

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2021

Highlights:

- Binding agreement signed to acquire Firefly Resources Limited and consolidated ownership of shallow, higher-grade gold deposits and a large exploration package within trucking distance of Dalgaranga
- Free cash flow generation of \$0.8M for the quarter (excluding \$3.3M cash received on 1 July 2021)
- 17,416oz produced for the quarter; 77,278oz for FY2021 – meeting guidance
- 17,993oz sold at an average realised price of A\$2,516/oz
- AISC \$1,589/oz for the quarter; \$1,308/oz for FY2021 – within guidance
- Significantly improved safety performance with TRIFR reducing to 4.0
- 655kt milled at feed grade of 0.98g/t Au and 84.0% recovery for the quarter
- Updated Dalgaranga Mineral Resource Estimate of 25.0Mt @ 0.8 g/t Au for 648,900oz and updated Ore Reserve of 13.5Mt @ 0.8 g/t Au for 339,000oz
- >16,000 metres drilled for the quarter at Dalgaranga, Greencock, Mt Egerton and Glenburgh
- Total cash, cash in transit and value of gold on hand (504oz) as at 30 June 2021 was \$27.9M – bank debt reduced to \$14M
- Net cash position of \$9.4M with cash of \$23.4M at quarter end (excluding \$3.3M cash received on 1 July 2021)
- \$7.4M mark-to-market gold hedge position at quarter end, with 44,782oz hedged at an average of \$2,528/oz over the next 15 months
- Mr Hansjoerg Plaggemars appointed as Non-Executive Director

Gascoyne Resources Limited (“**Gascoyne**” or “**Company**”) (ASX:GCY) is pleased to provide the following update on its activities for the quarter ending 30 June 2021, including operating and cost performance at its 100% owned Dalgaranga Gold Project (“**Dalgaranga**”).

The Company advises that it will be holding a teleconference to discuss the quarterly results at **11:00am (WST) today, Friday, 23 July 2021**. Dial-in and registration details to participate in the call are located at the end of this report.

Gascoyne Managing Director and CEO, Mr Richard Hay, commented:

“In mid-June we announced the merger agreement with Firefly. We are very excited by the opportunity that this transaction will provide to Gascoyne. Access to shallow and higher-grade ore and a vast exploration package within trucking distance of Dalgaranga has the potential to be a game changer for Gascoyne over the next couple of years.

“Our full year production result of over 77,000 ounces has been achieved on the back of an improved safety culture while overcoming a number of operational challenges in the June quarter including unseasonal inclement weather, availability of personnel and short-term mine plan adjustments.

“We continue to embed our new Company’s values of ‘Putting HEARTS into Mining’ and it was pleasing to see the Gascoyne team displaying each of these values during the June quarter as we move into what is expected to be a stronger September quarter performance.”

SHARE PRICE:
\$0.33 at 22 Jul 21

SHARES ON ISSUE:
250.9 million

MARKET CAP:
\$83 million at 22 Jul 21

CASH:
\$23.4 million

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

DIRECTORS

Richard Hay,
Managing Director & CEO

George Bauk,
Non-Executive Chairman

Rowan Johnston,
Non-Executive Director

Hansjoerg Plaggemars
Non-Executive Director

MANAGEMENT

David Coyne,
CFO & Company Secretary

David Baumgartel,
Executive GM Operations and Development

Julian Goldsworthy,
Chief Geologist

Tejal Magan,
Head of Finance

Gascoyne Resources Ltd
ABN 57 139 522 900

PO Box 1449 West Perth
WA 6872

Level 1, 41-47 Colin Street
West Perth WA 6005

+61 8 9481 3434
admin@gascoyneresources.com.au

gascoyneresources.com.au

Environmental, Social & Governance

During the quarter, the Company progressed its program to install more mature environmental, social and governance (“**ESG**”) policies, processes and reporting. The first integrated workshop was held during the quarter and the outcomes of this workshop are being utilised to frame the ESG objectives and targets for Gascoyne moving forward.

Safety

Total recordable injury frequency rate (“**TRIFR**” 12-Month rolling) for the Dalgara Gold Project at the end of the quarter had reduced to 4.0, a significant improvement on 9.0 at the end of the March quarter. Zero lost time injuries occurred during the 6 months ending 30 June 2021. The improved safety outcome is being driven by a number of initiatives including an ongoing focus on safety performance and culture, safety leadership development at all levels of the organisation and a more visible presence in the field from leadership across site and the Company.

Gascoyne Values

During the quarter, the Company continued to embed its updated values that were recently developed by employees of the Company. The updated values form the basis of quarterly performance discussions for all employees and serve as the foundation for developing a high-performance culture within Gascoyne.

“Putting HEARTS into Mining”



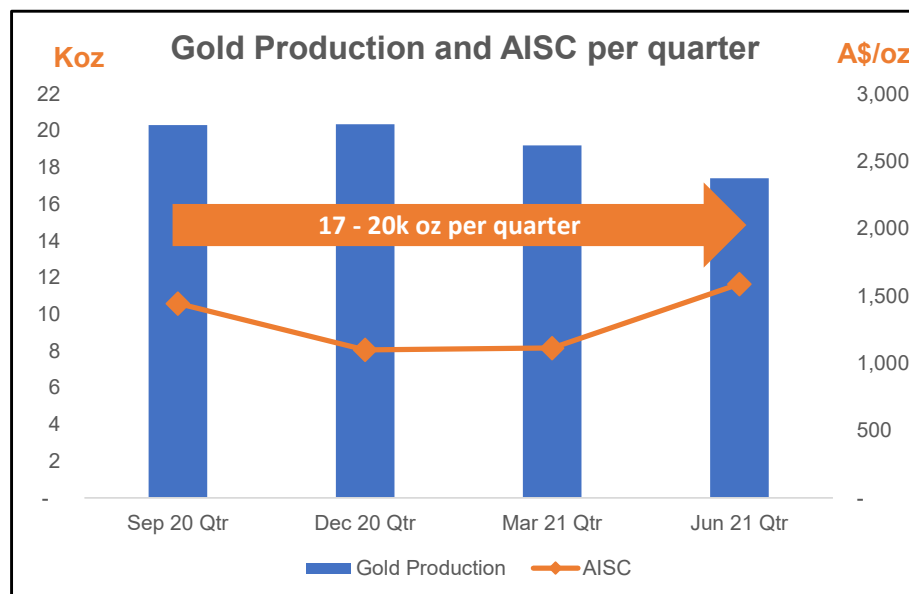
Our core values set the platform for defining how we work and how we will engage with our community and stakeholders.

Dalgaranga Gold Project

Production and Costs

Ore production primarily from Stage 1 of the Gilbey's Main Zone ("GMZ") in the June quarter resulted in 17,416 ounces of gold produced at an All in Sustaining Cost ("AISC") of \$1,589 per ounce (Table 1). A total of \$6.3M of revenue was reinvested into capitalised Stage 2 pre-stripping of the Gilbey's open pit to ensure consistent ore supply to the processing plant, resulting in an All in Cost ("AIC") of \$2,039 per ounce. For the 2021 financial year, the AISC was \$1,308 per ounce (consistent with revised guidance) and the AIC was \$2,064 per ounce. June quarter production was adversely impacted by lower recoveries caused by the processing of a higher proportion of shale ore and elevated sulphide ore from the hanging wall lode located in the northern end of the Gilbey's pit as mining of Stage 1 GMZ ore was completed during the quarter.

Figure 1: Quarterly Production and AISC



During the June quarter, 74% of ore was mined from the GMZ and 26% of ore mined was sourced from the hanging wall lode in the northern end of the Gilbey's pit as the Stage 2 cutback was progressed. Areas of ore mined from the hanging wall lode had higher gold grade concentrations and elevated sulphide content which lowered recoveries. 100% of ore mined was fresh and transitional ore.

The June quarter also saw a change in the assay methodology used in the geology, mining and processing physical reconciliations. As noted in the March 2021 Quarterly Activities Report, reported resource ore grades have historically been based on assays using photon or fire assay methodology and mill feed grade based on assays from the onsite laboratory that only test using PAL / cyanide leachable gold methodology. Even though the use of photon or fire assay methodology leads to less timely information as the samples need to be sent off-site for analysis, the Company has completed a year to date reconciliation for mining and processing using photon / fire assay methods for both.

The outcome of the use of photon / fire assay results (undertaken in offsite laboratories) provides a better indication of overall metallurgical recovery than the PAL / cyanide leachable gold methodology results (undertaken in the onsite laboratory). Mined grade, mill feed grade and recovery shown in Table 1 below have now been based on reconciled data for mining and processing using photon / fire assay results. There have been minor adjustments to previously reported mined grade, milled grade and recovery in the past four quarters (both higher and lower) but no overall impact on the underlying Dalgaranga resource or physical and financial performance of the operation.

Importantly, recovery is now shown as gross metallurgical recovery as opposed to leachable gold recovery previously reported, and the gross metallurgical recovery continues to compare favourably to the original feasibility study of 88% for non-shale ores. In addition, gross metallurgical recoveries show a close correlation to the resource model.

Ore processed during the quarter was at a grade of 0.98g/t Au, slightly higher than the grade of 0.96g/t processed in the March quarter. The Stage 2 cut-back being approximately four weeks behind schedule resulted in the out of schedule mining of higher grade, elevated sulphide content ore from the northern end of the pit outside the GMZ. Stage 2 GMZ ore is scheduled to be exposed early in the September 2021 quarter and will underpin production for the 2022 financial year.

Gross metallurgical processing recoveries of 84.0% for the quarter were lower than the March quarter (87.9%), with an average gross metallurgical recovery for the 2021 financial year of 88.3%. Recoveries in the June quarter were lower than previous quarters due to the increased processing of the higher grade elevated sulphide content ore and higher than usual processing of shale ore, noting that planned level of recovery for shale ores is typically much lower at 77%. Importantly the return to GMZ ore from Stage 2 in the September quarter is expected to see a return to higher rates of recovery in the coming quarters.

Understanding of the treatment of the elevated sulphide content ore progressed during the quarter. Tank 1 (of 6) was converted to an oxygen pre-conditioning tank during the quarter, and this has proven to be successful in improving the recovery rate for elevated sulphide and shale ores. Further enhancements to the tank 1 oxygen distribution system are being progressed for implementation in the current half. Shale ores are scheduled to be processed at a blend rate of between 10 – 15% of ore feed throughout FY2022.

Throughput of 655,000 tonnes was lower (Mar Qtr: 704,000 tonnes) and a total of 2.64 million tonnes were processed for the 2021 financial year, well above nameplate capacity of 2.5Mtpa. This full year performance, combined with ongoing operational enhancement initiatives, provides Gascoyne with confidence that the plant will continue to exceed its design capacity.

A key contributor to the quarter-on-quarter reduction in plant throughput was the major planned shutdown that was completed in April where the annual mill re-line occurred, together with a number of other planned maintenance activities including repairs to the crusher and Knelson concentrator.

