

ASX/Media Release

19<sup>th</sup> July 2018

# EGANSTREET CONFIRMS LOW CAPEX, HIGH MARGIN AUSTRALIAN GOLD MINE AT ROTHSAY GOLD PROJECT, WA

**Maiden Ore Reserve of 200,000oz underpins initial 6.5-year mine life ramping up to 60,000ozpa gold production with a forecast AISC of A\$1,083/oz**

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## HIGHLIGHTS

- > **Positive Definitive Feasibility Study (“DFS”) confirms the technical and economic viability of EganStreet’s 100%-owned Rothsay Gold Project in WA**
- > **Maiden start-up Ore Reserve of 1.4Mt at 4.4g/t Au for 200,000oz of gold**
- > **Ore mined of 2.1Mt at 4.2g/t Au for 278,000oz of gold<sup>1</sup>**
- > **Ore mined to be upgraded via a dual sensor (XRT and EM) ore sorter to produce a concentrate of 1.2Mt at 6.9g/t Au, which is then processed through a standard CIL circuit**
- > **Forecast gold production of 250,000oz over an initial 6.5-year mine life**
- > **Undiscounted pre-tax project cash-flow of \$100 million<sup>2,3</sup> from revenue of \$414 million<sup>4</sup>**
- > **Estimated cash cost (C1) of A\$941/oz and all-in sustaining cost (AISC) of A\$1,083/oz<sup>5</sup>**
- > **Initial Capital Expenditure for processing plant and associated infrastructure of \$36.1 million (inclusive of \$3.7 million in contingencies)**
- > **Average gold production of 53,000oz per annum over the first 4 years, peaking at 60,000oz per annum**
- > **Average free cash-flow of \$30 million per annum over the first 4 years of production**
- > **Capital payback within 1.5 years of production**
- > **Pre-tax NPV5% of \$80.4 million and IRR of 57% based on a A\$1,700/oz gold price**
- > **PCF Capital appointed as financial advisor to secure project finance**
- > **First gold production targeted for Quarter 4, 2019**
- > **Outstanding leverage to further growth in Resources and Reserves with a 4,000m diamond drilling programme set to commence this quarter targeting potential extensions of the Woodley’s and Woodley’s East Shears to the south**

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<sup>1</sup> *Inclusive of Inferred Resources.*

<sup>2</sup> *All Dollars are Australian Dollars unless otherwise specified.*

<sup>3</sup> *Both NPV and cash-flow are pre-tax, this applies for the entire document.*

<sup>4</sup> *Based on US\$1,275 gold price and A\$:US\$ exchange rate of 1.00 : 0.75.*

<sup>5</sup> *Cash Cost (C1) = mining, processing, site services & administration costs. AISC = Cash Cost (C1) + royalties + sustaining capital costs but excludes exploration and corporate costs. This applies for the entire announcement.*

## EXECUTIVE SUMMARY

Egan Street Resources Limited (ASX: EGA) (EganStreet) is pleased to advise that it has completed the Definitive Feasibility Study (DFS) on its 100%-owned **Rothsay Gold Project (Project)**, located 300 km north-east of Perth in WA's Midwest region, with the results confirming the potential for a new low-cost, high-margin Australian gold project capable of delivering strong financial returns for shareholders.

The DFS concludes that the Rothsay Gold Project is financially and technically viable based on its previously announced redevelopment strategy targeting unmined fresh material which can be accessed via an existing decline. Rothsay has a rich mining history dating back to the discovery of gold in 1894 and including several phases of mining, most recently by Metana Minerals in the early 1990's.

The DFS builds on a Pre-Feasibility Study (PFS) completed in May 2017, delivering a 25% increase in projected gold production to 250,000oz over an initial 6.5-year mine life, with increased average annual production of 53,000ozpa over the first four years. Together with a 22% increase in undiscounted pre-tax project cash-flow to \$100 million, the DFS demonstrates that the Rothsay Project has the potential to generate strong cash-flows underpinned by high-grade, high-margin gold production.

The DFS is based on processing 1.2Mt at an average grade of 6.94 g/t Au for approximately 250,000oz of gold production (up from 936,000t at 7.0g/t Au for 200,000oz in the May 2017 PFS).

Forecast life of mine (LOM) cash costs C1 are A\$941/oz and all-in sustaining costs (AISC) are A\$1,083/oz.

The proposed 6.5-year LOM production target contains material from both the Indicated and Inferred Resource categories. The majority of the production target (73% of ounces) is sourced from Indicated Resources with the remaining (27% of ounces) drawn from Inferred Resources.

Based on these parameters, the Rothsay Gold Project delivers a Net Present Value using a 5% discount rate of \$80.4 million and has an estimated capital payback period of less than 1.5 years. A gold price of US\$1,275/oz and an exchange rate (USD: AUD) of 75 cents (A\$1,700/oz gold price) has been assumed for the DFS.

Gold produced over the first four years averages 53,000ozpa (peaking at 60,000ozpa), which equates to \$30 million of free cash flow per year.

Importantly, the Woodley's Shear – the key gold-hosting structure at Rothsay – remains open at depth and along strike, and the project is highly leveraged to further increases in Resources and Reserves.

EganStreet is currently exploring for additional high-grade gold discoveries within the Woodley's shear, with the Rothsay mining tenements containing a known 14km strike length of this highly prospective structure.

Immediate opportunities to grow the high-grade Resource and Reserve inventory exist to the south of the current Ore Reserve. A 4,000 metre diamond drilling programme is scheduled to commence this quarter to test for extensions to south on both Woodley's and Woodley's East Shear. The Company has not been able to target these down-plunge extensions due to mining tenement conditions that previously restricted drilling in this part of the tenement.

### Next Steps

The EganStreet board has approved the DFS and, subject to obtaining a suitable financing arrangement, has approved the Rothsay Project to proceed to construction. It is expected construction will commence immediately after project financing has been completed, with first gold production targeted for Quarter 4, 2019.

EganStreet has also appointed PCF Capital Group Pty Ltd, a leading resource specialist, as financial advisor to assist with securing debt facilities for the project.

The Company held cash of approximately \$11.5M at 30 June 2018 and intends to utilise some of this cash to contribute towards the equity portion of the overall project financing package, as well as to continue an aggressive exploration programme.

EganStreet Managing Director, Marc Ducler, said the Definitive Feasibility Study clearly demonstrated that Rothsay would be a high-quality gold project with low initial capital expenditure, strong margins and the

ability to generate outstanding financial returns for shareholders – paving the way for the Company to become a significant new Australian gold producer.

*“It has been just two years since EganStreet listed on the ASX as a junior explorer and, with the completion of the DFS we are now on the cusp of making the transition from explorer to producer.”*

*“The DFS outlines a robust project characterised by a modest capital cost, low forecast operating costs and strong margins. This underpins robust economics including an undiscounted pre-tax project cash-flow of \$100 million, \$80 million NPV and rapid capital payback of less than 1.5 years using a gold price of A\$1,700 per ounce.”*

*“Given Rothsay’s Tier-1 location and robust economics, we are confident of being able to secure a very attractive financing package in the second half of this year, paving the way for construction to begin before year-end.”*

*“At the same time, the project is highly leveraged to increases in the production target and, with exploration continuing across our tenement package, we expect to be able to grow our Resource and Reserve inventory in the months and years ahead.”*

*“The most immediate growth opportunities are at the southern end of the deposit, where we plan to start drilling later this quarter targeting down-plunge extensions of the Woodley’s and Woodley’s East Shear. This has the potential to deliver further increases in our production target in the months ahead which could further enhance the project as we move towards construction.”*

TABLE 0-1 – KEY PHYSICALS

		Total	Pre- Production	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>Mining Production Physicals</b>									
Development Ore Mined	kt	995	47	322	301	199	126	-	-
Development Ore Grade	g/t Au	2.5	2.9	2.8	2.5	2.6	1.8	-	-
Stope Ore Mined	kt	1,079	20	271	294	282	212	-	-
Stope Ore Grade	g/t Au	5.7	4.3	6.3	5.6	5.6	5.2	-	-
<b>Total Ore Mined</b>	kt	<b>2,073</b>	67	592	595	481	338	-	-
<b>Mined Grade</b>	g/t Au	<b>4.2</b>	3.3	4.4	4.0	4.3	3.9	-	-
<b>Contained Ounces</b>	koz	<b>278</b>	7	83	77	67	43	-	-
<b>Processing Physicals</b>									
Ore Processed	kt	1,185	50	200	200	200	200	200	135
Concentrate Grade	g/t Au	6.9	4.3	9.9	8.9	8.8	7.2	3.5	2.4
Contained Ounces	kt	265	7	64	57	57	47	23	10
Recovery	%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%
<b>Ounces Produced</b>	koz	<b>250</b>	7	60	54	54	44	21	10

TABLE 0-2 - KEY PROJECT STATISTICS

<b>Material in Mine Plan</b>	<b>Tonnage (kt)</b>	<b>Grade (g/t Au)</b>	<b>Contained Metal (Au koz)</b>
Indicated Resources	1,206	5.2	201
Inferred Resources	509	4.6	76
Unclassified Waste	357	0.0	0
<b>Total</b> (Totals may not add due to rounding)	<b>2,073</b>	<b>4.2</b>	<b>278</b>
<b>Material Processed</b>	<b>Tonnage (kt)</b>	<b>Grade (g/t Au)</b>	<b>Contained Metal (Au koz)</b>
<b>Ore Processed</b> (Post Ore Sorter)	<b>1,185</b>	<b>6.9</b>	<b>265</b>
<b>Initial Capital Costs</b>			<b>A\$m</b>
Process Plant			24.3
Non Process Infrastructure			3.0
Other Owners Costs			5.1
Contingency			3.7
<b>Total Initial Capital</b>			<b>36.1</b>
<b>Production Summary</b>			
Initial LOM		Years	6.5
<b>Gold Production</b>		Ounces	<b>250,047</b>
Average LOM Metallurgical Recovery		%	94.5
<b>Project Economics</b>			
Base Case gold price		US\$/oz	1,275
Exchange Rate		A\$:US\$	1.00 : 0.75
<b>Revenue</b>		<b>A\$m</b>	<b>413.9</b>
Cash Cost (C1)		\$/oz	941
<b>All In Sustaining Cost (AISC)</b>		<b>\$/oz</b>	<b>1,083</b>
<b>Free Cashflow</b> <small>Pre-Tax</small>		<b>A\$m</b>	<b>100.2</b>
NPV <small>5% Pre-tax</small>		A\$m	80.4
IRR <small>Pre-Tax</small>		%	57
Payback		Years	1.5

The DFS has been prepared by a number of independent consultants in conjunction with (and brought together by) EganStreet employees and management. Contributors are described in more detail below:

- > **Mineral Resource Estimate** – Cube Consulting Pty Ltd
- > **Environment Approvals** – Symbiosis Environmental Services
- > **Geotechnical Review** – Turner Mining & Geotechnical Pty Ltd
- > **Mining** – Entech Pty Ltd, Maksena Engineering Solutions Pty Ltd and EganStreet
- > **Process Plant, Power Provision and HV Reticulation** – CPC Project Design Pty Ltd and EganStreet
- > **Tailings Dam** – Knight Piesold Pty Ltd
- > **Hydrogeology** – RockWater Pty Ltd
- > **Hydrology** – Knight Piesold Pty Ltd
- > **Surface Infrastructure** – Maintenance and Construction Services Australia Pty Ltd
- > **Financial Model** – EganStreet and Entech Pty Ltd

## 1. INTRODUCTION

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. (Figure 1-1)

The Rothsay Gold Project currently hosts high-grade Mineral Resources of 401koz at an average grade of 8.8g/t Au (Indicated 820kt @ 9.3g/t Au and Inferred 600kt @ 8.0g/t Au).

The Company is focused on successfully bringing the Rothsay Gold Project into production. EganStreet has a strong Board and Management team which has the necessary range of technical and commercial skills to progress the Rothsay Gold Project.

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

This Study is completed to the level of Definitive Feasibility Study as defined in clause 39 of the 2012 Edition of the JORC Code.

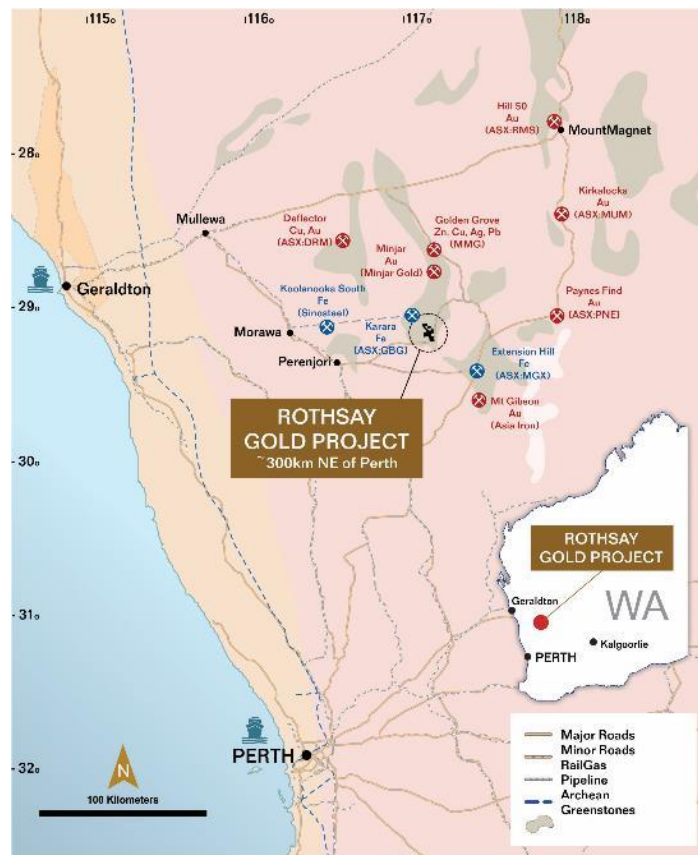


FIGURE 1-1 ROTHSAY GOLD PROJECT LOCATION

## 2. MINERAL RESOURCE ESTIMATION

The Mineral Resource Estimate (MRE) for the Rothsay Gold Project was updated by Cube Consulting Pty Ltd in May 2018 (See ASX announcement “Rothsay Resource Jumps 31% to 401,000 Ounces” dated 14 May 2018), the associated JORC table 1 sections 1 to 3 can be found in appendix 2. The 2018 MRE is an update of the 2017 MRE and incorporates the results of the reverse circulation (RC) and diamond drilling programmes completed between October 2017 and March 2018, which consisted of 62 holes for 6,411m of RC and 26 holes for 9,159m of diamond core.

The MRE has been classified and reported in accordance with the 2012 Edition of the JORC Code. The current MRE is reported at a lower cut-off grade of 2.5g/t Au (Table 2-1), which reflects a lower unit cost due to the change in mine design parameters that were introduced by larger development drives and underground equipment with the additional application of ore sorting technology.

As a result, there is an increase of 31% (contained ounces) from the previous MRE with a total tonnage of 1.42Mt @ 8.8g/t Au for 401koz, while the Indicated Resource increased 45% (contained ounces) to 0.82Mt @ 9.3g/t Au for 246koz. The inclusion of two additional domains in the Woodley’s East Hanging wall: HW#1 and HW#2, contributed to the increase of the Inferred resources by 13% (contained ounces) to 0.6Mt @ 8 g/t Au for 155 koz.

TABLE 2-1: GLOBAL MRE

Resource Category	kt	Grade (g/t Au)	Contained Metal (Au koz)
Indicated	820	9.3	246
Inferred	600	8.0	155
Total	1,420	8.8	401

### 3. PERMITTING REQUIREMENTS

The approvals considered necessary for the recommencement of mining and processing at the Rothsay Gold Project have been re-assessed by independent environmental consultants in May 2018.

