GASCOYNE RESOURCES LIMITED

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Australian Securities Exchange Limited
Via Electronic Lodgement

GASCOYNE ENTERS INTO LONG TERM FORWARD GOLD SALES CONTRACTS

- **Gascoyne Resources Limited (through its 100% owned subsidiary, GNT Resources Pty Ltd) has entered into long term flat forward gold sales contracts for 164,000 ounces of production from its Dalgaranga Gold Project.**
- **Flat Forward gold sale price of $1,712 per ounce (net of fees) achieved, which represents a premium of approximately $78 over the recent spot gold price.**

Gascoyne Resources Limited (Gascoyne or the Company) is pleased to announce that it has entered into flat forward gold sales contracts for 164,000 ounces of gold production from its 100% owned Dalgaranga Gold Project, at a delivery price of $1,712 per ounce (net of fees). These contracts have been executed with Commonwealth Bank of Australia (CBA) and the National Australia Bank (NAB) who are also providing a $60M project loan facility for the development of the Dalgaranga Gold Project. This hedge replaces the short term hedge facility that was put in place in November.

The Company's strategy of securing short term hedges in November and early December set the base pricing for the longer term gold hedge outlined above. This strategy has enabled the Company to achieve a long term flat forward sale price of $1,712/oz, which is a premium of approximately $78/oz on the recent spot gold price of $1633/oz and has protected the Company from the recent gold price volatility.

The first gold delivery under the long term hedge is due in September 2018 and the last delivery date is June 2022.

At the time that the initial short term hedging was executed in November the Company was required to lodge a $5 million cash security with CBA. With the debt facility and the project security now in place, the $5 million has been returned to the Company.

Commenting on the hedge facility, Gascoyne's Managing Director Mike Dunbar said: "*The Company's strategy of putting in short term gold price protection last month has prevented the Company being exposed to the recent gold price volatility. As a result the flat forward long term gold price of $1,712 per ounce (net of all fees) has been achieved, which is a premium of around $78 per ounce over the recent spot gold price. This forward gold price is well above the gold price used in the economic evaluation of Dalgaranga and secures a very high margin for some of the gold that will be delivered during the life of the bank debt.*"

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

LISTED ON ASX

P.O. Box 1449, West Perth, Western Australia 6872
Level 1, 41-47 Colin Street, West Perth, Western Australia 6005
Telephone +61 8 9481 3434, Facsimile +61 8 9481 0411
Email: admin@gascoyneresources.com.au, Web: www.gascoyneresources.com.au