GASCOYNE RESOURCES LIMITED

# First Gold in 3 Months

## Dalgaranga Gold Project

## +100,000 ozpa

## &

## 1.0Moz Glenburgh Gold Project

RIU Explorers Conference Presentation
February 2018

# Disclaimer & Competent Persons Statement

This presentation contains forward looking statements.  Forward looking statements are often, but not always, identified by the use of words such as "seek", “target”, "anticipate", “forecast”, "believe", "plan", "estimate", "expect“ and "intend“ and statements that an event or result "may", "will", "should", "could“ or "might“ occur or be achieved and other similar expressions.  Indications of, and guidance on, future expected production or earnings and financial position and performance are also forward looking statements.  The forward looking statements in this presentation are based on current expectations, estimates, assumptions, forecasts and projections about Gascoyne and the industry in which it operates as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect.  The forward looking statements relate to future matters and are subject to various inherent risks and uncertainties.  Many known and unknown factors could cause actual events or results to differ materially from the estimated or anticipated events or results expressed or implied by any forward looking statements.  Such factors include, among others, changes in market conditions, future prices of gold and exchange rate movements, the actual results of production, development and/or exploration activities, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns.  Neither Gascoyne, its related bodies corporate nor any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy, correctness, completeness, adequacy, reliability or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward looking statement.  The forward looking statements in this presentation reflect views held only as at the date of this presentation. Other than as required by law and the ASX Listing Rules, Gascoyne disclaims any duty to update forward looking statements to reflect new developments.

Information in this presentation is based on data compiled by Gascoyne’s Managing Director Mr Michael 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 & 2004 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.

All references to dollars, cents or $ in this presentation are to AUS$ currency, Where US$ are stated FX exchange rate of A$/US$ rate of 75c is used.

# Competent Persons Statement & Forward Looking Statements

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 "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 (see GCY -ASX announcement 16th November 2017 titled "Dalgaranga Gold Project – Mine Plan Increased to Over 650,000oz). 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 Ore Reserves 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 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.

Production Targets:
Production Targets outlined in this presentation are based 100% on Measured, Indicated and Inferred Mineral Resources and Proved and Probable Ore Reserves, No Exploration target or exploration upside has been incorporated.

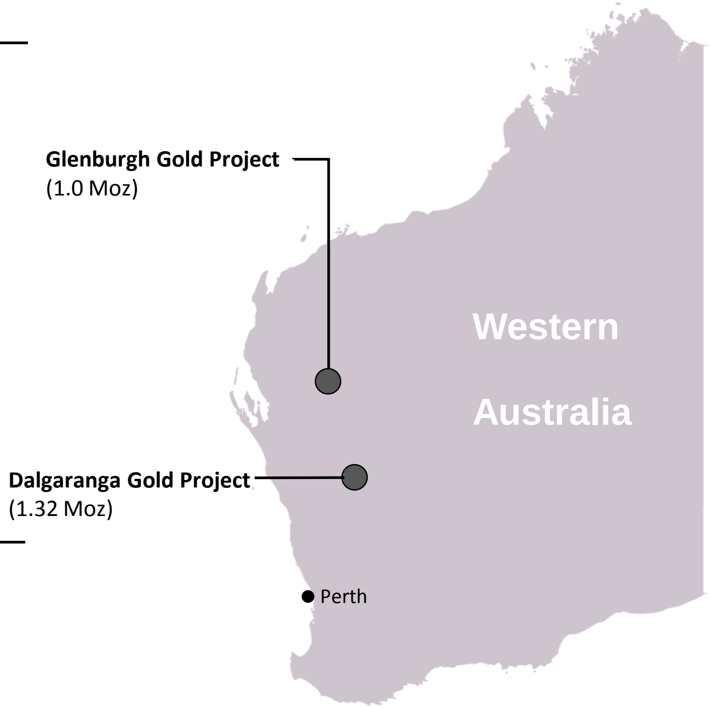
Dalgaranga Project:The Production Target is based on 94 % Ore Reserves (Proved and Probable) and 6% Inferred Resources. There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Inferred Mineral Resources will add to the economics of the project. The inclusion of these Inferred Mineral Resources does not substantially change the financial outcome or alter the viability of the project. There has historically been very good conversion of Inferred Resources into Indicated Resources as the structures and geological units that host the mineralisation at Dalgaranga can be traced along strike and at depth. Currently the drill density is too sparse to allow this material to be classified as Indicated Resources. As a result there is no assurance that the economic evaluation outlined in this presentation will be realised.
All of the JORC (2012) modifying factors have been adequately addressed and are sufficiently well understood (evidenced by estimation of a Proved and Probable Ore Reserve), including securing long term tenure with the grant of the Mining Lease, environmental baseline studies, mining studies, metallurgical studies, geochemical studies, tailings disposal studies, engineering studies including capital and operating cost estimates and hydrogeological studies all having been completed on the project.
The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original announcement.

Glenburgh Project: Glenburgh PFS was prepared and first disclosed under the JORC Code 2004 (the resource has now been updated to conform with the JORC 2012 guidelines). The Production Target is based on the JORC (2004) Resource (released to the ASX on April 29th 2013) which formed the basis for the preliminary Feasibility Study and was classified as Indicated and Inferred and as a result, was 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. The Production Target is based on 70% Measured and Indicated Resources and 30% Inferred Resources. There is a lower 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 Inferred Mineral Resources will add to the economics of the project. However. there has historically been very good conversion of Inferred Resources into Measured and Indicated Resources as the structures and geological units that host the mineralisation at Glenburgh can be traced along strike and at depth. As a result there is no assurance that the economic evaluation outlined in this presentation will be realised. All of the JORC (2004) modifying factors have been adequately addressed and are sufficiently well understood to allow the completion of a PFS. An Ore Reserve has not been estimated for the Glenburgh Project. the JORC 2012 Glenburgh Mineral Resource estimate (outlined in this presentation), will form the basis for PFS update which is underway.

# Gascoyne Resources - 3 months to first gold

## *2.3 Moz of Gold Resource Base in Western Australia*

| | |
|---|---|
| **Dalgaranga – Western Australia's Next Open Cut Gold Mine** | • Near-term High Margin Open Cut Mine<br>• First gold scheduled for May 2018<br>• +1.32Moz Resource and Growing<br>• **First Gold in 3 months**<br>• **Construction on budget and 1 month ahead of schedule**<br>  • ~116,000ozpa yrs. 1&2<br>  • AISC (LOM) ~A$1,000/oz (~US$750)<br>  • Initial +6 year life of mine<br>• Mine Plan Includes 652,000oz<br>• **Significant upside to grow mine life to at least 8-10 years** |
| **Glenburgh - Second Development Project** | • **Provides Clear Pathway towards 200,000ozpa** through organic growth<br>• 1.0Moz Resource<br>• Development to be funded through cashflow from Dalgaranga<br>• Studies Underway – potential for production in late 2020<br>• Massive Exploration Upside <30% of mineralised Trends tested |



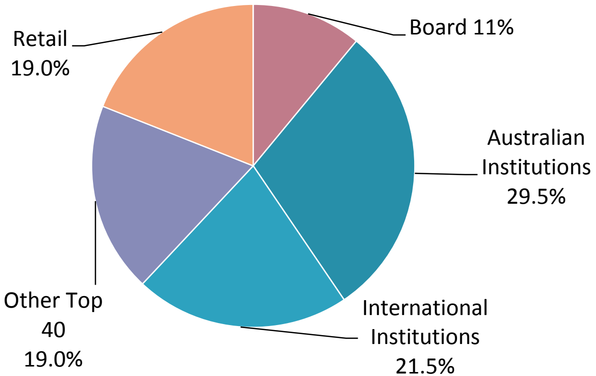
# Corporate Snapshot

## Capital Structure

| | |
|---|---|
| Shares on issue | 434 million |
| Options on issue (unlisted 55c) | 7.85 million |
| Market Capitalisation (at $0.48) | $205 million |
| Cash (December 2017) | $34 million |
| Debt | $20 million |
| Enterprise Value | $190 million |

## Share Price


## Major Shareholders




## Research Coverage

Hartleys

ARGONAUT
The Natural Choice in Resources

## Board & Management

**Board**

Mike Joyce (Chairman)

Mike Dunbar (Managing Director)

Directors:

Ian Kerr (Development Director)

