

ASX/Media Release

27 April 2017

QUARTERLY ACTIVITIES REPORT – MARCH 2017

27% jump in Indicated Resources at Rothsay Gold Project paves the way for Pre-Feasibility Study as EganStreet ramps-up its exploration efforts

HIGHLIGHTS

- > Impressive results received from a 3,600m, 11-hole diamond drilling program completed last quarter, confirming the high-grade nature of the Rothsay deposit:
 - 5.1 metres at 14.8 g/t Au in hole RYDD020 from 211.4m on the “A” Shear
 - 1.7 metres at 60.7 g/t Au in hole RYDD012 from 401.0m on the “A” Shear
 - 1.15 metres at 37.6 g/t Au in hole RYDD014 from 317.2m on the “A” Shear
 - 1.0 metres at 11.5 g/t Au in hole RYDD019 from 242.9m on the “A” Shear
 - 1.0 metres at 11.7 g/t Au in hole RYDD015 from 214.8m on the “A” Shear
 - 0.35 metres at 52.0 g/t Au in hole RYDD014 from 249.8m on the “H” Shear
 - 1.0 metres at 12.1 g/t Au in hole RYDD013 from 264.0m on the “H” Shear
 - “A” Shear remains open at depth and along strike (RYDD012 is the deepest intersection in the orebody and returned 1.7m at 60.7g/t Au)
 - > Updated Mineral Resource Estimate completed after incorporating the new in-fill and extensional drilling results, including:
 - A 16% increase in the total Mineral Resource to 701kt at 11.6g/t Au for 262koz
 - A 27% increase in Indicated Resource to 399kt at 11.9g/t Au for 152koz and
 - An increased Inferred Resource of 303kt at 11.3g/t Au for 110koz
 - > Work commenced on a Pre-Feasibility Study (PFS) on the Rothsay Gold Project, underpinned by the new resource estimate. The PFS is due in the June quarter.
 - > Second diamond drilling programme completed at Rothsay to in-fill parts of the current Inferred Resource and test for down-plunge extensions of the “A” Shear to the north. Assay results are pending.
 - > Preparations commenced for a new multi-pronged exploration campaign to grow the current high-grade 262,000oz resource inventory at Rothsay.
 - > This campaign commenced with a ground magnetic survey to test for potential cross structures to aid in establishing drilling targets within the repeat shear(s).
 - > Rothsay land-holding substantially increased with the grant of a key exploration tenement.
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Egan Street Resources Limited (ASX: EGA, **EganStreet** or the **Company**) is pleased to advise that it took further important steps during the March quarter towards development of its high-grade Rothsay Gold Project in WA’s Midwest region, while at the same time advancing exploration activities aimed at growing its gold inventory and unlocking the broader exploration potential of the region.

Key highlights during the quarter included the completion an upgraded Mineral Resource estimate for the Rothsay Project of **701kt grading 11.6g/t Au for 262koz**. This included a 27 per cent increase in the higher confidence Indicated Resource to **399kt at 11.9g/t Au for 152koz**.

The upgraded Mineral Resource Estimate (MRE) incorporated strong assay results received during the quarter from a successful 11-hole in-fill and extensional diamond drilling program completed last quarter.

The updated MRE will form the centerpiece of a Pre-Feasibility Study (PFS) on the Rothsay Gold Project which is now well underway and due for completion in the June quarter.

HIGH-GRADE NATURE OF ROTHSAY CONFIRMED BY DIAMOND DRILLING

The in-fill drilling programme at Rothsay, completed during the December quarter, comprised 11 diamond drill holes, which targeted the current inferred zone of the MRE which was contained within, or immediately proximal to, the Scoping Study production target. One of the holes was abandoned due to lifting, however the other 10 holes intersected the “A” Shear, and visible gold was observed in six of the holes.

The programme also intersected mineralisation in the hangingwall shear (“H” Shear). This mineralisation has been recorded previously but these new results are located further to the south than previous known intercepts.