Baseline flora studies and fauna studies have been completed. Woodman Environmental Consulting conducted a spring flora and vegetation survey which did not identify any declared rare flora within the two granted mining tenements at the Rothsay Gold Project (M59/39, M59/40). Similarly, a fauna assessment conducted by Bamford Consulting in early 2017 did not identify any listed species of significance. Targeted searching was undertaken for the Western Spiny-tailed Skink, Mallee-fowl and Shield-backed Trapdoor Spider, no evidence of these were found. Detailed hydrogeology, hydrology and tailings storage facility studies have been completed and preparation of Department of Mining, Industry Regulation and Safety (DMIRS) *mining proposal* submission and the Department of Water and Environmental Regulation (DWER) *works approval and license* application are at an advanced stage.

In total, the project requires 15 separate approvals from various state government departments and the local Shire of Perenjori. To date, six of these approvals have either been granted or are not considered necessary for the initial minor and major works to proceed in the coming 12-month period. The most significant remaining approvals are the: Mining Proposal and Mine Closure Plan (DMIRS), Project Management Plan (DMIRS) and Works Approval and License application (DWER), these are all expected to be submitted by the middle of August 2018 and are not expected to impact the project schedule. The remaining approvals will be submitted at appropriate stages in the project but are not expected to impact the project schedule.

### 4. MINING

As a part of the DFS, Entech Pty Ltd, Maksena Engineering Solutions Pty Ltd and EganStreet completed a mining study to a Definitive Feasibility level of accuracy. Estimates with mining capital and operating costs were supplied by independent mining contractors. A detailed mine design, schedule and cost estimation was completed based on the current MRE. The existing mine workings were incorporated as part of the design.

The mining methods adopted are broadly consistent with the PFS. Two methods have been applied, namely:

- > The main method is Long Hole Open Stopping (LHOS) with insitu (rock) rib pillars and cemented rockfill (CRF) sill pillars. The PFS assumed CRF rib pillars, however DFS analysis on backfill mix design and cost optimisation suggested insitu rib pillars are preferred. This method delivers a flat chevron-shaped stopping front sequenced top-down and advancing to each level access.
- > Bench Stopping is employed in the Southern Upper Zone of Woodley's Shear above the 1225mRL. This is a bottom-up method, where stopes are extracted and filled with rock-fill. Then working off the rock-fill, the above level is extracted.

EganStreet anticipates contractors will perform the underground mining, while EganStreet will undertake technical services and the management of the operation.

#### 4.1 UNDERGROUND REHABILITATION

The expected underground rehabilitation requirement for the Rothsay Gold Project remains unchanged from that detailed in both the PFS and Scoping Study (see ASX announcement "Rothsay Scoping Study Revised" dated 23 December 2016 for additional detail).

#### 4.2 GEOTECHNICAL & MINE DESIGN

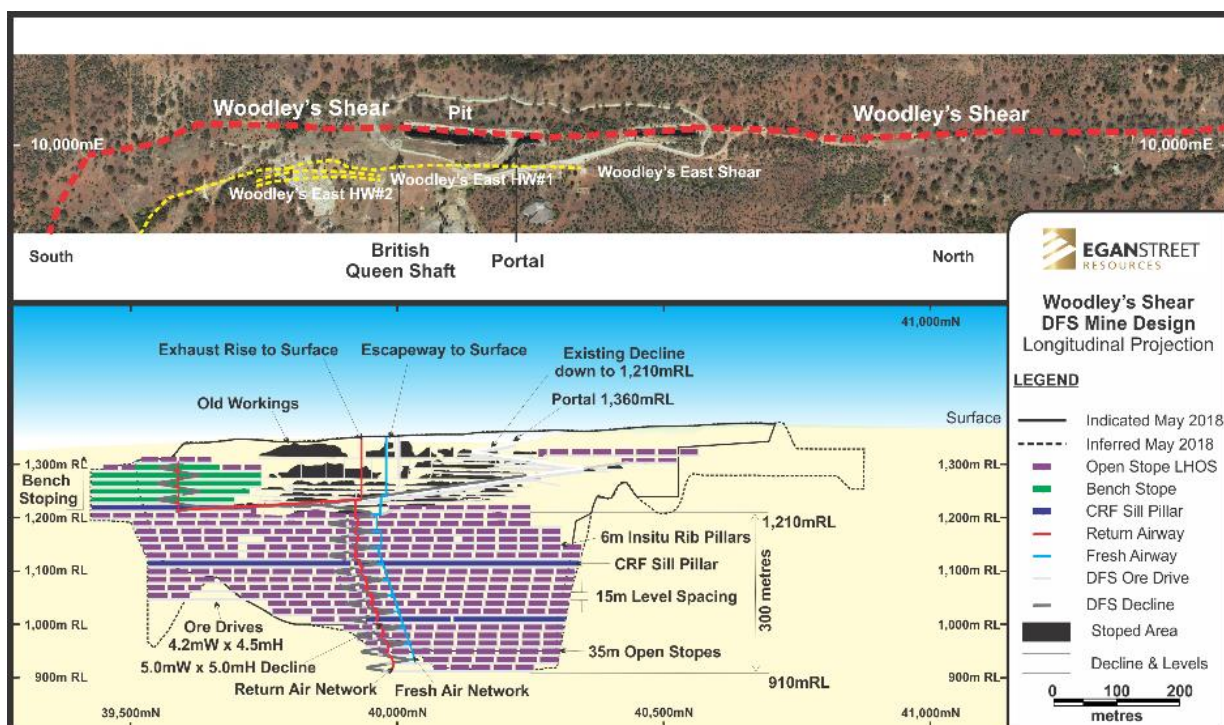
The mine has been designed on a typical LHOS/Benching layout applicable for the Rothsay Woodley's Shear orebody. The design parameters are outlined in Table 4-1.

**TABLE 4-1: MINE DESIGN PARAMETRES**

Description	
Decline gradient	1 in 7
Decline Profile	5.0 mW x 5.0 mH
Decline Turning Radius	17.5 m
Level Spacing	15 m
Stope Height (Back to Floor)	10.5 m
Ore Drive Profile	4.2 mW x 4.5 mH
Stope Dilution	0.4 m
Mining Recovery	97.5%
Minimum Mining Width including Planned Dilution	1.4 m
Average Stope Width	1.8 m
Fully Costed Cut-Off Grade	2.8 g/t
Incremental Cut-Off Grade	1.7 g/t
Marginal Cut-Off Grade	1.0 g/t
Maximum Stope Width	5.2 m
Notional Open Stope Length	35 m

Geotechnical analysis was conducted by Turner Mining & Geotechnical Pty Ltd (Turner Mining). Turner Mining estimated an average dilution of 0.4m (0.1m from the footwall and 0.3m from the hanging wall). Rib pillars are designed at 6m length and full height, with maximum open stope span of 35m. CRF sill pillars are designed full height every six levels (approximately 90m vertical spacing).

The mine is primarily accessed by a single central main decline which is extended from existing mine development. The decline has a minimum radius of 17.5m to provide optimal access to levels every 15 vertical metres, whilst also allowing trucks to operate at a productive speed when travelling up and down the decline. The main decline allows access to Woodley's, Woodley's East and the Hangingwall Lodes via crosscuts.





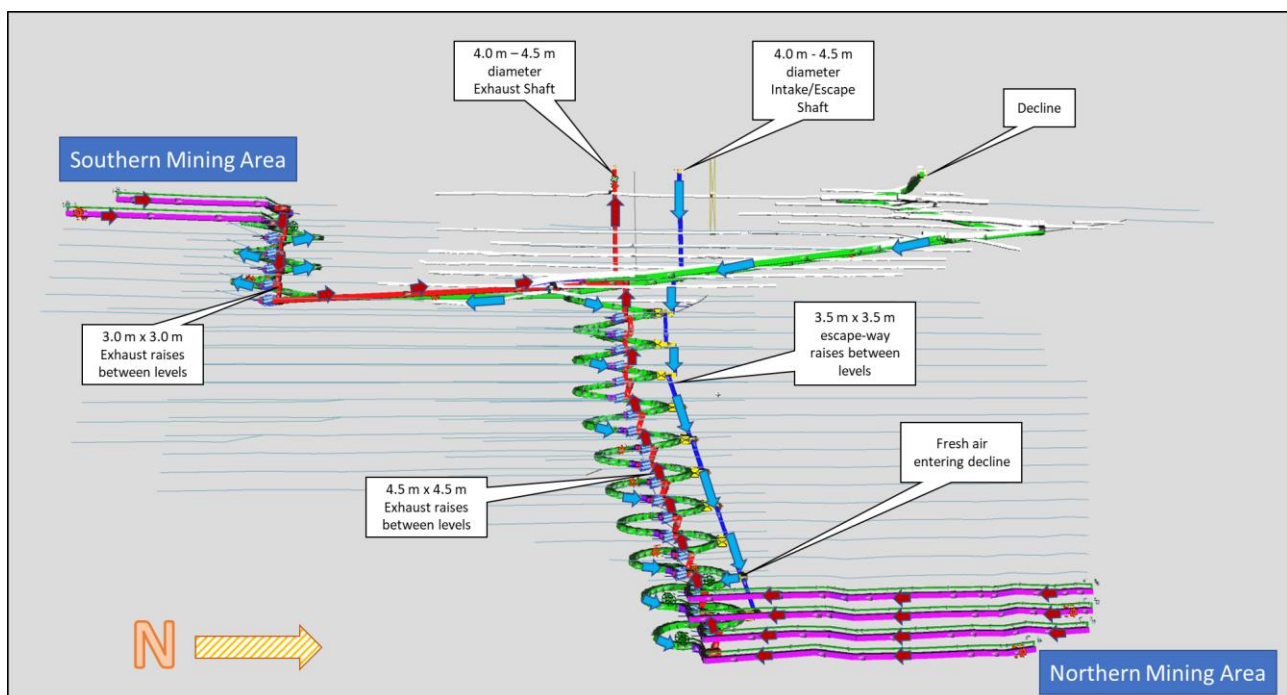
**FIGURE 4-1: ROTHSAY LONG PROJECTION**

Vertical capital development consists of the fresh air raises (FAR) and return air raises (RAR). This vertical development is established via a combination of mechanical and drilling and blasting methods.

Ore drives are to be developed at a profile of 4.2mW x 4.5mH. The ore drive profile allows for efficient jumbo development and stope production, the latter augmented by Caterpillar R1700-size loaders.

### 4.3 MINE VENTILATION

The proposed layout of the Rothsay ventilation circuit has been designed by Entech and modelled in simulation software to ensure compliance with statutory and production requirements. Figure 4-2 shows a basic schematic of the proposed ventilation circuit.


**FIGURE 4-2: ROTHSAY PRIMARY VENT CIRCUIT**

Two new primary ventilations shafts will be raisebored from surface. Use of the existing British Queen Shaft has not been incorporated in the DFS design; however, it presents an opportunity to increase circuit efficiency following re-establishment of access to the bottom of the shaft and subject to its condition.

The primary return air shaft will be equipped at surface with a plenum incorporating four 75kW axial fans equipped with variable speed drives to optimize power efficiency.

Internal shafts extend the primary ventilation circuit to depth. No artificial cooling is required.

### 4.4 MINE SCHEDULING

Maksena have developed a detailed mine production schedule. The mining sequence commences with rehabilitation of the existing portal. Priority is given to establishing primary ventilation, then developing both to depth and laterally to the upper southern stoping areas to commence the stope mining sequence. Rehabilitation of the existing Rothsay Decline continues to its full depth to allow for access to hangingwall lodes in the upper areas of the mine.

Mobile fleet equipment requirements have been cross-checked with equipment fleets proposed by the mining contractor. All ore and waste material from the mine is planned to be hauled to surface using

conventional 50 tonne underground haulage trucks, being placed on ROM pads (for ore) or waste dumps (for waste).

Figure 4-3 and Figure 4-4 gives a summary of the underground mining production.



FIGURE 4-3: PRODUCTION TARGET BY LODE

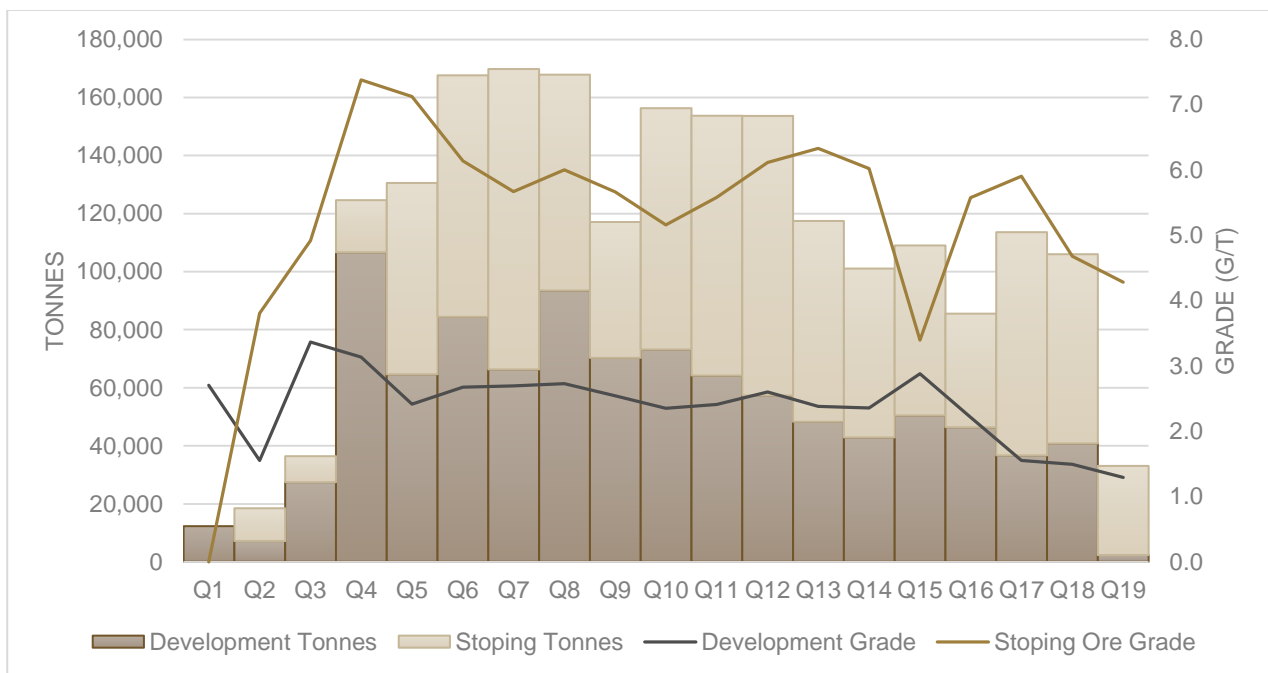


FIGURE 4-4: PRODUCTION TARGET BY TYPE

The key results of the schedule are itemised below in Table 4-2.

TABLE 4-2 - KEY PHYSICALS

Key Physical	
UG Mine Project Life	4.8 years
Production Target Tonnes	2,073 kt
Production Target Gold Grade	4.2 g/t Au
Production Target Mined Gold	278 koz

## 4.5 PRODUCTION TARGET RESOURCE CATEGORIES

The Rothsay mine production target contains mineral resource classifications of various confidence levels as reported in the MRE. A summary of the different types of resource material classifications that make up the mine plan discussed in the DFS can be seen in Figure 4-5.