Total mined material movement decreased to 1.5M bank cubic metres ("**BCM**") during the quarter (Mar Qtr: 1.9M BCM), primarily due to unseasonal inclement weather, reduced working faces and areas of tight digging as ore mining transitions from Stage 1 to Stage 2 of the GMZ. Staffing levels also had a temporary impact on overall mining at times during the quarter, however this has now been resolved. The commencement of the redesigned Stage 3 (western wall) and Stage 4 (eastern wall) cutbacks remain on hold pending final approval by regulatory bodies of revised mining plans and end of design mine closure plans that were submitted in April 2021. Approval is anticipated by the end of the September quarter subject to the regulators timely review of further information submitted.

Table 1: June 2021 Quarter Production, Sales and Cost Summary

	Unit	Sep 20 Qtr	Dec 20 Qtr	Mar 21 Qtr	Jun 21 Qtr	FY 2021
Mining						
Total material movement	Kbcm	2,248	3,102	1,856	1,514	8,720
Waste	Kbcm	1,859	2,800	1,599	1,275	7,533
Ore (volume)	Kbcm	389	302	258	239	1,188
Ore (tonnage)	kt	1,038	905	700	521	3,164
Mined grade (1)	g/t	0.91	0.90	0.93	1.17	0.95
Processing						
Mill throughput	kt	621	654	705	655	2,635
Mill feed grade (1)	g/t	1.06	1.08	0.96	0.98	1.03
Recovery (Gross metallurgical) (1)	%	91.0%	89.7%	87.9%	84.0%	88.3%
Gold produced	oz	20,314	20,353	19,195	17,416	77,278
Revenue Summary						
Production sold	oz	20,088	21,341	19,073	17,993	78,495
Average realised price	A\$/oz	2,667	2,605	2,495	2,516	2,574
Gold sales	A\$000	53,565	55,601	47,593	45,278	202,037
Cost Summary						
Mining and Geology	A\$/oz	1,220	1,401	1,207	1,287	1,279
Less: Capitalised deferred waste	A\$/oz	(502)	(1,085)	(858)	(356)	(705)
Mining net of deferred waste	A\$/oz	718	316	349	931	573
Processing and Maintenance	A\$/oz	400	401	422	511	431
Site support	A\$/oz	139	157	158	167	155
Refining and freight (2)	A\$/oz	1	1	1	1	1
By-product credits (2)	A\$/oz	(10)	(13)	(16)	(19)	(14)
ROM stockpile adjustment (2)	A\$/oz	(38)	61	21	(172)	(29)
Site Cash cost	A\$/oz	1,209	922	935	1,420	1,117
Royalties	A\$/oz	58	68	58	57	60
Corporate allocation	A\$/oz	16	17	17	19	17
Rehabilitation - Accretion (2)	A\$/oz	4	4	4	5	4
Capital (sustaining) (3)	A\$/oz	95	6	15	8	33
Leases (sustaining)	A\$/oz	47	49	51	55	50
Capitalised mine site exploration	A\$/oz	14	35	32	26	27
AISC	A\$/oz	1,444	1,100	1,114	1,589	1,308
Capital (non-sustaining)	A\$/oz	2	6	45	17	17
Capitalised deferred waste (non sustaining)	A\$/oz	502	1,085	858	356	705
Capitalised mine site exploration (non-sustaining)	A\$/oz	-	22	40	77	33
AIC	A\$/oz	1,949	2,214	2,058	2,039	2,064

Note: Discrepancies in totals are a result of rounding

1. *Mined grade and mill feed grade reconciled to assays using photon or fire assay methodology (mill feed grade previously based on assays using PAL / cyanide leachable gold methodology). The use of photon or fire assay methodology provides a more robust basis to determine gross metallurgical recovery over time. As part of the reconciliation process, grades and recoveries for previous quarters have been restated.*
2. *Categories previously excluded from AISC but now included from 1 July 2020.*
3. *A capital project previously classified as "Capital (non-sustaining)" in the September 2020 quarter has been reclassified to "Capital (sustaining)", increasing the September quarter AISC by \$34/oz from that reported in the September 2020 Quarterly Activities Report.*

AISC increased to \$1,589 per ounce (Mar Qtr: \$1,114/oz) primarily as a result of a significantly lower proportion of mining costs being capitalised to deferred waste (Mar Qtr: \$858/oz; Jun Qtr: \$356/oz). Deferred waste capitalised was significantly lower in the quarter as a result of further progression of the Gilbey's Stage 2 cutback. AIC was lower at \$2,039 per ounce (Mar Qtr: \$2,058/oz) due to less material being mined as a result of the further progression the Stage 2 cutback and a greater portion of mining activity being Stage 1 ore from the bottom of the Gilbey's pit.

The June quarter gravity gold recovery increased to 24.0% of all gold produced (Mar qtr: 20.5%). During the planned April shutdown, a number of improvements to the gravity circuit were made contributing to the improvement in gravity gold recovery.

Processing cash costs for the quarter at \$13.86 per tonne (Mar Qtr: \$11.44/t) were adversely impacted by lower throughput, and the planned costs incurred during the major plant shutdown in April, including the cost of the annual mill liner changeout. Process plant availability was 91.3% (Mar Qtr: 93.9%) with the decrease primarily due to the major shutdown.

For the 2021 financial year, the average cash processing cost was \$12.60 per tonne, confirming that the Dalgaranga process plant is one of the most efficient, lowest cash cost gold processing plants for its size in Australia.

FY2022 Guidance Reiteration

Consistent with the ASX announcement on 4 June 2021, the Company expects to produce between 70,000 and 80,000 ounces of gold at AISC of \$1,600 to \$1,700 per ounce for the financial year ending 30 June 2022. This excludes any contribution from the Firefly Resources Limited assets.

Capitalised waste stripping of \$45 to \$50 million is still targeted, however, actual capitalised waste stripping costs in FY2022 will be dependent on a number of factors. This includes optimisation of the Dalgaranga mining schedule with the potential inclusion of Firefly's Melville deposit into the future processing plan, timing of mining ramp-up for the commencement of the Stage 3 (western wall) and Stage 4 (eastern wall) cutbacks of the Gilbey's pit, and regulator approvals for the revised mine plan and end of design mine closure plan submitted in April 2021.

Dalgaranga Resource and Reserve Updates

On 31 May 2021, the Company released its updated Mineral Resource Estimate and updated Ore Reserve for Dalgaranga, determined as at 31 March 2021 (see ASX release dated 31 May 2021 "2021 Mineral Resource and Ore Reserve Statements"). The Dalgaranga updated Mineral Resource Estimate is now 25.0Mt @ 0.8 g/t Au for 648,900 oz, constrained within a A\$2,800/oz gold price optimised pit shell.

The updated Dalgaranga Ore Reserve is 13.5Mt @ 0.8 g/t Au for 339,000 oz, as at 31 March 2021. The Ore Reserve estimate has been constrained within final pit designs based on A\$2,100/oz optimised pit shells, the same as the previous Ore Reserve estimate in 2020 and has been depleted for mining as at 31 March 2021.

Resource Definition Drilling and Exploration

Minimal resource definition drilling activity occurred during the quarter at the Gilbey's, Sly Fox and the Plymouth deposits. Two diamond holes were drilled at the Sly Fox deposit in the quarter. DGRC0654-DT intersected 43m @ 0.8 g/t Au from 464m including 6m @ 2.2 g/t Au and assay results remain pending for the second hole. At Dalgaranga, the exploration focus for the June quarter was primarily on the Dalgaranga regional deposits and anomalies such as Tanqueray East, Tanqueray West, Greencock Trend and Vickers. Exploration drilling was also completed at the Company's regional advanced exploration projects at Glenburgh and Mt Egerton. Refer to the "Exploration and Development Projects" section below for further details on the activity on these deposits.

Firefly Merger

On 16 June 2021, Gascoyne and Firefly Resources Limited (ASX:FFR) ("**Firefly**") jointly announced the planned merger of the two companies through the signing of a binding Scheme Implementation Deed ("**Deed**"). Under the terms of the Deed, Gascoyne will acquire 100% of the fully paid ordinary shares in Firefly via Scheme of Arrangement ("**Scheme**") to create a leading regional gold production and development business in the Murchison Region of Western Australia.

Firefly shareholders are to receive 0.34 Gascoyne shares for each Firefly share held at the Scheme record date, representing an implied offer price of \$0.145 per share based on Gascoyne's 5-day volume-weighted average price prior to the date of signing the Deed. This is expected to result in shareholders of Gascoyne and Firefly having an interest in the merged entity of approximately 67.4% and 32.6%, respectively.

Gascoyne sees a number of key benefits for its shareholders from the proposed merger with Firefly, including:

- Optimised Dalgaranga mine schedule through consolidation of Firefly's higher-grade Yalgoo (Melville) Mineral Resource within haulage distance of Dalgaranga
 - Firefly's Melville gold deposit at Yalgoo is shallow, with ore from surface,
 - Melville is located only 110km by road from the Dalgaranga production hub; and

- Opportunities to optimise the Dalgaranga mine schedule given the presence of higher-grade ore at Yalgoo which will serve as valuable blending material at Dalgaranga in the future.
- Increased exploration and development opportunities to further extend life of mine, thereby enhancing shareholder returns
 - Advanced exploration opportunities outlined at Yalgoo to extend the existing Mineral Resource through exploration activities at 100+ gold targets including 30 targets at untested historical workings with recorded gold production;
 - Current Yalgoo Mineral Resource covers just 0.9km of the 28km regional shear zone;
 - Combination of Yalgoo and Dalgaranga tenements unlocks access to ~1,200km² of highly prospective greenstone belts; and
 - Advanced exploration opportunities at Yalgoo complemented with broader exploration and development potential at Gascoyne's Glenburgh – Mt Egerton project and other regional projects such as Beebyn and Mumbakine Well.

In accordance with the Deed, Gascoyne and Firefly have also agreed to demerge Firefly's gold/copper assets located outside of the Yalgoo project area and their lithium rights over certain tenements at Yalgoo and Dalgaranga. Under the terms of the demerger deed that has been signed, Firefly shareholders and Gascoyne will respectively hold 90.1% and 9.9% of the demerged entity (refer to ASX release on 8 July 2021 for further details of the demerger).

Firefly Board members have confirmed their intention to vote in favour of the Scheme in respect of Firefly shares they hold or control, representing approximately 6.87% of Firefly's issued shares, absent a superior proposal and subject to an independent expert opining that the Scheme is in the best interests of Firefly shareholders. Major shareholders of Firefly representing a further 17.17% of Firefly's issued shares, have entered into binding voting deeds with Gascoyne under which they agree to vote in favour of the Scheme, in the absence of a superior proposal and subject to an independent expert opining that the Scheme is in the best interests of Firefly shareholders.

