

03 October 2019  
Australian Securities Exchange Limited  
Via Electronic Lodgement

## DALGARANGA GOLD MINE – UPDATED ORE RESERVE

- Updated Dalgaranga Gold Project Ore Reserve estimate of 501,800<sup>1,2</sup> ounces of gold;
- Represents +62% conversion of the 802Koz Dalgaranga Mineral Resource<sup>3</sup>
- +90% of the Ore Reserve is located within the wide and continuous Gilbey's Main Lode;
- Includes 12.4Mt at 1.1g/t for 438Koz (above 0.5g/t cut-off grade) representing +87% of the Ore Reserve;
- Mining One Pty Ltd (Mining One) closely involved as advisors on design and verification of technical aspects at each stage of the process.

Gascoyne Resources Limited ("Gascoyne" or "Company")(ASX:GCY) provides an updated Ore Reserve Estimate for the Dalgaranga Gold Project. The updated Ore Reserve estimate is **16.9Mt at 0.9 g/t for 501,800 ounces of contained gold.**

### Dalgaranga Reserve Update

Gascoyne's internal Mine Planning team has completed an update of the Ore Reserve modelling and estimation. New Ore Reserve estimates for the Gilbey's area (Gilbey's, Gilbey's South, and Sly Fox deposits) and Golden Wings have been completed with close involvement by Mining One throughout the process.

The updated Ore Reserve for Dalgaranga (this announcement) has been estimated as at 30 June 2019, based on the new Localised Uniform Conditioning (LUC) Mineral Resource models (ASX announcement dated 28 August 2019).

The Ore Reserve estimate was constrained within final pit designs based on A\$1,800<sup>2</sup> optimised pit shells, whereas previous Ore Reserves were reported within final pit designs based on A\$1,600 optimised pit shells. The updated Ore Reserve has been depleted for mining as at 30 June 2019.

The updated Dalgaranga Ore Reserve estimate is shown below in Tables 1 and 2.

1. As at 30 June 2019.
2. Ore Reserves are reported inside final pit designs using a gold price of A\$1,800 per ounce which demonstrates that economic extraction is reasonably justified (as per section 29 of the JORC Code 2012) as detailed in Appendix 1 JORC Table 1, Section 4, for reporting Ore Reserves.
3. See ASX announcement dated 28 August 2019.



**Table 1 : Dalgaranga Gold Project**  
**30 June 2019 Summary Ore Reserve Statement**

Classification	Oxidation state	COG (g/t Au)	Mt	Au g/t	Au Koz
<b>Proved</b>	Oxide	0.25	0.1	1.1	4.1
	Transition	0.30	0.4	0.9	11.0
	Fresh	0.32	0.9	0.8	22.4
	Stockpiles	0.25	0.0	0.5	2.6
	Gold In circuit				1.3
	<b>SUBTOTAL</b>		<b>1.4</b>	<b>0.9</b>	<b>41.4</b>
<b>Probable</b>	Oxide	0.25	0.7	0.8	19.2
	Transition	0.30	1.1	0.9	31.9
	Fresh	0.32	13.7	0.9	409.2
	<b>SUBTOTAL</b>		<b>15.5</b>	<b>0.9</b>	<b>460.4</b>
<b>Total</b>			<b>16.9</b>	<b>0.9</b>	<b>501.8</b>

Notes:

1. The Ore Reserve estimate for the Gilbey's, Gilbey's South, Sly Fox and Golden Wings deposits has been compiled under the supervision of Mr Neil Rauert. Mr Neil Rauert is a Senior Mining Engineer, a full time employee of Gascoyne Resources and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Neil Rauert has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that was undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
2. Effective date of 30 June 2019.
3. Ore Reserves are reported at various cut-off grades after considering modifying factors that include mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
4. Ore Reserves are reported within final pit designs, developed by GCY with input from Mining One, based on a gold price of A\$1,800 and Proved and Probable categories.
5. Figures may not add up exactly due to rounding.

**Table 2 : Dalgaranga Gold Project**  
**30 June 2019 Ore Reserve above 0.5g/t**

Classification	Oxidation state	COG (g/t Au)	Mt	Au g/t	Au Koz
<b>Proved</b>	Oxide	0.50	0.1	1.4	3.8
	Transition	0.50	0.3	1.1	9.9
	Fresh	0.50	0.6	1.0	19.0
	Stockpiles	0.50			
	Gold In circuit				1.3
	<b>SUBTOTAL</b>		<b>1.0</b>	<b>1.1</b>	<b>34.1</b>
<b>Probable</b>	Oxide	0.50	0.4	1.1	16.2
	Transition	0.50	0.6	1.2	23.0
	Fresh	0.50	10.4	1.1	365.1
	<b>SUBTOTAL</b>		<b>11.4</b>	<b>1.1</b>	<b>404.2</b>
<b>Total</b>			<b>12.4</b>	<b>1.1</b>	<b>438.3</b>

\*Figures may not add up exactly due to rounding.

### **Listing Rule 5.9**

Pursuant to ASX listing rule 5.9, and in addition to the information contained in Appendix 1, the Company provides the following in respect of the updated Ore Reserve estimate for the Dalgaranga project.

### **Mineral Resource**

The Measured and Indicated Mineral Resource assessed for estimating the Ore Reserve update for the Dalgaranga Project totals 21.0Mt at 0.9g/t gold for 605.7k ounces. No Inferred category material was used in the Ore Reserve update.

Full details of the Mineral Resource for Dalgaranga is reported in the ASX announcement dated August 28<sup>th</sup> 2019 “Dalgaranga Gold Mine – Robust Updated Mineral Resource for the supporting mineral resource as at 1<sup>st</sup> July 2019”.

The Mineral Resource was estimated by Cube Consulting, for the Gilbey’s, Plymouth and Sly Fox deposits. The Resource Estimation used the LUC (Localised Uniform Conditioning) estimation technique. Similarly, a revised mineral Resource Estimation using the LUC technique was carried out by SD2 Pty Ltd for the Golden Wings Deposit.

With the Dalgaranga mine in full operation, monthly reconciliation data is now available to review resource models to mining performance. End of month reporting for July and August 2019 compared Actual Mined with the Planned Resource models showing the LUC model overcalled tonnes by 1% and under called ounces by 15%. Previous OK (Ordinary Kriged) models under called tonnes by 2% and ounces by 46% (ASX Announcement dated 16 September 2019). It is expected that as mining progresses from predominantly oxidised ore into the less weathered transitional and fresh ore, and accessing the more continuous and significantly wider Gilbey’s ‘Main Zone’, reconciliations will continue to improve.

### **Ore Reserve Estimation**

The Ore Reserves were estimated as part of a detailed Life of Mine (LOM) planning study involving:-

- Updated LUC geological models based on updated geological interpretation resource modelling;
- Updated mine optimisation studies using both Whittle™ Lerchs-Grossmann and Deswik Pseudoflow proprietary software;
- Updated geotechnical review by Absolute Geotechnics Pty Ltd;
- Updated pit designs for both Gilbey’s and Golden Wings;
- Updated Mine schedules for Gilbey’s and Golden Wings;
- Mining Planning input from Mining One;
- Updated cash flow model.

The Ore Reserve was estimated by Neil S. Rauert, F. AusIMM (CP), who acts as the Competent Person under the JORC 2012 Code and was employed by Gascoyne Resources Limited (Voluntary Administrators Appointed) at the time of the estimation. The Competent Person is a full-time employee of Gascoyne Resources Limited (Voluntary Administrators Appointed).

The use of Cut-off parameters, mining and metallurgical factors, assumptions and economic analysis as described in the Appendix 1, JORC code Table 1, Section 4 Reserve Estimation were used in determining this Ore Reserve estimate.

This updated Ore Reserve estimate supersedes the Ore Reserve estimate based on the Feasibility Study (FS) carried out in 2016.

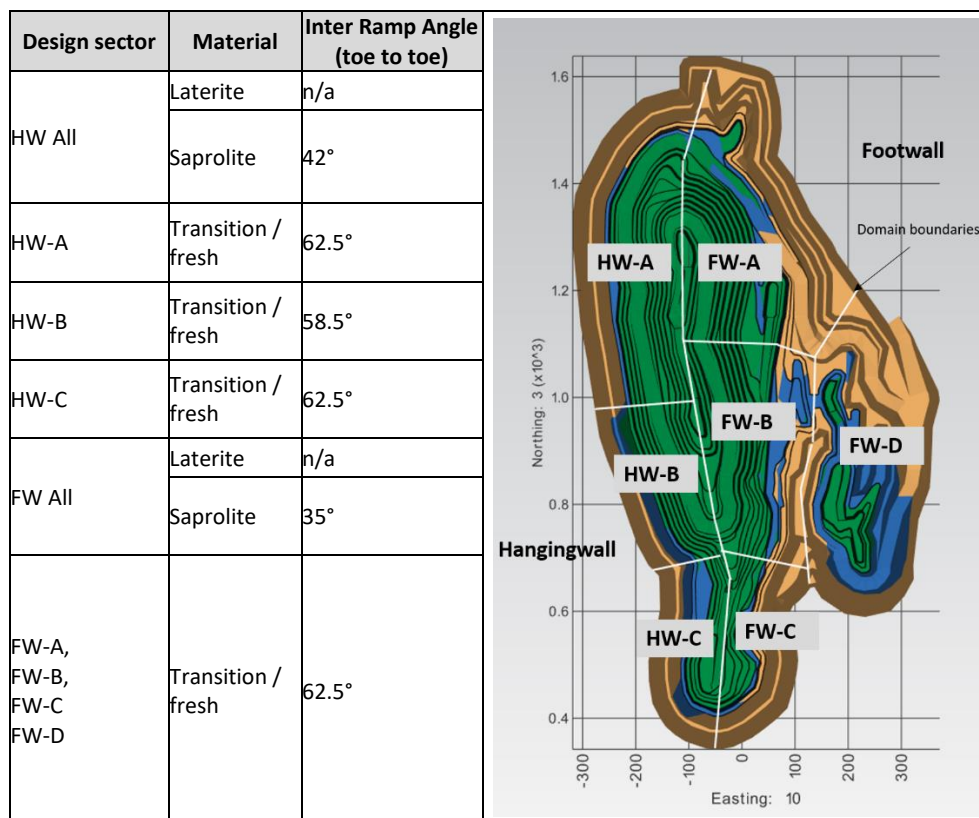
## Geotechnical

Geotechnical assessments used in this 2019 Ore Reserve update are based largely on work for the 2016 FS completed by Absolute Geotechnics Pty Ltd (AG).

