

SUMMARY OF ACTIVITIES

DALGARANGA PROJECT:

During the quarter significant progress was made towards first gold from the Company's 100% Dalgaranga Gold Project, as well as continuation of an ongoing exploration programme. Activities have included:

- Commencement of Mining at Dalgaranga:
 - Mining has commenced at Golden Wings, Sly Fox and Gilbeys pits
 - Drill and Blast activities have commenced at Sly Fox and Golden Wings pits
 - Ore is being stockpiled on the ROM pad in preparation for processing in May
- GR Engineering continued the process plant construction with the following activities taking place during the quarter:
 - SAG mill installation nearing completion.
 - The Crusher and ROM bin installation is nearing completion
 - Steel erection has been completed
 - Mechanical installations nearing completion
 - Reagent storage area has been completed
 - Electrical installation is nearing completion
 - Dry commissioning is underway
 - Water services area has been commissioned and handed over to Gascoyne's operations team
- Construction of the power station and LNG storage facility is nearing completion
- Administration and maintenance office complex installation completed
- Tailings storage facility (TSF) lift construction has been completed
- Airstrip completed and operational

The project remains ahead of schedule, and under budget, with first gold scheduled for May 2018

GLENBURGH PROJECT:

Following the 32 hole RC drilling programme that was completed late last year, planning for an aggressive exploration programme of 30,000m of drilling during 2018 was undertaken during the quarter. Approvals required for this programme have been received, with the drilling scheduled to commence in April.

CORPORATE:

The Company drew down the second tranche of the \$60 million debt facility provided by CBA and NAB for the construction of the Dalgaranga Gold Project. The Company has currently drawn down a total of \$51.8 million, leaving \$8.2 million undrawn.

During the quarter, the Company entered into a number hedging contracts, to provide protection against future diesel price escalation and to take advantage of historically high gold prices. A total of 12,500 oz of gold was hedged at a flat forward price of \$1,775/oz for delivery over the next 4 quarters and 30% of the expected diesel consumption for the next 36 months was hedged at 68c/l.

After the end of the quarter, the Company held a general meeting to ratify the November 2017 share placement, both resolutions put to the shareholders at the meeting were overwhelmingly supported. Following more than 8 years of service, Mr John Den Dryver retired from the Board.

At the end of the quarter, the Company's cash reserves were \$42.3 million after spending approximately \$24.8 million on exploration, development and corporate activities during the quarter.

CORPORATE DETAILS

ASX Code: GCY
 Shares: 434M
 Share Price: 52c
 Market Cap: \$225M
 Debt: \$51.8 million

ASSETS

Cash: \$42.3 million
 Dalgaranga (100%) 1.32M oz Gold
 Glenburgh (100%) 1.0M oz Gold

BOARD

Chairman

Mike Joyce

Managing Director

Michael Dunbar

Directors

Ian Kerr

Sally-Anne Layman

Stan Macdonald

Graham Riley

CONTACT DETAILS

Telephone: +61 8 9481 3434
 Facsimile: +61 8 9481 0411

Email: admin@gascoyneresources.com.au

Web: www.gascoyneresources.com.au

REVIEW OF OPERATIONS

During the quarter, the focus for the Company continued to be the Construction of the Dalgaranga Gold Project. Construction activities continued during the quarter and the process plant remains ahead of schedule and on budget for commissioning in May 2018. Exploration activities also continued at both of the Company's +1.0 million ounce gold projects. Activities are summarised below:



Figure 1: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions

DALGARANGA PROJECT

M59/749 & L 59/141, 142, 151, 152, 153, EL59/2150 & 2053 – 100% Gascoyne
E59/1709, 1904, 1905, 1906 & EL21/195 - 80% Gascoyne

The Project contains a Measured, Indicated and Inferred Resource of **31.1Mt @ 1.3 g/t for 1,320,000 ounces** of contained gold (see Table 1 below). The current mining inventory comprises **16.2Mt @ 1.3g/t for 652,000 ounces** of gold which is inclusive of Proved and Probable Ore Reserves of **15.3Mt @ 1.3 g/t for 612,000 ounces** of gold (see Table 2).

Activities at the Dalgaranga project have accelerated further in the quarter with construction activities advancing ahead of schedule with approximately 200 people working on site.