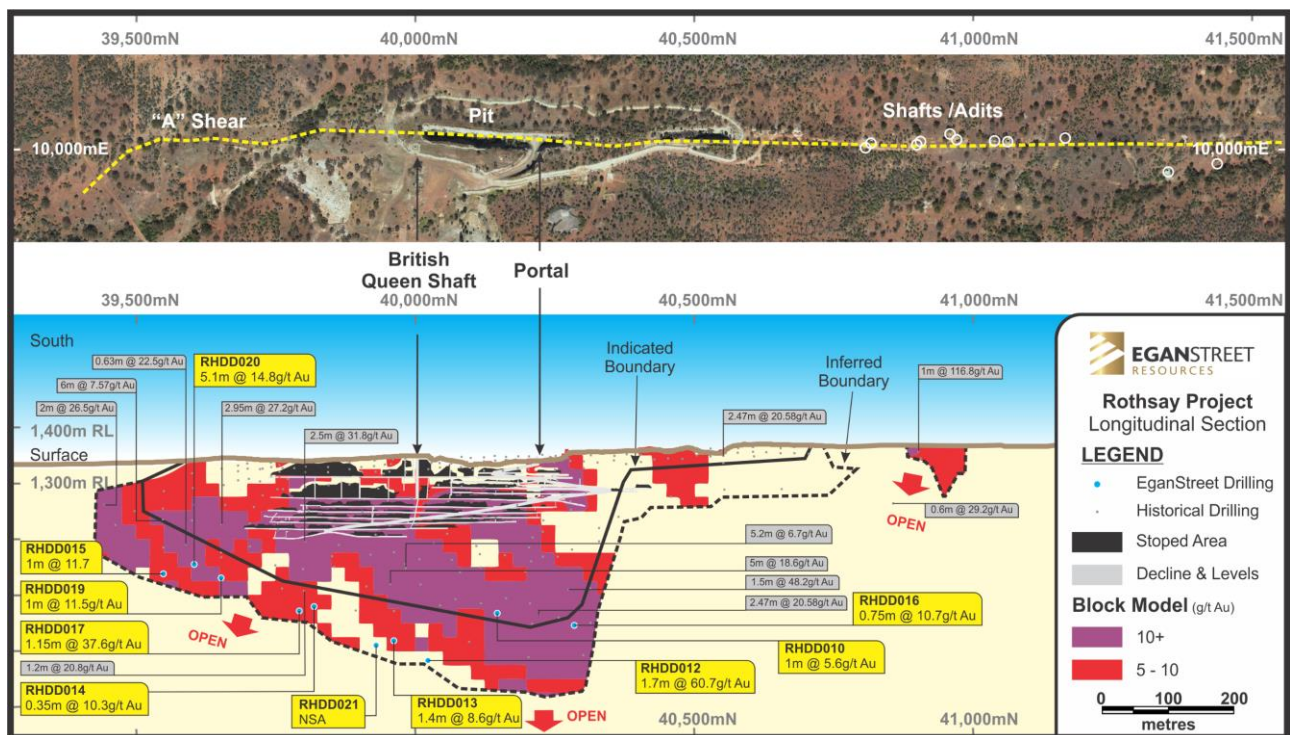


FIGURE 1 - "A" SHEAR LONG PROJECTION SHOWING DRILL INTERCEPTS OF DECEMBER QTR DRILLING

MARCH 2017 MINERAL RESOURCE UPGRADE

The total Rothsay Mineral Resource estimate has increased to **701kt @ 11.6g/t Au for 262koz** (an increase of 16% from the previous Mineral Resource estimate of 624kt @ 11.3g/t Au for 226koz).

Importantly, the Indicated portion of the Mineral Resource, which is available for conversion to Ore Reserves, has increased by **27% to 399kt @ 11.9g/t Au for 152koz** (from 317kt @ 11.7g/t Au for 119koz).

The Inferred portion of the Mineral Resource has increased to **303kt @ 11.3g/t Au for 110koz** (from 306kt @ 10.8g/t Au for 106koz).

Overall, there was a 12% increase in tonnes, a 3% increase in grade and a 16% increase in ounces from the **in-fill** exploration drilling programme.

The revised March 2017 Mineral Resource estimate for the Rothsay Gold Project is set out in Table 1 below:

TABLE 1 – MARCH 2017 MINERAL RESOURCE ESTIMATE

Resource Category	kt	Grade (g/t Au)	Contained Metal (Au koz)
Indicated	399	11.9	152
Inferred	303	11.3	110
Total*	701	11.6	262

MARCH QUARTER DIAMOND DRILL PROGRAMME

The second diamond drilling programme was completed at Rothsay during the quarter. The first hole, RYDD018, was designed to in-fill the drill spacing and enable a portion of the resource to be upgraded from Inferred to Indicated. This hole intersected 0.35m of the “A” Shear style mineralisation.