Gascoyne and Firefly continue to progress the material required to implement the Scheme and subject to Court and Firefly shareholder approvals, expect the Scheme to be completed no later than mid-November 2021.

Exploration and Development Projects

Exploration Expenditure

Total exploration expenditure by the Company during the June 2021 quarter was \$2.07M (Mar Qtr: \$1.67M). Approximately \$0.58M was incurred on resource definition activity on the Dalgaranga mining lease and the remaining \$1.49M was incurred on regional exploration activities, including on exploration lease prospects located within 15km of the Dalgaranga plant. Regional exploration expenditure was also incurred on the Glenburgh - Mt Egerton, Mumbakine Well and Beebyn projects.

Across the Dalgaranga mining lease and the regional exploration prospects, an aggregate of 16,891 metres of aircore, RC and Diamond drilling was completed during the quarter.

Dalgaranga Regional Prospects

At Dalgaranga, RC and aircore drilling was focused on testing a number of targets within a 15km radius of the process plant. A total of 12,044 metres of drilling were completed during the June quarter, including the two (2) diamond holes at Sly Fox on the Dalgaranga mining lease.

Dalgaranga Regional – Tanqueray East

On 9 June 2021, the Company announced the results from 10 RC holes completed during the March quarter at the Tanqueray East prospect area targeting strike extensions to the primary fresh rock mineralisation (Figure 2) intersected on 562,000E along a 400-450m long oxide anomalous gold zone defined by earlier aircore drilling (see ASX release 9 June 2021 “*Tanqueray East Continues to Shine*”). The excellent intersection of **28m @ 2.5 g/t Au from 114m, including 7m @ 5.0 g/t from DGRC0652** was received from this zone with drilling intersecting quartz, sericite, pyrite alteration zones. Other significant results from this area include 7m @ 1.0 g/t Au in DGRC0646 and 15m @ 0.6 g/t Au, including 4m @ 1.4 g/t Au from DGRC0641 (Figure 2). Drilling has now defined a limited short length high grade zone. Further analysis of the structural controls on mineralisation is required to determine the next steps to potentially expand the extents of the mineralisation.

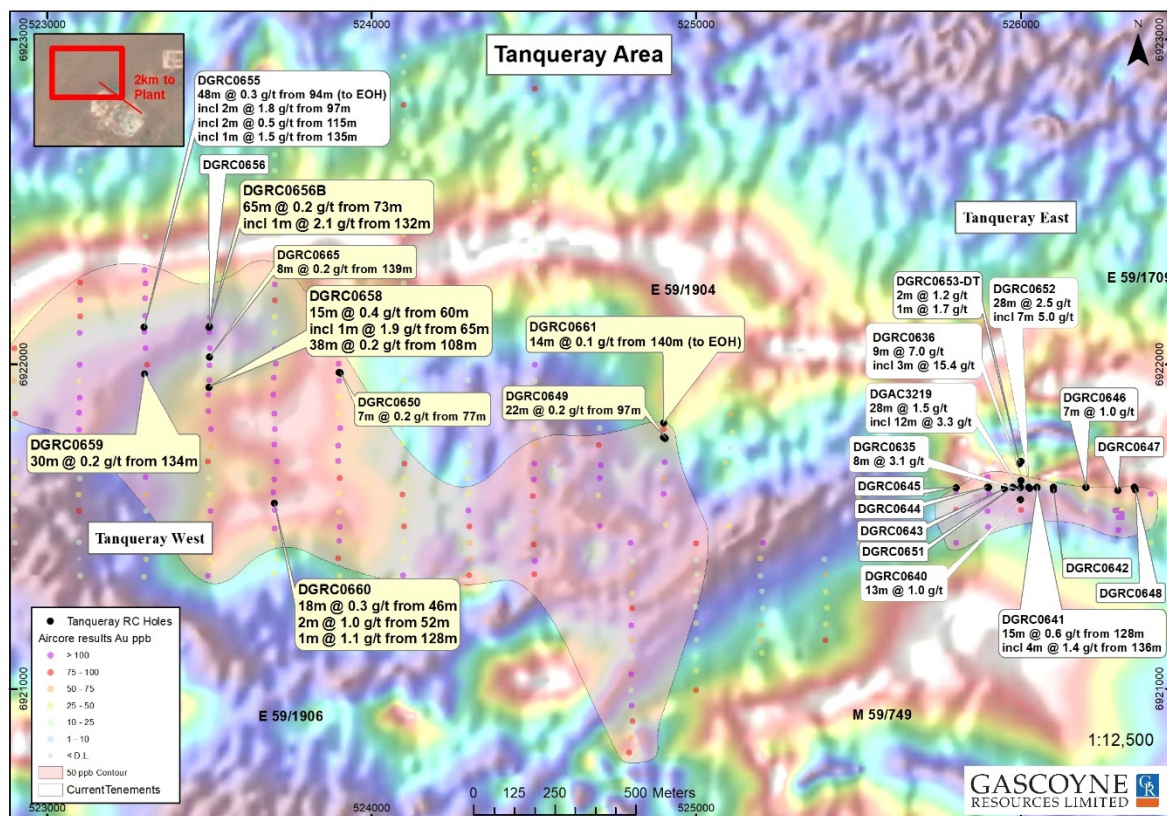


Figure 2: Tanqueray area showing area of recent RC drilling and results received to date from Tanqueray East and West.

Dalgaranga Regional – Tanqueray West

Results have now been received from all the RC drill holes completed at Tanqueray West. The RC drilling targeted a large aircore drilling defined gold anomaly (Figure 2). The large gold anomaly is located approximately 1km west of the Tanqueray East prospect. In total 10 RC holes were drilled; strongly altered quartz, sericite and pyrite altered schists over a broad interval have been intersected with results returned from most holes generally showing broad zones of anomalous gold within which there are narrow zones assaying > 1g/t Au. Only 10 RC holes have been drilled to date on the 2km by 1km anomaly (Figure 2), and although they have recorded lower grade mineralised intersections, further analysis of the large regional anomaly is required to determine whether there are potentially structurally controlled zones with higher grades that are the feeder source/s of the broader mineralisation halo.

Results include 15m @ 0.4 g/t Au from 60m including 1m @ 1.9 g/t Au in DGRC0658, 48m @ 0.3 g/t Au from 94m to EOH including 2m @ 1.8 g/t Au and 1m @ 1.5 g/t Au in DGRC0655; 65m @ 0.2 g/t Au from 73m, including 1m @ 2.1g/t Au from DGRC0656B and 18m @ 0.3 g/t Au from 46m including 2m @ 1.0 g/t Au in DGRC0660 (see Figure 2 & Photo 1 below). Refer to Appendix 1 for drill results and collar location tables including JORC Table 1.



Photo 1: Strongly altered quartz, sericite, pyrite RC chips in DGRC0649 - Tanqueray West

Vickers

Three RC holes were completed at the Vickers prospect targeting mineralised zones below gold anomalous laterites. Drilling has intersected multiple zones of mineralisation including 6m @ 1.0 g/t Au from 69m and 2m @ 1.0 g/t Au from 92m in DDGRC0662, 2m @ 4.2 g/t Au from 110m in DGRC0663 and 1m @ 2.9 g/t Au from 47m in DGRC0664 (Figure 3). Mineralisation is associated with quartz pyrite altered basalts. Further analysis of Vickers is required prior to follow up drilling. See Appendix 1 for intersection and drillhole location tables and JORC Table 1.

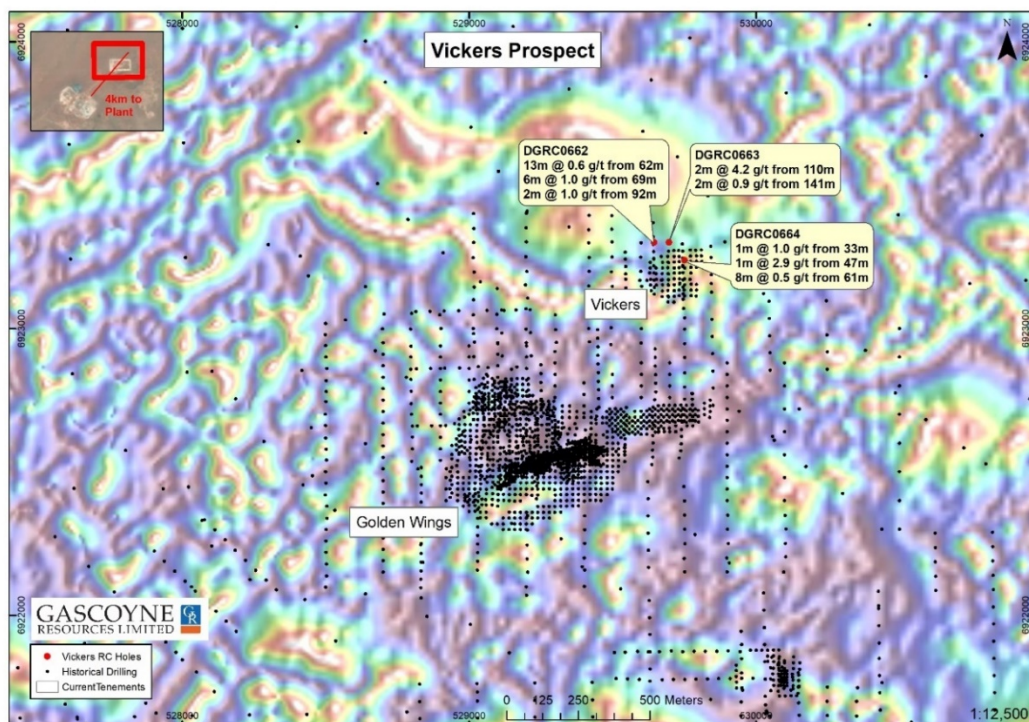


Figure 3: Vickers Prospect – Location of Recent RC Drillholes

Dalgaranga Regional – Greencock Trend

During the quarter, 163 holes were drilled for 8,803 metres of aircore drilling targeting the highly prospective Greencock structural trend. Wide spaced drilling on 400m spaced lines is targeting prominent regional structural zones associated with the Big Bell Lineament located within 15km of the Dalgaranga processing plant. See Figure 4 for location of Greencock trend in relation to the Dalgaranga process plant. Assay results are pending for drilling completed in this area. Further drilling on the southwestern end will be completed in the September quarter once ground conditions allow rig access which was hampered during the quarter by wet weather.