*Cautionary Statement* – There is a low level of geological confidence associated with Inferred Mineral Resources, and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

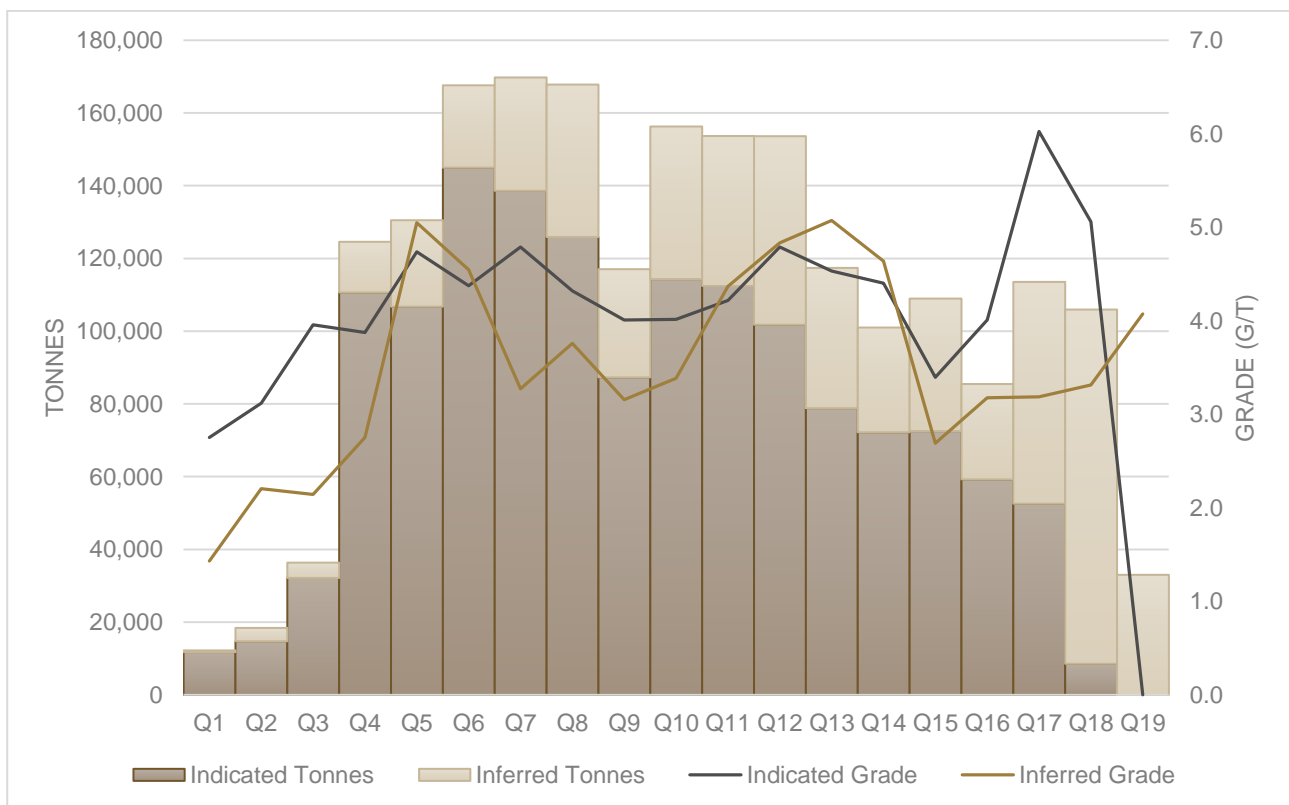


FIGURE 4-5: PRODUCTION TARGET BY CATEGORY

The majority of the ounces mined in the DFS schedule will be from the Indicated category (73%) and are predominantly mined prior to the Inferred Mineral Resource (from which 27% of the total ounces will be produced). Approximately 67% of the total ounces mined from the Inferred Mineral Resource will be extracted in the final 2.5 years of the mine schedule.

A combination of drilling from surface and underground will be utilised to in-fill the Inferred portion of the Mineral Resource once cash flow is established. Drilling from underground provides more optimal information as holes are shorter, easier to control and gives a higher confidence on the targeted intercept.

## 4.6 ORE RESERVE

The maiden Ore Reserve for the Rothsay Project has been estimated by Entech, and is summarised below:

TABLE 4-3: ROTHSAY ORE RESERVE

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

The Ore Reserve has been estimated using the DFS assumptions (detailed in this announcement) except for a de-rated gold price of \$A1,600/oz, and is based upon Indicated Mineral resources only. The associated JORC Table 1 is detailed in Appendix 2.

## 5. PROCESSING

CPC Project Design (a wholly owned subsidiary of CPC Engineering) completed a study to a Definitive Feasibility level of accuracy for capital and operating costs associated with constructing and operating a gold processing plant at Rothsay.

The proposed plant design and process flow for Rothsay is based on well understood and proven technology.

### 5.1 DESIGN CRITERIA AND FLOWSHEET

The Process Design Criteria (PDC) are based on a combination of available testwork results, standard industry practice and CPC's recommendations.

The Process Flow Diagrams (PFDs) produced have been used as inputs for other engineering disciplines, and for the generation of the Mechanical Equipment List (MEL) necessary for the development of material take-offs and cost estimates. The design of the 200ktpa gold plant consists of:

- > 3-stage crushing and screening circuit to handle a top feed size of 0.6m and producing a P<sub>80</sub> of 8mm, the circuit includes a dual sensor (XRT & EM) ore sorter and is designed to operate at up to 70tph.
- > A single stage ball milling and classification circuit producing a final product size of P<sub>80</sub> 106µm. The grinding and CIL circuit is designed to operate at 91.3% overall utilisation (8000 hrs per year).
- > A gravity recovery circuit consisting of a Falcon Concentrator and Gemini Table.
- > A CIL circuit of two leach tanks and six adsorptions tanks for a 24-hr residence time.
- > SMBS cyanide detox
- > High rate tailings thickener.
- > A 1.0 t AARL elution circuit with separate acid wash column and elution columns capable of stripping every 24 hrs, 6 days per week.
- > A secure gold room with a tilting furnace, calcine oven and associated gold room equipment.

The block flow diagram is provided below:

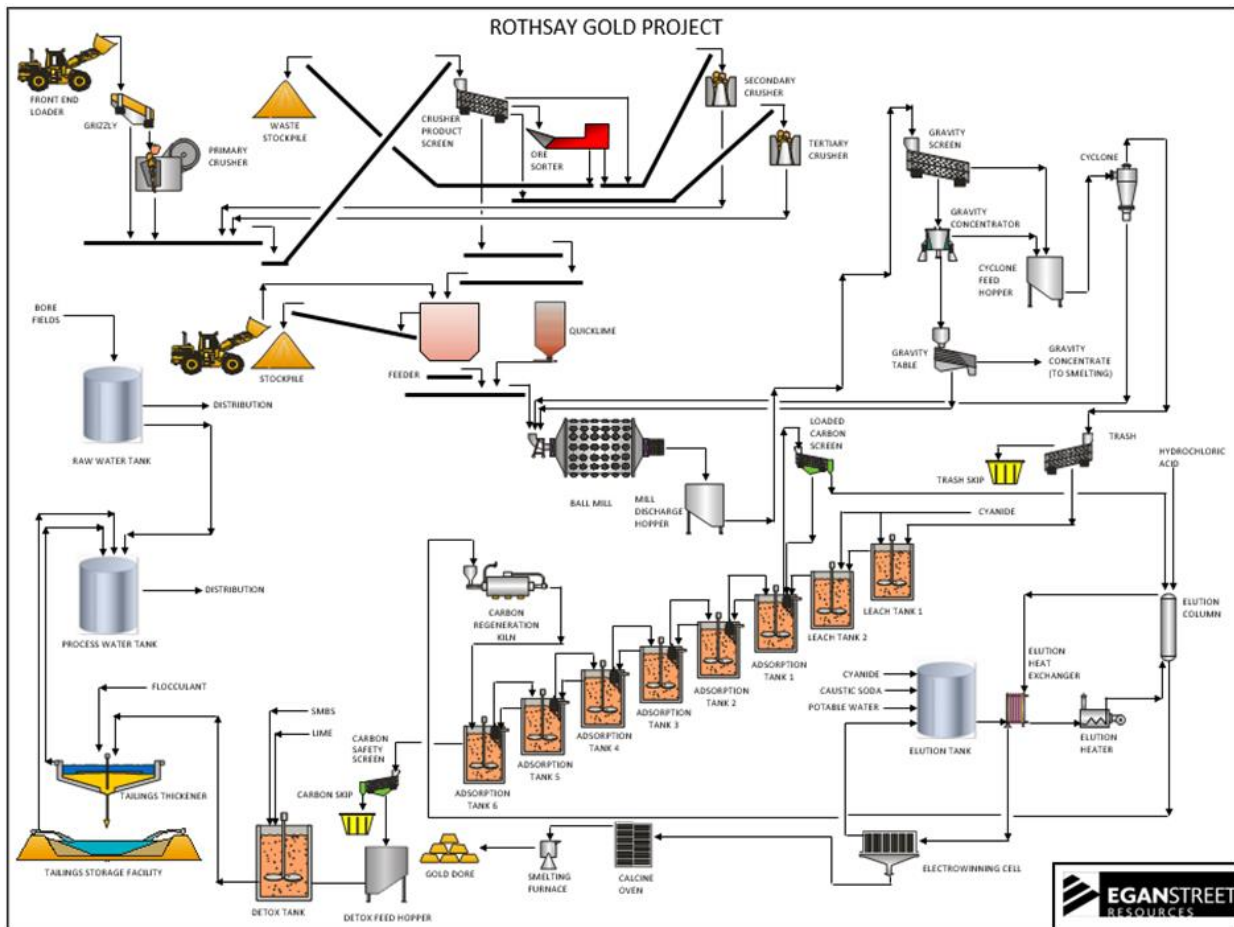


FIGURE 5-1 ROTHSAI BLOCK FLOW DIAGRAM

## 5.2 METALLURGY & PROCESS DESIGN

There exists in the region and across Australia a large body of knowledge and vast numbers of current and historical operations treating gold ores. The most cost-effective industry preferred process route is direct cyanide leaching of the gold ore. Metallurgical testwork has shown the Rothsay ore exhibits high recoveries at moderate reagent consumptions utilising direct cyanide leaching.

High copper ore has been identified in a small section of the upper portion of the orebody. This will be blended to present the processing plant with a consistent ore feed. Direct processing of high copper ore will increase reagent consumptions and/or reduce gold recovery.

Testwork was conducted to confirm that this ore body is amenable to an industry standard gold flowsheet and to provide inputs into the PDC. EganStreet managed the testwork with the majority of metallurgical testwork activities and analysis undertaken by Bureau Veritas Minerals and ALS Metallurgy in Perth. Vendor testwork was undertaken on ore sorting by 2 different vendors.

Specific testwork undertaken included:

- > Comminution;
- > Cyanide leaching;
- > Tails thickening;
- > Leach tails cyanide detoxification, and
- > Ore sorting.

## 5.2.1 COMMINUTION

Comminution testwork was undertaken on an overall composite sample that represented 3 geographical domains and was made up of 14 drill core intersections. All results are within expected industry parameters. SMC testing shows that the ore is competent and harder than 85% of the samples in the SMC database.

TABLE 5-1 COMMINUTION TESTWORK RESULTS

	BMW <sub>i</sub> (kWh/t)	RMW <sub>i</sub> (kWh/t)	Abrasion (A <sub>i</sub> )	Drop Wt (kWh/m <sup>3</sup> )	A	B	A * b	A * b percentile
<b>Overall Composite</b>	14.7	22.3	0.2975	10.17	68.7	0.43	29.5	85.5

While crushing and milling power demands are important in equipment selection, a number of other factors including volumetric considerations have a large impact. Due to the project's low feed tonnage any risks are minimised because of the following factors or mitigations:

- > Design margins are large compared to parameter impacts.
- > If the ball mill is constrained the crushing product size can be reduced.
- > Grind size is not a critical parameter for leach recovery (low risk of gold losses).

## 5.2.2 CYANIDE LEACHING

Cyanide leaching was conducted in a number of phases and included grind sensitivity, variability testwork, oxygenated leach, oxygen uptake test, carbon in leach and carbon contact. Cyanide leach conditions were conducted as per industry standard testwork parameters, to ensure that the testwork is not reagent or residence time limited.

Phase 1 overall composite leach results during grind size optimisation, ranged from 96% – 97.2% gold recovery over 48 hours

Phase 1 variability leach results at 106µm ranged from 94.1% - 96.8% gold recovery over 48 hours.

Phase 2 variability CIP leach results at 106µm ranged from 85.4% - 97.8% and variability CIL leach results at similar grind size ranged from 86.7% - 97.9% gold recovery over 48 hours.

Both gold recovery and cyanide consumption were demonstrated to be impacted by the presence of copper. See figures below:

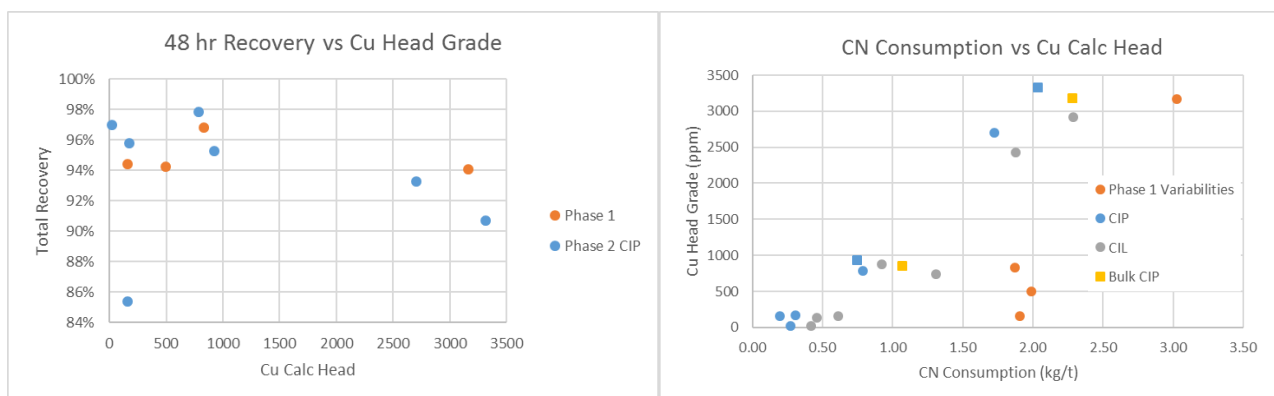


FIGURE 5-2 GOLD RECOVERY AND CYANIDE CONSUMPTION vs Cu HEAD GRADE

The average copper grade over the life of mine is 520ppm, the mine schedule shows 4 quarters of mine production in the first two years with copper above 1000ppm, however mine production exceeds process plant capacity and any potential period of high copper will be blended to optimise gold recovery.

Lime consumption was in the range of 0.4kg/t – 1.24kg/t with 50% of samples in the range of 0.58kg/t – 0.92kg/t. An average lime consumption of 0.89kg/t has been assumed. Cyanide consumption as shown in Figure 5-2 is influenced by copper grade, cyanide consumption was estimated by determining a relationship

of cyanide consumption to copper grade in the testwork and applying this to the mine schedule. An average cyanide consumption of 1.15kg/t has been calculated from the available testwork and mine schedule.

Oxygenated leaching was demonstrated to increase leach kinetics over a 24-hour period and as a result was included in the design. Leach kinetics and carbon adsorption kinetics were demonstrated to be impacted by high copper grades, with carbon loading considered to be below industry average for the high copper sample tested, whilst the carbon loading for the low copper sample was considered above industry average.

Diagnostic leaching was carried out on the tailings of two low gold recovery composite samples from the phase 2 testwork, the first stage of the diagnostic leach was to determine the free cyanide leachable gold, both composites showed significant amounts cyanide leachable gold in the tailings (78.3% and 44.5% respectively) and very minor gold lock up in sulphides, carbonates or silicates.

