

November 3rd 2017
Australian Securities Exchange Limited
Via Electronic Lodgement

DALGARANGA GOLD PROJECT - CONSTRUCTION UPDATE 8 MONTHS TO FIRST GOLD

- Construction work at Gascoyne's 100% Dalgara Gold Project advancing well on all fronts, with first gold production scheduled for Q2 2018, currently on budget and on time
- Engineering and design of the 2.5Mtpa Process Plant well advanced - 91% complete
- GR Engineering fully mobilised to site on 1st August, construction activities include:
 - SAG mill foundations - *completed*
 - CIL tank foundations and bunding - *completed*
 - CIL Tank erection - *60% complete*
 - Steel Fabrication - *well advanced*
 - Steel Erection - *commenced*
 - Buried services - *underway*
 - Installation of mechanical equipment - *commenced*
 - Workshop and warehouse construction - *completed*
- Administration and maintenance office complex installation - *completed*
- Tailings storage facility (TSF) lift approximately - *75% complete*
- Water evaporation pond construction - *completed*
- Golden Wings water bore and dewatering pipeline - *completed*
- Dewatering of Golden Wings underway - *5 months ahead of mining*
- Dewatering of Gilbeys underway - *8 months ahead of mining*
- Access road construction and clearing for the airstrip - *completed*
- NRW Holdings nominated as preferred mining contractor - *mining to commence in March 2018*



Gascoyne Resources Limited ("**Gascoyne**" or "**Company**")(**ASX:GCV**) is pleased to provide an update on construction activities at the Company's 100% owned Dalgaranga Gold Project, which contains a Measured, Indicated and Inferred Resource of **31.1Mt @ 1.3 g/t for 1,320,000 ounces of contained gold**, which is inclusive of **Proved and Probable Ore Reserves of 14.3Mt @ 1.27 g/t for 581,000 ounces of gold** (see Figures 2 & 3 and Tables 1 & 2 below).

Process Plant Construction Update:

GR Engineering (GRES) has progressed significantly with the design and engineering of the 2.5Mtpa Dalgaranga Processing Plant, with design and engineering 91% complete (see Figure 1).

GRES fully mobilised to site on 1st August and is well advanced on the construction of the process plant. Activities completed to date include:

- Concrete placement is approximately 85% complete with the SAG mill foundations, CIL tank foundations, reagent storage foundations and wet area foundations all complete.
- CIL tank erection is well advanced with three tanks at full height. Overall the CIL tank construction is approximately 60% complete.
- Steel erection on site is well advanced with steelwork around the SAG mill and ore transfer bin progressing on schedule.
- Installation of the mechanical equipment has commenced.
- Installation of the buried services has commenced and is on schedule.
- Construction of the workshop and warehouse has been completed
- Off site steel fabrication is well advanced, with conveyor trusses, reagent tanks, feed chutes and ore bins being delivered to site as scheduled.

