

SUMMARY OF ACTIVITIES

DALGARANGA GOLD PROJECT:

Financials:

- Cash flow positive for month of June under Voluntary Administration (VA) (\$4.3M).
- Record gold price received in month of June averaging \$1,971 for 5,407 ounces after Lenders closed out forward sales program in VA, with gold Sales for the quarter of 17,120 ounces for inflows of \$31.1 million.
- AISC of \$1,816 for the June quarter (\$2,074 March Qtr), with June AISC of \$1,538.

Physicals:

- Dalgaranga operations continued to be Lost Time Injury (LTI) free to the end of June.
- Record Monthly mining rates achieved as planned in April and May (1.8 and 1.9M BCM respectively) before deliberately decreasing to 1.1M BCM in June immediately post Voluntary Administrators appointment.
- Record plant throughput achieved in June (275kt), with quarterly throughput continuing at or above nameplate rates of ~2.5 - 3Mtpa
- Quarter on quarter production physicals (relative to the March Quarter):
 - Processed Ore Grade increased to 0.77 g/t Au (from 0.70g/t), including 0.84 g/t Au in June.
 - Ore Processed slightly down at 716,000t (from 735,000t).
 - Metallurgical Recovery slightly down at 88.7% (from 89.7%); and
 - Recovered Gold of 15,787 ounces (up from 12,414 ounces).

Operational Improvements:

- Significantly improved grade control geological models resulted in a positive mine call factor for June (+8%).
- Positive results from Blast Movement Technologies GPS balls trial in early July confirms benefits of technology to improve controls on dilution and ore loss due to blast movement.
- Mined grades expected to lift during the September 2019 quarter due to increased contribution from the Gilbey's main zone (oxide/transitional) ore coming from southern end of the pit.

Long Term Planning:

- Gilbey's main zone 32 hole, reverse circulation (RC) infill program was successful in confirming grade and width continuity of the main Gilbey's mineralised structure over a strike length of 650m. Results from the program have been incorporated into the new Localised Uniform Conditioning (LUC) geological model, which reconciles well against historical production, including Equigold production records.
- Updated Mineral Resource and Reserve estimation process using optimised pit shells, underway with final results expected in late August.
- A new Life of Mine Plan (LOMP) is being developed, based on the new LUC models, focussing on accessing the Gilbey's main ore zone as fast as possible whilst minimising waste to ore strip ratios and maximising grade.

Exploration:

- Low expenditure exploration strategy currently focused on assessing prospects at Dalgaranga that can potentially be brought into the mine plan within the next 12 to 24 months.

Corporate:

- Appointment of Voluntary Administrators on 2 June 2019.
- Dual process underway for a sale or recapitalisation of the company or its operations.

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REVIEW OF OPERATIONS

During the quarter, the focus for the Company continued to be on the ramp up of production and optimisation of activities at the 100% owned Dalgaranga Gold Project (“Dalgaranga” or “Project”) through April and May, until new information came to hand late in May resulting in Voluntary Administrators being appointed by the Directors. Activities are summarised below:

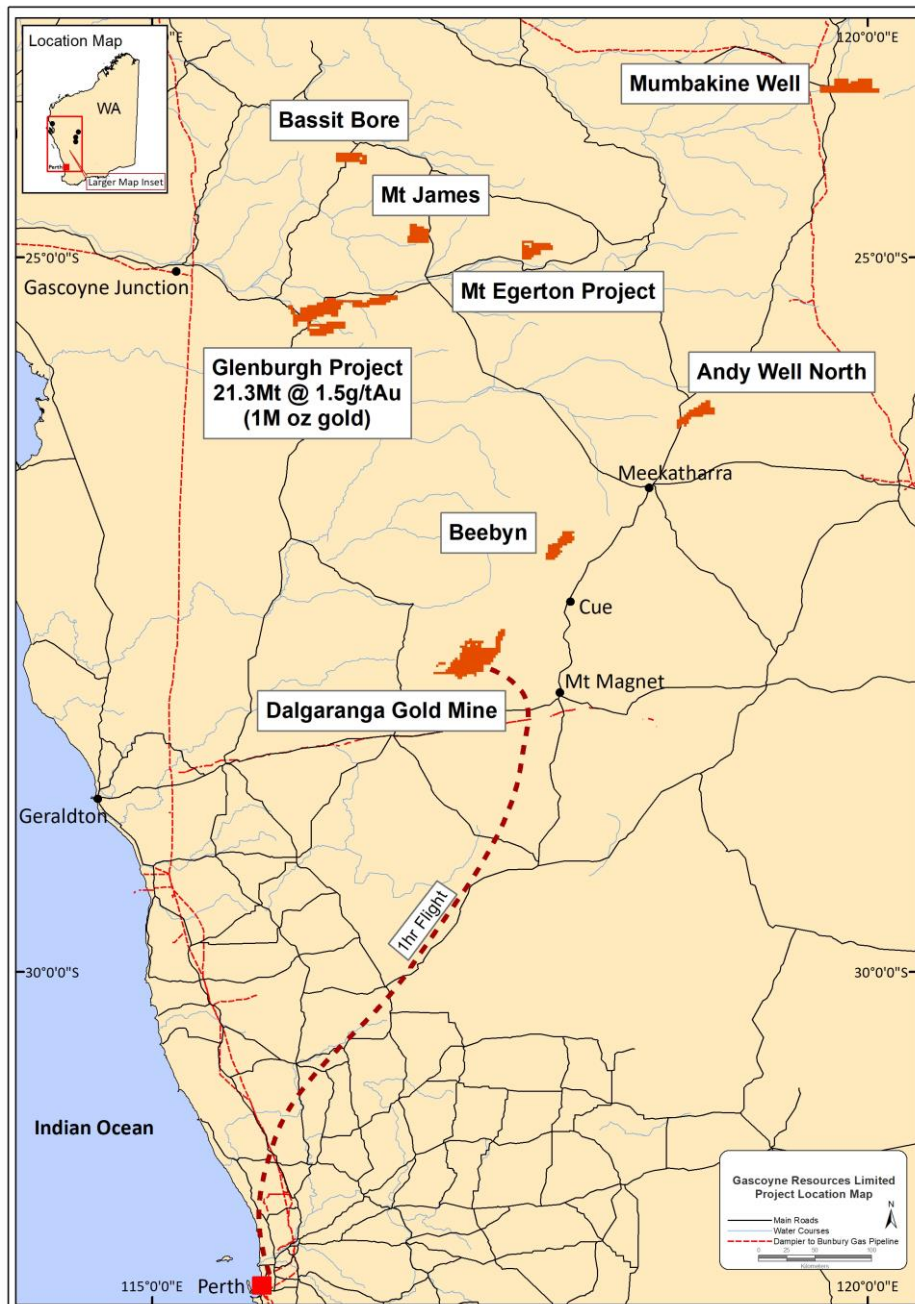


Figure 1: Gascoyne Resources Project Locations

DALGARANGA GOLD PROJECT

ML59/749 & L 59/141, 142, 151, 152, 153, EL59/2053 & 2150 LA59/167, 168, 169, 170 – 100% Gascoyne
EL21/195, 59/1709, 1904, 1905 & 1906 - 80% Gascoyne

Activities during the quarter at Dalgaranga focussed on safely lifting mining rates and increasing ore production from the three open pits, along with improving geological processes and models to target increased production through the 2.5Mtpa processing facility. This approach was reassessed on commencement of VA on 2 June, with mining movement rates subsequently reducing whilst the emphasis continued on ore production and geological processes and modelling, to achieve improved and more predictable metal production.