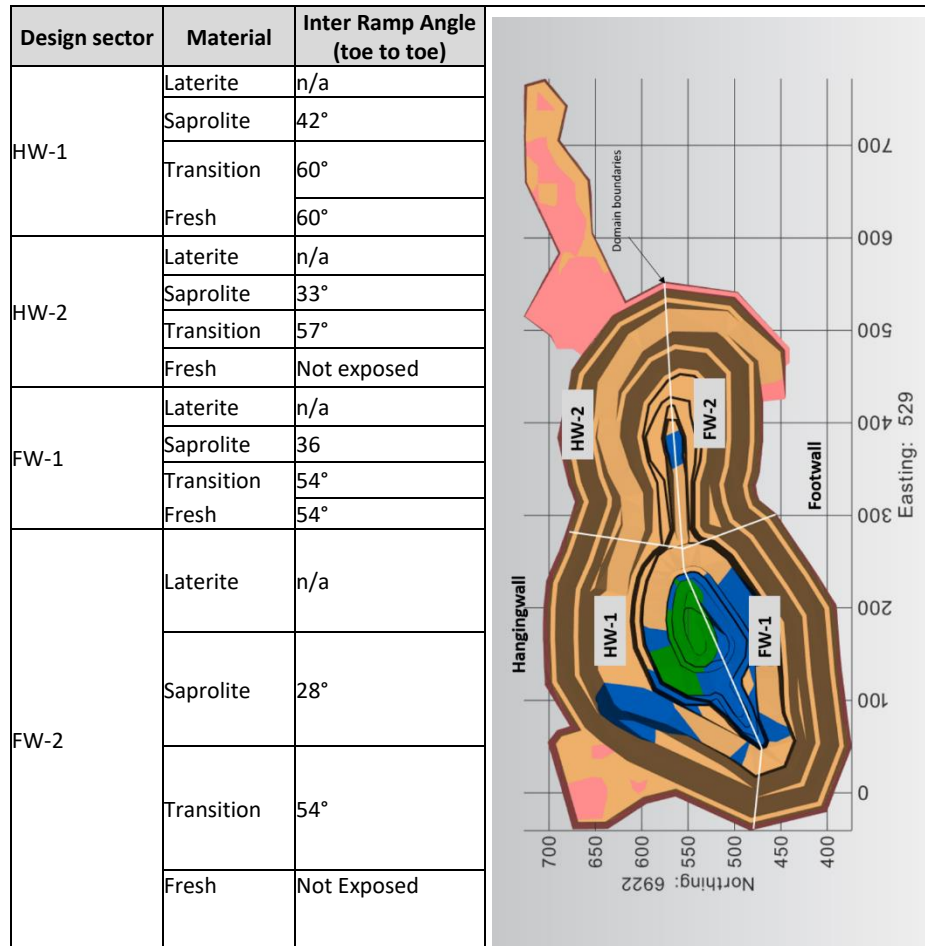
### Gilbey's and Golden Wings Open Pits Geotechnical Assessment

The development of the Gilbey's pit will include 3 stages of cut-back, with stage 3 being the final (ultimate) pit. The proposed ultimate pit measures approximately 1,560m in length by 680m wide, extending vertically to a level of 145m RL, a maximum depth of approximately 275m below surface. The majority of the walls of the proposed pit design contains ramps. The proposed development of the Golden Wings pit measures approximately 450m in length by 200m wide, extending vertically to a level of 300m RL, a maximum depth of approximately 140m below surface.

The figures and tables below show the geotechnical domains and corresponding Inter Ramp Angles for both Gilbey's and Golden Wings used for the 2019 Reserve estimation noting that the proposed designs will be similar in extent and location to that shown from the 2016 FS work.



**Figure 1: Geotechnical domains, Gilbey's (Pit shell coloured by weathering grade: brown- extremely weathered, blue- highly to moderately weathered, green- fresh). HW – hanging wall, FW – footwall.**



**Figure 2: Geotechnical slope design for Golden Wings deposit. Geotechnical domains, Golden Wings deposits (Pit shell coloured by weathering grade: brown- extremely weathered, blue- highly to moderately weathered, green- fresh, pink – lateritic caprock).**

Following further reviews by AG as part of the 2019 geotechnical review a recommendation was made for the Gilbey's Pit in domains HW-A and HW-B, to incorporate a ramp (or berm) of at least 25m mid-slope. Alternatively, all berm widths can be increased to compensate for a total 25m across the fresh rock slope. As a result, a ramp has been designed in the western wall of the final pit design to accommodate this requirement.

### **Hydrogeological Studies**

Details on hydrogeological and water studies were provided in the latest approved Mining Proposal for Dalgara; last updated and approved in 2018 as submitted on behalf of GCY by Clark Lindbeck and Associates Pty Ltd.

Process water supply for the Project is currently being drawn from water contained in the Gilbey's pit lake, plus pit dewatering bores. From Year 3 onwards, water will be obtained from a combination of mine pit dewatering and from the existing process-water bore field which will be re-established.

Fresh potable water supplies are sourced from existing bores filtered through an established Reverse Osmosis Plant.

### **Dewatering**

A dewatering plan is in place for the previously mined Gilbey's pit (Equigold 1996-2000) which currently has water at RL 342m to its base RL 296m. Gilbey's water is being used for processing with excess quantities being temporarily stored in the completed Sly Fox pit.

### **Mining and Reserves**

The mine design aspects of the 2019 LOM study involved: -

- Geotechnical evaluation;
- Pit optimisation using both Whittle™ Lerchs-Grossmann and Deswik Pseudoflow techniques;
- Pit design and pit stage selection;
- Mine scheduling using the Deswik software;
- Processing schedules;
- Cashflow and economic analysis.

The pit optimisations for Gilbey's were largely completed inhouse using the Pseudoflow software once calibrated to Whittle results. The selection of pit shells for pit design guidance was based largely on best average Discounted Cash Flow (DCF) results in the highest cashflow regions of resulting pit shells.

Optimisation shells were also used for guidance in developing stage 1 and 2 pit designs as well as stage 3 (the ultimate pit) for the Gilbey's pit.

Inputs for the optimisation included mining costs based on current contract rates as well as mining contract rates for future mining at depth. Mining costs included fixed costs associated with the contractor, GCY mining personnel, dewatering and rehabilitation. Processing costs were based on current costs for processing oxide ore as well as 2016 FS predicted rates for Transitional and Fresh ore. Similarly process recoveries were based on current oxide values as well as 2016 FS predicted values for Transitional and Fresh ore.

Figure 3 (plan view) and Figure 4 (sectional view) show the planned mining of the Gilbey's Pit in 3 stages.