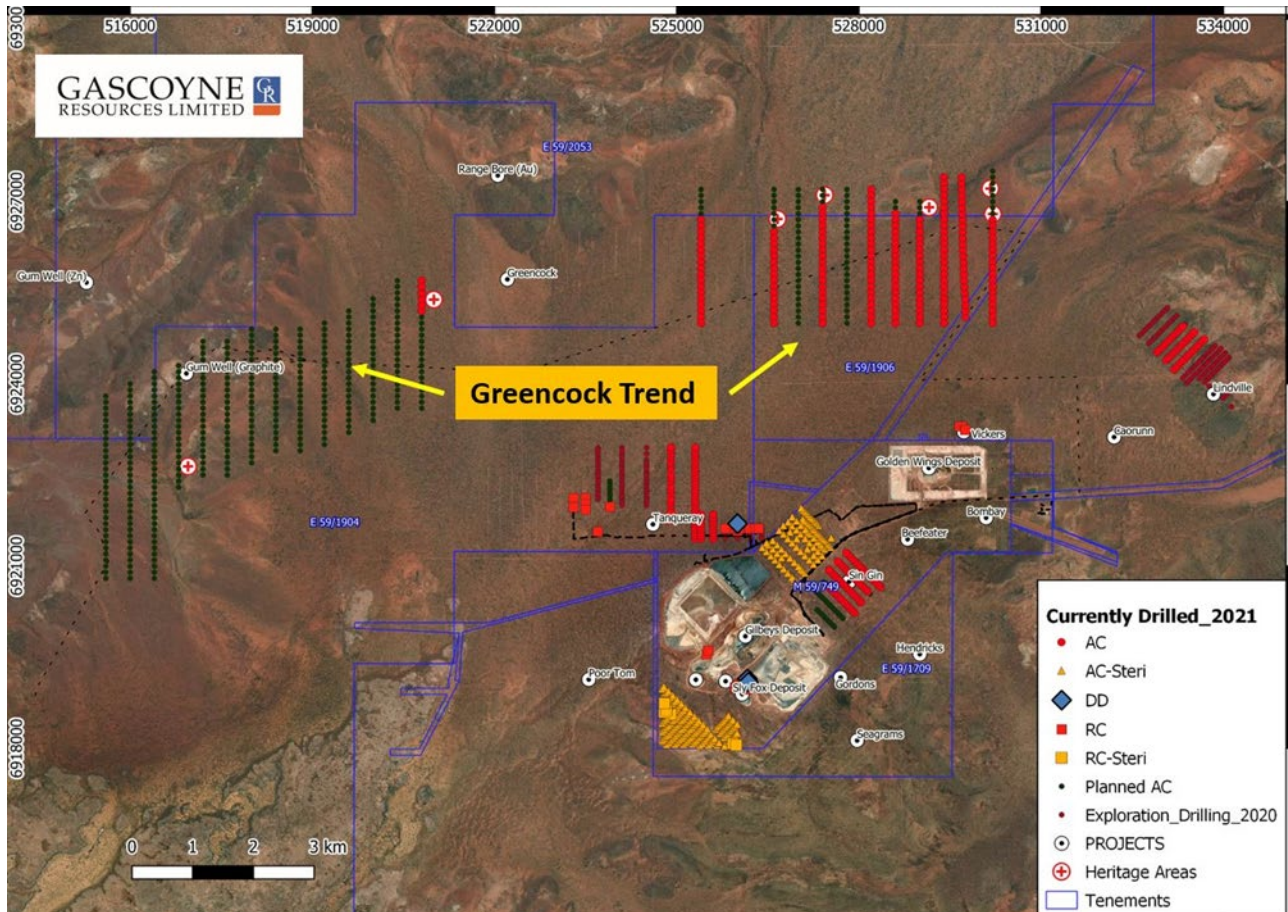


Figure 4: Dalgaranga Project Region showing drilling completed to date (red dots) – results pending from the Greencock Trend

Sly Fox

Two deeper diamond core holes were drilled during the quarter with results from the deeper hole returning an intersection of 43m @ 0.8 g/t Au from 464m including 6m @ 2.2 g/t Au in hole DGRC0654-DT (Figure 5). Results from the nearby second hole are imminent. These two holes were designed to test down dip extensions for continuation of the mineralisation and possible underground extraction. The first hole returned an intersection of very significant width confirming the mineralisation extends at depth. Additional holes will be required to determine whether there is sufficient grade to warrant the development of an underground operation.

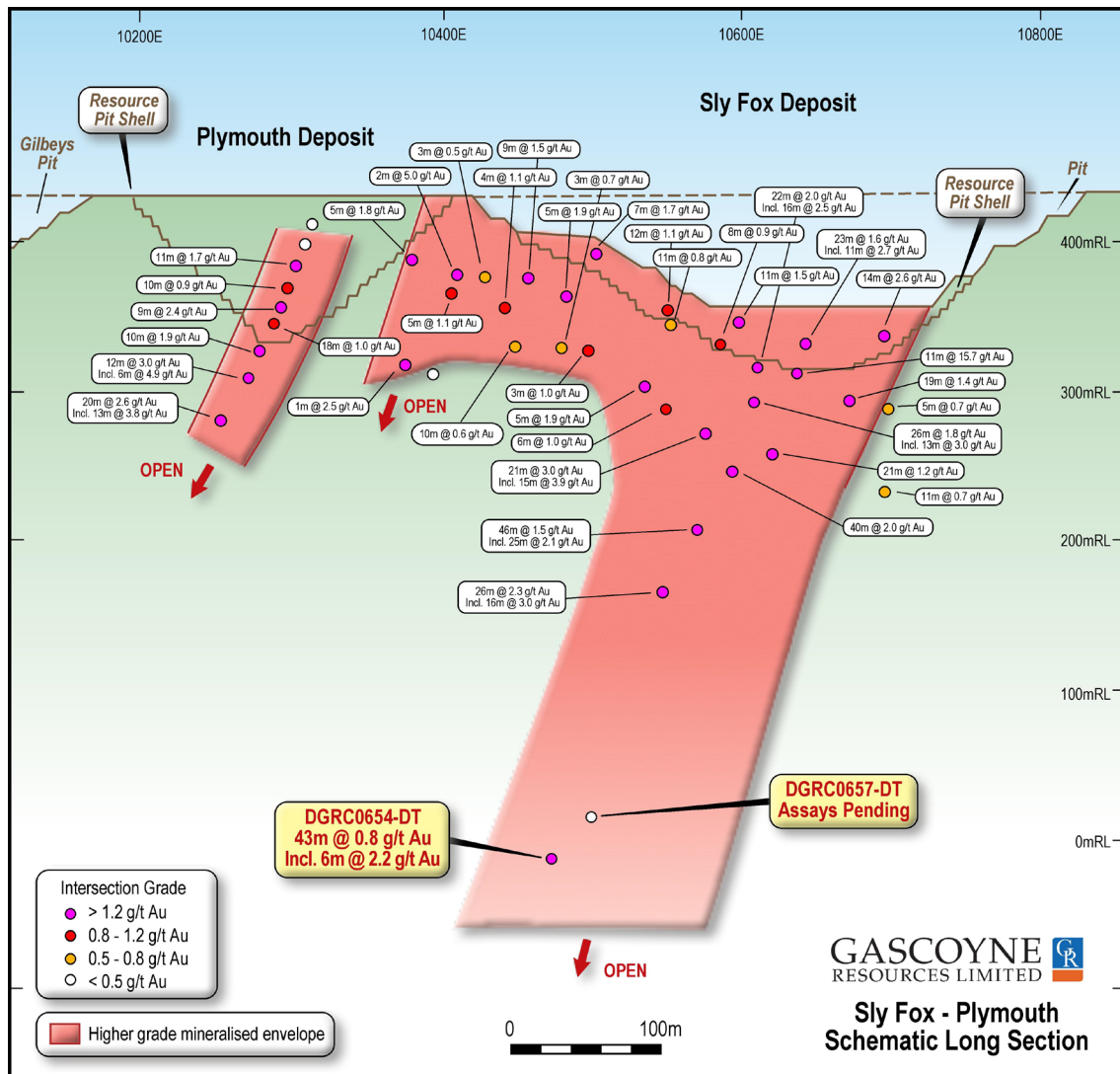


Figure 5: Long section of the Sly Fox deposit showing the two deep diamond core holes

Glenburgh – Mt Egerton Gold Project

RC drilling at the Mt Egerton project (Figure 10 for project location) was completed in the June quarter, with the aim of testing for resource extensions to the Hibernian deposit. The Hibernian deposit Mineral Resource estimate was updated during the quarter resulting in **0.3Mt @ 3.1 g/t Au for 27,000oz** (see ASX announcement 31 May 2021 “2021 Mineral Resource and Ore Reserve Statements”). Twelve (12) RC holes for 1,482m were completed targeting the high grade north and south lodes. RC drilling was also completed at the Gaffney’s Find and Mako prospect areas with assays pending.

Results have now been received from the drilling undertaken at Hibernian with a number of significant intersections returned. Better results include 15m @ 1.2 g/t Au from 47m including 3m @ 4.2 g/t Au in MERC053, 5m @ 2.6 g/t Au from 63m, including 1m @ 10.3 g/t Au in MERC056, and 13m @ 1.9 g/t Au from 24m, including 7m @ 3.0 g/t Au in MERC057 (Figures 6, 7, 8). Mineralisation is associated with quartz veining in strongly sheared zones. Appendix 1 contains tables with the Hibernian collar details and results table including JORC Table 1.