### 5.2.3 THICKENING AND CYANIDE DETOXIFICATION

Initial settling testwork was undertaken by Bureau Veritas, with repeat settling and thickening testwork undertaken by Outotec, results align with industry standard parameters and have been used to size equipment.

Cyanide speciation testwork was undertaken due to the potential for excursions of high copper in the leach feed, the results of which were used to determine initial reagent usage and equipment selection for the cyanide detoxification (detox) circuit. Continuous testwork was undertaken by CSIRO to demonstrate the amenability of the leach liquor to sodium metabisulphite (SMBS) and air detox. The results showed a destruction of weak acid dissociable (WAD) cyanide from 143ppm to less than 10ppm with acceptable reagent usage. The process plant design includes a cyanide detox circuit to remove cyanide soluble copper from the tailings stream and to precipitate the copper out as a copper hydroxide (which stops a buildup of soluble copper in the process plant water circuit).

### 5.2.4 ORE SORTING

Ore sorting trials were conducted by the equipment vendors on samples supplied by EganStreet (Table 5-2 and Table 5-3). Twelve tests were conducted in total and confirm the applicability of ore sorting using X-ray transmission (XRT) and electromagnetic (EM) scanning methods.

TABLE 5-2 DRILL CORE SAMPLES FOR ORE SORTING TESTWORK

Hole ID	Grade Au g/t	Mass (kg)	Comment
RYDD018	0.38	9.28	Woodley's Shear 5cm vein in alt zone
RYDD031	3.71	8.44	Woodley's Shear
RYDD032	6.96	3.52	Woodley's Shear 0.85m sheared white-grey Qtz vein in Woodley's Shear small amount of vg
RYDD036	0.57	9.30	Woodley's Shear position contact zone ultramafic/dolerite
RYDD043	0.20	9.28	Woodley's Shear Woodley's Shear position Contact zone ultramafic/dolerite
RYDD045	1.64	10.74	Woodley's Shear position
RYDD051	8.53	10.04	Woodley's contact.
RYDD058	0.17	9.80	Woodley's contact.

TABLE 5-3 BULK SAMPLE FOR ORE SORTING TESTWORK

ID	Grade Au g/t	Mass (kg)	Comment
LG Bulk	2.51	207	LG Bulk Sample from historic mining 1989 -1991
LG Bulk	0.98	638	LG Bulk Sample from historic mining 1989 -1991
LG Bulk	1.92	3853	LG Bulk Sample from historic mining 1989 -1991

Several different products were generated during ore sorting testwork:

1. Fines – size fraction too small for sorting
2. Ore – generated by XRT scan
3. Ore – generated by Laser scan
4. Non-conductives – by EM scan
5. Conductives (Waste) – by EM scan

Table 5-4 and Table 5-5 show the mass splits and assay grades for samples tested with EM and XRT scans respectively. The tables demonstrate the ability to generate a high grade XRT concentrate for preferential processing through the process plant, followed by a low-grade EM concentrate as a “scavenger” treatment of the XRT rejects.

**TABLE 5-4 ORE SORTER EM RESULTS**

Test No.	Sample Description	Equipment Vendor	Mass (kg)	Calc Grade (g/t)	Mass Recovery without fines (%)	Mass Recovery without fines & XRT (%)	Tail (g/t)	Au Rec (%)	Au Rec without fines (%)	Au Rec without fines & XRT (%)
1	LG Sample	A	207.0	2.51	61.1		0.21	97.2	96.6	
2	LG Sample	A	306.0	1.09	55.4		0.26	95.5	88.5	
3	LG Sample	A	301.0	0.96	57.8		0.12	97.8	90.5	
4	RYDD032	A	3.5	6.96	72.7		0.30	99.4	98.9	
5	RYDD018	B	9.3	0.38		71.3	0.03	98.5		
6	RYDD045	B	10.7	1.64		62.6	0.01	99.8		92.5
7	RYDD058	B	9.8	0.17		37.2	0.02	94.0		99.7
8	RYDD036	B	9.3	0.57		40.1	0.01	99.1		54.2
9	RYDD043	B	9.3	0.2		37.0	0.04	89.7		97.2
10	RYDD031	B	8.4	3.71		50.3	0.08	99.2		83.7
11	RYDD051	B	10.0	8.53		52.9	0.10	99.9		99.0
12	LG Sample	B	3853	1.91		66.3	0.23	98.1		88.8

**TABLE 5-5 ORE SORTER XRT RESULTS**

Test No.	Sample Description	Equipment Vendor	Sample Size (kg)	Calc Sample Grade (g/t)	Mass Recovery (%)	Tail grade (g/t)	Au Recovery (%)
4	RYDD032	A	3.5	6.96	65.0	6.18	68.9
5	RYDD018	B	9.3	0.38	34.7	0.12	80.3
6	RYDD045	B	10.7	1.64	12.5	1.44	23.6
7	RYDD058	B	9.8	0.17	18.2	0.03	86.9
8	RYDD036	B	9.3	0.57	17.4	0.21	69.6
9	RYDD043	B	9.3	0.20	17.2	0.15	37.0
10	RYDD031	B	8.4	3.71	21.3	1.07	77.4
11	RYDD051	B	10.0	8.53	31.5	0.40	88.3
12	LG Sample	B	3853.0	1.91	53.5	0.70	82.9

Assumptions have been utilised for EM and XRT ore sorting. The methodology used has been to assume a fixed mass recovery and reject grade for EM and XRT ore sorting. These assumptions are tabled below:



**TABLE 5-6 DFS ORE SORTING ASSUMPTIONS**

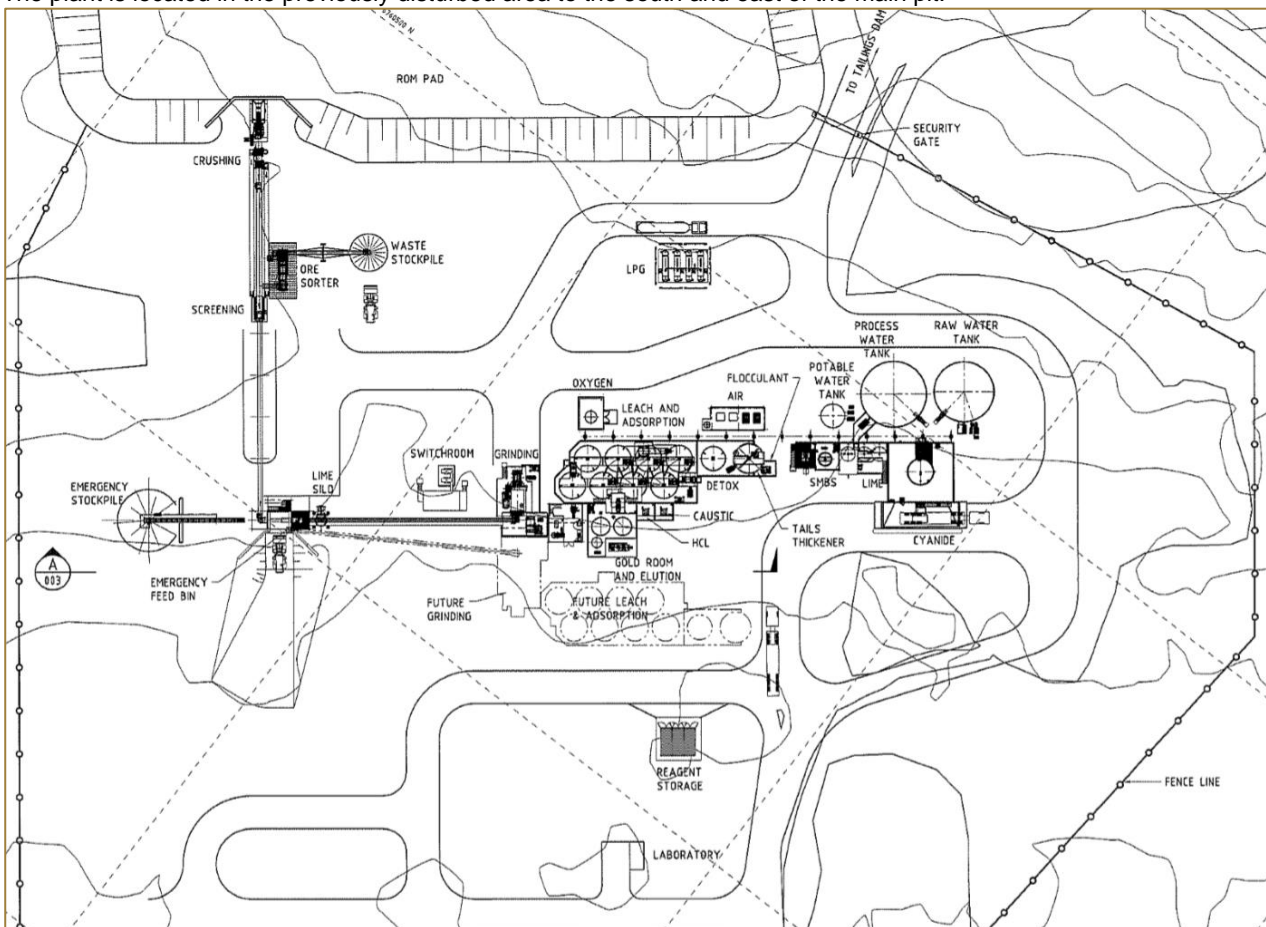
Sensing Technology	Grade Bin (g/t)	Mass Recovery (%)	Reject Grade (g/t)	Au Recovery (%)
XRT	Bin > 8.0 g/t	50	2.00	90.4
XRT	4.0 g/t < Bin < 8.0 g/t	50	1.50	86.9
XRT	Bin < 4.0 g/t	40	0.50	87.0
EM	Bin < 2.0 g/t	65	0.25	94.7

The effect of the ore sorter is to upgrade the ore mined from 2.1mt at 4.2g/t Au to 1.2Mt at 6.9g/t Au at an ore sorter recovery of 95.3%. The material is processed through a conventional CIL process plant at a recovery of 94.5% for an overall processing recovery of 90.0%.

The use of the EM sensor technology to conduct a “scavenger” treatment, significantly de-risks the ore sorting technology (as a significant material re-handle is included in the financial cost modelling) if the XRT treatment does produce a reject grade that can be economically retreated, conversely this presents an opportunity to remove significant costs if the XRT treatment produces a reject grade lower than that assumed.

### 5.3 PLANT LAYOUT

The plant is located in the previously disturbed area to the south and east of the main pit.


**FIGURE 5-3 PLANT LAYOUT**

## 5.4 TAILINGS STORAGE FACILITY

EganStreet engaged Knight Piésold Pty Ltd (KP) to carry out the Feasibility Study of the Storage Facility (TSF) for the Rothsay Gold Project. Rothsay has a previously constructed tailings storage facility (TSF). A recent survey of the area has shown that the remaining capacity will meet the Detailed Feasibility Study Life of Mine. The DFS design involves 2 stages of downstream embankment construction and 3 stages of upstream embankment construction.

The proposed TSF will contain the waste stream from the proposed processing plant. The tailings product is a sandy silt and has a particle size of approximately 80% passing 106µm.

Design criteria:

- > Throughput: 200ktpa
- > Life of Mine: 5 years and 1Mt of tailings (expandable to 2Mt)
- > Percent Solids: 55-60% solids
- > Catchment area: 16.5 Ha

The TSF will consist of a single cell configuration with a total footprint area of approximately 12 Ha. A nominal cut-off trench will be located beneath the entire length of the main embankment however bedrock is near surface on natural ground. The design incorporates a toe drain underdrainage system at the embankment upstream toe. The underdrainage system flows by gravity to a collection tower at the lowest elevation point in the facility. Supernatant water and rainfall runoff will be removed from the TSF by a pump located in a decant tower situated on the northwest valley of the facility. Water recovered from the decant system will be pumped back to the plant for re-use.

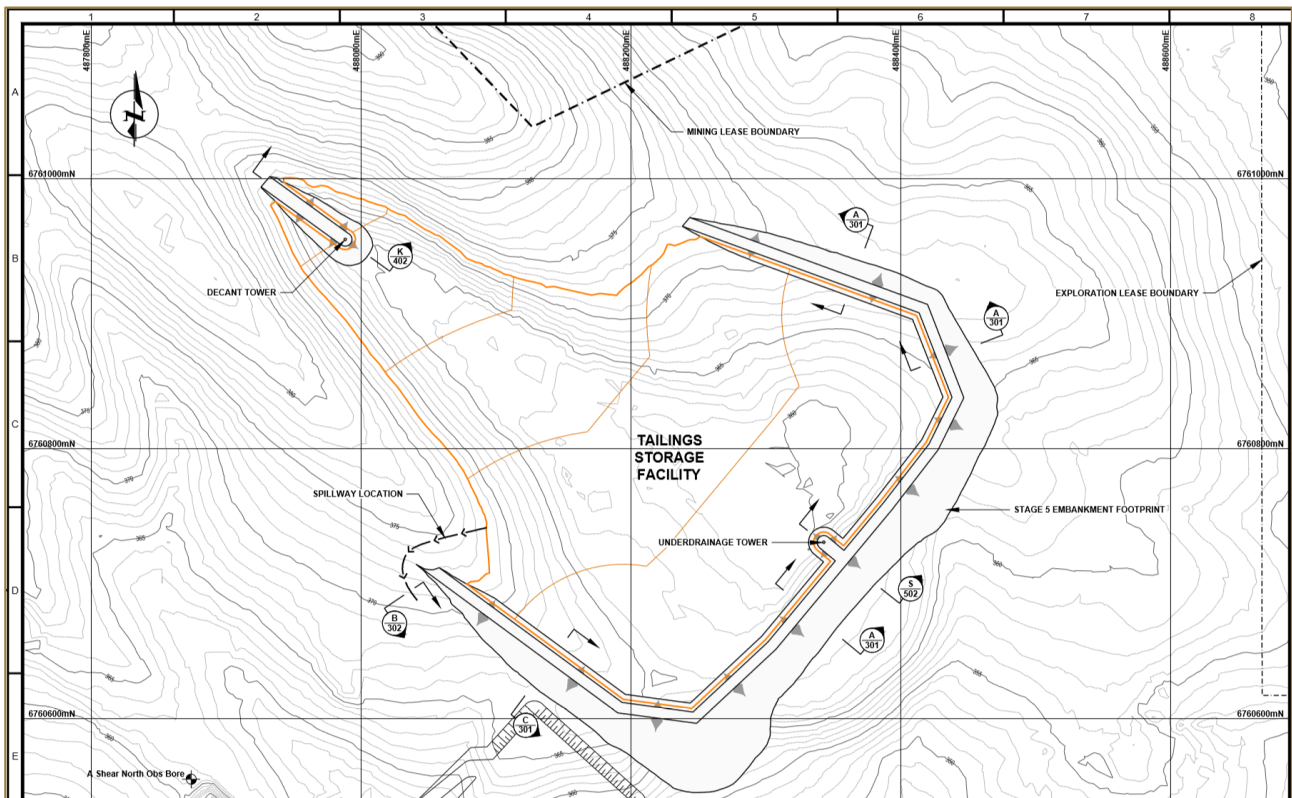


FIGURE 5-4 TSF GENERAL ARRANGEMENT STAGE 5 (FINAL)

## 6. SITE PERSONNEL

A detailed estimate has been provided by an independent mining contractor for underground mining labour requirements, CPC Project Design for process plant labour requirements and an independent catering

contractor for camp facilities management. EganStreet have estimated labour requirements for technical and administrative functions.

The Rothsay Gold Project will be a combination of 14/7, 14/14, 8/6, 7/7 and 5/2-4/3 rosters. It is assumed that personnel will be employed on drive in/drive out employment arrangements. Where applicable, residents of the Perenjori Shire will be given priority for employment opportunities.