SAFETY

The Project remained Lost Time Injury (LTI) free to the end of June 2019 (821 days). Unfortunately, a back injury to an employee on 5th July resulted in the operation's first LTI being recorded. The site's Total Recordable Injury Frequency Rate (TRIFR) stood at 4.86 as at 30 June 2019.

JUNE QUARTER PRODUCTION AND COSTS

The Company's operational focus changed to reduced mining movement, coincident with entering VA, having previously focussed on ramping up mining operations to increase access to ore tonnages in April and May and lift grades available for processing. Operational performance for the quarter was as follows (relative to March 2019 Quarter):

- Processed Ore Grade increased to 0.77 g/t Au (from 0.70g/t), including 0.84 g/t Au in June.
- Ore Processed slightly down at 716,000t (from 735,000t).
- Metallurgical Recovery slightly down at 88.7% (from 89.7%).
- Recovered Gold of 15,787 ounces (up from 12,414 ounces), reflecting improved grades processed.

Production Summary	Unit	CY2019 ⁽²⁾	Mar 19 Qtr	Jun 19 Qtr
Mining				
Total material movement	Kbcm	9,315	4,466	4,849
Waste	Kbcm	8,653	4,155	4,498
Ore (volume)	Kbcm	662	310	351
Ore (tonnage)	Kt	1,239	585	655
Mined grade	g/t Au	0.77	0.79	0.75
Processing				
Throughput	Kt	1,451	735	716
Feed grade	g/t Au	0.74	0.70	0.77
Recovery	%	89.2	89.7	88.7
Recovered gold	Oz	28,200	12,414	15,787
Poured fine gold	Oz	27,743	12,088	15,655
Revenue Summary				
Production sold	Oz	29,934	12,814	17,120
Average price	A\$/oz	1,767	1,712	1,822
Gold sales revenue	A\$000	53,086	21,943	31,144
Cost Summary				
Mining	A\$/oz		1,889	1,034
Processing	A\$/oz		567	455
Site Support	A\$/oz		193	156
Site Cash Cost	A\$/oz		1,771	1,645
Royalties	A\$/oz		45	46
Sustaining capital	A\$/oz		218	93
Corporate allocation	A\$/oz		40	31
AISC⁽¹⁾	A\$/oz		2,074	1,816
Bullion on Hand	Oz		2,995	1,509

Note: Discrepancies in totals are a result of rounding

¹ All in Sustaining Costs includes mining and processing costs, site administration, refining, sustaining exploration and capital, site rehabilitation, state government royalties and a share of corporate overheads. Capitalised stripping costs and non-sustaining exploration and capital costs are not included.

² CY refers to calendar year. Mining commenced in March 2018 with ore processing commencing in May 2018.

Daily mining production rates averaged around 53,000 bank cubic metres (BCM) for the quarter (~1.5 MBCM per month). Mining production rates lifted significantly in April and May to 1.8 and 1.9M BCM before being reduced to 1.1M BCM in June.

Process Plant feed was predominantly supplied from the peripheral lodes in April and May before mining of the Gilbey's Main zone from the southern end of the pit improved delivered grade towards the end of June. No low grade stocks were processed during the quarter due to consistent access to ore tonnages made available as a direct result of the improved mining rates. Total throughput for the quarter was adversely affected by low mill availability.

Processing recoveries were slightly below expectations for the quarter, primarily due to the lower grades experienced in April and May. Overall recoveries for the quarter were 88.7%.

Production for the quarter was 15,787 ounces including record monthly production of 6,561 ounces in the month of June, with April and May impacted by lower grade oxide ore released from the peripheral lodes in the Gilbey's pit and Gilbey's South pit.

All in Sustaining Costs were impacted by the lower than planned production for the quarter. Mining unit costs for the quarter were \$6.09 per BCM mined. Processing costs for the same period were \$10.04 per tonne milled. Processing plant availabilities were low for the quarter (83.4%) with April (85.3%) and May (69.4%) disappointing before a markedly improved result in June (96.7%). The improved June availability was as a direct result of a planned 3 day shutdown at the end of May to reline the mill, insert new mill discharge grates, and to fix issues with the variable speed drive (VSD) resistor configuration and crusher conveyor transfer chutes. High mill availability contributed to the record throughput of 275kt in June. General and Administration costs for the same period were impacted by the lower process throughput at \$3.49 per tonne milled.

Geological Modelling and Reconciliation

During June, new grade control models using ISO Shell domaining methodologies for grade control were adopted and implemented. Models using ISO shells at 0.2g/t and 0.3g/t envelopes were used throughout June with a final decision made mid-month to adopt the ISO 0.2g/t shell model as the preferred ongoing grade control model. The use of these two models vastly improved the grade predictability of estimated mined ore processed during the month with a grade "mine call factor" of positive 8%. This was the first month in Dalgarranga's recent history that a positive mine call factor has been achieved, further highlighting the significant improvements being realised from focussed and detailed in depth investigations leading to fundamental changes to geological models.

June mill reconciled mined material against the June dig blocks mined (designed using the ISO Shell grade control models) recorded 8% higher tonnes, at 11% lower grade for 3% higher total metal. This result compares very favourably to May results where mill reconciled mined grade was 23% lower for 17% less metal compared to May dig blocks mined, and months prior to May experiencing greater than 20% less metal.

Further adjustments and improvements to the grade control models will be greatly assisted by a Blast Movement Indicator (BVI) detection system using high precision GPS locatable "blast balls". A trial was completed in the first week of July with positive results giving the confidence to commit to the permanent use of the technology. The individual balls are strategically placed in drill holes near ore boundaries, prior to blasting, to detect vertical and horizontal displacement during the blast. Detecting and measuring the blast displacement allows more accurate survey mark-ups of the actual location of the ore boundaries after blasting. Trials at other gold mines in Australia have demonstrated clear benefits in reducing dilution and ore loss resulting in an increase to grade mined.

LIFE OF MINE PLAN AND FUTURE ORE SUPPLY

Geological models for the Gilbey's and Golden Wings ore-bodies, utilising the Localised Uniform Conditioning (LUC) approach, were completed in late June. The final updated Mineral Resource and Mineral Reserve estimates are pending the design of a suite of optimised pit shells being completed at different gold prices, allowing new open pit mine designs and staging to be completed. Final results are expected to be reported in late August.

Mining One consultants, the Voluntary Administrator's appointed technical experts, are closely involved with the Mineral Resource and Mineral Reserve estimation work.

