

## **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2022**

### **Summary:**

#### Operations (Dalgaranga)

- **Full-year gold production of 71,153oz – within guidance range**
- **June quarter production of 16,298oz** impacted by rain and COVID-19
- **16,882oz sold** at an average realised price of **A\$2,620/oz – all unhedged**
- AISC of **A\$2,396/oz** for the quarter
- **822kt mined at average grade of 0.80g/t Au**
- **667kt milled at feed grade of 0.89g/t Au and 85.7% recovery**
- **6-month production guidance for 1HFY23 of 30-35,000oz**

#### Exploration/Growth

- **New shallow high-grade discovery at Gilbey's North, 1km from the Dalgaranga process plant, continues to grow** with an initial Mineral Resource Estimate (MRE) due in the September Quarter
- Outstanding Gilbey's North intercepts include **54m @ 6.55g/t from 116m including 12m @ 20.1g/t (DGRC0971)** and **53m @ 3.59g/t from 71m including 9m @ 6.8g/t and 6m @ 6.6g/t (DGRC0957)**.
- **\$3.0 million invested in resource development and mine life extension** predominantly at Dalgaranga during the quarter
- Testing of Melville ore (Yalgoo Project) confirms gross metallurgical recovery rate of greater than 90%
- Non-core Mumbakine Well tenement sold for proceeds of up to \$4.75 million plus a 0.5% net smelter royalty

#### Corporate

- **Gascoyne remains debt-free**
- Total cash and value of gold on hand (600oz) as at 30 June 2022 was \$32.4M
- **Net cash position of \$30.9M**
- Share Purchase Plan (SPP) completed – Share Placement and SPP raised a total of \$16.7M

Gascoyne Managing Director and CEO, Mr Simon Lawson, commented:

*"We are pleased to have achieved production guidance for the full-year despite the significant headwinds of rain events, industry-wide cost pressures and absenteeism due to COVID-19. The Dalgaranga Team has coped well with the testing circumstances that have been experienced from time-to-time, working together to achieve a strong result. I would like to thank them for their efforts."*

*"We enjoyed a good year from a safety perspective, but we are not yet where we want to be – and we have a big focus on continuing to improve in this regard."*

*"The big news during the quarter was the success of our near-mine exploration efforts, particularly at Gilbey's North and the Gilbey's Eastern Footwall. The newly-discovered near-mine zone at Gilbey's North continues to grow and deliver impressive intercepts, and we are confident that it will become the next source of"*

**SHARE PRICE:**  
\$0.250 at 26 Jul 22

**SHARES ON ISSUE:**  
426 million

**MARKET CAP:**  
\$107 million at 26 Jul 22

**CASH:**  
\$30.9 million at 30 Jun 22

*All dollar figures included in this report are Australian dollars unless otherwise stated*

### **DIRECTORS**

**Simon Lawson,**  
Managing Director & CEO

**Rowan Johnston,**  
Non-Executive Chairman

**Hansjoerg Plaggemars**  
Non-Executive Director

**David Coyne**  
Finance Director &  
Company Secretary

### **MANAGEMENT**

**David Baumgartel,**  
Chief Operating Officer

**Tejal Magan,**  
Chief Financial Officer

**Nicholas Jolly**  
GM Business Development

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*higher-grade ore feed at Dalgaranga. We are currently working hard on permitting and development activities to bring it into the mine plan as soon as possible.*

*“The encouraging drill results from the Eastern Footwall have also highlighted the potential to access higher grade material in this part of the mine and recast our longer-term mine plan.*

*“We are confident that mining will commence at Gilbey’s North and the Eastern Footwall in the next six months, and we are confident this will add significant life to the Dalgaranga Operation. Investors should get the first insights into this opportunity with the release of the maiden Gilbey’s North Mineral Resource and our annual integrated MRE and Ore Reserve updates, which are scheduled for release during the September Quarter. This will pave the way for mine planning and scheduling activities.*

*“The team has remained resolutely focused on what we can control – operating as safely and efficiently as possible while investing in our future by expanding and firming up the new near-mine discoveries.*

*“The recent discovery of a new style of orogenic mineralisation at Gilbey’s North that sits in an east-west orientation is a tantalising new opportunity which we are working as quickly as possible to unlock for our shareholders.*

*“We will continue to work hard to manage the cost escalation and skills shortages that are currently rampant across the resource sector. Being debt-free has significantly de-risked our business and, with a strong balance sheet, we are well placed to seize opportunities that may arise during the current period of volatility in financial markets – while continuing to adopt an aggressive approach to near-mine exploration.”*

## **Environmental, Social & Governance**

During the quarter, Gascoyne commenced the preparation of its inaugural Sustainability Report to be included within the Annual Report for the 12 months ended 30 June 2022. The inaugural Sustainability Report represents a significant step forward in the maturity of the Company’s environmental, social and governance (“**ESG**”) policies, processes and reporting.

Focus areas that have been selected for inclusion in the initial report are i) Health, Safety and Well-being; ii) Water Management; iii) Economic Performance; and iv) Business Ethics, Governance and Compliance.

### **Safety**

The Total Recordable Injury Frequency Rate (“**TRIFR**” 12-month rolling) for the Dalgaranga Gold Project at the end of the June quarter was 5.7, an increase from 4.2 at the end of the March quarter. The Lost Time Injury Frequency Rate (“**LTIFR**” 12-month rolling) at the end of the June Quarter was 1.4, which is below the West Australian gold mining industry average of 2.2. While LTIFR is an increase from the rate of zero at the end of the March Quarter, the Company and its contractors continue to progress initiatives that are aimed at solidifying the improvement in safety culture that has been achieved at Dalgaranga over the past two years.

With the easing of COVID-19 restrictions in Western Australia across March and April, increased rates of COVID-19 cases were experienced toward the end of the June Quarter, resulting in increased staff medical leave days. Approximately 40% of the workforce at Dalgaranga required time off work during the June Quarter as a result of COVID-19.

Management plans put in place by the Company helped to limit the spread of COVID and the Company was able to continue to operate and maintain the process plant generally in line with its expectations. However, mining was adversely affected by COVID with a number of shifts during the Quarter limited to a single dig fleet due to personnel absences caused by COVID (refer Dalgaranga – Production and Costs section below for further information).

### **Environmental**

During the second half of May, the Company submitted its latest revisions to the Dalgaranga Mining Proposal and Mine Closure Plan to the relevant regulators. The requests to amend these two key regulatory approvals are primarily to obtain approval for mining at the Gilbey’s North deposit and to be able to commence construction work on the initial lift of the Golden Wings Tails Storage Facility (“**GWTSF Lift**”).

The Company expects that approvals for mining at Gilbey's North and construction of the GWTSF Lift will be obtained during the next 3 to 4 months which would enable commencement of both activities during the December 2022 Quarter.

## Dalgaranga Gold Project

### Production and Costs

Ore production was primarily sourced from Stage 2 of the Gilbey's Main Zone ("**GMZ**") in the June Quarter, supplemented by ore from the Plymouth open pit, resulting in production of 16,298 ounces of gold at an All-in Sustaining Cost ("**AISC**") of A\$2,396 per ounce (Table 1). For the 2022 financial year, production was 71,153 ounces of gold (within guidance of 70-75,000 ounces) at an AISC of A\$2,250 per ounce. Full year AISC was \$50 per ounce above the top end of the guidance range, which was primarily due to cost escalation experienced across the sector over the past six months.

No capitalised waste stripping expenditure in the Gilbey's open pit was recognised during the quarter, resulting in an All-in Cost ("**AIC**") of \$2,399 per ounce (full year AIC of A\$2,346 per ounce). With no capitalised deferred waste being recognised for the foreseeable future, the Company continues to expect quarterly AIC to approximate quarterly AISC.

Production for the June Quarter (16,298 ounces) was down on the record March Quarter (21,669 ounces) due to a number of factors including increased absenteeism caused by COVID-19, mining shifts lost due to inclement weather in the Murchison region and periodic understaffing of mining crews due to labour shortages in Western Australia.