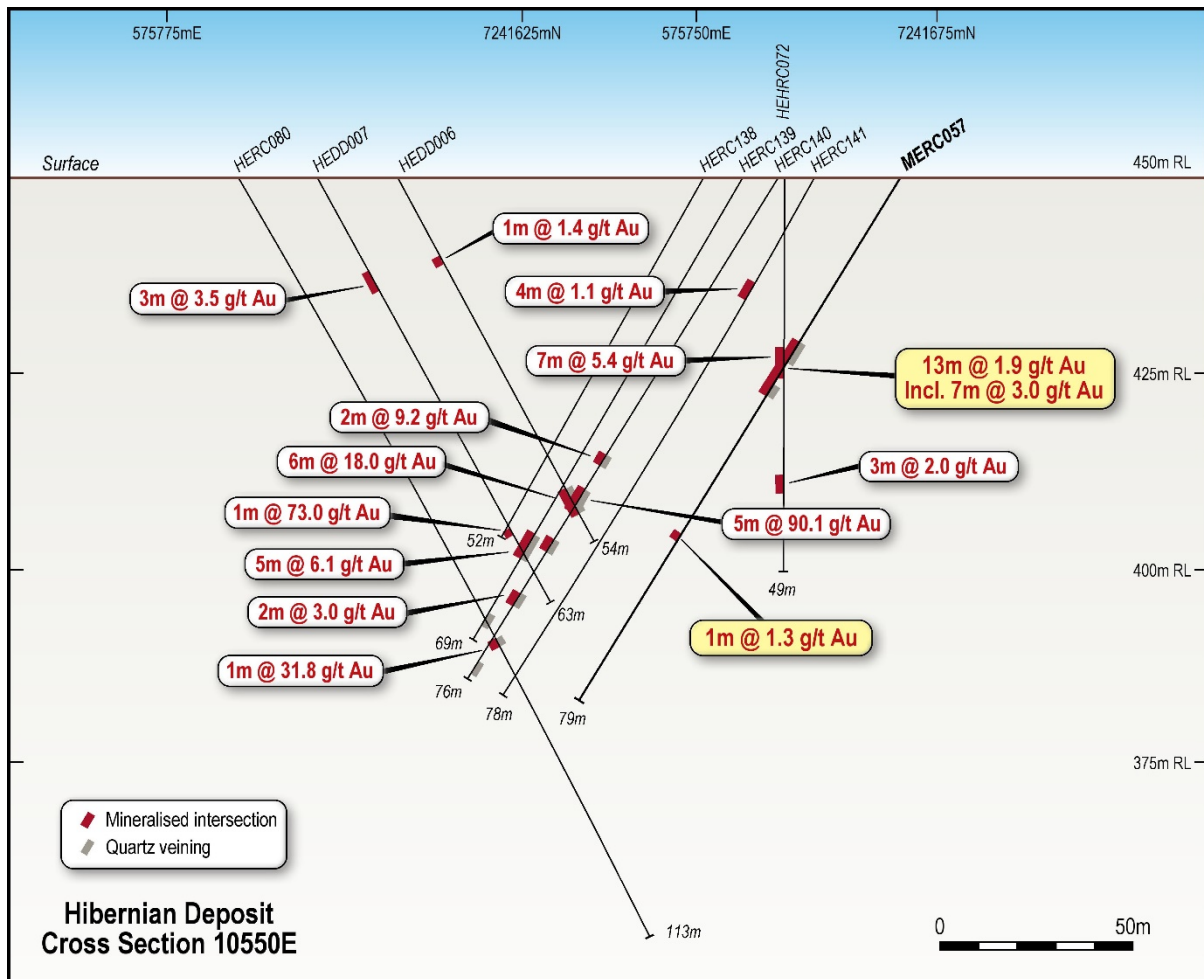


Figure 6: Hibernian cross section showing MERC057

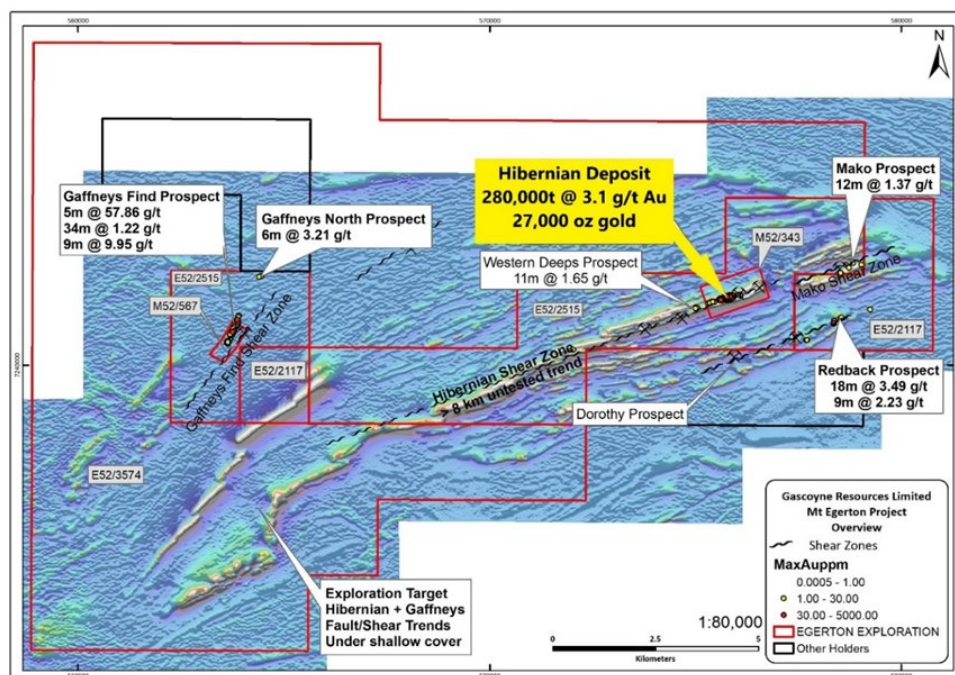


Figure 7: Mt Egerton Project Area

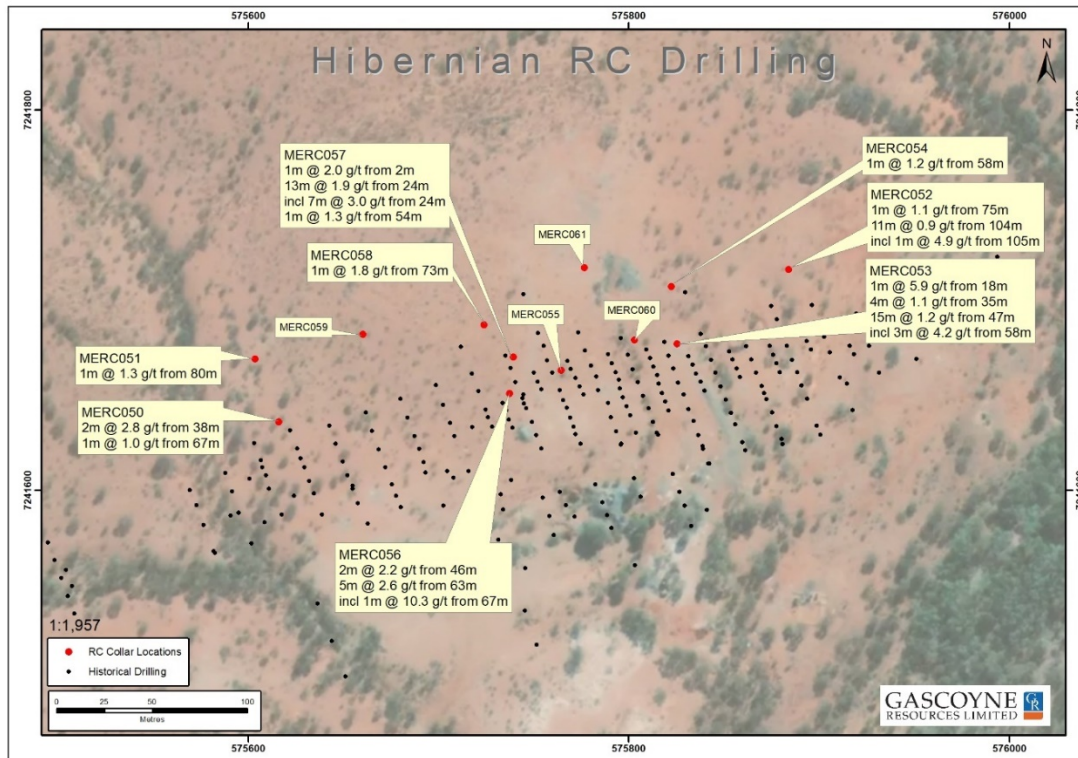


Figure 8: Hibernian Prospect showing location of recent RC holes drilled

Glenburgh Gold Project

In late June, RC drilling was completed at Glenburgh targeting resource extensions at the Zone 126, Zone 102, Cobra and SW deposit and prospect areas (Figure 9). In total 17 RC holes were completed for 2,785m of drilling. Results are pending from this drilling.

On the south-western side of the Company's Glenburgh tenements, a heritage survey was conducted with the traditional owners during the quarter. This will enable planned aircore drilling to be carried out in the September quarter.

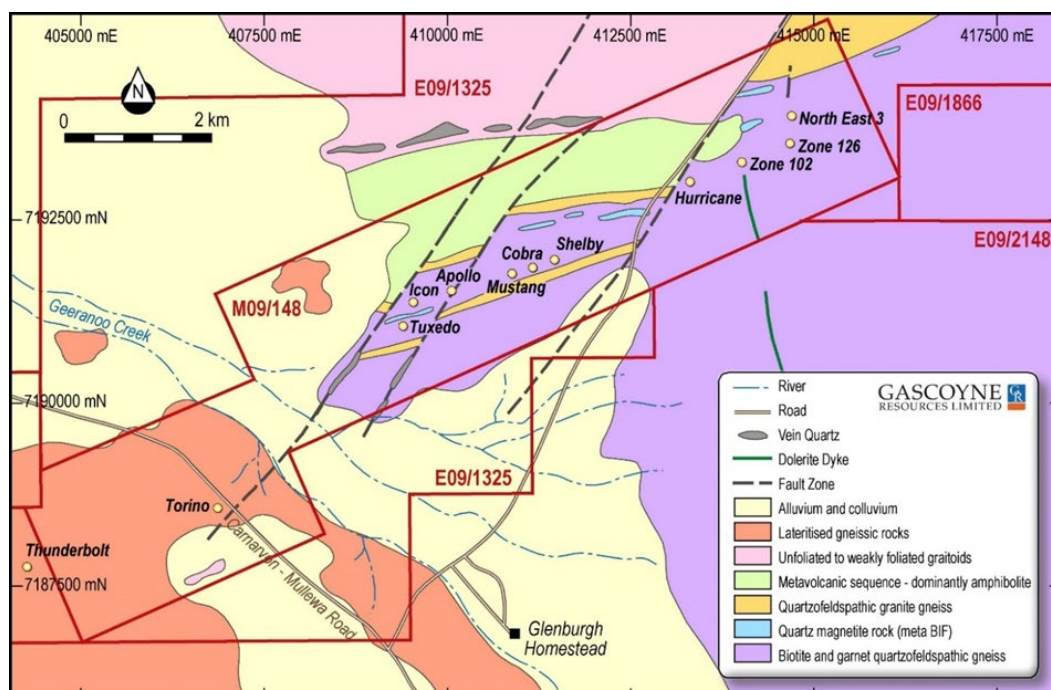
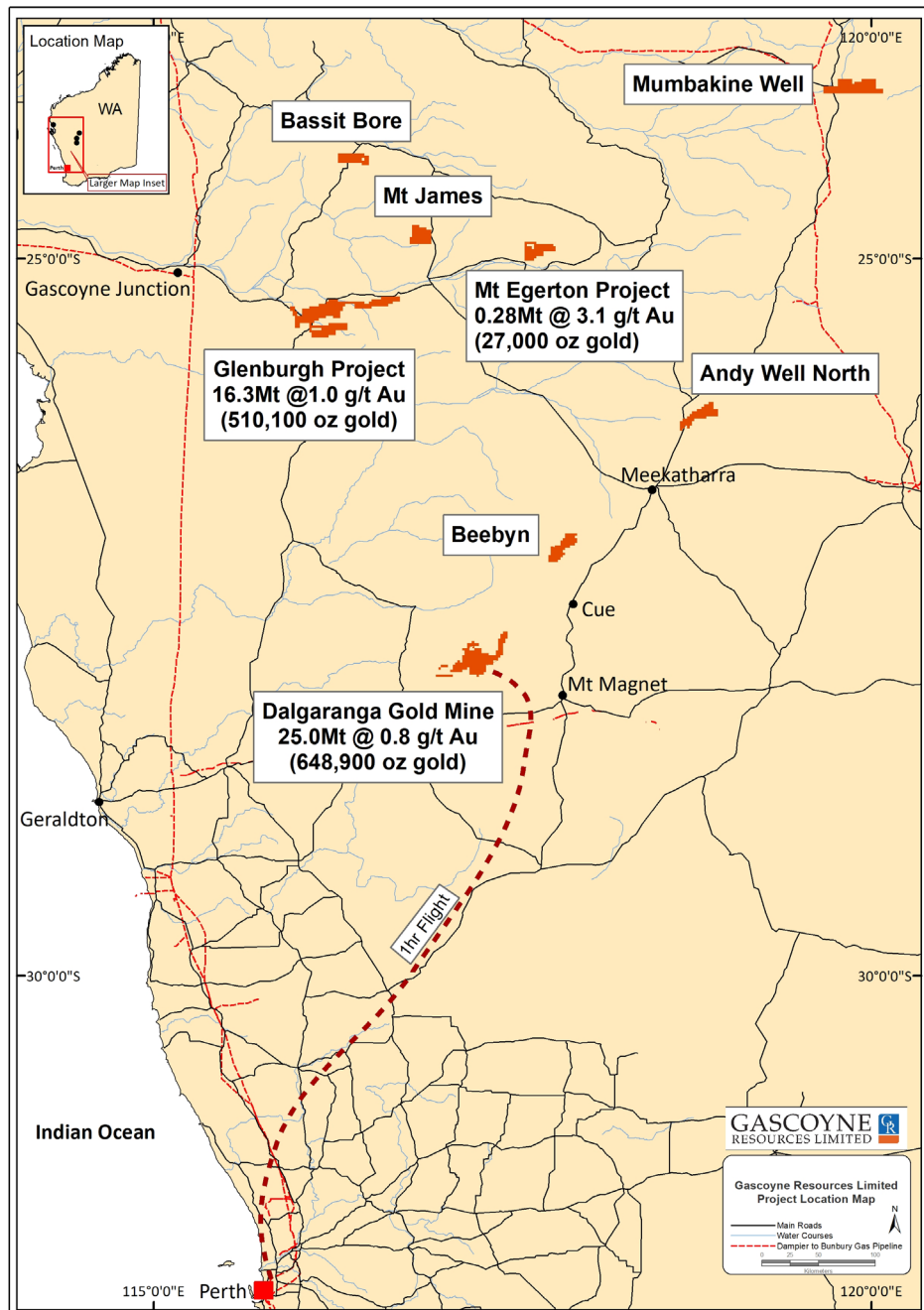


