

ASX/Media Release

15 September 2017

EGANSTREET RAISES \$4M TO ACCELERATE DRILLING AT ROTHSAY GOLD PROJECT

Aggressive drilling planned to expand high-grade 262,000oz Mineral Resource

HIGHLIGHTS

- Heavily oversubscribed share placement comprising 16.14m shares at 25c to raise \$4m.
- Significant institutional interest shown, with the placement expected to result in the introduction of several prominent Australian institutional investors to the EganStreet register.
- Proceeds to be used to accelerate ongoing multi-pronged exploration programme, aimed at growing the high-grade 262,000-ounce¹ resource inventory at the Rothsay Gold Project, WA.
- Diamond drilling already well underway targeting down-dip extensions of the main Woodley's Shear, with assay results imminent.
- Upcoming programmes planned to drill the footwall and hanging-wall contacts of the three ultramafic units that host the gold mineralisation, ensuring strong news-flow over the coming months.
- Updated Mineral Resource estimate to be used as the basis for an expanded Definitive Feasibility Study, confirming a rapid pathway to production at Rothsay next year.

Egan Street Resources Limited (ASX: EGA) (**EganStreet** or the **Company**) is pleased to advise that it has received firm commitments to raise a total of \$4 million in a heavily oversubscribed share placement.

The funds will underpin a significantly expanded exploration effort at its flagship 100%-owned Rothsay Gold Project in WA, where it is aiming to substantially expand its existing Resource inventory ahead of a Definitive Feasibility Study due early next year.

The share placement, comprising 16.14 million shares at an issue price of 25c, is being undertaken to institutional and sophisticated investors, and will result in the introduction of several leading Australian institutional investors to the EganStreet register.

Taylor Collison Limited was Lead Manager to the share placement.

The placement will be undertaken within EganStreet's existing ASX Listing Rule 7.1 (9,683,000 shares) and 7.1A (6,457,000 shares) capacities. The price of the \$0.25 meets the requirements of LR 7.1A.3 in being greater than 75% of the 15 day VWAP. The shares are expected to be issued on or about 21 September 2017.

¹ Indicated Resource 399kt at 11.9g/t for 152koz and Inferred Resource of 303kt at 11.3g/t for 110koz

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USE OF FUNDS

The funds will be used to underpin aggressive drilling programmes at the Rothsay Project aimed at expanding the known mineralisation and increasing the Indicated portion of the current high-grade Mineral Resource.

Specifically, the proceeds of the placement will be used for:

- RC drilling on the main Woodley's Shear (which hosts the current resource), the newly discovered high-grade zone on Woodley's East Shear (a new near-mine discovery) and other parallel shear zones;
- Diamond drilling to define Resources along the Woodley's and Woodley's East Shear Zones;
- Diamond drilling to define Resources along other parallel shear zones; and
- Associated drilling costs and general working capital.

MANAGEMENT COMMENT

EganStreet Managing Director Marc Ducler said the funds raised would underpin the most significant coordinated exploration effort in 25 years at the Rothsay Gold Project.

"Our recent success in discovering new high-grade positions close to existing and planned mine infrastructure, as well as in identifying parallel shear zones, is testament to the huge upside that the EganStreet team believes exists at this project.

"The funds raised through this placement will give us the ability to fast-track drilling, targeting both immediate extensions of the current Resource and to drill-out the new discoveries to resource status.

"We are delighted with the response to this capital raising, which has been very well supported by existing and new investors including our cornerstone shareholder, Lion Selection Group, and several prominent Australian institutional investors who have been introduced through this placement.

"Investors can look forward to a period of strong news-flow as we report results from this drilling, upgrade our Resource inventory, and deliver a Feasibility Study early next year to confirm our pathway to production," he said.

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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 (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 now targeted for completion in the 2nd quarter of 2018.

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 14km strike length of highly prospective and virtually unexplored stratigraphy.

APPENDIX 1 COMPETENT PERSON'S STATEMENT

The information in this announcement 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.

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.