

Diamond Drill Rig Mobilises to the Rothsay Gold Project

28 October 2016

Highlights

- Program of Work (POW) approval granted by the Department of Mines and Petroleum for phase 1 of the exploration program
- The program consists of 6 diamond drill holes for a total of 2135m
- Westralian Diamond Drillers has today mobilised a diamond drill rig to the Rothsay Gold Project with drilling to commence immediately.
- A scoping study examining the financial viability of commencing gold production at the Rothsay Gold Project based on the existing Indicated Mineral Resource (318kt @ 11.7g/t Au) has commenced

Diamond Drilling Program

Egan Street Resources Limited (ASX: EGA) (**EganStreet** or the **Company**) is pleased to report that Westralian Diamond Drillers has today commenced mobilising to the Rothsay Gold Project (M59/39, M59/40). Drilling will commence immediately.

The diamond drilling program is designed to infill a portion of the existing Inferred Mineral Resource 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 target drill hole pierce points are shown in a long projection (figure 1).

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

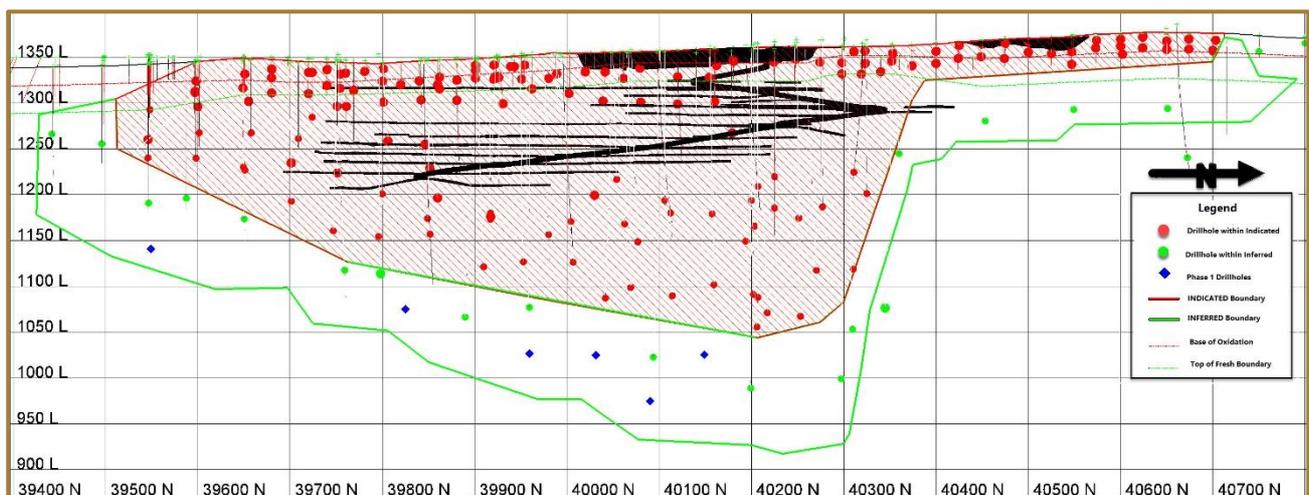


Figure 1 - "A" Shear long projection showing pierce points of proposed phase 1 drilling, previously drilled holes situated within Indicated and Inferred portions of the Mineral Resource and historic underground mine infrastructure

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 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 capital and operating costings from suitably qualified engineering and mining contractors.

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.

For more information, please contact:

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Competent Person Statements

The information in this announcement 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 announcement 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.