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Australian Securities Exchange Limited
Via Electronic Lodgement

DALGARANGA SCOPING STUDY OUTLINES LOW COST/HIGH MARGIN DEVELOPMENT

Detailed Scoping Study Confirms Dalgaranga Project can Support a Low Cost / High Margin, Long Mine Life Development, with Substantial Upside

HIGHLIGHTS:

Initial Base Case Development:

- 1.5Mtpa onsite second hand CIL processing plant
- Initial Open Pit Production Target of 7.5Mt @ 1.4 g/t for 330,000 ounces contained gold
- 75% of Initial Production Target in Indicated Resource Category
- Production Target: 60,000 ounces per annum for 6 years
- Low Cost / High Margin development possible
- Cash costs of \$813/oz
- All in sustaining cost of \$1,025/oz
- Revenue of \$612 million
- Cumulative Cashflow (after capital repayment): \$146 million
- Pre Production Capital Cost: \$37 million
- Rapid Payback: 16 months after first production
- Pre Tax NPV_{8%} : \$100 million
- IRR: 74%

Upside Case:

- Ten years of mine life at 60,000 ounces per year
- Open Pit Production Target of 14.1Mt @ 1.3 g/t for 595,000 ounces of contained gold
- 52% of the Upside Case Production Target in Indicated Resource Category
- Cumulative Cashflow (after capital repayment): \$169.2 million

Updated Golden Wings Resource

- Based on the Scoping Study and drilling completed in 2014, the Golden Wings Resource has been updated. The Mineral Resource at Golden Wings is now 1.2Mt @ 1.8 g/t gold for 70,000 ounces of contained gold (using a 1.0g/t cutoff), excluding recent high grade RC drill intersections that included **21m @ 4.5 g/t gold** (see ASX announcement 17th June 2015)

Pre-Feasibility Study to commence immediately.

Cautionary Statement:

The Company Advises that the Scoping Study is based on lower-level technical and preliminary economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. The Production Target referred to in this report is partly based on Inferred Mineral Resources (being 25% for the Base Case and 48% for the Upside Case). 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 or preliminary economic assessment will be realised.



Gascoyne Resources Limited (“**Gascoyne**” or the “**Company**”) is pleased to report very positive results from the Company’s 80% owned Dalgaranga Scoping Study. The Study concludes that a low cost / high margin and long life development can be sustained at Dalgaranga via an onsite dedicated 1.5Mtpa CIL processing facility.

Other options have been considered including off site processing via a third party owned processing facility and onsite heap leaching. While these options provided lower capital cost requirements, the transport costs to an offsite mill and expected contract milling charges (for offsite CIL processing) and the reduced metallurgical recovery and associated metallurgical risks associated with heap leaching of clayey material made the alternatives to onsite CIL processing far less attractive.

Table One – Key Project Statistics

Mineral Resources	Tonnage	Grade	Ounces
Indicated Resources (Gilbeys and Golden Wings)	5.5Mt	1.6 g/t	293,000
Inferred Resources (Gilbeys and Golden Wings)	8.6Mt	1.7 g/t	463,000
Total Resources	14.1Mt	1.7 g/t	756,000oz
PRODUCTION TARGET: BASE CASE (using A\$1,370 optimisations and pit designs)			
Indicated Resources(Gilbeys and Golden Wings)	5.2Mt	1.3g/t	224,000 (75%)
Inferred Resource (Gilbeys and Golden Wings)	2.3Mt	1.5g/t	107,000 (25%)
Total Production Target *	7.5Mt	1.4g/t	330,000oz
PRODUCTION TARGET: UPSIDE CASE (using US\$1,200 & 75c FX & pit optimisations)			
Indicated Resources(Gilbeys and Golden Wings)	7.3Mt	1.2g/t	288,000 (52%)
Inferred Resource (Gilbeys and Golden Wings)	6.8Mt	1.4g/t	307,000 (48%)
Total Production Target *	14.1Mt	1.3g/t	595,000oz
CAPITAL COSTS (A\$)			Life of Mine
Fixed Plant, Establishment & First Fill			\$35M
Pre-Production Working Capital			\$2M
PRODUCTION SUMMARY			
Key Outcome		Base Case	Upside Case
Life of Mine		6 yrs	10 yrs
Strip Ratio		6.9:1	8.1:1
Gold Production		320,000 oz	577,000 oz
Processing Rate		1.5 Mtpa	
Average Recovery		97%	
PROJECT ECONOMICS (Base Case)			
Base Case gold price (US\$)			\$1,200
Exchange Rate (US\$:A\$)			75c
Revenue (A\$)			\$512M
C1 Cash Costs per ounce			\$813
All In Sustaining Costs per ounce			\$1,025
Operating Cash Surplus (A\$)			\$183M
NPV _{8%}			\$100M
IRR			74%

The Base Case provides a robust development at current and projected gold prices, while the Upside Case represents an option on the future gold price, as both the Upside Case and the Base Case are the same for the first three years of the project's life. At that point the decision can be made to cutback the Gilbeys pit and to mine the Upside Case, providing an additional 4 years of mine life, or to mine the original Base Case only. A summary of the Scoping Study is outlined below;

Resource and Exploration:

The study is based on the existing JORC 2012 Gilbeys Resource of 12.9Mt @ 1.7 g/t for 685,000 ounces and an updated JORC 2012 Golden Wings Resource of 1.2Mt @ 1.8 g/t gold for 70,000 ounces (using a 1.0g/t cutoff) (see table three below and Figures 1 to 3)

The original and updated Golden Wings resources were completed by Elemental Geology, an external and independent resource consultancy. Previously the Golden Wings resource was estimated and reported at a 2.0g/t cutoff, however the scoping study highlighted that a lower cutoff grade should be used as the project economics suggested that the economic cutoff was approximately 0.65 g/t gold. As a result the revised resource cutoff is 1.0 g/t.

The new Golden Wings Resource includes drilling completed in 2014, however it excludes the recent high grade RC drilling that included **21m @ 4.5 g/t gold** (as announced on the 17th June 2015).

The Breakdown of the Updated Golden Wings resource is:

**Table Two: Golden Wings Deposit
Mineral Resource Estimate (1.0g/t Au Cut-off)**

Type	Measured			Indicated			Inferred			Total		
	tonnes Kt	Au g/t	Au Ounces	tonnes Kt	Au g/t	Au Ounces	tonnes Kt	Au g/t	Au Ounces	tonnes Mt	Au g/t	Au Ounces
Laterite				245	1.6	12,600				0.25	1.6	12,600
Oxide	-	-	-	370	2.0	23,600	46	1.7	2,500	0.42	2.0	26,000
Transitional	-	-	-	152	2.1	10,400	126	1.5	6,000	0.28	1.8	16,400
Fresh	-	-	-	69	2.6	5,800	183	1.5	9,000	0.25	1.8	14,800
Total	-	-	-	835	2.0	52,400	355	1.5	17,400	1.2	1.8	70,000

Note: Totals may differ due to rounding

Mineral Resources reported on a dry basis

The Total Dalgaranga Resource now stands at 14.1Mt @ 1.7g/t gold for 756,000 ounces of gold

**Table Three: Dalgaranga Project
Mineral Resource Estimate (1.0g/t Au Cut-off)**

Type	Measured			Indicated			Inferred			Total		
	tonnes Mt	Au g/t	Au Ounces	tonnes Mt	Au g/t	Au Ounces	tonnes Mt	Au g/t	Au Ounces	tonnes Mt	Au g/t	Au Ounces
Gilbeys	-	-	-	4.7	1.6	240,200	8.2	1.7	445,200	12.9	1.7	685,000
Golden Wings	-	-	-	0.83	2.0	52,400	0.36	1.5	17,438	1.2	1.8	70,000
Vickers Laterite	0.02	1.2	600	-	-	-	-	-	-	0.02	1.2	600
Total	0.02	1.2	600	5.53	1.6	293,000	8.56	1.7	462,638	14.1	1.7	756,000