Figure 9: Glenburgh Geology and Deposit Location Plan

Figure 10: Glenburgh - Mt Egerton Location Map



Mumbakine Well

During the quarter, interpretation of the March quarter aeromagnetic survey results commenced. As noted in the March 2021 Quarterly Activities Report, the aeromagnetic survey has highlighted a number of prospective targets. A future work program for Mumbakine Well is being developed.

Corporate

Cash Balance and Cash Flow

Statutory free cashflow for the June quarter was \$0.8M which excluded proceeds of \$3.3M from the last gold sale of the financial year on 29 June 2021 which were received on 1 July 2021. Total cash, cash in transit and value of gold on hand (504oz) as at 30 June 2021 was \$27.9M.

Cash on hand of \$23.4M exceeded bank debt of \$14.0M, resulting in the Company having a net cash position of \$9.4M at 30 June 2021 (which excludes the \$3.3M received on 1 July 2021 relating to a gold sale on 29 June 2021).

The Company is required to make scheduled principal repayments of \$3.5M each quarter and is also subject to a debt prepayment cash sweep based on a percentage of cash generated in the preceding quarter. Due to the late receipt of proceeds from the last gold sale in the quarter, the Company does not expect to make a cash sweep payment relating to the June quarter.

An amount of \$213,000 was paid to related parties during the quarter. The payments related to fees and salaries to non-executive directors and the Managing Director.

As referenced in the September 2020 Quarterly Report, on 29 September 2020 the Federal Court dismissed all claims by Habrok. Costs were awarded against Habrok in favour of the Company. As at the end of the quarter, no cost recovery proceeds had been received by the Company from Habrok. The Company continues to progress legal actions to recover costs awarded to it.

Revenue Protection

An initial requirement under the debt facility with Investec Bank was to partially protect adverse movements in the gold price by hedging, on a rolling 18-month basis during the term of the loan, a minimum of 40% of forecast gold sales. Following the voluntary debt prepayment of \$14.6M on 31 March 2021, the Company is no longer required to mandatorily hedge a minimum of 40% of production as the existing hedge profile through to September 2022 is beyond the scheduled final repayment date of the debt of June 2022.

As at 30 June 2021, a total of 44,782 ounces is hedged out to September 2022 at an average price of A\$2,528 per ounce with an "in the money" mark to market value of \$7.4M based on the then prevailing spot price of A\$2,361/oz (Table 2).

Table 2: Quarter by Quarter Average Hedged Ounces

Qtr Ending	Oz	Price (\$/Oz)
30-Sep-21	9,950	\$2,599
31-Dec-21	9,000	\$2,605
31-Mar-22	8,910	\$2,630
30-Jun-22	11,122	\$2,459
30-Sep-22	5,800	\$2,261
	44,782	\$2,528

No additional put options were purchased during the quarter. Remaining gold put options at 30 June 2021 totalled 10,200 ounces at a strike price of A\$2,300 per ounce, expiring over a 6-month period to December 2021.

Non-Executive Director Appointment

On 30 June 2021, the Company announced the appointment of Mr Hansjoerg Plaggemars as a Non-Executive Director, effective from 1 July 2021. Mr Plaggemars is an experienced company director with a strong background in corporate finance, corporate strategy and governance. He has qualifications in Business Administration and has served on the Board of Directors of many listed and unlisted companies in a variety of industries including mining, agriculture, shipping, construction, and investments. Mr Plaggemars has also previously served on the board of Deutsche Balaton AG, the Company's largest shareholder.

Investor Conference Call

Gascoyne will host a teleconference covering the quarterly results today, Friday 23 July 2021, commencing 11.00am (WST) / 1.00 pm (AEST). Participants will need to pre-register for the call at the link below:

<https://s1.c-conf.com/diamondpass/10015450-asm2n5.html>

Once registered, participants will be provided with full details to allow access to the teleconference.

-END-

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

For further information, please contact:

Investor inquiries:

Richard Hay
Managing Director and CEO
+61 8 9481 3434

Media inquiries:

Michael Vaughan
Fivemark Partners
+61 422 602 720

Mining Tenements held as at 30 June 2021 (All tenements are within Western Australia)

Tenement	Location	Name	Ownership
ELA09/2352	Gascoyne Region	Bassit Bore	100% Gascoyne Resources
EL21/195	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1709	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1904	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1906	Murchison Region	Dalgaranga	80% Gascoyne Resources
L59/141	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/142	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/151	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/152	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/153	Murchison Region	Dalgaranga	100% Gascoyne Resources
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
ML59/749	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2150	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2053	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2289	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL52/3531	Pilbara Region	Mumbakine Well	100% Gascoyne Resources
EL09/1325	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1764	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1865	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1866	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/2025	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/2148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/56	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/62	Gascoyne Region	Glenburgh	100% Gascoyne Resources
ML09/148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
MLA09/181	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL51/1648	Murchison Region	Murchison	100% Gascoyne Resources
EL51/1681	Murchison Region	Murchison	100% Gascoyne Resources
EL52/2117	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/2515	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/3574	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
ML52/343	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
ML52/567	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/3490	Gascoyne Region	Mt James	100% Gascoyne Resources

Abbreviations and Definitions used in Tenement Schedule:

EL Exploration Licence

ELA Exploration Licence Application

ML Mining Lease

L Miscellaneous Licence

MLA Mining License Application

ABOUT GASCOYNE RESOURCES

Gascoyne was reinstated on the ASX in October 2020 and is focused on production, development and exploration of a number of gold projects in Western Australia underpinned by positive cash flow generated from the Dalgaranga Operation. In Financial Year 2021, Dalgaranga produced in excess of 77,000 ounces of gold with targeted production over the next 3 financial years of between 70,000 and 80,000 ounces of gold per annum.

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
Indicated+Measured	21.43	0.82	563.8
Inferred	3.56	0.74	85.1
TOTAL	24.99	0.81	648.9

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
	SUBTOTAL		2.91	0.5	49.8
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
	SUBTOTAL		10.62	0.8	289.2
Total			13.53	0.8	339.0

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
TOTAL	16.3	1.0	510.1

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
TOTAL	0.28	3.1	27

Further information is available at 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 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.

APPENDIX 1 – ADDITIONAL INFORMATION FOR NEW DRILL RESULTS IN THIS RELEASE

Table 2: Significant RC Drilling Intersections from Tanqueray West, Vickers and Sly Fox

Hole Id	From (m)	To (m)	Interval (m)	Au g/t	Location
DGRC0655	94	142 EOH	48	0.3	Tanqueray West
	97	99	2	1.8	
	115	117	2	0.5	
	135	136	1	1.5	
DGRC0656B	132	133	1	2.1	Tanqueray West
	73	138	65	0.2	
DGRC0658	60	75	15	0.4	Tanqueray West
Incl.	65	66	1	1.9	
	108	146	38	0.2	
DGRC0659	60	62	2	0.3	Tanqueray West
	134	164	30	0.2	
DGRC0660	46	64	18	0.3	Tanqueray West
	52	54	2	1.0	
	128	129	1	1.1	
DGRC0661	140	154(EOH)	14	0.1	Tanqueray West
DGRC0662	62	75	13	0.6	Vickers
	69	75	6	1.0	
	92	94	2	1.0	
	139	140	1	0.7	
DGRC0663	110	112	2	4.2	Vickers
	141	143	2	0.9	
DGRC0664	33	34	1	1.0	Vickers
	47	48	1	2.9	
	61	69	8	0.5	
	85	87	2	0.6	
	92	94	2	0.6	
DGRC0654-DT	464	506	43	0.8	Sly Fox DDH
Incl.	483	489	6	2.2	