For the 6 months to the end of June 2022, approximately 50% of all personnel working at Dalgaranga (Gascoyne and contractor employees) had contracted COVID-19 (40% in the June Quarter alone). The cumulative impact of these factors meant that the planned mining schedule required a number of modifications during the Quarter, adversely impacting on the sequencing of access to higher grade ore.

Despite these challenges, the Company was still able to deliver a full-year production outcome within its guidance range.

Ore was again predominantly sourced from the Stage 2 GMZ during the Quarter (82% of ore) and waste movement was primarily from the Plymouth pit and northern wall slip remediation area (68% of waste). Total mined material movement decreased to 0.9M bank cubic metres ("**BCM**") during the quarter (Mar Qtr: 1.6M BCM), of which 0.3M BCM was waste movement at Plymouth.

Ore processed during the quarter was at an average feed grade of 0.89g/t Au, lower than the grade of 1.20g/t Au processed in the March Quarter, which reflected the impact on the mining schedule and timing of access to higher grade ore caused by the staff shortages and inclement weather referenced above.

Gross metallurgical processing recoveries of 85.7% for the quarter were lower than the March Quarter (88.7%), primarily as a result of the lower average feed grade. With lower average feed grade, the June Quarter gravity gold recovery also decreased to 14.9% of all gold produced (Mar Qtr: 31.9%).

Throughput of 667,000 tonnes was higher (Mar Qtr: 635,000 tonnes), reflecting annualised throughput in excess of the plant's 2.5Mtpa design capacity. Full-year throughput was 2.650 million tonnes on predominantly fresh rock feed, which is 6% above design capacity.

Ongoing throughput performance above design capacity provides Gascoyne with the confidence that the plant will continue to exceed its 2.5Mtpa nameplate capacity. Ongoing operational improvements, including the recent conversion of tank 1 into a pre-oxidisation tank, will assist in optimising the usage of processing reagents such as cyanide, oxygen and lime.

Low-grade stockpiles are now 2,143,000 tonnes at an average grade of 0.35g/t, containing approximately 23,900 ounces of gold. Gascoyne continues to adopt a conservative accounting treatment for low-grade stockpiles with nil value ascribed to them on the balance sheet.

**Table 1: June 2022 Quarter Production, Sales and Cost Summary**

	Unit	Sep 21 Qtr	Dec 21 Qtr	Mar 22 Qtr	Jun 22 Qtr	FY 2022
<b>Mining</b>						
Total material movement	Kbcm	1,683	2,204	1,646	879	6,412
Waste	Kbcm	1,323	1,896	1,356	573	5,149
Ore (volume)	Kbcm	359	308	290	306	1,264
Ore (tonnage)	kt	984	848	750	822	3,403
Mined grade	g/t	0.73	0.82	1.11	0.80	0.85
<b>Processing</b>						
Mill throughput	kt	701	647	635	667	2,650
Mill feed grade	g/t	0.87	0.91	1.20	0.89	0.96
Recovery (Gross metallurgical)	%	85.9%	86.9%	88.7%	85.7%	86.9%
Gold produced	oz	16,744	16,442	21,669	16,298	71,153
<b>Revenue Summary</b>						
Production sold	oz	16,759	16,578	21,260	16,882	71,479
Average realised price	A\$/oz	2,529	2,537	2,586	2,620	2,569
Gold sales	A\$000	42,377	42,064	54,987	44,227	183,655
<b>Cost Summary</b>						
Mining and Geology	A\$/oz	1,523	1,713	1,140	1,429	1,432
Less: Capitalised deferred waste	A\$/oz	(223)	(136)	-	-	(85)
Mining net of deferred waste	A\$/oz	1,300	1,577	1,140	1,429	1,347
Processing and Maintenance	A\$/oz	587	515	472	549	527
Site support	A\$/oz	179	186	177	210	187
Refining and freight	A\$/oz	1	1	1	1	1
By-product credits	A\$/oz	(16)	(14)	(12)	(17)	(14)
ROM stockpile movement	A\$/oz	(229)	76	138	(118)	(22)
<b>Site Cash cost</b>	<b>A\$/oz</b>	<b>1,822</b>	<b>2,341</b>	<b>1,917</b>	<b>2,054</b>	<b>2,026</b>
Royalties	A\$/oz	52	61	65	67	61
Corporate allocation	A\$/oz	15	32	33	32	28
Rehabilitation - Accretion	A\$/oz	6	6	6	7	6
Capital (sustaining)	A\$/oz	13	5	3	4	6
Leases (sustaining)	A\$/oz	58	58	46	59	54
Capitalised mine site exploration	A\$/oz	11	33	57	174	68
<b>AISC</b>	<b>A\$/oz</b>	<b>1,976</b>	<b>2,536</b>	<b>2,127</b>	<b>2,396</b>	<b>2,250</b>
Capital (non-sustaining)	A\$/oz	4	-	-	-	1
Capitalised deferred waste (non sustaining)	A\$/oz	223	136	-	-	85
Capitalised mine site exploration (non-sustaining)	A\$/oz	55	(21)	8	2	11
<b>AIC</b>	<b>A\$/oz</b>	<b>2,258</b>	<b>2,651</b>	<b>2,134</b>	<b>2,399</b>	<b>2,346</b>

Note: Totals may not add due to rounding.

AISC increased to A\$2,396 per ounce (Mar Qtr: A\$2,127/oz) with the primary driver of the unit cost increase being lower production in the June Quarter. Total site cash costs decreased quarter-on-quarter primarily due to lower material mined, lower processing costs and lower plant maintenance costs. Gross cash cost reductions were achieved despite increased input costs for items such as energy (diesel and LNG), mill reagents and bulk steel products. Full-year AISC was A\$2,250 per ounce.

AIC was also higher at A\$2,399 per ounce (Mar Qtr: A\$2,134/oz) with the reasons for the quarter-on-quarter increase being the same as those described above for AISC. Full-year AIC was A\$2,346 per ounce.

Cash processing costs (excluding site power plant finance lease payments) for the quarter at \$13.66 per tonne (Jun Qtr: \$15.84/t) were lower than the previous quarter, primarily due to higher tonnes being processed and the March Quarter being impacted by the annual full mill reline. Financial year cash processing costs (excluding site power plant finance lease payments) came in at \$14.23 per tonne.

The full-year cash processing cost per tonne once again highlights that the Dalgaranga process plant is one of the most efficient and lower cost gold processing plants for its size in Australia.



## 1<sup>st</sup> Half FY2023 Guidance

Preparation has commenced on the maiden Mineral Resource Estimate and Ore Reserve for the Gilbey's North deposit, together with updates to the Mineral Resource Estimates and Ore Reserves for the Gilbey's Pit and the Plymouth Pit.

All of these key items are due to be finalised during the September Quarter and are expected to have a materially positive impact on the production and cost forecasts for the Company in the second half of the 2023 financial year when incorporated into the mine plan. As a result, the Company is initially providing guidance for the first half of the financial year only.

Production guidance for the six months ended 31 December 2022 is in the range of 30,000 to 35,000 ounces. This guidance range excludes any contribution from Gilbey's North and the Gilbey's Eastern Footwall, both of which have the potential to add ounces to the production profile in the December Quarter.

Cost guidance for the next six months is in the range of A\$2,700 to A\$2,800 per ounce for both AISC and AIC, which **includes** capital expenditure of \$6 million (or ~\$200/oz) on the GWTSF Lift. While the GWTSF Lift capital expenditure is recognised in forecast AISC due to the need to do the initial lift in order to sustain the current rate of production and processing, this first lift provides the base for future TSF capacity lifts over the next 5 to 10 years. Accordingly, benefits from this first GWTSF Lift shall be realised over an extended number of years and a decision to invest in this activity will be representative of increased confidence in the Dalagaranga life-of-mine, underpinned by Gilbey's North and Gilbey's Eastern Footwall.

As noted in the March 2022 Quarterly Activities Report – and widely reported in mainstream and business media – the mining sector is experiencing wide-ranging cost increases, most notably the price for energy (diesel and LNG), equipment parts and process plant reagents. To help mitigate the impact of industry-wide cost escalation, the Company has continued its proactive supply chain and cost management practices through the June Quarter.