RESOURCE DEVELOPMENT

Gilbeys Deeper Drilling

During the quarter the programme of deep resource definition Reverse Circulation (RC) drilling was completed at Gilbeys (Figure 2). The drilling primarily targeted the main lodes immediately below the historic open pit to confirm width and grade continuity as defined in existing deeper diamond and RC drilling. All assay results and geological data has been incorporated into the new Localised Uniform Conditioning (LUC) geological model and will be incorporated within the new Mineral Resource Estimate for Gilbey's expected in late August.

Final assay results have been received for all remaining holes (the first 12 holes were reported in the March 2019 Quarterly Report), with the results consistent with existing resource model interpretations. Standout intersections returned include **50m @ 2.9g/t Au in DGRC0548**, **43m @ 1.4g/t Au in DGRC0567** and previously reported **57m @ 1.6g/t Au in DGRC0537** (Figure 2) which confirms the existence of mineralisation through a previously interpreted 'waste' zone. Significant intersections for all holes drilled can be found in Table 1. Figures 3-5 show examples that the latest drilling confirms the consistent grade, continuity and width of the Gilbey's main zone mineralisation. A total of 32 RC holes were drilled for 6,798m (Figure 2 and Table 2).

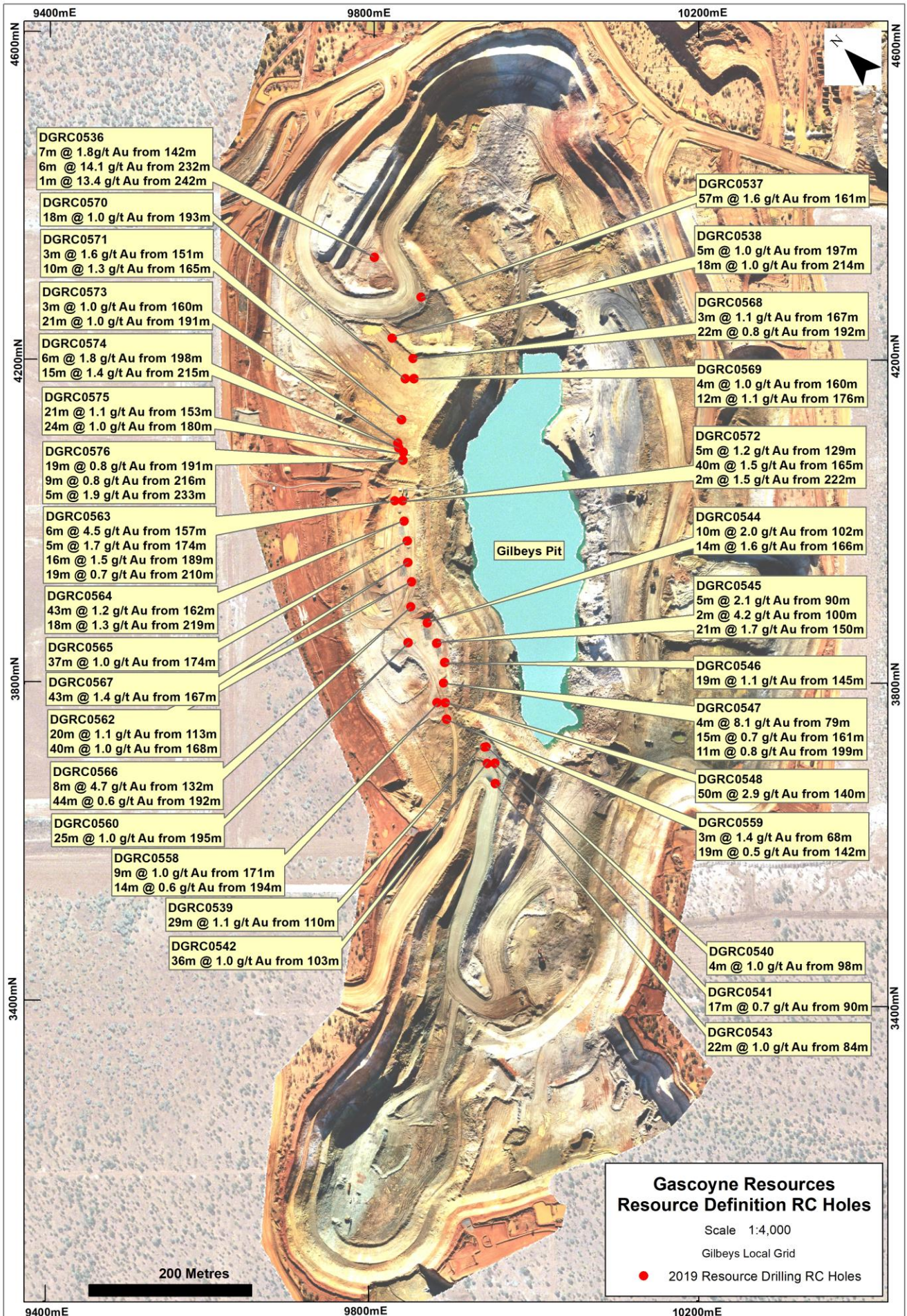


Figure 2: Gilbeys Deposit - Location Plan showing Resource Drilling Results (Local grid)

