

December 7th 2017
Australian Securities Exchange Limited
Via Electronic Lodgement

DEBT FACILITY EXECUTED FOR THE DALGARANGA GOLD PROJECT

- **Debt facility for A\$60 million executed with Commonwealth Bank of Australia and National Australia Bank**
- **The key commercial terms of the facility includes competitive interest rates, early repayment flexibility and an ability to distribute and use free cash subject to certain conditions, providing a flexible and competitively priced financing package**
- **Debt Drawdown expected in mid-December**
- **Construction remains on schedule and on budget for first gold production in Q2 2018**

Gascoyne Resources Limited ("**Gascoyne**" or "**Company**")(**ASX:GCY**) is pleased to advise that through its 100% owned subsidiary, GNT Resources Pty Ltd, it has executed a debt facility agreement with Commonwealth Bank of Australia (CBA) and National Australia Bank (NAB) (**Financiers**) for a debt facility of A\$60 million on a 50:50 basis to fund the development of the Dalgaranga Gold Project.

The Dalgaranga Gold Project has an initial mine life of over 6 years, producing approximately 115,000ozpa for the first two years and an average of around 100kozpa over the life of mine with all-in sustaining costs of approximately A\$1,000/oz.

Commenting on the executing of the debt facility Gascoyne's Managing Director Mike Dunbar said: *"Finalising the debt facility with two tier 1 Australian lenders CBA and NAB for the debt funding is major step forward for the development of the Dalgaranga Gold Project and significantly de-risks the project. The terms we have negotiated highlight the quality of the project and represents a strong vote of confidence in the project and the work undertaken by the Gascoyne Team since we finished the Feasibility Study in November last year. With the debt facility in place, construction is continuing on schedule towards production in Q2 of next year."*

Ahead of first drawdown, all mandated hedging of 164,000 ounces for the 4 ½ year life of the debt facility has also now been completed, taking advantage of the current strong A\$ gold price (82,000 ounces were hedged on the 9th of November, and the remainder has been hedged with CBA). The rolled out hedged gold price will be determined and announced once the hedges are novated to the Financiers and the delivery schedule has been agreed between Gascoyne and the Financiers, however based on the secured spot gold price and the current forward gold price curve, it is anticipated that the average hedged gold price (net of fees) will be approximately A\$1,710 per ounce.

First gold production is on budget and on schedule for late in the June quarter of 2018.





Construction of the Dalgarranga Gold Project Well Advanced

The Debt facility agreement includes:

- Debt of up to \$60 million
- Term of 4 ½ years from first drawdown
- Provision for early repayment without penalty
- Hedging Facility including 164,000 ounces of mandatory hedging and additional uncommitted discretionary lines
- After first repayment, Project Completion and debt service, surplus operating cashflow can be distributed to Gascoyne subject to certain conditions
- Industry standard terms and conditions for a facility of this type.

The first debt drawdown is expected to be completed in mid December.

For further information please refer to the Company's website or contact the Company directly.

On behalf of the board of
Gascoyne Resources Limited

Michael Dunbar
Managing Director