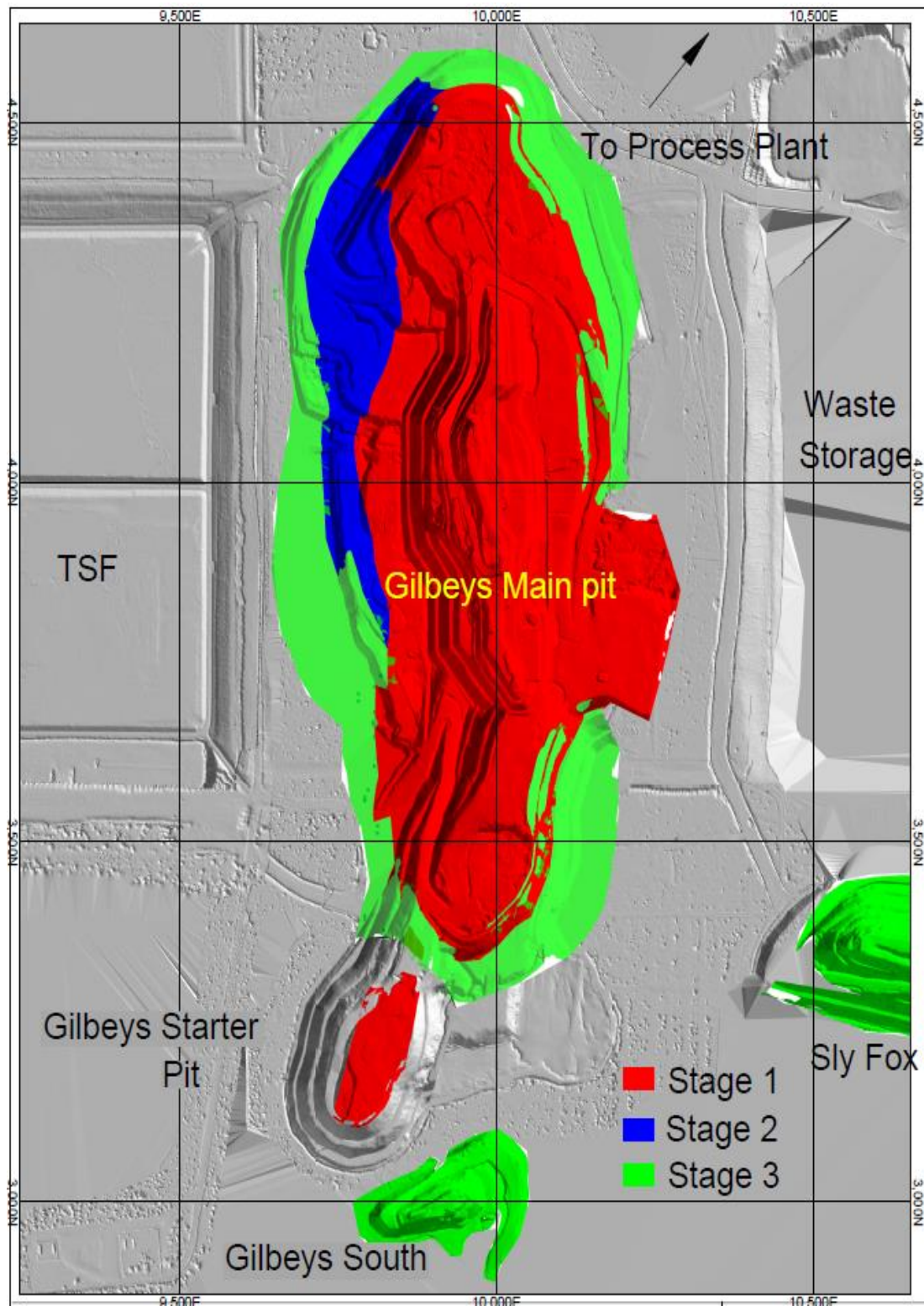
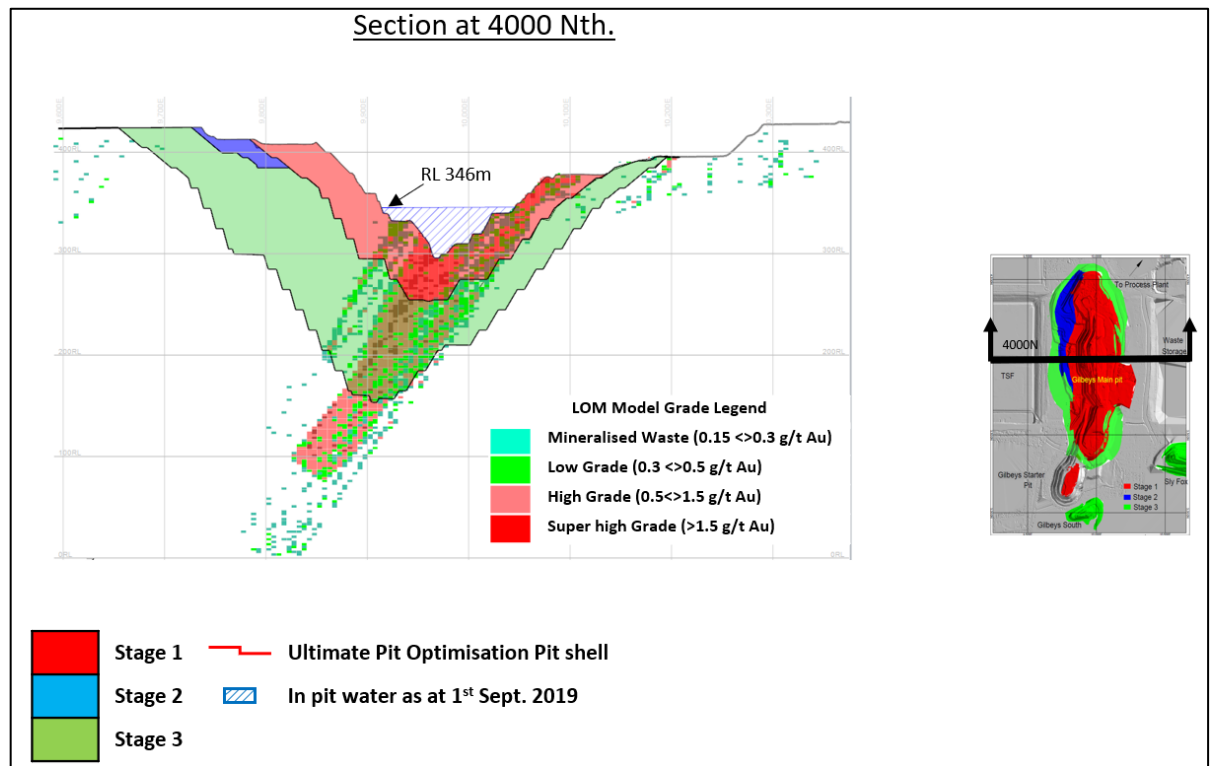
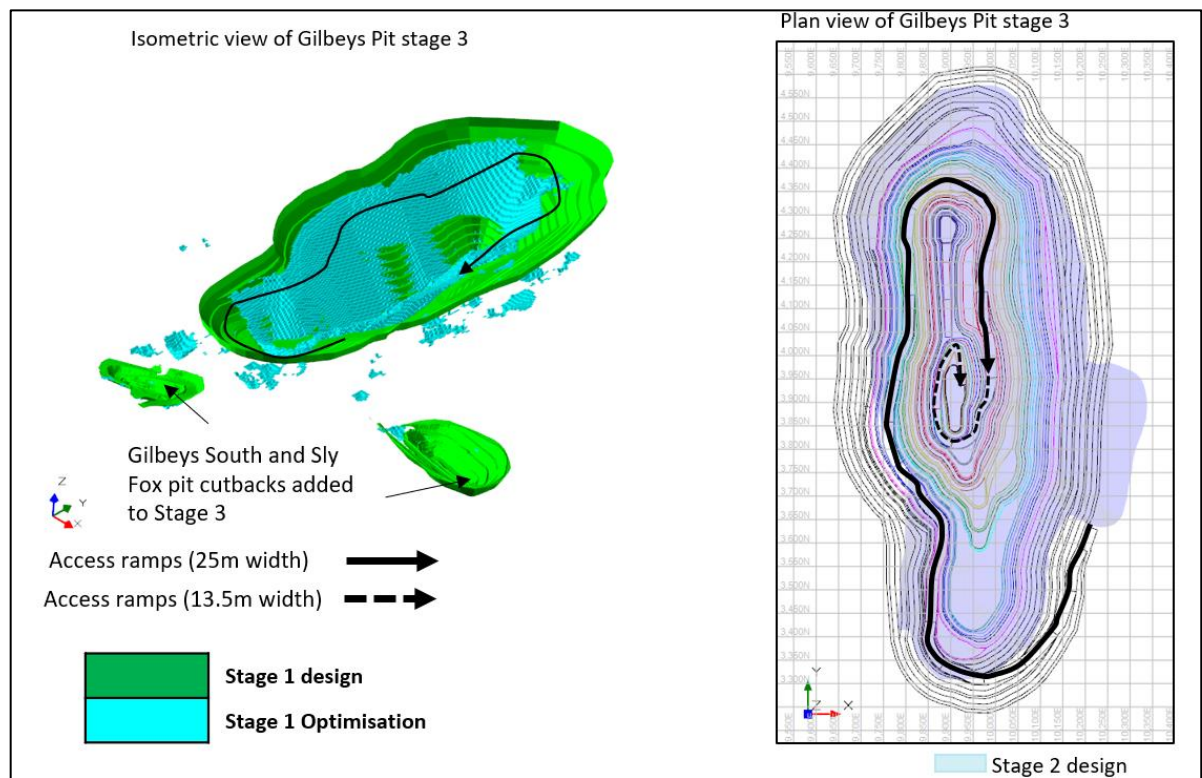


Figure 3: Plan view of Gilbey's showing proposed pit stage designs



**Figure 4: Sectional view of Gilbey's showing proposed pit stage designs**

The Stage 3 ultimate pit design used for the Reserve estimation is shown in Figure 5, overlain with the Optimisation Shell used.



**Figure 5: Gilbey's Stage 3 pit design showing the Pseudoflow optimisation used**



The ultimate pit design used for Ore Reserve estimation for Golden Wings is shown in Figure 6, below.

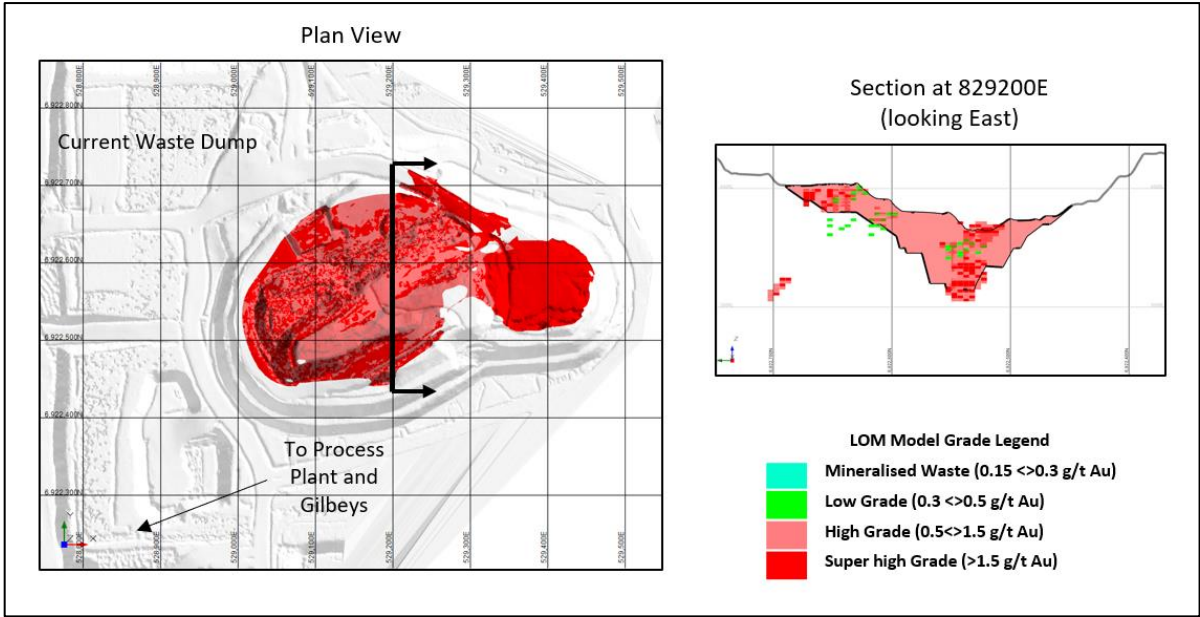


Figure 6: Golden Wings pit design used for Reserve estimation

The mining physicals were scheduled using the Deswik software. This process involved dividing the reserve designs for Gilbey’s into Long Term mining shapes defined by bench and approximate monthly mining quantities. The schedule being driven by target mining volumes and required high grade (>0.5 g/t Au) mill feed with realistic excavator mining rate simulations used to drive the total monthly volumes. Figure 7 below shows the mining schedule volumes (BCM) by pit stage and Figure 8 shows high grade ore by pit stage.