Note: Totals may differ due to rounding

Mineral Resources reported on a dry basis

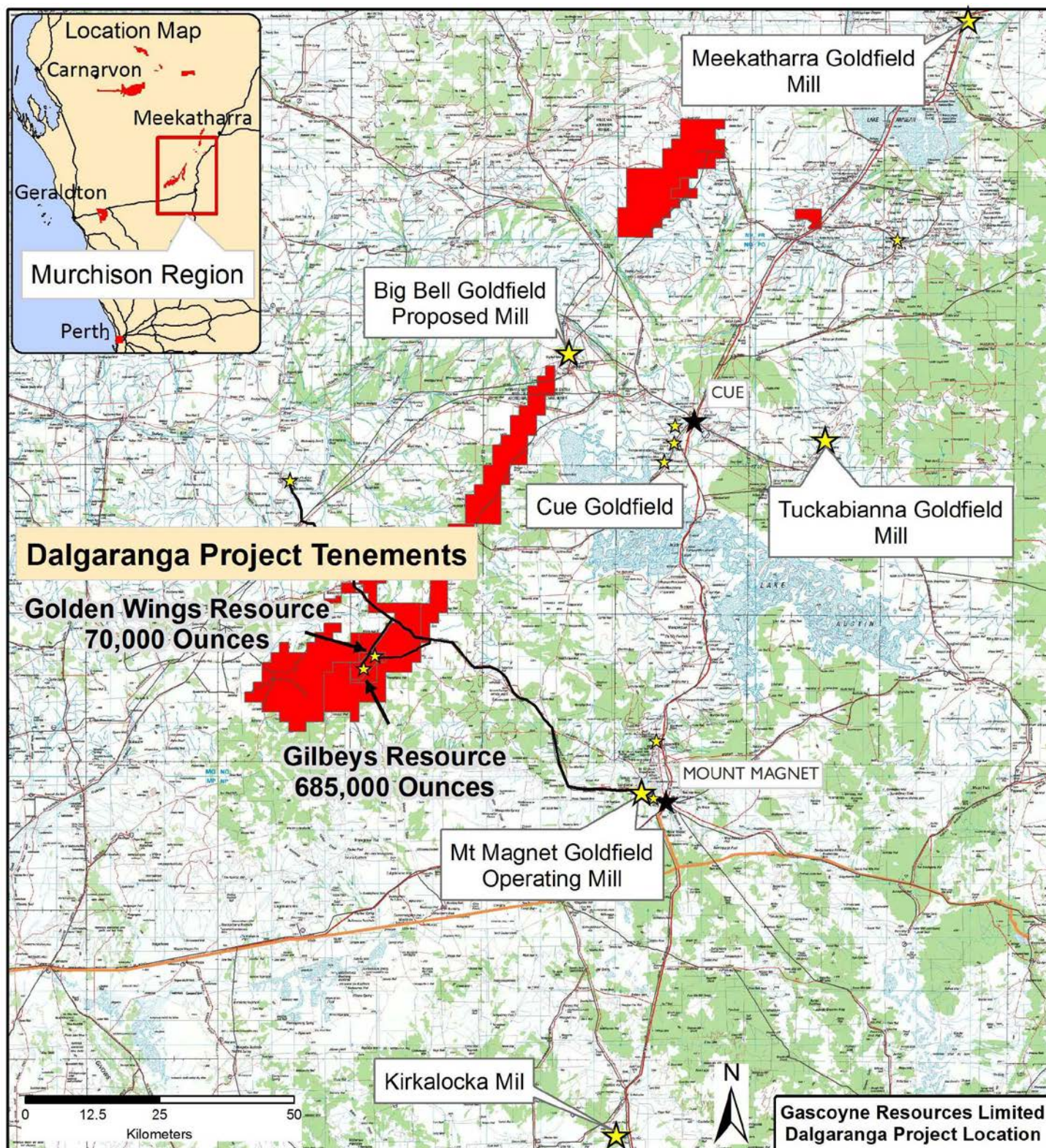


Figure 1: Dalgara Project Location

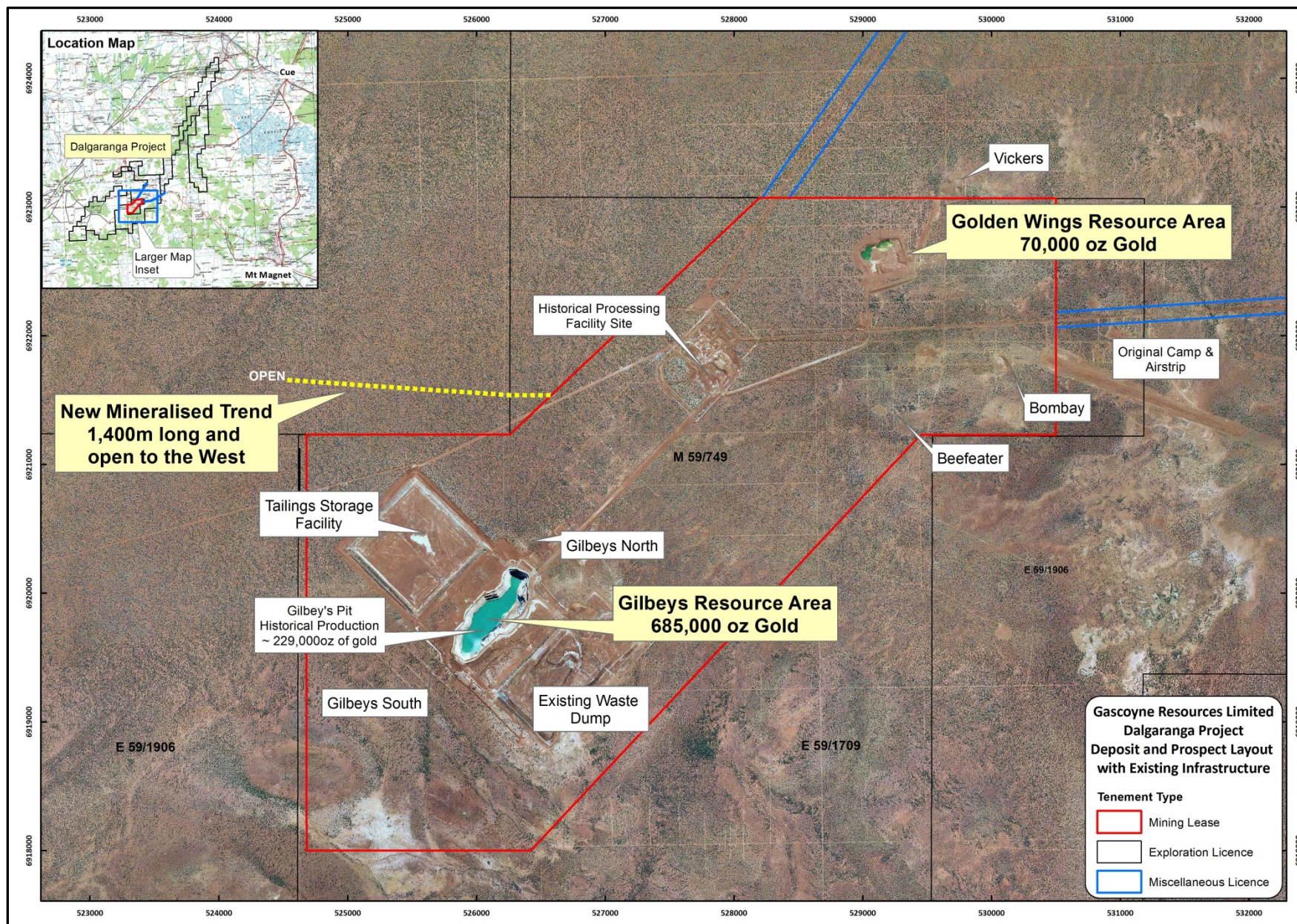


Figure 2: Dalgaranga Site Layout

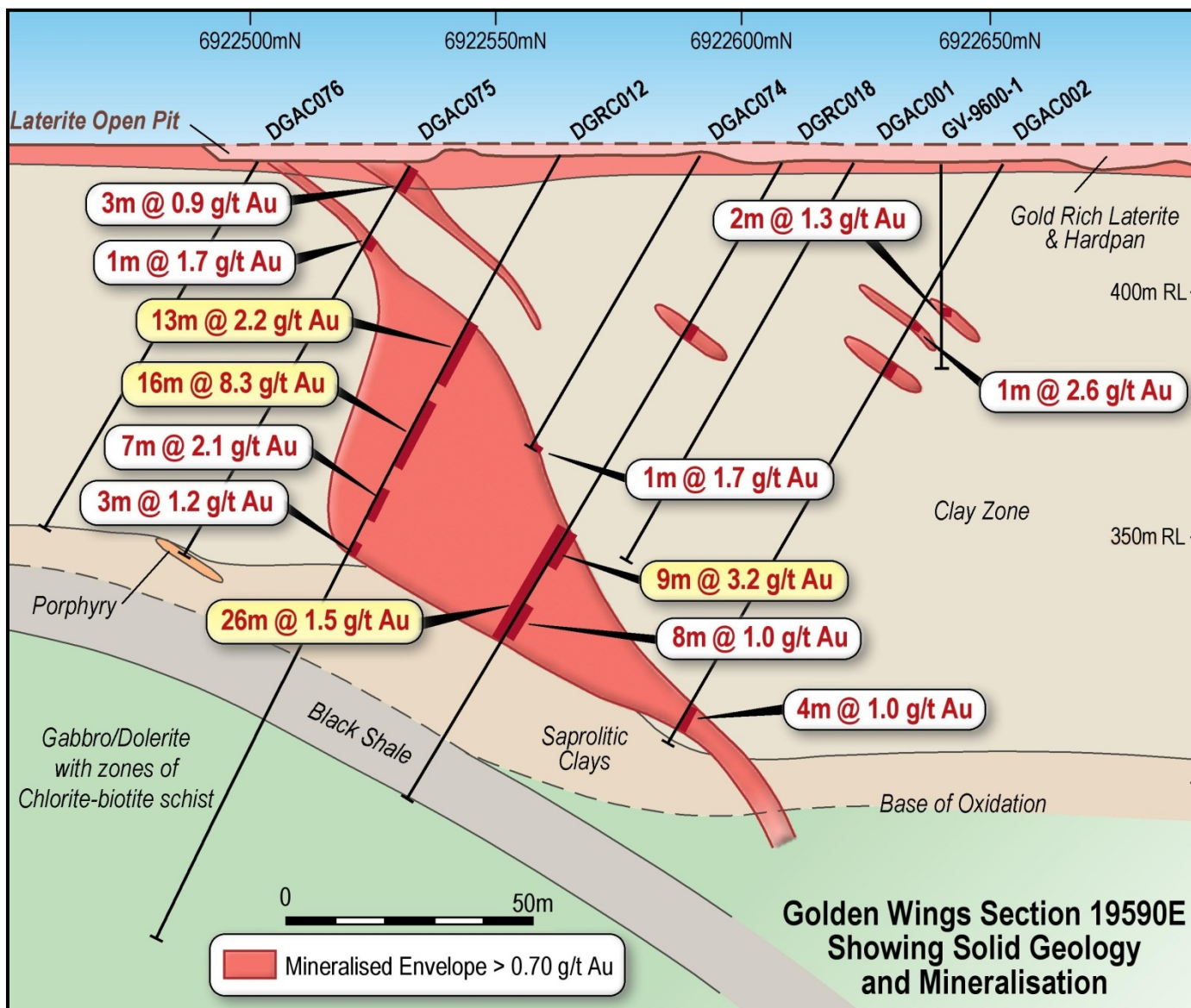


Figure 3: Golden Wings Cross Section

Metallurgy

The metallurgy of the project is very well understood. During the previous mining operations at Dalgaranga in the late 1990s the plant recoveries exceeded expectations with overall recoveries of 95% during the operation.

This excellent recovery was achieved with a relatively basic gravity gold circuit. It is recommended that an inline leach reactor (ILR) be included in any future flow sheet, as approximately 60% of the gold from recent test work has reported to gravity. This is substantially higher than was achieved with the original flow sheet as a result of the improvements in gravity recovery technology over the last 15 years.

Recent test work has suggested recoveries of +97% are achievable.

All recent metallurgical testwork was conducted in the ALS Ammtec Metallurgical Laboratories in Perth, and were managed by Ashburton Hall Metallurgical Consultants.

Summary of Metallurgical Testwork

The testwork program consisted of a series of intermittent and direct cyanide leaching tests, the results of which were used to examine the feasibility of the project under a range of processing scenarios.