John den Dryver

Sally-Anne Layman

Stan Macdonald

Graham Riley

**Senior Management**

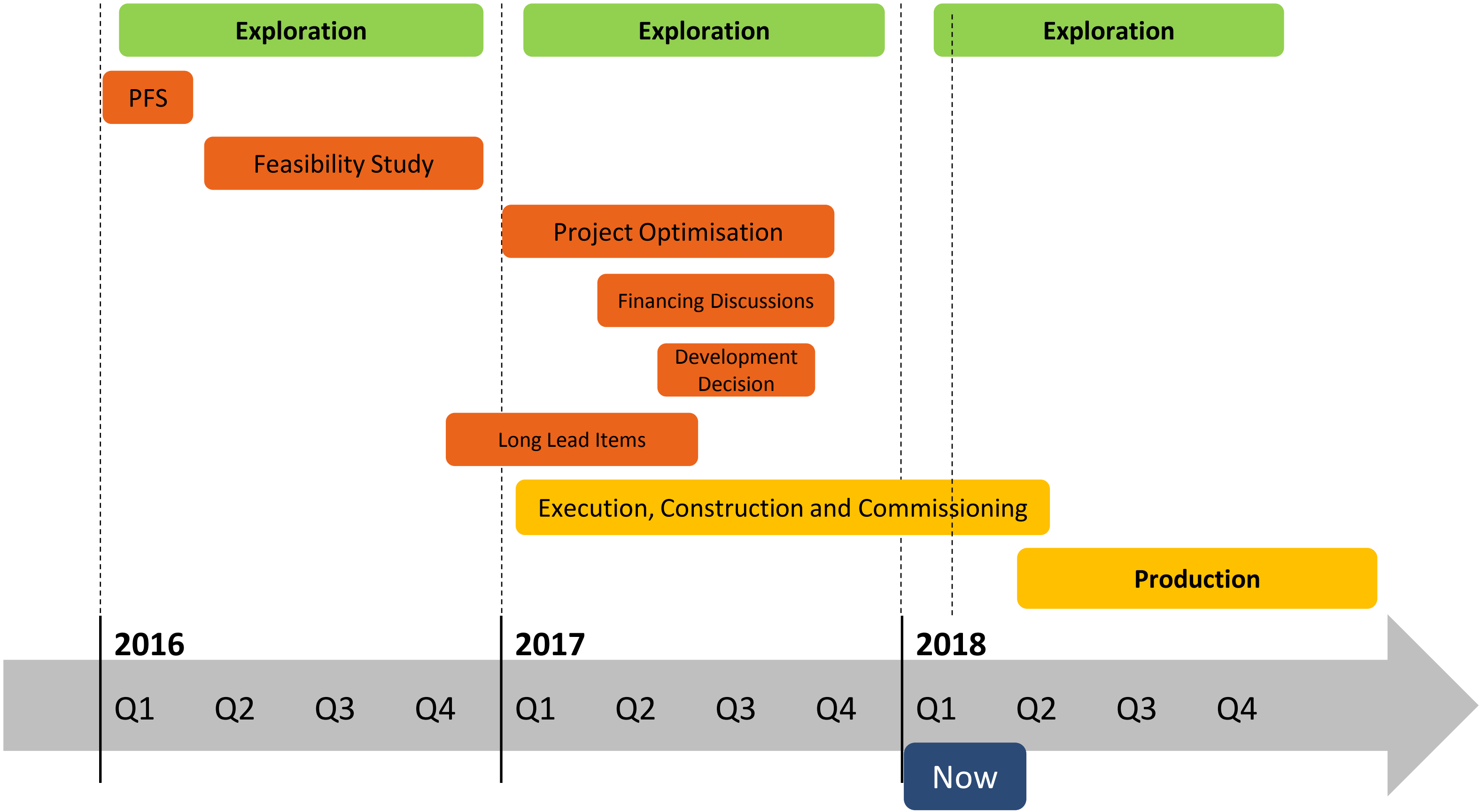
Registered Manager - Peter Sperring

Chief Geologist - Julian Goldsworthy

Exploration Manager - Karl Weber

CFO - David Lim

# Dalgaranga – 3 months to first gold



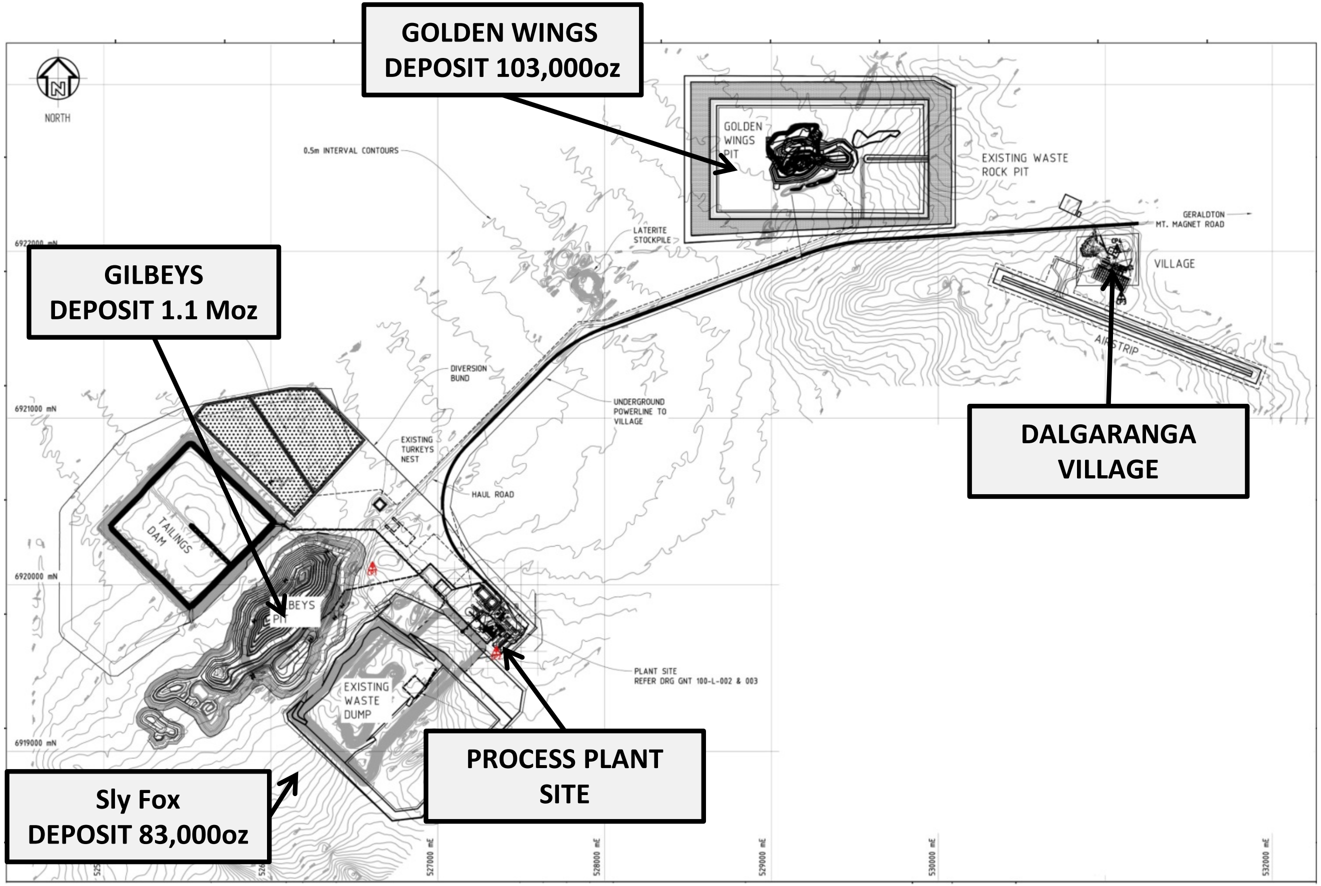
# Project Execution

- Very Experienced Team Employed
  - Ian Kerr – Development Director
  - Peter Sperring – Dalgaranga Registered Manager
  - All Operational Department Heads On-board
- Project Permitting Completed
- GR Engineering building the 2.5Mtpa plant on a GMP basis
- All Long Lead Items delivered on schedule
- Village Construction Complete
- TSF Lift & Evaporation Pond Complete
- **On Budget and 1 month ahead of Schedule**
- **<u>First Gold in 3 months</u>**

**Gold Pour from the Previous Operation**

**Dalgaranga Gold**

# Dalgaranga Project Overview




***A New, Simple & Conventional Operation***

- Open Pits within 3.5 km
  - First Pit - the Higher Grade Golden Wings Deposit
  - Second Pit – The recently discovered Sly Fox Deposit
  - Third Pit - the staged cutback of Gilbeys
- A New Processing plant