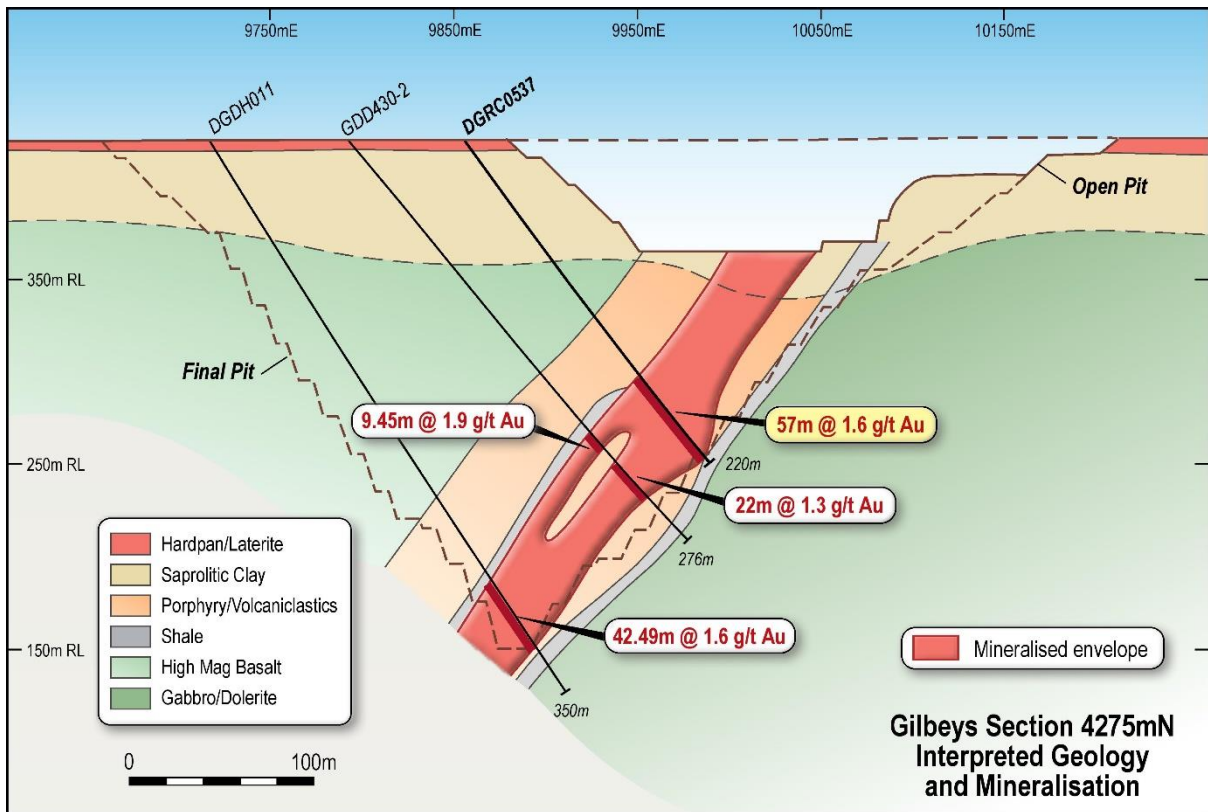


Figure 3: Gilbeys Resource Drilling Section 4275N – Results from DGRC0537

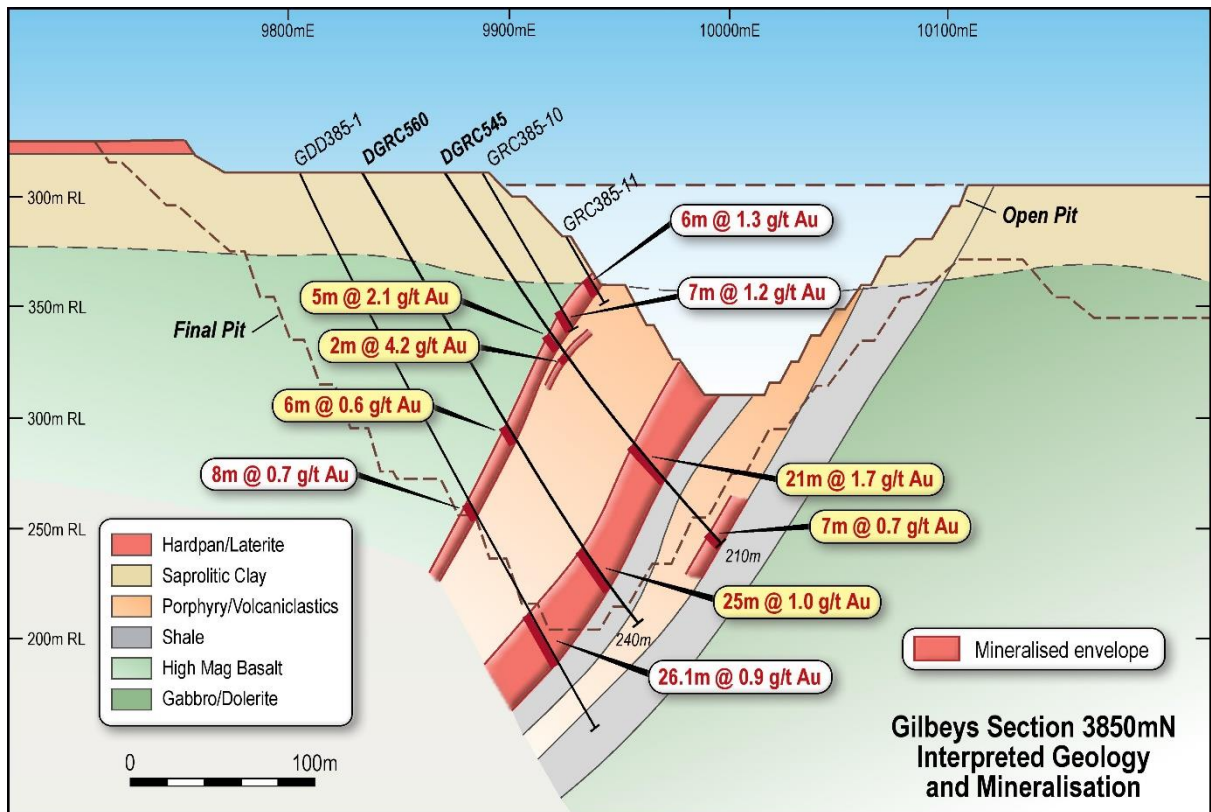


Figure 4: Gilbeys Resource Drilling Section 3850N – Results from DGRC0545 and DGRC0560