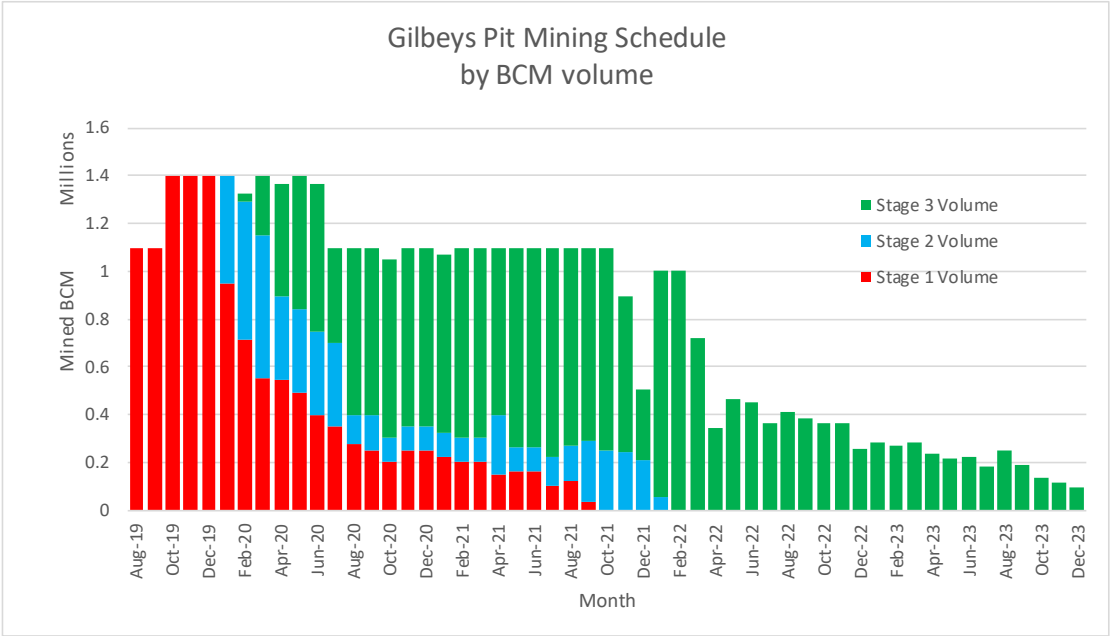
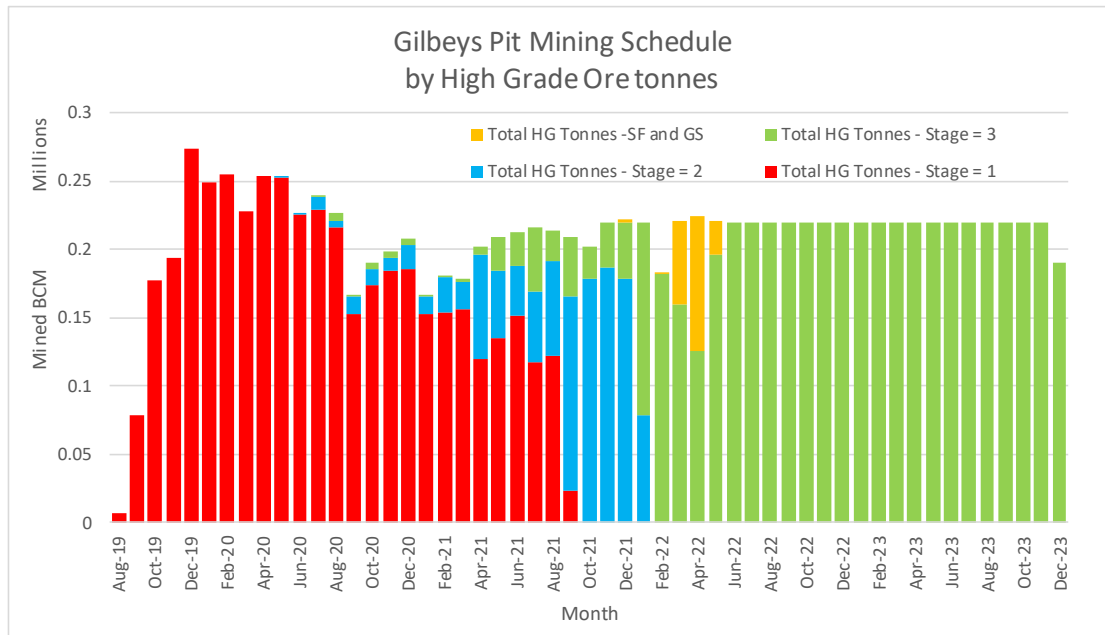


Figure 7: Gilbey’s Pit mining schedule showing total mining volume by stage



**Figure 8: Gilbey's Pit mining schedule showing High Grade Ore supply by stage**

### Metallurgy

The process plant is fully operational and meeting specifications for oxide and transitional material. Considerable test work was carried out during and since the 2016 FS. This work forming the basis of the processing assumptions for transitional and fresh ore.

The Ore Reserve also contains Black Shale material as listed in the Table 3. Based on available test work an average recovery of 77% is assumed. The plan is to "blend feed" this material in quantities no greater than 15% of the total feed. This material is not shown to be "Preg-robbing" and gold can be liberated by leaching in carbon, however at a lower metallurgical recovery. Shale ore makes up 17% of the ounces in the Ore Reserve estimate.

**Table 3: Black Shale Component contained in the 2019 Gilbey's Ore Reserve**

Classification	Oxidation state	COG (g/t Au)	Mt	Au g/t	Au Koz
<b>Proved</b>	All	0.39	0.09	1.0	2.7
<b>Probable</b>	All	0.39	2.74	1.0	84.9
<b>Total</b>			<b>2.83</b>	<b>1.0</b>	<b>87.7</b>

Process recoveries for material other than Black Shale is modelled as follows: -

- Oxide 92%
- Transition 91%
- Fresh above 290RL 90%
- Fresh below 290RL 87.5%

### Project Infrastructure

All major infrastructure is now in place including: -

- Road access
- Process Plant
- Airstrip
- Camp accommodation
- Haul roads

Outstanding are at least 3 remaining lifts for the current Tailings Storage Facility (TSF) located west of the Gilbey's pit and an in pit TSF facility using the Golden Wings pit once mined.

## Environment and Social

The most recent Mining proposal approved in 2018 submitted on behalf of GCY by Clark Lindbeck and Associates Pty Ltd summarises all the environmental aspects for site showing no environmental issues. The site has an excellent track record of environmental management.

Future approvals will be required for additional waste disposal amendments to existing locations. Ample space and room are available for future amendments.

Figure 9 below shows the site layout and approved waste storage locations.

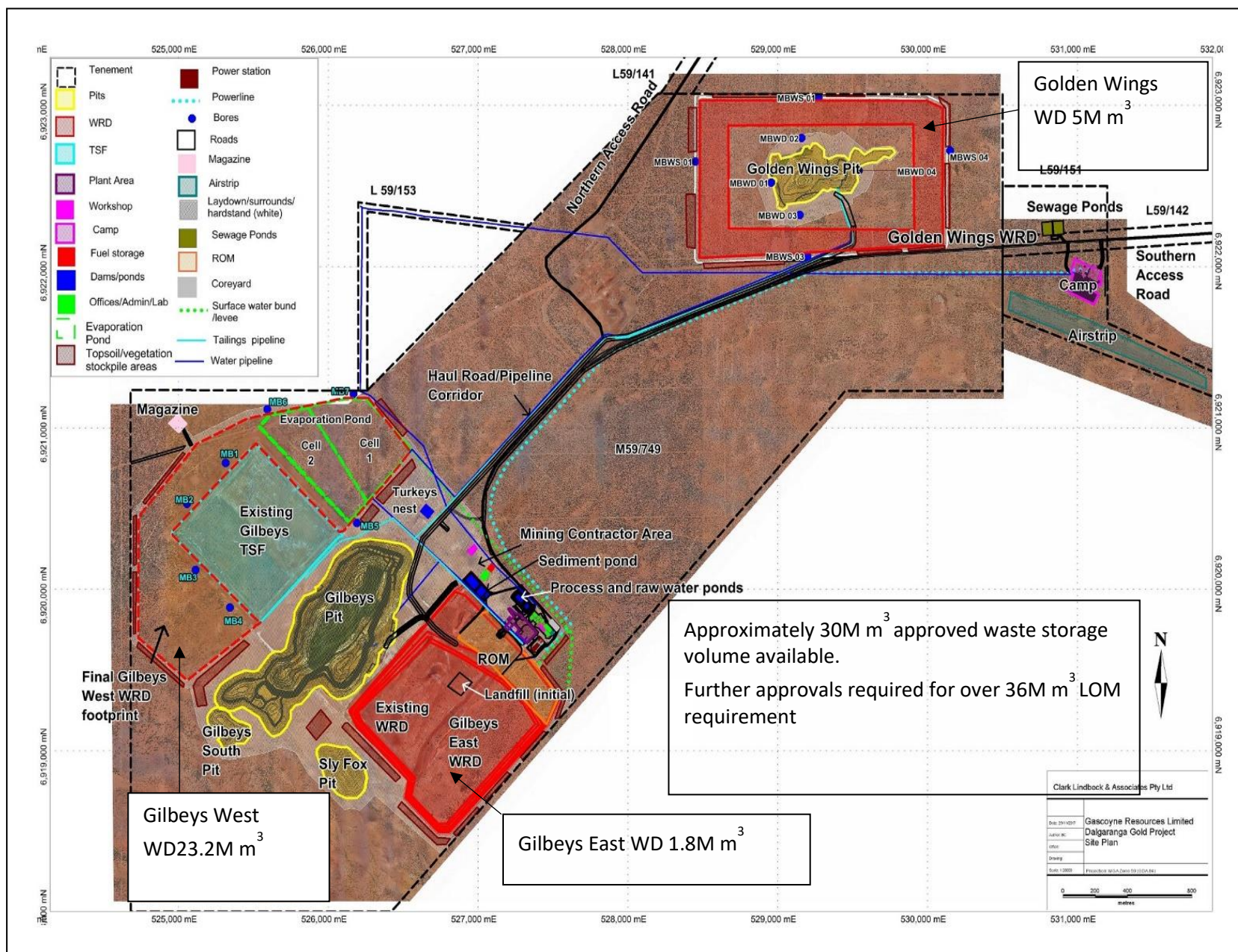
## Costs

Operating costs used in cut-off grade calculations were based on actual site costs for processing of oxide as well as 2016 FS costing for Transition and Fresh material. Similarly, G&A costing was based on actuals for Oxide and 2016 FS for Transition and Fresh material.