# Dalgaranga Project Overview

# Project Construction – Progress early August 2017

# Project Construction – Progress mid February

# Process Plant – Construction in 6 months

# Process Plant – Construction in 6 months

Top of CIL Tank Steelwork, SAG Mill and Cyclone Tower

SAG Mill Installation

# Project Construction – Power and LNG Progress

**Power Station Construction – Well Advanced**

**LNG Storage Tank Installation – Well Advanced**

# Project Construction – NRW Mobilisation

**Site Establishment – Well Advanced**

**Mobilisation of Mining Fleet Underway**



New Truck Trays – Ready for delivery

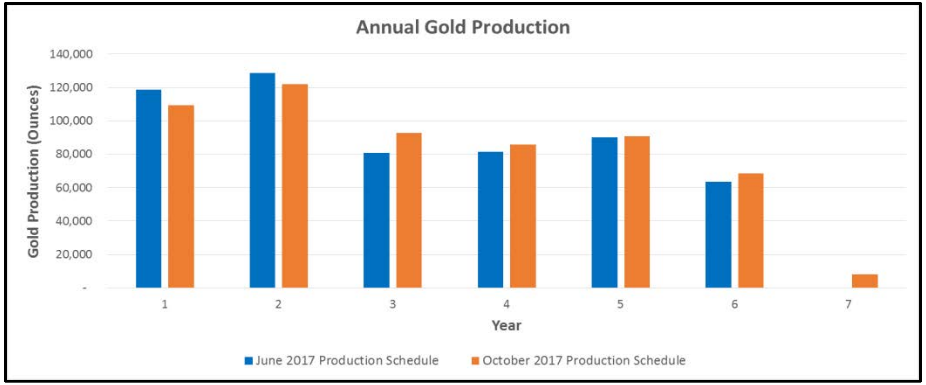
# Project Facilities

Camp and Airstrip - Fully Operational

# Project Optimisation

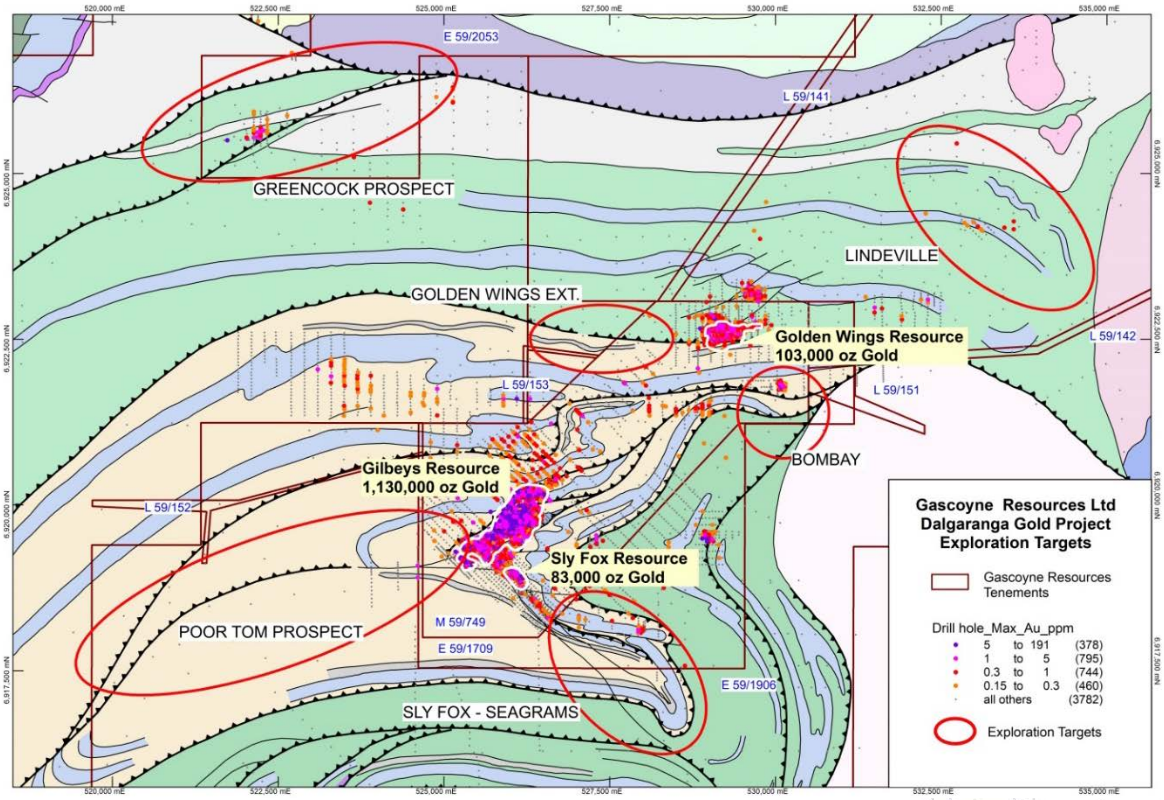
### *Mine Plan Revised*

- FS assumed 2.5Mtpa regardless of material type
- Mill can treat >3.0Mtpa when processing Soft Ore
- FS mine plan did not include Gilbeys South or Sly Fox
- New mine plan shows production of 232,000oz in the first 2 years of operations (~116,000ozpa)
- New mine plan defers 10 to 12Mt of waste mining out of years 1 & 2, delaying ~$20 million costs
- Modelling has shown that second grinding mill is not needed – Saving $10 million in sustaining capital
- Numerous regional prospects yet to be properly drill tested – strong potential to extend mine life

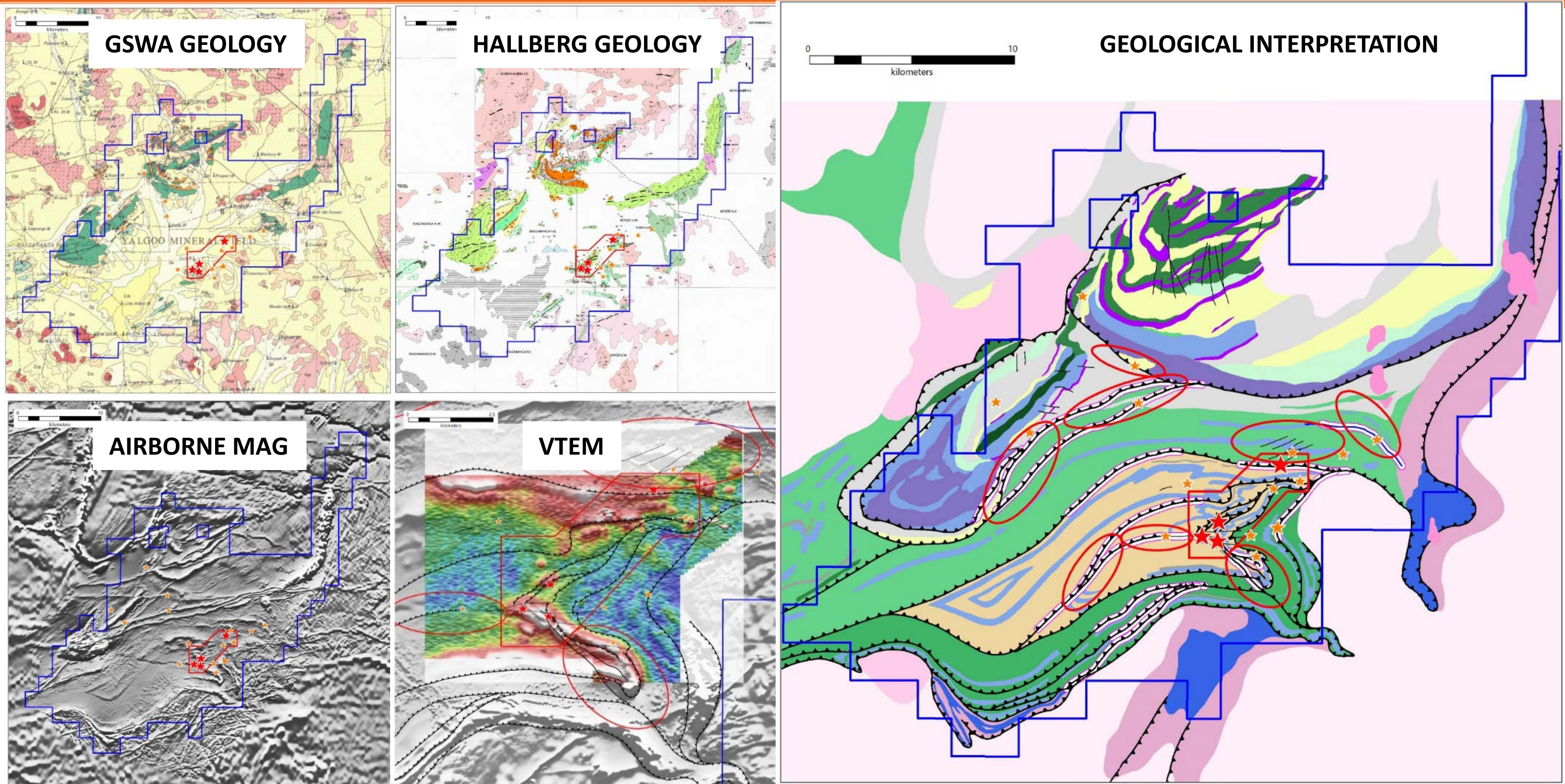



# Dalgaranga Project – Exceptional Near Mine Potential

- Growth in mine life targeted from several high priority targets
- Gascoyne exploration has focused targets within **3.5 km** of the mine site
- **Gilbeys South and Sly Fox discovery added 200,000oz since FS**
- Additional high priority targets include:
  - Hendricks (18m @ 3.01 g/t Au)
  - Vickers (8m @ 2.83 g/t Au)
  - Gilbeys North (8m @ 4.9 g/t Au)
  - Tanqueray (4m @ 2.66 g/t Au)
  - Beefeater (13m @ 0.8 g/t Au)
  - Bombay (5m @ 14.4 g/t Au)
  - Seagrams (4m @ 1.27 g/t Au)
- **Exploration drilling will focus on near mine targets for the next 3-4 months**

