

ASX ANNOUNCEMENT

16 November 2020

OPERATIONAL AND EXPLORATION UPDATE

Highlights:

- Unreconciled production of 9,364oz from Dalgaranga in the December quarter to date (45 days)
- Continues the consistent achievement averaging +6,500oz production per month since the start of CY2020
- Dalgaranga on track for FY2021 guidance of 70,000 – 80,000oz at an AISC of A\$1,200 – A\$1,300/oz
- Additional resource extension drilling completed at Sly Fox and now underway at the southern extension to the Gilbey's Main Zone to follow-up recent drilling of **11m @ 4.2g/t** below the LOM pit design
- Aircore rig mobilising to site this week will begin testing regional targets at Tanqueray and Lindville

Gascoyne Resources Limited (“**Gascoyne**” or “**Company**”) (ASX:GCY) provides an update on activities at the Dalgaranga Gold Project (“**Dalgaranga**”) in Western Australia.

Unreconciled production for the December 2020 quarter to date was 9,364oz as at 15 November 2020 (45 days). This result includes the regular mid-quarter 30 hour mill maintenance shutdown which was completed on 13 November. Full reconciled metrics for the quarter will be provided in the December Quarterly Activities Report, to be released in January 2021.

Dalgaranga continues to achieve production of >6koz per month since the start of 2020. Dalgaranga remains on track to achieve FY2021 guidance of 70,000 – 80,000oz at an All-in Sustaining Cost (AISC) of A\$1,200 – A\$1,300/oz.

Following commencement of a c. 4,000m RC drilling program at Dalgaranga earlier this month, a four hole program has been completed at the Sly Fox deposit, following up the excellent drilling results in the September 2020 quarter (Figure 1). Drilling was completed to a maximum depth of 180m. Assay results from Sly Fox are expected before the end of this quarter.

The RC rig has now moved to the southern end of Gilbey's. This program will follow up drilling from the September 2020 quarter which confirmed high-grade mineralisation continues beneath the current pit design in the southern end of the Gilbey's pit (Figure 2). A program of approximately 2,000m is planned before the rig will move to the Plymouth deposit.

An aircore rig is mobilising to site this week and will begin testing regional targets this week. Initial targets are the Tanqueray and Lindville trends (Figure 3), plus the Tanqueray EM anomaly.

Gascoyne Resources Managing Director and CEO, Mr Richard Hay, commented:

“Operational performance at Dalgaranga continues to track in line with our expectations. This consistency continues to build our confidence in the future performance of the asset.

“From this base of operational stability, we are now able to increase our resource extension and exploration drilling. We will have a second drill rig on site this week systematically testing opportunities to extend the current seven year life of the project.”

This announcement has been authorised for release by the Board of Gascoyne Resources Limited.

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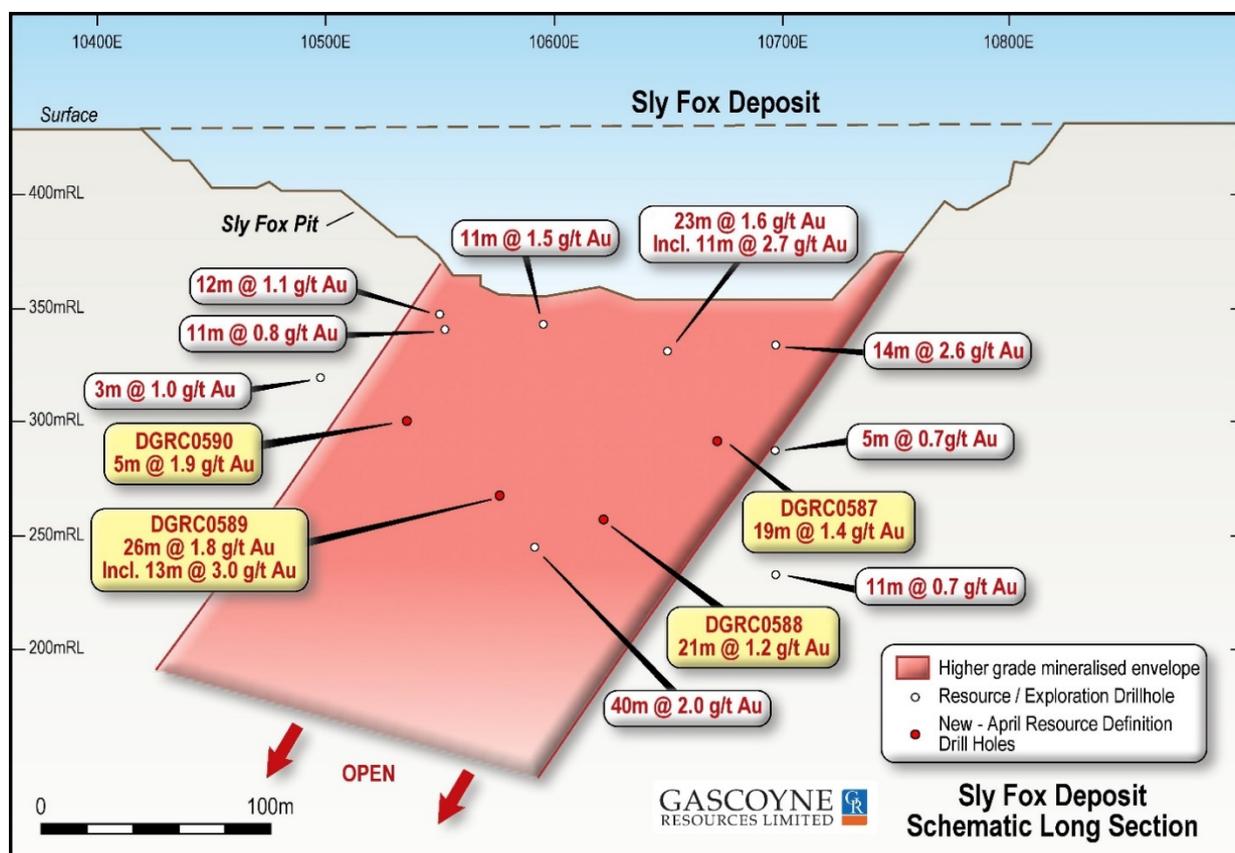