Appendix 1 lists all other assumptions used for the cut-off grade calculations listed in Table 4 below.

**Table 4: Cut off grades determined for the 2019 Reserves for Dalgaranga**

Oxidation state	Cut-off Grade	Unit
Oxide	0.24	g/t Au
Transition	0.30	g/t Au
Fresh	0.32	g/t Au
Shale – Transition	0.37	g/t Au
Shale - Fresh	0.40	g/t Au



**Figure 9: Site Plan showing all site features including waste storage locations and approved estimates**

## Economic assessment

A cash flow analysis was carried out on the Proved and Probable Ore Reserve material only, which shows a positive “all in sustaining cost” cashflow at the Reserve gold price of \$AUD1,800/oz.

The Ore Reserve Estimate was also evaluated using an appropriate time value of money discount rate relevant for this type and size of operation. It has a robust positive Net Present Value (NPV) at the \$AUD1,800/oz Reserve gold price and other cut-off grade (COG) cost guidance.

In terms of sensitivity to Ore Reserve cashflow (@\$AUD1,800/oz) the following was observed: -

- Process Recovery
  - showed 50% reduction in value with 25% overall reduction on process recovery
- Mining Costs
  - showed breakeven at a 29% increase in mining costs but almost double the cashflow if costs were reduced by 25%
- Process costs
  - if process costs increase by 50% the Reserve is break-even
- Head grade has a similar sensitivity to the process recovery. A 25% reduction in grade from 0.92 g/t Au to 0.69 g/t Au would result in a 50% reduction in value.

At the time of the Ore Reserve Estimation, Gascoyne was in Voluntary Administration. However, for the valuation of Ore Reserves the financial circumstances of the Company post Voluntary Administration was based on a set of reasonable assumptions. Differences to these assumptions, and their effect on the financial circumstances of the Company post Voluntary Administration may need further consideration.

On behalf of  
**Gascoyne Resources Limited**

**Eva O’Malley**  
Company Secretary

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## BACKGROUND ON GASCOYNE RESOURCES

Gascoyne Resources Limited was listed on the ASX in December 2009 and is focused on exploration, development and production of a number of gold projects in Western Australia. The Company's 100% owned gold projects combined have over **1.8 million ounces of contained gold on granted Mining Leases**:

### DALGARANGA:

The Dalgaranga Gold Project (DGP) is located approximately 65km by road NW of Mt Magnet in the Murchison gold mining region of Western Australia and covers the majority of the Dalgaranga greenstone belt. After discovery in the early 1990's, the project was developed and from 1996 to 2000 produced 229,000 oz's of gold with reported cash costs of less than \$350/oz. Refer figure 10 and 11.

The Feasibility Study (FS) completed on the DGP in November 2016 highlighted a robust development case for the Project based on the development of two open pits feeding a 2.5 Mtpa processing facility resulting in production of around 100,000 ozpa for 6 years. As a result of the FS, the Company progressed through the funding, development and construction phases for the Project. Construction was completed ahead of schedule and under budget, with first gold poured in late May 2018.

Poor reconciliation results against the original Mineral Resource model in the first 12 months of production, resulted in a requirement to update the Mineral Resource and Ore Reserve estimates targeting a greater reliability of prediction of future performance.

An updated Mineral Resource was completed in August 2019 with the Dalgaranga Gold Project Mineral Resource containing 28.2Mt @ 0.9 g/t gold for 802,500 ounces of gold (ASX Announcement 28 August 2019). Refer table 5.

An updated Ore Reserve has been estimated for the DGP (this announcement) containing 16.9Mt at 0.9 g/t for 502k ounces of contained gold. Refer table 6

Significant exploration potential remains at Dalgaranga within the Company's extensive tenement holdings.

**Table 5 : Dalgaranga Gold Project**  
**30 June 2019 Summary Mineral Resource Statement**

Classification	Mt	Au g/t	Au koz
Measured	1.6	0.91	45.5
Indicated	19.4	0.90	560.1
Measured + Indicated	21.0	0.90	605.7
Inferred	7.2	0.85	196.8
<b>TOTAL</b>	<b>28.2</b>	<b>0.89</b>	<b>802.5</b>

Note: Discrepancies in totals are a result of rounding

**Table 6 : Dalgaranga Gold Project**  
**30 June 2019 Summary Ore Reserve Statement**

Classification	Oxidation state	COG (g/t Au)	Mt	Au g/t	Au Koz
Proved	Oxide	0.25	0.1	1.1	4.1
	Transition	0.30	0.4	0.9	11.0
	Fresh	0.32	0.9	0.8	22.4
	Stockpiles	0.25	0.0	4.5	2.6
	Gold In circuit				1.3
	<b>SUBTOTAL</b>		<b>1.4</b>	<b>0.9</b>	<b>41.4</b>
Probable	Oxide	0.25	0.7	0.8	19.2
	Transition	0.30	1.1	0.9	31.9
	Fresh	0.32	13.7	0.9	409.2
	<b>SUBTOTAL</b>		<b>15.5</b>	<b>0.9</b>	<b>460.4</b>
<b>Total</b>			<b>16.9</b>	<b>0.9</b>	<b>501.8</b>

### GLENBURGH:

The Glenburgh Project in the Gascoyne region of Western Australia, has a Measured, Indicated and Inferred resource of: **21.3Mt @ 1.5 g/t Au for 1.0 million oz gold** from several prospects within a 20km long shear zone (see Table 7).

A preliminary feasibility study on the project has been completed (see announcement 5<sup>th</sup> of August 2013) that showed a viable project exists, with a production target of 4.9 Mt @ 2.0 g/t for 316,000 oz (70% Indicated and 30% Inferred resources) within 12 open pits and one underground



operation. 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. The study showed attractive all in operating costs of under A\$1,000/oz and indicated a strong return with an operating surplus of ~ A\$160M over the 4+ year operation. The study included approximately 40,000m of resource drilling, metallurgical drilling and test work, geotechnical, hydro geological and environmental assessments. Importantly the study has not included the drilling completed during 2013, which intersected significant shallow high-grade zones at a number of the known deposits.

**Table 7: Glenburgh Deposits - Area Summary**

**Mineral Resource Estimate (0.5 g/t Au Cut-off)**

Area	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
<b>North East</b>	0.2	4.0	31,000	1.4	2.1	94,000	3.3	1.7	178,000	<b>4.9</b>	<b>1.9</b>	<b>303,000</b>
<b>Central</b>	2.6	1.8	150,000	3.2	1.3	137,000	8.4	1.2	329,000	<b>14.2</b>	<b>1.3</b>	<b>616,000</b>
<b>South West</b>							2.2	1.2	84,000	<b>2.2</b>	<b>1.2</b>	<b>84,000</b>
<b>Total</b>	<b>2.9</b>	<b>2.0</b>	<b>181,000</b>	<b>4.6</b>	<b>1.6</b>	<b>231,000</b>	<b>13.9</b>	<b>1.3</b>	<b>591,000</b>	<b>21.3</b>	<b>1.5</b>	<b>1,003,000</b>

Note: Discrepancies in totals are a result of rounding

## EGERTON:

The project includes the high-grade Hibernian deposit and the high-grade Gaffney's Find prospect, which lie 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 drilling 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.

Further information is available at [www.gascoyneresources.com.au](http://www.gascoyneresources.com.au)