A summary of the key results from the Scoping Study direct cyanidation testwork are shown below:

Deposit	Gold Extraction after 24 hours (%)			
	75 μm	106 μm	150 μm	212 μm
Gilbeys Composite 4	98.33	96.73	96.17	95.75
GoldenWings Composite 2	98.58	-	-	-

The results were very positive indicating gold extractions in excess of 98% for both composites at a 75 μm grind size. See Figure 4 below

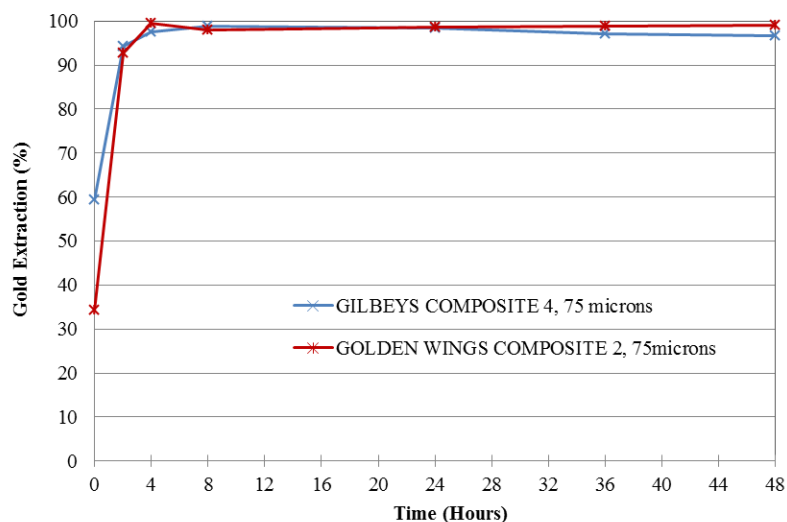


Figure 4: Baseline Testing for Dalgaranga Composites

Mining Studies:

The Mining Studies and Production Target are based on the Gilbeys Resource, announced on the 1st of August 2013 and the updated Golden Wings Resources outlined above, which were completed by Elemental Geology, an external and independent resource consultancy.

Whittle pit optimisations and preliminary mine designs were undertaken by Roselt Croeser, an independent mining consultant.

The key assumptions for the optimisations and preliminary mine designs were:

1. Average pit wall angles, when ramps and berms are included are in line with previous geotechnical parameters used for the original pit mined in the late 1990's.
2. The processing throughput rate was assumed to be 1.5M tonnes per annum.
3. A fixed metallurgical recovery of 97% was assumed for all ore types and grades (this represents a discount of 1.5% from the recent metallurgical tests)
4. Due to the large amount of free dig material the mining recovery of ore was assumed to be between 98%.
5. Mining dilution of ore was assumed to be 8%.
6. Mining load and haul (L&H) costs were sourced from 2015 contractor pricing. This has been increased by 15c/t for the expected Gascoyne mining department costs (dewatering, grade control, rehab and staffing costs).
7. Mine supervision, dewatering, grade control and rehabilitation costs were provided by Gascoyne.
8. Processing costs of \$19.05/t for CIL are based on a detailed operating costs model and the historical reagent consumptions, power usage and staffing requirements from when the project was originally in production and includes administration and dewatering costs.
9. Allowance has been made in the mining costs for surface haulage costs relating to transportation of ore from the pit area to the ROM.
10. State Royalties have been included as has a private royalty payable to the current JV partner. The study assumes that the current JV partner, who is free carried to completion of a BFS or commencement of an operation, reverts to a 2% royalty instead of contributing to his share of project capital and operating costs.

The Base Case optimisations were run at a 4% discount to the US\$1,050 (75c exchange rate) optimal shell. From these optimisations, a preliminary mine design was completed for the Gilbeys pit (see Figure 5 below).

This design and pit optimisations from Golden Wings resulted in a total Production Target of 7.5Mt @ 1.4 g/t gold for 330,000 ounces.

For the Upside Case, a pit optimisation was run at the Gilbeys deposit, based on the expected long term gold price of US\$1,200 and an exchange rate of 75c. This resulted in a substantial change in the size of the optimum shell (see figure 6), with a total Production Target of 14.1Mt @ 1.3 g/t gold for 595,000 ounces. Golden Wings remained unchanged between the Base Case and Upside Cases.

Production Targets

Cautionary Statement:

The Scoping Study is based on lower-level technical and preliminary economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. The Production Target referred to in this report is partly based on Inferred Mineral Resources (being 25% for the base case and 48% for the upside case). 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 or preliminary economic assessment will be realised.

Based on the pit designs completed for each of the areas production targets were calculated using the block model. Two production targets have been calculated for the project. The first based on the pit designs for Gilbeys (figure 5) and the \$1,370 pit optimisation shell for Golden Wings. The second (the Upside Case) is based on the pit designs for Gilbeys, a stage 4 cutback \$1,570 pit shell for Gilbeys (figure 6) and the Base Case pit shell for Golden Wings. The Upside production target provides an “option case”, whereby the final decision to expand the operation can be delayed until early in year four of the operation, when the gold price can be assessed. If higher gold prices are prevailing, the larger pit can be mined adding a further ~ 5 years to mine life, or alternatively only the Base Case can be mined and the operation shut down on completion (after 6 years).

The production targets were estimated using a lower cut-off grade of 0.65 g/t Au for the Base Case and 0.45 g/t Au for the Upside Case. This was approximately the cut-off grade determined by the optimisations. A 98% ore recovery factor was applied to the ore tonnes contained in the pit to represent minor ore losses that are likely to occur in the mining process. In addition to this, a dilution factor of 8% of ore tonnes was applied to the recovered mineralised material to generate an estimated diluted resource within the mine designs. The dilution has been added at 0.0 g/t Au.

The overall Production Target for the Dalgaranga Project based on **Base Case pit designs is 7.5Mt @ 1.4 g/t Au for 330,000 contained ounces**. For the **Upside Case the Production Target increases to 14.1Mt @ 1.3 g/t Au for 594,000 contained ounces**.

Approximately 75% of the material in the pit optimisations (and mine designs) for the Base Case is classified as an Indicated Mineral Resource. As a result the outcomes of the Study and guidance provided in this announcement are not heavily reliant on the lower confidence Inferred Resource material that falls inside the mine designs; especially given the majority of the Inferred Material is late in the project schedule.

The resource classification breakdown for each of the options within the conceptual pits is also contained Table 4 & 5 below.

DEPOSIT	Total (t)	Waste (t)	Ore (t)	Grade g/t Au	Ounces (contained)	Strip Ratio	Resource Classification	
							Indicated	Inferred
Golden Wings	10,100,000	9,000,000	1,100,000	1.6	55,000	8.2	44%	56%
Gilbeys Total	49,400,000	43,000,000	6,400,000	1.3	275,000	6.7	80%	20%
Gilbeys Stage 1	9,900,000	9,200,000	700,000	1.4	31,000	13.2	74%	26%
Gilbeys Stage 2	16,000,000	14,500,000	1,500,000	1.4	66,000	9.9	97%	3%
Gilbeys Stage 3	23,500,000	19,300,000	4,200,000	1.3	179,000	4.6	75%	25%
TOTAL ALL PITS	59,600,000	52,100,000	7,500,000	1.4	330,000	6.9	75%	25%

Notnote: Discrepancies are a result of rounding

Table 4 - Dalgaranga Base Case Production Target

DEPOSIT	Total	Waste	Ore	Grade	Ounces	Strip Ratio	Resource Classification	
	(t)	(t)	(t)	g/t Au	(contained)		Indicated	Inferred
Golden Wings	10,100,000	9,000,000	1,100,000	1.6	55,000	8.2	44%	56%
Gilbeys Total	117,700,000	104,700,000	13,000,000	1.3	539,000	8.1	52%	48%
Gilbeys Stage 1	9,900,000	9,100,000	800,000	1.3	32,000	11.4	74%	26%
Gilbeys Stage 2	16,000,000	14,400,000	1,600,000	1.3	67,000	9.3	97%	3%
Gilbeys Stage 3	23,500,000	19,100,000	4,400,000	1.3	182,000	4.3	75%	25%
Stage 4 Upside	68,300,000	62,100,000	6,200,000	1.3	258,000	10.1	22%	78%
TOTAL ALL PITS	127,800,000	113,700,000	14,100,000	1.3	594,000	8.1	52%	48%

