

September 18th 2017
Australian Securities Exchange Limited
Via Electronic Lodgement

FINANCIERS MANDATED FOR THE DALGARANGA GOLD PROJECT

- **Two tier-one Australian banks mandated to arrange a debt facility of up to \$60 million**
- **The key commercial terms of the facility negotiated include competitive interest rates, early repayment flexibility and an ability to distribute and use free cash subject to certain conditions, providing a flexible and competitively priced financing package**
- **Construction remains on schedule and on budget for first gold production in Q2 2018**

Gascoyne Resources Limited ("**Gascoyne**" or "**Company**")(**ASX:GCY**) is pleased to advise that through its 100% owned subsidiary, GNT Resources Pty Ltd, it has mandated Commonwealth Bank of Australia (CBA) and National Australia Bank (NAB) (**Financiers**) to arrange a debt facility (on a 50:50 basis) on a best endeavours basis to fund the development of the Dalgaranga Gold Project.

The Dalgaranga Gold Project has an initial mine life of 6 years, producing an average of around 100kozpa at an average life of mine all-in sustaining costs of approximately A\$1,000/oz. In addition, as demonstrated by Gascoyne since completion of the Feasibility Study, there is very significant potential to extend mine life through near mine discoveries such as the recent Sly Fox discovery which is yet to be reflected in to the Ore Reserves or mine plan.

First gold production is expected late in the June quarter of 2018.

Commenting on the bank mandate Gascoyne's Managing Director Mike Dunbar said: *"Mandating tier 1 Australian lenders CBA and NAB for the debt funding required for the development of the Dalgaranga Project is a strong vote of confidence in the project and the work undertaken by the Gascoyne Team since we finished the Feasibility Study in November last year. The terms we have negotiated highlight the quality of the project. With the mandate completed, construction will continue on schedule towards production in Q2 of next year."*



Construction of the Dalgaranga Gold Project Well Advanced

The mandated term sheet envisages a facility that includes:

- Debt of up to \$60 million
- Term of 4 ½ years from first drawdown
- Provision for early repayment without penalty
- Flexibility to consider an increase in the facility should additional Ore Reserves be delineated
- Hedging Facility contemplated including mandatory and uncommitted discretionary lines
- After first repayment and Project Completion, debt service surplus operating cashflow can be distributed to Gascoyne subject to certain conditions
- Industry standard terms and conditions for a facility of this type.

The due diligence and documentation of the facility is progressing and subject to conditions precedent being met, financial close and first debt drawdown is expected in November this year.

