

December 23<sup>rd</sup>, 2014  
Australian Securities Exchange Limited  
Via Electronic Lodgement

## **Termination of Proposed Transaction with Monument Mining**

Gascoyne Resources Limited (Gascoyne, GCY or the Company) wishes to advise that a number of the conditions precedent to the proposed transaction with Monument Mining Limited (Monument) announced on 5 September 2014 (subsequent extension of the closing date announced 18 November 2014) will not be met as a result of the deterioration in market conditions. Therefore, Monument and Gascoyne have, by mutual consent agreed to terminate the Heads of Agreement for the proposed transaction.

As a result of the termination, Gascoyne retains control of its advanced gold projects which contain approximately 1.8 million ounces of gold on granted Mining Leases within Western Australia. Monument will retain the GCY shares acquired in the non-refundable 'tranche 1' placement of \$1.0 million at 25c per Gascoyne share announced on 11 September 2014.

On behalf of the Board of  
Gascoyne Resources Ltd



Michael Dunbar  
Managing Director



## BACKGROUND ON GASCOYNE RESOURCES

Gascoyne Resources Limited was listed on the ASX in December 2009 and is focused on exploration and development of a number of gold projects in Western Australia.

The Company's three main gold projects combined have **1.76 million ounces of contained gold on granted Mining Leases**:

### GLENBURGH (100% GCY):

The Glenburgh Project in the Gascoyne region of Western Australia, has a Measured, Indicated and Inferred resource of: **21.3 Mt @ 1.5g/t Au for 1.003 million oz gold** from several prospects within a 20km long shear zone (see Table 1)

A preliminary feasibility study on the project has been completed (see announcement 5<sup>th</sup> of August 2013) that showed a viable project exists, with a production target of 4.9mt @ 2.0g/t for 316,000oz (70% Indicated and 30% Inferred resources) within 12 open pits and one underground operation. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The study showed attractive all in operating costs of under A\$1,000/oz and indicated a strong return with an operating surplus of ~ A\$160M over the 4+ year operation. The study included approximately 40,000m of resource drilling, metallurgical drilling and testwork, geotechnical, hydro geological and environmental assessments. Importantly the study has not included the drilling completed during 2013, which intersected significant shallow high grade zones at a number of the known deposits.

The recent discovery of the Chevelle prospect has yielded a highly promising result of **4m @ 8.4 g/t Au from 44 metres** in drill hole GLAC 521. Chevelle lies 6 kilometres to the north east of the known Glenburgh deposits. This new discovery has extended the known strike length of mineralisation at Glenburgh to over 18 kilometres (ASX: GCY 11/8/2014: New discovery extends Glenburgh gold system).

