SEPTEMBER 2017 QUARTERLY REPORT

GASCOYNE RESOURCES LIMITED

57 139 522 900

SUMMARY OF ACTIVITIES

DALGARANGA PROJECT:

During the quarter significant progress was made towards development of the Company's 100% Dalgaranga Gold Project, as well as continuation of an ongoing exploration programme. Activities have included:

- 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. Documentation of the facility is well advanced, ahead of debt drawdown in late November or early December
- Execution of the Engineering, Procurement and Construction (EPC) Contract with GR Engineering Services Limited (ASX: GNG) in relation to a new 2.5Mtpa gold processing facility. The contract will be undertaken on a guaranteed maximum price (GMP) basis. Design and engineering was 88% complete as at 30 September
- All regulatory approvals received to construct the Dalgaranga Gold Project
- 240 room Dalgaranga accommodation village construction completed
- GR Engineering has mobilised to site with the following activities taking place during the quarter:
    - Bulk Earthworks completed
    - SAG mill foundations nearing completion
    - CIL tank foundations and bunding nearing completion
    - Workshop and warehouse completed
    - Installation of the CIL tanks has commenced
    - Administration and maintenance office complex installation nearing completion
- Tailings storage facility (TSF) lift construction well advanced
- water evaporation pond construction completed
- Water bore construction well advanced and dewatering pipeline construction underway
- Access road construction and clearing for the airstrip completed
- Updated Sly Fox Mineral Resource completed - 1.7Mt @ 1.5 g/t for 83,000oz

The project remains on schedule, and budget, with first gold expected in Q2 2018

GLENBURGH PROJECT:

A 32 hole RC drilling programme was completed at the Company's +1.0 million ounce Glenburgh Gold Project. Significant mineralisation was intersected including:

- **25m @ 3.3 g/t gold from 40m, including 12m @ 5.9 g/t gold**
- **15m @ 1.0 g/t gold from 99m**
- **18m @ 0.9 g/t gold from 79m including 10m @ 1.2 g/t gold**
- **8m @ 1.1 g/t gold from 48m,**
- **5m @1.7 g/t gold from 91m,**
- **7m @ 1.3 g/t gold from 33m**

CORPORATE:

During the quarter, the audited Annual Financial Report was released to shareholders along with the Appendix 4G and Corporate Governance Statement.

Subsequent to the end of the quarter, the 2017 Annual Report was distributed to shareholders along with the Notice of Meeting for the Annual General Meeting that is to be held at 9:00am on the 21st of November.

At the end of the quarter, the Company's cash reserves were $21 million after spending approximately $20.8 million on exploration, development and corporate activities during the quarter.

CORPORATE DETAILS
ASX Code: GCY
Shares: 377M
Share Price: 47c
Market Cap: $175M
Enterprise Value: $154M
Debt: Nil

ASSETS
Cash: $21 million
Dalgaranga (100%) 1.32M oz Gold
Glenburgh (100%) 1.0M oz Gold

BOARD
Non-Executive Chairman
Mike Joyce
Managing Director
Michael Dunbar
Non-Executive Directors
John den Dryver
Gordon Dunbar
Sally-Anne Layman
Stan Macdonald
Graham Riley

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REVIEW OF OPERATIONS

During the Quarter, the focus for the Company continued to be the development of the Dalgaranga Gold Project. On ground construction commenced and remains on schedule for completion in the second quarter of 2018, with project delivery remaining on budget. Exploration activities also continued at both of the Company's +1.0 million ounce gold projects. Activities are summarised below:

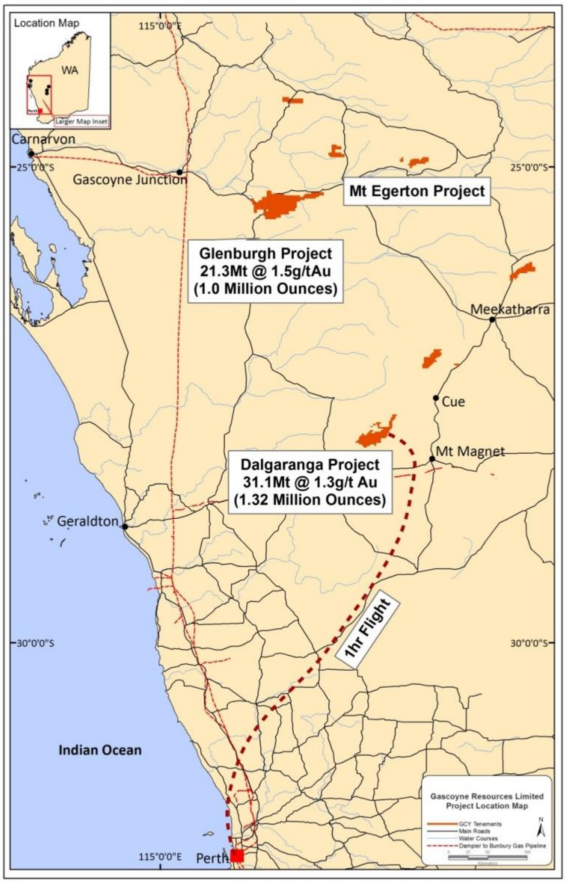

Figure 1: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions

DALGARANGA PROJECT

M59/749 & L 59/141, 142, 151, 152, 153 & EL59/2150 – 100% Gascoyne

E59/1709, 1904, 1905, 1906 &, EL21/195 - 80% Gascoyne

Activities at the Dalgaranga project have accelerated further in the quarter with approximately 100 people working on site on the construction activities. On top of the construction, exploration continued with further improvements identified to the Sly Fox Deposit.

FINANCING UPDATE

During the quarter, two tier-one Australian banks were mandated (Commonwealth Bank of Australia (CBA) and National Australia Bank (NAB)) to arrange a debt facility of up to $60 million. Documentation of the facility is well advanced and it is anticipated that all of the conditions precedent for Financial Close will be satisfied in late November and available for drawdown immediately thereafter.

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.

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.

DEVELOPMENT AND CONSTRUCTION ACTIVITIES

The Dalgaranga development and construction progressed on schedule during the quarter. Activities included completion of the 240 person accommodation village, completion of the bulk earthworks for the plant site, commencement of the civil foundations for the plant including for the CIL tanks and the SAG mill foundations, construction of the evaporation ponds and commencement of the tailings storage facility (TSF) lift, clearing of the airstrip, completion of the access roads and water bore drilling.

