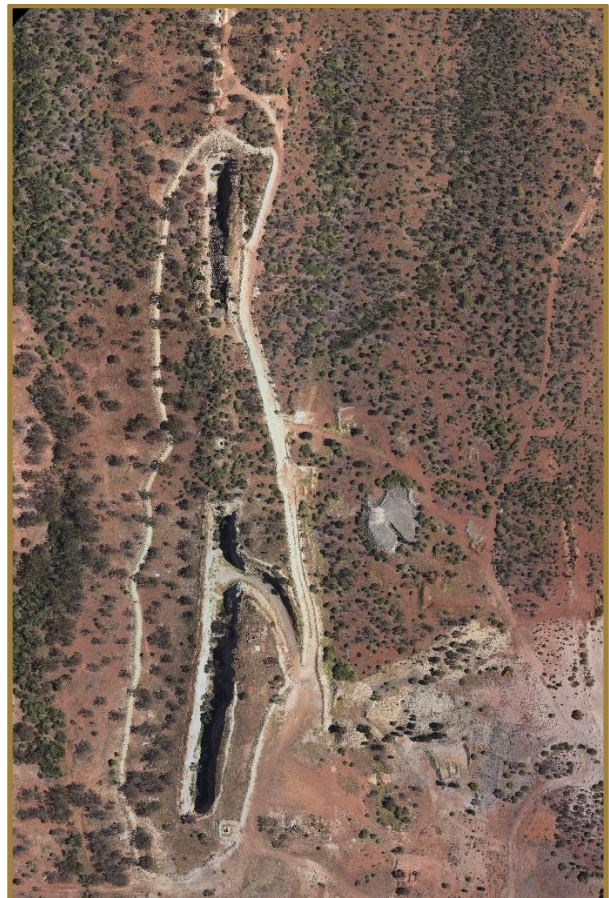


Figure 1 - A Shear Pit

Admission to the Official List of ASX

On 28 July 2016 Egan Street Resources Limited (**EganStreet** or the **Company**) lodged a prospectus to raise up to \$6,000,000 (before costs) via a fully underwritten rights issue to existing shareholders and a public offer to progress the Rothsay Gold Project and to facilitate its listing on the Australian Securities Exchange. Pursuant to the offers under the prospectus the Company issued 30,000,000 Shares, each at an issue price of \$0.20, together with 45,000,000 attaching listed options exercisable at \$0.25 on or before 13 March 2018.

Official quotation of the Company's securities commenced on 13 September 2016.

Quoted securities on listing consisted of 57,151,430 fully paid ordinary shares (EGA) and 46,328,187 options (EGAO) exercisable at \$0.25 on or before 13 March 2018.

Directors were extremely pleased at the level of interest from shareholders in the rights issue and from new investors in the public offer which closed oversubscribed.

Exploration Activities

Rothsay Diamond Drilling Program

EganStreet is pleased to advise that Westralian Diamond Drillers mobilised a diamond drill rig to site to commence drilling at the Rothsay Gold Project (M59/39, M59/40) as of 28 October 2016, post quarter completion.

The target of this first phase of the program is infilling Inferred Mineral Resource material on "A" Shear located beneath an area that is being evaluated in a scoping study, and is intended to increase confidence in that area.

The planned program consists of 6 diamond drill holes, all drilled from surface, for a total of 2135m.

Target drill hole pierce points are shown in a long projection, below (figure 2).

