

December 12th 2017
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 Via Electronic Lodgement

GASCOYNE EXPANDS FOOTPRINT OF THE DALGARANGA GOLD PROJECT

- Gascoyne has purchased 100% of a highly prospective tenement located immediately north of its Dalgaranga Gold Project
- The tenement contains a number of historic gold and base metal prospects which have not been drilled for more than 17 years and contain significant drill intersections including:

Greencock Gold Prospect (only 7.5 km from the Dalgaranga mill)

- 19m @ 1.6g/t gold
- 15m @ 1.5 g/t gold
- 15m @ 1.1 g/t gold

Gascoyne Resources Limited ("**Gascoyne**" or "**Company**")(**ASX:GCY**) is pleased to advise that it has acquired a 100% interest in Exploration Licence E53/2053, which is considered to be highly prospective for gold and base metal mineralisation, and has strong synergies with existing Dalgaranga tenements. The tenement lies immediately to the north west of the Company's existing Dalgaranga Gold Project tenements, 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 Figure One).

Numerous historic gold and base metal prospects occur on the tenement, which has not had any drilling activity in over 17 years. Of immediate interest is the Greencock Gold Prospect, which contains a number of significant gold intersections over a strike length of 300m. The prospect remains open at depth and along strike with ENE/WSW structural trend observable in aeromagnetic data. Some of the better intersections from historical drilling at the prospect include; **15m @ 1.5g/t gold from 83m and 19m @ 1.6g/t gold from 106m in GKC012, 15m @ 1.1g/t gold from 53m in GKC009 and 10m @ 1.1g/t gold from 111m in GKC011**. Greencock is approximately 7.5km from the Dalgaranga processing plant, which is currently under construction and on schedule for first gold production in Q2 of 2018.

While Gascoyne's immediate priority is the gold prospectivity, the tenement also contains a number of base metal prospects which were the focus of number of explorers from 1968 to the mid 1990's using the Golden Grove volcanic massive sulphide (VMS) deposits as the exploration model. Ground and airborne electromagnetic geophysical techniques found a number of sulphide rich conductor zones, some of which have been partially drill tested, while others remain untested. High grade base metal intersections were recorded at the Lasoda prospect which contains Zinc, Copper, Lead, Silver and Gold mineralisation; including **6.4m @ 17.5% Zinc, 2.4% Lead, 0.5% Copper and 6m @ 7.4% Zinc, 0.9 % Lead, 0.4% Copper and 23g/t Silver**.

The tenement also contains a number of other targets, including the Gum Well Prospect, where drilling identified wide zones of zinc mineralisation and a historical graphite deposit which was defined in the late 1960's by CRA Exploration and BHP. A number of other targets have been identified from historical data compilation including areas prospective for pegmatite hosted tin, tantalum and lithium.

Once drill permitting and heritage clearances have been obtained early in 2018 the Company will commence an aggressive exploration on the tenement with the initial focus on the Greencock prospect area through aircore and RC drilling.



The consideration for the 100% interest in the tenement, is \$100,000 in cash, 475,000 Gascoyne shares escrowed for 6 months and a further 475,000 shares escrowed for 12 months. Dalgara Exploration Pty Ltd, a wholly owned subsidiary of Gascoyne acquired the tenement from a private prospector.