Regulatory Approvals:

The following regulatory approvals for the development of the project have now been received. The approvals outline the conditions which must be followed for the development and closure. All of these conditions are industry standard and no specific conditions have been imposed on the development. The approvals include:

- The Mining Proposal
- The Mine Closure Plan
- The Works Appoval
- Water Extraction licences
- Certificate of occupancy for the accomodation Village

Dalgaranga Village Construction:

As with all developments, a critical path activity is the accomodation village for construction. With the early purchase of the entire 240 person camp, the permanent village is being built early to accommodate all construction personnel.

Village construction was completed during the quarter, with more than 100 people currently on site working on the construction and development activities.

Process Plant Engineering and Procurement:

As previously announced, GR Engineering has been engaged to design and build the 2.5Mtpa processing plant. The construction is being undertaken on a guaranteed maximum price basis (GMP) and the scope of work covers appoximately 60% of the total capital cost of the project, significantly reducing the risk of cost escalation for the whole project.

The EPC contract has been signed and the agreed construction schedule results in first gold production in Q2 2018.

The overall design progress was 88% complete and is on schedule at 30 September. See Figure 2 below for a 3D isometric of the process plant arrangement.

All long lead items have been ordered and are anticipated to be delivered to site in line with or ahead of the construction schedule.

Process Plant Construction:
GR Engineering has mobilised to site and construction activities have significantly increased over the last few weeks. Progress includes concrete installation for the SAG mill foundation, CIL tank foundations and workshop and warehouse installation (See Photo 1 & 2 below). In addition to the concrete work, construction of the CIL tanks has commenced on site, with the welding of the leach tanks well advanced.

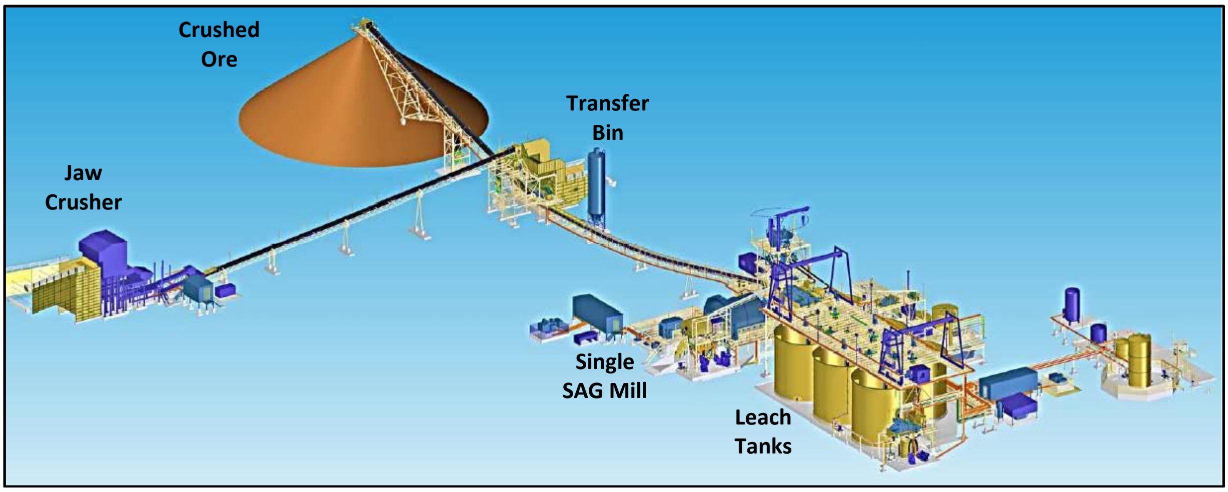

Figure 2: 3D overview of the Process Plant

Photo 1: Construction of the SAG Mill Foundations and Leach Tanks Well Advanced

Photo 2: Associated Plant Site Infrastructure including Office Complex, Workshop and Warehouse

Access Roads:
During the quarter, all of the accesss roads to the site were completed. This involved construction of or upgrading of approximately 10km of internal access roads.

Bulk Earthworks:
Following the award of the bulk earthworks tender last quarter, the contractor mobilised to site and has completed all of the required activities, including the clearing of the plantsite, construction of the process plant foundations and the process and raw water ponds.

Airstrip:
The design for the airstrip has been received and the runway cleared in preparation for the construction of the runway and apron (see Photo 3 below). The airstrip has been designed to accomodate 50 seat planes, which allows efficient site rosters to be established. It is anticipated that the airport wil be operational either late this year or in early 2018, well in advance of the buildup of scheduled flights to and from site.

Photo 3: Airstrip Clearing Completed in Preparation for Runway Construction

Evaporation pond and TSF Lift Construction:
During the quarter, a contract was entered into for the construction of a two cell evaporation pond and the first stage of the TSF lift for the project (see Photo 4 below). Water management is a key pre-mining activity for the project. As a result, a large evaporation pond has been built to accommodate the excess water that is expected for the first two years of the mine's life. The pond has now been completed and dewatering of the Golden Wings deposit and the Gilbeys pit void has commenced, approximately 6 months prior to mining.

In addition to the evaporation pond, the height of the existing TSF needed to be increased to accommodate the tailings for the first 24 months of the operation. This will be undertaken in a number of stages, the first of which is underway. It is anticipated that the TSF lift will be completed in November.

Photo 4: Evaporation Pond construction Complete (RHS) and TSF Lift Underway (LHS)

Mining Contract:
During the quarter, an extended tender process for the mining contract was undertaken. As a result of this process, in mid October NRW Holdings Limited (NRW) has been awarded preferred tenderer status. The Company and NRW are currently in negotiations to finalise the mining contract as quickly as posible to allow mobilisation of the mining fleet in early 2018 with mining scheduled to commence in March.

Sly Fox Deposit Update:
Since RC drilling confirmed the Sly Fox discovery in March 2017, there has been a concerted effort to rapidly advance the discovery with a Maiden Mineral Resource annouced during the June quarter. This resource has now been updated with additional drilling (See ASX announcement 7th of August 2017 for full details of the updated Mineral Resource and Sly Fox exploration update)

Sly Fox Resource:
The Mineral Resource modelling and estimation has been completed by RPMGlobal Holdings Limited, a leading independent global mining consultancy (see Table 1 & 2 for the breakdown of the Mineral Resource classification).