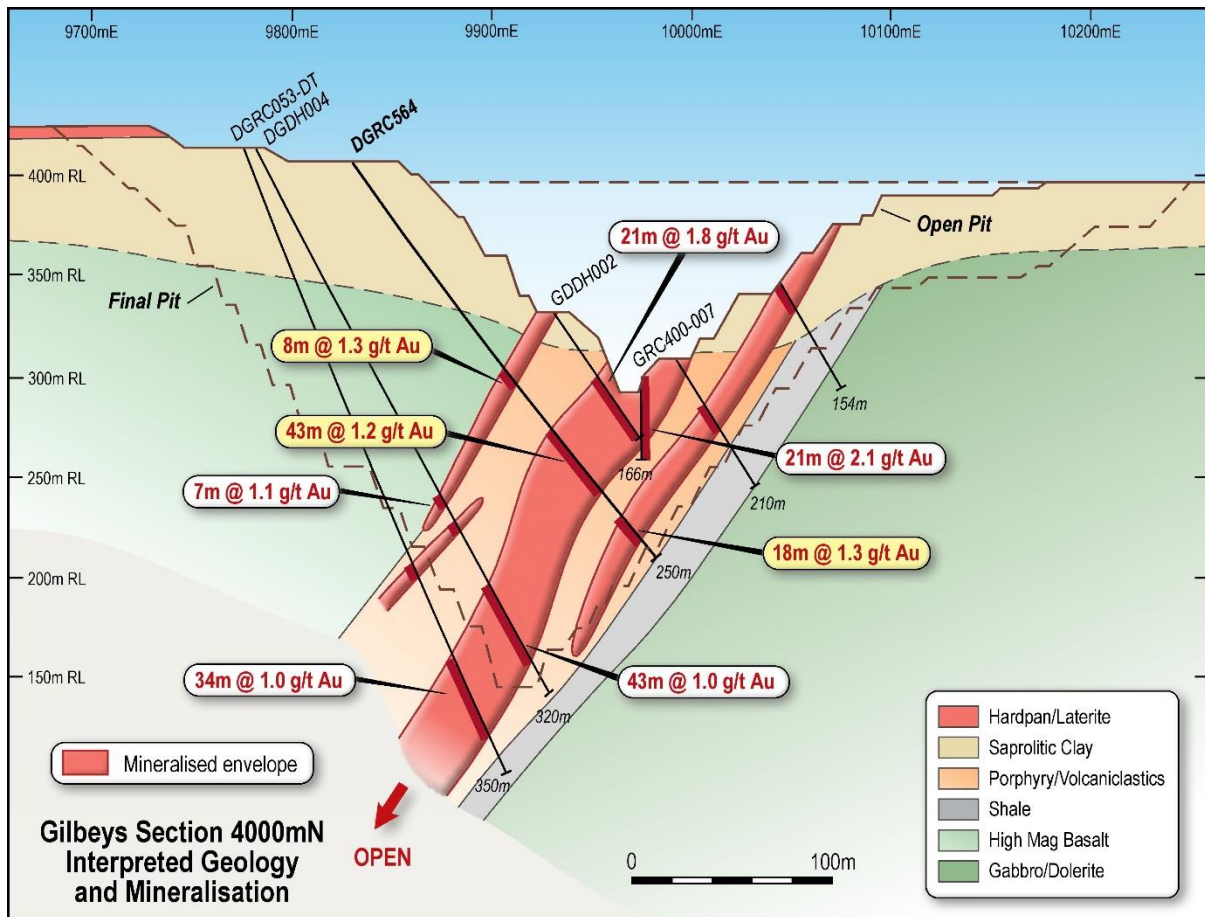


Figure 5: Gilbeys Resource Drilling Section 4000N – Results from DGRC0564

Table 1: Significant Intersections from Recent RC drilling on Gilbeys Resource Drilling

Hole Id	From (m)	To (m)	Interval (m)	Au g/t	Comment	Section Targeted	
DGRC0536*	142	149	7	1.8	Hanging wall lode	4325N	
	189	194	7	0.5			
	232	238	6	14.1			
	242	243	1	13.4			
DGRC0537*	161	218	57	1.6	Main Lode	4275N	
	incl	182	198	16			3.2
DGRC0538*	197	202	5	1.0	Main Lode	4225N	
	214	232	18	1.0			
	DGRC0539*	16	20	4	0.6	Hanging wall lode	3725N
		32	33	1	1.4		
110		139	29	1.1	Main Lode		
146		147	1	2.3			
DGRC0540*	11	18	7	0.8	Hanging wall lode	3725N	
	24	25	1	1.1			
	98	102	4	1.0	Main lode		
	113	115	2	1.4	Main lode		
DGRC0541*	129	131	2	0.8	Footwall lode		
	0	2	2	0.6	Hanging wall lode	3700N	
	90	107	17	0.7			
	116	127	11	0.5	Footwall lode		

Hole Id	From (m)	To (m)	Interval (m)	Au g/t	Comment	Section Targeted
DGRC0542*	12	16	4	1.1	Hanging wall lode	3700N
	103	139	36	1.0	Main lode	
incl	103	115	12	1.7		
DGRC0543*	84	106	22	1.0	Main lode	3675N
	111	120	9	0.8	Footwall lode	
DGRC0544*	102	112	10	2.0	Hanging wall lode	3875N
	166	180	14	1.6	Main lode	
	206	209	3	0.7	Footwall lode	
DGRC0545*	90	95	5	2.1	Hanging wall lode	3850N
	100	102	2	4.2		
	150	171	21	1.7	Main lode	
	203	210 (EOH)	7	0.7	Footwall lode	
DGRC0546*	79	83	4	0.9	Hanging wall lode	3825N
	145	164	19	1.1	Main lode	
	179	181	2	0.6		
DGRC0547*	79	83	4	8.1	Hanging wall lode	3800N
	152	156	4	0.75		
	161	176	15	0.7	Main lode	
	199	210	11	0.8	Footwall lode	
DGRC0548	140	190 (EOH)	50	2.9	Main lode	3750N
Incl.	140	144	4	29.8		
DGRC0558	88	92	4	0.7	Hanging wall lode	3750N
	171	180	9	1.0	Main lode	
	186	189	3	0.6		
	194	208	14	0.6	Footwall lode	
DGRC0559	68	71	3	1.4	Hanging wall lode	3750N
	142	160	19	0.5	Main lode	
	181	186	5	0.7	Footwall lode	
DGRC0560	130	136	6	0.6	Hanging wall lode	3850N
	195	220	25	1.0	Main lode	
DGRC0562	113	133	20	1.1	Hanging wall lode	3925N
	168	208	40	1.0	Main lode	
	218	227	9	0.9	Footwall lode	
DGRC0563	157	163	6	4.5	Hanging wall lode	4025N
	174	179	5	1.7	Hanging wall lode	
	189	205	16	1.5	Main lode	
	210	229	19	0.7	Footwall lode	
DGRC0564	130	138	8	1.3	Hanging wall lode	4000N
	162	205	43	1.2	Main lode	
Incl.	178	198	20	1.7		
	219	237	18	1.3	Footwall lode	
DGRC0565	142	144	2	0.8	Hanging wall lode	3975N
	165	244	79	0.7	Main and Footwall lode	
Incl.	174	211	37	1.0	Main lode	
DGRC0566	132	140	8	4.7	Hanging wall lode	3900N
Incl.	135	137	2	17.1		

Hole Id	From (m)	To (m)	Interval (m)	Au g/t	Comment	Section Targeted
	159	162	3	2.0	Hanging wall lode	
	183	187	4	7.5	Hanging wall lode	
	192	236	44	0.6	Main and Footwall lode	
DGRC0567	156	159	2	0.7		3950N
	167	210	43	1.4	Main lode	
Incl.	170	192	22	2.0		
	225	234	9	0.7	Footwall lode	
	239	240 (EOH)	1	3.8	Footwall lode	
DGRC0568	167	170	3	1.1	Hanging wall lode	4200N
	192	214	22	0.8	Main lode	
DGRC0569	160	164	4	1.0	Hanging wall lode	4175N
	176	188	12	1.1	Main lode	
	213	215	2	0.7	Footwall lode	
DGRC0570	170	173	3	0.8	Hanging wall lode	4175N
	184	186	2	0.6		
	193	211	18	1.0	Main lode	
DGRC0571	151	154	3	1.6	Hanging wall lode	4125N
	165	175	10	1.3	Main Lode	
	180	182	2	0.6		
DGRC0572	129	134	5	1.2	Hanging wall lode	4025N
	150	153	3	0.5		
	165	205	40	1.5	Main lode	
Incl.	173	183	10	3.8		
	211	213	2	0.6		
	222	224	2	1.5		
	242	246 (EOH)	4	0.8	Footwall lode	
DGRC0573	160	163	3	1.0		4100N
	169	177	8	0.6		
	182	185	3	0.8		
	191	212	21	1.0	Main lode	
DGRC0574	178	188	10	0.5		4075N
	198	204	6	1.8	Main lode	
	215	230	15	1.4		
DGRC0575	146	148	2	1.4		4075N
	153	174	21	1.1	Main lode	
	180	204	24	1.0		
DGRC0576	141	142	1	9.0		4050N
	170	173	3	0.9		
	180	183	3	0.9		
	191	210	19	0.8	Main lode	
	216	225	9	0.8		
	233	238	5	1.9	Footwall lode	
	244	246	2	0.9		

