

# **GASCOYNE RESOURCES LIMITED**

## **20:20 Investor Presentation**



**19<sup>th</sup> September 2011**

# DISCLAIMER & COMPETENT PERSON STATEMENT

This presentation contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

All references to dollars, cents or \$ in this presentation are to AUS\$ currency, unless otherwise stated.

Information in this presentation relating to mineral resources and exploration results is based on data compiled by Gascoyne's Managing Director Mr Mike Dunbar and who is a member of The Australasian Institute of Mining and Metallurgy. Mr Dunbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dunbar consents to the inclusion of the data in the form and context in which it appears.

# **GASCOYNE RESOURCES LIMITED**

## **Overview**

- **100% Owned gold project at Glenburgh, with 520,000oz Inferred JORC resource**
- **Fully funded 35,000 metre drilling program in progress**
- **This is the first substantial activity at this project since the mid 1990's, despite the deposits being open ended**
- **Recently completed Stage 1 of drill program, Stage 2 well advanced with one RC rig on site**
- **Positive Pit Optimisation Study reported Feb 2011, scoping study in progress**
- **Target is initial 50 – 60,000oz pa production by end of 2013 / early 2014.**
- **Nearby projects (Bassit Bore, Mt James and Bustler well) have potential for additional (high grade) satellite deposits**
- **Experienced, capable, shareholder focused Board and Management**

# SNAPSHOT OF GASCOYNE RESOURCES (GCY)

|                                |             |
|--------------------------------|-------------|
| GCY – Ordinary Shares          | 101,150,000 |
| Current Share Price (15/9/11)  | A\$0.305    |
| Market Capitalisation          | ~A\$31M     |
| Current Cash                   | A\$5M       |
| Current Inferred Gold Resource | 520,000oz   |
| EV/ Resource Ounce             | A\$ 49      |

## Major Shareholders

|                       |             |
|-----------------------|-------------|
| Board and Management  | 34%         |
| HSBC Custody Nominees | 6.3%        |
| Helix Resources       | 4.0 %       |
| Atlas Iron            | 3.5 %       |
| <b>TOP 25</b>         | <b>70 %</b> |

## Board of Directors / Management

|                    |                           |
|--------------------|---------------------------|
| Graham Riley       | Non – Exec Chairman       |
| Michael Dunbar     | Managing Director         |
| Gordon Dunbar      | Non-Exec Director         |
| John den Dryver    | Non-Exec Director         |
| Stan Macdonald     | Non-Exec Director         |
| Mike Joyce         | Non-Exec Director         |
| Julian Goldsworthy | GM – Business Development |

## Technical Team

|                |                                  |
|----------------|----------------------------------|
| Di Tily Laurie | Snr Geologist                    |
| Ali Lari       | Project Geologist                |
| Chad Taylor    | Graduate Geologist               |
| Iain Blamey    | Field / Environmental Supervisor |