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

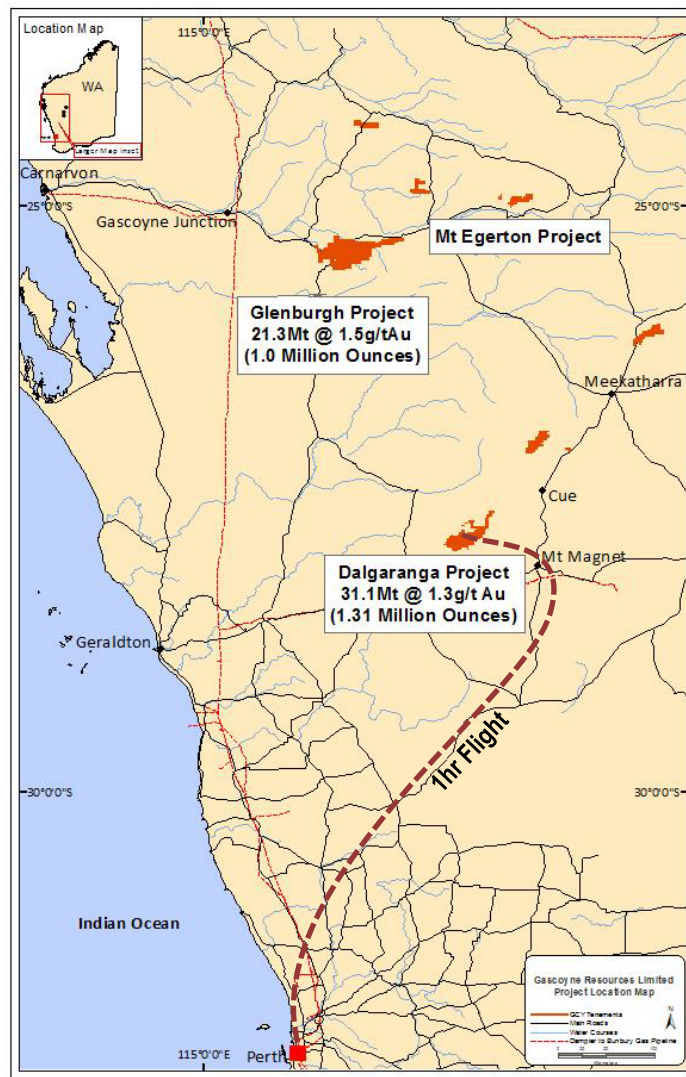


Figure One: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions

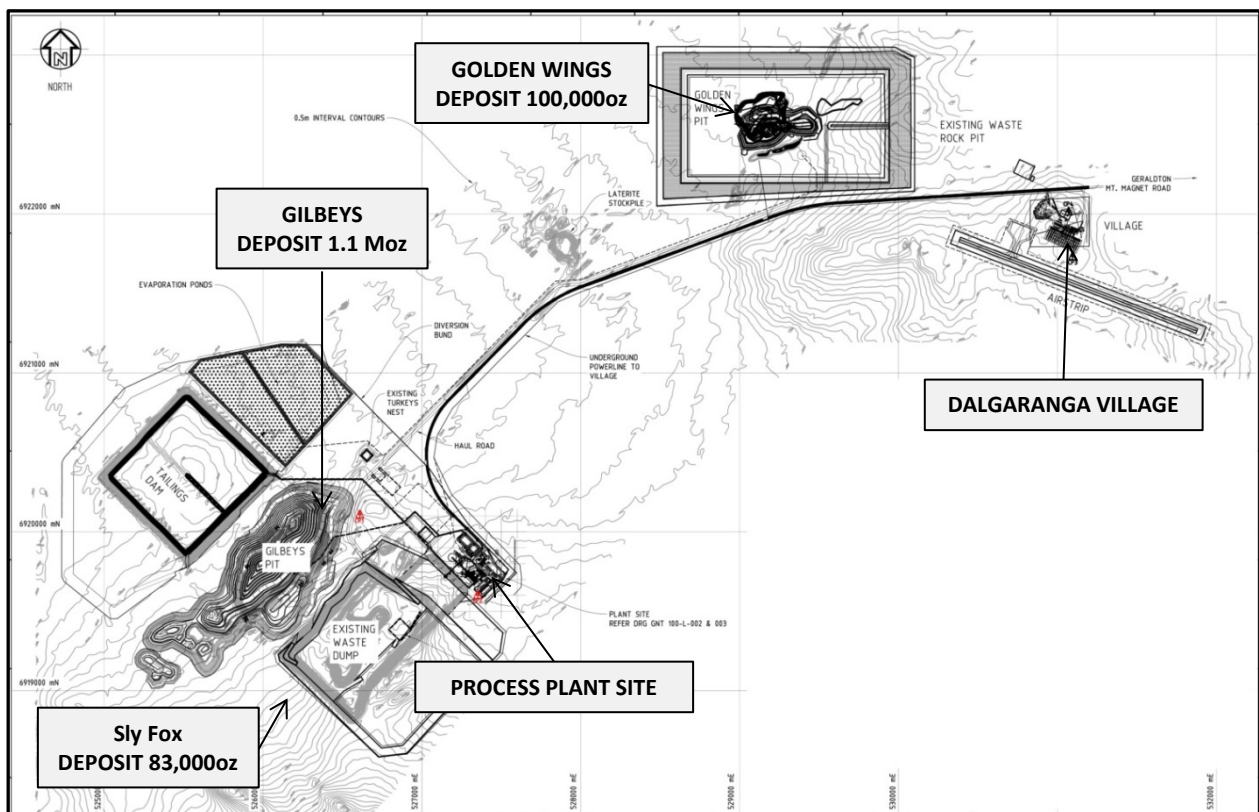


Figure Two: Dalgaranga Gold Project Layout

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 100% owned gold projects combined have over **2.3 million ounces of contained gold on granted Mining Leases**:

DALGARANGA:

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 **31.1 Mt @ 1.3 g/t Au for 1,320,000 ounces** of contained gold (Table 1). The Dalgara project has a **Proved and Probable Ore Reserve of 581,000 ounces of gold** (Table 2). The Ore Reserves are included in the Mineral Resource.

The FS study that has been completed has highlighted a robust development case for the project.

The FS investigated the development of two open pits feeding a 2.5 Mtpa processing facility resulting in production of around 100,000 ozpa for 6 years and concluded that the operation would be a low cost, high margin and long life operation with high operating margins.

Significant exploration potential also remains outside the known resources with numerous historical geochemical prospects only partly tested.

Table 1: Dalgara June 2017 Mineral Resource Estimate (0.5 g/t Cut-off)

Type	Measured			Indicated			Inferred			Total		
	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces
Laterite				0.6	1.1	19,500	0.02	0.7	500	0.6	1.1	20,000
Oxide	0.2	1.6	8,000	1.8	1.7	97,000	0.8	1.4	40,000	2.8	1.6	145,000
Transitional	0.5	2.1	30,000	1.2	1.4	57,000	0.5	1.5	25,000	2.2	1.6	112,000
Fresh	2.2	1.4	94,000	12.6	1.2	503,000	11.0	1.3	445,000	25.7	1.3	1,042,000
Total	2.8	1.5	133,000	16.2	1.3	676,500	12.3	1.3	510,500	31.1	1.3	1,320,000

Note: Discrepancies in totals are a result of rounding

Table 2 – Breakdown of Material within the Gilbeys and Golden Wings Mine Designs

Deposit	Proved Reserve		Probable Reserve		Inferred Resources		Total		
	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Ounces
Gilbeys	2.9	1.36	10.1	1.21	0.7	1.4	13.7	1.24	553,000
Golden Wings			1.3	1.52	0.2	1.6	1.5	1.5	70,000
Total	2.9	1.36	11.4	1.24	0.9	1.5	15.2	1.28	623,000

Note: Discrepancies in totals are a result of rounding

GLENBURGH:

The Glenburgh Project in the Gascoyne region of Western Australia, has a Measured, Indicated and Inferred resource of: **21.3Mt @ 1.5 g/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 4.9 Mt @ 2.0 g/t for 316,000 oz (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 (0.5 g/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:

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 (2.0 g/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 developing the 100% owned low capex, high margin Dalgaranga Gold Project which is on schedule to be in production late in the second quarter of 2018, while continuing to evaluate the near term 100% owned Glenburgh Gold deposits to delineate meaningful increases in the resource base and progress project permitting. Exploration is also continuing at the 100% owned 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

The Dalgaranga and Glenburgh Mineral Resources have been estimated by RPMGlobal Holdings 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 7th August 2017 titled "Sly Fox Resource and Exploration Update" and 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 Dalgaranga Ore Reserve has been estimated by Mr Harry Warries, an employee of Mining Focus Consultants 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 21st June 2017 titled "Dalgaranga Gold Project – Development Update). 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 Ore Reserves 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 to the JORC 2012 guidelines. This new JORC 2012 resource, reported above, will form the basis for any future studies.

The information in this Report that relates to Mineral Resources for the Hibernian Deposit is based on information compiled by Mike Dunbar who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Dunbar is a full time employee of Gascoyne Resources Limited. Mr Dunbar is the Competent Person for this Mineral Resource estimate and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dunbar consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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.