Updated production and cost guidance for the 2023 financial year is expected to be released at the time the Company releases its annual update to its Ore Reserves toward the end of the September Quarter. These updates will incorporate the initial Mineral Resources and Ore Reserves for the Gilbey's North deposit. Given the assay results to date from Gilbey's North, the Company expects that incorporation of this area into the mine plan will provide an increase to the average mill feed grade, deliver an increase in production and have a positive impact on cost per ounce.

## Exploration and Development Projects

### Exploration Expenditure

The 2022 financial year has been a year of significant investment in the future of Dalgaranga as part of a strategy aimed at finding and delineating future sources of shallower and higher-grade ore feed. At Dalgaranga alone, almost 48,000 metres of exploration and resource definition drilling was completed and \$4.8 million spent during the year.

This investment has yielded immediate dividends with the discovery of the exciting Gilbey's North deposit, located approximately 1km from the Dalgaranga process plant and immediately north of the main operating pit.

The Company spent a total of \$3.0 million on exploration during the June 2022 Quarter (Mar Qtr: \$1.6M). Approximately \$2.4 million was incurred on exploration and resource definition activity at Dalgaranga, predominantly on the Mining Lease. The remaining \$0.6 million in the June Quarter was spent on regional exploration activity including at the Yalgoo, Glenburgh – Mt Egerton, Mumbakine Well and Beebyn Projects.

At Dalgaranga, a total of 24,059m of diamond and Reverse Circulation (RC) drilling was completed during the Quarter, which was higher than the previous quarter (10,328m) as follow-up and extensional drilling at Gilbey's North, Gilbey's Eastern Footwall, Gilbey's South and Plymouth accelerated.

Activity at the Yalgoo Gold Project, acquired through the November 2021 transaction with Firefly Resources Limited, continued to focus on progressing studies and activities required to complete the Mining Proposal and Mine Closure Plan for the Melville deposit. Metallurgical test results received during the Quarter conducted on ore from the Melville deposit at Yalgoo delivered a gross metallurgical recovery rate of greater than 90%.

### **Gilbey's North – Significant New Near-Mine Discovery**

During the Quarter, drilling accelerated at the Gilbey's North discovery, located immediately north of the Gilbey's open pit (the main ore source at Dalgaranga). Early drilling at Gilbey's North was undertaken utilising the grade control rig on site with the success of this early drilling and the availability of drill rigs allowing the Company to deploy more dedicated and specific drill rigs to drill deeper holes.

Up to three Reverse Circulation (RC) drill rigs and a diamond drill rig were operating at Gilbey's North for much of the quarter.

A number of significant shallow high-grade gold intercepts were generated, delineating a thick, consistent zone of shallow gold mineralisation which is rapidly emerging as the likely next source of higher-grade production at Dalgaranga.

Results generated during the quarter confirmed the presence of deeper and materially higher-grade material at Gilbey's North, while also highlighting the continuity of the mineral system. Importantly, the thicknesses of the mineralised zones extending to the north-west are very consistent, with the rock type and alteration showing strong similarities to the main Gilbey's orebody.

Some of the more significant results generated during the Quarter and up to the date of this report (including the results reported in the Gascoyne announcements of 3 May 2022, 1 June 2022, 22 June 2022 and 13 July 2022) are summarised below:

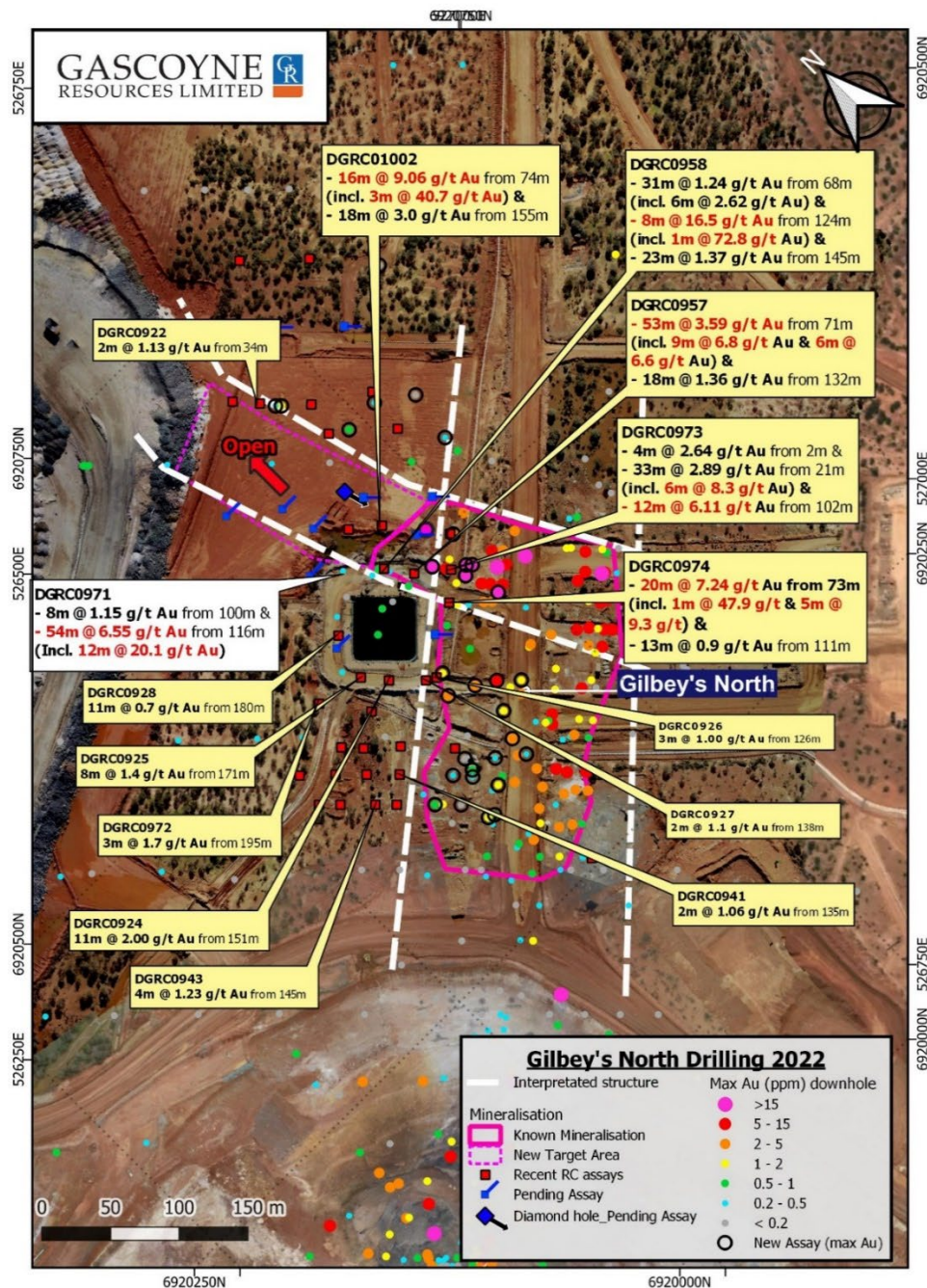
- 31m @ 2.54g/t from 23m, including 3m @ 6.57g/t and 3m @ 8.58g/t (DGRC0835)
- 15m @ 3.16g/t from 39m, including 5m @ 6.67g/t (DGRC0837)
- 2m @ 3.23g/t from 52m (DGRC0839)
- 54m @ 6.55g/t Au from 116m down-hole, including 12m @ 20.1g/t (DGRC0971)
- 8m @ 1.15g/t Au from 100m down-hole (DGRC0971)
- 53m @ 3.59g/t Au from 71m down-hole (HW\*) including:
  - 9m @ 6.8g/t and 6m @ 6.6g/t Au (DGRC0957)
- 18m @ 1.36g/t Au from 132m down-hole (FW)\* (DGRC0957)
- 31m @ 1.24g/t Au from 68m & 8m @ 16.5g/t from 124m down-hole (HW) including:
  - 1m @ 72.8g/t (DGRC0958)
- 23m @ 1.37g/t Au from 145m down-hole (FW) (DGRC0958)
- 33m @ 2.89g/t Au from 21m down-hole (HW) including:
  - 6m @ 8.3g/t (DGRC0973)
- 12m @ 6.11g/t Au from 102m down-hole (FW) (DGRC0973)
- 20m @ 7.24g/t Au from 73m including 1m @ 47.9g/t and 5m @ 9.3g/t (DGRC0974)
- 16m @ 9.06g/t Au from 74m, including 3m @ 40.7g/t, and 18m @ 3.0g/t from 155m (DGRC1002)

*\*HW and FW – Refers to the newly identified Hangingwall and Footwall mineralization styles. See the discussion below.*

Work commenced during the Quarter on an initial Mineral Resource Estimate (MRE) for the Gilbey's North deposit, which will be completed and released during the September Quarter. Importantly, additional successful drilling has taken place at the Gilbey's North deposit post the cut-off date for the MRE calculations.