DEVELOPMENT AND CONSTRUCTION ACTIVITIES

The Dalgaranga development and construction progressed on schedule during the quarter. Work continued on the process plant, completion of the tailings storage facility (TSF) lift, completion of the airstrip and commencement of mining.

Process Plant Construction Update:

GR Engineering (GRES) has progressed significantly with the design, engineering and construction of the 2.5Mtpa Dalgaranga Processing Plant. Design and engineering is complete, and construction is well advanced (See Photos 1-5 below) with first gold production expected in May.

Construction of the project has progressed slightly ahead of the original schedule, which will see commissioning in early May and first gold production in mid-May 2018. To date the following activities have been undertaken within the process plant:

- SAG mill installation is nearing completion.
- The crusher and ROM bin installation is nearing completion
- Mechanical installations essentially complete
- Reagent storage area has been completed and pre-commissioned
- Electrical installation is well advanced
- Dry commissioning is underway
- Water services area has been commissioned and handed over to Gascoyne's operations team



Photo 1: Dalgaranga Plant Site Construction Progress



Photo 2: Dalgara Process Plant Site Overview

(a) ROM Pad, (b) Crusher, (c) Ore Transfer Bin, (d) Coarse Ore Stockpile, (e) SAG Mill, (f) CIL Tanks, (g) Reagent Storage, (h) Power Station, (i) LNG Storage Facility, (j) Water Services and Process Water Ponds, (k) Administration Complex, (l) Workshop and Stores



Photo 3: SAG Mill Installation – Progressing Well



Photo 4: Cyclone Tower Construction Complete and Installation of Mechanical Equipment – Nearing Completion



Photo 5: Water Services Area –Commissioned and Handed Over to Operations Team

Mining Update:

The Mining Contractor (NRW) has commenced mining at the Sly Fox, Golden Wings and Gilbeys pits, with a fleet of five excavators and approximately 18 trucks mobilised to site (see Photos 6 & 7). The establishment of the mining workshops and associated facilities is nearing completion. The ramp up of mining is continuing with full productivity rates scheduled to be achieved in May/June, to align with the commencement of processing. Based on the current mining schedule and the earlier than originally scheduled completion of the processing facility, it is anticipated that there will be around 300,000 tonnes of ore stockpiled on the ROM pad when processing commences in May (see Photo 8 below).



Photo 6: Mining has commenced at Dalgaranga



Photo 7: First Blast at Golden Wings 16th March



Photo 8: ROM Ore Stockpile being developed ahead of Processing

Power Station and LNG Storage Facility Construction Update:

Following the execution of the Power Purchase Agreement (PPA) with Zenith Energy Limited's (ASX: ZEN) to build, own and operate a 15MW gas-fired power station for the Dalgaranga Gold Project in December, significant progress has been made in construction of the facility and installation of the generators, EVOL's LNG Storage facility and associated control rooms.

The construction of the engine hall and installation (and commissioning) of the control room and the diesel backup generators has been completed (see Photo 9), with power now being delivered by Zenith to the entire site. All four of the gas fired generators have been delivered to site and installation has commenced (see Photo 10).

Commissioning of the gas fired generators is ongoing with the first two expected to be operational by month end and the final two in early May, in time for the commencement of processing.



Photo 9: Zenith's Engine Hall and HV Switchroom & EVOL's LNG Storage Facility



Photo 10: Installation of the Jenbacher Gas Fired Generators Underway

Tailings Storage Facility and Evaporation Pond:

The tailings storage facility (TSF) and evaporation pond construction is complete (see Photo 11 below). The initial TSF lift comprised construction of a 3.5m embankment. The tailings pipeline has been installed and is ready for use (see Photo 12).



Photo 11: Dalgaranga Tailings Storage Facility Ready for Use (foreground) and Evaporation Ponds In Use (background)



Photo 12: Dalgaranga Tailings Storage Facility Ready for Use

EXPLORATION ACTIVITIES

Following the discovery of the Sly Fox deposit, exploration has continued along the Sly Fox – Seagrams trend to the south east of the known deposits (see ASX announcement 17 April 2018). This target is the highest priority area to be tested in the accelerated exploration effort that has commenced. The initial programme of 2018 includes approximately 40,000 metres of aircore and RC drilling to test the: a) extensions to the Sly Fox Deposit, b) the Seagrams Prospect, c) the Greencock Prospect and extensions, d) other new targets (see Figure 2). Approximately 10,000m of RC drilling will follow up and extend significant exploration results at Greencock, and other anomalous Aircore results (see Figure 3). Results for the current programme are expected to be received progressively for the next 2 - 3 months.

