GASCOYNE RESOURCES LIMITED

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December 8th 2017
Australian Securities Exchange Limited
Via Electronic Lodgement

POWER PURCHASE AGREEMENT SIGNED FOR THE DALGARANGA GOLD PROJECT

Gascoyne Resources Limited (**"Gascoyne" or "Company"**)(**ASX:GCY**) is pleased to advise that (through its 100% owned subsidiary GNT Resources Pty Ltd), it has executed a Power Purchase Agreement with Zenith Energy Limited's (ASX: ZEN) 100% owned subsiduary Zenith Pacific (DGA) Pty Ltd ("Zenith") to build, own and operate a 15MW gas-fired power station for the Dalgaranga Gold Project.

Under the terms of the PPA, Zenith will construct the power station to service the power needs of Gascoyne's Dalgaranga Gold Project, located approximately 70km by road North West of Mt Magnet in the Murchison gold mining region of Western Australia. The power station will utilise LNG gas-fuelled generators, providing the Dalgaranga Gold Project with clean, cost effective power long into the future.

The PPA has an initial 6-year term, with GNT Resources Pty Ltd having the option to extend this for a further 4 years.

Commenting on the execution of the PPA with Zenith, Gascoyne's Managing Director Mike Dunbar said: "*Execution of the power purchase agreement with Zenith provides the Dalgaranga Gold Project with a low cost, clean and reliable energy solution and is another major milestone in project development. The initial term of 6 years provides certainty for the initial mine life, while the option for us extend for a further 4 years gives us the ability to grow the project, knowing that there is a long term power solution. The choice of gas fuelled generators considerably de-risks the project as it reduces input costs and substantially lowers our exposure to any future escalation in the diesel price for power generation.*
We look forward to working alongside the Zenith team as we build and operate the Company's Dalgaranga Gold Project."

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

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