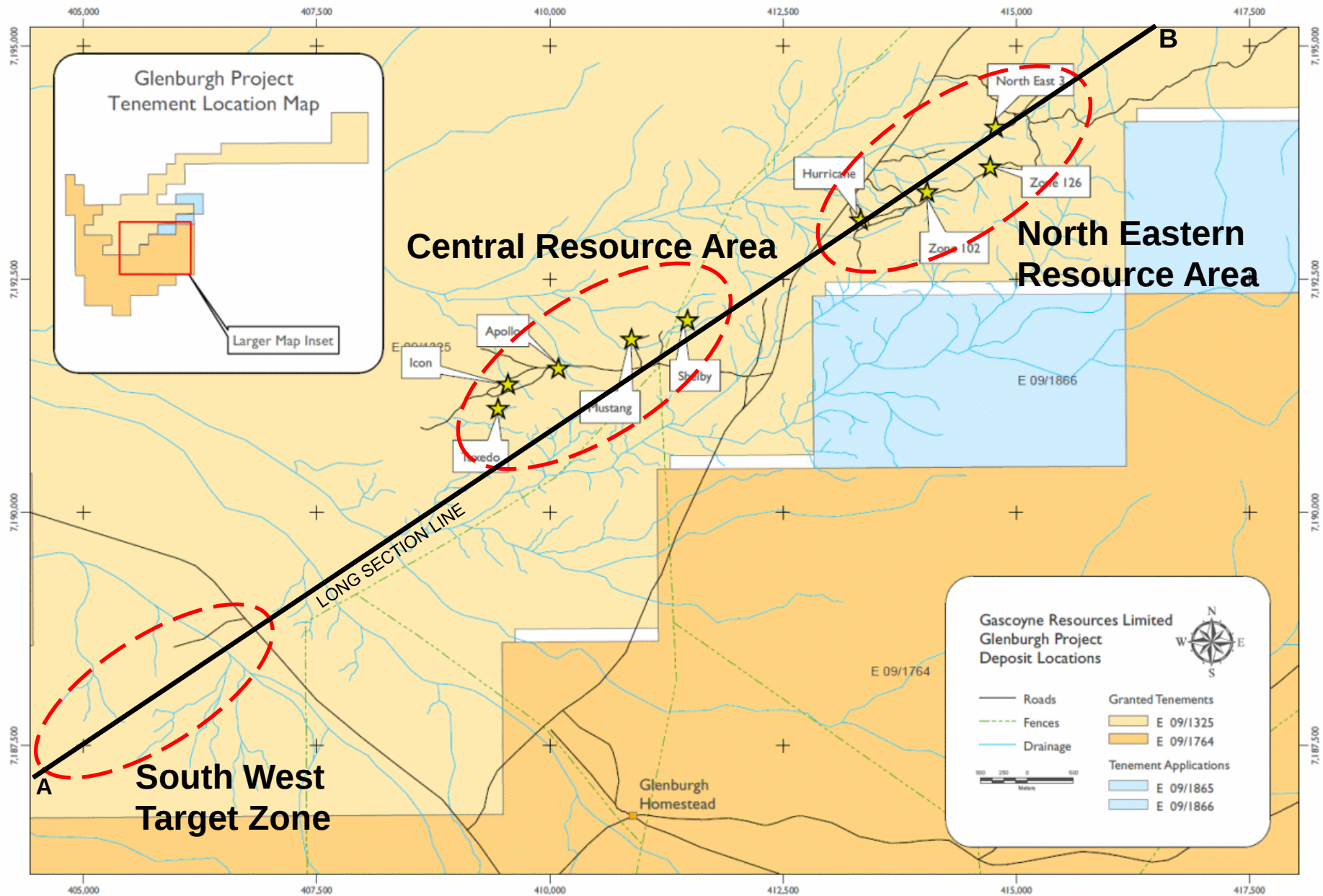
# Gascoyne Province Gold Projects



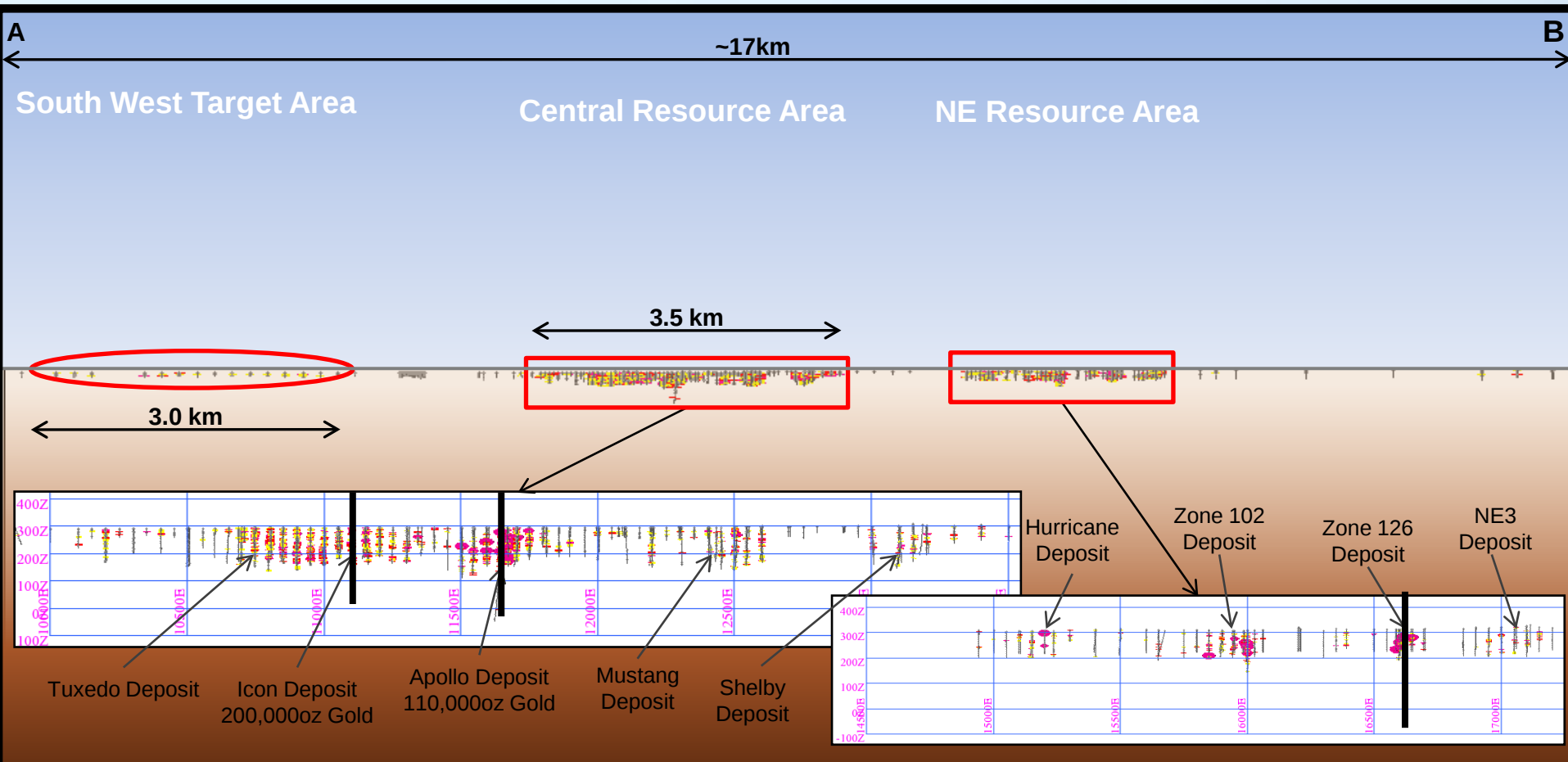
# GLENBURGH – Recent activities

- 35,000m Drill Program Underway, Stage two progressing well
- Resource Update completed Inferred Resource now stands at 13.8Mt @ 1.2g/t Au for 520,000oz of gold
- Discovery of the Torino Prospect:
  - **18m @ 2.1g/t from 66m to EOH** in VRC503
- High Grade Quartz vein system discovered in the South West Area
  - **5m @ 9.9 g/t Au from 77m** in VRC506 including 2m @ 22.1g/t Au
- Plunging high grade shoot intersected below Zone 126 :
  - **20m @ 11.1g/t from 131m** in VRC535 including 2m @ 31.8g/t Au and 3m @ 30.5g/t Au.
  - **17m @ 6.8 g/t Au from 163m to EOH** in VRC534 including 6m @ 15.7g/t Au
- Scoping Study Progressing