These are detailed in the table below:

**TABLE 6-1 - SITE PERSONNEL ESTIMATE**

AREA	TOTAL	DAY SHIFT	NIGHT SHIFT	ON SITE
Technical and admin	13	13		8
Contract mining	91	29	23	52
<b>Mining sub total</b>	<b>104</b>	<b>42</b>	<b>23</b>	<b>60</b>
Processing	23	8	4	12
Camp facilities management	8	5	1	6
<b>Rothsay Gold Project personnel total</b>	<b>135</b>	<b>55</b>	<b>28</b>	<b>78</b>

## 7. INFRASTRUCTURE

### 7.1 POWER GENERATION & DISTRIBUTION

Power design has been completed by CPC Project Design Pty Ltd. The DFS has utilised the industry standard method of power generation via rental of diesel powered gensets. The power station is a combination of:

- Five containerised gensets installed onto vendor supplied concrete plinths.
- LV switchroom.
- 11 kV step up transformers.
- Earthing transformer.
- Fuel storage and HV/LV fuel delivery pumps.
- Oil storage facilities.
- Cyclone mesh fencing.

This is a simple, robust, industry standard method of power generation.

Power distribution has been based on the power station being located adjacent to the process plant to minimise distribution requirements and utilise the 415V output from the gensets for reticulation to the process plant. A ring main unit is located at the mine and fed by buried cable from the process plant and the camp transformer is fed by 11kV overhead powerline.

### 7.2 OTHER SURFACE INFRASTRUCTURE

Administration, Site Office and Workshop building layouts have been prepared by Maintenance and Construction Services (MACS) to a detailed design level of study. Budget pricing for the construction was also supplied. The cost of building supply has been estimated based on available second-hand units and recent commercial transactions to determine budget pricing.

Detail designs for site accommodation have been prepared by MACS to suit a 96-person camp. Budget pricing for the construction was also supplied. The cost of building supply has been estimated based on

available second-hand units and recent commercial transactions to determine budget pricing. These designs include:

- > Location and layout
- > Permanent and temporary camps
- > Facilities
- > Accommodation numbers
- > Style of accommodation
- > Structure and features
- > Messing arrangements and facilities
- > Entertainment facilities

## 8. FINANCIALS

Assuming a gold price of A\$1,700/oz, the operation is shown to produce undiscounted pre-tax project cash-flow of \$100.2 million, which equates to a net present value of approximately A\$80.4 million at a discount rate of 5%, and an internal rate of return of 57%.

An indicative sensitivity analysis to the gold price and operating costs for key financial metrics have been included in Table 8-4.

TABLE 8-1- KEY ASSUMPTIONS

### Description

General			
Basis	Project level, pre-tax, excludes depreciation & debt financing		
Construction Period	0.5 years		
LOM	6.5 years		
Exchange Rate	A\$:US\$	1.00 : 0.75	
Gold Price	US\$1,275/oz		
Royalty Rate	Up to a max of A\$700,000 plus 2.5%		
Material in Mine Plan		Au koz	% oz
Indicated Resources	200	73%	
Inferred Resources	78	27%	
Total	278		
Ore Processed			
Plant throughput	200,000tpa		
Plant Recovery	(Exclusive of ore sorting)	94.5%	
Gold Production	250koz		

TABLE 8-2 - KEY PHYSICALS

		Total	Pre- Production	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b><i>Mining Production Physicals</i></b>									
Development Ore Mined	<i>kt</i>	<b>995</b>	47	322	301	199	126	-	-
Development Ore Grade	<i>g/t Au</i>	<b>2.5</b>	2.9	2.8	2.5	2.6	1.8	-	-
Stope Ore Mined	<i>kt</i>	<b>1,079</b>	20	271	294	282	212	-	-
Stope Ore Grade	<i>g/t Au</i>	<b>5.7</b>	4.3	6.3	5.6	5.6	5.2	-	-
<b>Total Ore Mined</b>	<i>kt</i>	<b>2,073</b>	67	592	595	481	338	-	-
<b>Mined Grade</b>	<i>g/t Au</i>	<b>4.2</b>	3.3	4.4	4.0	4.3	3.9	-	-
<b>Contained Ounces</b>	<i>koz</i>	<b>278</b>	<b>7</b>	<b>83</b>	<b>77</b>	<b>67</b>	<b>43</b>	-	-
<b><i>Processing Physicals</i></b>									
Ore Processed	<i>kt</i>	<b>1,185</b>	50	200	200	200	200	200	135
Concentrate Grade	<i>g/t Au</i>	<b>6.9</b>	4.3	9.9	8.9	8.8	7.2	3.5	2.4
Contained Ounces	<i>kt</i>	<b>265</b>	7	64	57	57	47	23	10
Recovery	<i>%</i>	<b>94.5%</b>	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%	94.5%
<b>Ounces Produced</b>	<i>koz</i>	<b>250</b>	<b>7</b>	<b>60</b>	<b>54</b>	<b>54</b>	<b>44</b>	<b>21</b>	<b>10</b>

TABLE 8-3 - KEY PROJECT METRICS

<b>Material in Mine Plan</b>	<b>Tonnage (kt)</b>	<b>Grade (g/t Au)</b>	<b>Contained Metal (Au koz)</b>
Indicated Resources	1,206	5.2	201
Inferred Resources	509	4.6	76
Unclassified Waste	357	0.0	0
<b>Total (Totals may not add due to rounding)</b>	<b>2,073</b>	<b>4.2</b>	<b>278</b>
<b>Material Processed</b>	<b>Tonnage (kt)</b>	<b>Grade (g/t Au)</b>	<b>Contained Metal (Au koz)</b>
<b>Ore Processed (Post Ore Sorter)</b>	<b>1,185</b>	<b>6.9</b>	<b>265</b>
<b>Initial Capital Costs</b>			<b>A\$m</b>
Process Plant			24.3
Non Process Infrastructure			3.0
Other Owners Costs			5.1
Contingency			3.7
<b>Total Initial Capital</b>			<b>36.1</b>
<b>Production Summary</b>			
Initial LOM		Years	6.5
<b>Gold Production</b>		Ounces	<b>250,047</b>
Average LOM Metallurgical Recovery		%	94.5
<b>Project Economics</b>			
Base Case gold price		US\$/oz	1,275
Exchange Rate		A\$:US\$	1.00 : 0.75
<b>Revenue</b>		<b>A\$m</b>	<b>413.9</b>
Cash Cost (C1)		\$/oz	941
<b>All In Sustaining Cost (AISC)</b>		<b>\$/oz</b>	<b>1,083</b>
<b>Free Cashflow</b> <small>Pre-Tax</small>		<b>A\$m</b>	<b>100.2</b>
NPV <small>5% Pre-tax</small>		A\$m	80.4
IRR <small>Pre-Tax</small>		%	57
Payback		Years	1.5

TABLE 8-4 – A\$ GOLD SENSITIVITY AND OPEX SENSITIVITY

Gold Price (A\$/oz)	FCF (A\$m)	NPV <sub>5%</sub> (A\$m)	IRR (%)	Payback (Mths)	Sensitivity	AISC (\$/t mined)	NPV <sub>5%</sub> (A\$m)	IRR (%)	Payback (Mths)
1,400	25.1	14.8	15%	43	-25%	95	138.1	92%	11
1,500	50.1	36.6	29%	28	-15%	108	115.0	78%	13
1,600	75.2	58.5	43%	24	-10%	114	103.4	71%	14
<b>1,700</b>	<b>100.2</b>	<b>80.4</b>	<b>57%</b>	<b>17</b>	<b>Base Case</b>	<b>127</b>	<b>80.4</b>	<b>57%</b>	<b>17</b>
1,800	125.2	102.2	71%	14	+10%	140	57.3	42%	24
1,900	150.2	124.1	84%	12	+15%	146	45.7	35%	26
2,000	175.2	145.9	98%	11	+25%	159	22.6	20%	33

## 8.1 CAPITAL COSTS

The initial capital cost is estimated at \$36.1 million (inclusive of contingencies of \$3.7 million). In addition, \$1.9 million has been provided for underground rehabilitation and \$10.1 million for pre-production working capital.

A breakdown of capital is as follows:

TABLE 8-5 - CAPITAL COST ESTIMATE

Description	Total Cost (A\$m)
Process Plant	24.3
Non Process Infrastructure	3.0
Other Owners Costs	5.1
Contingency	3.7
<b>Total Initial Capital</b>	<b>36.1</b>
Underground Rehabilitation	1.9
Pre-Production Working Capital	10.1
<b>Total Pre-Production Capital</b>	<b>48.1</b>

Technical studies to support the capital estimate to a ±15% accuracy were completed as follows:

- > Process Plant - CPC Project Design Pty Ltd have prepared the capital cost estimate of the construction of a new 200ktpa CIL processing plant inclusive of a dual sensor (XRT and EM) ore sorter and associated site infrastructure;
- > Non Process Infrastructure - consists of a 96 person camp complete with recreation room/wet mess, drymess & gymnasium, mine site office complex, process plant workshop, fuel facility and associated surface infrastructure. MACS have prepared estimates for installation and construction of the non process infrastructure with buildings and equipment to be sourced independently by the owner.
- > Other Owners Costs – Includes:
  - Mobile equipment, light vehicles and buses to transport staff
  - Bulk earthworks for airstrip resurfacing, camp and plant site earthworks, Stage 1 tailings storage facility construction and an evaporation pond
  - Underground mining plant and equipment including a primary vent fan, Mines rescue equipment and refuge chambers
  - Communications and IT infrastructure

- > Estimates for rehabilitation of the existing underground portal and decline were derived from various contract-mining companies who have provided indicative costings.
- > Pre-production working capital includes preproduction mining costs to deliver ore to the ROM for commissioning and all project preproduction cashflows.

The capital cost estimate for the power station has not been included in the DFS. EganStreet envisages a build-own-operate (BOO) arrangement with a power-station contractor with all capital costs and operating costs of the power station to be covered in the power supply charge.

## 8.2 PROJECT OPERATING COSTS

Operating costs are subdivided into mining, processing, site services, royalties and sustaining capital expenditure. The operating costs have been determined to a  $\pm 15\%$  level of accuracy.

Mining costs for the Project assume contract mining and were derived from quotes supplied by reputable Western Australian mining contractors and based on the mining schedule.

Processing costs were prepared by CPC Project Design Pty Ltd. The estimate includes operating costs for the process plant including labour, power, reagents and consumables, maintenance, metallurgical services, laboratory, mobile equipment and gold process plant general administration.

Site Service costs include costs for site administration, supply, safety and environment departments and have been derived from first principles.

TABLE 8-6 - OPERATING COST ESTIMATE

Opex	A\$/t mined	A\$/oz	A\$m
Mining	68	575	140
Processing	30	258	63
Site Services	13	108	26
<b>Cash Costs (C1)</b>	<b>111</b>	<b>941</b>	<b>229</b>
Royalties	5	43	10
Sustaining Capex	12	99	24
<b>AISC</b>	<b>127</b>	<b>1,083</b>	<b>264</b>

## 9. PROJECT FUNDING

The capital cost to develop the project is A\$48.1 million which includes costs for plant construction, contingencies, rehabilitation of the existing underground and pre-production working capital.

Payback occurs in less than 1.5 years at a gold price of A\$1,700/oz.

EganStreet intends to finance the project through a combination of debt and equity. EganStreet intends to take a prudent and measured approach in setting the level of debt whilst minimising shareholder dilution.

EganStreet currently holds cash of approximately \$11.5 million and intends to contribute this towards funding the equity contribution to finance the project and continuing exploration activities.

PCF Capital, a leading resources specialist, has been appointed as advisor to assist with financing the project. A formal process will commence on completion of the DFS. From preliminary discussions with potential financiers EganStreet expects to be able to attract sufficient debt on competitive terms to be able to fund the project.



## 10. POTENTIAL TIMELINE TO PRODUCTION

Responsibility for delivering the project construction and commissioning schedule in order for gold to be produced by Quarter 4, 2019 will be managed by the EganStreet owner's team. Figure 10-1 shown below lists the key milestones by activity and timeline.

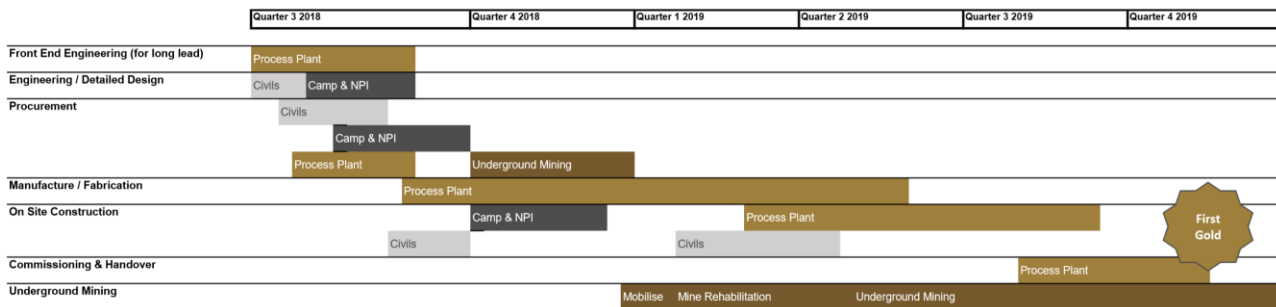


FIGURE 10-1 – POTENTIAL TIMELINE TO PRODUCTION

## 11. NEXT STEPS

As the EganStreet board has, subject to procuring acceptable terms to finance the Project, approved the Project for construction, the immediate near term milestones are:

- Procure project approvals and permitting;
- Secure requisite project funding;
- Procure contracts for Process Plant, Camp & NPI, Civils and associated infrastructure;
- Order long lead items;
- Undertake optimisation studies aimed at improving project operating cost expenditure;
- Recruit management and operational personnel;
- Maintain a regional exploration programme.