**Denotes results reported in March 2019 Quarterly Report*

Table 2: Gilbeys RC Drilling Collar Locations

Hole ID	Depth (m)	GDA East	GDA North	RL	Dip	Azimuth
DGRC0536	250	526182.160	6920168.532	424.699	-65	129.2
DGRC0537	220	526187.586	6920093.321	424.970	-55	131.23
DGRC0538	250	526126.915	6920082.591	424.777	-65	129.21
DGRC0539	154	525851.758	6919646.490	400.118	-65	128.6
DGRC0540	142	525853.242	6919645.136	400.191	-55	128.6
DGRC0541	130	525846.729	6919623.626	400.596	-56	131.13
DGRC0542	140	525839.764	6919630.005	400.373	-65	130.7
DGRC0543	130	525829.192	6919605.541	399.977	-52	129.99
DGRC0544	216	525909.819	6919804.543	410.072	-53	131.03
DGRC0545	210	525900.350	6919778.718	410.168	-56	129.03
DGRC0546	200	525890.671	6919754.965	409.958	-58	130.3
DGRC0547	215	525871.836	6919737.904	410.045	-60	128.9
DGRC0548	190	525855.861	6919719.418	409.792	-52	129.5
DGRC0558	210	525848.869	6919726.553	409.616	-61	130.5
DGRC0559	190	525842.936	6919703.962	409.915	-51	130.65
DGRC0560	240	525875.891	6919804.082	410.01	-61	128.25
DGRC0561	120	525913.615	6919836.934	410.213	-62	128.61
DGRC0562	240	525932.132	6919853.735	410.276	-52	129.78
DGRC0563	258	525987.756	6919938.961	407.228	-62	129.09
DGRC0564	250	525978.290	6919913.115	407.465	-55	130.17
DGRC0565	250	525963.716	6919893.109	407.71	-55	127.13
DGRC0566	240	525909.300	6919832.771	409.998	-60	126.49
DGRC0567	240	525945.448	6919873.832	408.362	-55	127.04
DGRC0568	230	526127.348	6920046.743	414.43	-62	128.1
DGRC0569	215	526110.666	6920028.494	414.653	-50	128.65
DGRC0570	230	526103.119	6920036.053	414.542	-60	128.6
DGRC0571	234	526064.227	6920003.709	409.892	-53	128.55
DGRC0572	246	525994.629	6919932.111	407.000	-51	128.68
DGRC0573	234	526040.716	6919986.728	409.743	-61	126.13
DGRC0574	252	526037.157	6919981.358	409.405	-67	140.21
DGRC0575	222	526037.500	6919973.835	409.419	-55	138.57
DGRC0576	250	526030.504	6919967.188	409.259	-60	152.81

EXPLORATION ACTIVITIES

Exploration activities in the immediate future will focus on (and be limited to) prospects at Dalgaranga with potential to be incorporated into the mine life within 12 to 24 months.

CORPORATE

Appointment of Voluntary Administrators

Voluntary Administrators (Michael Ryan, Kathryn Warwick and Ian Francis of FTI Consulting) were appointed by the Board of Directors on 2 June after a review of updated future cashflows based on schedules run on the latest available draft LUC geological model at that time.

The Administrators commenced working with creditors to agree a pathway to remain operating whilst working to develop a parallel process to effect either a sale of the assets or a recapitalisation of the company.

Appointment of CEO

Mr Richard Hay has been re-appointed, as of 3 June (Mr Hay resigned as CEO on 31 May), under a new employment agreement as the Company's Chief Executive Officer (Administrators Appointed) (CEO). The key terms and conditions of employment were detailed with the appointment announcement (ASX Announcement 15 July, 2019). The new employment arrangements are day rate based, in keeping with the fact that Administration of a company is a temporary, not long term measure.

In addition, the Company has appointed Mr Mike McCracken as Site General Manager of its Dalgaranga operations reporting directly to Mr Richard Hay (CEO). Mr McCracken is a highly experienced Mining Engineer with over 35 years' experience in hard rock underground and open pit mining.

Competent Persons Statement

Information in this announcement relating to the Dalgara project is based on 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.

Mining Tenements held at 30th June 2019

All the company's tenements are within Western Australia

Tenement	Location	Name	Ownership
ELA09/2286	Gascoyne Region	Bassit Bore	100% Gascoyne Resources
EL21/195	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1709	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1904	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1905	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1906	Murchison Region	Dalgaranga	80% Gascoyne Resources
L59/141	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/142	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/151	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/152	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/153	Murchison Region	Dalgaranga	100% Gascoyne Resources
LA59/167	Murchison Region	Dalgaranga	100% Gascoyne Resources
LA59/168	Murchison Region	Dalgaranga	100% Gascoyne Resources
LA59/169	Murchison Region	Dalgaranga	100% Gascoyne Resources
LA59/170	Murchison Region	Dalgaranga	100% Gascoyne Resources
ML59/749	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2150	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2053	Murchison Region	Dalgaranga	100% Gascoyne Resources
ELA59/2289	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL52/3531	Pilbara Region	Elphin Bore	100% Gascoyne Resources
EL09/1325	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1764	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1865	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1866	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/2025	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/2148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/56	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/62	Gascoyne Region	Glenburgh	100% Gascoyne Resources
ML09/148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL51/1648 ⁽¹⁾	Murchison Region	Murchison	100% Gascoyne Resources
EL51/1681	Murchison Region	Murchison	100% Gascoyne Resources
EL52/2117	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/2515	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/3574	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
ML52/343	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
ML52/567	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/3490	Gascoyne Region	Mt James	100% Gascoyne Resources

(1) Doray Minerals Limited (ASX:DRM) earning into the project

Abbreviations and Definitions used in Tenement Schedule:

EL	Exploration Licence	ELA	Exploration Licence Application
ML	Mining Lease	L	Miscellaneous Licence
LA	Miscellaneous Licence Application		

JORC Code, 2012 Edition – Table 1
Section 1 Sampling Techniques and Data
Dalgaranga project