# GLENBURGH



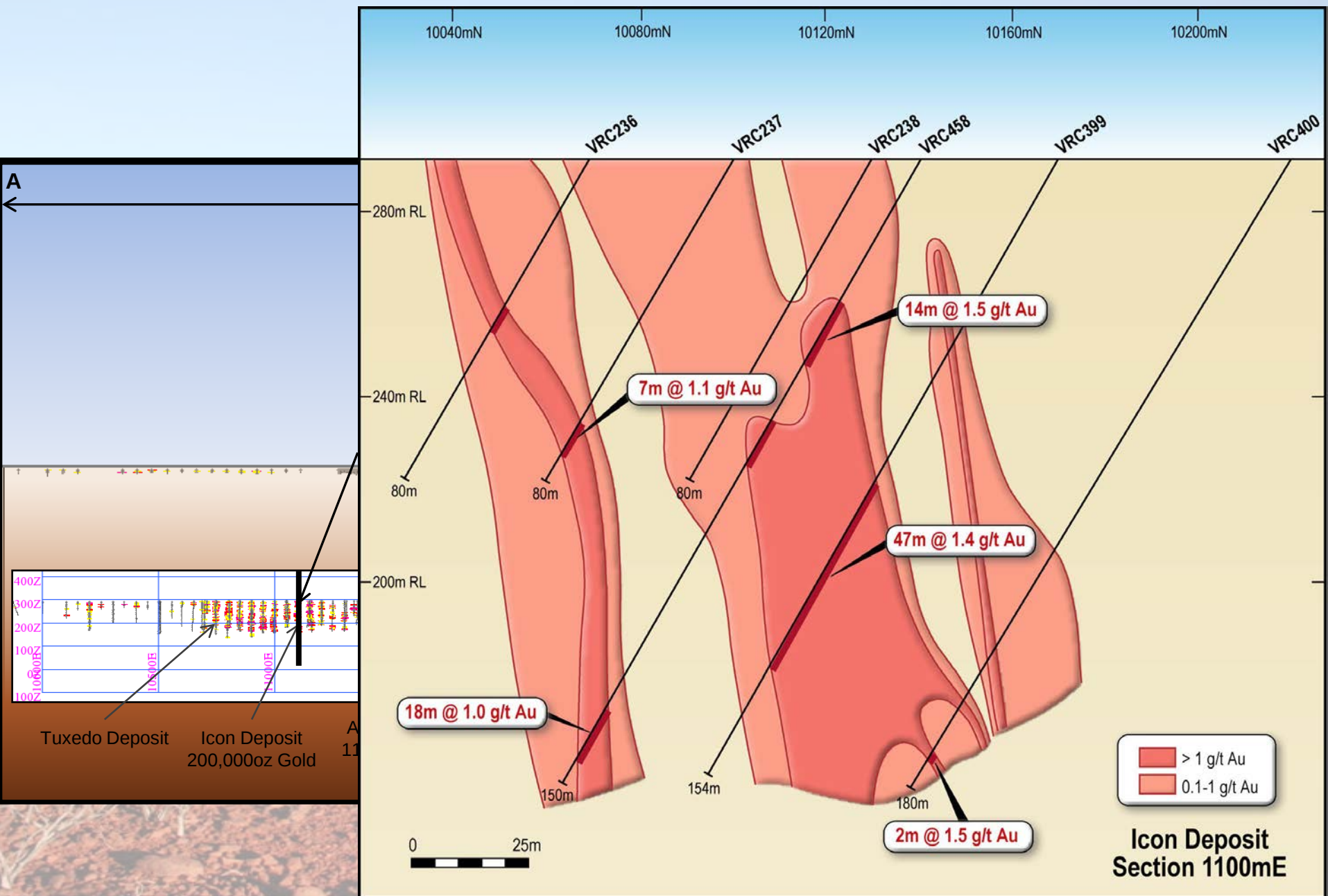
# GLENBURGH Long Section



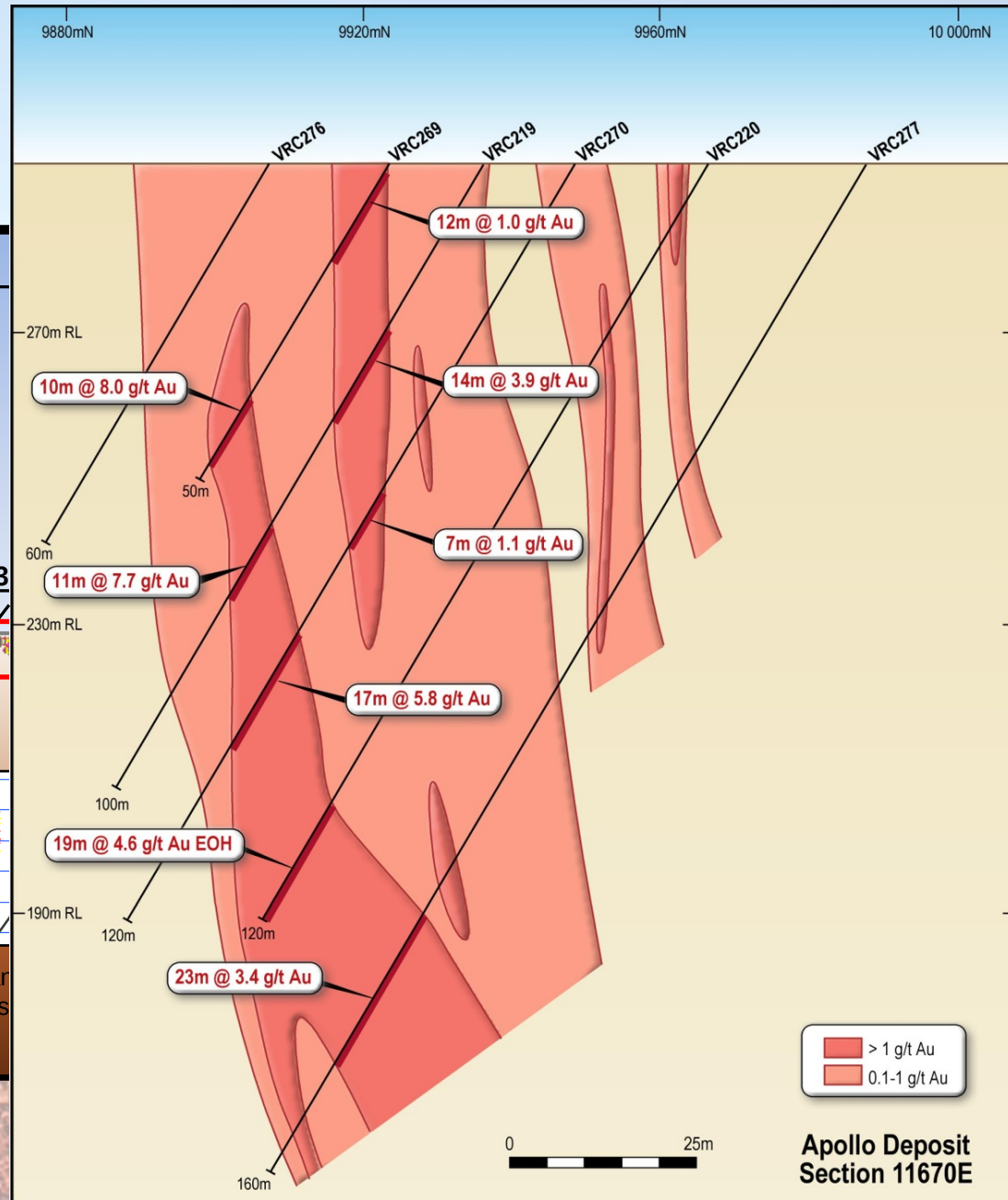