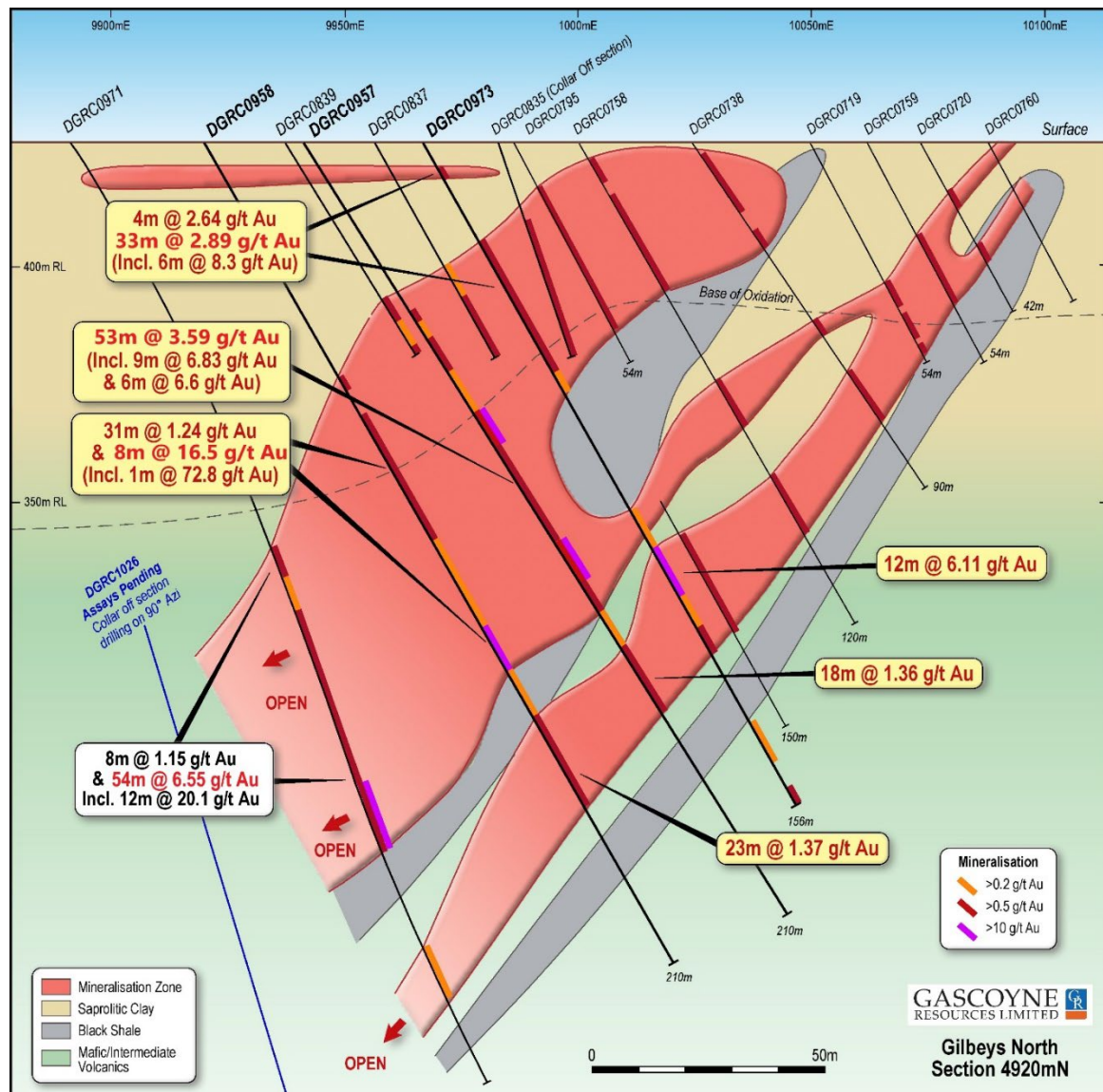
Diamond drilling was also undertaken during the Quarter to obtain geotechnical and geo-metallurgical samples to facilitate the submission of an initial mining proposal and benchmark recovery testwork for anticipated mining in the Gilbey's North area. Revisions to the Dalgaranga Mining Proposal and Mine Closure Plan were submitted to the WA Department of Mines, Industry Regulation and Safety in May 2022 and are progressing as planned.

The location of the Gilbey's North discovery is shown in Figure 1 below and the recent drilling results are shown in cross-section in Figure 2.



**Figure 1:** Plan view showing the location of recent drilling at Gilbey's North, current mineralisation and the location of other nearby holes with assays pending.





**Figure 2:** Cross-section through follow-up RC drill-holes at the Gilbey's North prospect. Note the distinction of hanging wall and footwall zones. See ASX releases dated 8, 17 & 28 Feb 22, 22 Mar 22 and 3 May 22 for all other reported assay results for the holes shown above that do not have labelled intercept results.

Importantly, recent drilling shows the Gilbey's North discovery is developing into two different orientations that are reported here separately:

- A distinct north-striking footwall zone (FW) resembling the main Gilbey's "G-Fin" mineralisation with a regional stratiform affinity – the mineralisation package seen far right in cross-sections against footwall shales (see Figure 2); and
- A higher-grade north-west to west striking hanging wall zone (HW). This mineralisation style is not typical for Dalgarranga, has a much higher silica content, intensive sericite alteration and cross-cuts stratigraphy with heavy shearing and folding fabrics. This style of mineralisation is more typical of orogenic lode-gold systems seen elsewhere in the Goldfields of Western Australia and is of potentially regional-scale structural origin.

The two mineralisation orientations form in a zone of collision between "typical" Gilbey's-style shale-associated north-south mineralisation (FW) and a significant north-west to west-striking shear zone (HW). The result is a broad zone of intense rock shearing and damage and associated gold mineralisation deposition (refer to the ASX announcement of 13 July 2022).

## Gilbey's Eastern Footwall

Drilling in the Eastern Footwall of the main Gilbey's open pit during the Quarter resulted in another significant near-mine exploration breakthrough with extensive and continuous gold mineralisation intersected over hundreds of metres of strike. Significant results generated from this program included:

- 2m @ 2.40g/t from 11m (DGRC0851)
- 3m @ 5.54g/t from 26m including 1m @ 14.8g/t, and
- 5m @ 38g/t from 50m including 1m @ 176g/t (DGRC0853)
- 2m @ 2.15g/t from 28m and 5m @ 2.54g/t from 68m (DGRC0855)
- 10m @ 1.78g/t from 48m (DGRC0865)
- 2m @ 4.24g/t from 58m including 1m @ 7.2g/t (DGRC0869)
- 3m @ 3.43g/t from 39m and 4m @ 5.12g/t from 75m (DGRC0871)
- 3m @ 3.09g/t from 32m and 8m @ 1.31g/t from 56m (DGRC0874)
- 8m @ 1.84g/t from 35m including 1m @ 8.0g/t (DGRC0875)
- 1m @ 4.09g/t from 39m and 7m @ 2.36g/t from 46m (DGRC0876)

Every drill-hole assayed so far at the Eastern Footwall targets has intersected shallow gold grades above 0.5g/t Au across multiple stacked zones beneath the historically mined upper main Gilbey's orebody.