Table 3: Tanqueray West, Vickers Collar and Sly Fox Collar Table

Hole ID	Depth (m)	GDA East	GDA North	RL	Dip	Azimuth
DGRC0649	148	524904	6921772	423.742	-60	180
DGRC0650	148	523902.2	6921973	422.749	-60	180
DGRC0655	142	523298.7	6922114	422.239	-60	180
DGRC0656	52	523499.7	6922116	422.364	-60	180
DGRC0656B	154	523497.7	6922114	422.364	-60	180
DGRC0658	160	523497.873	6921929.189	422.253	-60	180
DGRC0659	178	523299.328	6921969.763	422.356	-60	180
DGRC0660	166	523699.97	6921570.625	422.532	-60	180
DGRC0661	154	524900.08	6921819.021	423.704	-60	180
DGRC0665	154	523499.017	6922021.293	422.335	-60	180
DGRC0662	154	529645	6923300	433	-60	180
DGRC0663	148	529697	6923299	433	-60	180
DGRC0664	148	529750	6923240	433	-60	180
GRC0654-DT	537	526162.1	6919145.3	431	-65	225

Table 4: Significant RC drilling intersections from Hibernian July 2021

Hole Id	From (m)	To (m)	Interval (m)	Au g/t	Location
MERC050	38	40	2	2.8	Hibernian
	63	64	1	0.8	
	67	68	1	1.5	
MERC051	80	81	1	1.3	Hibernian
MERC052	67	69	2	0.7	Hibernian
	75	76	1	1.1	
	104	115	11	0.9	
Incl.	105	106	1	4.9	
MERC053	18	19	1	5.9	Hibernian
	35	39	4	1.1	
	47	62	15	1.2	
Incl.	58	61	3	4.2	
MERC054	58	59	1	1.2	Hibernian
MERC056	46	48	2	2.2	Hibernian
	63	68	5	2.6	
Incl	67	68	1	10.3	

Hole Id	From (m)	To (m)	Interval (m)	Au g/t	Location
MERC057	2	3	1	2.0	Hibernian
	24	37	13	1.9	
Incl.	24	31	7	3.0	
	54	55	1	1.3	
MERC058	68	69	1	0.5	Hibernian
	73	74	1	1.8	
	95	97	2	0.8	
MERC059	72	74	2	0.8	Hibernian
MERC060	5	6	1	0.9	
	17	18	1	0.9	
	30	31	1	0.7	
	55	56	1	0.8	
MERC061	74	75	1	0.6	Hibernian

Table 5: Mt Egerton Project Hibernian drill hole Collar Location details

Hole ID	Depth (m)	GDA East	GDA North	RL	Dip	Azimuth
MERC050	78	575616	7241636	450	-60	160
MERC051	169	575603.7	7241669	450	-60	160
MERC052	169	575883.9	7241716	450	-60	160
MERC053	94	575825.2	7241677	450	-60	160
MERC054	169	575822.2	7241707	450	-60	160
MERC055	74	575764.5	7241663	450	-60	160
MERC056	79	575737.2	7241651	450	-60	160
MERC057	79	575739.4	7241670	450	-60	160
MERC058	154	575723.9	7241687	450	-60	160
MERC059	169	575660.3	7241682	450	-60	160
MERC060	79	575803	7241679	450	-60	160
MERC061	169	575776.5	7241717	450	-60	160

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

Dalgaranga project

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

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

Criteria	Commentary
Logging	<ul style="list-style-type: none"> Detailed logging exists for most historic holes in the data base. Current RC and AC chips are geologically logged at 1 metre intervals and to geological boundaries respectively. RC chip trays and end of hole chips from AC drilling have been stored for future reference. Diamond drill holes have all been geologically, structurally and geotechnically logged. No diamond drilling has been undertaken at Tanqueray.
	<ul style="list-style-type: none"> RC and AC chip logging recorded the lithology, oxidation state, colour, alteration and veining. The Diamond core photographed tray by tray wet and dry.
	<ul style="list-style-type: none"> All current drill holes are logged in full.
	<ul style="list-style-type: none"> Diamond drilling completed by Gascoyne Resources on the Dalgara tenements has been ½ core (for NQ) or ½ or ¼ core (for HQ) sampled. Previous companies have conducted diamond drilling, it is unclear whether ½ core or ¼ core was taken by previous operators.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> RC chips were cone split at the rig. AC samples were collected as 4m composites (unless otherwise noted) using a spear of the drill spoil. Samples were generally dry. 1m AC resamples are riffle split or speared.
	<ul style="list-style-type: none"> RC and AC samples are dried. If the sample weight is greater than 3kg, the sample is riffle split. Samples are pulverised to a grind size where 85% of the sample passes 75 microns.
	<ul style="list-style-type: none"> Field QAQC procedures included the insertion of 4% certified reference 'standards' and 2% field duplicates and 2% 'blanks' for RC and AC drilling. Diamond drilling has 4% certified standards included.
	<ul style="list-style-type: none"> Field duplicates were collected during RC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary. The diamond core has been consistently sampled with the left-hand side of the NQ hole sampled, while for the HQ, the left hand side of the left hand half was sampled.
	<ul style="list-style-type: none"> A sample size of between 3 and 5 kg was collected. This size is considered appropriate, and representative of the material being sampled given the width and continuity of the intersections, and the grain size of the material being collected.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> In relation to this announcement all RC samples were sent to MinAnalytical Laboratory Pty Ltd for analysis, by Photon Assay. A 500g sample is assayed for gold by Photon Assay (method code PAAU2) along with quality control samples including certified reference materials, blanks and sample duplicates. For Fire Assay the sample is crushed and pulverised then assayed for gold using a 50g charge lead collection Fire Assay with AAS finish. For Photon Assay, the sample is crushed to nominal 85% passing 2mm, linear split and a nominal 500g sub sample taken (method code PAP3502R). The 500g sample is assayed for gold by Photon Assay (method code PAAU2) along with quality control samples including certified reference materials, blanks and sample duplicates.
	<ul style="list-style-type: none"> No downhole geophysical tools etc. have been used at Dalgara.
	<ul style="list-style-type: none"> Field QAQC procedures include the insertion of both field duplicates and certified reference 'standards' and 'blank' samples. Assay results have been satisfactory and demonstrate an acceptable level of accuracy and precision. Laboratory QAQC involves the use of internal certified reference standards, blanks, splits and replicates. Analysis of these results also demonstrates an acceptable level of precision and accuracy.
Verification of sampling and assaying	<ul style="list-style-type: none"> At least 3 company personnel verify all intersections.
	<ul style="list-style-type: none"> No twinned holes have been drilled to date by Gascoyne Resources.
	<ul style="list-style-type: none"> Field data is collected using Geobank Mobile - Micromine software on tablet computers or Log Chief on tablet computers. The data is sent to the GCY Database Manager for validation and compilation into a SQL database server.
	<ul style="list-style-type: none"> No adjustments have been made to assay data apart from values below the detection limit which are assigned a value of negative the detection limit
Location of data points	<ul style="list-style-type: none"> At this stage most drill collars have been surveyed by hand held GPS to an accuracy of about 3m. The RC and diamond drill holes have been picked up by DGPS. A down hole survey was taken at least every 30m in RC holes by electronic multishot tool by the drilling contractors. Gyro surveys have been undertaken on selected holes to validate the multi shot surveys. In the case of this announcement all RC holes have been surveyed by company Surveyor using DGPS and Gyro surveys were

Criteria	Commentary
	<p>undertaken down hole by drilling contractors for the RC drill holes in this announcement. The RC drillholes referred to in this announcement were surveyed by DGPS. The Aircore holes were surveyed by handheld GPS</p> <ul style="list-style-type: none"> The grid system is MGA_GDA94 Zone 50
Data spacing and distribution	<ul style="list-style-type: none"> Initial exploration by Gascoyne Resources is targeting discrete areas that may host mineralisation. Consequently, current drilling is not grid based, however when viewed with historic data, the drill holes generally lie on existing grid lines and within 25m – 100m of an existing hole. In the case of this announcement the drillholes lie on 100m spaced sections. The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code. In some cases, 4m composite samples were collected from the upper parts of RC drill holes where it was considered unlikely for significant gold mineralisation to occur. Where anomalous results were detected, the single metre cone split samples were collected for subsequent analysis. 4m composite samples were collected during AC drilling and where anomalous results were detected single metre riffle split or speared samples were often collected for subsequent analyses.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Drilling sections are orientated perpendicular to the strike of the mineralised host rocks at Dalgara. This varies between prospects and consequently the azimuth of the drill holes also varies to reflect this. The drilling is angled at between -50 and -60° which is close to perpendicular to the dip of the stratigraphy. No orientation-based sampling bias has been identified in the data at this point.
Sample security	<ul style="list-style-type: none"> Chain of custody is managed by Gascoyne Resources. Drill Samples are dispatched weekly from the Dalgara Gold Project site. Coastal Midwest Transport and Toll delivers the samples directly to the assay laboratory in Perth. In some cases company personnel have delivered the samples directly to the lab. Diamond drill core is transported directly to Perth for cutting and dispatch to the assay lab for analysis. These samples were delivered to the Laboratory by Coastal Midwest Transport and Toll.
Audits or reviews	<ul style="list-style-type: none"> Data is validated by the GCY Database Manager whilst loading into database. Any errors within the data are returned to relevant GCY geologist for validation.

Section 2 Reporting of Exploration Results: Dalgaranga Project

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

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Dalgaranga project is situated on Mining Lease Number M59/749. The tenement is 100% owned by Gascoyne Resources Limited. Other project Tenements include E59/1709, E59/1904, 1906 which Gascoyne Resources has an 80% interest. The Greencock prospect lies on E59/2053 and is 100% owned by Gascoyne Resources. The Tanqueray prospect lies on E59/1709 and E59/1904 where Gascoyne Resources has an 80% interest. The tenements are in good standing and no known impediments exist.
Exploration done by other parties	<ul style="list-style-type: none"> The tenement areas have been previously explored by numerous companies including BHP, Newcrest and Equigold. Mining was carried out by Equigold in a JV with Western Reefs NL from 1996 – 2000.
Geology	<ul style="list-style-type: none"> Regionally, the Dalgaranga project lies in the Archean aged Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. At the Gilbey's deposit, most gold mineralisation is associated with shears situated within biotite-sericite-carbonate pyrite altered schists with quartz-carbonate veining within a porphyry-shale-mafic (dolerite, gabbro, basalt) rock package (Gilbey's Main Porphyry Zone). The Gilbey's Main Porphyry Zone trends north – south and dips moderately-to-steeply to the west on local grid while Sly Fox deposit trends east – west and dips steeply to the north. These two trends define the orientation of the limbs of an anticlinal structure, with a highly disrupted area being evident in the hinge zone. At the Sly Fox deposit gold mineralisation occurs in quartz veined and silica, pyrite, biotite altered schists. The Plymouth deposit lies between Gilbey's and Sly Fox within the hinge zone of anticlinal structure – mineralisation at Plymouth is related to quartz veins and silica, pyrite, biotite altered schists. A number of historic gold and base metal prospects occur, in particular the Greencock gold prospect which contains a number of significant gold intersections over an open-ended strike length of 300m associated with ENE/WSW structural trend observable in aeromagnetic data. Gold mineralisation at Greencock is associated with sheared gabbro. At Tanqueray – this announcement, gold mineralisation occurs in an East – West trending zone over 500m with mineralisation associated with quartz, sericite, and pyrite altered schists.
Drill hole Information	<ul style="list-style-type: none"> The recent RC and Aircore drill holes are being reported in this announcement. See body of the text for sample results, collar coordinates and survey (azimuth, RL and dip) information in tables, maps and cross sections.
Data aggregation methods	<ul style="list-style-type: none"> All reported assays have been length weighted if appropriate. No top cuts have been applied. A nominal 0.5ppm Au lower cut off has been applied to the RC results and 0.2 g/t Cut off to the Aircore results. High grade Au intervals lying within broader zones of Au mineralisation are reported as included intervals. No metal equivalent values have been used.