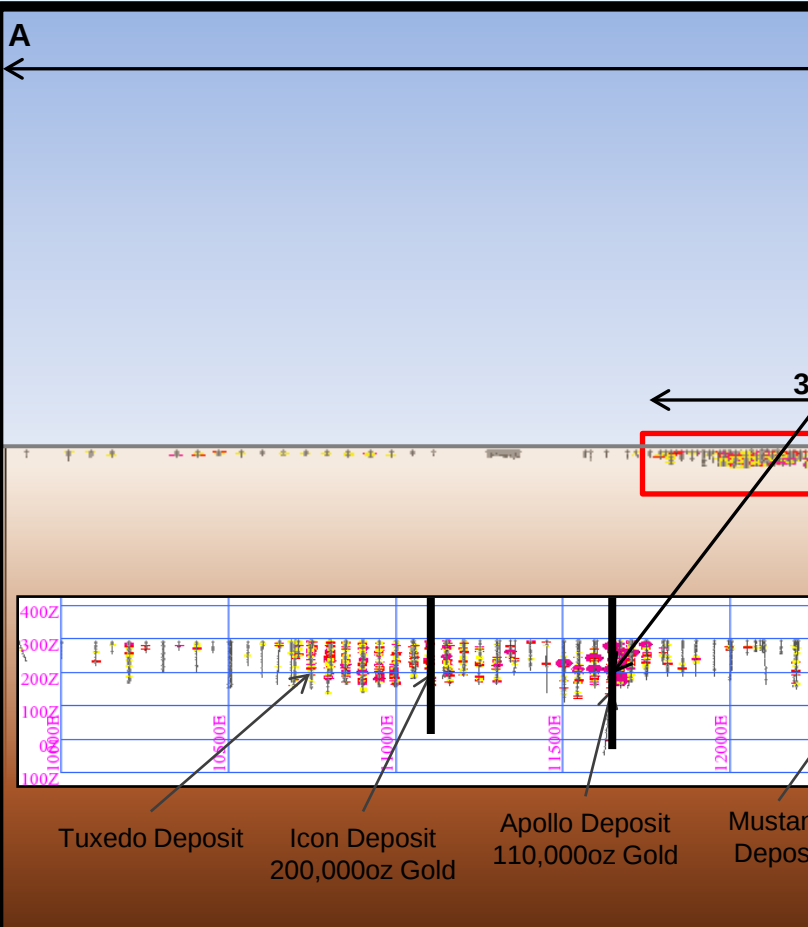
405,000 Oz contained gold  
drilled to less than 150m