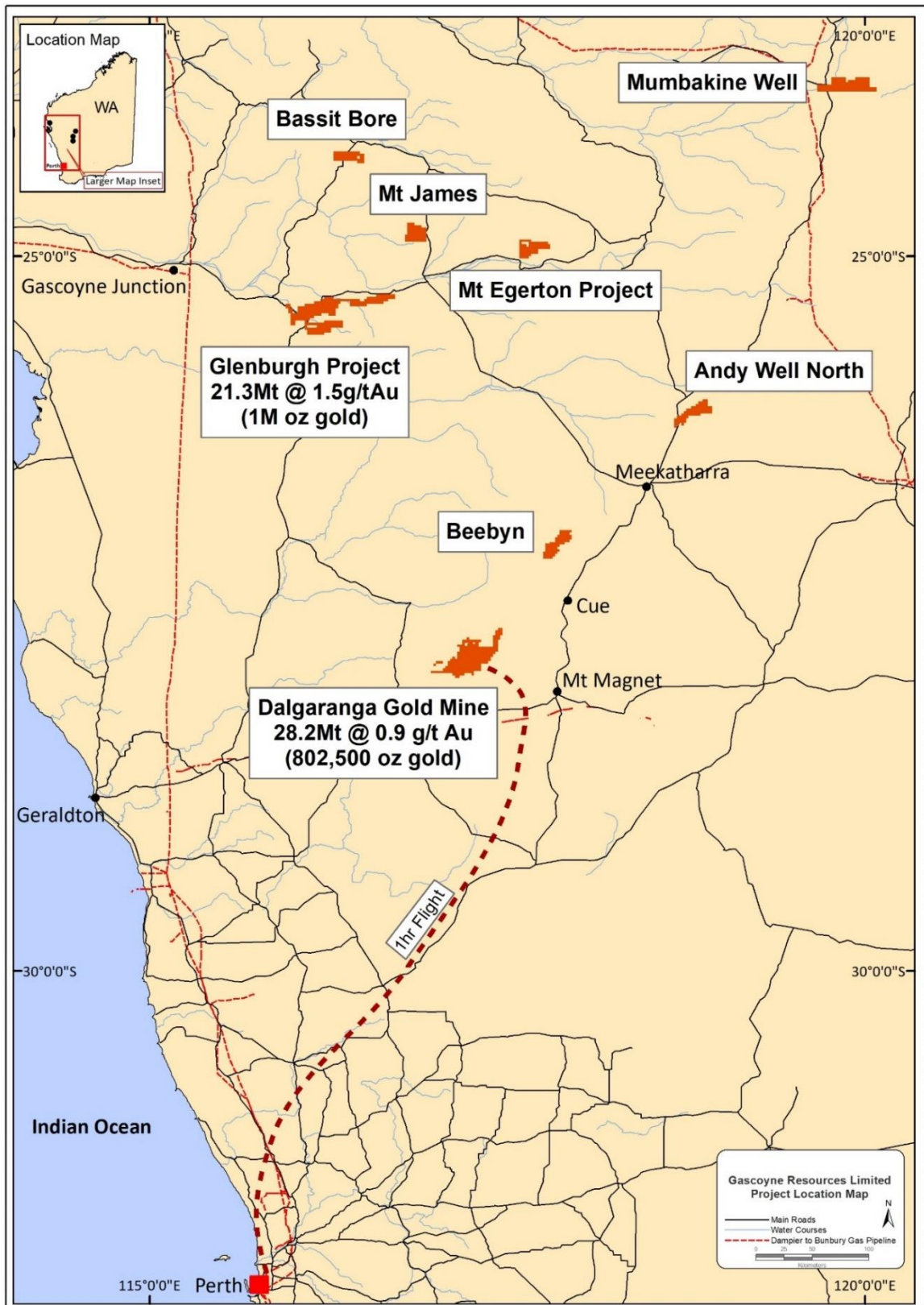
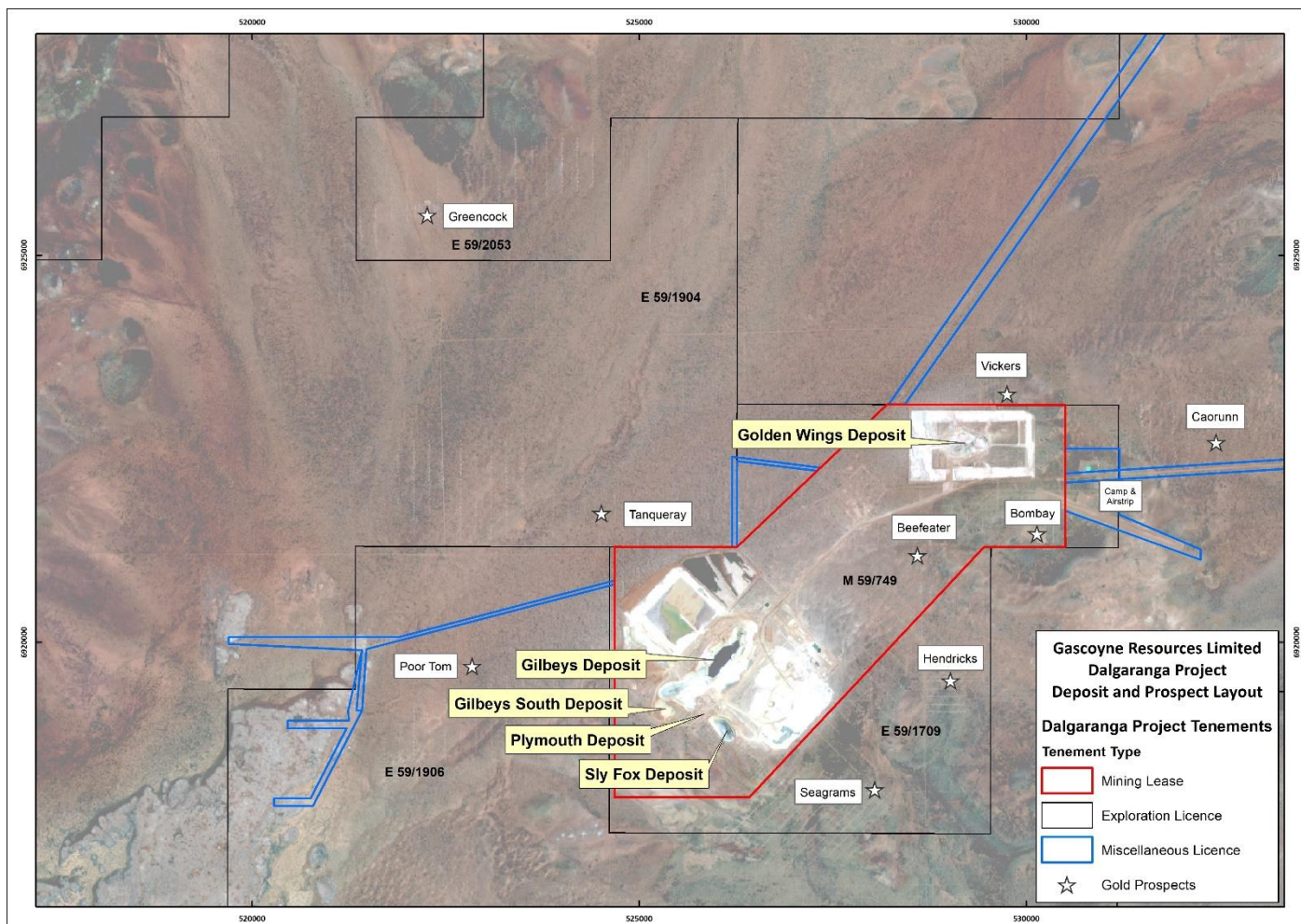


Figure 10: Project Locations in the Gascoyne and Murchison Regions



**Figure 11: Dalgara Gold Project Deposit and Prospect Layout**

### **Competent Persons Statement**

*The information in this announcement that relates to Mineral Resources for the Gilbey's, Gilbey's South, Plymouth, and Sly Fox gold deposits at the Dalgaranga project has been compiled under the supervision of Mr Michael Job and Mr Michael Millad. Mr Michael Job is a Principal Geologist/Geostatistician at Cube Consulting Pty Ltd and a Fellow in good standing of the Australian Institute of Mining and Metallurgy. Mr Michael Millad is a Director and Principal Geologist/Geostatistician at Cube Consulting Pty Ltd, and a Member in good standing of the Australian Institute of Geoscientists. Both Mr Job and Mr Millad have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that was undertaken to qualify as a Competent Persons, as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition). Mr Michael Job and Mr Michael Millad consent to the inclusion of the data in the form and context in which it appears.*

*The information in this announcement that relates to Mineral Resource for the Golden Wings gold deposit at the Dalgaranga project has been compiled by Mr Scott Dunham, a Competent Person who is a Fellow of The Australia Institute of Mining and Metallurgy and an employee of SD2 Pty Ltd. Mr Dunham has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that was undertaken to qualify as a Competent Persons, as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).*

*The information in this announcement that relates to Ore Reserves for the Gilbey's, Gilbey's South, Sly Fox and Golden Wings gold deposits at the Dalgaranga project has been compiled under the supervision of Mr. Neil Rauert. Mr. Neil Rauert is a Senior Mining Engineer and full-time employee of Gascoyne Resources and a Fellow in good standing of the Australian Institute of Mining and Metallurgy. Mr. Neil Rauert has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that was undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (The Joint Ore Reserves Committee Code – JORC 2012 Edition). Mr. Neil Rauert consents to the inclusion of the data in the form and context in which it appears.*

*Information in this announcement relating to the Dalgaranga 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.*

*The Glenburgh Mineral Resources have been estimated by RungePincockMinarco Limited, an external consultancy, and are reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see announcement dated 24 July 2014 titled "High Grade Domains Identified Within Updated Glenburgh Gold 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 announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant 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 announcements.*

*The Glenburgh 2004 JORC resource (released to the ASX on April 29<sup>th</sup> 2013) which formed the basis for the preliminary Feasibility Study was classified as Indicated and Inferred and as a result, is not sufficiently defined to allow conversion to an ore reserve; the financial analysis in the preliminary Feasibility Study is conceptual in nature and should not be used as a guide for investment. It is uncertain if additional exploration will allow conversion of the Inferred resource to a higher confidence resource (Indicated or Measured) and hence if a reserve could be determined for the project in the future. Production targets referred to in the preliminary Feasibility Study and in this report are conceptual in nature and include areas where there has been insufficient exploration to define an Indicated mineral resource. 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. This information was prepared and first disclosed under the JORC Code 2004, the resource has now been updated to conform to the JORC 2012 guidelines. This new JORC 2012 resource, reported above, will form the basis for any future studies.*

*The Mt Egerton drill intersections referred to in this announcement were prepared and first disclosed under the JORC Code 2004. They have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

*Information in this announcement relating to the Mt Egerton Gold 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 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 of the data in the form and context in which it appears*



## Appendix 1:

### **JORC Table1 for Estimation and Reporting of Ore Reserves for Gilbey's, Sly Fox and Golden Wings Deposits**

(Criteria listed in ASX announcement August 28<sup>th</sup> 2019 "**Dalgaranga Gold Mine – Robust Updated Mineral Resource**" applies to this reserve estimation.)

Criteria	JORC Code explanation	Commentary
<b>Mineral Resource estimate for conversion to Ore Reserves</b>	<ul style="list-style-type: none"> <li>• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</li> <li>• Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</li> </ul>	<ul style="list-style-type: none"> <li>• A Mineral Resource was estimated by Cube Consulting for the Dalgaranga Deposit as at 1<sup>st</sup> July 2019 in their report "<b>Technical Report Mineral Resource Estimate Gilbey's, Plymouth and Sly Fox- Dalgaranga Gold Project, Murchison District, Western Australia</b>" 13<sup>th</sup> August 2019. The authors of this report and Competent Persons for mineral resource estimation for Gilbey's, Plymouth and Sly Fox are Mike Job and Mike Millad.</li> <li>• A Mineral Resource was also estimated by SD2 Pty Ltd for the Golden Wings Deposit as at May 2019 in their report "<b>GNT Resources Golden Wings Mineral Resource Estimate May 2019</b>" 10<sup>th</sup> May 2019. The author of this report was Scott Dunham who is the competent person for mineral resource estimation for Golden Wings.</li> <li>• Both estimates are inclusive of Ore Reserves.</li> <li>• This mineral resource has been estimated using the Localised Uniform Conditioning (LUC) estimation technique and constitutes a material change compared with previous resource estimates.             <ul style="list-style-type: none"> <li>○ Dalgaranga is now in operation and the recent reconciliation results show an improved correlation between forecast and actual grade. The reconciliation also demonstrates that the recently adopted LUC models perform significantly better than the previous Ordinary Kriged (OK) models.                 <ul style="list-style-type: none"> <li>▪ End of month reporting for July and August 2019 compare Actual Mined with the Planned Resource model. The LUC model overcalled tonnes by 1% and under called ounces by 15%. Previous OK models under called tonnes by 2% and ounces by 46%. It is expected that as mining progresses into the less weathered zone, the deposit will become more "homogeneous" and the reconciliations will continue to improve.</li> </ul> </li> </ul> </li> </ul>