Sly Fox

At Sly Fox RC drilling west of the known resource intersected a shallow and high grade zone of mineralisation. The zone of mineralisation starts around 20m below the surface, with grades well above the average for the Sly Fox deposit; better intersections include 3m @ 4.3 g/t gold from 21m to EOH, 5m @ 5.9 g/t gold from 24m, 7m @ 2.8 g/t gold from 29m and 11m @ 1.5g/t gold from 32m (see Figure 3). The new gold zone discovered on the western edge of Sly Fox; occurs outside the existing resource and west of the current open pit mining operation (ASX Announcement 17 April, 2018). Follow up RC drilling of this zone has commenced with approximately 5,000m planned, drilling will test below the zone and along strike westwards to investigate the possibility that these intersections are related to a higher grade westerly plunging zone of gold mineralization between the Sly Fox and Gilbeys South deposits. The follow up RC program will also target sub parallel structures between the Sly Fox and the Gilbeys South deposits.

Seagrams

First pass aircore drilling has been completed in the Seagrams prospect area which occurs approximately 1km to the SE of the Sly Fox deposit. This drilling was carried out on 100-200m space lines targeting VTEM conductors and South east trending structural zones. To date the wide spaced drilling has intersected numerous anomalous gold zones between 200-300ppb gold range (Figure 4). Results from a further 130 Aircore holes yet to be received. Of the results returned to date of most significance is drill hole DGAC2248 which intersected an anomalous gold zone of 27m @ 0.5 g/t gold from 27m, including 1m @ 7.4g/t Au and 1m @ 1.5g/t Au. Drilling at Seagrams has intersected typical Dalgara rock sequences of sheared mafic and intermediate volcanics and black shale. Two follow up RC holes were drilled to test the Aircore intersection in DGAC2248; drilling has confirmed a NE dip to the stratigraphy with zones of strong quartz veining, pyrite and sericite alteration; assays are expected from this drilling in two weeks.

Greencock

The initial RC drilling program at the Greencock prospect has been completed. A total of 16 RC holes for 1,762m were completed. The drilling targeted several significant historic intersections including, 19m @ 1.6g/t gold, 15m @ 1.5 g/t gold, 15m @ 1.1g/t gold (see ASX announcement 12 December 2017) which form a WSW – ENE mineralised trend. The drilling has confirmed a geological dip to the south based on the intersection of a distinct fine-grained basalt at the base of several holes. Above this unit coarse grained quartz gabbro unit, variably sheared has been intersected with zones of mineralisation containing strong silica altered pyrite, pyrrhotite and arsenopyrite. Assay results are expected in the next week.