**Table 1: Glenburgh Deposits - Area Summary**  
**2014 Mineral Resource Estimate (0.5g/t Au Cut-off)**

| Area         | Measured     |            |                | Indicated    |            |                | Inferred     |            |                | Total        |            |                  |
|--------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|------------------|
|              | Tonnes<br>Mt | Au<br>g/t  | Au<br>Ounces   | Tonnes<br>Mt | Au<br>g/t  | Au<br>Ounces   | Tonnes<br>Mt | Au<br>g/t  | Au<br>Ounces   | Tonnes<br>Mt | Au<br>g/t  | Au<br>Ounces     |
| Icon         | 1.7          | 1.5        | 82,500         | 1.7          | 1.4        | 77,000         | 4.1          | 1.3        | 168,000        | 7.6          | 1.3        | 328,000          |
| Apollo       | 0.9          | 2.4        | 67,400         | 0.3          | 1.3        | 14,000         | 1.5          | 1.4        | 67,000         | 2.7          | 1.7        | 149,000          |
| Tuxedo       |              |            |                | 0.7          | 1.2        | 29,000         | 1.2          | 1.0        | 37,000         | 1.9          | 1.1        | 66,000           |
| Mustang      |              |            |                | 0.2          | 1.3        | 7,000          | 1.0          | 1.1        | 35,000         | 1.1          | 1.2        | 42,000           |
| Shelby       |              |            |                | 0.2          | 1.4        | 10,000         | 0.6          | 1.1        | 21,000         | 0.8          | 1.2        | 32,000           |
| Hurricane    |              |            |                | 0.1          | 1.6        | 3,000          | 0.5          | 1.1        | 16,000         | 0.5          | 1.2        | 19,000           |
| Zone 102     |              |            |                | 0.9          | 1.9        | 56,000         | 1.2          | 1.3        | 50,000         | 2.1          | 1.6        | 106,000          |
| Zone 126     | 0.2          | 4.0        | 30,500         | 0.4          | 2.9        | 35,000         | 1.4          | 2.2        | 101,000        | 2.0          | 2.5        | 166,000          |
| NE3          |              |            |                |              |            |                | 0.2          | 1.5        | 11,000         | 0.2          | 1.5        | 11,000           |
| Torino       |              |            |                |              |            |                | 1.6          | 1.3        | 64,000         | 1.6          | 1.3        | 64,000           |
| SW Area      |              |            |                |              |            |                | 0.6          | 1.0        | 20,000         | 0.6          | 1.0        | 20,000           |
| <b>Total</b> | <b>2.9</b>   | <b>2.0</b> | <b>180,500</b> | <b>4.6</b>   | <b>1.6</b> | <b>232,000</b> | <b>13.9</b>  | <b>1.3</b> | <b>591,000</b> | <b>21.3</b>  | <b>1.5</b> | <b>1,003,000</b> |

Note: Discrepancies in totals are a result of rounding

### EGERTON (100% GCY)

The project includes the high grade Hibernian deposit which contains a resource of **116,400 tonnes @ 6.4 g/t gold for 24,000 ounces** in the Measured, Indicated and Inferred JORC categories (Table 2). The deposit lies on a granted mining lease and previous drilling includes high grade intercepts, **2m @ 147.0 g/t gold**, **5m @ 96.7 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 current JORC Resource with drilling testing deeper extensions to known shoots and targeting new shoot positions. Recent drilling at the Gaffney's Find prospect intersected narrow, high grade quartz limonite veins hosted in greywacke sediments and shales at shallow depths, which remain open at depth and along strike (ASX: GCY 1/8/2014: Gold grades over 70 g/t Au confirmed at the Egerton gold project). Significant results from drilling at Gaffney's Find include; **8m @ 11.4 g/t Au from 31m**, including **4m @ 21.2 g/t Au** in MERC018, **4m @ 9.0 g/t Au from**, including **1m @ 31.6 g/t Au** in MERC014 and **2m @ 13.7 g/t Au from 9m** in MERC012.

**Table 2: Egerton Project: Hibernian Deposit Mineral Resource (2.0g/t Au Cut-off)**

| Classification     | Tonnes         | Au g/t     | Au Ounces     |
|--------------------|----------------|------------|---------------|
| Measured Resource  | 32,100         | 9.5        | 9,801         |
| Indicated Resource | 46,400         | 5.3        | 7,841         |
| Inferred Resource  | 37,800         | 5.1        | 6,169         |
| <b>Total</b>       | <b>116,400</b> | <b>6.4</b> | <b>23,811</b> |

### **DALGARANGA (80% GCY):**

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

The project contained a remnant JORC Measured, Indicated and Inferred resources of **13.4 Mt @ 1.7g/t Au for 740,900 ounces** of contained gold.(see Table 3).

Significant exploration potential also remains outside the known resource with numerous historical geochemical prospects only partly tested. The Golden Wings deposit is also open along strike and at depth.