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

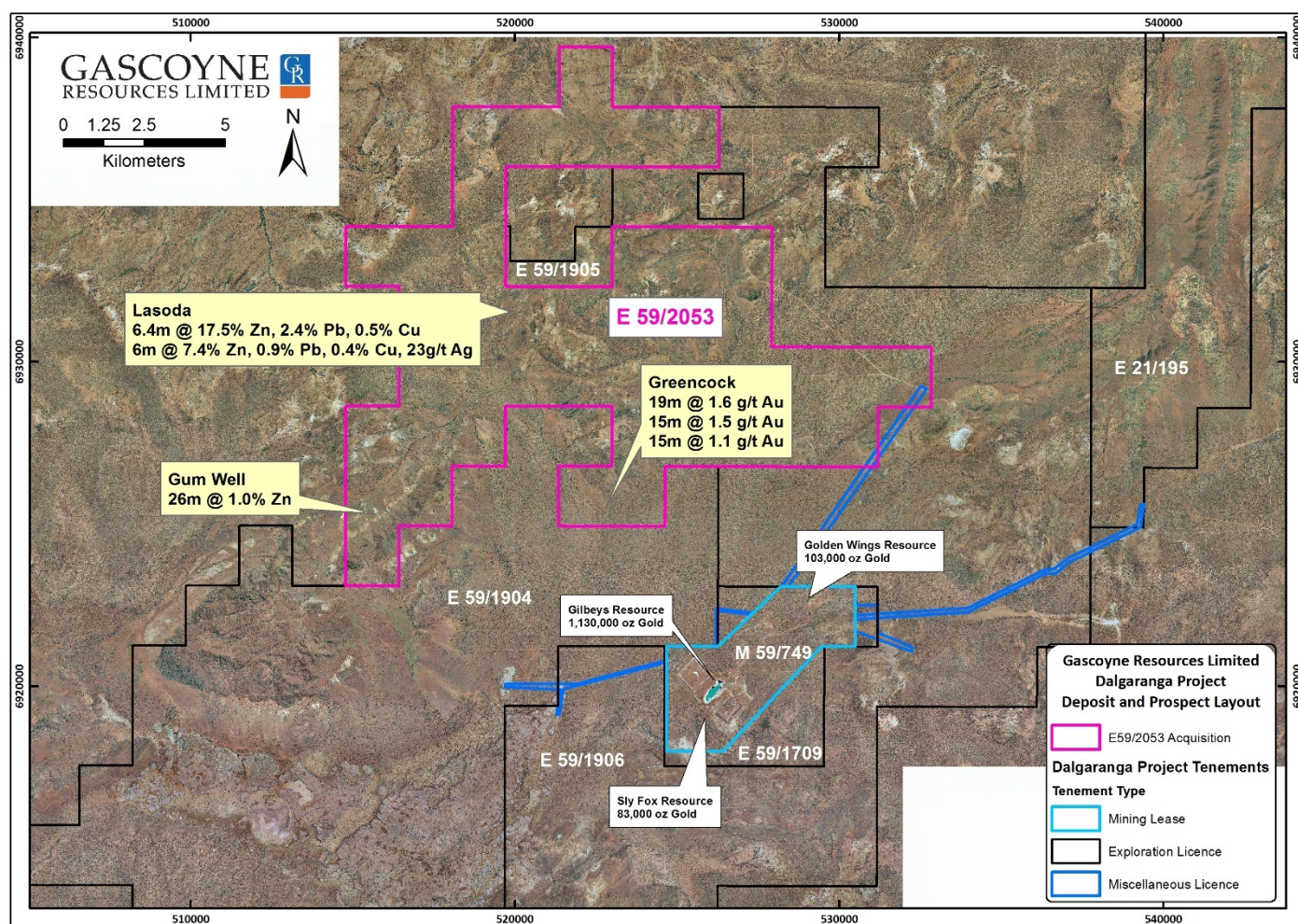


Figure One: Location of Tenement E59/2053 and Historic Prospects

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 612,000 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 November 2017

Ore Reserves	Tonnes (M tonnes)	Gold Grade (g/t)	Contained ounces (oz)
Proven	2.8	1.4	122,500
Probable	12.4	1.2	490,000
Ore Reserves Total	15.3	1.3	612,000

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
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 16th November 2017 titled "Dalgaranga Gold Project – Mine Plan Increased to Over 650,000Oz"). 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.

JORC Code 2012 Table 1

The following extract from the JORC Code 2012 Table 1 is provided for compliance with the Code requirements for the reporting of Ore Reserves:

‘JORC Code 2012 Table 1’ Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections).