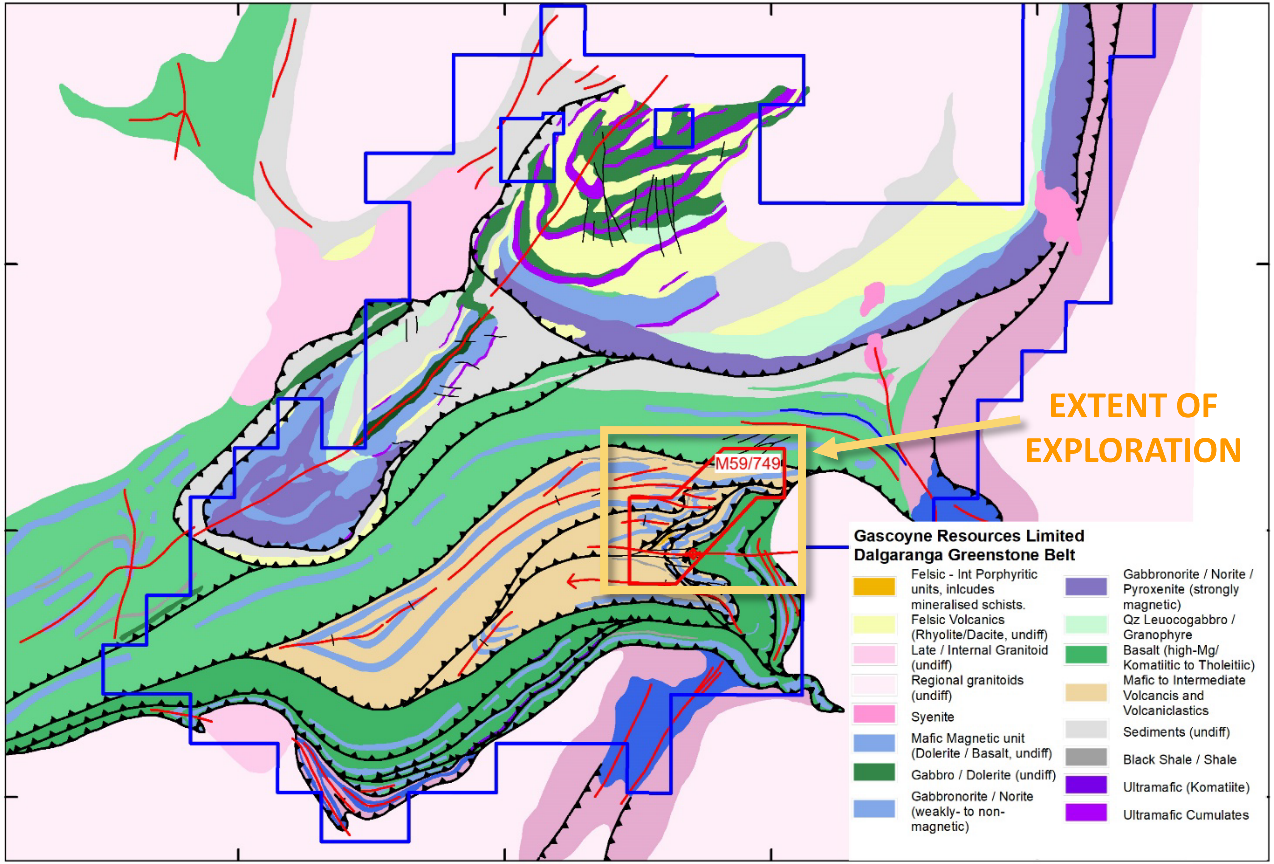


# Dalgaranga Project – Old & New Datasets, New Interpretation

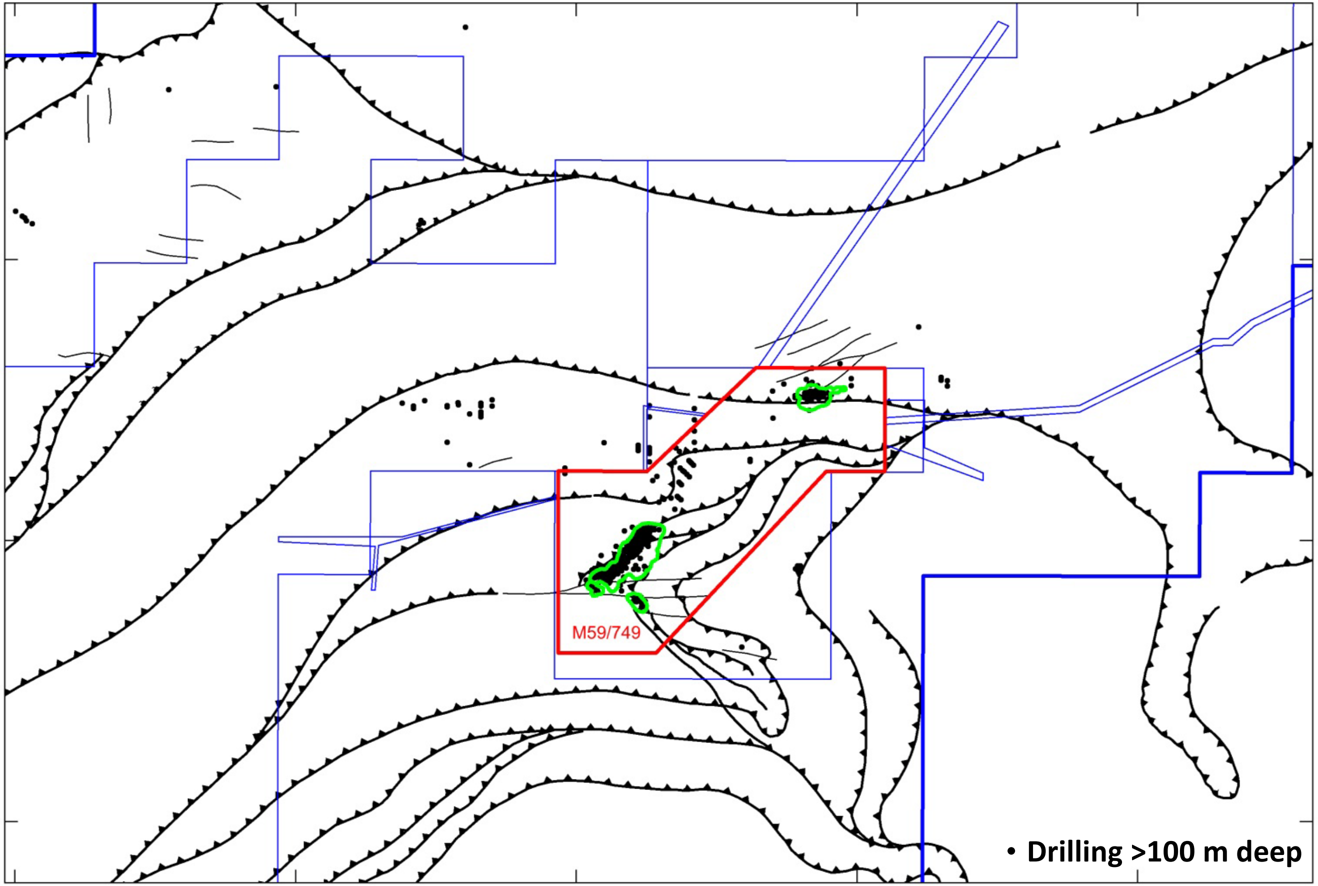


# Dalgaranga Project – Exceptional Regional Exploration Potential

- No Gascoyne Exploration conducted more than 3.5km from Mine Site
- **Additional highly prospective Tenure and Prospect at Greencock.**
- >90% of the Entire Greenstone Belt Controlled by GCY
- Numerous Regional Targets yet to be Tested.
- Mine Life expected to extend to at least 8-10 years assuming only modest discoveries and extension of existing deposits.



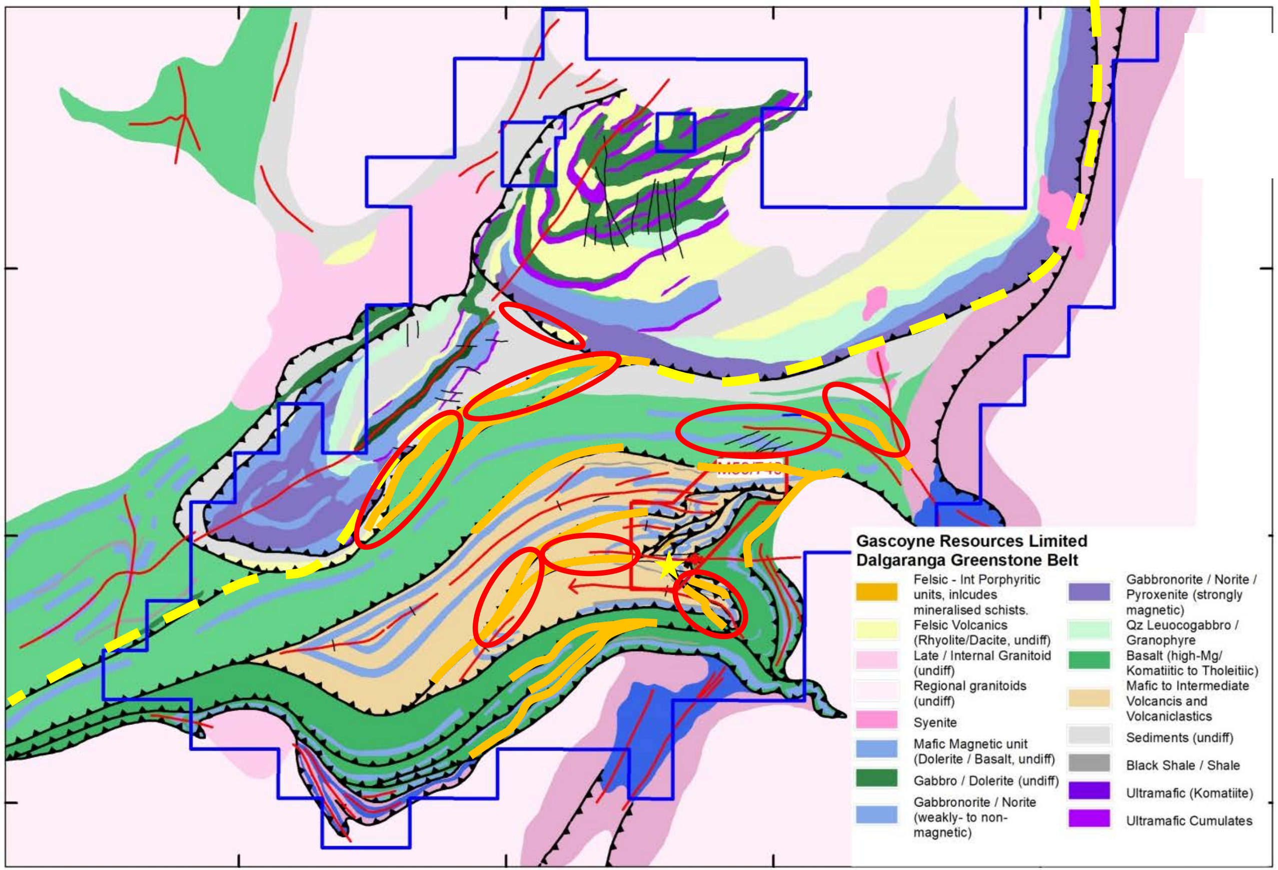
# Dalgaranga Project – Limited  Effective Regional Exploration