This Resource update for the Sly Fox deposit will form the basis for an initial Ore Reserve for the deposit which is expected to be completed in the next month once the minning study is finalised. The Ore Reserve will be integrated into the development plan for the Dalgaranga Gold Project. Given the strong grade of the Resource, it is expected that any pit at Sly Fox will be scheduled early in the mine plan, further enhancing the gold production profile in the early years of the Projects' development.

Highlights from the Sly Fox Mineral Resource include:

- 1.7Mt @ 1.5 g/t gold for 83,000 ounces of contained gold
- 50,000 ounces of the Resource in the Indicated category
- An increase of strike of the Resource to over 350m
- Total Mineral Resource at Dalgaranga has increased to 31.3Mt @ 1.3 g/t gold for 1,320,000 ounces of contained gold

Table 1– Sly Fox August 2017 Mineral Resource Estimate (0.5 g/t Au Cut-off)

Type	Indicated			Inferred			Total		
	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces
Oxide	0.2	2.0	12,000	0.01	1.7	1,000	**0.2**	**2.0**	**12,000**
Transitional	0.2	1.1	9,000	0.01	0.8	200	**0.3**	**1.1**	**9,000**
Fresh	0.7	1.4	30,000	0.6	1.7	32,000	**1.3**	**1.5**	**62,000**
Total	**1.1**	**1.4**	**50,000**	**0.6**	**1.7**	**33,000**	**1.7**	**1.5**	**83,000**

Note:
The Mineral Resource has been compiled under the supervision of Mr. Shaun Searle who is an employee of RPM and a Registered Member of the Australian Institute of Geoscientists. Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
All Mineral Resources figures reported in the table above represent estimates at 2nd August, 2017. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012Edition).

Table 2– Dalgaranga Project August 2017 Mineral Resource Estimate (0.5 g/t Au 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**	**142,000**
Transitional	0.5	2.1	30,000	1.2	1.4	57,000	0.5	1.5	25,000	**2.2**	**1.6**	**109,000**
Fresh	2.2	1.4	94,000	12.6	1.2	503,000	11.0	1.3	445,000	**25.7**	**1.3**	**1,041,000**
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**

Foot notes for Table 1 also apply to Table 2

Sly Fox Aircore and Diamond Drilling:

The excellent results from the recently completed aircore drilling at the Sly Fox deposit have been received and integrated into the new Resource update. The drilling predominantly targeted near surface Inferred material delineated in the Maiden Resource for the deposit with some holes testing for strike extensions to the mineralisation both NW and SW along the Sly Fox shear zone. Assay results received from the two geotech diamond drill holes were also added to the Resource data at Sly Fox; the diamond drill holes were primarily drilled to provide geotechnical inputs for the design of the Sly Fox open pit (Figure 3 & 4). Of note are the intersections **10m @ 2.9 g/t gold from 18m in DGAC2205, 4m @ 6.5 g/t gold from 5m and 17m @ 2.6g/t gold in DGAC2208**, **27m @ 1.6 g/t gold from 15m including 9m @ 3.6 g/t gold from 25m in DGAC2219**.

