

April 11th 2016
Australian Securities Exchange Limited
Via Electronic Lodgement

\$15 Million Raised in Heavily Oversubscribed Placement to Fully Fund Aggressive Exploration Programmes and Feasibility Studies

Gascoyne Resources Limited (ASX:GCY) ("Gascoyne") is pleased to announce that it has successfully completed a bookbuild to raise approximately \$15 million ("Placement"). The Placement was many times oversubscribed by a number of leading domestic and international institutional and professional investors.

The funds raised by the Placement will provide Gascoyne with a strong exploration budget to more aggressively pursue a number of high priority gold targets at both its Dalgaranga Gold Project in the Murchison region of WA, and its Glenburgh Project in the Gascoyne region of WA, which between them have existing JORC Resources of over 2.0Moz gold (1.05Moz at the Dalgaranga Project and 1.0Moz at the Glenburgh Project).

The Company considers the potential for growth in the Resources at each of these projects to be significant, and can now commit to an extensive drilling programme to better appraise these projects, and follow-up high priority targets.

In addition to ongoing drilling and other exploration activities, the Company will be fully funded to complete the final Feasibility Study in respect of the Dalgaranga Project, for which the Pre-Feasibility results announced on 31 March 2016 demonstrated a gold project that is technically and financially robust, producing an average of 104koz gold per annum over an initial 6 year mine life at an average All-in Sustaining Cost of A\$913/oz, and capital payback within the first year of production.

Funds raised in the Placement will also provide the Company with the financial flexibility to secure certain long lead time items required to accelerate development of its Dalgaranga Gold Project, if the Company's feasibility assessments support early expenditure on certain capital items. This flexibility provides the Company with potential to achieve first gold production sooner than would otherwise be possible.

Commenting on the success of Placement, Managing Director Mike Dunbar stated:

"The overwhelming demand for the Placement from a large number of well-respected institutional investors provides a strong endorsement of the quality of our portfolio, which includes both a near-term high margin gold development asset at the Dalgaranga Project, and the Glenburgh Project in the Gascoyne region, which provides the Company with the ability to grow organically into a +200kozpa gold producer in the medium term."

"The Company is now in the strongest position it has ever been to greatly expand its exploration efforts to unlock the very significant exploration upside we believe remains on our projects".

Hartleys Limited is Lead Manager to the Placement that will be undertaken in two tranches. In tranche 1 the Company will issue up to approximately 33.3 million shares at \$0.33 per share pursuant to Gascoyne's ASX Listing Rule 7.1 and 7.1A capacity. The Company will then issue up to approximately 12.2 million shares in a second tranche subject to shareholder approval at a General Meeting scheduled for Wednesday 25 May 2016.

For further information please refer to the Company's website or contact the Company directly.

On behalf of the board of
Gascoyne Resources Limited

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 two main gold projects combined have **2.1 million ounces of contained gold on granted Mining Leases**:

DALGARANGA (80% GCY):

The Dalgara 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 Dalgara 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 contains a JORC Measured, Indicated and Inferred resources of **23.7 Mt @ 1.4g/t Au for 1,051,000 ounces** of contained gold (Table 1). The Dalgara project has an Initial **Proved and Probable Ore Reserve of 442,000 ounces of gold** (Table 2).

A PFS has been completed and full FS has commenced. The PFS, has highlighted a robust development case for the project and concluded that the operation would have low capital and operating costs and a long life with high operating margins. The study investigated the development of two open pits feeding a new 2.5Mtpa processing facility resulting in production of around 100,000ozpa for 6 years. It is expected that the FS will be completed by the end of 2016, with final development decision in early 2017.

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 1 Dalgara Project

February 2016 Mineral Resource Estimate (0.5g/t Cut-off Above 120mRL, 1g/t Cut-off Below 120mRL)

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
Laterite				0.5	1.1	17,100	0.1	0.8	3,000	0.6	1.1	20,000
Oxide	0.4	1.8	20,000	1.0	1.7	52,000	0.5	1.9	28,000	1.8	1.8	100,000
Transitional	0.3	1.8	14,000	0.5	1.8	28,000	0.2	1.6	11,000	1.0	1.7	53,000
Fresh	1.8	1.3	74,000	7.5	1.3	322,000	11.1	1.4	482,000	20.4	1.3	878,000
Total	2.4	1.4	108,000	9.4	1.4	419,000	11.9	1.4	524,000	23.7	1.4	1,051,000

Table 2: Dalgara Ore Reserve

Ore Reserve Category	Tonnes (Mt)	Gold Grade (g/t)	Contained Gold Ounces
Proved	2.27	1.34 g/t	97,000
Probable	7.81	1.4 g/t	345,000
Total Ore Reserve	10.1	1.4	442,000

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 1.0 million oz gold** from several prospects within a 20km long shear zone (see Table 3)

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 3: 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
North East	0.2	4.0	31,000	1.4	2.1	94,000	3.3	1.7	178,000	4.9	1.9	303,000
Central	2.6	1.8	150,000	3.2	1.3	137,000	8.4	1.2	329,000	14.2	1.3	616,000
South West							2.2	1.2	84,000	2.2	1.2	84,000
Total	2.9	2.0	181,000	4.6	1.6	231,000	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 4). 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 4: 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

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 Dalgara 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 has been 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

Competent Persons Statement

Information in this announcement relating to the Dalgara project is based on data compiled by Gascoyne's Geology Manager Mr Julian Goldsworthy who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Goldsworthy 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 Goldsworthy consents to the inclusion of the data in the form and context in which it appears.

The Gilbeys and Golden Wings Mineral Resources at the Dalgara and Glenburgh Projects 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 4th November 2015 titled: Dalgara Mineral Resource Grows to Over One Million Ounces, ASX announcement 24th February 2016 titled 40% Increase in Golden Wings Mineral Resource at Dalgara and 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 Glenburgh 2004 JORC resource (released to the ASX on April 29th 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. This new JORC 2012 resource, reported above, will form the basis for any future studies.

The Egerton Resource estimate and Gaffney's Find prospect historical 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.