Notnote: Discrepancies are a result of rounding

Table 5 - Dalgaranga Upside Case Production Target

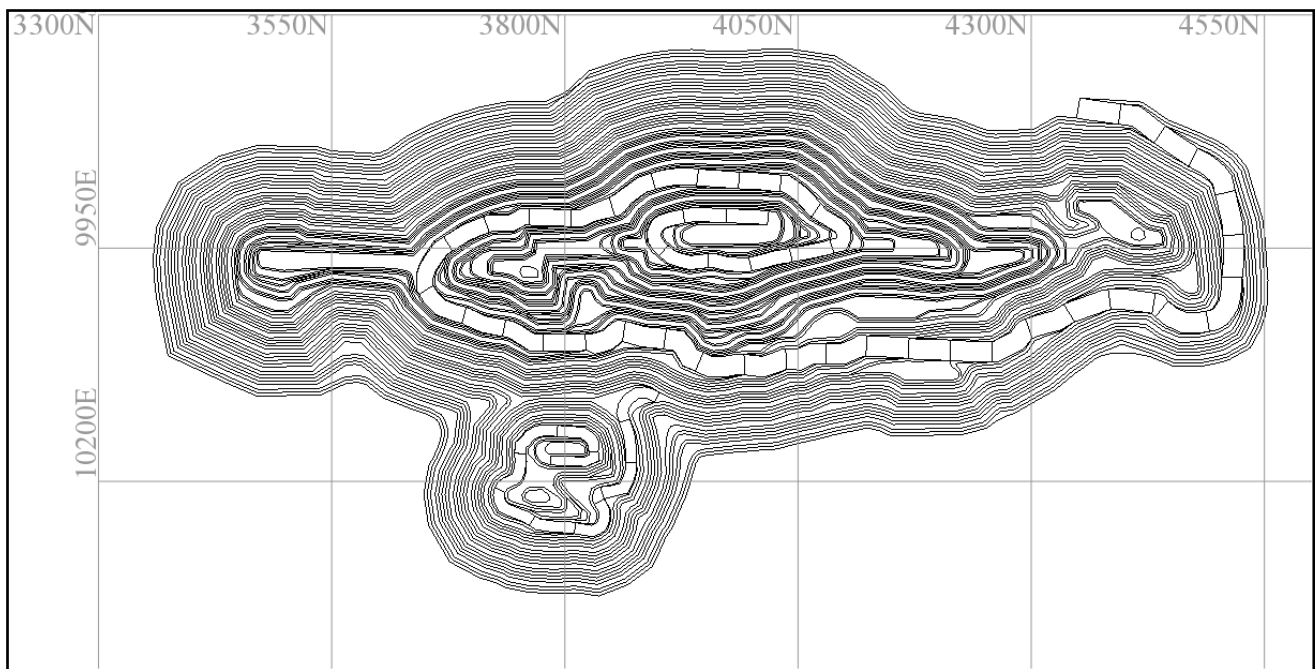


Figure 5 - Final Base Case Gilbeys Pit Design

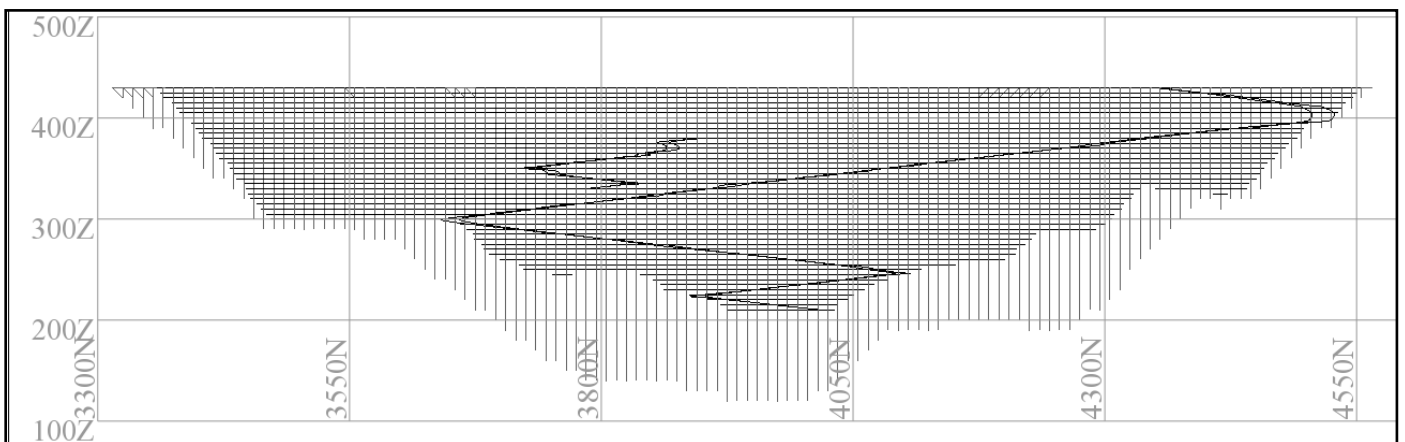


Figure 6 - Upside Case Gilbeys Pit Shell Long Section with the Base Case Pit Design Superimposed

Mining Schedules:

In addition to the production targets, tonnages were calculated for each of the pit designs using Surpac at 5m increments. These tonnages were used to develop mining schedules for each of the pit designs / shells. The mining schedules were developed on a monthly basis. With mining scheduled to commence in Month 5 of the project schedule and provide sufficient mill feed for a 1.5 million tonne per annum operation from commencing in Month 6. The schedule assumed a ramp up to full production (in both mine and mill) over 18 months.

Mining production rates were based on 10 hour working shifts, predominantly 2 shifts per day with two fleets of contract mining equipment would be used for the initial 36 months for the base case. A summary of the mining schedules and mining areas is shown in Table 6 for the base case and Table 7 for the upside case below.

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
Golden Wings	Total Movement	8,799,185	1,322,586					10,121,771
	Waste	7,937,332	1,087,956					9,025,288
	Ore	861,853	234,630					1,096,483
	Grade (g/t Au)	1.4	2.2					1.6
	Ounces	38,706	16,366					55,072
	Strip Ratio	9.2	4.6					8.2
Gilbeys Stage 1	Total Movement		9,930,638					9,930,638
	Waste		9,230,460					9,230,460
	Ore		700,178					700,178
	Grade (g/t Au)		1.4					1.4
	Ounces		30,824					30,824
	Strip Ratio		13.2					13.2
Gilbeys Stage 2	Total Movement		8,357,706	7,633,088				15,990,794
	Waste		8,181,455	6,338,335				14,519,790
	Ore		176,251	1,294,753				1,471,004
	Grade (g/t Au)		1.3	1.4				1.4
	Ounces		7,613	57,908				65,521
	Strip Ratio		46.4	4.9				9.9
Gilbeys Stage 3	Total Movement			9,181,834	7,912,043	4,359,609	2,068,290	23,521,775
	Waste			9,021,290	6,392,282	2,862,587	1,016,898	19,293,057
	Ore			160,543	1,519,761	1,497,022	1,051,392	4,228,718
	Grade (g/t Au)			1.4	1.3	1.3	1.4	1.3
	Ounces			7,051	63,680	61,118	47,117	178,966
	Strip Ratio			56.2	4.2	1.9	1.0	4.6
TOTAL	Total Movement	8,799,185	19,610,929	16,814,922	7,912,043	4,359,609	2,068,290	59,564,977
	Waste	7,937,332	18,499,871	15,359,625	6,392,282	2,862,587	1,016,898	52,068,594
	Ore	861,853	1,111,059	1,455,296	1,519,761	1,497,022	1,051,392	7,496,383
	Grade (g/t Au)	1.4	1.5	1.4	1.3	1.3	1.4	1.4
	Ounces	38,706	54,803	64,959	63,680	61,118	47,117	330,382
	Strip Ratio	9.2	16.7	10.6	4.2	1.9	1.0	6.9

Table 6 – Base Case Mining Schedule Summary

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL
Golden Wings	Total movement	8,799,185	1,322,586									10,121,771
	Waste	7,937,332	1,087,956									9,025,288
	Ore	861,853	234,630									1,096,483
	grade	1.4	2.2									1.6
	ounces	38,706	16,366									55,072
	Strip Ratio	9.2	4.6									8.2
Gilbeys Stage 1	Total movement		9,923,919									9,923,919
	Waste		9,121,321									9,121,321
	Ore		802,598									802,598
	grade		1.3									1.3
	ounces		32,460									32,460
	Strip Ratio		11.4									11.4
Gilbeys Stage 2	Total movement		8,339,309	7,654,678								15,993,986
	Waste		8,146,133	6,289,891								14,436,024
	Ore		193,175	1,364,787								1,557,962
	grade		1.3	1.3								1.3
	ounces		7,842	59,214								67,056
	Strip Ratio		42.2	4.6								9.3
Gilbeys Stage 3	Total movement			9,168,759	7,912,928	4,370,441	2,074,019					23,526,147
	Waste			8,975,262	6,307,877	2,807,368	1,009,381					19,099,888
	Ore			193,497	1,605,052	1,563,073	1,064,638					4,426,259
	grade			1.2	1.3	1.2	1.4					1.3
	ounces			7,605	65,098	62,265	47,386					182,354
	Strip Ratio			46.4	3.9	1.8	0.9					4.3
Gilbeys Stage 4	Total movement				13,802,718	18,138,746	10,257,960	11,562,213	9,632,489	4,444,006	454,716	68,292,848
	Waste				13,752,032	17,965,197	9,851,463	10,688,273	7,315,798	2,495,781	54,782	62,123,327
	Ore				50,686	173,549	406,497	873,940	2,316,691	1,948,224	399,934	6,169,520
	grade				1.1	1.1	1.2	1.0	1.2	1.5	2.1	1.3
	ounces				1,825	6,033	16,042	28,506	87,342	91,019	26,775	257,542
	Strip Ratio				271.3	103.5	24.2	12.2	3.2	1.3	0.1	10.1
TOTAL	Total movement	8,799,185	19,585,813	16,823,437	21,715,647	22,509,187	12,331,979	11,562,213	9,632,489	4,444,006	454,716	127,858,670
	Waste	7,937,332	18,355,410	15,265,153	20,059,909	20,772,565	10,860,844	10,688,273	7,315,798	2,495,781	54,782	113,805,848
	Ore	861,853	1,230,403	1,558,283	1,655,737	1,736,622	1,471,134	873,940	2,316,691	1,948,224	399,934	14,052,822
	grade	1.4	1.4	1.3	1.3	1.2	1.3	1.0	1.2	1.5	2.1	1.3
	ounces	38,706	56,668	66,819	66,922	68,298	63,428	28,506	87,342	91,019	26,775	594,483
	Strip Ratio	9.2	14.9	9.8	12.1	12.0	7.4	12.2	3.2	1.3	0.1	8.1

Table 7 – Upside Case Mining Schedule Summary

Processing

Process Flowsheet

General

The process plant includes all activities from the ROM Bin to the Tailings Storage Facility.

The process plant is intended to treat all material from the Dalgaranga pits.

Equipment sizing has been based on treatment of 1.5Mtpa of primary material at the overall resource head grade of 1.4g/t gold.

Two of processing options were examined, heap leach and conventional direct cyanidation. Due to the observed sensitivity of the Dalgaranga material gold recovery to primary grind size and metallurgical risks associated with a heap leach development, direct cyanidation was the only process route pursued in detail for the Scoping Study.

The design incorporates a single processing line with a two stage crushing circuit, fine ore bin, reclaim, closed circuit Ball Mill, Leaching, Adsorption, Elution, Electrowinning, Smelting and Tailings Disposal. The chosen design incorporates conventional, well proven technology. The flowsheet is based on the original flowsheet for Dalgaranga, which operated from 1996 to 2001 and resulted in gold recoveries of 95% and a primary grind size of 75-80 μm

Process Description

Material will be mined, hauled to the ROM pad. Material will then be stockpiled and loaded into the ROM bin by a front end loader.

Material will be drawn from the ROM Bin into a two stage crushing circuit at an instantaneous rate of ~200 dry tonnes per hour. The material will first pass through a Primary Jaw Crusher before discharging onto the screen feed conveyor.

The crushing circuit will use a Double Deck Screen to classify material being recirculated to the Secondary Cone Crusher. Material finer than 12.5mm will pass through the Double Deck Screen and discharge onto the Fine Ore Bin Feed Conveyor.

The Fine Ore Bin will have a storage capacity of approximately 1 hour. There is an overflow facility on the Fine Ore Bin which sends material to the Emergency Stockpile via the Fine Ore Bin Overflow Conveyor.