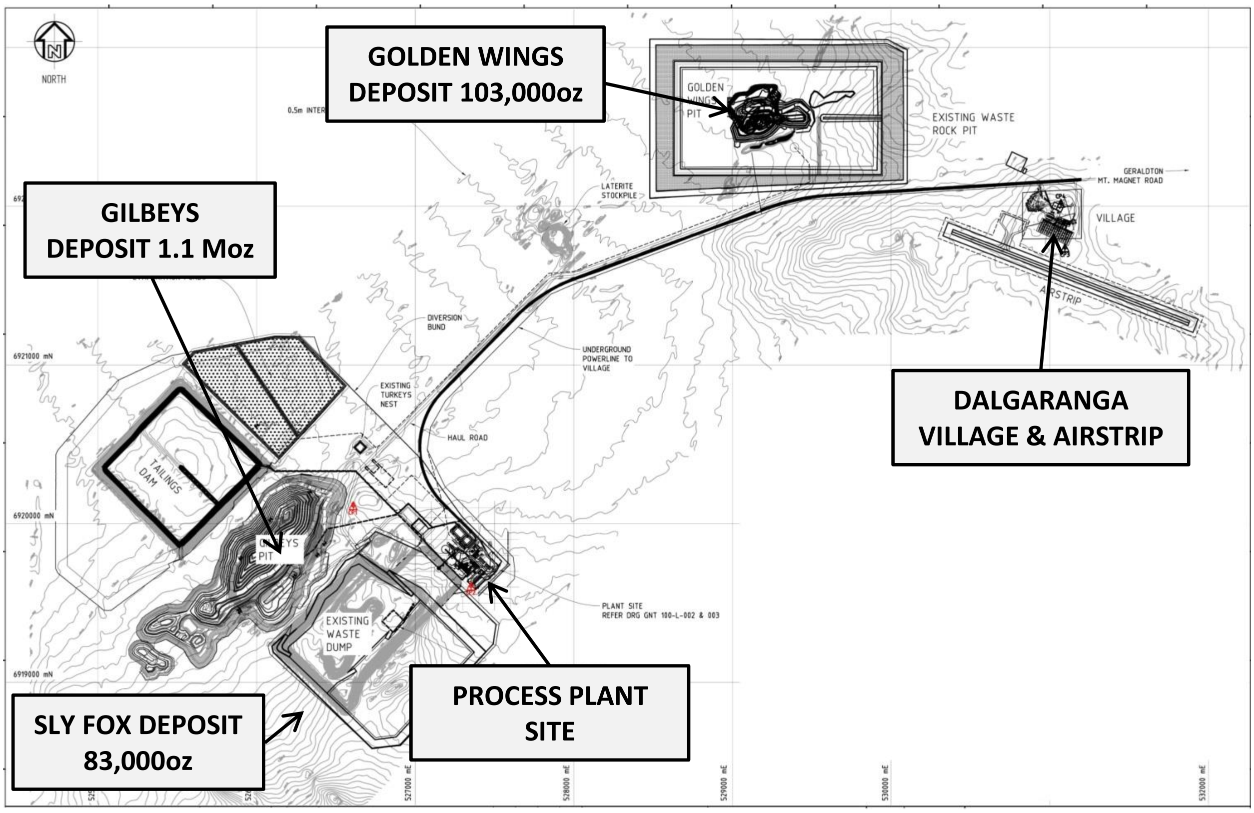

Figure 3: Dalgaranga Gold Project Deposit and Prospect Layout

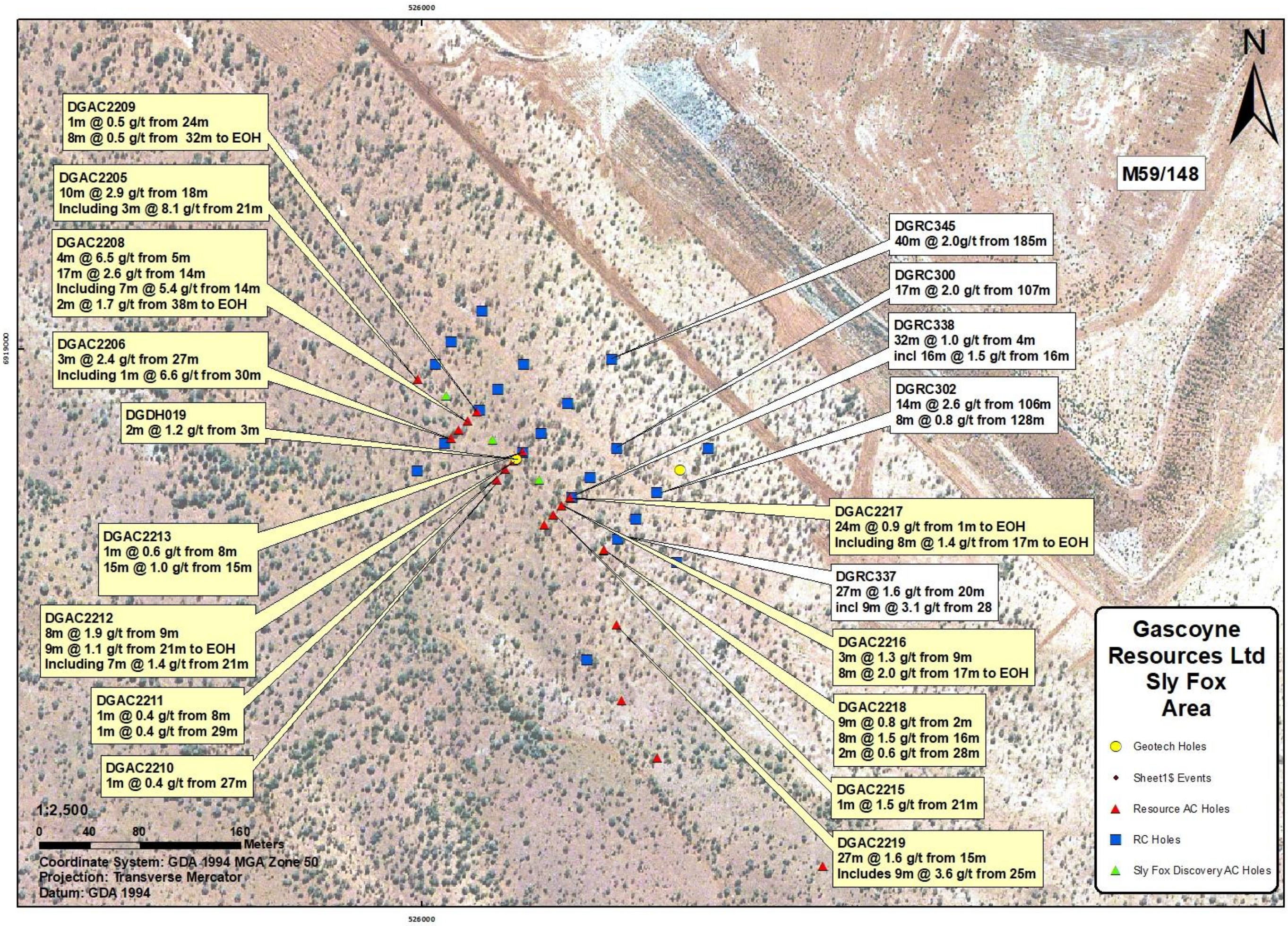

Figure 4: Dalgaranga Gold Project, Sly Fox Area– Location of Recent Aircore Drilling Intersections

GLENBURGH PROJECT

M09/148, E09/1325, 1764, 1865, 1866, 2025 & 2148, L09/56 & 62 -100% Gascoyne

Following a review of previous exploration completed over the project, a number of targets (both resource extensional and regional) have been identified (see Figure 5, 6 & 7).

As a result, a 32 hole RC drill programme has been completed on the project. The RC drilling programme was designed to extend the existing shallow resources, primarily in the central zone of Glenburgh, which contains over 600,000oz of the 1.0 million ounces contained on the property. Initial drill testing was also completed of a number of surface sample anomalies that extend more than 6km North East of the known deposits (see Figure 6).

Highlights from the recent drilling program at Glenburgh include an intersection of **25m @ 3.3 g/t gold** from 40m in VRC933 including a higher grade core of **12m @5.9 g/t gold** from the Torino deposit (Figure 7) and a number of intersections returned from drilling at the Tuxedo deposit area including **18m @ 0.9 g/t gold** from 79m including **10m @ 1.2g/t gold** from VRC904 and from the Icon deposit **15m @ 1.0 g/t gold** from VRC915 (Figure 6 - 10).

The 2013 PFS is currently being updated to incorporate the increased gold price, the lower diesel price and changes in input costs since 2013. Given the current focus of construction of the Dalgaranga Gold Project, the timing for the completion of the updated PFS is yet to be determined.

CORPORATE

During the quarter, the groups annual audit was completed. The results of the audit and the 2017 Annual Financial Report was released to the ASX on the 28th of September, along with the Corporate Governance Statement.

Subsequent to the end of the quarter, the 2017 Annual Report was distributed to shareholders along with the Notice of Meeting for the Annual General Meeting, which is to be held at 9:00am on the 21st of November 2017 at the Celtic Club of Western Australia.

At the end of the quarter, the Company had 377 million shares on issue and cash reserves of $21 million after spending approximately $20.8 million on exploration, development and corporate activities during the quarter.