115,000 Oz contained gold  
drilled to less than 100m

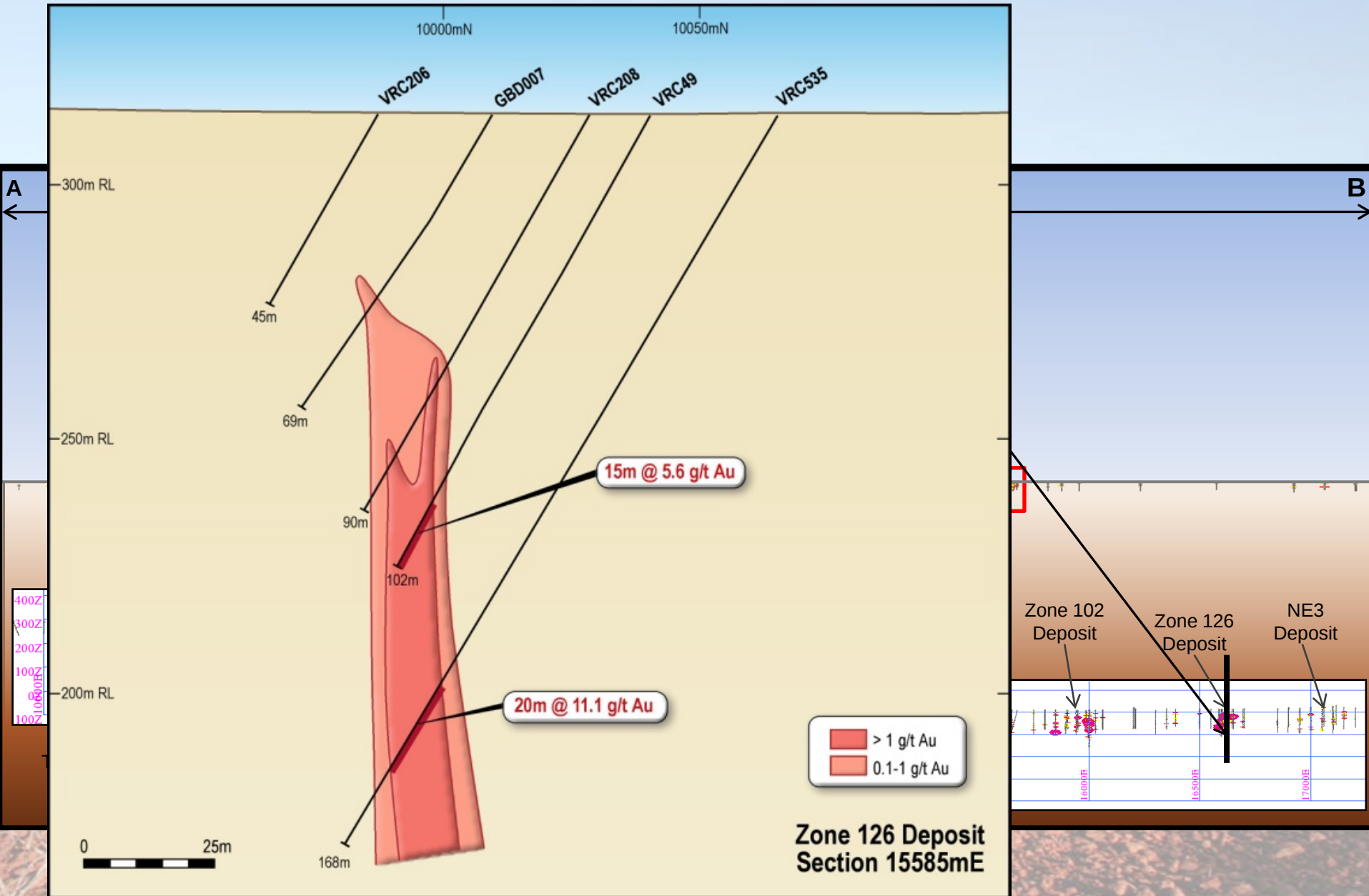
# Icon Cross Section 11,000mE



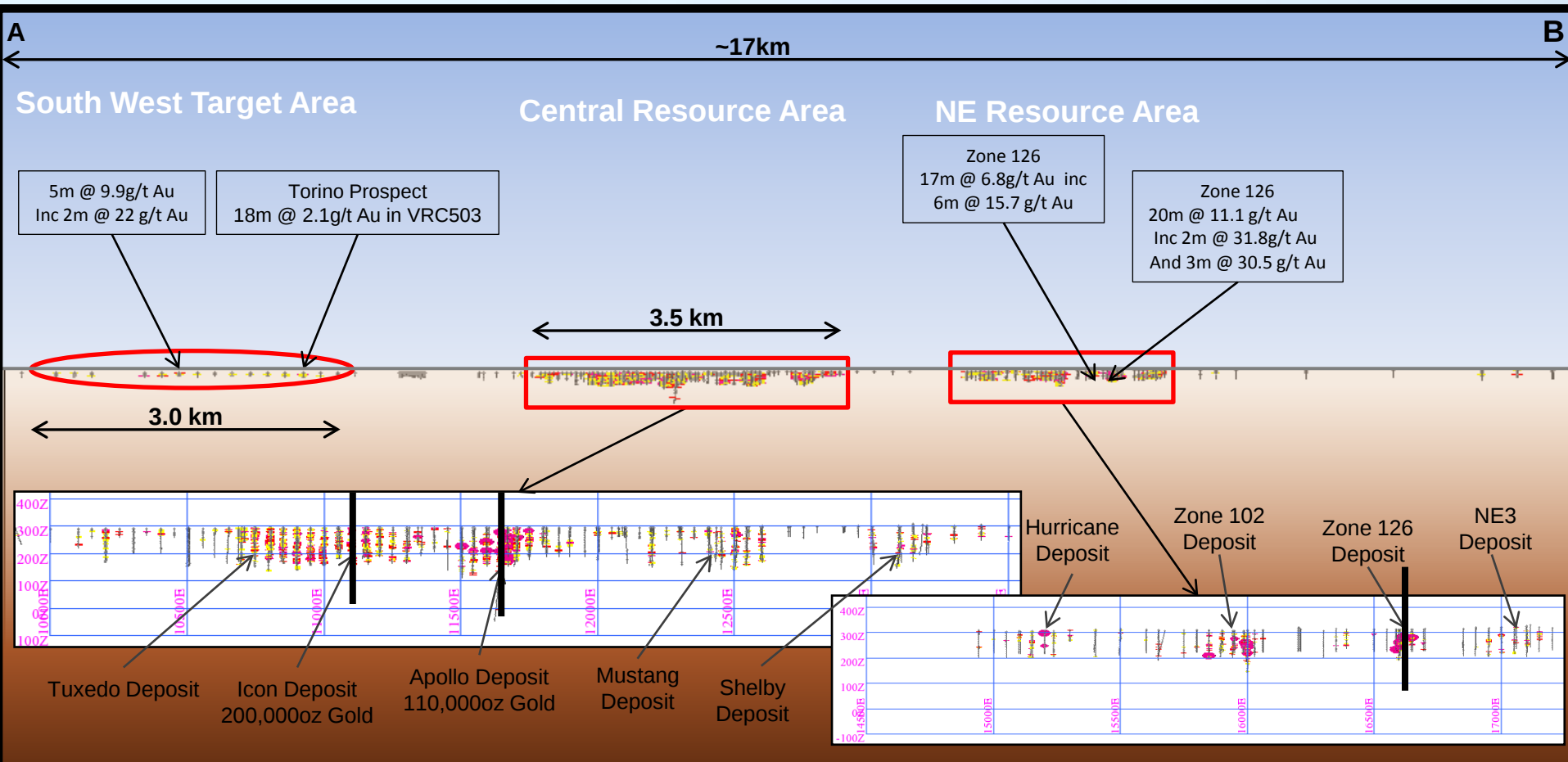
# Apollo Cross Section 11,670mE



# Zone 126 Cross Section 15,585mE



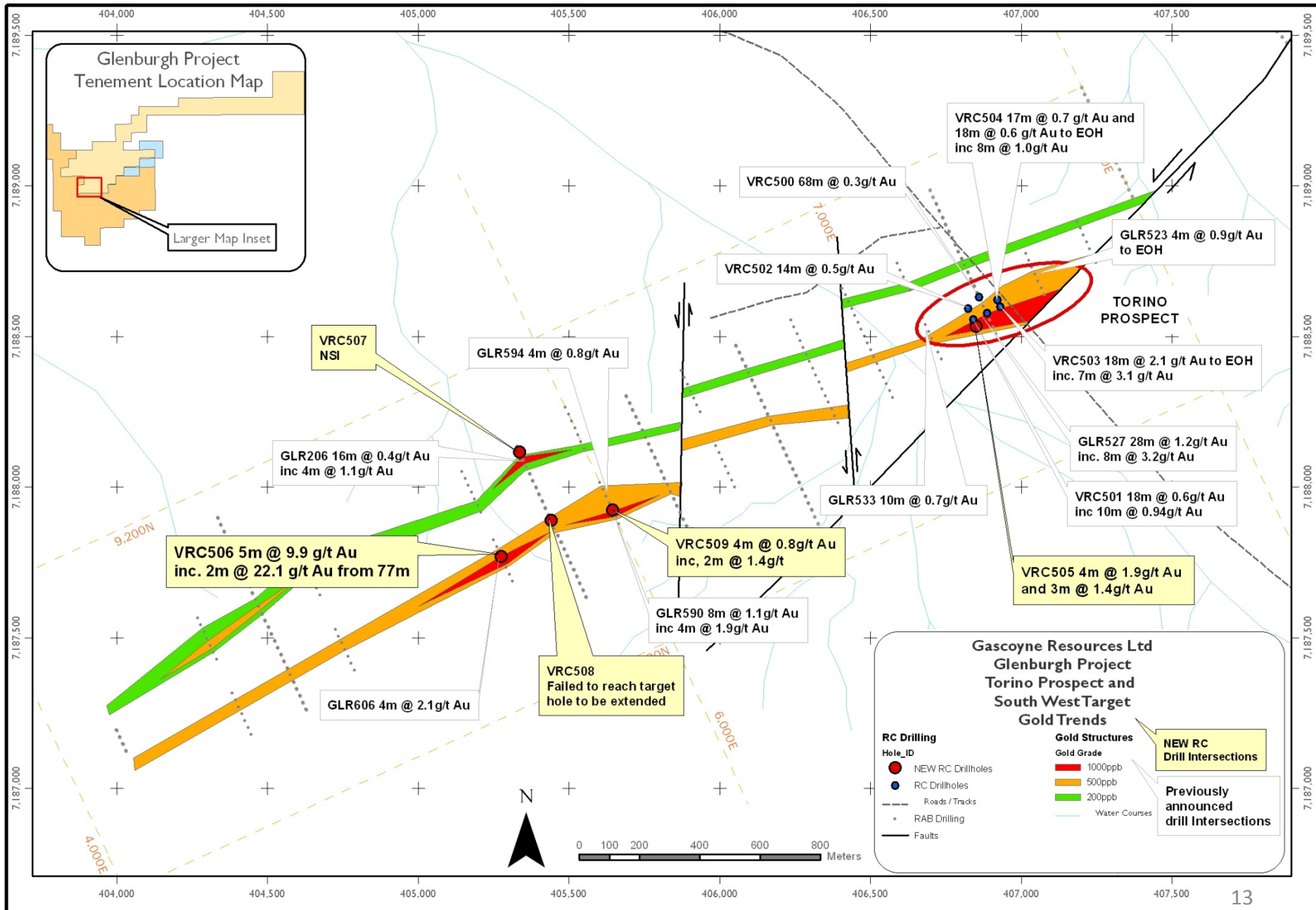
# GLENBURGH – Recent Intersections



405,000 Oz contained gold  
drilled to less than 150m

115,000 Oz contained gold  
drilled to less than 100m

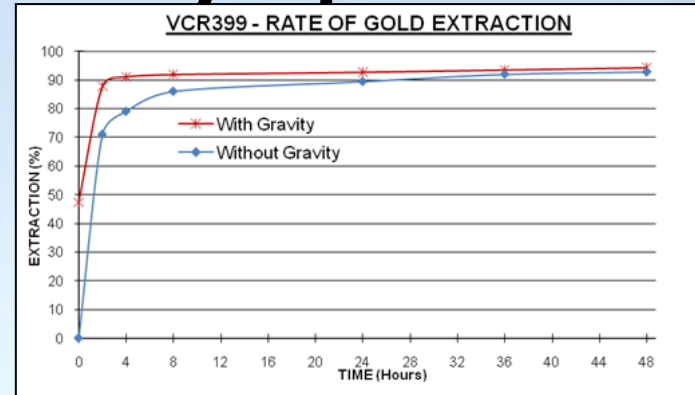