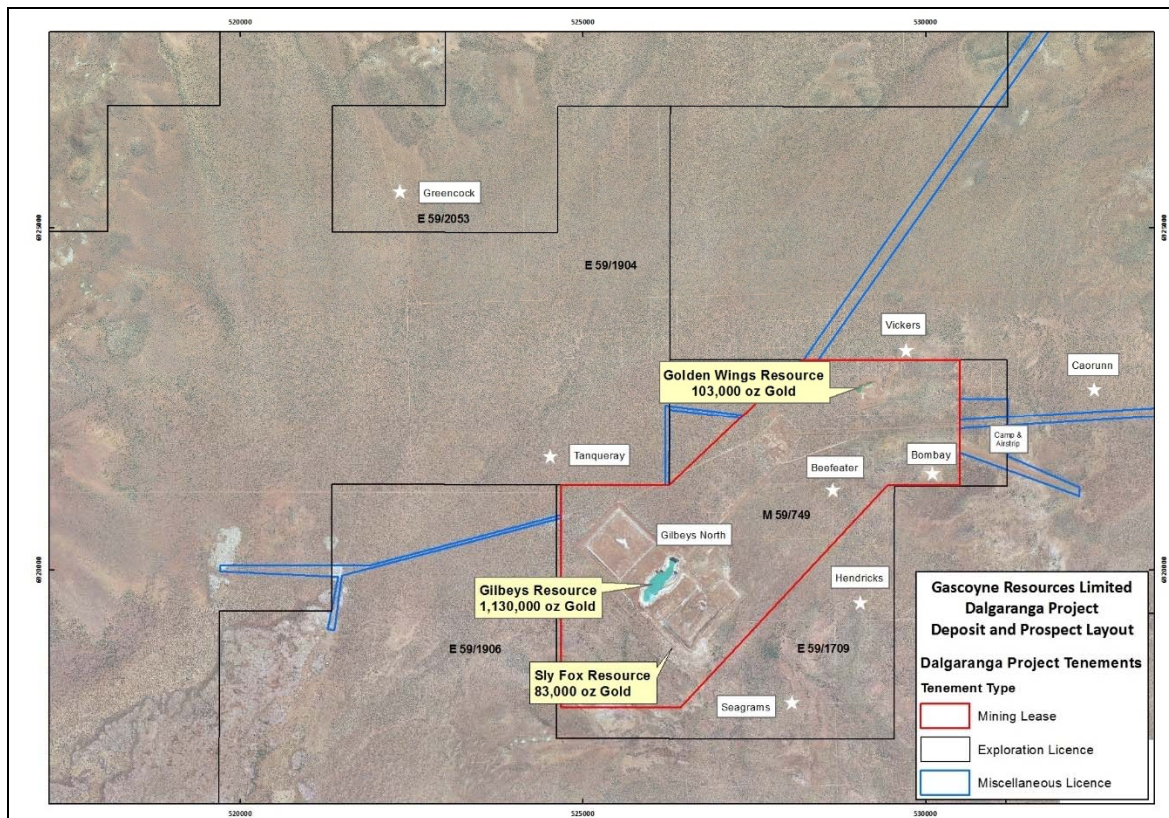


Figure 2: Dalgara Gold Project Deposit and Prospect Layout

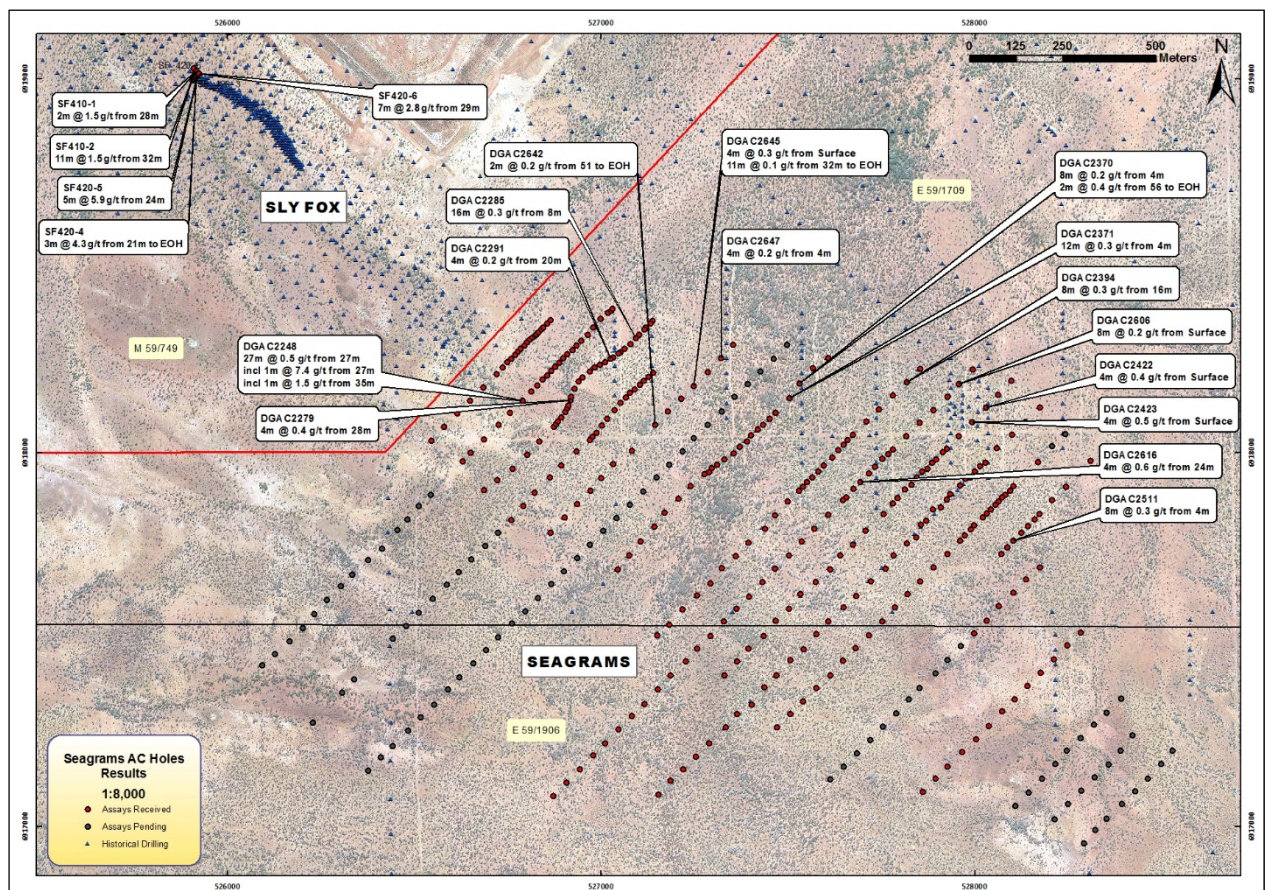


Figure 3: Sly Fox – Seagrams Location of Drill holes and Significant Intersections

GLENBURGH PROJECT

M09/148, E09/1325, 1764, 1865, 1866, 2025 & 2148, L09/56 & 62 -100% Gascoyne

Following the 32 hole RC drill programme that was completed late last year, a review of historical exploration prospectivity and planning for an aggressive exploration effort in 2018 has been undertaken. The programme which will be undertaken in 2018 includes approximately 30,000m of RC and aircore drilling to confirm and extend the existing known resources and to test regional targets. This drilling is scheduled to commence during April.

CORPORATE

During the quarter, another drawdown from the debt facility was completed and further hedging undertaken. The hedging was undertaken to take advantage of historically high gold prices as well as to lock in the diesel price for a portion of the expected diesel usage for the first 36 months of operations at Dalgarranga.

After the end of the quarter, Mr John Den Dryver resigned from the Board after more than 8 years of service to the Company.

A general meeting was also held after the end of the quarter to ratify the previous placement, undertaken in November 2017. Both of the resolutions put to the shareholders were overwhelmingly supported.

At the end of the quarter, the Company had 434.7 million shares on issue and cash reserves of \$42.3 million after spending approximately \$24.8 million on exploration, development and corporate activities during the quarter.

Financial:

As noted above, the Company achieved Financial Close for the \$60 million loan facility provided by National Australia Bank and Commonwealth Bank of Australia to fund the development of Dalgarranga Gold Project in December 2017. The Company has undertaken the second drawdown of \$31.8 million from the loan facility to fund development costs over the coming months. The facility is currently drawn down to \$51.8 million, leaving \$8.2 million undrawn.