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## APPENDIX 1 COMPETENT PERSON'S STATEMENT

The information in this report that relates to the Rothsay Mineral Resource is detailed in the announcement titled "Rothsay Resource Jumps 31% to 401,000oz at 8.8g/t" lodged on 14 May 2018 which is available to view at [www.eganstreetresources.com.au](http://www.eganstreetresources.com.au) / [www.asx.com.au](http://www.asx.com.au) and is based on and fairly represents information and supporting documentation prepared by Mr Mark Zammit who is a Member of the Australian Institute of Geoscientists. Mr Zammit is a full-time employee of Cube Consulting Pty Ltd. Mr Zammit has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Zammit consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Ore Reserves for Rothsay is based on information compiled by Mr Daniel Donald. Mr Donald is an employee of Entech Pty Ltd and is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM, #210032). Mr Donald has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Donald consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

## APPENDIX 2 JORC TABLE 1

### SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code (2012) explanation	Commentary
<b>Sampling techniques</b>	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling</i>	<p>All core was orientated, logged geologically and marked up for assay at a maximum sample interval of 1.2 metres constrained by geological boundaries. Drill core is cut in half by a diamond saw and half NQ core samples submitted for assay analysis. Samples taken in the HQ core were halved and the halved again, so a quarter core sample was taken where the sample length was over 0.5m. All diamond core is stored in industry standard core trays labelled with the drill hole ID and core interval.</p> <p>RC samples are collected at 1m intervals via a cyclone and splitter system and logged geologically. A four-and-a-half-inch RC hammer bit was used ensuring plus 20kg of sample collected per metre.</p>
	<i>Include reference to measures taken to ensure sample representation and the appropriate calibration of any measurement tools or systems used.</i>	<p>Sampling was carried out under EganStreet's protocols and QAQC procedures as per industry best practice. See further details below. There is a lack of detailed information available pertaining to QAQC practices prior to 2012.</p>
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	<p>The project has been sampled using industry standard diamond drilling techniques. Diamond (DDH) drilling at Rothsay used HQ and NQ2 sizes. Down hole surveying has been undertaken using single shot cameras whilst drilling and gyroscopic instrumentation once hole completed.</p> <p><i>Historical Drilling:</i></p> <p>Several generations of drilling have been undertaken and historic data gathered by a number of owners since the 1980s. There is a lack of detailed information available pertaining to the equipment used, sample techniques, sample sizes, sample preparation and assaying methods used to generate these data sets. Down hole surveying of the drilling where documented has been undertaken using Eastman single shot cameras (in some of the historic drilling) and magnetic multi-shot tools and gyroscopic instrumentation (ARL). The Rothsay data set contains diamond core samples that are selectively collected according to geological boundaries and sample lengths vary between 0.1-1.2m.</p>
<b>Drilling techniques</b>	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	<p>Diamond drilling was used to test the Rothsay deposit. DDH holes were cored from surface using either rock roll methods, PQ or HQ. This was changed to NQ2 when ground conditions were competent. The rock roll and PQ portions of the drill hole were not collected or sampled. RC Drilling was completed using a face sampling hammer reverse circulation technique with a 4.5-inch bit.</p> <p><i>Historical Drilling:</i></p> <p>Majority of this drilling is DD (194 holes) and RC (189 holes). A number of the historical DD holes have been used to produce multiple mineralised intersections using diamond wedge techniques. Diamond core is not orientated. The age of the RC drilling late 1980s to 2009 suggests that it would be face sampling hammer technique, however this is not documented in the database. Additionally, the database contains 314 percussion holes PER (MRP prefixed) presumed to be open hole hammer type drilled by Metana in the early 1990s and 181 rotary air blast RAB holes (RR, RRAB and RRB prefixed) drilled by Hunter Exploration in the late</p>

Criteria	JORC Code (2012) explanation	Commentary
		1990s.
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed</i>	<i>Diamond core recoveries were recorded as a percentage of the measured core vs the drilling interval. Core loss locations were recorded on core blocks by the drilling crew. Diamond core was reconstructed into continuous runs where possible and metres checked against the depth as recorded on core blocks by the drilling crew.</i>
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<i>DDH drilling collects uncontaminated fresh core samples which are cleaned at the drill site to remove drilling fluids and cuttings to present clean core for logging and sampling. RC: RC face-sample bits and dust suppression were used to minimise sample loss. Drilling airlifted the water column above the bottom of the hole to ensure dry sampling. RC samples are collected through a cyclone and cone splitter, the rejects deposited in a plastic bag, and the samples for the lab collected to a total mass optimised to ensure full sample pulverisation (2.5 to 4 kg).</i>
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<p><i>There is no significant loss of material reported in any of the DDH core</i></p> <p><i>Definitive studies on RC recovery at Rothsay have not been undertaken systematically, however the combined weight of the sample reject and the sample collected indicated recoveries in the high nineties percentage range.</i></p> <p><i>RC face-sample bits and dust suppression were used to minimise sample loss. Drilling airlifted the water column above the bottom of the hole to ensure dry sampling. RC samples are collected through a cyclone and cone splitter, the rejects deposited in a plastic bag, and the samples for the lab collected to a total mass optimised to ensure full sample pulverisation (2.5 to 4 kg).</i></p> <p><i>No assessment has been made of the relationship between recovery and grade. Except for the top of the hole, while collaring there is no evidence of excessive loss of material and at this stage no information is available regarding possible bias due to sample loss.</i></p>
<b>Logging</b>	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	<i>Diamond drill core was geologically logged for the total length of the hole using a graphic logging method. All core was photographed, and images are stored in the company database. Logging routinely recorded, RQD, weathering, lithology, mineralogy, mineralisation, structure, alteration and veining. Logs were coded using the company geological coding legend and entered to company database.</i>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	<i>All core was photographed in the cores trays, with individual photographs taken of each tray both dry, and wet, and photos uploaded to the EganStreet Server.</i>
	<i>The total length and percentage of the relevant intersections logged</i>	<p><i>All DDH holes were logged in full.</i></p> <p><i>All chips were geologically logged by company or contracted geologists, using EganStreet current company logging scheme.</i></p> <p><i>The logging is qualitative in nature, describing oxidation state, grain size, an assignment of lithology code and stratigraphy code by geological interval.</i></p> <p><i>RC: Logging of RC chips records lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. All samples are wet-sieved and stored in a chip tray. All chip trays were photographed by hole and photos uploaded to the Egan Street Server.</i></p> <p><i>All RC holes were logged in full</i></p>
<b>Sub-sampling techniques and sample</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<i>Core samples were cut in half using an Almonte diamond saw. Half core samples were collected for assay, and the remaining half core samples stored in the core trays.</i>

Criteria	JORC Code (2012) explanation	Commentary
<b>preparation</b>		Some HQ samples were quarter cored.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	<p>Diamond holes only were drilled, however where the rock roll or PQ was used for pre-collars these were discarded and not sampled.</p> <p>Historical Drilling:</p> <p>No documentation of the sampling of RC chips is available for the Metana or Hunter Exploration drilling. 2012 RC drilling collected 1 metre RC drill samples that were channelled through a rotary cone-splitter, installed directly below a rig mounted cyclone, and an average 2-3 kg sample is collected in pre-numbered calico bags, and positioned on top of the plastic bag. All samples were dry.</p>
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples were prepared at the MinAnalytical Laboratory in Perth. Samples were dried, and the whole sample pulverised to 80% passing 75um, and a sub-sample of approx. 200 g retained. A nominal 50 g was used for the gold analysis. The procedure is industry standard for this type of sample.
	Quality control procedures adopted for all sub-sampling stages to maximise representation of samples.	Diamond core was sawn with a diamond saw and half core samples taken for assay. At the laboratory, regular Repeats and Lab Check samples are assayed.
	Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	The sampling techniques for collection of the sample to be submitted to the assay facility for diamond drilling are of consistent quality and appropriate. During drilling and sampling operations, EganStreet had on site, technically competent supervision and procedures in place to ensure sample preparation integrity and quality. No field duplicates were taken for diamond drilled samples.
<b>Quality of</b>	Whether sample sizes are appropriate to the grain size of the material being sampled.	<p>No documentation of the sampling of RC chips is available for the Metana or Hunter Exploration drilling. Recent RC drilling collects 1 metre RC drill samples that are channelled through a rotary cone-splitter, installed directly below a rig mounted cyclone, and an average 2-3 kg sample is collected in pre-numbered calico bags, and positioned on top of the plastic bag. All samples were dry.</p> <p>Unable to comment with any certainty on the quality control procedures for sub-sampling for the pre-2012 drilling. Post 2012 samples were prepared at the Genalysis or MinAnalytical Laboratories in Perth. Samples were dried, and the whole sample pulverised to 80% passing 75um, and a sub-sample of approx. 200 g retained. A nominal 50 g was used for the gold analysis. The procedure is industry standard for this type of sample.</p> <p>Unable to comment with any certainty on the quality control procedures for sub-sampling for the pre-2012 drilling. No sub-sampling. At the laboratory, regular Repeats and Lab Check samples are assayed.</p> <p>RC: 1 metre RC samples are split on the rig using a cone-splitter, mounted directly under the cyclone. Samples are collected to weigh less than 3kg to ensure total preparation at the pulverisation stage.</p> <p>Are unable to comment on the appropriateness of sample sizes to grain size on pre-2012 data as no petrographic studies have been undertaken. Sample sizes are considered appropriate to give an indication of mineralisation given the particle size and the preference to keep the sample weight below a targeted 3kg mass which is the optimal weight to ensure requisite grind size in the LM5 sample mills used by the relevant Laboratories in sample preparation</p>
	The nature, quality and appropriateness of the	The sample sizes are considered appropriate for the

Criteria	JORC Code (2012) explanation	Commentary
<b>assay data and laboratory tests</b>	assaying and laboratory procedures used and whether the technique is considered partial or total.	diamond core and RC sampling.  Samples were analysed at the MinAnalytical Laboratory in Perth. The analytical method used was a 50 g Fire Assay for gold only and a Four Acid Digest Multi Element (34 element) assay on all Shear samples. This is considered appropriate for the material and mineralisation.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	N/A
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Data quality for EganStreet diamond and RC drill holes are good and conform to normal industry practices. Protocol for Diamond and RC DH programmes is for Field Standards (Certified Reference Materials) and Blanks inserted at a rate of 5 Standards or Blanks per 100 samples.  Results of the Field and Lab QAQC are checked on assay receipt using QAQCR software. All assays passed QAQC protocols, showing no levels of contamination or sample bias.  No assay data was adjusted. The lab's primary Au field is the one used for plotting and resource purposes. No averaging is employed.
<b>Verification of sampling and assaying</b>	The verification of significant intersections by either independent or alternative company personnel.	Significant results were checked by the Egan Street Geology Manager and Executive Directors
	The use of twinned holes.	Twin holes were not employed during this part of the programme.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All field logging is carried out on Toughbooks using excel templates. Logging data is submitted electronically to a Database Geologist in the Perth office. Assay files are received electronically from the Laboratory. All data is now stored in a Datashed database system and maintained by Maxwell Geoscience.  Pre-2012 Data management and verification protocols are undocumented
	Discuss any adjustment to assay data.	No assay data was adjusted. The lab's primary Au field is the one used for plotting and resource purposes. No averaging is employed.
<b>Location of data points</b>	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	A total of 50 historical and SLR drill hole collars have been resurveyed and locations have been verified by ARL for the 2013 MRE by Sulaiman. The post 2010 drill hole collar locations were picked up by a qualified surveyor using DGPS (differential). For set-up the rig is aligned by surveyed marker pegs and compass check, and the drill rig mast is set up using a clinometer. Drillers use an electronic single-shot camera to take dip and azimuth readings inside the stainless-steel rods, at 30m intervals and a 5- 10m interval Gyro survey is conducted once the hole is drilled to depth. Drill hole collar locations were picked up by a qualified surveyor using DGPS (differential).
	Specification of the grid system used.	Grid projection is GDA94, Zone 50. A Local Grid(RMG88) is used using a two-point transformation and 43.2886 degree rotation.
	Quality and adequacy of topographic control.	Detailed surface control has been established by photogrammetry

Criteria	JORC Code (2012) explanation	Commentary
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	<i>Primary: approximately 25m - 50 m on section by 25m - 50 m along strike.</i>
	<i>Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	<i>Drill spacing is approximately 25m (along strike) by 20m (on section) at shallow depths and from 50m by 50m to 100m x 100m at depth. This is considered adequate to establish both geological and grade continuity.  Existing mine extents provide increased confidence in the geological continuity of the main mineralised structures. The orientation of the drill holes is approximately perpendicular to the strike and dip of the targeted mineralisation and observed shearing.</i>
<b>Orientation of data in relation to geological structure</b>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<i>The orientation of the drill holes is approximately perpendicular to the strike and dip of the targeted mineralisation and observed shearing.</i>
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<i>The orientation of the drill holes is approximately perpendicular to the strike and dip of the targeted mineralisation and contacts. No significant sampling bias has been introduced.</i>
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	<i>DDH drilling pre-numbered calico sample bags were collected in polywoven bags (four to five calico bags per single polywoven bag), sealed, and transported by company transport or Mining Services to the MinAnalytical Laboratory in Perth.</i>
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<i>Sampling and assaying techniques are industry-standard. No specific audits or reviews have been undertaken at this stage in the programme.</i>

## SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code (2012) explanation	Commentary																																			
<b>Mineral tenement and land tenure status</b>	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	<p>The drilling occurred within tenements M59/39 and M59/40, which are fully owned by Auricup (Rothsay) Pty Ltd which is a 100% owned subsidiary of Egan Street Resources Ltd. The Rothsay Townsite is located within the Mining tenements.</p> <table border="1"> <thead> <tr> <th>Tenement ID</th> <th>Area km2</th> <th>Status</th> <th>Holder</th> <th>Grant Date</th> </tr> </thead> <tbody> <tr> <td>M59/39</td> <td>7.10</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>4/12/1986</td> </tr> <tr> <td>M59/40</td> <td>3.81</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>4/12/1986</td> </tr> <tr> <td>E59/2183</td> <td>40.75</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>24/02/2017</td> </tr> <tr> <td>L59/24</td> <td>0.068</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>22/08/1989</td> </tr> <tr> <td>E59/1234</td> <td>1.64</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>29/01/2007</td> </tr> <tr> <td>E59/2254</td> <td>2.99</td> <td>Live</td> <td>Auricup (Rothsay) Pty Ltd</td> <td>27/12/2017</td> </tr> </tbody> </table> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</p> <p>The tenements are in good standing with the Western Australian Department of Mines and Petroleum.</p>	Tenement ID	Area km2	Status	Holder	Grant Date	M59/39	7.10	Live	Auricup (Rothsay) Pty Ltd	4/12/1986	M59/40	3.81	Live	Auricup (Rothsay) Pty Ltd	4/12/1986	E59/2183	40.75	Live	Auricup (Rothsay) Pty Ltd	24/02/2017	L59/24	0.068	Live	Auricup (Rothsay) Pty Ltd	22/08/1989	E59/1234	1.64	Live	Auricup (Rothsay) Pty Ltd	29/01/2007	E59/2254	2.99	Live	Auricup (Rothsay) Pty Ltd	27/12/2017
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<b>Exploration done by other parties</b>	Acknowledgment and appraisal of exploration by other parties.	<p>Numerous companies have previously explored the area. Gold was discovered by George Woodley in 1894 and a number of parties have explored and mined the area since then. In more recent times, Metana Minerals NL in joint venture with GENMIN mined and conducted drilling activities the area from January 1989 until 1991. Hunter Exploration entered into a joint venture with Central West Gold in 1997 and completed a detailed geological mapping programme, rock chip sampling, lag sampling, RC and RAB drilling. The drilling successfully extended the strike length of the mineralisation along the A Shear (renamed Woodley's Shear in 2017) by 250m to the south of the previously identified significant gold mineralisation (Tanner, 1997).</p> <p>In March 2000, Thundelarra entered into a joint venture agreement with the tenement holders, Central West Gold. In 2001-2002, Thundelarra and its joint venture partners Menzies Gold Ltd drilled 9 RC and 4 Diamond tails. In 2002-2003 United Gold (which subsequently became Royal Resources) acquired Thundelarra's 70% equity in the Project and completed further exploration activities and a mineral resource on the tenements.</p> <p>In November 2007 Silver Lake Resources listed on the Australian Stock Exchange and became the 100% owner of the Rothsay Gold Project. Silver Lake conducted an airborne EM programme targeting base metal sulphides. During 2008-2009 Silver Lake Resources completed site reconnaissance which included the re-establishment of the local grid, 4 Diamond holes and completion of an aerial topographical survey over the Project area. Auricup</p>																																			