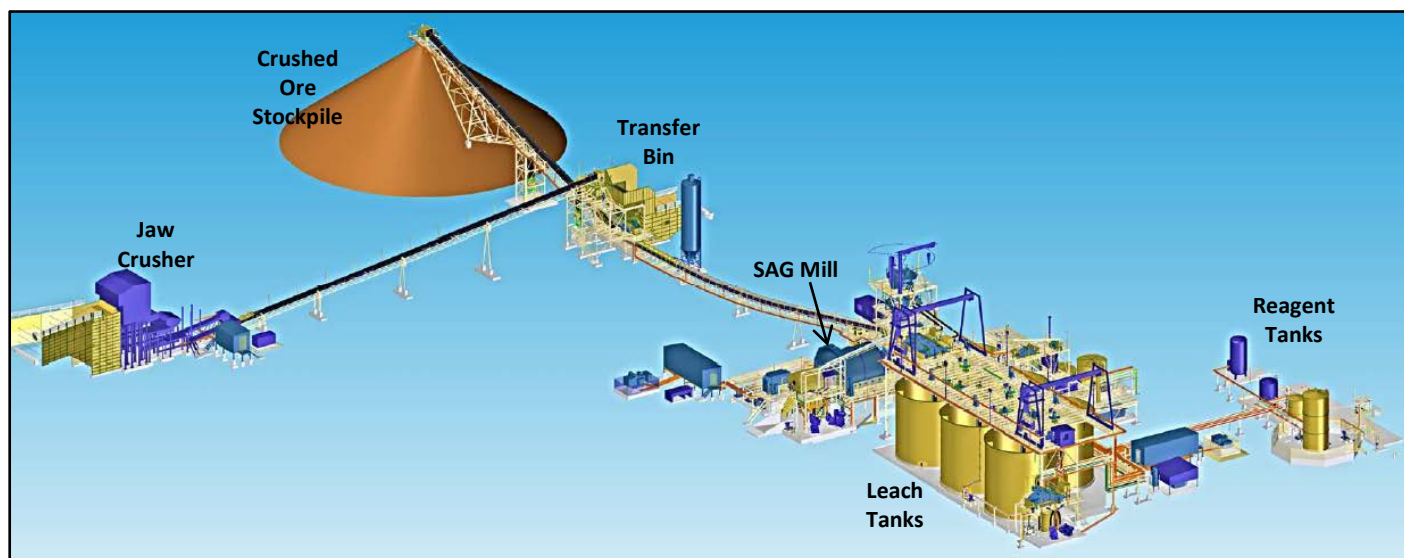


Figure One: Isometric Layout of the Dalgaranga Processing Plant



Photo 1: Dalgaranga Plant Site Construction Progress



Photo 2: SAG Mill Foundations Completed



Photo 3: Steel Erection around the Transfer Bin



Photo 4: Installation of the Mechanical Equipment has commenced - Elution Heater being installed



Photo 5: Workshop and Warehouse Construction Complete

Tailings Storage Facility and Evaporation Pond:

The tailings storage facility (TSF) construction is 75% complete (see Photo 6 below). The initial TSF lift comprises construction of a 3.5m embankment. This will be completed in December. In addition to the TSF, an evaporation pond has been added to allow efficient management of the site dewatering requirements. The construction of the pond is complete (see Photo 7 and 8 below), allowing dewatering to commence in October, 5 months ahead of mining at Golden Wings, and 8 months ahead of mining at Gilbeys.



Photo 6: Dalgaranga Tailings Storage Facility Construction Progress



Photo 7: Gilbeys Dewatering Underway

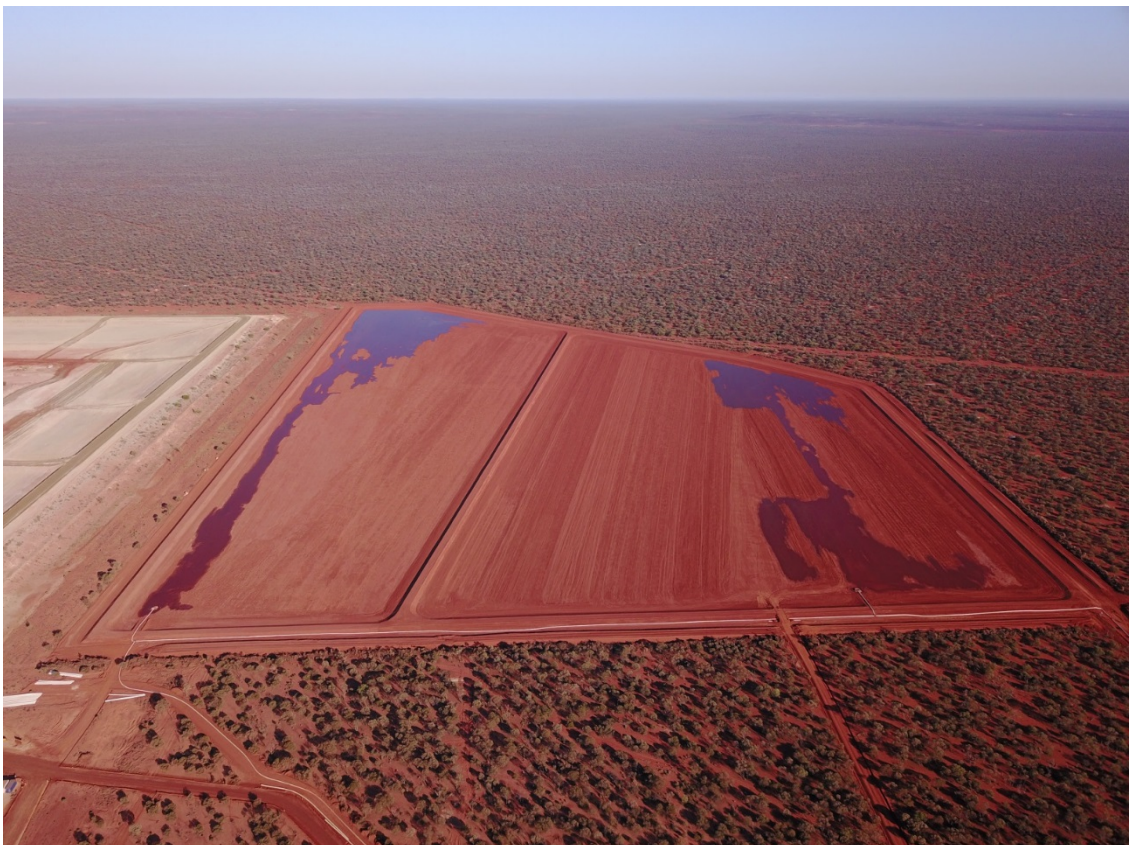


Photo 8: Dalgaranga Evaporation Pond In Use

Airstrip Construction:

Next to the 240 person Dalgara village, clearing has been completed for the airstrip. The runway design has been completed and construction will start in the next month, to allow flights straight into site from early next year following certification of the airstrip (see Photo 9).



Photo 9: Dalgara Airstrip clearing

Project Financing:

As announced to the ASX on 18th of September, the Company has mandated two tier one Australian banks for a \$60 million debt facility. The final financial model has been delivered to the banks, incorporates a number of improvements, following the discovery of further significant gold mineralisation, and a revised mining schedule, with oxide ore brought forward to maximise mill capacity. The facility agreements and all of the conditions precedent to financial close and debt drawdown are well advanced with drawdown expected in early December.

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 Two: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions

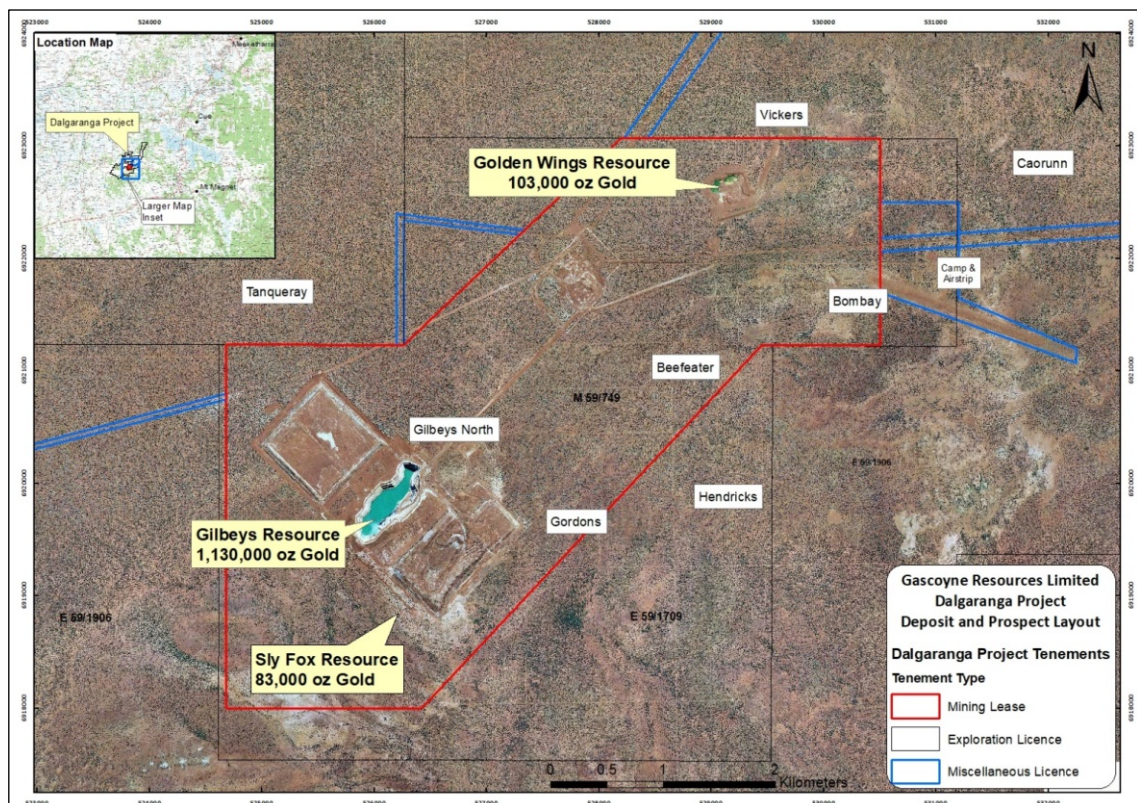


Figure Three: Dalgara Gold Project Deposit and Prospect Layout

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 Resource 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 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 2 Ore Reserve Statement - Dalgara 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 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 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

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.