Criteria	JORC Code explanation	Commentary																		
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>A site visit was undertaken by Mr. Neil Rauert in July 2019. The Ore Reserve Estimate has been prepared by Neil Rauert F. AusIMM (CP) who acts as Competent Person under the JORC 2012 Code and was employed by Gascoyne Resource Limited (Voluntary Administrators Appointed) at the time of estimation. The Competent Person is a full-time employee of Gascoyne Resources Limited (Voluntary Administrators Appointed).</li> </ul>																		
<b>Study status</b>	<ul style="list-style-type: none"> <li>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>A Feasibility Study was completed in 2016, demonstrating project viability at a price of \$AUD1,600/oz gold.</li> <li>Both Scoping and PFS studies were also completed prior to the 2016 FS.</li> <li>During 2019, a series of Life of Mine studies were completed involving: - <ul style="list-style-type: none"> <li>Updated LUC model based updated geological interpretation resource modelling</li> <li>Updated mine optimisation studies using both Whittle Lerchs-Grossmann and Deswik Pseudoflow</li> <li>Updated geotechnical review by Absolute Geotechnics Pty Ltd</li> <li>Updated designs for both Gilbey's and Golden Wings</li> <li>Updated Mine schedule for Gilbey's</li> <li>Mine Planning advice was sought from Mining One Pty Ltd</li> <li>Updated cash flow model</li> </ul> </li> </ul>																		
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>Cut-off grade calculations were based on the 2016 Feasibility estimates for processing costs and recoveries for fresh material. Current operating performance was referenced for parameters related to processing oxide and transitional material, as well as G&amp;A and other fixed costs.</li> <li>The table below summarises the Cut-off grade calculations at the selected Reserve gold price of \$AUD1,800/oz. <table border="1" data-bbox="1301 1142 1888 1423"> <thead> <tr> <th>Oxidation state</th><th>Cut-off Grade</th><th>Unit</th></tr> </thead> <tbody> <tr> <td>Oxide</td><td>0.24</td><td>g/t Au</td></tr> <tr> <td>Transition</td><td>0.30</td><td>g/t Au</td></tr> <tr> <td>Fresh</td><td>0.32</td><td>g/t Au</td></tr> <tr> <td>Shale – Transition</td><td>0.37</td><td>g/t Au</td></tr> <tr> <td>Shale -Fresh</td><td>0.40</td><td>g/t Au</td></tr> </tbody> </table> </li> </ul>	Oxidation state	Cut-off Grade	Unit	Oxide	0.24	g/t Au	Transition	0.30	g/t Au	Fresh	0.32	g/t Au	Shale – Transition	0.37	g/t Au	Shale -Fresh	0.40	g/t Au
Oxidation state	Cut-off Grade	Unit																		
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Shale -Fresh	0.40	g/t Au																		



Criteria	JORC Code explanation	Commentary																									
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"><li><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 optimization or by preliminary or detailed design).</i></li><li><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></li><li><i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</i></li><li><i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></li><li><i>The mining dilution factors used.</i></li><li><i>The mining recovery factors used.</i></li><li><i>Any minimum mining widths used.</i></li><li><i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></li><li><i>The infrastructure requirements of the selected mining methods.</i></li></ul>	<ul style="list-style-type: none"><li>To estimate the Dalgaranga Reserve, pit optimisations were conducted using both Lerchs-Grossmann and Pseudoflow methods for Gilbey’s and Sly Fox areas. Similarly, Lerchs-Grossmann optimisations were conducted for the Golden Wings area at the Reserve Gold Price of \$AUD1800/oz considering Measured and Indicated Resources only.</li><li>The Gilbey’s pit shell was selected based on the “best” Discounted Cash Flow (DCF) generated from the Pseudoflow optimisation, this was subsequently used as a guide for the ultimate pit design. A similar process was followed to generate the Golden Wings pit design.</li><li>These pit designs form the basis of the Reserve Estimate.</li><li>The mining method adopted at Dalgaranga is open pit mining, using conventional truck and excavator mining. The ore is near surface and is generally described as medium grade.</li><li>Mining consists of drill and blast, load and haul with 5m flitches and 20m batters between benches. Mining is carried out by an experienced mining contractor.</li><li>Geotechnical assumptions are based on the assessment and recommendations of Absolute Geotechnics Pty Ltd and forms the basis of the geotechnical guidance used in both the Feasibility Study and designs used to inform this Reserve Estimate.<ul style="list-style-type: none"><li>A summary of the geotechnical parameters for both Gilbey’s and Golden Wings are as follows: -</li></ul></li></ul>																									
		<table><tr><th>Area</th><th>BFA (Batter Face Angle)</th><th>Berm width</th><th>Batter Height</th><th>IRA (Inter ramp angle)</th></tr><tr><td colspan="5">Gilbey’s</td></tr><tr><td>Hanging Wall – Oxide</td><td>40 to 50º</td><td>5m</td><td>20m</td><td>35 to 42º</td></tr><tr><td>Hanging Wall - Transition and Fresh</td><td>75 to 80º</td><td>6.9m</td><td>20m</td><td>55.3 to 62.5º</td></tr><tr><td>Foot Wall - Oxide</td><td>40 to 75º</td><td>5m</td><td>20m</td><td>32.5 to 40º</td></tr></table>	Area	BFA (Batter Face Angle)	Berm width	Batter Height	IRA (Inter ramp angle)	Gilbey’s					Hanging Wall – Oxide	40 to 50º	5m	20m	35 to 42º	Hanging Wall - Transition and Fresh	75 to 80º	6.9m	20m	55.3 to 62.5º	Foot Wall - Oxide	40 to 75º	5m	20m	32.5 to 40º
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Foot Wall - Oxide	40 to 75º	5m	20m	32.5 to 40º																							

Criteria	JORC Code explanation	Commentary				
		Foot Wall - Transition and Fresh	55 to 80°	6.9m	20m	40.2 to 62.5°
		<b>Golden Wings</b>				
		Hanging Wall - Oxide	35 to 50°	5m	20m	31 to 42°
		Hanging Wall - Transition and Fresh	55 to 75°	5 to 6.9m	20m	42 to 62.6°
		Foot Wall - Oxide	33 to 42°	5 to 6.9m	20m	29 to 36°
		Foot Wall - Transition and Fresh	55 to 65°	5 to 6.9m	20m	42 to 54.4°
		<ul style="list-style-type: none"> <li>A further geotechnical review, conducted in 2019, required that a catch berm of at least 25m (or equivalent ramp width) be incorporated into the hanging wall of the Gilbey's pit.</li> <li>The primary mining equipment fleet consisting of 120 - 250t excavators as well as 90 – 135t rigid body trucks.</li> <li>The Reserve Estimate schedule (Deswik) sequences the Gilbey's pit by mining three practical mineable stages, with the objective of deferring waste stripping costs and bringing forward cash flow.</li> <li>In general, dilution and mining recovery is incorporated in the Selective Mining Unit (SMU) assumption used to generate the LUC Resource model. In areas where the LUC model is updated with grade control data, a dilution factor of 10% and 95% mining recovery is applied.</li> <li>A minimum mining width of 25 meters was considered to design cutbacks and at the base of the pits. Access ramps are nominally designed 25 meters wide at a gradient of 1 in 9. A single ramp (15m) has been considered for the bottom ~20m vertical at the bottom of the pit.</li> <li>All infrastructure including Process Plant, Tailings Storage Facility (TSF), Waste Storage Facility (WSF), site offices and accommodation are existing and have been designed with sufficient capacity to realise the Reserve (Further approvals are required for the WSF and TSF – discussed below). Sustaining capital allowances have</li> </ul>				

Criteria	JORC Code explanation	Commentary
		been estimated to accommodate future waste and TSF expansions.
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li><i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></li> <li><i>Whether the metallurgical process is well-tested technology or novel in nature.</i></li> <li><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></li> <li><i>Any assumptions or allowances made for deleterious elements.</i></li> <li><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></li> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>The processing plant was commissioned in May 2018 and consists of crushing and milling using autogenous grinding, gravity recovery, cyanide leaching, carbon adsorption and gold recovery. The plant design is considered to be conventional in nature and is currently operating to nameplate specification.</li> <li>The plant is capable of processing 2.5Mtpa of fresh and 3Mtpa of oxide or transition ore.</li> <li>Process recoveries are modelled as follows: -             <ul style="list-style-type: none"> <li>Oxide 92%</li> <li>Transition 91%</li> <li>Fresh above 290RL 90%</li> <li>Fresh below 290RL 87.5%                 <ul style="list-style-type: none"> <li>These are largely based on the 2016 Feasibility Study with adjustments applied based on existing performance through the plant.</li> </ul> </li> </ul> </li> <li>The lithology model includes a “Black Shale” domain which has a modelled average metallurgical recovery of 77%. The plan is to “blend feed” this material in quantities no greater than 15% of the total feed. This material is not deemed to be “Preg-robbing” and gold can be liberated by leaching in carbon, however at a lower metallurgical recovery.</li> <li>Test work carried out as part of the 2016 Feasibility Study forms the basis of fresh ore treatment / recovery assumptions.</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li><i>The status of studies of potential environmental impacts of the mining and processing operation. 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></li> </ul>	<ul style="list-style-type: none"> <li>The operation has an approved Mining Proposal (MP) last updated and approved in 2018, submitted on behalf of GCY by Clark Lindbeck and Associates Pty Ltd). The MP covers all environmental aspects including:             <ul style="list-style-type: none"> <li>Mining and waste storage for both Golden Wings and Gilbey’s areas.</li> <li>Management of Potential Acid Forming (PAF) material within the WSF.</li> <li>The Mining Plan approved Waste Storage Facilities encompassing the following: -                 <ul style="list-style-type: none"> <li>The remaining eastern waste dump.</li> <li>Western Evaporation Pond.</li> <li>South and above the TSF on the western side. The area above being a final capping at the end of the TSF life.</li> <li>At Golden Wings and the waste dump forming the embankment for in pit TSF storage is proposed.</li> </ul> </li> </ul> </li> </ul>