Criteria	JORC Code (2012) explanation	Commentary
		<p>Resources Limited drilled nine diamond core holes (RYDD001 to RYDD009) during March 2012 targeting the A Shear (renamed Woodley's Shear) approximately 50 to 100m down dip and along strike from the existing mine workings. The most recent exploration undertaken by Auricup has included limited rock chip samples from the low-grade stockpiles and from the upper levels of the underground mine and a review of more recent Airborne survey data collected by the Geological Survey of Western Australia ("GSWA"). In addition, work was completed compiling and digitising historical mine and exploration records.</p>
<b>Geology</b>	<p>Deposit type, geological setting and style of mineralisation.</p>	<p>The Rothsay Gold Project is located 300 km N-NE of Perth and 70 km East of the wheat belt town of Perenjori. Gold was discovered at the Rothsay Gold Project in 1894 and has been partially exploited by shallow open-pits and underground mining techniques returning consistently high-grade ore (+10g/t Au). Historic gold production totals an estimated 50,000oz and the project was last mined by Metana Minerals NL who ceased production in May 1991 after the gold price fell below US\$360/oz. Extensive underground development infrastructure from historical workings is in reasonable condition. The Rothsay Gold Mine is located within the Warriedar Greenstone gold belt, an Archaean sequence of mafic, ultra-mafic, meta-volcanic and sedimentary rocks folded in an anticlinal structure which plunges and strikes to the north-northwest with steeply dipping limbs. The western limb contains smaller scale anticlinal and synclinal folds and hosts the Rothsay and Mt Mulgine mineralisation. Fields Find occurs on the eastern limb of the structure, which is truncated by a major post-tectonic granitoid intrusion to the south. The truncated southern portion of the sequence forms the Ningham-Retaliation fold belt in the extreme south.</p> <p>The deposit is hosted in three discrete areas and within five individual shear zones. Woodley's Shear (formerly A Shear) and Woodley's East and associated HW shears (formerly H Shear) occur in to the east. Orient Shear (formerly B Shear) and Clyde and Clyde East Shears (formerly C and D Shears) occur in a second area further west and Miners Shear (formerly E Shear) occurs as an isolated shear in the north west. The Woodley Shear is located at the contact between serpentinitised peridotite and a porphyritic pyroxenite. The serpentinite forms the hanging wall unit. A sequence of mafic volcanic and sub-volcanic sills forms the hanging wall to the serpentinite. The Woodley's Shear is characterised by several generations of quartz veining with adjacent random tremolite alteration. The early quartz phase is typically blue-black due to the partial replacement of alumina by chromium oxide. The shear zone is typically two to five metres thick and mineralisation does not typically occur outside the shear zone. The main gold mineralisation is associated with shear-hosted quartz veins of blue and white quartz of up to 3m thickness the footwall poMD is relatively unaltered, while the hanging wall is strongly foliated and was subjected to intense tremolite alteration (SERP). Aeromagnetic surveys and geological mapping suggest that the ultramafic host rocks are truncated by granite that is mostly covered by lateritic duricrust.</p>
<b>Drill hole Information</b>	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>eastings and northing of the drill hole collar</li> </ul>	<p>Refer to Figures in previous release for relevant tables.</p>

Criteria	JORC Code (2012) explanation	Commentary
	<ul style="list-style-type: none"> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length</li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	
<b>Data aggregation methods</b>	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <hr/> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p>	<p>Grades are reported as down-hole length-weighted averages of grades selected using geological and grade continuity criteria. Considerations included continuity of thickness, dip and strike, association with lithology and geological logging (weathering, lithology, structure, alteration, sulphides, veining), internal dilution (~1 to 2 m) and an approximated 0.5 to 1.0 g/t Au cut-off. No top cuts have been applied to the reporting of the assay results</p> <hr/> <p>Higher grade intervals are included in the reported grade intervals, individual assays &gt; 5.0 g/t Au have been reported for each intersection.</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<p>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</p>	<p>Mineralised shear zones are north-northwest striking and steep to moderate east dipping. The general drill direction of -60degrees to 270 (local Grid) is approximately perpendicular to the shear zones and a suitable drilling direction to avoid directional biases. As a result, reported intersections approximate, but are not, true width.</p>
<b>Diagrams</b>	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	<p>Refer to Figures in previous release for relevant plans.</p>
<b>Balanced reporting</b>	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	<p>All intersections reporting to the geological interpretation of the Woodley and Woodley East Shears have been reported.</p>
<b>Other substantive exploration data</b>	<p>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</p>	
<b>Further work</b>	<p>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	<p>Further RC and diamond drilling is planned to infill and test strike extents to the north and south of the prospect.</p> <p>Geological interpretation and modelling is ongoing.</p>



## SECTION 3 ESTIMATING AND REPORTING OF MINERAL RESOURCES

Criteria	JORC Code (2012) explanation	Commentary
<b>Database integrity.</b>	<p>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</p>	<p>The author has not undertaken an independent data verification of the data supplied in the databases pertaining to this project.</p> <p>The data compilation has been undertaken by independent consultants to the company and company employees and Cube accepts that the work was diligently undertaken and does not represent a material risk to the project.</p>
	<p>Data validation procedures used</p>	<p>Validation checks by Cube included the following work:</p> <p>Sample data exceeding the recorded depth of hole;</p> <p>Checking for sample overlaps;</p> <p>Reporting missing assay intervals;</p> <p>Visual validation of co-ordinates of collar drill holes;</p> <p>Visual validation of downhole survey data.</p> <p>No material issues were identified by Cube.</p> <p>Database is found to be good and with no significant errors due to data corruption and transcription have been found.</p>
<b>Site Visits</b>	<p>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</p> <p>If no site visits have been undertaken indicate why this is the case.</p>	<p>Mr Mark Zammit Principal Geologist at Cube Consulting Pty Ltd undertook a site visit to the Rothsay Project for one day on the 24th May 2016.</p>
<b>Geological interpretation</b>	<p>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</p> <p>Nature of the data used and of any assumptions made.</p> <p>The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation.</p> <p>The use of geology in guiding and controlling Mineral Resource estimation.</p> <p>The factors affecting continuity both of grade and geology.</p>	<p>The Woodley's Shear of Rothsay deposit has been mined through open pit and underground methods. Interpreted extensions of mineralised lodes have been substantially established through production history and available mapping information.</p> <p>While the current knowledge is enough to guide and control estimation factors, continuous review and understanding of lithological, geochemical and structural controls are required to further increase the degree of precision and accuracy of the geological interpretation.</p> <p>Cube has assumed the mineralisation is contained predominantly within quartz lodes within shear zones. This is supported by pit and underground development mapping and recent drilling completed by EganStreet.</p> <p>The mineralised volume is primarily based on the logged geological description identifying quartz veining and/or shearing.</p>
<b>Dimensions</b>	<p>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</p>	<p>The Rothsay resource area extends over a strike length of 2.0km (from 39,250mN – 41,250mN), a width of 750m (9500mE-10250mE) and 450m vertically from surface (1350mRL to 900mRL).</p>
<b>Estimation and modelling techniques.</b>	<p>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters, maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</p> <p>The availability of check estimates, previous estimates and/or mine production records and whether the MRE</p>	<p>The key assumption of the Mineral Resource Estimate (MRE) is that the economic gold content is contained within narrow quartz lodes within variably mineralised shear zones. The primary estimation domain is the geological wireframe of quartz veins and shear zone within the Woodley Shear zone and additional quartz vein and/or ore shear zone domains.</p> <p>A 2D estimation approach using Ordinary Kriging was used to estimate block gold grades at Rothsay.</p> <p>The 2D parent estimation block dimensions used in the model were 25 m NS, 1m EW, and 25m vertical. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing in the deposit, future mining</p>

	<p>takes appropriate account of such data.</p> <p>The assumptions made regarding recovery of by-products.</p> <p>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units.</p> <p>Any assumptions about correlation between variables.</p> <p>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</p>	<p>considerations and width of mineralized Woodley's (A) shear vein. Block discretisation points were set to 5(Y) x 5(X) x 1(Z) points. The final 3D block dimensions used for volume definition were 3.125 m NS, 0.25m EW, and 1.5625m vertical</p> <p>Maximum extrapolation distance of 300m was applied to data points within a two-pass search strategy. Pass one used a maximum of 150m.</p> <p>Samples data have been composited across each vein interval based on logged geology in the first instance and stratigraphic down dip position of elevated grade in the absence of geological logging.</p> <p>Various top cuts were applied to intercept composite data to limit the influence of outlier accumulation values.</p> <p>Check estimates using Inverse Distance methods are comparable. Comparisons are made to historic production figures; and comparisons are made to the previous MRE completed in December 2017. No assumptions have been made regarding gold recovery.</p> <p>No other estimation of other elements was undertaken.</p> <p>Validation of the model included detailed statistical and visual comparison of composite grades and block grades by northing and elevation with informing data.</p>
<b>Moisture</b>	<p>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</p>	<p>Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.</p>
<b>Cut-off parameters.</b>	<p>The basis of the adopted cut-off grade(s) or quality parameters applied.</p>	<p>The Mineral Resource has been reported at plus 2.5g/t Au cut-off. This is assumed as a suitable economic cut-off grade for underground mining based on conceptual evaluations and consideration of comparable deposits.</p>
<b>Mining factors or assumptions.</b>	<p>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</p>	<p>Cube has assumed that the deposit could potentially be mined using medium to small scale underground techniques. No dilution factor has been applied to this resource model.</p> <p>The MRE extends to a depth of 450m below surface which is not considered un-reasonable for an underground mining method.</p>
<b>Metallurgical factors or assumptions.</b>	<p>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</p>	<p>Previous test work relating to the Rothsay Gold Project was completed from July to September 2002 by B G Harris Consulting Geologist for Thundelarra and its joint venture partners Menzies Gold Ltd. This included drilled 9 RC holes, 5 of which had HQ diamond tails and intersected mineralized zones at approximately 130m vertical depth over a 400 strike. Two representative bulk samples totally approximately 23kg and representing 25m mineralized intersection were submitted for metallurgical studies.</p> <p>These limited drilling intersections suggested that high gold content was general associated with the presence of visible chalcopyrite.</p> <p>The more recent metallurgical test work relating to the Rothsay Gold Project reported in May 2017 consisted of 27 diamond drill hole core samples comprising a total of 109kg of core and representing four zones within the Woodley's Shear Mineral Resource inventory. The four zones were established geographically to provide a representation of the metallurgical</p>

		<p>performance.</p> <p>Results from this programme combined with historical metallurgical testing in 2002 resulted in total recoveries greater than 95% and suggested that the Rothsay mineralisation responds well to conventional cyanidation and gravity treatment.</p>
<b>Environmental factors or assumptions</b>	<p>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</p>	<p>No assumptions have been made in regard to possible waste and process residue disposal options or the potential environmental impacts of the mining and processing operation.</p> <p>However, the project is the site of historic mining activity, located +within an existing mineral field.</p>
<b>Bulk density.</b>	<p>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</p> <p>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</p> <p>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</p>	<p>A total of 309 bulk density measurements have been completed by Egan Street and Auricup Resources Limited from diamond drilling core completed since 2012.</p> <p>The density determinations have been measured using traditional achimedeian methodology of weighing dried core in and out of water.</p> <p>No voids within the mineralised zones have been observed.</p> <p>The final bulk density assignment was based on the measured data and assigned according to the oxidation state and lithology.</p>
<b>Classification.</b>	<p>The basis for the classification of the Mineral Resources into varying confidence categories.</p> <p>Whether appropriate account has been taken of all relevant factors. i.e. relative confidence in tonnage/grade computations, confidence in continuity of geology and metal values, quality, quantity and distribution of the data.</p> <p>Whether the result appropriately reflects the Competent Person(s)' view of the deposit.</p>	<p>This resource model has been classified as Indicated and Inferred Mineral Resources; The Rothsay Gold Project has been subject to mining since 1898 and historical workings demonstrate grade and geological continuity. While data quality control is lacking for the majority of historic drilling used, a moderate amount of well controlled and industry standard recent drilling and re-sampling provides some validation of the information to support the estimation and classification of a Mineral Resource.</p> <p>Indicated Mineral Resources are restricted only to the Woodleys and Woodleys East Shear domains and include blocks with an average distance 55m from estimating data and 12 informing data points. Inferred Mineral Resources were classified as blocks within an average distance 75m from estimating data and less than 12 informing data points. The remnant stopes and pillars contained within the mined area have been classified as Inferred.</p> <p>The result of Cubes work appropriately reflects the Competent Persons view of the deposit.</p>
<b>Audits or reviews.</b>	<p>The results of any audits or reviews of MREs.</p>	<p>Internal audits and peer review have been completed by Cube which verified the technical inputs, methodology, parameters and results of the estimate.</p>
<b>Discussion of relative accuracy/confidence</b>	<p>Where appropriate a statement of the relative accuracy and/or confidence in the MRE using an approach or procedure deemed appropriate by the Competent Person. For example, the application of</p>	<p>Cube's opinion is that reported Indicated resource should be treated with due care as the accuracy and precision of the assay determinations in the historic data used are unknown and only partially validated.</p>

*statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.*

*The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages or volumes, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*

*These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*

*Historical open cut and underground mining activities for 100 years and the continuous geological nature of Woodley's Shear is in the Cube's opinion sufficient to support the classification of Indicated Mineral Resources to be applied to portions of the Rothsay Resource Model.*

*The risk implied by the classification of Inferred Mineral Resources appropriately reflects the uncertainty of volume, tonnes and grade for all other quartz vein lodes modelled.*

*No statistical or geostatistical procedures have been used to quantify the relative accuracy of this MRE, however historic reporting suggests that a total of 50,000oz gold have been won from the existing underground workings. The MRE reports 48,200oz gold within the mined drives and stopes.*

**SECTION 4 ESTIMATING AND REPORTING OF ORE RESERVES**

Criteria	JORC Code (2012) explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<p>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</p> <p>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</p>	<p>The May 2018 Mineral Resource estimate for the Rothsay deposit is reported as follows;</p> <ul style="list-style-type: none"> <li>Indicated 0.82Mt at 9.3g/t Au</li> <li>Inferred 0.60Mt at 8.0g/t Au</li> <li>Ind + Inf 1.42Mt at 8.8g/t Au</li> </ul> <p>The Resource estimate complies with the recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared in 2012 by the Joint Ore Reserves Committee (JORC)</p> <p>The Mineral Resource estimates reported for the Rothsay Deposit are inclusive of the Ore Reserves.</p> <p>The May 2018 Mineral Resource Estimate and associated JORC Table 1 Sections 1 to 3 are contained within ASX announcement "ROTHSAY RESOURCE JUMPS 31% to 401,000oz at 8.8g/t" dated 14<sup>th</sup> May 2018</p>
Site visits	<p>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</p> <p>If no site visits have been undertaken indicate why this is the case.</p>	<p>Mr Daniel Donald, of mining consultants Entech Pty Ltd, is a Member of the Australian Institute of Mining and Metallurgy and is the Competent Person. Mr Donald conducted a site visit in June 2018, which included inspection of the safely accessible underground workings.</p>
Study status	<p>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</p> <p>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</p>	<p>The Ore Reserve estimate is the result of a Definitive Feasibility Study (DFS) completed by EganStreet Resources Ltd and independent consultants.</p> <p>The DFS has considered material Modifying Factors and has determined the mine plan to be technically achievable and economically viable at the time of reporting. The mine plan involves the application of conventional mining methods and technologies widely utilised in the Western Australian Goldfields.</p> <p>External Consultants contributing to the DFS include:</p> <ul style="list-style-type: none"> <li>Entech Pty Ltd – Technical oversight, mining cost estimation, mine ventilation modelling</li> <li>CPC Pty Ltd – Processing, Surface infrastructure cost estimation</li> <li>Rockwater Pty Ltd – Hydrogeology &amp; water balance</li> <li>Knight Piesold Pty Ltd – Surface Hydrology, Tailings Storage Facility design and cost estimation</li> <li>Maksena Pty Ltd – mine design &amp; scheduling</li> <li>Turner Geotechnical Pty Ltd – Geotechnical analysis &amp; guidance</li> <li>Cube Consulting Pty Ltd – Mineral Resource Estimation</li> <li>Maintenance and Construction Services Australia Pty Ltd (MACS) – Non Process Infrastructure</li> </ul>
	<p>The basis of the cut-off grade(s) or quality parameters applied.</p>	<p>Cut-off grade parameters were determined based on the independent analysis, up to date quotations from reputable companies/contractors, and corporate guidance.</p> <p>Cut-off grade factors based on independent analysis and</p>