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> • The deposits and prospects has been drilled using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond drilling over numerous campaigns by several companies and currently by Gascoyne Resources Ltd. The majority of holes are on a 25m grid either infilling or extending known prospects. The exploration areas have wider spaced drilling. The majority of drill holes have a dip of -60°but the azimuth varies. For this announcement it was RC drilling • Sample procedures followed by historic operators are assumed to be in line with industry standards at the time. Current QAQC protocols include the analysis of field duplicates and the insertion of appropriate commercial standards and blank samples. Based on statistical analysis of these results, there is no evidence to suggest the samples are not representative. • RC drilling was used to obtain 1m samples which were split by a cone splitter at the rig to produce a 3 – 5 kg sample. In some cases, a 4m composite sample of approximately 3 – 5 kg was also collected from the top portion of the holes considered unlikely to host significant mineralisation. The samples were shipped to the laboratory for analysis via 50g Fire Assay. Where anomalous results were detected, the single metre samples were collected for subsequent analysis, also via 50g Fire Assay. A 4m composite sample of approximately 3 – 5 kg was collected for all AC drilling. This was shipped to the laboratory for analysis via a 25g Aqua Regia digest with reading via a mass spectrometer. Where anomalous results were detected, single metre samples will be collected for subsequent analysis via a 25g Fire Assay. The diamond drilling was undertaken as diamond tails to the recently completed RC holes. One of the holes was HQ (to allow metallurgical samples to be collected) the last two are NQ. The NQ holes will be sampled by ½ core sampling while the HQ hole will be ¼ core sampled. The samples are assayed using 50g charge fire assay with an AAS finish. In relation to this announcement all RC samples were sent to MinAnalytical Laboratory Pty Ltd for analysis, by Fire Assay.
Drilling techniques	<ul style="list-style-type: none"> • RC drilling used a nominal 5 ½ inch diameter face sampling hammer. AC drilling used a conventional 3 ½ inch face sampling blade to refusal or a 4 ½ inch face sampling hammer to a nominal depth. The diamond drilling was undertaken as diamond tails to RC holes. Core sizes range from NQ, HQ or PQ (to allow metallurgical samples to be collected). In relation to this announcement RC face sampling hammer was used.
Drill sample recovery	<ul style="list-style-type: none"> • RC and AC sample recovery is visually assessed and recorded where significantly reduced. Very little sample loss has been noted. • The diamond drilling recovery has been excellent with very little no core loss identified.
	<ul style="list-style-type: none"> • RC samples were visually checked for recovery, moisture and contamination. A cyclone and cone splitter were used to provide a uniform sample and these were routinely cleaned. AC samples were visually checked for recovery moisture and contamination. A cyclone was used and routinely cleaned. 4m composites were speared to obtain the most representative sample possible. • Diamond drilling was undertaken and the core measured and orientated to determine recovery, which was generally 100%. • Sample recoveries are generally high. No significant sample loss has been recorded with a corresponding increase in Au present. Field duplicates produce consistent results. No sample bias is anticipated, and no preferential loss/gain of grade material has been noted. • The diamond core has been consistently sampled with the left hand side of the NQ hole sampled, while for the HQ, the left hand side of the left hand half was sampled.
Logging	<ul style="list-style-type: none"> • Detailed logging exists for most historic holes in the data base. Current RC and AC chips are geologically logged at 1 metre intervals and to geological boundaries respectively. RC chip trays and end of hole chips from AC drilling have been stored for future reference. • Diamond drill holes have all been geologically, structurally and geotechnically logged. • RC and AC chip logging recorded the lithology, oxidation state, colour, alteration and veining. • The Diamond core photographed tray by tray wet and dry. • All current drill holes are logged in full.

Criteria	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Diamond drilling completed by Gascoyne Resources on the tenement has been ½ core (for NQ) or ½ or ¼ core (for HQ) sampled. Previous companies have conducted diamond drilling, it is unclear whether ½ core or ¼ core was taken by previous operators.
	<ul style="list-style-type: none"> RC chips were cone split at the rig. AC samples were collected as 4m composites (unless otherwise noted) using a spear of the drill spoil. Samples were generally dry. 1m AC resamples are riffle split or speared.
	<ul style="list-style-type: none"> RC and AC samples are dried. If the sample weight is greater than 3kg, the sample is riffle split. Samples are pulverised to a grind size where 85% of the sample passes 75 micron.
	<ul style="list-style-type: none"> Field QAQC procedures included the insertion of 4% certified reference ‘standards’ and 2% field duplicates and 2% ‘blanks’ for RC and AC drilling. Diamond drilling has 4% certified standards included.
	<ul style="list-style-type: none"> Field duplicates were collected during RC and AC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary. The diamond core has been consistently sampled with the left hand side of the NQ hole sampled, while for the HQ, the left hand side of the left hand half was sampled.
	<ul style="list-style-type: none"> A sample size of between 3 and 5 kg was collected. This size is considered appropriate and representative of the material being sampled given the width and continuity of the intersections, and the grain size of the material being collected.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> In relation to this announcement all RC samples were sent to MinAnalytical Laboratory Pty Ltd for analysis, by Fire Assay using a 50g charge with an AAS finish – an industry standard for gold analyses
	<ul style="list-style-type: none"> No downhole geophysical tools etc. have been used at Dalgaranga.
	<ul style="list-style-type: none"> Field QAQC procedures include the insertion of both field duplicates and certified reference ‘standards’ and ‘blank’ samples. Assay results have been satisfactory and demonstrate an acceptable level of accuracy and precision. Laboratory QAQC involves the use of internal certified reference standards, blanks, splits and replicates. Analysis of these results also demonstrates an acceptable level of precision and accuracy.
Verification of sampling and assaying	<ul style="list-style-type: none"> At least 3 company personnel verify all intersections.
	<ul style="list-style-type: none"> No twinned holes have been drilled to date by Gascoyne Resources.
	<ul style="list-style-type: none"> Field data is collected using Geobank Mobile - Micromine software on tablet computers. The data is sent to the GCY Database Manager for validation and compilation into a SQL database server.
	<ul style="list-style-type: none"> No adjustments have been made to assay data apart from values below the detection limit which are assigned a value of negative the detection limit
Location of data points	<ul style="list-style-type: none"> At this stage most drill collars have been surveyed by hand held GPS to an accuracy of about 3m. The RC and diamond drill holes have been picked up by DGPS. A down hole survey was taken at least every 30m in RC holes by electronic multishot tool by the drilling contractors. Gyro surveys have been undertaken on selected holes to validate the multi shot surveys. In the case of this announcement all holes have been surveyed by company Surveyor using DGPS and Gyro surveys were undertaken down hole by drilling contractors for all drill holes in this announcement.
	<ul style="list-style-type: none"> The grid system is MGA_GDA94 Zone 50.
Data spacing and distribution	<ul style="list-style-type: none"> Initial exploration by Gascoyne Resources is targeting discrete areas that may host mineralisation. Consequently, current drilling is not grid based, however when viewed with historic data, the drill holes generally lie on existing grid lines and within 25m – 100m of an existing hole.
	<ul style="list-style-type: none"> The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code.
	<ul style="list-style-type: none"> In some cases 4m composite samples were collected from the upper parts of RC drill holes where it was considered unlikely for significant gold mineralisation to occur. Where anomalous results were detected, the single metre cone split samples were collected for subsequent analysis. 4m composite samples were collected during AC

Criteria	Commentary
	drilling and where anomalous results were detected single metre riffle split or speared samples were collected for subsequent analyses.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Drilling sections are orientated perpendicular to the strike of the mineralised host rocks at Dalgaranga. This varies between prospects and consequently the azimuth of the drill holes also varies to reflect this. The drilling is angled at -60° which is close to perpendicular to the dip of the stratigraphy. No orientation based sampling bias has been identified in the data at this point.
Sample security	<ul style="list-style-type: none"> Chain of custody is managed by Gascoyne Resources. Drill Samples are dispatched weekly from the Dalgaranga Gold Project site. Coastal Midwest Transport delivers the samples directly to the assay laboratory in Perth. In some cases company personnel have delivered the samples directly to the lab. Diamond drill core is transported directly to Perth for cutting and dispatch to the assay lab for analysis.
Audits or reviews	<ul style="list-style-type: none"> Data is validated by the GCY Database Manager whilst loading into database. Any errors within the data are returned to relevant GCY geologist for validation.