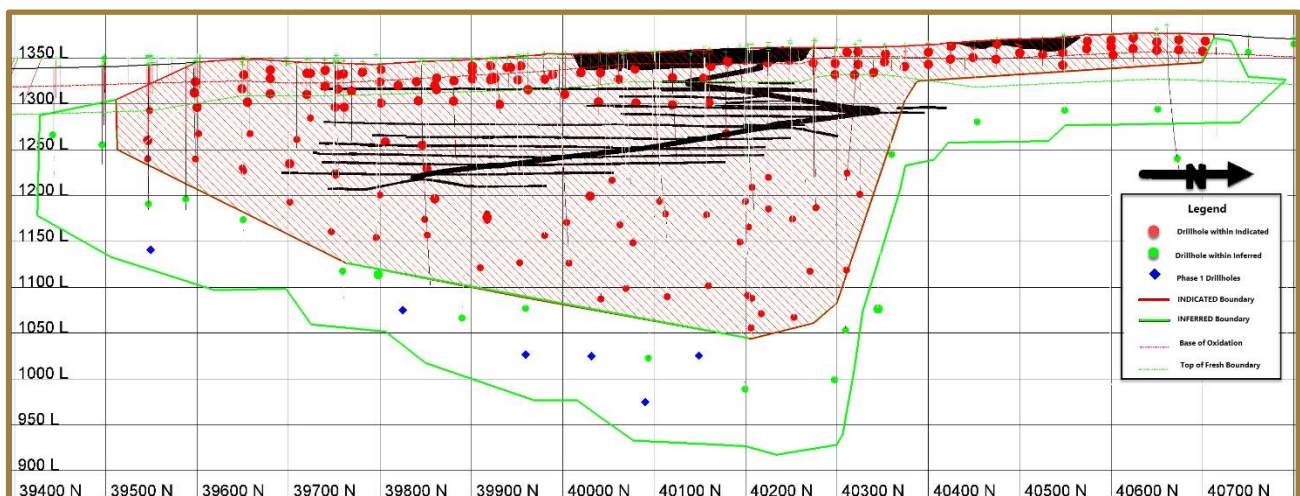


Figure 2 - "A" Shear Longsection showing pierce points of proposed phase 1 drilling, previously drilled holes situated within Indicated and Inferred portions of the Mineral Resource and historic underground mine infrastructure

Other Exploration Activities

EganStreet has commenced mapping activities to establish location and distribution of historic underground mine workings, some of which are evident at surface on A shear to the north of the portal and open pit, as well as on B shear, D shear and E shear.

Rothsay Scoping Study Commenced

EganStreet advises that a scoping study has begun to examine the financial viability of commencement of mining operations at the Rothsay Gold Project based on the current Indicated Mineral Resource (318kt @ 11.7g/t Au).

The Company has begun a botanical survey in preparation for lodgment of the requisite Mining Proposals to support a "decision to mine" at the Rothsay Gold Project and has also completed aerial surveying of M59/39 and M59/40.

The Scoping study aims to estimate the costs (+/- 40%) of rehabilitation of existing underground infrastructure (principally portal and decline), re-establishment of surface infrastructure (tailings dam), process plant, camp and office construction, operating expenditure for mining, processing and administration as well as financing costs. At present, a mine design is being developed based on Indicated Mineral Resources only. Mine production physicals will be used to estimate revenues based on historical metallurgical recoveries combined with more recent metallurgical testing on diamond drill core.

As part of the study, the company has sought indications of interest and indicative costings from underground mining contractors as well as a plant construction firm.

The outcome of the scoping study will determine the next steps for EganStreet Resources in relation to phase 2 drilling and/or commencement of more detailed feasibility studies.

Corporate Information

Capital Structure:

- Shares on issue 64.6 million (7.4 million subject to escrow)
- Listed options 48.1 million (1.8 Million subject to escrow)
- Unlisted options 10.8 million (9.7 million subject to escrow)

As at 30 September 2016, EganStreet had cash reserves of \$5.76 million. Operating Expenditure for the September Quarter was \$0.30 million.

Having only listed late in the quarter, the Company expects that costs associated with the capital raising and preparation of the IPO to fall due during the current quarter.

For more information, please contact:

Marc Ducler, Managing Director

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About EganStreet Resources

EganStreet owns the Rothsay Gold Project, which hosts high-grade Mineral Resources of 226,000 ounces at an average grade of 11.3 g/t Au (Indicated 318kt @ 11.7g/t Au and Inferred 306kt @ 11g/t). The project is located approximately 300 kilometres north-north east of Perth, in the Southern Murchison region of Western Australia (figure 3). The Rothsay Gold Project covers an area of approximately 69.4 km².

Gold was first discovered in 1894 with gold production totaling approximately 18koz being produced up to 1950. In 1989 Metana Minerals established a “modern” mining operation with a small underground mine, the process plant recovery was above 94% when processing fresh rock from the underground operation. Mining ceased in 1991.