Material will be withdrawn from the Fine Ore Bin by the variable speed Reclaim Conveyor. The Reclaim Conveyor will subsequently discharge onto the Mill Feed Conveyor. A Reclaim Hopper will be fitted to the Mill Feed Conveyor so that material from the Emergency Stockpile can be fed to the mill by front end loader. Lime will be fed onto the Mill Feed Conveyor.

The crushed material will be fed to a single stage closed circuit Ball Mill at an instantaneous rate of approximately 180 dry tonnes per hour. Material that discharges the Ball Mill will gravitate to the Mill Discharge Hopper, from where it will be pumped to the Classifying Cyclones.

Material at a particle size of 75 μm and a pulp density of 50% w/w will report to the cyclone overflow and feed the CIL circuit after passing over the Trash Screen. Material coarser than 75 μm will recirculate back into the feed of the Ball Mill.

When the gravity circuit is on line, a fraction of the cyclone underflow will be bled and directed to a gravity protection screen. Oversize material from the gravity protection screen will be directed back to the feed of the Ball Mill and undersize material will proceed to a semi continuous Knelson concentrator. The Knelson concentrate will be collected and intensive leached in an inline leach Reactor.

The CIL Circuit consists of six 12m by 12m agitated leach/adsorption tanks. Material will be leached for 27 – 32 hours, with 0.5 kg/tonne cyanide. A mixture of air and pure oxygen will be pumped into the tanks to provide dissolved oxygen for the gold dissolution reaction.

Loaded carbon will be advanced counter current to the flow of the pulp at a rate of approximately 2 tonnes per day. Loaded carbon will be educted from the first adsorption tank and eluted in a single stage AARL. Barren carbon will then be returned to the final adsorption tank. The pregnant liquor will be stored in the Loaded Eluate Tank and subsequently electrowinned in the gold room. Loaded eluate from the acacia reactor will also be pumped to the Loaded Eluate Tank.

Leached pulp will discharge the CIL circuit to a discharge hopper and be pumped directly to the tailings storage facility near the Gilbeys pit.

Cyanide transported to site as a solid will be mixed in a mixing tank and distributed to the leach/adsorption circuit. Oxygen will be supplied to the circuit with a vendor supplied oxygen plant. An air compressor will provide air for instruments.

Raw water will be pumped from the Gilbeys pit to the raw water dam, which will overflow into the process water dam. Water will be reclaimed from the tailings storage facility to a process water pond. Raw water will be drawn from a separate potable water bore treated with chlorine and UV light to service the site potable water requirements.

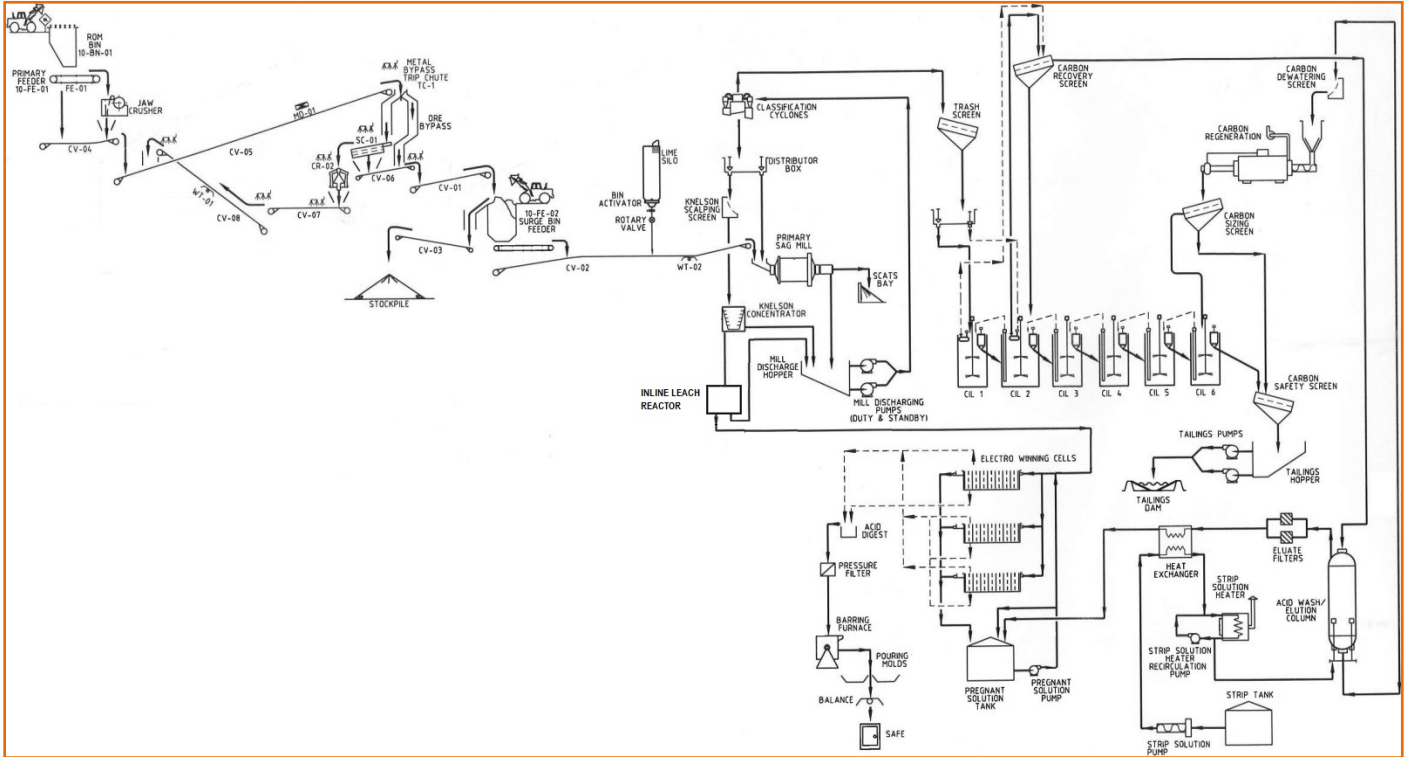


Figure 7 - Dalgaranga Project Conceptual Process Flowsheet

Process Schedules

The processing schedules were designed to process ore at a rate of 1.5 million tonnes per annum commencing from Month 6. A ramp up period of 18 months to full production has been assumed. Initial production of 50,000 for the commissioning month has been assumed, followed by 5 months at 100,000t/month. The production rate then increases to 110,000t/month for the next 12 months before steady state of 125,000t per month is processed for the remaining project life.

The processing schedules assume that mined ore is processed as a priority. If the mining schedule fails to deliver the required mill feed, the ROM stockpile is utilised to fill the processing plant. When the ROM stockpile is higher grade than the material being mined, the stockpile is utilised ahead of the mine feed.

Metallurgical recovery in the processing schedules is set at a constant 97%, which is approximately 1.5% lower than the recent metallurgical testwork has achieved.

For the purposes of the study it has been assumed that all ore types mined from the pits will have identical metallurgical characteristics in regards to throughput rates and constant tails.

A summary of the processing schedule is shown in Table 8 & 9 below.

DESCRIPTION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL
Mill Feed							
Tonnes	660,000	1,312,912	1,455,296	1,451,061	1,500,000	1,117,113	7,496,383
Grade	1.5	1.5	1.4	1.3	1.3	1.4	1.4
Contained Ounces	31,136	62,373	64,959	60,879	61,232	49,804	330,382
Recovered Ounces	30,202	60,502	63,010	59,052	59,395	48,310	320,470
Stockpile Start							
Tonnes	-	201,853	-	-	68,699	65,721	
Grade	-	1.2	-	-	1.3	1.3	
Contained Ounces	-	7,570	-	-	2,801	2,687	
Stockpile End							
Tonnes	201,853	-	-	68,699	65,721	-	
Grade	1.2	-	-	1.3	1.3	-	
Contained Ounces	7,570	-	-	2,801	2,687	-	

Table 8 - Base Case Processing Schedule Summary

DESCRIPTION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	TOTAL
MILL FEED												
Tonnes	660,000	1,335,000	1,500,000	1,500,000	1,500,000	1,500,000	1,314,676	1,500,000	1,500,000	1,500,000	243,147	14,052,822
Grade	1.5	1.4	1.3	1.3	1.2	1.3	1.1	1.2	1.5	1.5	1.3	1.3
Contained Ounces	31,136	60,662	64,140	61,086	59,018	64,600	46,066	56,431	70,482	70,822	10,039	594,483
Recovered Ounces	30,202	58,842	62,216	59,253	57,247	62,662	44,684	54,738	68,368	68,697	9,738	576,648
Stockpile Start												
Tonnes	-	201,853	-	-	311,277	547,899	519,034	78,297	894,988	1,343,213	243,147	
Grade	-	1.2	-	-	1.2	1.2	1.2	1.0	1.2	1.3	1.3	
Contained Ounces	-	7,570	-	-	12,091	21,371	20,199	2,639	33,550	54,086	10,039	
Stockpile End												
Tonnes	201,853	-	-	311,277	547,899	519,034	78,297	894,988	1,343,213	243,147	-	
Grade	1.2	-	-	1.2	1.2	1.2	1.0	1.2	1.3	1.3	-	
Contained Ounces	7,570	-	-	12,091	21,371	20,199	2,639	33,550	54,086	10,039	-	

Table 9 - Upside Case Processing Schedule Summary

Cost Schedules

Capital Cost Estimates

Capital cost estimated for the process plant was provided by GR Engineering Limited. The capital cost was based on an evaluation of a similar process plant to the one that originally operated at Dalgara. On top of the relocation costs estimated by GR Engineering, additional costs have been added for the associated infrastructure including an assumed plant purchase price, refurbishment and relocation costs, site establishment costs, mining contractor mobilisation and a tailings dam lift. The capital cost of \$34 million dollars (including 15% contingency) has been allocated.

First fill costs of \$986,000 have been added in the pre-production capital costs. As have pre-production staffing costs of \$984,000 and costs associated with the plant commissioning of \$951,000.

This results in a total preproduction capital cost of \$37 million.

It has been assumed that construction of the processing plant and project infrastructure will occur over a 6 month period.