Section 2 Reporting of Exploration Results: Dalgaranga Project

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Dalgaranga project is situated on Mining Lease Number M59/749. The tenement is 100% owned by Gascoyne Resources. Other project Tenements include E59/1709, E59/1904, 1905, 1906 which Gascoyne Resources has an 80% interest. The Greencock prospect lies on E59/2053 and is 100% owned by Gascoyne Resources The tenements are in good standing and no known impediments exist.
Exploration done by other parties	<ul style="list-style-type: none"> The tenement areas have been previously explored by numerous companies including BHP, Newcrest and Equigold. Mining was carried out by Equigold in a JV with Western Reefs NL from 1996 – 2000.
Geology	<ul style="list-style-type: none"> Regionally, the Dalgaranga project lies in the Archean aged Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. Gold mineralisation at the Gilbeys deposit is associated with quartz-pyrite-carbonate veins within a sheared porphyry-shale package and also occurs in the overlying weathered profile. At Golden Wings gold mineralisation is associated with sericite-chlorite- quartz schist after mafic rocks or sediments and quartz-pyrite-arsenopyrite plunging lodes within biotite-sericite-carbonate-pyrite schist. The Sly Fox deposit lies on the easterly limb of a southerly plunging anticline within a dextral ductile shear zone. Gold mineralisation is associated with silica-sericite-pyrite altered biotite-carbonate schists and minor black shale zones. At the Plymouth deposit gold mineralisation occurs in quartz veined and silica, pyrite, biotite altered schists. Regionally, tenement E59/2053 lies within the Archean Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. The tenement lies immediately to the north west of the Gascoyne Resources Dalgaranga Gold Project tenements and encompasses the western side of the Dalgaranga Greenstone Belt which contains a large package of felsic volcanic rocks and sediments intruded by gabbro complexes which have been folded into ENE trending synforms. A number of historic gold and base metal prospects occur on the tenement, in particular the Greencock gold prospect which contains a number of significant gold intersections over an open ended strike length of 300m associated with ENE/WSW structural trend observable in aeromagnetic data. Gold mineralisation at Greencock is associated with sheared gabbro and porphyry.
Drill hole Information	<ul style="list-style-type: none"> The recent RC drill holes are being reported in this announcement. See body of the text for sample results, collar coordinates and survey (azimuth, RL and dip) information in tables

Criteria	Commentary
Data aggregation methods	<ul style="list-style-type: none"> • All reported assays have been length weighted if appropriate. No top cuts have been applied. A nominal 0.5ppm Au lower cut off has been applied. • High grade Au intervals lying within broader zones of Au mineralisation are reported as included intervals. • No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • The mineralised zones at Dalgaranga vary in strike between prospects, but all are relatively steeply dipping. Drill hole orientation reflects the change in strike of the rocks and consequently the downhole intersections quoted are believed to approximate true width unless otherwise stated in the announcement.
Diagrams	<ul style="list-style-type: none"> • Refer to figures within body of text.
Balanced reporting	<ul style="list-style-type: none"> • Results from all holes where assays have been received are included in this announcement.
Other substantive exploration data	<ul style="list-style-type: none"> • No other significant exploration work had been completed by Gascoyne Resources.
Further work	<ul style="list-style-type: none"> • Exploration will continue at Dalgaranga with drilling conducted to extend the current resources, mine life and follow up of significant exploration results will continue including exploration drilling of new areas on the project. • Refer to figures in body of text.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity	
Gascoyne Resources Limited	
ABN	Quarter ended ("current quarter")
57 139 522 900	30 June 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	31,169	95,777
1.2	Payments for		
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	(23,895)	(77,806)
	(d) staff costs	(595)	(3,324)
	(e) administration and corporate costs	(273)	(1,911)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	31	188
1.5	Interest and other costs of finance paid	(118)	(2,772)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (includes royalties and hedge settlements)	(589)	(987)
1.9	Net cash from / (used in) operating activities	5,730	9,165

Mining exploration entity and oil and gas exploration entity quarterly report

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1,299)	(5,206)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Exploration and evaluation expenditure	(270)	(2,579)
	- Expenditure on mine properties/mine properties under development	(13,376)	(63,366)
	- Revenue from commissioning inventories	-	4,239
2.6	Net cash from / (used in) investing activities	(14,945)	(66,912)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	24,477	48,661
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(2,232)	(3,683)
3.5	Proceeds from borrowings	-	10,352
3.6	Repayment of borrowings	(1,664)	(6,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	20,581	49,330

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,362	25,145
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,730	9,165
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14,945)	(66,912)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	20,581	49,330
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period*	16,728	16,728

* In July, secured project financiers set-off an amount of \$12.2m from the cash balance as at 30 June 2019 against amounts owed in table 8 below. Further, no payments were made to pre-Voluntary Administration secured and unsecured creditors in June.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	16,728	5,362
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,728	5,362

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	100
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2*	(4,591)
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

*Payments to NRW, Mining contractor and shareholder

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	98,586	98,586
8.2	Credit standby arrangements	-	-
8.3	Other	12,000	10,381
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
<p>8.1 Secured Project Finance and Asset Finance facilities held with National Australia Bank and Commonwealth Bank of Australia; Secured Non-Cash Finance Lease with Zenith Pacific (DGA) Pty Ltd for power generation facilities.</p> <p>On 5 June 2019, National Australia Bank and Commonwealth Bank of Australia exercised their rights under the financing agreements to close out the gold forward contracts and Singapore gas oil swaps held with GNT Resources Pty Ltd crystallising a contingent liability of \$30.3 million which is reflected in the loan facility balance reflected above.</p> <p>8.3 Other represents the NRW working capital facility, secured with a second ranking charge over subsidiary GNT Resources Pty Ltd's assets. The facility was drawn in January.</p>			

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	200
9.2	Development	1,000
9.3	Production	36,500
9.4	Staff costs (Admin)	600
9.5	Administration and corporate costs	600
9.6	Other (provide details if material) (State Royalties, Rents)	800
9.7	Total estimated cash outflows *	39,700

* Cash outflows do not include forecast gold revenues from production at the Dalgaranga Project.

Closing cash on hand does not include bullion on hand of 1,509oz at fair value ~\$3,061K.

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	LA59/167 LA59/168 LA59/169 LA59/170	Application Application Application Application	0% 0% 0% 0%	100% 100% 100% 100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Company Secretary

Date: 31 July 2019



Print name: Eva O'Malley

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.