EganStreet acquired the the Rothsay Gold Project in 2011, has completed 2,200 metres of diamond drilling and in 2016 commissioned Cube Consulting to complete a Mineral Resource Estimate (see Table 1).



Figure 3 - Rothsay Gold Project Location

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.

| INDICATED | | | | INFERRED | | | TOTAL | | |
|------------------|----------------|-------------------|-----------------|----------------|-------------------|-----------------|----------------|-------------------|-----------------|
| Cut-off (g/t) | Tonnes (kt) | Grade (g/t Au) | Ounces (koz) | Tonnes (kt) | Grade (g/t Au) | Ounces (koz) | Tonnes (kt) | Grade (g/t Au) | Ounces (koz) |
| 5.0 | 318 | 11.7 | 119 | 306 | 10.8 | 107 | 624 | 11.3 | 226 |

Table 1 - Cube Consulting Mineral Resource Estimate

| TENEMENT | STATUS | LOCATION | INTEREST HELD (%) |
|-------------|-------------|-------------------|-------------------|
| E 59/1234-I | Granted | Western Australia | 100 |
| E 59/1262-I | Granted | Western Australia | 100 |
| E 59/1263-I | Granted | Western Australia | 100 |
| E 59/2183 | Application | 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 |
| E08/2847 | Application | Western Australia | 100 |
| 232000 | Granted | Mexico | 50 |
| 232056 | Granted | Mexico | 50 |
| 232057 | Granted | Mexico | 50 |
| 234888 | Granted | Mexico | 50 |
| 234890 | Granted | Mexico | 50 |
| 234889 | Granted | Mexico | 50 |
| 237808 | Granted | Mexico | 50 |
| 238729 | Granted | Mexico | 50 |
| 215786 | Granted | Mexico | 100 |
| 234353 | Granted | Mexico | 100 |
| 222403 | Granted | Mexico | 100 |
| 216770 | Granted | Mexico | 100 |
| 243541 | Granted | Mexico | 100 |

Table 2 - Tenement Schedule as at 30 September 2016

Competent Person Statements

The information in this report that relates to Exploration Results for the Rothsay Gold Project is extracted from the Prospectus lodged on 28 July 2016, which is available to view at www.eganstreetresource.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 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 Prospectus.

The information in this report that relates to the estimation and reporting of the Rothsay Mineral Resource is extracted from the Independent Geologists Report included in the Prospectus lodged on 28 July 2016 which is available to view at www.eganstreetresource.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 Independent Geologists Report included in the Prospectus and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the Independent Geologists Report included in the Prospectus 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 Independent Geologists Report included in the Prospectus.

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")

SEPTEMBER 2016

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (149) | (149) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (21) | (21) |
| (e) administration and corporate costs | (133) | (133) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 2 | 2 |
| 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) | - | - |
| 1.9 Net cash from / (used in) operating activities | (301) | (301) |

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | (12) | (12) |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (12) | (12) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | 6,000 | 6,000 |
| 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 | (104) | (104) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 5,896 | 5,896 |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 184 | 184 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (301) | (301) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (12) | (12) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 5,896 | 5,896 |
| 4.5 | Effect of movement in exchange rates on cash held | (1) | (1) |
| 4.6 | Cash and cash equivalents at end of period | 5,766 | 5,766 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 5,756 | 174 |
| 5.2 Call deposits | 10 | 10 |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 5,766 | 184 |

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 |
|------------------------------------|
| 40 |
| 12 |

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 |
|------------------------------------|
| - |
| - |

Mining exploration entity and oil and gas exploration entity quarterly report

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 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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| |
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| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | 950 |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs (including exploration and evaluation) | 150 |
| 9.5 Administration and corporate costs | 190 |
| 9.6 Other (capital raising costs) | 500 |
| 9.7 Total estimated cash outflows | 1,790 |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|--|---------------------------|---|---|
| 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 | | | | |

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.

Sign here:
(Director/Company secretary)

Date: 28 October 2016

Print name: Marc Ducler

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.