- **Drilling >100 m deep**

# Dalgaranga Project – Exceptional Regional Exploration Potential

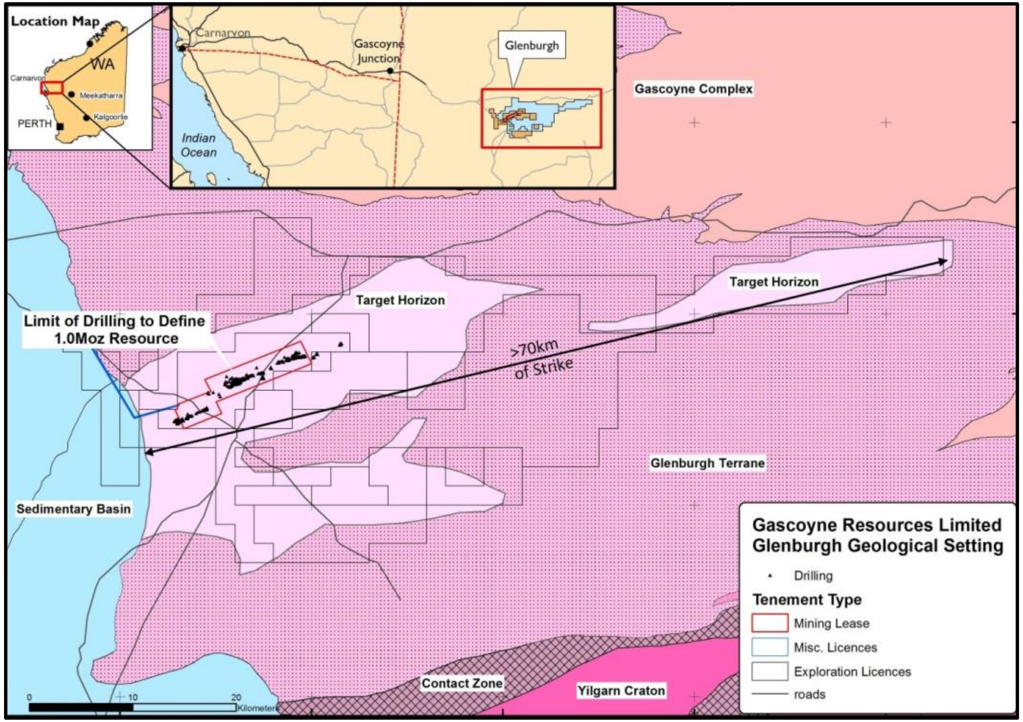
- Southern portion of the Dalgaranga Belt Gold dominated, Northern portion Gold plus base metals.
- None of the major structures can be discounted.
- Sly fox is a significant and timely addition however exploration is targeting +100,000oz discoveries and another Gilbeys discovery (~1.4Moz) is the ultimate goal!
- +30km of prospective stratigraphy repeated in multiple structural corridor……testing multiple mineralised structures is the key to discovering another Gilbeys.



# Glenburgh Project

***Excellent Organic Growth Project with +1.0 million oz Gold Resource...So Far***

- 100% owned and located in the Gascoyne region of Western Australia
- Gascoyne's 2nd near term development opportunity – Growth towards 200,000 ozpa
- +1.0Moz gold resource so far
- Similar geological setting to the ~8Moz Tropicana Gold Mine
- Granted Mining Lease with Native Title agreement in place
- No Environmental issues identified
- Excellent Metallurgical recoveries using standard CIL process (+94%)
- Pre Feasibility Study completed (2013) – Update Underway
- **Significant exploration programme to commence in March**