Operating Cost Schedules

Operating costs include the following:

1. Waste and ore mining costs are based on a \$/t rate, which varies with depth in the pit, applied over the mining schedule tonnages. The unit rates for the waste and ore mining cost schedules were based on 2015 contractor pricing.
2. Drill and blast costs are based a \$/bcm variable rate for drilling and consumables from 2015 drill and blast contractor pricing.
3. A rehabilitation costs have been assumed to be \$5 million at the completion of the project. It has been assumed that this is partly paid for by the sale of the process facility and the associated infrastructure for \$3 million. Although it is likely that rehabilitation will be undertaken gradually over time.
4. Owner mining costs have been built up and spread over all mined tonnes. This totals 15c/t mined or \$1.8 million pa.
5. Mine dewatering costs of \$300,000 per year have been assumed. It has been assumed that this water will be used as process water. For the first 15 months, water will be pumped from the Gilbeys pit lake for process water, while water from Golden Wings will be used for dust suppression. Once mining for Golden Wings is complete, any excess water from dewatering of the Gilbeys pit will be pumped into Golden Wings and stored for future use.
6. All surface overhaul has been built into the contractor mining rates.
7. A processing cost of \$15.12/t has been assumed, based on production history of the original Dalgaranga operation, diesel power generation and expected reagent consumption based on the historical usage. This also includes operating staff, maintenance and sustaining capital expenditure in the process plant.
8. A fixed administration cost of \$3.7/t of ore processed has also been assumed. This equates to \$5.5 million pa. This includes the camp running costs, FIFO flights and expected insurances and staffing requirements
9. No native title exists over the project, so no native title royalty has been included.
10. It is assumed that the current 20% JV partner, elects to revert to a 2% NSR royalty, resulting in Gascoyne owning the project 100%. This additional royalty charge has been included in the financial analysis
11. The WA State Gold Royalty of 2.5% of revenue has been included as an operating cost.

A summary of the operating costs are contained in the cash flow model below.

Cashflow Analysis

Based on the production and cost schedules a basic pre-tax cashflow model was constructed.

A summary of the pre-tax cashflow model for the base case scenario is shown in Table 10 and the upside case in Table 11.

A number of points stand out, firstly the Base Case project provides a relatively low cost path to production, with low C1 cash costs (\$813/oz) and high overall operating margins (+\$500/oz). The Upside Case has a higher overall cost per ounce, this is as a result of the higher strip ratio and slightly lower grade, however this Upside Case is only seen as a “option” on higher gold prices half way through the development of the Base Case project.

A basic sensitivity analysis was completed to determine the sensitivity of the project to gold price and exchange rate. The results of the sensitivity analysis are shown in Table 12 & 13 below.

The Upside Case, provides a good option to leverage from expected elevated gold prices, while the Base Case provides a solid investment, at assumed or current gold prices.

The project could be developed on the Base Case with the Upside Case evaluated during the first three years of the project, with a decision on whether or not to develop larger project not required until early in the fourth year of the Base Case project.

DESCRIPTION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL
Mill Feed							
Tonnes	660,000	1,312,912	1,455,296	1,451,061	1,500,000	1,117,113	7,496,383
Grade	1.5	1.5	1.4	1.3	1.3	1.4	1.4
Contained Ounces	31,136	62,373	64,959	60,879	61,232	49,804	330,382
Recovered Ounces	30,202	60,502	63,010	59,052	59,395	48,310	320,470
Operating Costs							
Mining Costs	\$ 11,092,097	\$ 43,681,869	\$ 47,898,240	\$ 29,783,736	\$ 18,736,894	\$ 13,904,299	\$ 165,097,134
Processing Costs	\$ 9,223,200	\$ 19,851,222	\$ 22,004,081	\$ 21,940,046	\$ 22,680,000	\$ 16,890,755	\$ 112,589,305
Administration	\$ 2,257,000	\$ 4,857,773	\$ 5,384,597	\$ 5,368,927	\$ 5,550,000	\$ 4,133,320	\$ 27,551,616
Dewatering	\$ 122,000	\$ 262,582	\$ 291,059	\$ 290,212	\$ 300,000	\$ 223,423	\$ 1,489,277
Royalties	\$ 2,170,433	\$ 4,347,942	\$ 4,063,263	\$ 3,301,769	\$ 4,268,451	\$ 3,488,964	\$ 21,640,821
Capital Costs							
Construction	\$ 34,985,962						\$ 34,985,962
Pre Production Staffing	\$ 983,833						\$ 983,833
Commisioning	\$ 951,000						\$ 951,000
Revenue							
Ounces Sold	23,669	61,967	63,474	58,774	59,351	53,236	320,470
Revinue	\$ 37,798,690	\$ 98,961,290	\$ 101,367,983	\$ 93,862,010	\$ 94,783,005	\$ 85,018,250	\$ 511,791,227
Cashflow							
Annual Cashflow	-\$ 23,986,835	\$ 25,959,902	\$ 21,726,743	\$ 32,697,319	\$ 43,247,660	\$ 46,377,490	\$ 146,022,280
Cumulative Cashflow	-\$ 23,986,835	\$ 1,973,068	\$ 23,699,811	\$ 56,397,130	\$ 99,644,790	\$ 146,022,280	\$ 146,022,280
Unit Costs							
C1 Cash Costs							
\$/t	\$ 28.53	\$ 32.54	\$ 40.91	\$ 39.20	\$ 31.51	\$ 31.47	\$ 34.74
\$/oz	\$ 796	\$ 689	\$ 938	\$ 968	\$ 796	\$ 660	\$ 813
AISC							
\$/t	\$ 37.67	\$ 55.60	\$ 54.73	\$ 41.82	\$ 34.36	\$ 34.59	\$ 43.80
\$/oz	\$ 1,051	\$ 1,178	\$ 1,255	\$ 1,033	\$ 868	\$ 726	\$ 1,025
Total Costs							
\$/t	\$ 93.61	\$ 55.60	\$ 54.73	\$ 41.82	\$ 34.36	\$ 34.59	\$ 48.73
\$/oz	\$ 2,610	\$ 1,178	\$ 1,255	\$ 1,033	\$ 868	\$ 726	\$ 1,140

Table 10 - Pre-tax Cashflow Model Base Case Summary

DESCRIPTION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	TOTAL
MILL FEED												
Tonnes	660,000	1,335,000	1,500,000	1,500,000	1,500,000	1,500,000	1,314,676	1,500,000	1,500,000	1,500,000	243,147	14,052,822
Grade	1.5	1.4	1.3	1.3	1.2	1.3	1.1	1.2	1.5	1.5	1.3	1.3
Contained Ounces	31,136	60,662	64,140	61,086	59,018	64,600	46,066	56,431	70,482	70,822	10,039	594,483
Recovered Ounces	30,202	58,842	62,216	59,253	57,247	62,662	44,684	54,738	68,368	68,697	9,738	576,648
Operating Costs												
Mining Costs	\$ 11,092,097	\$ 43,695,182	\$ 47,879,265	\$ 57,681,726	\$ 67,459,389	\$ 55,203,076	\$ 43,926,346	\$ 46,431,184	\$ 27,341,285	\$ 6,814,011	\$ -	407,523,561
Processing Costs	\$ 9,223,200	\$ 20,185,200	\$ 22,680,000	\$ 22,680,000	\$ 22,680,000	\$ 22,680,000	\$ 19,877,898	\$ 22,680,000	\$ 22,680,000	\$ 22,680,000	\$ 3,676,375	211,722,673
Administration	\$ 2,257,000	\$ 4,939,500	\$ 5,550,000	\$ 5,550,000	\$ 5,550,000	\$ 5,550,000	\$ 4,864,300	\$ 5,550,000	\$ 5,550,000	\$ 5,550,000	\$ 899,642	51,810,443
Dewatering	\$ 122,000	\$ 267,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 262,935	\$ 300,000	\$ 300,000	\$ 300,000	\$ 48,629	2,800,564
Royalties	\$ 2,170,433	\$ 4,228,713	\$ 3,987,637	\$ 3,280,452	\$ 4,114,089	\$ 4,503,236	\$ 3,211,216	\$ 3,933,771	\$ 4,913,247	\$ 4,936,944	\$ 699,798	39,979,536
Capital Costs												
Construction	\$ 34,985,962											34,985,962
Pre Production Staffing	\$ 983,833											983,833
Commissioning	\$ 951,000											951,000
Revenue												
Ounces Sold	23,669	59,669	62,691	59,748	57,192	62,649	45,403	53,945	66,604	70,335	14,744	576,648
Revenue	\$ 37,798,690	\$ 95,292,175	\$ 100,118,010	\$ 95,417,444	\$ 91,334,959	\$ 100,049,889	\$ 72,508,697	\$ 86,150,676	\$ 106,366,770	\$ 112,324,387	\$ 23,545,770	920,907,469
Cashflow												
Annual Cashflow	\$ 23,986,835	\$ 21,976,581	\$ 19,721,108	\$ 5,445,266	\$ 8,768,519	\$ 11,813,576	\$ 133,998	\$ 7,255,720	\$ 45,582,238	\$ 72,043,433	\$ 18,221,325	169,169,896
Cumulative Cashflow	\$ 23,986,835	\$ 2,010,254	\$ 17,710,854	\$ 23,156,120	\$ 14,387,602	\$ 26,201,178	\$ 26,067,180	\$ 33,322,900	\$ 78,905,138	\$ 150,948,571	\$ 169,169,896	
Unit Costs												
C1 Cash Costs												
\$/t	\$ 30.05	\$ 36.43	\$ 44.57	\$ 44.13	\$ 49.62	\$ 50.91	\$ 38.21	\$ 49.56	\$ 37.25	\$ 23.56	\$ 19.02	\$ 40.76
\$/oz	\$ 838	\$ 815	\$ 1,066	\$ 1,108	\$ 1,301	\$ 1,219	\$ 1,107	\$ 1,378	\$ 839	\$ 503	\$ 314	\$ 993
AISC												
\$/t	\$ 37.67	\$ 54.92	\$ 53.60	\$ 59.66	\$ 66.74	\$ 58.82	\$ 54.87	\$ 52.60	\$ 40.52	\$ 26.85	\$ 21.90	\$ 50.80
\$/oz	\$ 1,051	\$ 1,229	\$ 1,282	\$ 1,498	\$ 1,750	\$ 1,408	\$ 1,589	\$ 1,462	\$ 913	\$ 573	\$ 361	\$ 1,238
Total Costs												
\$/t	\$ 93.61	\$ 54.92	\$ 53.60	\$ 59.66	\$ 66.74	\$ 58.82	\$ 54.87	\$ 52.60	\$ 40.52	\$ 26.85	\$ 21.90	\$ 53.42
\$/oz	\$ 2,610	\$ 1,229	\$ 1,282	\$ 1,498	\$ 1,750	\$ 1,408	\$ 1,589	\$ 1,462	\$ 913	\$ 573	\$ 361	\$ 1,302