Criteria	JORC Code (2012) explanation	Commentary
		corporate guidance included: <ul style="list-style-type: none"> <li>- Gold Price</li> <li>- Exchange Rate</li> <li>- Royalties</li> </ul> Cut-off grade factors based on independent analysis included: <ul style="list-style-type: none"> <li>- Process Recovery</li> <li>- Processing Costs</li> <li>- General and Administration Costs</li> </ul> Cut-off grade factors based on quotations included: <ul style="list-style-type: none"> <li>- Mining Costs</li> <li>- Transport and Refining Costs</li> </ul>
<p><i>Mining factors or assumptions</i></p>	<p><i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i></p> <p><i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i></p> <p><i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</i></p> <p><i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></p> <p><i>The mining dilution factors used.</i></p> <p><i>The mining recovery factors used.</i></p> <p><i>Any minimum mining widths used.</i></p> <p><i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></p> <p><i>The infrastructure requirements of the selected mining methods.</i></p>	<p>Conversion to Ore Reserve was completed through detailed design of underground mining areas at Rothsay.</p> <p>The mining methods have been selected based on orebody characteristics and have previously been utilised at the Rothsay Mine. Most of the Ore Reserve is predicated upon longhole open stoping with insitu rib pillars and Cemented Rockfill (CRF) sill pillars, sequenced top-down. Minor areas of the Ore Reserve (Upper Southern area) are predicated upon a modified avoca mining method using CRF and unconsolidated waste rock fill, sequenced bottom-up.</p> <p>Independent geotechnical analysis confirmed these mining methods and formed the basis of underground stope sizes, underground sill and rib support pillar designs, underground development design, development support assumptions and underground mining factors such as dilution. Sill and rib pillar placement was based on Hydraulic Radius guidance, with 6 m long full height rib pillars for every 35 m long open stope extent and full height CRF sill pillars placed every six sublevels (approximately 90 m).</p> <p>The Rothsay Ore Reserve is based on the Mineral Resource model announced to the ASX on 14 May 2018.</p> <p>Underground stopes were designed inclusive of 1.0 m minimum mining width plus dilution skins estimated from independent geotechnical analysis. The dilution skins applied are 0.1 m to the footwall and 0.3 m to the hangingwall. Thus, the smallest cross-section aspect of stopes within the Ore Reserve is 1.4 m.</p> <p>Mining recovery for mined stopes has been estimated at 97.5%. Additional allowance for in-situ rib and sill pillars was also made as detailed above.</p> <p>Minimum mining widths used are described above.</p> <p>Any Inferred Mineral Resources contained within the Ore Reserve mine plans have been treated as waste.</p> <p>The proposed mine design includes waste rock dumps, ROM pads, surface water management, pumping infrastructure, workshop facilities, technical and administration facilities, accommodation facilities and associated mine infrastructure.</p>
<p><i>Metallurgical factors or assumptions</i></p>	<p><i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></p>	<p>The selected flowsheet is based on industry standard technologies for the treatment of gold ore with soluble copper. Process stages include tertiary crushing, ball milling with gravity concentration, CIL with carbon adsorption, cyanide detox and tailings thickening. Gold recovered using gravity concentration is upgraded using</p>

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	<p><i>Whether the metallurgical process is well-tested technology or novel in nature.</i></p> <p><i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i></p> <p><i>Any assumptions or allowances made for deleterious elements.</i></p> <p><i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i></p> <p><i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i></p>	<p>tabling and direct smelting, gold on carbon processing is via AARL elution, electrowinning, and smelting.</p> <p>An XRT and EM Ore Sorting Technology is included in the flowsheet. The Ore Sorter is first used to treat the ore via XRT with 3 grade bins that have different assumptions for reject grade and mass recovery. See below:</p> <table border="1"> <thead> <tr> <th>Sensing Technology</th> <th>Grade Bin (g/t)</th> <th>Mass Recovery (%)</th> <th>Reject Grade (g/t)</th> <th>Au Recovery (%)</th> </tr> </thead> <tbody> <tr> <td>XRT</td> <td>Bin &gt; 8.0 g/t</td> <td>50</td> <td>2.00</td> <td>90.4</td> </tr> <tr> <td>XRT</td> <td>4.0 g/t &lt; Bin &lt; 8.0 g/t</td> <td>50</td> <td>1.50</td> <td>86.9</td> </tr> <tr> <td>XRT</td> <td>Bin &lt; 4.0 g/t</td> <td>40</td> <td>0.50</td> <td>87.0</td> </tr> <tr> <td>EM</td> <td>Bin &lt; 2.0 g/t</td> <td>65</td> <td>0.25</td> <td>94.7</td> </tr> </tbody> </table> <p>A "scavenger" EM ore sort is completed on material from the + 4g/t and + 8g/t ore bins.</p> <p>The metallurgical process proposed is commonly used in Western Australian and international gold mining. A very similar process configuration was previously utilised at Rothsay during the 1990s.</p> <p>In total 30 diamond core samples and 18 RC samples from the Rothsay Project were used for Metallurgical Testing. The samples were aggregated into geographical domains and then further separated into high and low copper domains. Metallurgy recovery factors were determined for varying copper grades and then applied to the mine schedule. See below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Leach Time (h)</th> <th rowspan="2">Unit</th> <th colspan="5">Copper Feed Grade Ranges</th> </tr> <tr> <th>0 – 500 ppm Cu</th> <th>500 – 1000 ppm Cu</th> <th>1000 – 2000 ppm Cu</th> <th>2000 – 3000 ppm Cu</th> <th>&gt;3000 ppm Cu</th> </tr> </thead> <tbody> <tr> <td>24</td> <td>%</td> <td>93.71</td> <td>95.48</td> <td>93.31</td> <td>91.14</td> <td>84.60</td> </tr> <tr> <td>27</td> <td>%</td> <td>94.29</td> <td>95.84</td> <td>93.25</td> <td>90.66</td> <td>85.43</td> </tr> <tr> <td>30</td> <td>%</td> <td>94.27</td> <td>95.66</td> <td>93.26</td> <td>90.86</td> <td>86.21</td> </tr> </tbody> </table> <p>When applied to the mine schedule an average recovery of 94.3%</p> <p>Additionally, a review of historical processing results from when Metana Minerals last commercially mined and processed ore from the Rothsay Gold Project demonstrated that metallurgical recoveries of 94.5% should be expected. The basis of this assumption is tabled below. This represents a 31,000-tonne bulk sample from July 1990 – September 1990.</p> <table border="1"> <thead> <tr> <th></th> <th>(t)</th> <th>Feed Grade (g/t)</th> <th>Solid tail (g/t)</th> <th>Soln tail (g/t)</th> <th>Tail (g/t)</th> <th>Au Rec (%)</th> </tr> </thead> <tbody> <tr> <td>July 1990</td> <td>9,483</td> <td>5.00</td> <td>0.26</td> <td>0.05</td> <td>0.26</td> <td>93.9</td> </tr> <tr> <td>Aug 1990</td> <td>10,655</td> <td>7.67</td> <td>0.41</td> <td>0.04</td> <td>0.46</td> <td>94.0</td> </tr> <tr> <td>Sept 1990</td> <td>11,461</td> <td>7.54</td> <td>0.32</td> <td>0.05</td> <td>0.36</td> <td>95.2</td> </tr> </tbody> </table> <p>The average metallurgical recovery from historical</p>	Sensing Technology	Grade Bin (g/t)	Mass Recovery (%)	Reject Grade (g/t)	Au Recovery (%)	XRT	Bin > 8.0 g/t	50	2.00	90.4	XRT	4.0 g/t < Bin < 8.0 g/t	50	1.50	86.9	XRT	Bin < 4.0 g/t	40	0.50	87.0	EM	Bin < 2.0 g/t	65	0.25	94.7	Leach Time (h)	Unit	Copper Feed Grade Ranges					0 – 500 ppm Cu	500 – 1000 ppm Cu	1000 – 2000 ppm Cu	2000 – 3000 ppm Cu	>3000 ppm Cu	24	%	93.71	95.48	93.31	91.14	84.60	27	%	94.29	95.84	93.25	90.66	85.43	30	%	94.27	95.66	93.26	90.86	86.21		(t)	Feed Grade (g/t)	Solid tail (g/t)	Soln tail (g/t)	Tail (g/t)	Au Rec (%)	July 1990	9,483	5.00	0.26	0.05	0.26	93.9	Aug 1990	10,655	7.67	0.41	0.04	0.46	94.0	Sept 1990	11,461	7.54	0.32	0.05	0.36	95.2
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		<p>operations of 94.5% was applied.</p> <p>Except for copper, no deleterious chemical or physical parameters were identified during metallurgical testing, the ore is amenable to a standard gold processing flowsheet. Copper's impact is as a competitive species for cyanide in solution and adsorption of the metal cyanide complexes onto carbon. Evidence of copper impacting on gold recoveries can be observed in gold recoveries and high cyanide consumption, the processing recovery and cyanide consumption has been weighted according to copper concentration in the mine schedule.</p> <p>No product specification is required.</p>
Environmental	<p><i>The status of studies of potential environmental impacts of the mining and processing operation.</i></p> <p><i>Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i></p>	<p>Flora, fauna, vegetation, dewatering, landscape alteration and emission production assessments of the project have been completed with impacts, hazards and mitigation measures identified for approval with the respective state and Local government departments.</p> <p>Waste rocks at Rothsay are characterised as non-acid forming (NAF). Locations of waste rock landforms and the tailings storage facility have been selected based on proximity to operations and so that there is minimal disturbance to previously rehabilitated landforms or undisturbed ground.</p> <p>The process plant design includes for a cyanide detox circuit, once treated through this process tailings are characterised as NAF.</p> <p>All environmental and engineering studies required to support the necessary approvals have been completed. Preparation of the Mining Proposal and Major Works Approval and license application are in the final stages and expected to be submitted by end of July 2018 and early August 2018 respectively.</p>
Infrastructure	<p><i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i></p>	<p>The Rothsay Gold Project is located approximately 300 km north-north east of Perth, in the Southern Murchison region of Western Australia. Access is via sealed public highways and site formed gravel roads.</p> <p>Workforce will primarily be drive-in, drive-out (DIDO) from Perth. Drive-in, drive-out (DIDO) will be offered to residents of neighbouring towns.</p> <p>Infrastructure to be constructed includes an accommodation camp, technical and administration offices, workshops, reverse osmosis and waste water treatment plants; power station and borefields.</p>
Costs	<p><i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i></p> <p><i>The methodology used to estimate operating costs.</i></p> <p><i>Allowances made for the content of deleterious elements.</i></p>	<p>The majority of capital costs are based on market rates of new equipment as at the second quarter of calendar 2018 and estimated to +/- 15% accuracy, consistent with a DFS. Demountable buildings for camp and office infrastructure has been assumed as second hand based on recent transactions and industry benchmarking.</p> <p>All operational costs are based on market rates as at the second quarter of calendar 2018 and were estimated to +/- 15% accuracy typical of a DFS cost model.</p> <p>Mining contractor costs have been sourced from a reputable contractor during the second quarters of calendar 2018; and cost assumptions developed from this information.</p> <p>Except for Copper no deleterious elements have been encountered during testing. The impact of Copper on reagent consumptions has been weighted according to the</p>

Criteria	JORC Code (2012) explanation	Commentary
	<p><i>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.</i></p> <p><i>The source of exchange rates used in the study.</i></p> <p><i>Derivation of transportation charges.</i></p> <p><i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i></p> <p><i>The allowances made for royalties payable, both Government and private.</i></p>	<p>mine schedule and the modelled copper grades.</p> <p>Assumptions made on commodity prices have been derived from corporate guidance that considers a range of factors and independent advice.</p> <p>A AUD:USD exchange rate of 1.00:0.75 has been derived from corporate guidance and independent advice from reputable financial institutions that take into account historical exchange rates and current market trends.</p> <p>Transportation and refining charges have been estimated based on quotes sourced from a reputable bullion shipment organisation and from the Perth gold refinery.</p> <p>An allowance has been made for the 2.5% state royalty. In addition a royalty has been included payable to Magnetite Mines Ltd &amp; Central West Gold NL of \$10 per ounce once gold production exceeds 10,000ozs and is payable up until the date which \$700,000 is paid, at which time the royalty is extinguished.</p>
Revenue factors	<p><i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i></p> <p><i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i></p>	<p>Gold Bullion production estimates used for revenue calculations are based on detailed mine schedules, mining factors and cost estimates, and processing recoveries.</p> <p>A gold price of A\$1600 has been used for the Ore Reserve estimation.</p>
Market assessment	<p><i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i></p> <p><i>A customer and competitor analysis along with the identification of likely market windows for the product.</i></p> <p><i>Price and volume forecasts and the basis for these forecasts.</i></p> <p><i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i></p>	<p>There is a transparent quoted market for the sale of gold.</p> <p>Customer and Competitor market analysis is not required.</p> <p>The same gold price assumption has been applied throughout.</p> <p>No industrial minerals have been considered.</p>
Economic	<p><i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</i></p> <p><i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i></p>	<p>The Ore Reserve estimate is based on a DFS level of accuracy with inputs from the underground mine, processing, transportation, sustaining capital, and contingencies, scheduled and costed to generate the Ore Reserve cost model.</p> <p>The Ore Reserve returns a positive NPV based on the assumed commodity price and the Competent Person is satisfied that the project economics that make up the Ore Reserve retains a suitable profit margin against reasonable future commodity price movements.</p>
Social	<p><i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i></p>	<p>There are no existing Native Title claims over the Project. Stakeholder engagement, including local communities and government agencies will be an ongoing focus for EganStreet Resources.</p>
Other	<p><i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</i></p> <p><i>Any identified material naturally occurring risks.</i></p> <p><i>The status of material legal agreements and marketing arrangements.</i></p>	<p>There are no likely identified naturally occurring risks that may impact the Project.</p> <p>There are no material legal agreements or marketing arrangements that may impact the Project.</p> <p>There are no government agreements or approvals identified that are likely to materially impact project</p>

Criteria	JORC Code (2012) explanation	Commentary
	<p><i>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i></p>	<p>commissioning.</p>
<p><i>Classification</i></p>	<p><i>The basis for the classification of the Ore Reserves into varying confidence categories.</i></p> <p><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></p> <p><i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i></p>	<p>The classification of the initial Ore Reserve has been carried out in accordance with the JORC Code 2012.</p> <p>The initial Ore Reserve results reflect the Competent Persons view of the deposit.</p> <p>The Probable Ore Reserve is based on that portion of Indicated Mineral Resource within the mine designs that may be economically extracted and includes allowance for dilution and ore loss. No proportion of the Probable Ore Reserve has been derived from Measure Mineral Resources.</p>
<p><i>Audits or reviews</i></p>	<p><i>The results of any audits or reviews of Ore Reserve estimates.</i></p>	<p>The Ore Reserve estimate, along with the corresponding mine design, has been peer-reviewed by Entech Pty Ltd internally and by EganStreet Resources Ltd.</p>
<p><i>Discussion of relative accuracy/confidence</i></p>	<p><i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i></p> <p><i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></p> <p><i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i></p> <p><i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></p>	<p>The design, schedule, and financial model on which the initial Ore Reserve is based has been completed to a Definitive Feasibility Study standard with a corresponding level of confidence.</p> <p>Ore treatment recoveries are in line with performance from the historical operations and provides a high level of confidence.</p> <p>It is the opinion of the Competent Persons that cost assumptions and factors applied estimating the initial Ore Reserves are reasonable.</p> <p>Gold price and exchange rate assumptions set out by EganStreet Resources Ltd are subject to market forces and present an area of uncertainty.</p> <p>It is the opinion of the Competent Persons that it is reasonable to assume that all relevant legal, environmental and social approvals to operate will be granted within the project timeframe.</p>

## APPENDIX 3 FORWARD LOOKING STATEMENTS & DISCLAIMERS

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

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