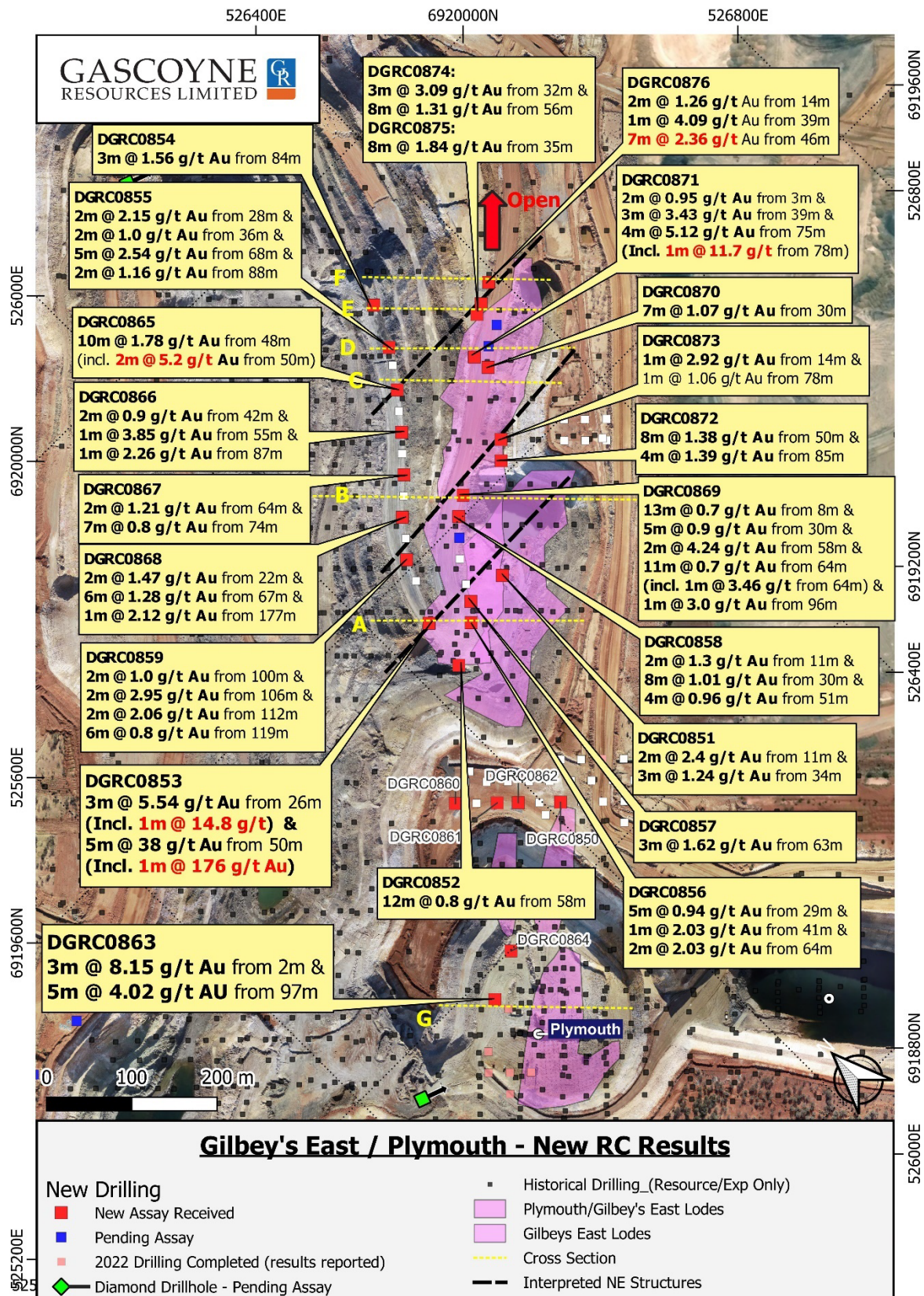
The Eastern Footwall material has been mined as recently as January 2022 from existing infrastructure and processed at good recoveries with a high gravity recovery component. Recently returned assay results from Gilbey's Eastern Footwall are shown below in Figures 4 and 5 while results from Gilbey's South are shown in Figure 6.

Results from Gilbey's South are assisting in the evaluation of a potential southern ramp access point to the Gilbey's pit which is expected to reduce the volume of waste movement and improve ore access in updated mine designs for main Gilbey's pit.



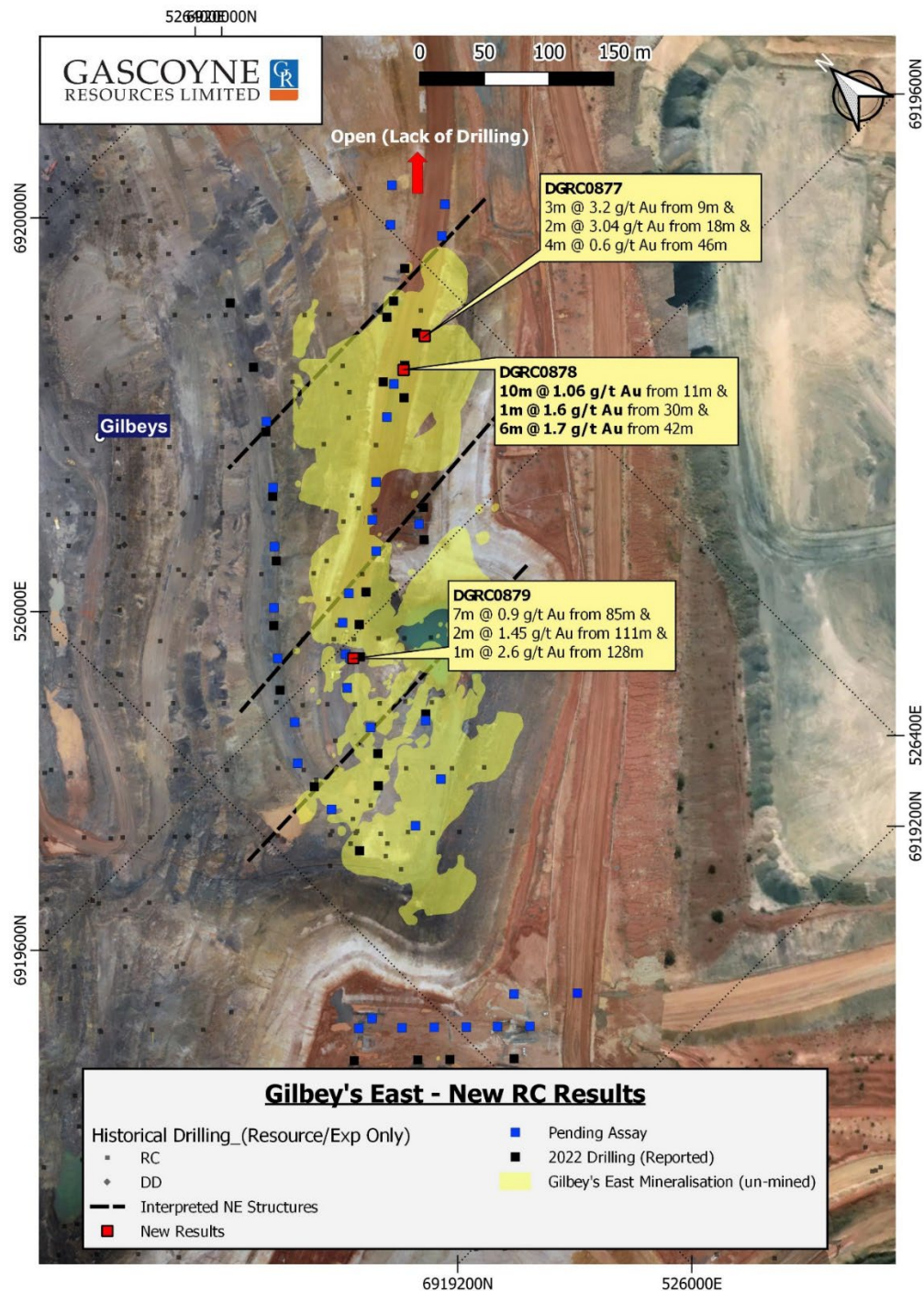
**Figure 3:** RC drill rig on the Eastern Ramp drilling the Eastern Footwall prospects (looking north).