**Table 3: Dalgaranga Global Mineral Resource Estimate**

| Deposit                           | Measured     |            |              | Indicated    |            |                | Inferred     |            |                | Total        |            |                |
|-----------------------------------|--------------|------------|--------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|
|                                   | Tonnes<br>Mt | Au<br>g/t  | Au<br>Ounces | Tonnes<br>Mt | Au<br>g/t  | Au<br>Ounces   | Tonnes<br>Mt | Au<br>g/t  | Au<br>Ounces   | Tonnes<br>Mt | Au<br>g/t  | Au<br>Ounces   |
| <b>Gilbeys<sup>(1)</sup></b>      |              |            |              | 4.7          | 1.6        | 240,200        | 8.2          | 1.7        | 445,200        | 12.9         | 1.7        | 685,000        |
| <b>Golden Wings<sup>(2)</sup></b> |              |            |              | 0.3          | 4.0        | 38,000         | 0.15         | 3.1        | 15,000         | 0.45         | 3.7        | 54,000         |
| <b>Golden Wings<br/>Laterite</b>  | 0.04         | 0.8        | 1,000        |              |            |                |              |            |                | 0.04         | 0.8        | 1,000          |
| <b>Vickers Laterite</b>           | 0.02         | 1.2        | 600          |              |            |                |              |            |                | 0.02         | 1.2        | 600            |
| <b>Total</b>                      | <b>0.06</b>  | <b>1.1</b> | <b>1,600</b> | <b>5.0</b>   | <b>1.7</b> | <b>278,000</b> | <b>8.35</b>  | <b>1.7</b> | <b>460,000</b> | <b>13.4</b>  | <b>1.7</b> | <b>740,900</b> |

Note: Discrepancies in totals are a result of rounding; unless otherwise stated, the above resources are reported at a 0.7 Au g/t cut-off

(1) Gilbeys resource cut-off 1.0 Au g/t

(2) Golden Wings resource cut-off 2.0 Au g/t

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

### **Competent Persons Statement**

Information in this announcement is based on data compiled by Gascoyne's Managing Director Mr Michael Dunbar 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.

The Glenburgh Mineral Resources have been estimated by RungePincockMinarco Limited, an external consultancy, and are reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see GCY -ASX announcement 24<sup>th</sup> July 2014 titled: High Grade Domains Identified Within Updated Glenburgh Gold Mineral Resource). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcements.

The Glenburgh 2004 JORC resource (released to the ASX on April 29<sup>th</sup> 2013) which formed the basis for the preliminary Feasibility Study was classified as Indicated and Inferred and as a result, is not sufficiently defined to allow conversion to an ore reserve; the financial analysis in the preliminary Feasibility Study is conceptual in nature and should not be used as a guide for investment. It is uncertain if additional exploration will allow conversion of the Inferred resource to a higher confidence resource (Indicated or Measured) and hence if a reserve could be determined for the project in the future. Production targets referred to in the preliminary Feasibility Study and in this report are conceptual in nature and include areas where there has been insufficient exploration to define an Indicated mineral resource. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. This information was prepared and first disclosed under the JORC Code 2004, the resource has now been updated to conform with the JORC 2012 guidelines. The new JORC 2012 resource, reported above, will form the basis for any future studies.

The Laterite Dalgaranga Resources estimate has been sourced from Equigold NL annual reports and other publicly available reports which have undergone a number of peer reviews by qualified consultants, that conclude that the resources comply with the JORC code and are suitable for public reporting. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The Gilbeys and Golden Wings resources have been estimated by Elemental Geology Pty Ltd, an external consultancy, and are reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see GCY -ASX announcement 1st August 2013 titled: Dalgaranga Gold Resource Increases 80% to 685,000oz and GCY ASX announcement 1st October 2013 titled: Initial high grade gold resource at Golden Wings ). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcements.

The Egerton Resource estimate and Gaffney's Find prospect exploration results have been sourced from Exterra Resources annual reports and other publicly available reports which have undergone a number of peer reviews by qualified consultants, who conclude that the resources comply with the JORC code and are suitable for public reporting. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.