Figure 1: Schematic Long section of the Sly Fox Deposit highlighting the September 2020 quarter drill results

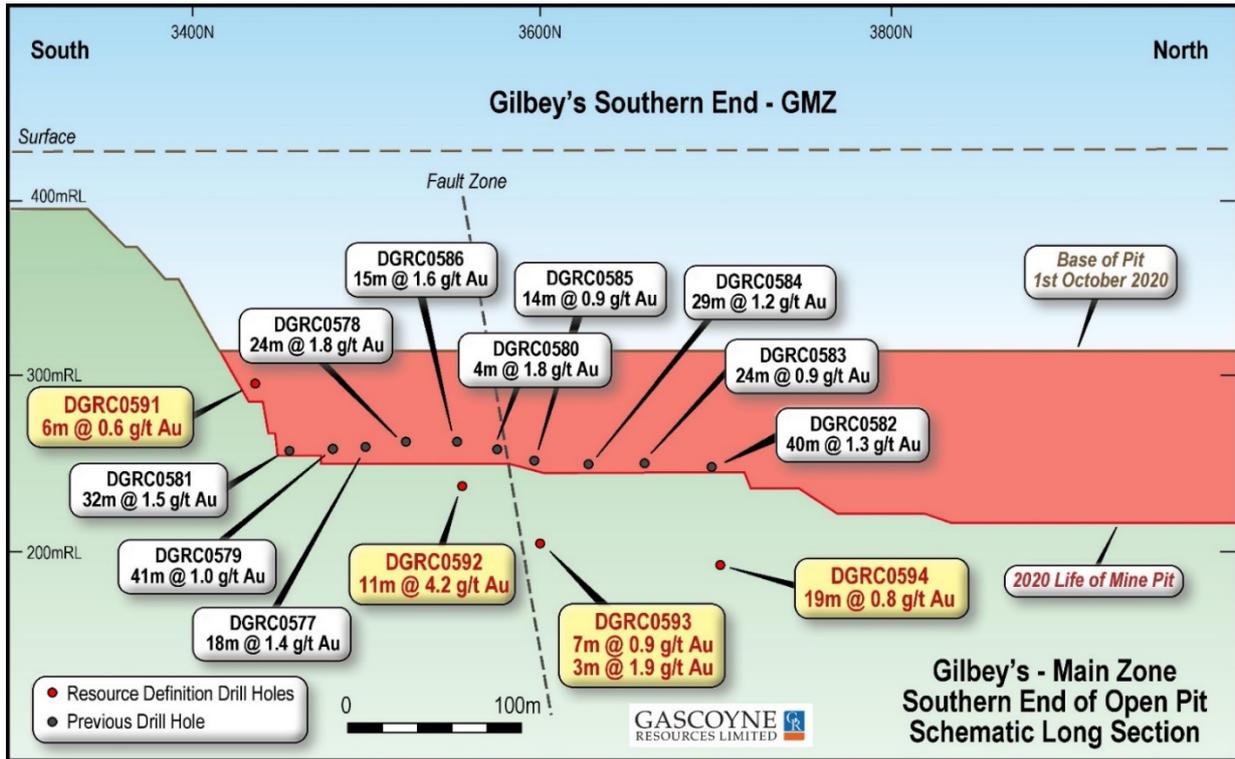


Figure 2: Schematic Long section of the Gilbey's Southern End of Open Pit showing the recent September 2020 quarter drill results (including 11m @ 4.2g/t Au)