Diesel Hedging:

As part of the ongoing risk management for the Project, a portion (30%) of the expected diesel consumption has been hedged for the next 3 years by hedging the Singapore Gas Oil (SGO) price in AUD. This hedging helps to reduce the risk of fuel price escalation over the next three years. The price achieved for the SGO hedging is approximately 3 - 4 cents per litre below the current price, which translates to a landed on site fuel price (net of GST and Fuel tax credits) of approximately 68c/l. By hedging the SGO price, this effectively locks in the vast majority of the diesel price delivered to site (for the portion hedged).

This diesel hedging is part of the Company's overall strategy to mitigate risk of cost escalation for the Project

Gold Hedging:

As a result of the earlier than expected gold production, after the end of the quarter, the Company entered into additional gold hedging contracts to take advantage of historically high gold prices. A total of 12,500 ounces have been hedged at a flat forward price (net of fees) of \$1,775/oz for delivery in September 2018, December 2018 and March 2019. This completes the current gold hedging programme.

Board Changes:

After the end of the quarter, Mr John Den Dryver advised the board of his intention to resign from the board. John has been a Director of the Company from listing in late 2009. He has been a major contributor, with his mining engineering background bringing significant development and operational experience to the Board. John had generously deferred his intended earlier retirement to provide stewardship and experience through the Dalgarranga Gold Project construction and development stage, which is now >90% complete. The Board wishes to thank John for his contribution since listing in 2009.