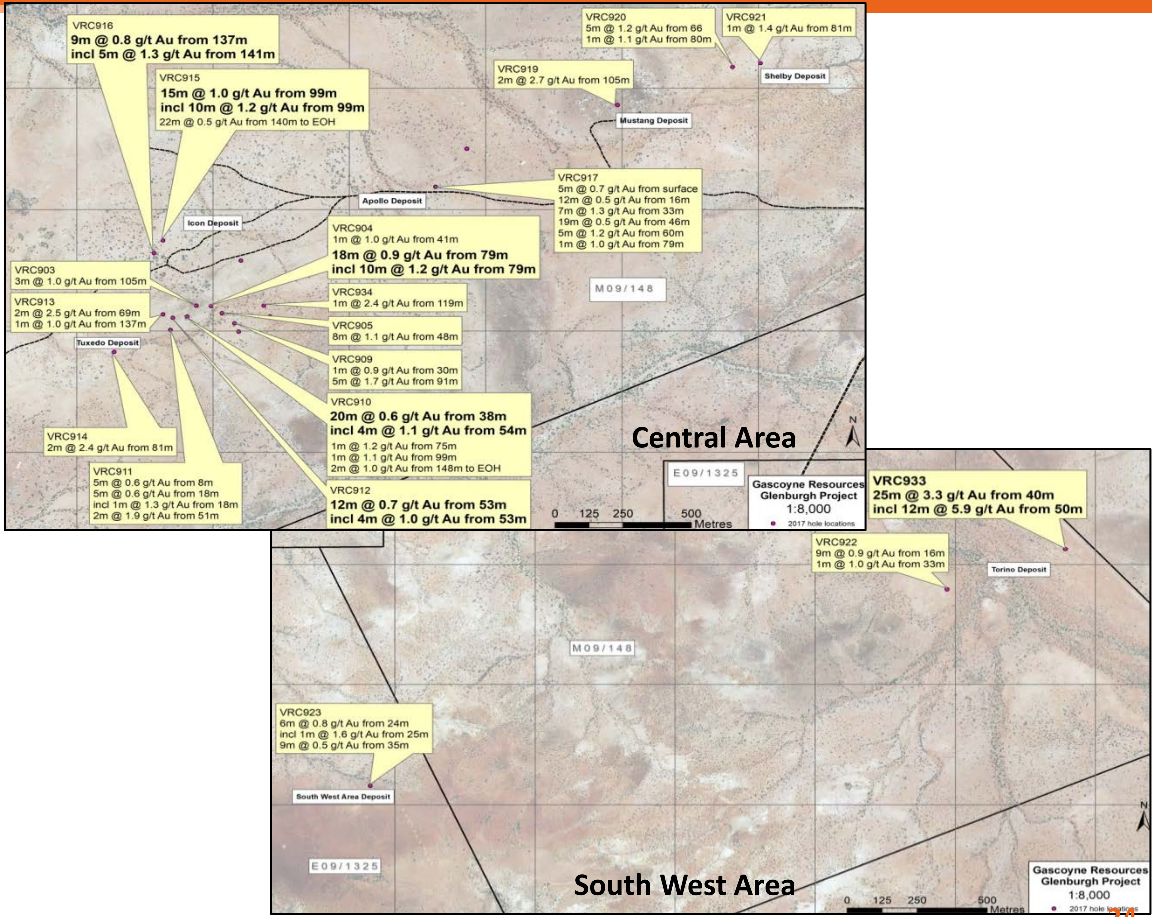


# Glenburgh Project – Recent Drilling Confirms Potential

***2017 RC Drill Programme Confirms potential***

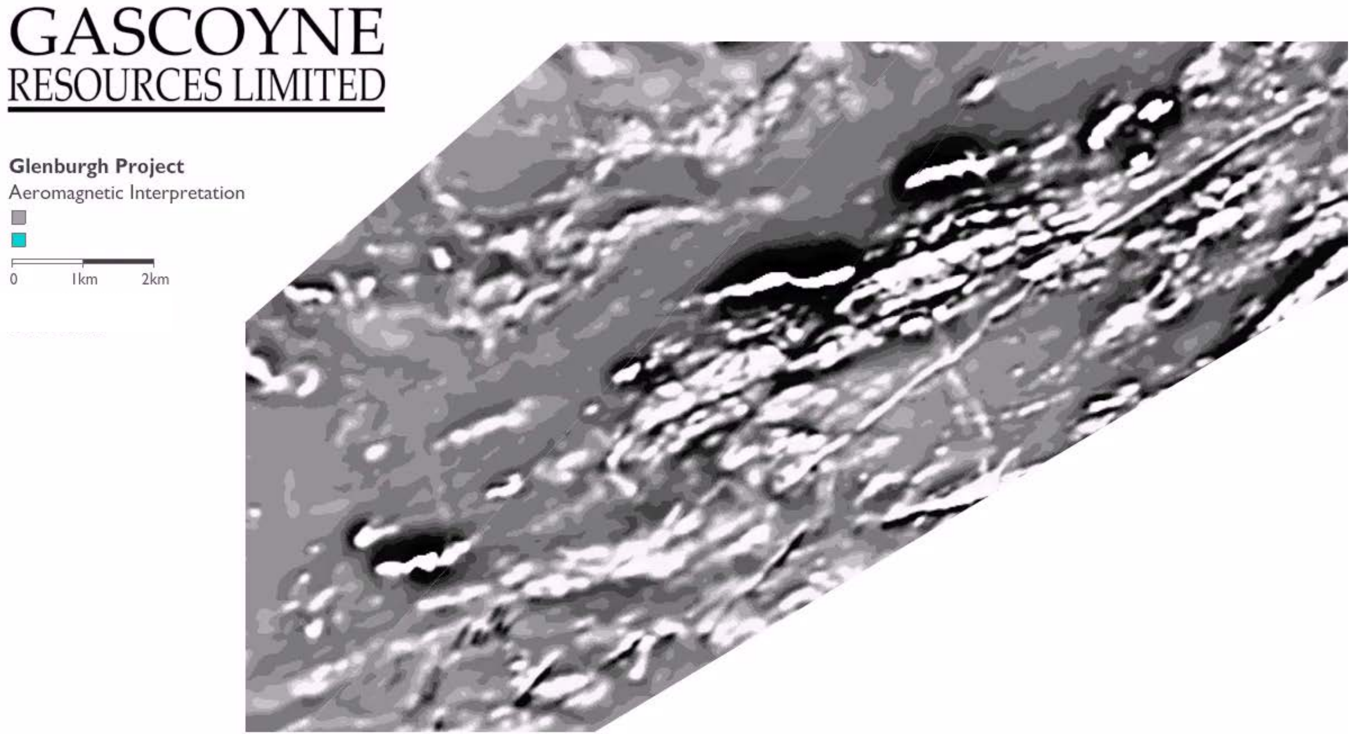
- A 32-hole RC Drilling programme identified resource extensions. Better assay results received include:
  - **25m @ 3.3 g/t gold from 40m includes 12m @ 5.9 g/t gold**
  - **15m @ 1.0 g/t gold from 99m**
  - **18m @ 0.9 g/t gold from 79m includes 10m @ 1.2 g/t gold**
  - **8m @ 1.1 g/t gold from 48m,**
  - **5m @1.7 g/t gold from 91m,**
  - **7m @ 1.3 g/t gold from 33m**

- **~ 35,000m of Drilling Planned for 2018**



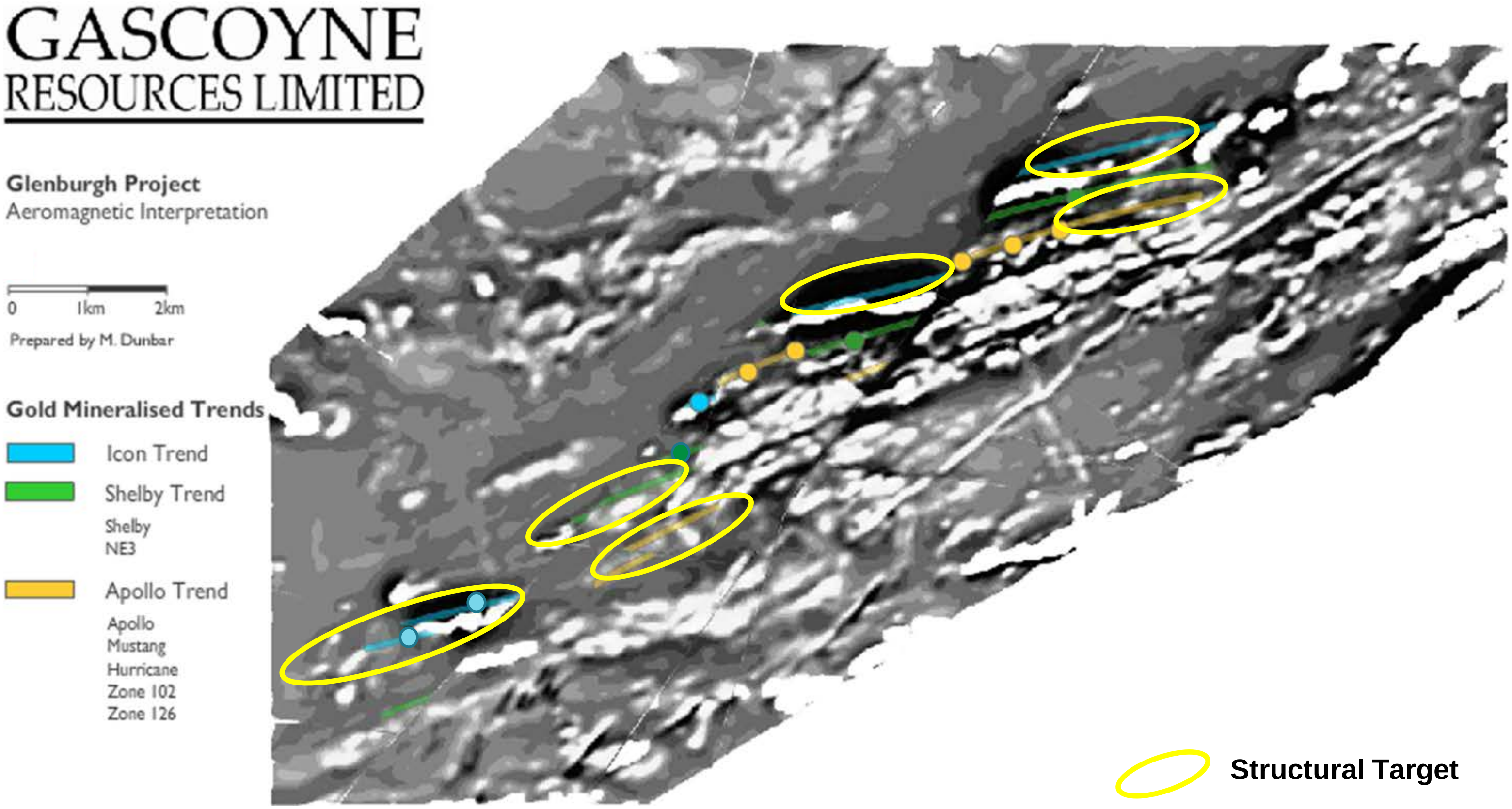
# Glenburgh Project – Aeromagnetic Reconstruction