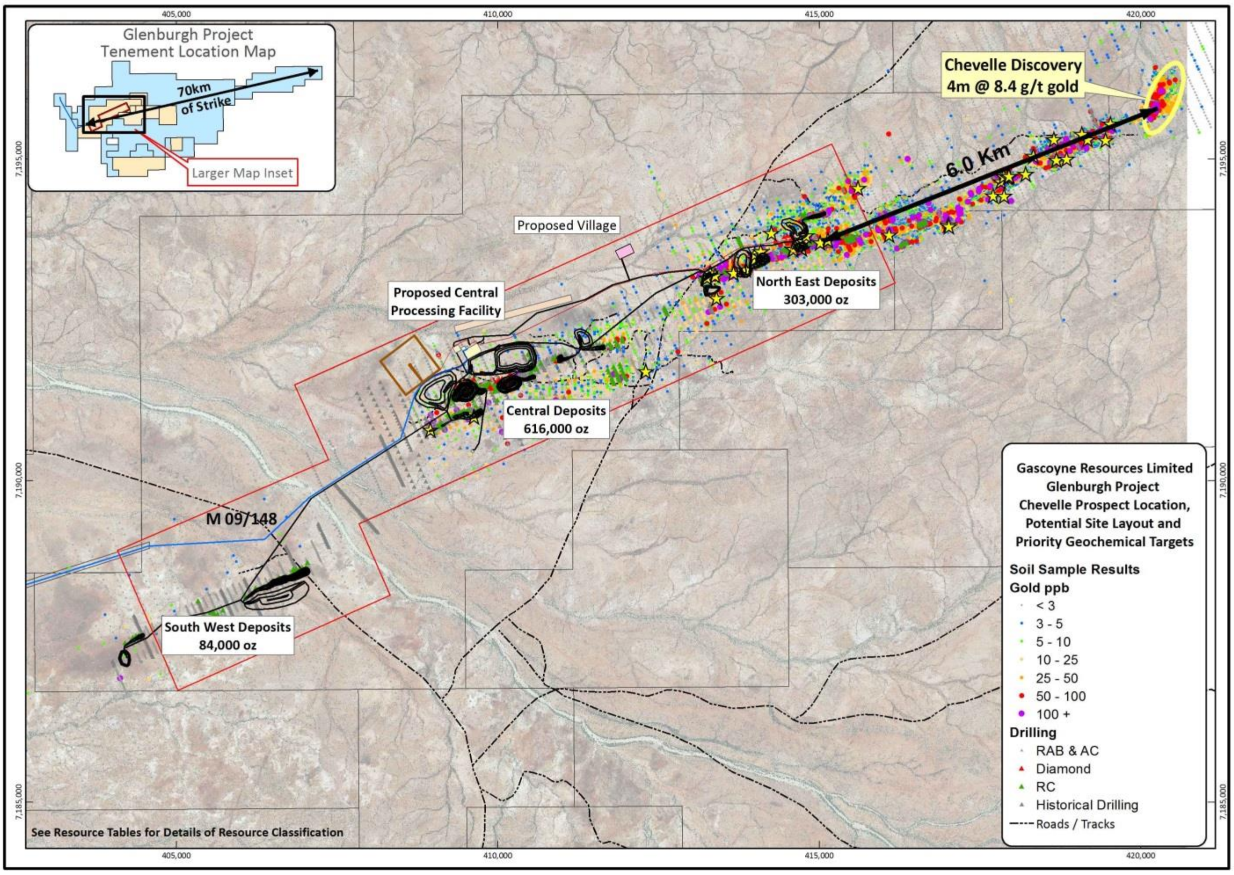

Figure 5: Glenburgh Project Deposit and Prospect Layout

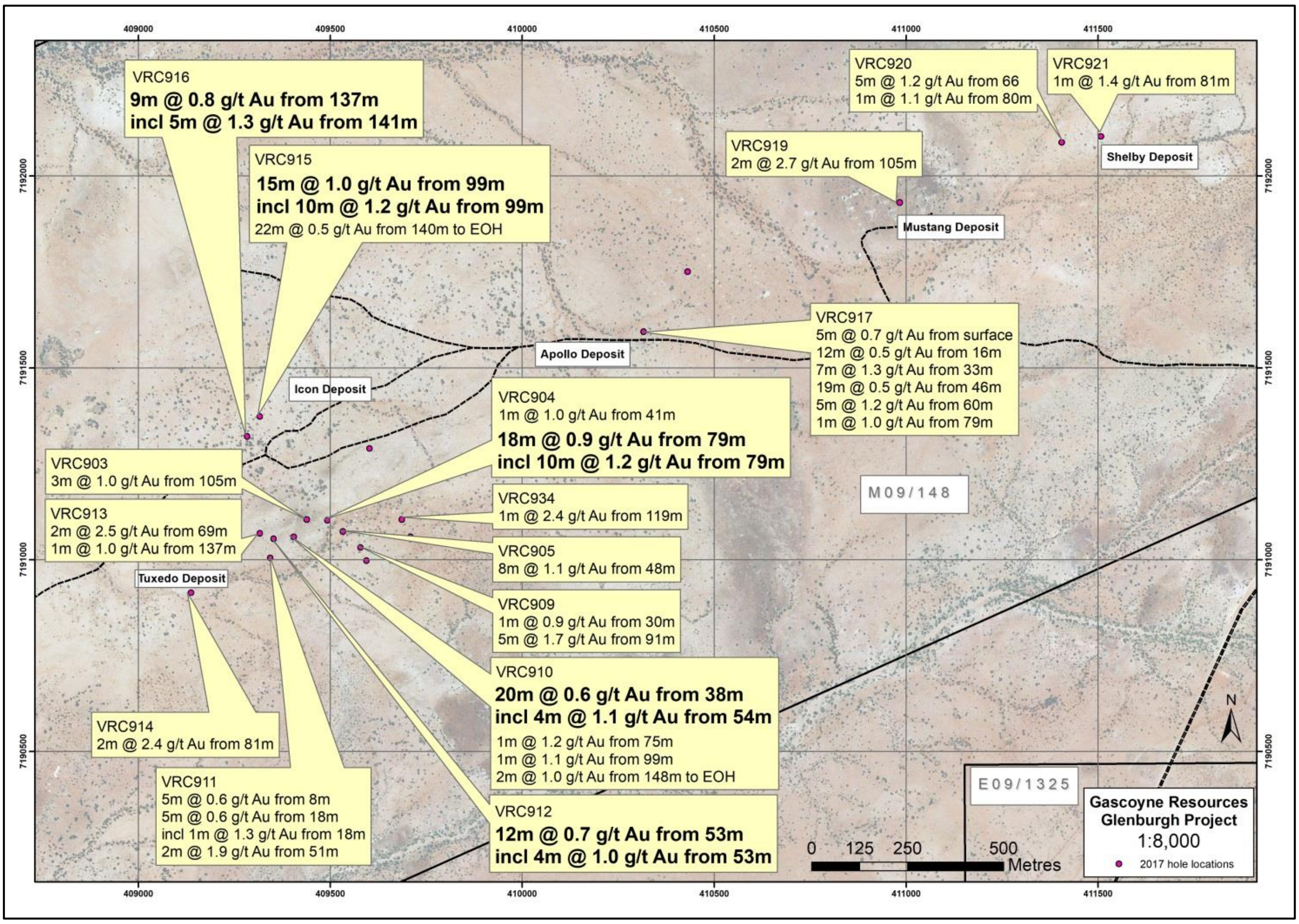

Figure 6: Location of RC holes Central Deposit Area - showing intersections

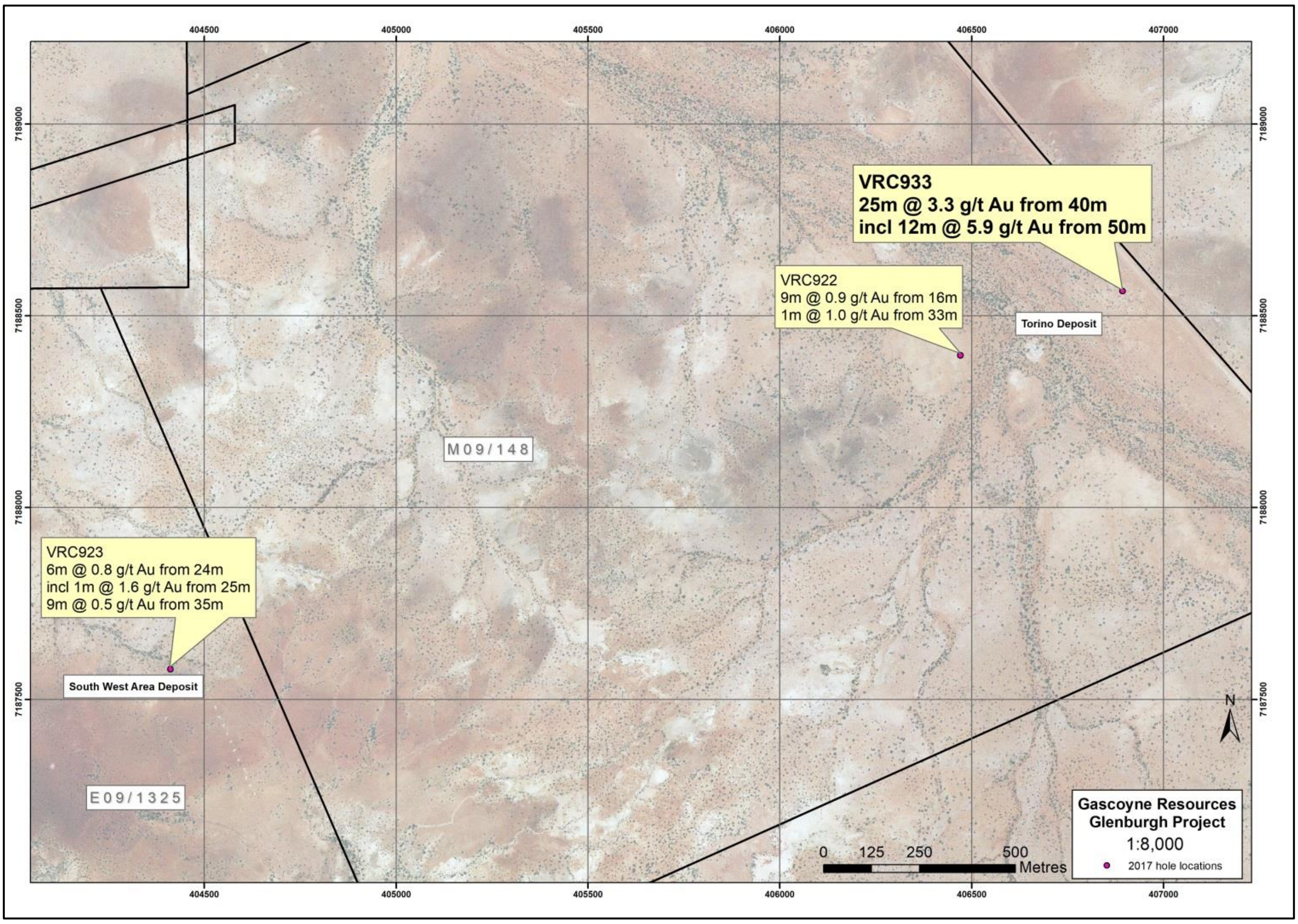

Figure 7: Location of RC holes SW Deposit Area - showing intersections

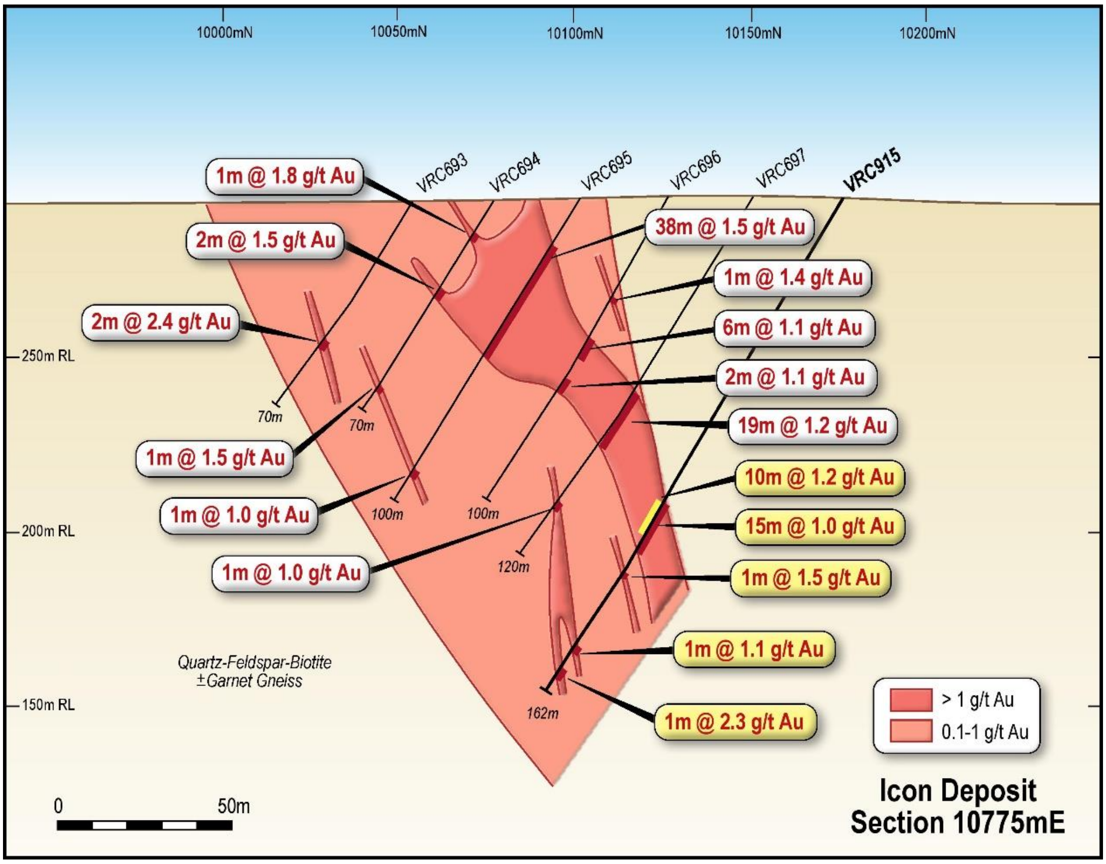

Figure 8: Cross Section Icon Deposit 10775E

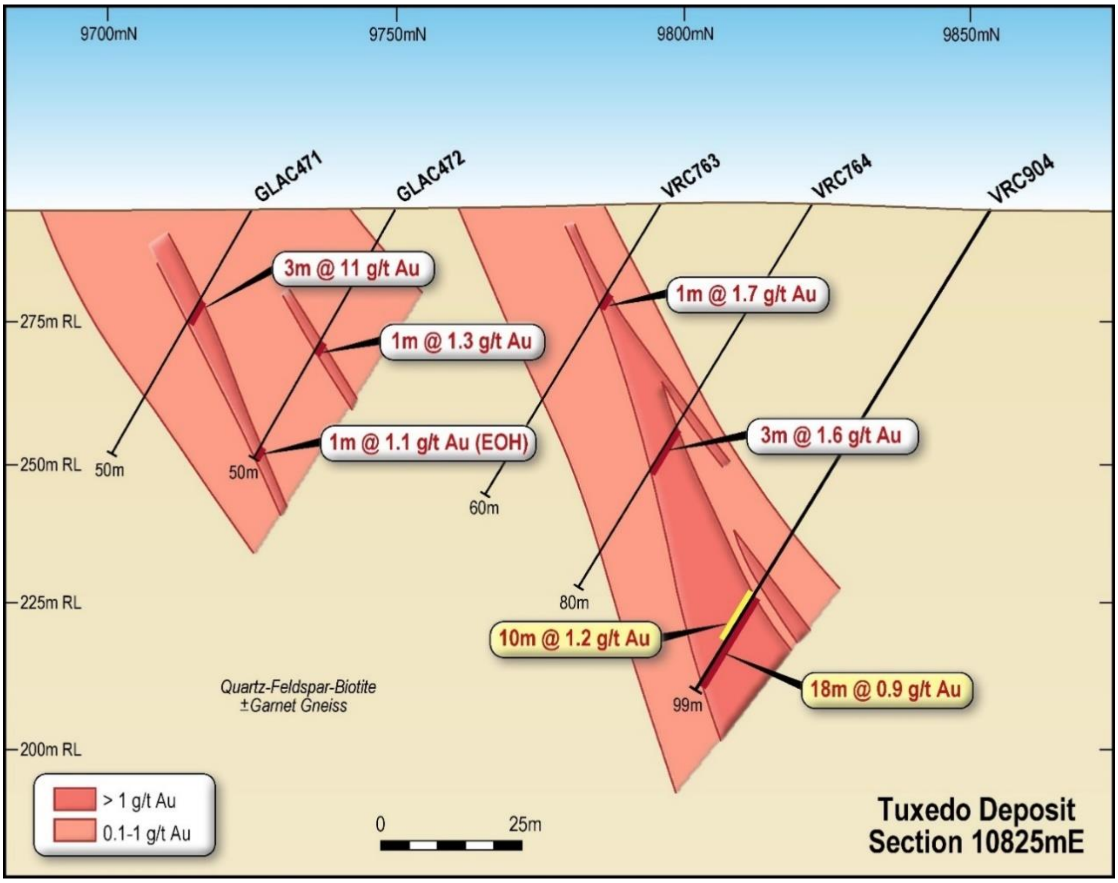

Figure 9: Cross Section Tuxedo Deposit 10825E

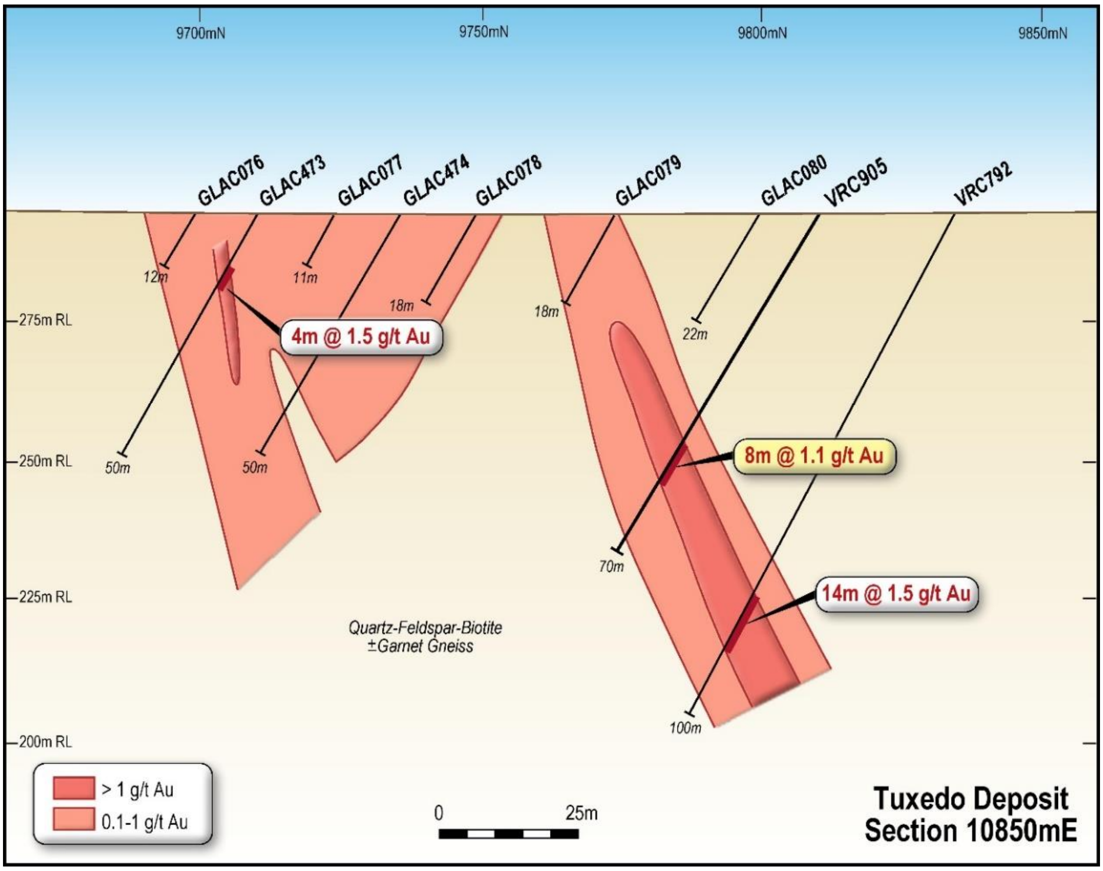

Figure 10: Cross Section Tuxedo Deposit 10850E

Mining Tenements held at 30th September 2017

All the company's tenements are within Western Australia

Tenement	Location	Name	Ownership
ELA09/2211	Gascoyne Region	Bassit Bore	100% Gascoyne Resources
EL21/195	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1709	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1904	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1905	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1906	Murchison Region	Dalgaranga	80% Gascoyne Resources
L59/141	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/142	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/151	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/152	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/153	Murchison Region	Dalgaranga	100% Gascoyne Resources
ML59/749	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2150	Murchison Region	Dalgaranga	100% Gascoyne Resources
ELA52/3400	Pilbara Region	Elphin Bore	100% Gascoyne Resources
ELA52/3531	Pilbara Region	Elphin Bore	100% Gascoyne Resources
EL09/1325	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1764	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1865	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1866	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/2025	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/2148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/62	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/56	Gascoyne Region	Glenburgh	100% Gascoyne Resources