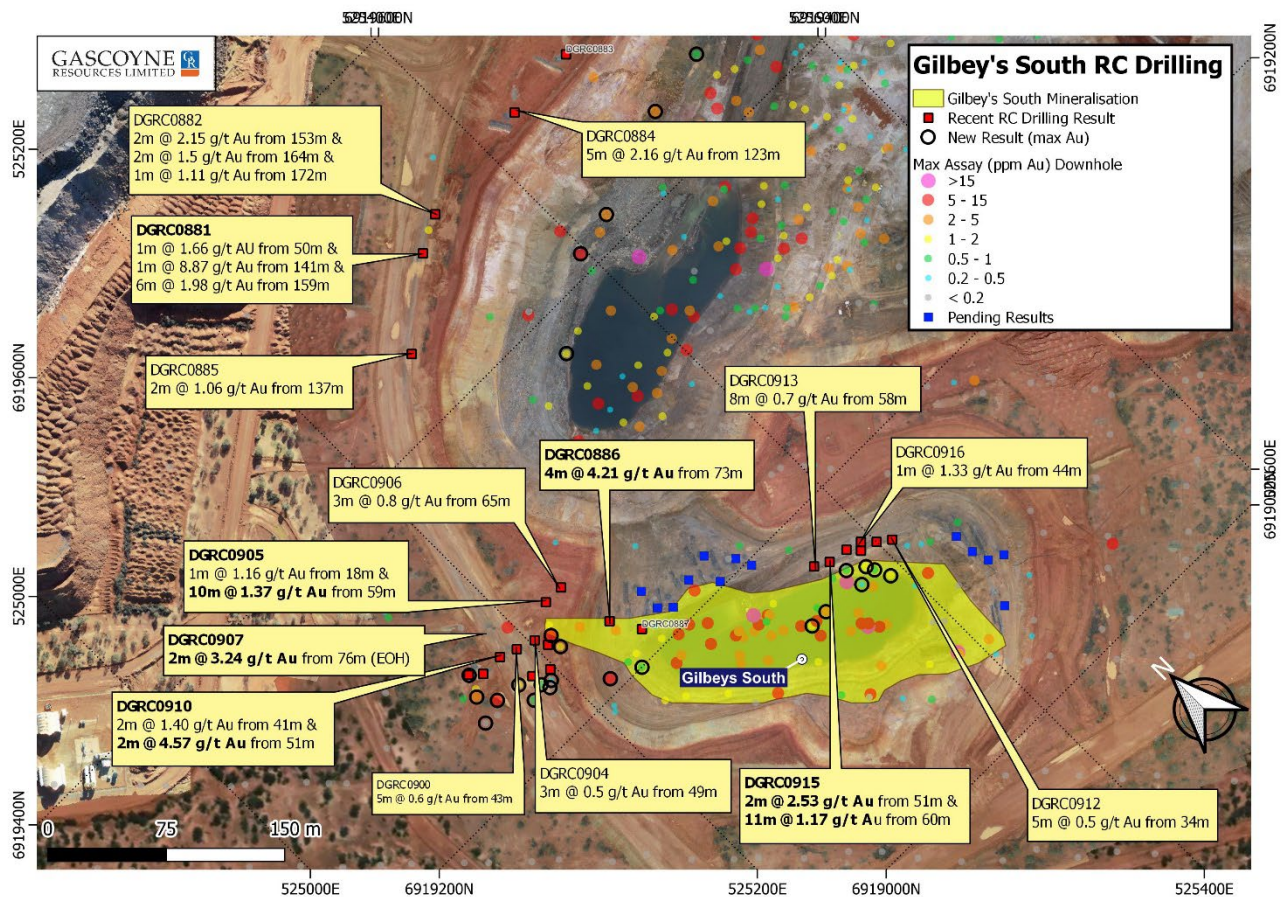


**Figure 4:** Plan view of the Gilbey's Eastern Footwall and Plymouth area with recently returned assays and cross-section locations (see ASX release dated 1 June 2022 for cross section information).





**Figure 5:** Plan view showing the location of RC drill-holes across the Gilbey's Eastern Footwall area with recently returned assays and assays pending (as at 13 July 2022).



**Figure 6:** Plan view showing the location of RC drill-holes across the Gilbey's South area with recently returned assays and assays pending (as at 13 July 2022).

## Plymouth

Drilling continued to deliver significant intercepts during the Quarter from directly below the operating Plymouth open pit (see Figure 4), located immediately south of the Gilbey's pit.

An updated MRE is underway for the Plymouth open pit and will be completed in the September Quarter. This will include results from recent drilling and 16 RC drill-holes that were excluded from the previous MRE in 2021.

Diamond drilling was also conducted during the Quarter to obtain geotechnical information for a review of pit-slope angles in preparation for the anticipated expansion of the Plymouth Resource and pit redesign.

## Yalgoo

With the focus on near mine exploration at Dalgaranga during the Quarter, activity continued to progress at a moderate pace at Yalgoo. Work continued on studies and surveys during the Quarter including flora and fauna surveys, and groundwater assessment.

During the Quarter, the Company received and assessed the results of metallurgical test work carried out on samples from the Melville deposit at Yalgoo. Metallurgical test work and analysis was undertaken by independent laboratory ALS Metallurgy Limited and managed by Minelogix.

Leach test work confirmed rapid leaching kinetics post gravity recovery and leach extractions exceeded 90% for all domains at a feed grade of >1.5g/t Au, at an optimum grind  $P_{80}$  of 90 $\mu$ m. Results from the test work confirm the amenability of Melville ore to be processed at Dalgaranga and is likely to deliver better rates of recovery than currently achieved for the processing of Dalgaranga ore.

The test work also confirmed that consumption of reagents when processing Melville ore is likely to be consistent with the reagent consumption rates when processing ore sourced from Dalgaranga.



## **Glenburgh & Egerton Projects**

No significant field activity occurred at the Glenburgh and Egerton Projects during the Quarter with the Company's focus being primarily on its flagship Murchison assets. Drilling programs for Glenburgh and Egerton were developed during the Quarter with mobilisation of one (1) RC rig to area planned for early in the September Quarter. Activity will commence at Egerton before moving to the Glenburgh area.

Targets areas for the program include follow-up and extension drilling at the Gaffney's Find prospect at Egerton.

## **Sale of Mumbakine Well**

On 30 May 2022, the Company announced that it had signed a binding agreement to sell the Mumbakine Well tenement to Capricorn Metals Limited (ASX: CMM) for proceeds of up to \$4.75 million, comprised of:

- \$1.25 million payable upon completion; plus
- \$1.5 million payment on the date that Capricorn announces to the ASX a JORC code compliant Mineral Resource Estimate of greater than 200,000oz of gold on the tenement (representing a minimum of 6.55 million tonnes at a minimum grade of 0.95g/t Au); plus
- A \$2.0 million payment on the date that Capricorn announces to the ASX a decision to commence commercial mining activities on the tenement; and
- All amounts payable in cash or Capricorn shares, at Capricorn's election<sup>1</sup>.

A 0.5% net smelter royalty also applies on all gold produced from the tenement. Completion occurred on 29 June 2022 when Capricorn issued 344,752 Capricorn shares to Gascoyne as full settlement of the initial \$1.25 million amount.