***Unlocking the Geological History is the Key to Understanding Mineralisation***

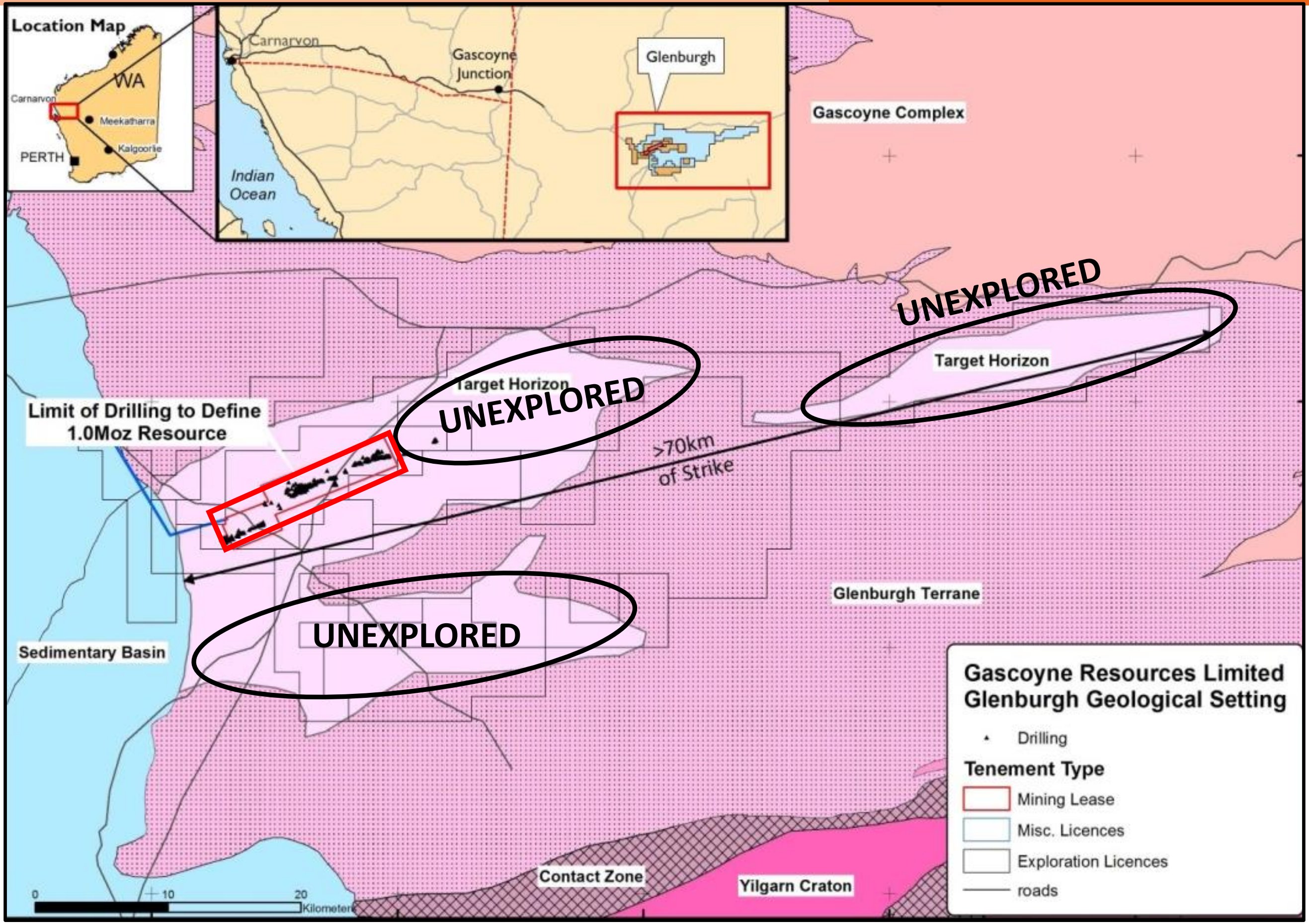


# Glenburgh Project – Aeromagnetic Reconstruction

*~ 30% of mineralised trends tested = 1.0 Moz*

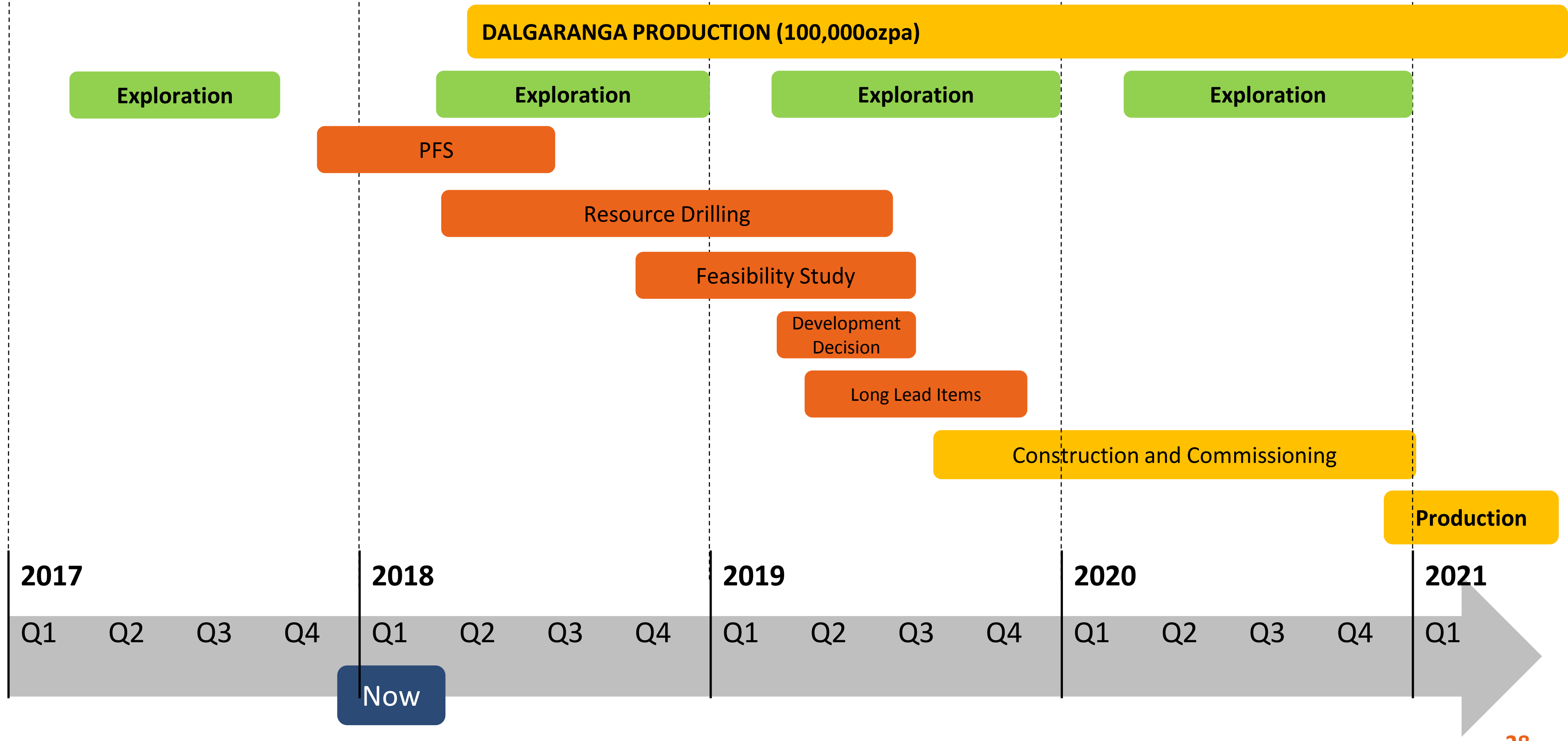


# Glenburgh Project – Regional Targets



# Potential Timeline to Growth from Glenburgh

## Doubling of Production from 100kozpa – towards 200kozpa



# Upcoming Newsflow

**Dalgaranga Project**

**2018**

- Construction Updates
- Commencement of Mining - March
- Exploration Results from Sly Fox Extensions
- Resource Drilling Results
- Exploration Results – Greencock
- Commencement Process Plant Commissioning – May
- First Gold Pour – May
- Ongoing Exploration Results

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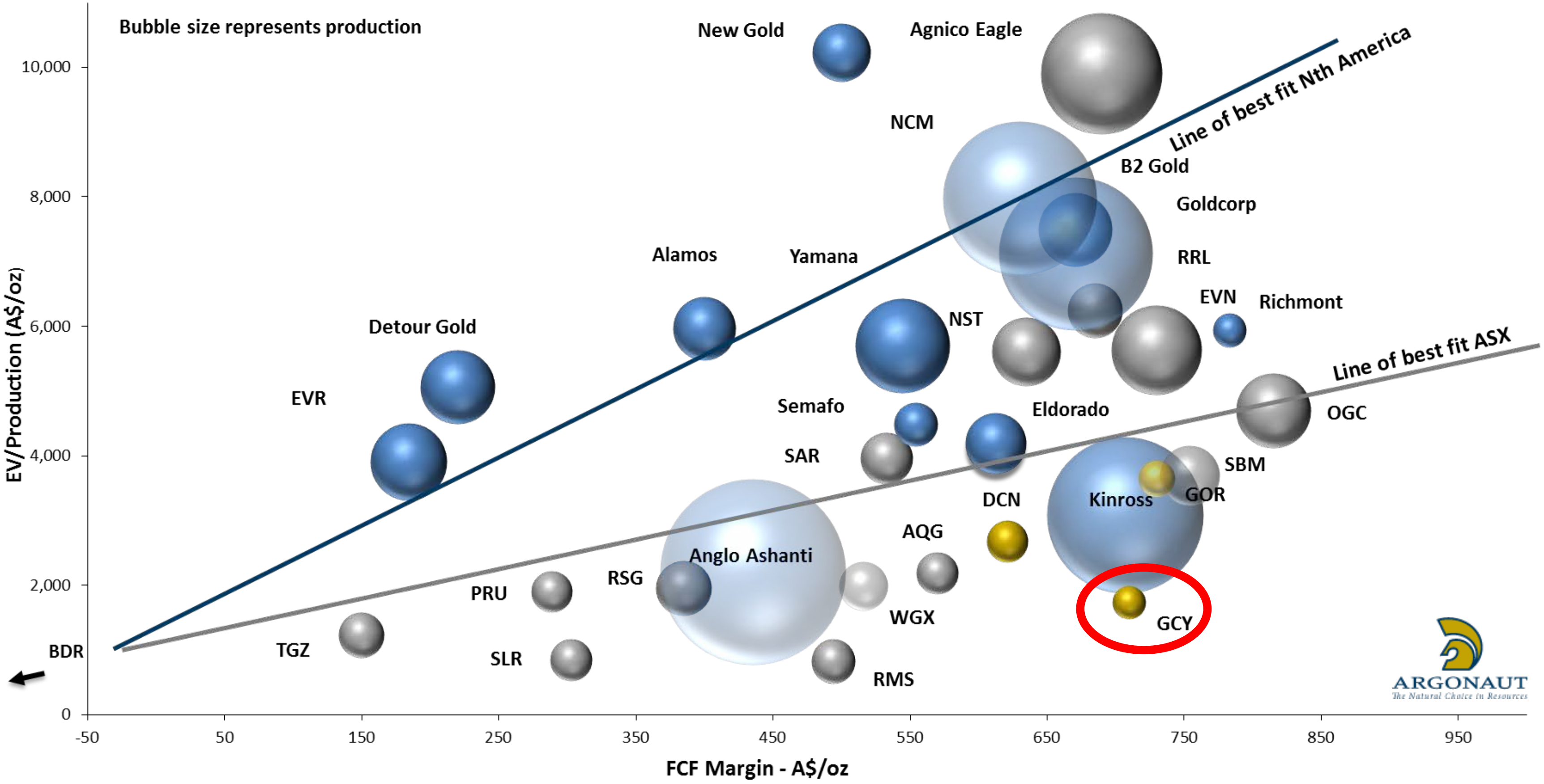
**Glenburgh Project**