The remaining three holes were drilled in the north to test the down-plunge extent of the mineralisation. RYDD022 and RYDD023 were drilled approximately 100m north of the current resource boundary while RYDD024 was drilled approximately 130m below the resource boundary.

All holes intersected the “A” Shear position, with RYDD022 and RYDD024 producing a narrow quartz vein within a zone of increased sulphides, while RYDD023 intersected strong actinolite/tremolite alteration.

The stratigraphy in this area appears to have steepened and regional interpretation from previous magnetics and ground mapping also indicates the presence of a cross-cutting structure through this area.

RYDD024 also intersected 0.75m of mineralised quartz vein with visible gold 200m down-hole. This intersection is approximately 250m east of the “A” Shear, in a position not previously identified as being prospective for gold, and will require further investigation. Ground follow-up has identified a shallow working at the surface, interpreted to be directly up-dip of this intersection.

Selected “A” Shear drill core has been collected and sent for geotechnical testing (which requires full diamond core), the results of which are required for the completion of the Definitive Feasibility Study. Core cutting and sample submission will take place following completion of this geotechnical test work.

GROUND MAGNETIC SURVEY

A detailed 25m spaced ground magnetic survey over the Rothsay Mining Leases has been completed, with results and subsequent interpretation pending.

This detailed ground magnetic survey was undertaken to enhance the understanding of geological structures that localise gold mineralisation and identify potential cross structures. This will aid in establishing drilling targets on the remainder of “A” Shear, as well as the untested “B”, “C”, “D” and “E” Shears. Cross structures are considered significant in concentrating the gold mineralisation based on observations within the current “A” Shear Mineral Resource.

Widespread gold anomalism is highly evident from the extent of historic workings (prospecting pits through to areas of underground shafts and stoping) that remain, on positions coincident with the interpreted strike of

* Note totals may not match due to rounding

mineralised shears. There is target potential over more than 10km of strike, which is geologically similar to the area containing the high-grade gold Resource.

Once the results and interpretation of the magnetic survey have been received, the Company plans to conduct RC drilling based on the magnetic survey data, targeting repeat “A” Shear style mineralisation on the 10km strike length of largely untested shears contained within the mining tenements at the Rothsay Gold Project.

GRANTED EXPLORATION TENEMENT

EganStreet was granted the exploration tenement E59/2183 by the Department of Mines & Petroleum on 24 February 2017. The tenement has been granted for a period of five years, and can be extended for a further five years.

The tenement surrounds the two Mining Leases held by the Company and provides for contiguity of the ground holding, and offers additional exploration upside in potential targets located along strike. The tenement covers an area of 40.8km², taking the Company’s total ground-holding at Rothsay to 59.3km².