# GLENBURGH – South West Area Drilling



# GLENBURGH – Scoping Study Update

- **Study Summary:**
  - **Three process options being investigated:**
    - a) CIL processing plant with Diesel fueled power – BASE CASE
    - b) CIL Processing plant with Gas fueled power
    - c) Heap Leach operation
  - **Three Gold price assumptions being investigated:**
    - \$1,400 /oz Au – BASE CASE, current price is + \$1,700/oz Au
    - \$1,800 /oz Au – Upside case
    - \$1,200 / oz Au
  - **Production rate 1.0 – 1.5 Mt pa CIL processing plant**
  - **Initial Project life ~5-7 years**
  - **Initial production ~ 50 – 60,000oz pa – with potential to increase with satellite projects**
  - **FIFO operation with associated infrastructure (camp, airstrip etc)**
  - **Capital costs will depend on process option chosen- CIL ~ \$45M, Heap leach <\$20M**
  - **Targeting production end of 2013 or early 2014**

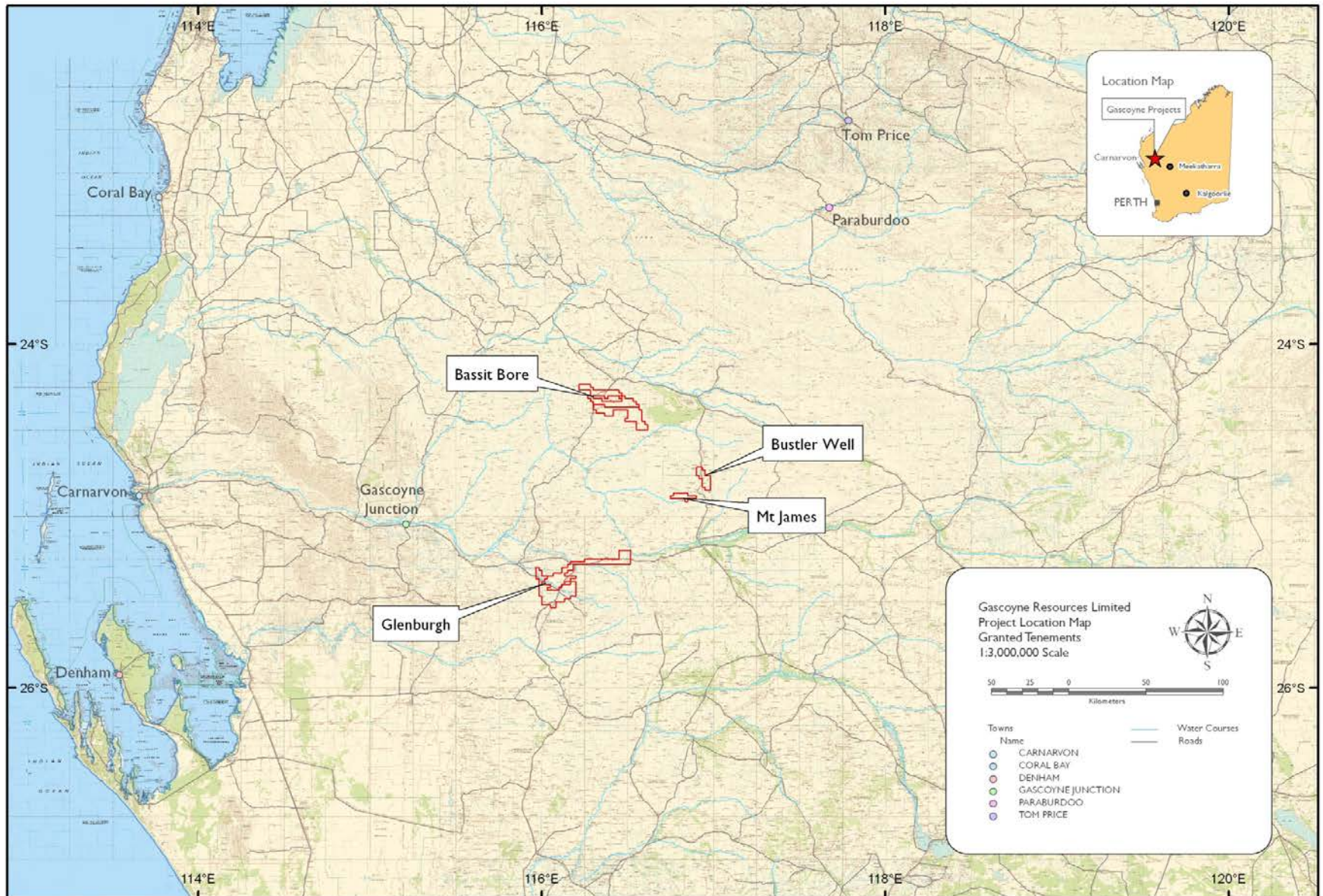
# GLENBURGH – Scoping Study Update cont.