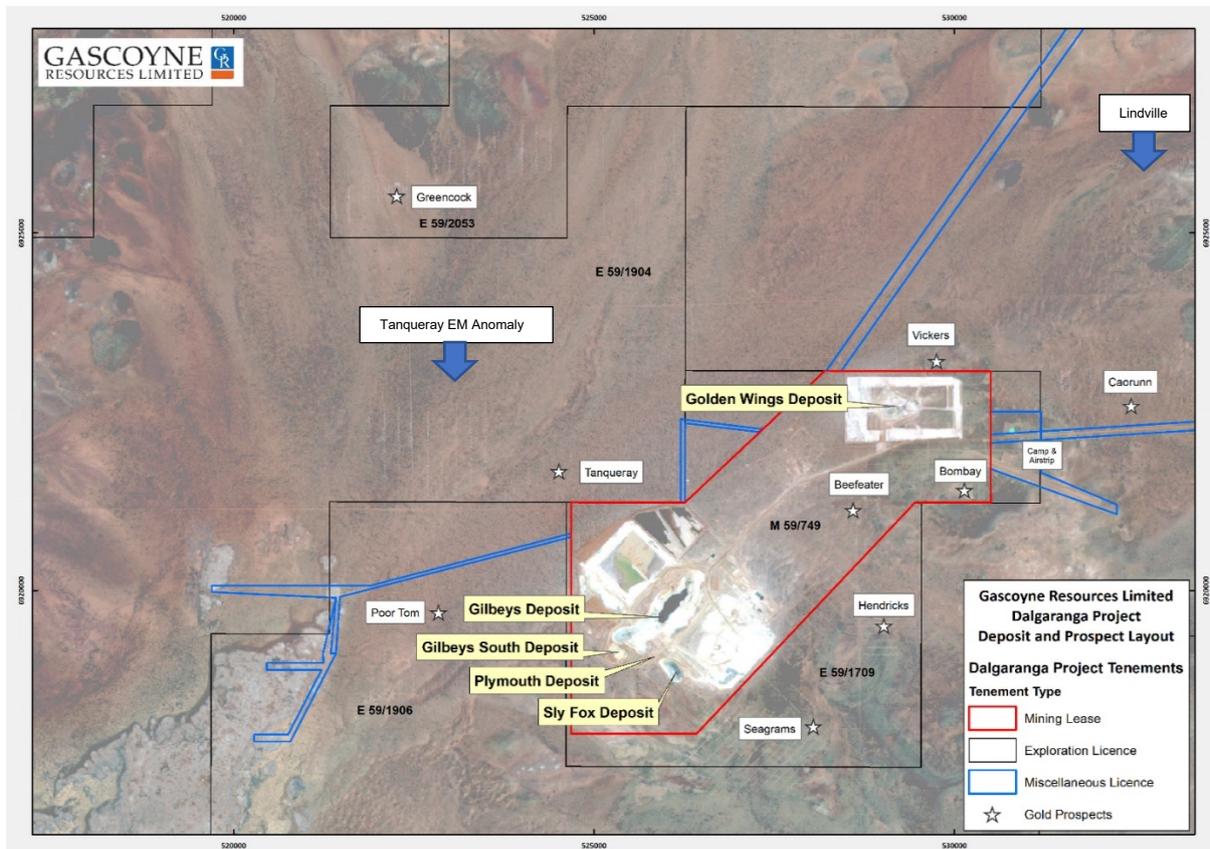


Figure 3: Dalgarranga Project – Deposit Location map



BACKGROUND ON GASCOYNE RESOURCES

Gascoyne was reinstated on the ASX in October 2020 and is focused on production, development and exploration of a number of gold projects in Western Australia.

DALGARANGA:

The Dalgaranga Gold Project (“DGP”) is located approximately 65km by road North-West of Mt Magnet in the Murchison gold mining region of Western Australia and covers the majority of the Dalgaranga greenstone belt.

An updated Mineral Resource estimate was estimated for the DGP being 29.62Mt @ 0.84 g/t Au for 801.3koz of contained gold (see ASX Announcement 10 June 2020). Refer to Table 1.

An updated Ore Reserve was estimated for the DGP being 16.3Mt at 0.8 g/t Au for 426.3koz of contained gold (see ASX Announcement 30 July 2020). Refer to Table 2.

Significant exploration potential remains at the Dalgaranga Gold Project within the Company’s extensive tenement holdings.