Mining Tenements held at 31st March 2018

All the company's tenements are within Western Australia

Tenement	Location	Name	Ownership
ELA09/2286	Gascoyne Region	Bassit Bore	100% Gascoyne Resources
EL21/195	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1709	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1904	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1905	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1906	Murchison Region	Dalgaranga	80% Gascoyne Resources
L59/141	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/142	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/151	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/152	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/153	Murchison Region	Dalgaranga	100% Gascoyne Resources
ML59/749	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2150	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2053	Murchison Region	Dalgaranga	100% Gascoyne Resources
ELA59/2289	Murchison Region	Dalgaranga	100% Gascoyne Resources
ELA52/3531	Pilbara Region	Elphin Bore	100% Gascoyne Resources
EL09/1325	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1764	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1865	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1866	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/2025	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/2148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/62	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/56	Gascoyne Region	Glenburgh	100% Gascoyne Resources
ML09/148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL51/1648 ⁽¹⁾	Murchison Region	Murchison	100% Gascoyne Resources
EL52/2117	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/2515	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
ML52/343	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
ML52/567	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/3490	Gascoyne Region	Mt James	100% Gascoyne Resources
EL52/3574	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL51/1681	Murchison Region	Murchison	100% Gascoyne Resources

(1) Doray Minerals Limited (ASX:DRM) earning into the project

Abbreviations and Definitions used in Tenement Schedule:

EL Exploration Licence	ELA Exploration Licence Application
ML Mining Lease	L Miscellaneous Licence

Competent Persons Statement

Information in this announcement relating to the Dalgara 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 Mt Egerton drill intersections referred to in this announcement were prepared and first disclosed under the JORC Code 2004. They have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Information in this announcement relating to the Mt Egerton Gold Project is based on data compiled by Gascoyne's Exploration Manager Mr Karl Weber who is a member of The Australasian Institute of Mining and Metallurgy. Mr Weber has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Weber consents to the inclusion of the data in the form and context in which it appears

The Dalgara 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 "Dalgara 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 Dalgara 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 "Dalgara 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.

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: Dalgaranga 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 - Dalgaranga 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, **14m @ 71.7 g/t gold, 34m @ 14.8 g/t gold, 8m @ 11.4 g/t gold, 2m @ 147.0 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. Extensions to mineralised trends and new regional targets will be tested with Aircore during drilling campaigns.

Gascoyne is developing the 100% owned low capex, high margin Dalgaranga Gold Project which is on schedule to be in production 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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity	
Gascoyne Resources Limited	
ABN	Quarter ended ("current quarter")
57 139 522 900	31 March 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(705)	(705)
	(d) staff costs	(293)	(847)
	(e) administration and corporate costs	(514)	(1,651)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	105	183
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other		
	- GST	1,162	75
	- foreign exchange gain/(loss)	59	59
1.9	Net cash from / (used in) operating activities	(186)	(2,886)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(23,637)	(65,021)
	(b) tenements (see item 10)	-	(100)
	(c) investments	-	-
	(d) other non-current assets	-	-
	- Mine properties	-	(672)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Exploration and Evaluation expenditure	(599)	(2,262)
	- Expenditure on Mine Properties	(358)	(505)
2.6	Net cash from / (used in) investing activities	(24,594)	(68,560)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	21,499
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(1,332)
3.5	Proceeds from borrowings	32,760	52,760
3.6	Repayment of borrowings	(8)	(8)
3.7	Transaction costs related to loans and borrowings	-	(900)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	32,752	72,019

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	34,375	41,774
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(186)	(2,886)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24,594)	(68,560)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	32,752	72,019
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	42,347	42,347

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	42,347	34,375
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	42,347	34,375

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	395
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Remuneration paid to executive and non-executive directors of \$328K and \$67K paid as consulting fees		

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	60,922	52,760
8.2	Credit standby arrangements	-	-
8.3	Other – Credit Card facility	80	16
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
8.1 Secured Project Finance and Asset Finance facilities held with National Australia Bank and Commonwealth Bank of Australia			
8.3 Credit card facilities held with Westpac and Commonwealth banks secured by rights of setoff and “locked” term deposit account.			

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	2,800
9.2	Development	17,800
9.3	Production	18,600
9.4	Staff costs (Admin)	450
9.5	Administration and corporate costs	90
9.6	Other (provide details if material) - Sustaining capital	1,100
9.7	Total estimated cash outflows	40,840

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Company secretary

Date: 27 April 2018



Print name: David Lim

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.