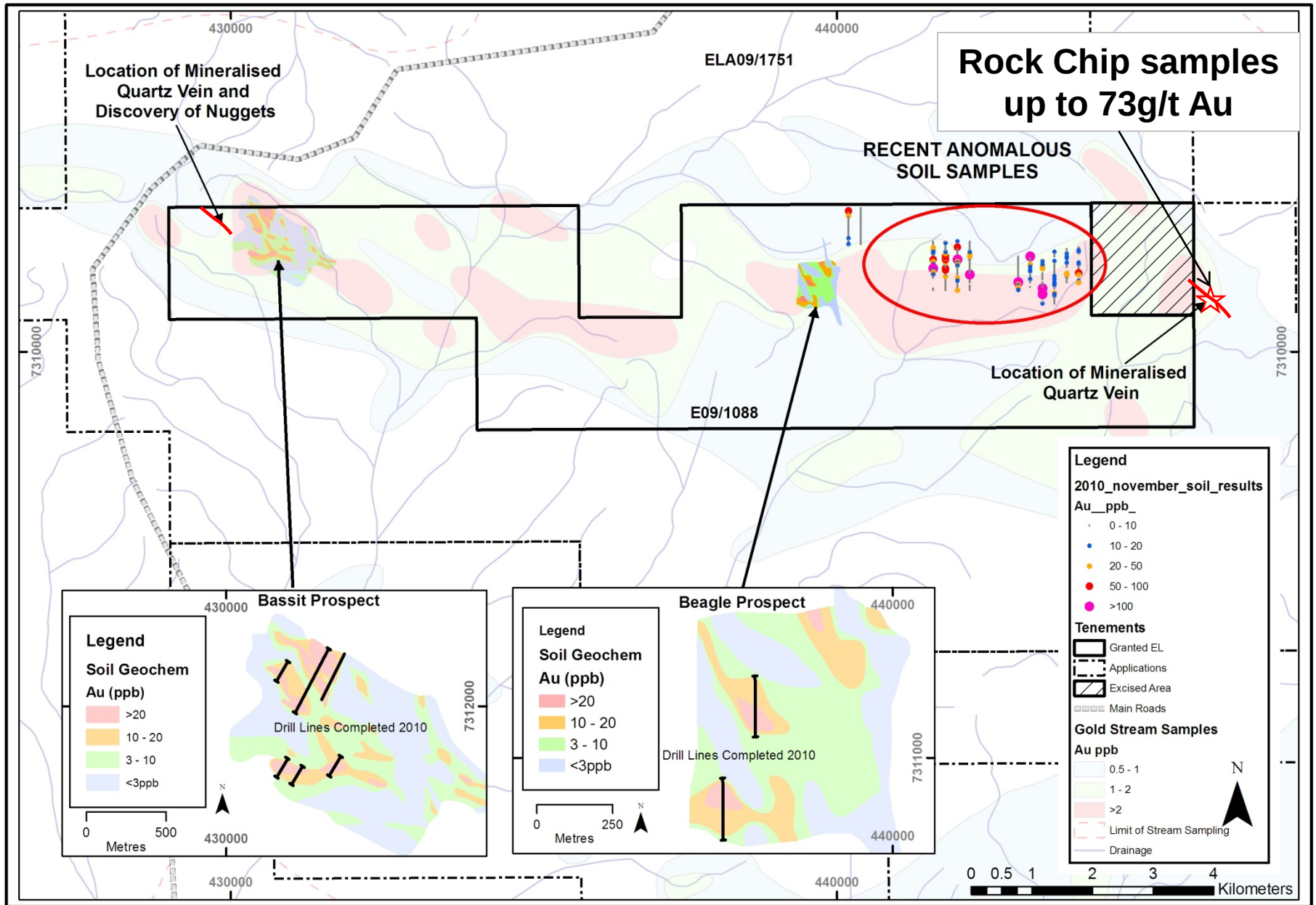
- **Metallurgy:**
  - “standard” flow sheet used for CIL tests
  - 45 to 50% Gravity Gold
  - High CIL recoveries (~ 95%) with rapid leach kinetics
  - Heap Leach tests show ~70% recovery
- **Resource**
  - Current Inferred Resource 13.8 Mt @ 1.2g/t at 0.5g/t Au lower cutoff (520,000 oz)
- **Hydro Geology**
  - Desktop review has identified a number of process water options
- **Mining Studies**
  - Optimisation, pit / dump design and schedule underway. Initial pit optimisations suggest that at a \$1,400/oz gold price, around 5.2Mt @ 1.5g/t Au could be recovered, leading to an undiscounted cash flow (ex. capital) of around \$130M. This increases to 8.2Mt @ 1.3 g/t Au resulting in a free cash flow (ex. capital) of around \$240M at \$1,800/oz gold price\*
- **Environmental / Permitting Investigations**
  - No “show stoppers” identified
  - Base line flora and fauna studies have commenced
  - Project falls within DMP / DEC MOU, so relatively fast permitting
- **Infrastructure Investigations**
  - Two power options available – gas with main Dampier – Bunbury gas pipeline nearby with excess capacity OR diesel power supply

\* - Pit optimisations are conceptual in nature. The resulting tonnages, grades and cash flows are conceptual in nature and there is no guarantee that with future exploration or studies that these numbers will be met.

# Gascoyne Province Gold Projects



# BASSIT BORE



# Summary

- Experienced Board and Management
- Well funded
- Resource of 520,000oz, with significant exploration upside
- Undervalued - EV ~ \$49/oz peer average ~ \$150 - 200/oz
- 35,000 Staged Drill Program Underway – Stage One already completed
- Stage 2 Drilling ongoing with RC drill rig on site
- Glenburgh Scoping Study – well advanced, expected to be completed shortly
- Nearby projects (Bassit Bore, Mt James and Bustler well) have potential for additional (high grade) satellite deposits

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