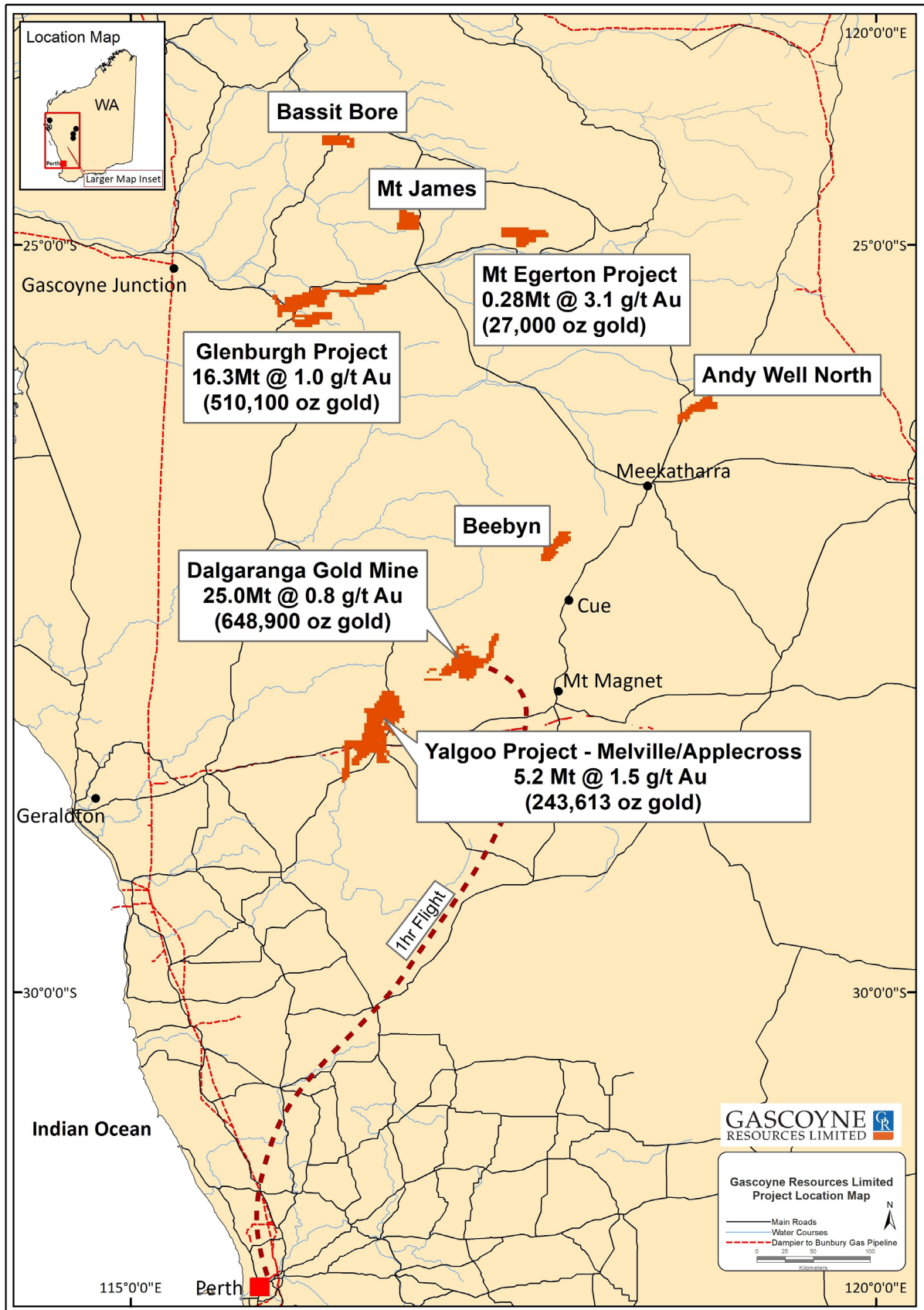
## **Strategic Review of Non-Murchison Assets**

Over the past six months, the Company has undertaken a full strategic review of all assets located outside of the Murchison region (i.e., all assets outside of Dalgaranga and Yalgoo). This resulted in the sale of Mumbakine Well and expressions of interest in a number of other assets.

In light of the current volatility in global equity and commodity markets, the Company has elected to retain the Glenburgh / Egerton assets for the foreseeable future. Gascoyne continues to consider the options for other assets such as Beebyn and Andy Well North.

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<sup>1</sup> Capricorn's right to elect to settle any contingent deferred payment in shares expires on the date which is 5 years after the date of execution of the agreement to purchase the tenement.



**Figure 7: Gascoyne Projects Location Map**



## Corporate

### Cash Balance and Cash Flow

Operating cash-flow was positive \$2.0 million for the June Quarter. As a result of \$3 million being invested on increased exploration and resource development drilling, free cash-flow for the June Quarter was an outflow of \$1.1 million (Mar Qtr: inflow of \$11.3 million). Other key drivers of the change in free cash-flow included lower quarterly production compared to the record March Quarter and general cost escalation across the West Australian mining sector.

Total cash and value of gold on hand (600oz) as at 30 June 2022 was \$32.4 million, with the available cash balance comprising \$30.9 million of this amount. Excluded from this amount is the market value of investments in ASX-listed companies, which was \$2.7 million as at the end of the June Quarter.

The cash balance, gold on hand and investments held in ASX-listed companies, combined with the Company having no corporate or project finance debt, mean that the Company's balance sheet has been de-risked and is in a very robust position. Gascoyne now has financial flexibility and optionality moving forward to fund its mine life extensions and production growth objectives.

Administration and corporate payments for the quarter of \$1.0 million (Mar Qtr: \$1.8 million) were lower due to one-off payments made during the March Quarter related to corporate advisor fees on the unsuccessful takeover bid made by Westgold Resources Limited in 2021 and costs associated with the now retired convertible note debt facility.

An amount of \$289,000 was paid to related parties during the Quarter. Of this amount, \$276,000 payments related to fees and salaries to non-executive directors, the Managing Director and the Finance Director / Company Secretary and \$13,000 related to exploration storage facility rental payments paid to Firetail Resources Limited.

### Gold Hedging

Post the end of the June Quarter, the Company entered into new gold forward contracts with MKS PAMP, a Swiss-based company focussed on sourcing, supplying, refining and trading precious metals products. A total of 11,000 ounces of gold have been hedged for delivery between July and December 2022 at an average price of A\$2,555 per ounce.

The decision to enter into new forward contracts was made to partially insulate the Company from increasing volatility in commodity markets until the higher-grade Gilbey's North deposit comes into the mine plan later this calendar year.

### Placement and Share Purchase Plan

In March, the Company completed a \$15 million placement to institutional, professional and sophisticated investors at an issue price of \$0.30 per share ("**Placement**"). At the time of announcing the Placement, the Company also announced that it would launch a Share Purchase Plan ("**SPP**") to raise up to \$4 million at the same share price as the Placement. The SPP closed on 19 April 2022 and \$1.66 million was raised from the SPP.

Proceeds from the Placement and SPP were used to retire the Company's remaining convertible note debt (\$10 million repaid on 31 March 2022), fund the accelerated drilling program at Dalgaranga during the June Quarter and for general working capital purposes.