Table 11 - Pre-tax Cashflow Model Upside Case Summary

A\$ Gold price		Revenue	Operating Surplus	Cumulative Cashflow	NPV (8)	IRR
\$1800 (US\$1,350, 75c FX)	Upside	\$ 575,885,307	\$ 244,326,971	\$ 207,406,175	\$ 147,177,994	105%
\$1600 (US\$1,200,75c FX)	Selected	\$ 511,791,227	\$ 182,943,075	\$ 146,022,280	\$ 100,101,995	74%
\$1400 (US\$1,050,75c FX)	Downside	\$ 447,697,147	\$ 121,559,179	\$ 84,638,384	\$ 53,025,996	44%
SPOT (A\$ 1550)	Current Price	\$ 495,767,707	\$ 167,597,101	\$ 130,676,306	\$ 88,332,996	67%

Table 12 - Base Case Sensitivity for Gold Price

A\$ Gold price		Revenue	Operating Surplus	CumulativeCashflow	NPV (8)	IRR
\$1800 (US\$1,350, 75c FX)	Upside	\$ 1,036,237,145	\$ 316,413,538	\$ 279,492,743	\$ 164,036,556	82%
\$1600 (US\$1,200,75c FX)	Selected	\$ 920,907,469	\$ 206,090,691	\$ 169,169,896	\$ 89,085,047	45%
\$1400 (US\$1,050,75c FX)	Downside	\$ 805,577,792	\$ 95,767,844	\$ 58,847,049	\$ 14,133,538	12%
SPOT (A\$ 1550)	Current Price	\$ 892,075,049	\$ 178,509,980	\$ 141,589,184	\$ 70,347,170	36%

Table 13 - Upside Case Sensitivity for Gold Price

Conclusions

The Study has indicated that, contingent on the conversion of some of the Inferred resources to Indicated or Measured resources on the project, there is potential for the development of an open pit and CIL processing project, producing approximately **60,000 ounces of gold per annum over a 6 year mine life at an estimated cash cost of A\$813/oz and having a pre-tax total cashflow of A\$146 million (NPV_{8%} of A\$100 million)**, based on a US\$1,200/oz gold price and an Australian / US exchange rate of 75c.

The Upside Case produces approximately **60,000 ounces of gold per annum over a 10 year mine life at an estimated cash cost of A\$993/oz and having a pre-tax total cashflow of A\$169 million (NPV_{8%} of A\$89 million)**, based on a US\$1,200/oz gold price and an Australian / US exchange rate of 75c. While the Upside Case provides a higher cashflow, due to the near doubling of the mine life, the NPV is marginally lower as a result of the discount rate of 8% and the +10 year life. This case provides excellent leverage to any improvement in the A\$ gold price and should be seen as an option on elevated gold prices 4 years into the project life.

The project has a maximum cash drawdown of A\$37 million and a payback of 16 months after process plant commissioning.

The results of the Study indicate that the potential for the development of a profitable mining centre on the project exists if the assumptions in the Scoping Study are confirmed through ongoing exploration, pre-feasibility and feasibility process.

Forward Programme:

Give the positive results from the Dalgaranga Scoping Study, the Company will immediately commence a Pre Feasibility Study on the project.

Details of the planned activities will be developed in consultation with the Company's consultants over the coming weeks.

Further results and information will be provided as they become available.

On behalf of the Board of
Gascoyne Resources Ltd



Michael Dunbar
Managing Director

Information in this announcement relating to the Golden Wings Resource estimate and the Scoping Study results for the Dalgaranga project 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 2012 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 laterite resources quoted for the Vickers Deposit at the Dalgaranga project have 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 2004 JORC code and are suitable for public reporting.

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 24th 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 resources quoted for the Egerton project have been sourced from Exterra Resources reports, prospectus and other publicly available reports and in particular the "Hibernian Gold Deposit Resource Report" by Finore Pty Ltd which have undergone a number of peer reviews by qualified consultants, that conclude that the resources comply with the 2004 JORC code and suitable for public reporting. The resource was announced to the ASX by NGM Resources Ltd on 9 August 2005.

The Gilbeys resource has 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) which is available to view on the company's website: www.gascoyneresources.com.au 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, 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 announcement

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 14)

A preliminary feasibility study on the project has been completed (see announcement 5th 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.

Table 14: Glenburgh Deposits - Area Summary
2014 Mineral Resource Estimate (0.5g/t Au Cut-off)

Area	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
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
Total	2.9	2.0	180,500	4.6	1.6	232,000	13.9	1.3	591,000	21.3	1.5	1,003,000

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 15). 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.

Table 15: 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
Total	116,400	6.4	23,811

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 **14.1 Mt @ 1.7g/t Au for 756,000 ounces** of contained gold.(see Table 16).

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 16: Dalgaranga Global Mineral Resource Estimate

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Gilbeys⁽¹⁾	-	-	-	4.7	1.6	240,200	8.2	1.7	445,200	12.9	1.7	685,000
Golden Wings⁽²⁾	-	-	-	0.83	2.0	52,400	0.36	1.5	17,438	1.2	1.8	70,000
Vickers Laterite	0.02	1.2	600	-	-	-	-	-	-	0.02	1.2	600
Total	0.02	1.2	600	5.53	1.6	293,000	8.56	1.7	462,638	14.1	1.7	756,000

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

Gascoyne is continuing to evaluate the Glenburgh gold deposits to delineate meaningful increases in the resource base and progress project permitting, while also continuing to explore the Dalgaranga project with the view to moving towards a low capital cost development as rapidly as possible. The Company also has 100% ownership of the high grade Egerton project; where the focus is to assess the economic viability of trucking high grade ore to either Glenburgh or to another processing facility for treatment and exploration of the high grade mineralisation within the region.

Further information is available at www.gascoyneresources.com.au

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

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	The deposit 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 25m grid either infilling or extending known prospects. The majority of drill holes have a dip of -60° but the azimuth varies. The bulk of the holes at Golden Wings are drilled towards an azimuth of 180°.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	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.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	RC drilling was used to obtain 1m samples which were split by either cone or riffle 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 25g Fire Assay. Where anomalous results were detected, the single metre samples were collected for subsequent analysis, also via 25g Fire 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.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	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.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	RC and AC sample recovery is visually assessed and recorded where significantly reduced. Very little sample loss has been noted.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	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. AC samples were visually

Criteria	JORC Code explanation	Commentary
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	checked for recovery moisture and contamination. A cyclone was used and routinely cleaned. 4m composites were speared to obtain the most representative sample possible. 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.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	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.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	RC and AC chip logging recorded the lithology, oxidation state, colour, alteration and veining.
	<i>The total length and percentage of the relevant intersections logged.</i>	All current drill holes are logged in full.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	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.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	RC chips were riffle or 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.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	RC and AC 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.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field QAQC procedures included the insertion of 4% certified reference 'standards' and 2% field duplicates for RC and AC drilling.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Field duplicates were collected during RC and AC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	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	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	All RC samples were analysed using a 25g charge Fire Assay with an AAS finish which is an industry sample for gold analysis. A 25g aqua regia digest with an MS finish has been used for AC samples. Aqua

Criteria	JORC Code explanation	Commentary
laboratory tests		regia can digest many different mineral types including most oxides, sulphides and carbonates but will not totally digest refractory or silicate minerals. Historically the samples have been analysed by both aqua regia digest and a leachwell process. Significant differences were recorded between these analytical techniques.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools etc. have been used at Dalgaranga.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	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	The verification of significant intersections by either independent or alternative company personnel.	At least 3 company personnel verify all intersections in drill chips.
	The use of twinned holes.	No twinned holes have been drilled to date by Gascoyne Resources.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Field data is collected using Field Marshal software on tablet computers. The data is sent to Mitchell River Group for validation and compilation into an SQL database server
	Discuss any adjustment to assay data.	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	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	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. A down hole survey was taken at least every 30m in RC holes by electronic multishot tool by the drilling contractors.
	Specification of the grid system used.	The grid system is MGA_GDA94 Zone 50
	Quality and adequacy of topographic control.	The topographic surface has been sourced from historic data used during the operation of the mine. It is considered to be of sufficient quality to be valid for this stage of exploration.
Data spacing and distribution	Data spacing for reporting of Exploration Results	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.

Criteria	JORC Code explanation	Commentary
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	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.
	<i>Whether sample compositing has been applied.</i>	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 riffle 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 collected for subsequent analyses.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	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 -60° which is close to perpendicular to the dip of the stratigraphy.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No orientation based sampling bias has been identified in the data at this point.
Sample security	<i>The measures taken to ensure sample security.</i>	Chain of custody is managed by Gascoyne Resources. Samples are delivered daily to the Toll depot in Mt Magnet by Gascoyne Resources personnel. Toll delivers the samples directly to the assay laboratory in Perth. In some cases company personnel have delivered the samples directly to the lab.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Data is validated by Mitchell River Group whilst loading into database. Any errors within the data are returned to Gascoyne Resources for validation.

Section 2 Reporting of Exploration Results: Dalgaranga Project

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	Dalgaranga project is situated on tenement number M59/749. The tenement is currently held under a JV arrangement with Mr Jaime McDowell. Gascoyne Resources has an 80% interest in the tenement.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is in good standing and no known impediments exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The tenement area has 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	Deposit type, geological setting and style of mineralisation.	Regionally, the Dalgaranga project lies in the Archean aged Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. Gold mineralisation is associated with quartz-pyrite-carbonate veins within a sheared porphyry-shale package and also occurs in the overlying weathered profile. At Golden Wings gold mineralisation is associated with sericite-chlorite- quartz schist after mafic rocks or sediments and quartz-pyrite-arsenopyrite plunging lodes within biotite-sericite-carbonate-pyrite schist.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No new drilling is being reported in this announcement
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	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.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	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 unless otherwise noted.

