

ASX Announcement

3 June 2019

FTI Consulting appointed Voluntary Administrators to Gascoyne Resources Limited (ASX: GCY) and related entities

(Together, “GCY” or “GCY Group”)

Appointment of Voluntary Administrators

FTI Consulting today announces that the Directors of Gascoyne Resources Limited ACN 139 522 900 and its subsidiaries resolved on 2 June 2019 to appoint Michael Ryan, Kathryn Warwick and Ian Francis as Voluntary Administrators (“**Administrators**”).

A schedule of all entities over which the Administrators are appointed is provided at Annexure A.

Why the appointment of Administrators?

As previously stated in GCY ASX announcements, GCY’s focus has been on ramping up mining operations at its 100% owned Dalgaranga Gold Project to increase ore releases and lift grades available for processing.

Despite extensive efforts by GCY to optimise operations by targeting improved mined grade, resource reconciliation, and increased material movements, GCY has continued to experience issues with reconciliation to Ore Reserves and Mineral Resource models materially below expectations impacting the level of ounces GCY has been able to produce.

On 28 May 2019, a new preliminary unclassified Localised Uniform Conditioning (LUC) resource model for the Gilbeys deposit produced by GCY’s resource consultants was recommended to the Board as the preferred model from several that had been developed. The new model, although supporting the global gold inventory, defines a higher tonnage lower grade deposit than previous resource models. On the basis of the new LUC model, and urgently prepared pit mining schedules based on the new model, high level cash flow analysis indicates that due to lower predicted grades, particularly in the next 6 months, GCY will incur a material cash flow shortfall in the short term.

Although GCY has investigated options to address that cash flow shortfall, through obtaining financial accommodation from creditors and shareholders, it has become apparent that those options will not successfully address the cash flow shortfall in the time available.

As a consequence, the Directors have determined to appoint voluntary administrators to GCY Group.

While in Administration the Company’s shares will be suspended from trading. Updates on the process will be uploaded on the ASX platform.

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Liability limited by a scheme approved under Professional Standards Legislation.

Strategy moving forward

The Administrators at this stage intend to continue operating GCY on a 'business as usual' basis while recapitalisation options are explored.

The Administrators will work closely with GCY employees, suppliers, secured lenders and customers to quickly stabilise operations and preserve value for stakeholders.

First statutory meeting of creditors

A first statutory meeting of creditors must be held within eight business days after commencement of the administration and is expected to take place on 13 June 2019. Meeting notices setting out the time and location for the first meeting of creditors will be distributed to GCY Group's creditors over coming days.

Contact details and further information

Information will be uploaded to the FTI Consulting website (www.fticonsulting.com) and the GCY website (www.gascoyneresources.com.au).

For all further enquiries please contact:

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Annexure A: GCY Group – Entities over which the Administrators are appointed

Company	ACN
Gascoyne Resources Limited	139 522 900
Gascoyne Resources (WA) Pty Ltd	139 823 822
Dalgaranga Operations Pty Ltd	616 858 550
GNT Resources Pty Ltd	159 772 077
Egerton Exploration Pty Ltd	163 614 551
Dalgaranga Exploration Pty Ltd	623 055 550
Gascoyne (Ops Management) Pty Ltd	619 342 979