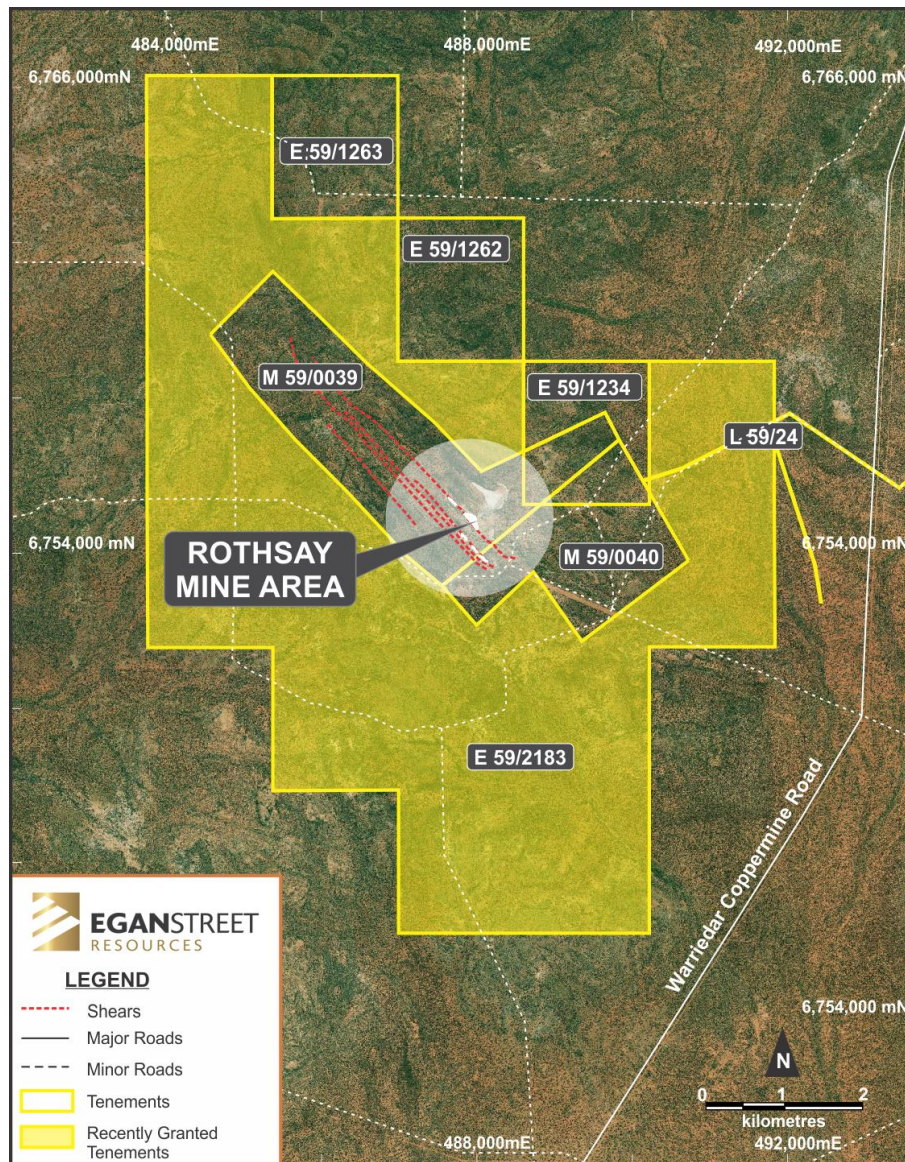


FIGURE 2 – EGANSTREET TENEMENT HOLDINGS AT ROTHSAY

CORPORATE INFORMATION

As at 31 March 2017, EganStreet had cash reserves of \$3.45 million.

Capital Structure:

- Shares on issue 64.6 million
- Listed options 48.1 million (exercisable at 25c, expiring March 2018)
- Unlisted options 11.9 million

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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.

TABLE 2 – MARCH 2017 MINERAL RESOURCE ESTIMATE

Resource Category	kt	Grade (g/t Au)	Contained Metal (Au koz)
Indicated	399	11.9	152
Inferred	303	11.3	110
Total*	701	11.6	262

TABLE 3 - TENEMENT SCHEDULE AS AT 31 MARCH 2017

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	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

Competent Person's Statement

The information in this report that relates to Exploration Results is extracted from the announcement titled "Rothsay Drilling Confirms More High Grade Gold Intersections" lodged on 6 February 2017 and the announcement titled "EganStreet Ramps Up Exploration Campaign To Increase Inventory At Rothsay Gold Project in WA" lodged on 18 April 2017, which are 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 announcements. 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 announcements.

The information in this report 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.

* Note totals may not match due to rounding

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")

MARCH 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(559)	(1,192)
(b) development	-	-
(c) production	-	-
(d) staff costs	(213)	(494)
(e) administration and corporate costs	(48)	(413)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	17
1.5 Interest and other costs of finance paid	-	(1)
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	(814)	(2,083)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(6)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	16	16
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(12)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	16	(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	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	-	(644)
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	-	5,356

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,252	184
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(814)	(2,083)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	16	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,356
4.5	Effect of movement in exchange rates on cash held	-	(1)
4.6	Cash and cash equivalents at end of period	3,454	3,454

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	3,444	4,242
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)	3,454	4,252

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**

92

-

6.1 Payment for directors fees.

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**

-

-


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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	978
9.2 Development	-
9.3 Production	-
9.4 Staff costs	166
9.5 Administration and corporate costs	170
9.6 Other (capital raising costs)	-
9.7 Total estimated cash outflows	1,314

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	232000 – Mexico		50%	0%
	232056 - Mexico		50%	0%
	232057 - Mexico		50%	0%
	234888 - Mexico		50%	0%
	234890 - Mexico		50%	0%
	234889 - Mexico		50%	0%
	237808 - Mexico		50%	0%
	238729 - Mexico		50%	0%
	215786 - Mexico		100%	0%
	234353 - Mexico		100%	0%
	222403 - Mexico		100%	0%
	216770 - Mexico		100%	0%
	243541 - Mexico		100%	0%
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:  Date: 27 April 2017

(Director/Company secretary)

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.