Historic Exploration drill results referred to is sourced from historic Company reports publicly available from the WAMEX open file reports from Western Australia Department of Mine and Industry Regulation and Safety (DMIRS)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	• No drilling or sampling; drilling referred to is sourced from historic Company reports publicly available from the Western Australia Department of Mine and Industry Regulation and Safety (DMIRS)
Drilling techniques	• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	• No drilling or sampling; drilling results referred to is sourced from historic Company reports publicly available from the Western Australia Department of Mine and Industry Regulation and Safety (DMIRS)
Drill sample recovery	• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	• No drilling or sampling; drill results referred to is sourced from historic Company reports publicly available from the WAMEX open file historic company reports from Western Australia Department of Mine and Industry Regulation and Safety (DMIRS)
Logging	• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i>	• No drilling undertaken
Sub-sampling techniques and sample preparation	• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	• No drilling undertaken
Quality of assay data and laboratory tests	• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	• No drilling
Verification of sampling and assaying	• <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and</i>	• No drilling or sampling; drill results referred to is sourced from historic Company reports publicly available from the WAMEX open file historic company reports from Western Australia Department of Mine and Industry Regulation and Safety (DMIRS).

Criteria	JORC Code explanation	Commentary
	<i>electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	No drilling or sampling; drill results referred to is sourced from historic Company reports publicly available from the WAMEX open file historic company reports from Western Australia Department of Mine and Industry Regulation and Safety (DMIRS).
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	No drilling and sampling
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	No drilling or sampling.
Sample security	<i>The measures taken to ensure sample security.</i>	No drilling or sampling
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No drilling or sampling drill results referred to is sourced from historic Company reports publicly available from the WAMEX open file historic company reports from Western Australia Department of Mine and Industry Regulation and Safety (DMIRS).

'JORC Code 2012 Table 1' Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section).

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	- The historic drill results referred to are situated on tenement number E59/2053. Gascoyne Resources has 100% interest in the tenement. - The tenement is in good standing and no known impediments exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The tenement area has been previously explored by numerous companies including BHP, CRA Exploration, ACM Gold, Carpentaria Exploration, WMC, Newcrest, Equigold. Western Reefs NL from the period 1960s to 2000.
Geology	Deposit type, geological setting and style of mineralisation.	- Regionally, the tenement lies within the Archean Dalgara Greenstone Belt in the Murchison Province of Western Australia. The tenement lies immediately to the north west of the Gascoyne Resources Dalgara Gold Project tenements and encompasses the western side of the Dalgara Greenstone Belt which contains a large package of felsic volcanic rocks and sediments intruded by gabbro complexes which have been folded into ENE trending synforms. - A number of historic gold and base metal prospects occur on the tenement, in particular the Greencock gold prospect which contains a number of significant gold intersections over an open ended strike length of 300m associated with ENE/WSW structural trend observable in aeromagnetic data. Gold mineralisation at Greencock is associated with sheared gabbro and porphyry.
Drill hole information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	- No drilling by Gascoyne Resources - The drill results referred to is sourced from historic Company reports publicly available from the WAMEX open file historic company reports from Western Australia Department of Mine and Industry Regulation and Safety (DMIRS).
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- Historic exploration results are being reported based on information collated from Open File WAMX Reports. from Western Australia Department of Mine and Industry Regulation and Safety (DMIRS). - Not applicable as a Mineral Resource is being reported. - Metal equivalent values have not been used.
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Historic exploration results are being reported based on information collated from Open File WAMX Reports. from Western Australia Department of Mine and Industry Regulation and Safety (DMIRS).
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Location map has been included within the main body of text.
Balanced Reporting	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Historic exploration results are being reported based on information collated from Open File WAMX Reports. from Western Australia Department of Mine and Industry Regulation and Safety (DMIRS) Drill hole locations sourced from historic reports.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and	No other meaningful or material exploration data to be reported at this stage

Criteria	JORC Code explanation	Commentary
	<i>method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Drilling programs planned to follow up gold mineralisation at the Greencock prospect