Criteria	JORC Code explanation	Commentary
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	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.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to figures within body of text.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	No new results are being released in this announcement.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other significant exploration work had been completed by Gascoyne Resources.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	Dalgaranga will continue to be drilled to extend the current resource at Gilbeys and delineate further resources at Golden Wings and other prospects.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to figures in body of text.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	- For Gascoyne resource drilling geological and field data is collected using Field Marshall software on tablet computers. - Historical drilling data has been captured from historical drill logs
	Data validation procedures used.	The data is verified by company geologists before the data is sent to Mitchell River Group for further validation and compilation into a SQL database server. Historic data has been verified by checking

Criteria	JORC Code explanation	Commentary
		historical reports on the project.
Site visits	• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i>	• Christine Shore, Director of Elemental Geology Pty Ltd worked as a Mine Geologist during the mining of the Dalgaranga from 1996 -2000 and undertook management of the grade control, resource drilling and estimation at that time. Drilling and sampling protocols were considered to meet industry standards. In addition Gascoyne geologist have undertaken work programs including exploration and resource drilling at the Golden Wings deposit which are subject to review by experienced Gascoyne technical staff.
	• <i>If no site visits have been undertaken indicate why this is the case.</i>	• Not applicable.
Geological interpretation	• <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>	• The confidence in the geological interpretation is high, gold mineralisation is associated with sericite chlorite quartz schists after mafic rocks or sediments and quartz pyrite arsenopyrite plunging lodes within biotite-sericite-carbonate pyrite schists within a sheared porphyry-shale–basalt package. The mineralised zones are well defined. Shallow open pit mining of gold rich laterites was undertaken between 1996 to 2000. Grade control data help define the top of the high grade plunging gold lodes.
	• <i>Nature of the data used and of any assumptions made.</i>	• The data used to construct the geological model included, resource outlines and the use of very detailed grade control drilling (from overlying historic open pit) with gold assays that help define the top of the underlying plunging gold zones. This resulted in defining several mineralised parallel lodes as well as defining flat lying zones of laterite mineralisation. • The majority of the drilling has been completed by Gascoyne Resources in the last two years. A number of lodes have been identified in this resource estimate.
	• <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i>	• The detailed data available from the mining of gold rich laterites at Golden Wings helps support the interpretation and projection of the underlying gold zones. That drilling has been conducted in a number of different orientations strengthens the interpretation in the company's opinion.

Criteria	JORC Code explanation	Commentary
	<i>The use of geology in guiding and controlling Mineral Resource estimation.</i>	The host rocks at Golden Wings consist of a sequence of high magnesium basalts, basalts and black shales and minor porphyry. Quartz gabbro occurs on the north side of the deposit. The rock units have been sheared to form quartz biotite schists with the strike of the geology interpreted to be east-west in a broad shear zone. The mineralised zones and the lithological units have similar north dip especially in the fresh material. In the weathered zones there is some modification of the geometry of the mineralisation but this is well constrained by the close spaced drilling and the extrapolation from the detailed grade control drilling in the overlying shallow open pit.
	<i>The factors affecting continuity both of grade and geology.</i>	The presence or absence of the porphyry-shale lithological package within a broad shear zone may affect the continuity of the grade. A high grade plunging shoot has been identified within this package which is associated with quartz veining and contains visible gold observed during logging of the drill holes.
Dimensions	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>	Mineralisation strikes approximately east - west, dipping around 70 degrees to the north. The mineralisation is contained within a 4 parallel lodes, only the main lode has been included in this resource with the main lode containing 80% of the total resource. The extent of mineralisation is 430 metres long, up to 190 metres in width (of all domains) and to a depth of 200 metres. The deposit remains open at depth and with strike potential. Other potential gold lenses have not been tested to the north adequately.
Estimation and modelling techniques	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i>	Grade estimation using Inverse Distance squared (Id2) was completed using Surpac v6.4 modeling software for the resource interpolation, Isatis and Snowden Supervisor v8.1 was used for variography and statistics. Drill grid spacing ranges from 20– 40 metres. Drillhole sample data was flagged using domain codes generated from three dimensional mineralisation domains and then used to create the composite files. 1m assay composites were used. The influence of extreme grade outliers was reduced by top-cutting. The top cut was determined by using a combination of grade histograms, log probability plots and CV's. An omni-directional variogram was created but where not able to be modeled. It did however show a trend of grade continuity by a long range of around 60 metres and a moderate nugget value. Estimation searches for gold were set to 40 metres for the first pass, 100 metres for the second pass and 250 metres for the third. All data

Criteria	JORC Code explanation	Commentary
		was estimated by the second pass.
	<i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i>	Previous estimates were available for the Golden Wings Deposit. This estimate has been informed by additional drilling. This additional drilling explains the differences in the estimates.
	<i>The assumptions made regarding recovery of by-products.</i>	No by-products were considered
	<i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i>	No deleterious elements are present
	<i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i>	- The block model was constructed with parent blocks of 10mE by 10mN by 10mRL and a sub-block of 5mE by 2.5mN by 5mRL. The parent block size was half the average sample spacing and is considered appropriate. Quantitative analysis was undertaken to assess the most appropriate parameters for the domain. Inverse distance squared was used to estimate gold to the parent block size. For all estimations a discretisation matrix of 3x3x3 was used. Directional variograms were unable to be calculated and modeled for domain 1 due to the amount of data. Gold grade continuity was interpreted from the trend of the domain. Up to three estimation passes with increasing search neighbourhood size were run for the domain, with the distance determined by the drill grid spacings and taking into account the results from the Gilbeys resource estimation. The range of estimation passes used for the estimation of mineralised domains was: - o Pass 1 – 40 - o Pass 2 – 100 A minimum of 6 and maximum of 24 composites were used per estimate for Pass 1 and with a minimum of 4 and maximum of 24 composites used for Pass 2. The entire model was populated within the first two estimation passes, so a third was not required.
	<i>Any assumptions behind modelling of selective mining units.</i>	No selective mining units were assumed in this estimate.
	<i>Any assumptions about correlation between variables.</i>	There was no correlation between variables (only gold estimated)
	<i>Description of how the geological interpretation was used to control</i>	Geological interpretations were completed on 20m sections, using

Criteria	JORC Code explanation	Commentary
	<i>the resource estimates.</i> <i>Discussion of basis for using or not using grade cutting or capping.</i>	resource drilling 3D wireframes were then constructed around these interpretations, creating 4 domains. In addition to these mineralised domains, a base of oxidation and top of fresh rock was also constructed. These domains were used as a hard boundary to select the sample populations for variography and estimation An analysis was carried out of the grade distribution characteristics of the composites. Log-probability graphs revealed an inflection point around 19g/t where the high grade samples deviated. This value also correlated with the 96.5 percentile and resulted in 7 samples being cut and reducing the coefficient of variation to within an acceptable level.
	<i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	The block model was validated against the input drillhole composites for each domain. Comparisons were also carried out against the declustered drillhole samples by northing, easting and elevation slices. A nearest neighbour interpolation was also carried out to provide a comparison of the estimate. No reconciliation data was available
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	The resource tonnage is reported using dry bulk density.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	The Gold Mineral Resources has been reported inside the mineralisation wireframe that was constructed at a 0.7 g/t Au cut-off and then reported at 1.0, 1.5 and 2.0 g/t Au.
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	Mining of the deposit will be dominantly by open cut mining, similar to the size and scale of the original mining operation. Estimated mining dilution and ore loss has been factored into the Scoping Study. Refer to the body of the text for all modifying factors that have been applied.
Metallurgical factors or	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of</i>	Metallurgical testwork was conducted on the original Gilbeys resource by the company Equigold prior to the construction of a Processing

Criteria	JORC Code explanation	Commentary
assumptions	<i>determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	Plant. Equigold mined the deposit from 1996 to 2000. The company has access to extensive reconciliation records from that period of operation. The remaining mineralisation has the same characteristics to the mined resource. The company has conducted a limited metallurgical testwork programme as part of the Scoping Study. This has confirmed the excellent metallurgical recoveries with over 98% recovery via a standard CIL flowsheet.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	Existing waste dumps and a tailings storage facility lie in close proximity to the Gilbeys deposit. It has been assumed that similar environmental factors will apply at the Golden Wings Deposit into the future. A level 1 flora and fauna survey has been undertaken at Golden Wings. This confirmed that there are no environmental impediments to development.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	Bulk density has been assumed as no historic specific gravities were available. Specific gravities used were based on the values from the nearby Gilbey's deposit. Due to similar geology, lithologies with known specific gravities were correlated between the Golden Wings deposit and Gilbeys and bulk densities assigned using the 27 samples available.
	<i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i>	The method used the air dried half core sample weighed in air and then in water, the results of which were used to estimate the density.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Values for ore determined are: Laterite mineralisation 2.80 T/M³ Oxide 2.00 T/M³ Transitional 2.40 T/M³ Fresh 2.80 T/M³
Classification	The basis for the classification of the Mineral Resources into varying confidence categories.	Mineral Resources have been classified on the basis of confidence in the geological and grade continuity using the drilling density, geological model, pass in which the gold was estimated and the distance to sample selections. Indicated Mineral Resources have been defined generally in areas of 40m by 40m drill spacing and estimated within the first pass and

Criteria	JORC Code explanation	Commentary
		contained within the oxide or transitional material. Inferred Mineral Resources have been defined generally in areas greater than 40m by 40m drill spacing and in Pass 2. All of the fresh material has been classified as Inferred until additional drilling and SG data is available.
	<i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i>	As described above the Mineral Resource classification has been based on the quality of the data collected (geology, survey and assay data) the density of the data, grade estimation quality and geological/mineralisation model.
	<i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i>	The reported resource is consistent with the view of the deposit by the Competent Person.
Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	An internal review has been carried out by Michael Dunbar, which include wireframe validation and resource estimation methodology and validation.
Discussion of relative accuracy/confidence	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i>	The relative accuracy of the Mineral Resource Estimate is reflected in the reporting of the Mineral Resource as per the guideline of the 2012 JORC code. The classification is supported by a sound understanding of the geology of the deposit, the drill hole spacing, historic mining data and a reasonable dataset supporting the density used in the resource model. The long involvement of the competent person with the operational history of the mine also adds to the accuracy of the resource.
	<i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i>	The statement relates to the global estimate of tonnes and grade.
	<i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	No significant historical production (other than minor laterite mining) has been reported at Golden Wings. Mining of the Gilbeys Deposit was undertaken for 5 years from 1996 to 2001. The mine was an economic success with excellent metallurgical recoveries and profitability in a period of historically low gold prices. The operation was closed in 2001 and the process plant relocated off site. The Gilbeys resource reconciled well with the historical production data