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>▪ 37Mbcm of waste storage is required to realise the Reserve Estimate. Approved Waste Storage Capacity currently stands at 30Mbcm.</li> <li>▪ Mining Plan amendment approvals are required to either increase the height of the existing WSFs or add to the existing waste footprint. Approval for the additional capacity is reasonably expected to be granted.</li> <li>▪ The Reserve Estimate schedule preferentially treats Higher Grade ore and delays the processing of Lower Grade stockpiles (~7Mt maximum stockpile size).</li> <li>○ Process Plant <ul style="list-style-type: none"> <li>▪ Process water</li> <li>▪ Plant drainage</li> </ul> </li> <li>○ Tailings Storage <ul style="list-style-type: none"> <li>▪ A pre-existing facility and in-pit storage at Golden Wings provide a combined storage capacity to realise the Reserve.</li> <li>▪ The tailings facility is constructed over the life of mine, requiring three embankment raises. The TSF and Golden Wings in-pit facilities were designed by Coffey and was last updated in 2017.</li> </ul> </li> <li>○ The Approved Mine Plan covers additional items such as legislative framework and stakeholder involvement.</li> <li>○ Vegetation studies showed no restricted groups or Declared Rare Flora in the area.</li> <li>○ Fauna studies confirmed that there is no impediment to the Reserve.</li> <li>• In addition to items addressed in the Approved Mining Plan, a dewatering plan is also in place for the Gilbey's pit which currently has a pond at its base. The plan involves using the Sly Fox pit for temporary water storage to allow the Gilbey's western evaporation pond to be used later in the mine life for waste storage. This water is currently being used for processing.</li> </ul>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• <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</i></li> </ul>	<ul style="list-style-type: none"> <li>• All Infrastructure is generally (additional TSF and WSF approvals required) in place to realise the Estimated Reserve: <ul style="list-style-type: none"> <li>○ Road access for road transport of bulk consumables such as LNG, explosives and Process plant consumables.</li> <li>○ Approved site-based landing strip for charter flights for the majority personnel.</li> <li>○ Onsite electrical power generation using LNG powered generation.</li> </ul> </li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>accessed.</i>	<ul style="list-style-type: none"> <li>○ Accommodation facilities.</li> <li>○ Water supply for the processing plant and a Reverse Osmosis plant form potable water.</li> </ul>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i></li> <li>• <i>The methodology used to estimate operating costs.</i></li> <li>• <i>Allowances made for the content of deleterious elements.</i></li> <li>• <i>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.</i></li> <li>• <i>The source of exchange rates used in the study.</i></li> <li>• <i>Derivation of transportation charges.</i></li> <li>• <i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i></li> <li>• <i>The allowances made for royalties payable, both Government and private.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Sustaining capital is the only capital required to realise the Estimated Reserve.</li> <li>• Sustaining capital costs are estimated to be \$AUD 8.3M for the three Gilbey's TSF lift stages. This is not included in the Cut-off grade calculation.</li> <li>• Similarly sustaining capital costs of some \$AUD 2.6M has been allocated for hydrology controls and dewatering at Gilbey's and Golden Wings. This also is not included in reserve Cut-off grade calculation.</li> <li>• Operating costs were based on the following: - <ul style="list-style-type: none"> <li>○ Mining <ul style="list-style-type: none"> <li>▪ A combination of actual fixed and variable costs</li> <li>▪ Contractor submission for lower mining areas</li> <li>▪ Variable costs calculated by bench</li> <li>▪ Separate fixed mining costs a contractor fixed rates, grade control, GCY mining and geological labour costs, progressive rehabilitation and dewatering costs.</li> <li>▪ An overall average of \$AUD 3.26/total tonne mined.</li> </ul> </li> <li>○ Process costs <ul style="list-style-type: none"> <li>▪ Combination of actual costs for oxide and transition processing and 2016 FS costing for Fresh. Unit rates are as follows: - <ul style="list-style-type: none"> <li>• Oxide \$AUD 9.92/tonne milled</li> <li>• Transition \$AUD 12.28 /tonne milled</li> <li>• Fresh \$AUD 12.85 /tonne milled</li> </ul> </li> </ul> </li> <li>○ G&amp;A costs are based on current costs and the unit rates vary based on different throughput rates for Oxide, Transition and Fresh: - <ul style="list-style-type: none"> <li>▪ Oxide \$AUD 2.87/tonne milled</li> <li>▪ Transition \$AUD 2.87 /tonne milled</li> <li>▪ Fresh \$AUD 3.45 /tonne milled</li> </ul> </li> <li>○ Royalty assumption of 2.5%.</li> </ul> </li> <li>• A gold price assumption of \$USD 1,242/oz and exchange rate of 0.69 \$USD/\$AUD for \$AUD 1,800/oz is assumed for the Reserve Estimate</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Revenue factors</b>	<ul style="list-style-type: none"> <li><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></li> <li><i>he derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i></li> </ul>	<ul style="list-style-type: none"> <li>See comments above</li> </ul>
<b>Market assessment</b>	<ul style="list-style-type: none"> <li><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></li> <li><i>A customer and competitor analysis along with the identification of likely market windows for the product.</i></li> <li><i>Price and volume forecasts and the basis for these forecasts.</i></li> <li><i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i></li> </ul>	<ul style="list-style-type: none"> <li>Gold is a freely traded global commodity, with prices determined by demand and supply. As such, specific market studies have not been undertaken. The revenue assumptions for this project are in Australian Dollars. See comments above for gold price assumption choice.</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li><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></li> <li><i>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i></li> </ul>	<ul style="list-style-type: none"> <li>A cash flow analysis was carried on Reserve Proved and Probable (Measured and Indicated) material only, providing a positive “all in sustaining cost” cashflow at the Reserve gold price of \$AUD 1800/oz.</li> <li>The Reserve Estimate was evaluated using an appropriate discount rate for the type and size of operation, it has a robust positive NPV at the \$AUD 1800/oz Reserve gold price.</li> <li>In terms of sensitivity to Reserve value the following was observed: - <ul style="list-style-type: none"> <li>Process Recovery <ul style="list-style-type: none"> <li>showed 50% reduction in value with 25% overall reduction on process recovery</li> </ul> </li> <li>Mining Costs <ul style="list-style-type: none"> <li>showed breakeven at a 29% increase in mining costs but almost double the cashflow if costs were reduced by 25%</li> </ul> </li> <li>Process costs <ul style="list-style-type: none"> <li>if process costs increase by 50% the Reserve is break-even</li> </ul> </li> </ul> </li> </ul>



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>○ Head grade               <ul style="list-style-type: none"> <li>▪ Head grade has a similar sensitivity to the process recovery. A 25% reduction in grade from 0.92 g/t Au to 0.69 g/t Au would result in a 50% reduction in value.</li> </ul> </li> </ul> <p>At the time of the Ore Reserve Estimation, Gascoyne was in Voluntary Administration. However, for the valuation of Ore Reserves the financial circumstances of the Company post Voluntary Administration was based on a set of reasonable assumptions. Differences to these assumptions, and their effect on the financial circumstances of the Company post Voluntary Administration may need further consideration.</p>
<b>Social</b>	<ul style="list-style-type: none"> <li>• <i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All key stakeholder agreements were outlined in the 2018 Mining proposal. These being largely government agencies and local pastoral managers.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <i>Any identified material naturally occurring risks.</i></li> <li>• <i>The status of material legal agreements and marketing arrangements.</i></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• An accurate forecast of feed head grade has been difficult during the commissioning phase of the operation. Better understanding of the nature of the deposit has largely reduced this risk as demonstrated by recent reconciliation data to new geological models.</li> <li>• The environment is stable with a long history of productive mining operations that have not been affected by naturally occurring events.</li> <li>• All legal and marketing arrangements are in place.</li> <li>• All necessary governmental agreements and approvals are in place as Dalgaranga is an operating mine site.</li> <li>• A key supply arrangement is the mining contractor: -               <ul style="list-style-type: none"> <li>○ GCY is continuing a close working relationship with NRW, the mining contractor, through a fixed and variable contract arrangement.</li> </ul> </li> <li>• Supply of other consumables such as LNG and process consumables are not seen as a major risk but temporary supply disruptions are always possible.</li> <li>• Waste Storage capacity will require refinement with updated designs and approvals. This is not viewed as a significant risk.</li> <li>• Similarly, future approvals for TSF lifts and maintaining regulatory lease conditions are also not seen as significant risks.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>• <i>The basis for the classification of the Ore Reserves into varying confidence categories.</i></li> <li>• <i>Whether the result appropriately reflects the</i></li> </ul>	<ul style="list-style-type: none"> <li>• The measured and indicated resources within the pit design that are above the required Cut-off grade forms the inventory base for the Reserve Estimate.</li> <li>• Neil S Rauert the Competent Person for this ore Reserve Estimate has reviewed all</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>Competent Person's view of the deposit.</i></p> <ul style="list-style-type: none"> <li><i>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i></li> </ul>	<p>FS and current information relating to this Reserve Estimation. The view is that all measured mineral resource classified material contained within the ultimate pit design is considered proved and all Indicated mineral resource is considered probable ore.</p> <ul style="list-style-type: none"> <li>Recent operational performance has informed the position that no Probable Ore Reserves be declared from Measured Mineral Resources.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of Ore Reserve estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>Mining One Pty Ltd have been employed in an advisory role during the Reserve Estimation process.</li> </ul>
<b>Discussion of relative accuracy/ confidence</b>	<ul style="list-style-type: none"> <li><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></li> <li><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></li> <li><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></li> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>The Reserve Estimation was generated using conventional insitu inventory inquiry carried out using the Deswik software.</li> <li>The LUC Mineral Resource modelling technique is based on local estimates for each block which intern also represent the SMUs used in the Reserve Estimate. These LUC modelled blocks allow for expected dilution and ore loss.</li> <li>Modifying factors were applied to the grade control areas where a more accurate sub-celled model was available. A dilution factor of 10% and a mining recovery factor 95% were applied to the grade control areas.</li> <li>In terms of cost and Cut-off Grade calculation, operating costs are considered to be <math>\pm 25\%</math> level of accuracy. Capital costs are largely irrelevant as construction and commissioning of the operation is complete.</li> <li>Various approvals remain relating to TSF lifts, the Golden Wings in pit TSF and Waste Storage Facility expansions.</li> </ul>