**Table 1: Dalgaranga Gold Project
30 April 2020 Summary Mineral Resource Statement**

| Classification | Mt | Au g/t | Au koz |
|----------------------|--------------|-------------|--------------|
| Measured | 1.65 | 0.75 | 39.7 |
| Indicated | 21.22 | 0.86 | 588.6 |
| Measured + Indicated | 22.87 | 0.85 | 628.3 |
| Inferred | 6.76 | 0.80 | 173.1 |
| TOTAL | 29.62 | 0.84 | 801.3 |

Note: Discrepancies in totals are a result of rounding.

**Table 2: Dalgaranga Gold Project
30 April 2020 Summary Ore Reserve Statement**

| Classification | Oxidation state | COG (g/t Au) | Mt | Au g/t | Au Koz |
|----------------|-----------------|--------------|-------------|------------|--------------|
| Proved | Oxide | 0.30 | | | |
| | Transition | 0.30 | 0.9 | 0.7 | 19.9 |
| | Fresh | 0.30 | 0.5 | 0.7 | 11.3 |
| | Stockpiles | 0.30 | 1.1 | 0.4 | 12.9 |
| | Gold In circuit | | | | 1.7 |
| | SUBTOTAL | | | 2.4 | 0.6 |
| Probable | Oxide | 0.30 | 0.1 | 1.0 | 2.5 |
| | Transition | 0.30 | 0.8 | 0.8 | 19.8 |
| | Fresh | 0.30 | 13.1 | 0.9 | 358.3 |
| | SUBTOTAL | | 13.9 | 0.9 | 380.6 |
| Total | | | 16.3 | 0.8 | 426.3 |

Note: Discrepancies in totals are a result of rounding.

GLENBURGH:

The Glenburgh Project in the Gascoyne region of Western Australia. The project is an exciting advanced exploration project. Additional drilling has occurred since the original Mineral Resource estimate in 2014 (see ASX announcement dated 24 July 2014 and titled “High Grade Domains Identified Within Updated Glenburgh Gold Mineral Resource”). Furthermore, the gold price environment has changed significantly. Therefore, the Glenburgh Project will be fully re-evaluated over the coming months and if indicators are favourable may progress to a pre-feasibility study.

MT EGERTON:

The Mt Egerton project includes the high-grade Hibernian deposit and the high-grade Gaffney’s Find prospect, located on granted mining leases. Previous drilling includes high grade intercepts, 14m @ 71.7 g/t gold, 34m @ 14.8 g/t gold, 8m @ 11.4 g/t gold, 2m @ 147.0 g/t gold, and 5m @ 96.7 g/t gold associated with quartz veining in shallow south-west plunging shoots. The Hibernian deposit has only been drill tested to 70m below surface and there is strong potential to expand the deposit with drill testing deeper extensions to known shoots and targeting new shoot positions. Extensions to mineralised trends and new regional targets will be tested with air core during drilling campaigns.

Competent Persons Statement

Information in this announcement relating to drilling results and interpretations at the Dalgaranga Gold Project are based on, and fairly represents data compiled by Gascoyne’s Chief Geologist Mr Julian Goldsworthy who is a member of The Australasian Institute of Mining and Metallurgy. Mr Goldsworthy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Goldsworthy consents to the inclusion of the data in the form and context in which it appears.

The Ore Reserve estimates for the Gilbey’s, Gilbey’s South, Sly Fox and Golden Wings gold deposits at the Dalgaranga Gold Project referred to in this announcement are extracted from the ASX announcement dated 30 July 2020 and titled “Dalgaranga Gold Mine – Updated Life of Mine Production Target and Updated Ore Reserve”). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not materially modified from the original market announcement.

The Mineral Resource estimates for the Gilbey’s, Gilbey’s South, Sly Fox and Golden Wings referred to in this announcement are extracted from the ASX announcement dated 10 June 2020 and titled “Dalgaranga Gold Mine – Updated Mineral Resource”). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not materially modified from the original market announcement.

The Mt Egerton drill intersections referred to in this announcement were prepared and first disclosed under the JORC Code 2004 (see ASX announcement dated 29 May 2013 and titled “High grade Egerton Gold Project Secured Under Option”). They have not been updated since to comply with the JORC Code 2012 and the Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement.

Information in this announcement relating to the Mt Egerton Gold Project is based on, and fairly represents, data compiled by Gascoyne’s Chief Geologist Mr Julian Goldsworthy who is a member of The Australasian Institute of Mining and Metallurgy. Mr Goldsworthy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he



is undertaking to qualify as Competent Persons under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Goldsworthy consents to the inclusion in this announcement of the data relating to the Mt Egerton Gold Project in the form and context in which it appears.

Forward-looking statements

This announcement contains forward-looking statements which may be identified by words such as "believes", "estimates", "expects", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.