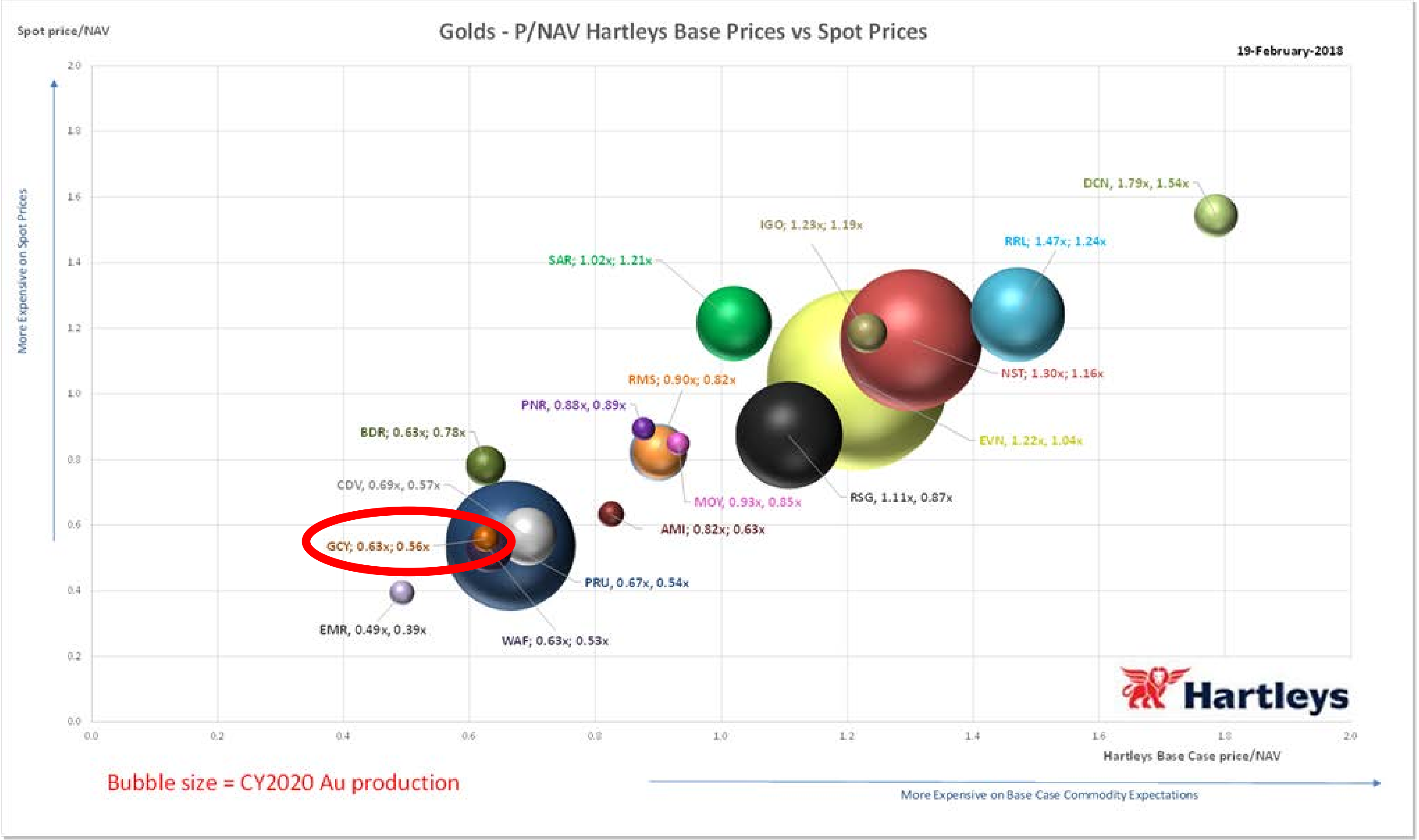
**2018**

- Exploration Drilling Results - ~35,000m of Drilling in 2018
- Surface sampling
- Evaluation of regional targets
- Update the PFS Study

# Relative Valuations of +100,000ozpa Producers / Developers



# Relative Valuations Gold Producers & Developers



# Highlights

| | | |
|---|---|---|
| 1 | **Dalgaranga is a Financially Robust Near Term Producer** | High margin gold production through low-risk development of Dalgaranga Project:<br>• Simple 2.5mtpa open pit mining operation<br>• ~100,000ozpa production over life of mine (~115,000ozpa in yrs 1 and 2)<br>• LOW AISC over initial 6 yr life – Mine Life expected to extend to 8-10 yrs<br>• **One month ahead of Schedule and on budget for first production in 3 MONTHS** |
| 2 | **Potential to Double Production with Glenburgh** | • Glenburgh Project provides a 2nd >1Moz Resource base<br>• **Dalgaranga + Glenburgh could produce ~200,000ozpa**<br>• Huge growth potential - similar setting to the 8Moz Tropicana Gold Mine<br>• 1Moz discovered to date with very limited exploration |
| 3 | **Limited Australian Gold Development Opportunities** | • **There are very few independent ASX listed gold developers**<br>• Gascoyne is set to be a low cost, new open cut mine offering scale of ~115,000ozpa, **3 MONTHS TO FIRST PRODUCTION** |
| 4 | **Strong Exploration Drive in 2018** | Significant ongoing exploration drilling at both Dalgaranga and Glenburgh – 75,000m<br>• Dalgaranga: Focus on near-mine opportunities to add mine life<br>• Glenburgh: 1Moz found already, only 30% of mineralised trends tested to date |
| 5 | **Fully Funded Yet Undervalued** | • Enterprise value of circa A$190 million provides strong equity upside relative to Producers & Peers<br>• CBA & NAB providing A$60M Debt Funding – First Drawdown in December 2017 |

# Questions?

Karl Weber
Exploration Manager
Level 1, 41-47 Colin Street
West Perth, WA 6005

Phone: +61 8 9481 3434
Email: admin@gascoyneresources.com.au
www.gascoyneresources.com.au

# Mineral Resource and Ore Reserve Summary

| June 2017 Dalgaranga Global Mineral Resource Estimate (0.5g/t Gold Cut-off) | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Material Type | Measured | | | Indicated | | | Inferred | | | Total | | |
| | Tonnes | Au | Au | Tonnes | Au | Au | Tonnes | Au | Au | Tonnes | Au | Au |
| | Mt | g/t | Ounces | Mt | g/t | Ounces | Mt | g/t | Ounces | Mt | g/t | Ounces |
| **Laterite** | | | | 0.6 | 1.1 | 19,500 | 0.02 | 0.7 | 500 | **0.6** | **1.1** | **20,000** |
| **Oxide** | 0.2 | 1.59 | 8,000 | 1.8 | 1.6 | 91,000 | 0.9 | 1.4 | 40,000 | **2.8** | **1.5** | **139,000** |
| **Transitional** | 0.5 | 2.06 | 30,000 | 1.1 | 1.5 | 52,000 | 0.5 | 1.5 | 25,000 | **2.0** | **1.6** | **105,000** |
| **Fresh** | 2.2 | 1.36 | 94,000 | 12.5 | 1.3 | 503,000 | 11.0 | 1.3 | 445,000 | **25.7** | **1.3** | **1,043,000** |
| **Dalgaranga Total** | **2.8** | **1.49** | **133,000** | **15.9** | **1.3** | **676,500** | **12.4** | **1.3** | **510,500** | **31.1** | **1.3** | **1,320,000** |
| | | | | | | | | | | | | |
| **Glenburgh Deposits - Area Summary: 2014 Mineral Resource Estimate (0.5g/t Gold Cut-off)** | | | | | | | | | | | | |
| **Area** | **Measured** | | | **Indicated** | | | **Inferred** | | | **Total** | | |
| **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** |
| **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** |
| **South West** | - | - | - | - | - | - | 2.2 | 1.2 | 84,000 | **2.2** | **1.2** | **84,000** |
| **Glenburgh 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** |
| **Glenburgh Deposits – High Grade Domains (+2.0g/t): 2014 Mineral Resource Estimate** | | | | | | | | | | | | |
| **Central** | 0.31 | 4.8 | 48,000 | 0.11 | 3.7 | 13,000 | 0.35 | 2.6 | 29,000 | **0.76** | **3.7** | **91,000** |
| **North East** | 0.16 | 5.6 | 29,100 | 0.60 | 3.5 | 68,000 | 0.52 | 4.9 | 82,000 | **1.30** | **4.3** | **179,000** |
| **South West** | | | | | | | 0.03 | 2.3 | 2,000 | **0.03** | **2.3** | **2,000** |
| **Glenburgh Total HG** | **0.47** | **5.1** | **77,100** | **0.71** | **3.6** | **82,000** | **0.91** | **3.9** | **114,000** | **2.09** | **4.1** | **273,000** |

| Dalgaranga Reserve Breakdown November 2017 | | | |
|---|---|---|---|
| **Ore Reserve Category** | **Tonnes (Mt)** | **Gold Grade (g/t)** | **Contained Gold Ounces** |
| **Proved** | 2.8 | 1.4 | 127,000 |
| **Probable** | 12.4 | 1.2 | 488,000 |
| **Total Ore Reserve** | **15.3** | **1.25** | **615,000** |