ML09/148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL51/1648	Murchison Region	Murchison	100% Gascoyne Resources
EL52/2117	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/2515	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
ML52/343	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
ML52/567	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/3490	Gascoyne Region	Mt James	100% Gascoyne Resources
ELA52/3574	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL51/1681	Murchison Region	Murchison	100% Gascoyne Resources

Abbreviations and Definitions used in Tenement Schedule:

EL	Exploration Licence	ELA	Exploration Licence Application
ML	Mining Lease	L	Miscellaneous Licence

Competent Persons Statement

Information in this announcement relating to the Dalgaranga project is based on data compiled by Gascoyne's Managing Director Mr Mike 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 Dalgaranga and 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 7th August 2017 titled "Dalgaranga Gold Project – 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. Mr Warries is a Fellow of the Australasian Institute of Mining and Metallurgy. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2012 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. (See GCY -ASX announcement 21st June 2017 titled "Dalgaranga Gold Project Development Update"). 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.

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 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 contains a JORC Measured, Indicated and Inferred Resource of **31.1 Mt @ 1.3 g/t Au for 1,320,000 ounces** of contained gold (Table 3). The Dalgaranga project has a **Proved and Probable Ore Reserve of 581,000 ounces of gold** (Table 4). 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 3: Dalgaranga August 2017 Mineral Resource Estimate (0.5 g/t 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
Laterite				0.6	1.1	19,400	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**	**142,000**
Transitional	0.5	2.1	30,000	1.2	1.4	57,000	0.5	1.5	25,000	**2.2**	**1.6**	**109,000**
Fresh	2.2	1.4	94,000	12.6	1.2	503,000	11.0	1.3	445,000	**25.7**	**1.3**	**1,041,000**
Total	**2.8**	**1.5**	**133,000**	**16.2**	**1.3**	**676,000**	**12.3**	**1.3**	**504,000**	**31.1**	**1.3**	**1,320,000**

Note: Discrepancies in totals are a result of rounding

Table 4 Ore Reserve Statement - Dalgaranga Project June 2017

Ore Reserves	Tonnes (M tonnes)	Gold Grade (g/t)	Contained ounces (oz)
Proven	2.9	1.36	127,000
Probable	11.4	1.24	454,000
Ore Reserves Total	14.3	1.27	581,000

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 5)

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 5: 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 and the high grade Gaffney's Find prospect, which lie on a granted mining leases 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 deposit with drilling testing deeper extensions to known shoots and targeting new shoot positions.

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

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity	
Gascoyne Resources Limited	
ABN	**Quarter ended ("current quarter")**
57 139 522 900	**30 SEPTEMBER 2017**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(396)	(396)
	(e) administration and corporate costs	(332)	(332)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	51	51
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other - GST	(688)	(688)
1.9	**Net cash from / (used in) operating activities**	**(1,365)**	**(1,365)**

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(18,184)	(18,184)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
	- Mine properties	(23)	(23)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Exploration and Evaluation expenditure	(979)	(979)
	- Expenditure on Mine Properties	(275)	(275)
2.6	**Net cash from / (used in) investing activities**	**(19,461)**	**(19,461)**

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**41,774**	**41,774**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,365)	(1,365)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(19,461)	(19,461)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**20,948**	**20,948**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	20,948	41,773
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**20,948**	**41,773**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	221
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Paid to executive and non- executive directors: $221k.

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other – Credit Card facility	80	18
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
Credit card facility held with Westpac bank which is secured by a right of setoff and "locked" term deposit account.			

9.	Estimated cash outflows for next quarter	$A'000
9.1	Exploration and evaluation	384
9.2	Development	20,046
9.3	Production	-
9.4	Staff costs	325
9.5	Administration and corporate costs	133
9.6	Other (provide details if material)	60
9.7	**Total estimated cash outflows**	**20,948**

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E52/3490 E20/799 E52/3574	Tenement Holder Tenement Holder Application	0% 100%	100% 0%

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Company secretary

Date: 31 October 2017

Print name: David Lim

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.