Criteria	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> The mineralised zones at Dalgaranga vary in strike between prospects, but all are relatively steeply dipping. Drill hole orientation reflects the change in strike of the rocks and consequently the downhole intersections quoted are believed to approximate true width unless otherwise stated in the announcement. For this announcement an estimate of true width of the gold intersections is stated in the table of results.
<i>Diagrams</i>	<ul style="list-style-type: none"> Refer to figures within body of text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Results from all holes where assays have been received are included in this announcement.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Any further related details will be reported in future releases when data is available.
<i>Further work</i>	<ul style="list-style-type: none"> Exploration will continue at Dalgaranga with drilling conducted to extend the current resources, mine life and follow up of significant exploration results will continue including exploration drilling of new areas on the project.
	<ul style="list-style-type: none"> Refer to figures in body of text.

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

Mt Egerton project

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

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> The project has been drilled using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond drilling over numerous campaigns by several companies and currently by Gascoyne Resources Ltd. The majority of holes are on a grid either infilling or extending known prospects. The majority of drill holes have a dip of -60° but the azimuth varies. This program was RC and all holes had a dip of 60°. The azimuth varied between prospects. Sample procedures followed by historic operators are assumed to be in line with industry standards at the time. Current QAQC protocols include the analysis of field duplicates and the insertion of appropriate commercial standards. Based on statistical analysis of these results, there is no evidence to suggest the samples are not representative. RC drilling was used to obtain 1m samples which were split by a cone splitter at the rig to produce a 3 – 5 kg sample. In some cases, a 4m composite sample of approximately 3 – 5 kg was also collected from the top portion of the holes considered unlikely to host significant mineralisation. The samples were shipped to the laboratory for analysis via 50g Fire Assay or Photon assay. Where anomalous results were detected, the single metre samples were collected for subsequent analysis, also via 50g Fire Assay or Photon assay. A 4m composite sample of approximately 3 – 5 kg was collected for all AC drilling. This was shipped to the laboratory for analysis via a 25g Aqua Regia digest with reading via a mass spectrometer. Where anomalous results were detected, single metre samples will be collected for subsequent analysis via a 25g Fire Assay or Photon Assay. Where diamond drilling was undertaken or as diamond tails extending RC holes ½ core was sampled while for HQ holes ¼ core was sampled and the Fire Assayed using 50g charge fire assay with an AAS finish. In relation to this announcement all RC samples were sent to Nagrom Laboratory Pty Ltd for analysis, by Fire assay.
Drilling techniques	<ul style="list-style-type: none"> RC drilling used a nominal 5 ½ inch diameter face sampling hammer.
Drill sample recovery	<ul style="list-style-type: none"> RC sample recovery is visually assessed and recorded where significantly reduced. Very little sample loss has been noted. RC samples were visually checked for recovery, moisture and contamination. A cyclone and splitter were used to provide a uniform sample and these were routinely cleaned. 4m composites were speared to obtain the most representative sample possible. These samples were 1m sample. RC drilling was used to obtain 1m samples which were split by a cone splitter at the rig to produce a 3 – 5 kg sample Sample recoveries are generally high. No significant sample loss has been recorded with a corresponding increase in Au present. No sample bias is anticipated, and no preferential loss/gain of grade material has been noted.

Criteria	Commentary
Logging	<ul style="list-style-type: none"> Detailed logging exists for most historic holes in the data base. Current RC chips are geologically logged at 1 metre intervals.. RC chip trays have been stored for future reference.
	<ul style="list-style-type: none"> RC chip logging included the recording of lithology, oxidation state, colour, alteration and veining.
	<ul style="list-style-type: none"> All current drill holes are logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> No diamond drilling has been completed by Gascoyne Resources on the tenement. Previous companies have conducted diamond drilling; it is unclear whether ½ core or ¼ core was taken.
	<ul style="list-style-type: none"> RC chips were collected as 1m samples. These 1m samples were obtained from RC drilling which were split by a cone splitter at the rig to produce a 3 – 5 kg sample
	<ul style="list-style-type: none"> RC samples are dried. If the sample weight is greater than 3kg, the sample is riffle split. It is then pulverised to a grind size where 85% of the sample passes 75 micron.
	<ul style="list-style-type: none"> Field QAQC procedures included the insertion of 4% certified reference ‘standards’ and 2% field duplicates for RC drilling.
	<ul style="list-style-type: none"> Field duplicates were collected during RC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary.
	<ul style="list-style-type: none"> A sample size of between 3 and 5 kg was collected. This size is considered appropriate, and representative of the material being sampled given the width and continuity of the intersections, and the grain size of the material being collected.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> All 1m and composite RC samples were analysed using a 25g aqua regia digest with an MS finish which is an industry standard for gold analysis. Aqua regia can digest many different mineral types including most oxides, sulphides and carbonates but will not totally digest refractory or silicate minerals. Single 1m samples have been analysed using a 50g fire assay technique with an AAS finish.
	<ul style="list-style-type: none"> No geophysical tools etc. have been used at Mt Egerton.
	<ul style="list-style-type: none"> Field QAQC procedures include the insertion of both field duplicates and certified reference ‘standards’. Assay results have been satisfactory and demonstrate an acceptable level of accuracy and precision. Laboratory QAQC involves the use of internal certified reference standards, blanks, splits and replicates. Analysis of these results also demonstrates an acceptable level of precision and accuracy.
Verification of sampling and assaying	<ul style="list-style-type: none"> At least 2 company personnel verify all intersections in drill chips.
	<ul style="list-style-type: none"> No twinned holes have been drilled to date by Gascoyne Resources.
	<ul style="list-style-type: none"> Field data is collected using Field Marshal Software or Log Chief Software on tablet computers. The data is sent to the company Database Administrator for validation and compilation into an SQL database server
	<ul style="list-style-type: none"> No adjustments have been made to assay data apart from values below the detection limit which are assigned a value of negative the detection limit
	<ul style="list-style-type: none"> At this stage drill collars have been surveyed by hand held GPS to an accuracy of about 3m. The RC drill holes will be picked up by DGPS in the future.
	<ul style="list-style-type: none"> The grid system is MGA_GDA94 Zone 50

Criteria	Commentary
Location of data points	<ul style="list-style-type: none"> The topographic surface has been set at a nominal value at this stage. It is considered to be of sufficient quality to be valid for this stage of exploration.
Data spacing and distribution	<ul style="list-style-type: none"> Initial exploration by Gascoyne Resources is targeting discrete areas that may host mineralisation. Consequently, current drilling is not grid based, however drill holes are spaced to achieve 'top to tail' coverage along a drill line. The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code. Where 4m composite samples were collected from RC drill holes. Where anomalous results were expected, the single metre speared samples were collected for subsequent analysis. For this announcement samples were 1m RC samples.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Drilling sections are orientated perpendicular to the strike of the mineralised host rocks at Mt Egerton. This varies between prospects and consequently the azimuth of the drill holes also varies to reflect this. The drilling is angled at -60° which is close to perpendicular to the dip of the stratigraphy. No orientation-based sampling bias has been identified in the data at this point.
Sample security	<ul style="list-style-type: none"> Chain of custody is managed by Gascoyne Resources. Samples are delivered directly by Gascoyne Resources personnel to the assay laboratory in Perth. Samples for this announcement were delivered to the Toll West Depot in Meekatharra and dispatched to Nagrom Laboratory on Perth.
Audits or reviews	<ul style="list-style-type: none"> Data is validated by Gascoyne Database Administrator whilst loading into a SQL database. Any errors within the data are returned to Gascoyne Resources for validation. Historical data validation is an ongoing process

Section 2 Reporting of Exploration Results: Mt Egerton Project

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

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The Mt Egerton project is situated on tenement numbers E52/2117, E52/2515, E52/3574, M52/343, and M52/567. The tenements are owned 100% by Egerton Exploration Pty Ltd a wholly owned subsidiary company owned by Gascoyne Resources Ltd. Gascoyne Resources is the operator of the tenement package. The tenements are in good standing and no known impediments exist.
Exploration done by other parties	<ul style="list-style-type: none"> The tenement area has been previously explored by numerous companies including Offshore Exploration, Egerton Gold NL, North Gascoyne Mining and Exterra Resources Ltd.
Geology	<ul style="list-style-type: none"> The rocks of the Mt Egerton tenements are Lower Proterozoic sequence of interbedded sandstones, siltstones, greywackes, and marls with minor mafic and felsic intrusions of the Egerton Inlier. The majority of the mineralization occurs in shear-hosted quartz-pyrite veins. It is concentrated at lithological contacts within the shear zones. The Hibernian Gold deposit consists of gold lodes in a northern zone and a southern zone. The gold is associated with quartz veins and pyrite altered rocks. Within the northern zone the gold lodes appear to be parallel to the steep, northerly dipping shear planes, whereas in the southern zone it has been recognised, that the gold lodes are folded, then boudinaged and aligned parallel to the superimposed shear structures with fold axes parallel to the shallowly and westerly plunging regional fold axis.
Drill hole Information	<ul style="list-style-type: none"> Refer to Tables in body of text.
Data aggregation methods	<ul style="list-style-type: none"> All reported assays have been length weighted if appropriate. No top cuts have been applied, with only intersections >0.5g/t considered significant. High grade Au intervals lying within broader zones of Au mineralisation are reported as included intervals. In calculating the zones of mineralisation a maximum of 4 metres of internal dilution is allowed. No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> The mineralised zones at Mt Egerton vary in strike between prospects, but all are steeply dipping. Drill hole orientation reflects the change in strike of the rocks and consequently the downhole intersections quoted are believed to approximate true width.
Diagrams	<ul style="list-style-type: none"> Refer to figures within body of text.

Criteria	Commentary
<i>Balanced reporting</i>	<ul style="list-style-type: none"> All results are reported.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> No other significant exploration work had been completed by Gascoyne Resources.
<i>Further work</i>	<ul style="list-style-type: none"> Mt Egerton project will continue to be drilled to extend the known mineralisation at Hibernian, Gaffney's Find and Mako to delineate further mineralisation and potential resources.
	<ul style="list-style-type: none"> Refer to figures in body of text.