-END-

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

### For further information, please contact:

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**Tenements held as at 30 June 2022 (All tenements are within Western Australia)**

Tenement	Location	Name	Ownership
E21/195	Murchison Region	Dalgaranga	80% Gascoyne Resources
E59/1709	Murchison Region	Dalgaranga	80% Gascoyne Resources
E59/1904	Murchison Region	Dalgaranga	80% Gascoyne Resources
E59/1906	Murchison Region	Dalgaranga	80% Gascoyne Resources
E59/2053	Murchison Region	Dalgaranga	100% Gascoyne Resources
E59/2150	Murchison Region	Dalgaranga	100% 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
L59/167	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/168	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/169	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/170	Murchison Region	Dalgaranga	100% Gascoyne Resources
M59/749	Murchison Region	Dalgaranga	100% Gascoyne Resources
E51/1648	Murchison Region	Murchison	100% Gascoyne Resources
E51/1681	Murchison Region	Murchison	100% Gascoyne Resources
E59/2077	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2140	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2230	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2252	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2284	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2289	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2295	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2363	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2364	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2456	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2458	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2468	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2469	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2534	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2457	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2459	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2460	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2478	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2543	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2544	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2615	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2616	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2638	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2688	Murchison Region	Yalgoo	100% Gascoyne Resources
LA59/200	Murchison Region	Yalgoo	100% Gascoyne Resources

Tenement	Location	Name	Ownership
LA59/201	Murchison Region	Yalgoo	100% Gascoyne Resources
LA59/212	Murchison Region	Yalgoo	100% Gascoyne Resources
M59/0057	Murchison Region	Yalgoo	100% Gascoyne Resources
M59/0384	Murchison Region	Yalgoo	100% Gascoyne Resources
MA59/767	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2040	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2042	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2086	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2087	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2088	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2089	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2134	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2138	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2158	Murchison Region	Yalgoo	100% Gascoyne Resources
E09/1325	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E09/1764	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E09/1865	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E09/1866	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E09/2025	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E09/2148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EA09/2352	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/56	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/62	Gascoyne Region	Glenburgh	100% Gascoyne Resources
M09/148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
M09/181	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E52/2117	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
E52/2515	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
E52/3574	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
E52/3756	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
E52/3894	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
M52/343	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
M52/567	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
E52/3490	Gascoyne Region	Mt James <sup>1</sup>	100% Gascoyne Resources

**Abbreviations and Definitions used in Tenement Schedule:**

E	Exploration Licence	EA	Exploration Licence Application
M	Mining Lease	MA	Mining License Application
L	Miscellaneous Licence	LA	Miscellaneous Licence Application
P	Prospecting Licence	PA	Prospecting Licence Application

<sup>1</sup> Post the end of the Quarter, the Company submitted a relinquishment notice for E52/3490 (Mt James).

## ABOUT GASCOYNE RESOURCES

Gascoyne is a debt-free Australian gold producer which operates the 100%-owned Dalgaranga Gold Mine, located in the Murchison region of Western Australia. The operation is underpinned by a modern, 2.5Mtpa CIL gold processing plant which represents a strategic asset in the district. Dalgaranga produced over 71,000oz of gold in the 2022 financial year.

While production is currently sourced predominantly from the Gilbey's and Plymouth open pits, Gascoyne has enjoyed recent considerable near-mine exploration success which has highlighted the potential to develop new higher-grade ore sources within a 1-2km radius of the existing plant. These near-mine exploration activities are currently a priority focus for the Company and will feed into an updated Mineral Resource and Ore Reserve statement and medium-term mine plan, due for release in the September 2022 Quarter.

### 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 1990s, the project was developed and from 1996 to 2000 produced 229,000 oz's of gold. In 2016 Gascoyne commenced the re-development of the project with first gold production in 2017.

An updated Mineral Resource Estimate was released in May 2021 with the Dalgaranga Gold Project Mineral Resource containing 25.0Mt @ 0.8 g/t Au for 648,900 oz of gold (ASX Announcement 31 May 2021 and titled "2021 Mineral Resource and Ore Reserve Statements").

An updated Ore Reserve Estimate was released in May 2021 with the Dalgaranga Gold Project Ore Reserve containing 13.5Mt @ 0.8 g/t Au for 339,000 oz of contained gold (ASX Announcement 31 May 2021 and titled "2021 Mineral Resource and Ore Reserve Statements").

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

#### Summary Mineral Resource Statement as at 31 March 2021

Category	Mt	Au g/t	Au koz
Measured	1.38	0.69	30.6
Indicated	20.04	0.83	533.1
<b>Indicated+Measured</b>	<b>21.43</b>	<b>0.82</b>	<b>563.8</b>
Inferred	3.56	0.74	85.1
<b>TOTAL</b>	<b>24.99</b>	<b>0.81</b>	<b>648.9</b>

Note: Discrepancies in totals are a result of rounding

#### Summary Ore Reserve Statement as at 31 March 2021

Classification	Oxidation state	COG (g/t Au)	Mt	Au g/t	Au koz
Proved	Oxide	0.30	0.002	1.1	0.1
	Transition	0.30	0.62	0.7	13.5
	Fresh	0.30	0.45	0.8	10.0
	Stockpiles	0.30	1.84	0.4	24.4
	Gold In circuit				1.7
	<b>SUBTOTAL</b>		<b>2.91</b>	<b>0.5</b>	<b>49.8</b>
Probable	Oxide	0.30	0.36	0.9	9.0
	Transition	0.30	0.36	0.9	9.2
	Fresh	0.30	9.90	0.9	271.0
	<b>SUBTOTAL</b>		<b>10.62</b>	<b>0.8</b>	<b>289.2</b>
<b>Total</b>			<b>13.53</b>	<b>0.8</b>	<b>339.0</b>

Note: Discrepancies in totals are a result of rounding

## YALGOO

The Yalgoo project includes the Melville and Applecross deposits which have a combined Indicated and Inferred resource of **5.2Mt @ 1.45 g/t Au for 243,613 oz of gold** (see ASX Announcement 6 December 2021)

### Yalgoo Gold Project – MRE Total, above 0.7 g/t Au, as at 6 December 2021

Classification	Mt	Au g/t	Au koz
Indicated	3.4	1.5	160.4
Inferred	1.9	1.4	83.2
<b>TOTAL</b>	<b>5.2</b>	<b>1.5</b>	<b>243.6</b>

Note: Discrepancies in totals are a result of rounding

## GLENBURGH:

The Glenburgh Project in the Gascoyne region of Western Australia has an Indicated and Inferred resource of **16.3Mt @ 1.0 g/t Au for 510.1koz gold** (See ASX announcement dated 18 December 2020 titled “Glenburgh Resource Update”) from several deposits within a 13km long shear zone (see Table 5). The project is an exciting advanced exploration project and will be fully evaluated over the coming months to determine its potential development to production.

### Glenburgh Gold Project – MRE Total Summary for All Deposits, as at 15 December 2020

Classification	Mt	Au g/t	Au koz
Indicated	13.5	1.0	430.7
Inferred	2.8	0.9	79.4
<b>TOTAL</b>	<b>16.3</b>	<b>1.0</b>	<b>510.1</b>

## MT 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.

### Mt Egerton Gold Project – Hibernian Deposit MRE, as of May 2021

Classification	Mt	Au g/t	Au koz
Indicated	0.23	3.4	25
Inferred	0.04	1.5	2
<b>TOTAL</b>	<b>0.28</b>	<b>3.1</b>	<b>27</b>

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

## Competent Persons Statement

*The information which relates to the Ore Reserve estimates for the Dalgaranga Gold Project referred to in this release is extracted from the ASX announcement dated 31 May 2021 and titled “2021 Mineral Resource and Ore Reserve Statements”. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement. The Competent Person responsible for reporting of those Ore Reserves was Mr. Neil Rauert.*



*The information which relates to the Mineral Resource estimates for the Gilbey's, Gilbey's South, Plymouth and Sly Fox gold deposits at the Dalgaranga Gold Project referred to in this release are extracted from the ASX announcement dated 31 May 2021 and titled "2021 Mineral Resource and Ore Reserve Statements". The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. The Competent Persons responsible for reporting of those Mineral Resource estimates were Mr Michael Job and Mr Michael Millad.*

*The Mineral Resource estimates for the Melville and Applecross deposits referred to in this announcement are extracted from the ASX announcement dated 6 December 2021 and titled "24% Increase in Resource Ounces at Yalgoo Gold Project". The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. The Competent Person responsible for reporting of those Mineral Resource estimates was Mr Simon Lawson.*

*The Mineral Resources estimates for the Glenburgh Project referred to in this announcement are extracted from the ASX announcement dated 18 December 2020 and titled "Group Mineral Resources Grow to Over 1.3M oz". The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. The Competent Person responsible for reporting of those Mineral Resource estimates was Mr Brian Fitzpatrick.*

*The Mineral Resources estimates for the Hibernian deposit at Mt Egerton referred to in this release are extracted from the ASX announcement dated 31 May 2021 and titled "2021 Mineral Resource and Ore Reserve Statements". The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. The Competent Person responsible for reporting of those Mineral Resource estimates was Mr Brian Fitzpatrick.*