GASCOYNE RESOURCES LIMITED

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May 9th 2018
Australian Securities Exchange Limited
Via Electronic Lodgement

DALGARANGA EXPLORATION UPDATE

- **RC Drilling results confirm the Greencock prospect mineralisation is continuous on 50m spaced sections over +250m strike and open in all directions. Intersections include:**
    - **13m @ 2.0g/t gold, including 4m @ 4.0 g/t gold**
    - **12m @ 2.1g/t gold**
    - **20m @ 1.0g/t gold**
    - **11m @ 1.3g/t gold**
    - **15m @ 1.0g/t gold**
    - **15m @ 1.0g/t gold**
- **Significant mineralisation was intersected in every RC drill hole**
- **Aircore drilling along strike at the Greencock prospect has been completed on 200m spaced lines, testing the mafic package and extension of the shear that hosts the mineralisation. Results are pending.**
- **Greencock lies 7km from the Dalgaranga Gold Project Mill, which is currently being commissioned with first gold expected next week.**
- **The aggressive multi rig exploration campaign continues on the Company's 2.3-million-ounce Gold Projects in Western Australia.**

Gascoyne Resources Limited (**"Gascoyne" or "Company"**)(**ASX:GCY**) is pleased to advise of the positive results from the Greencock prospect RC drilling programme at the Company's Dalgaranga Gold Project in the Murchison of Western Australia (see Figure 1). As announced on 16 January 2018 a multi rig exploration drill programme is underway designed to test a number of the highest priority targets at the Company's 1.3 million ounce Dalgaranga Gold Project and the 1.0 million ounce Glenburgh Gold Project. The programme is continuing with four rigs currently drilling.

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Greencock

Assays from the initial RC drilling program at the Greencock prospect have been returned with very positive results. A total of 16 RC holes for 1,762m were completed with significant mineralisation intersected in every drill hole. 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 17 April 2018), which the Company interpreted to be possibly incorrectly oriented (see figure five). The recent wide spaced initial RC drilling has confirmed Gascoyne's interpretation of southerly dips and shown continuity of the mineralisation over more than 250 metres of strike length, and to a vertical depth of approximately 80 metres. A distinctive fine-grained basalt at the base of several holes mark the footwall to a mineralised mafic host. The host unit is a variably sheared coarse grained quartz gabbro, with zones containing strong silica and sulphide mineralisation. Assay results have returned the following highly significant intersections;

- **DGRC363 13m @ 2.0 g/t gold from 99m, including 4m @ 4 g/t gold from 104m**
- **DGRC362 12m @ 2.1 g/t gold from 104m**
- **DGRC351 20m @ 1.0 g/t gold from 99m, including 5m @ 1.5 g/t gold from 114m**
- **DGRC355 7m @ 1.0 g/t gold from 24m and 11m @ 1.3 g/t gold from 64m, including 4m @ 2.6 g/t gold from 71m**
- **DGRC357 15m @ 1.0 g/t gold from 65m**
- **DGRC360 15m @ 1.0 g/t gold from 66m**
- **DGRC349 12m @ 1.0 g/t gold from 6m**

Mineralisation is open at depth and along strike, confirmed by significant results in holes DGRC360 and DGRC353, drilled respectively at the eastern and western strike extents of RC drill grid.

The regional strike extensions of Greencock prospect mineralisation has now been drilled along 3.6km's of strike with initial shallow Aircore Drilling, results are awaited.

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

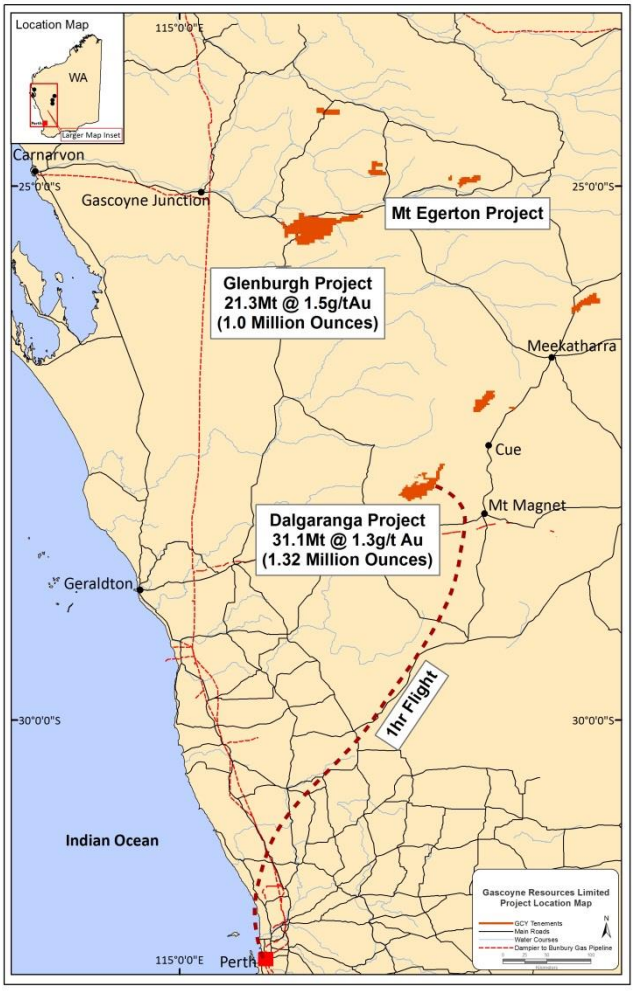

Figure One: Project Locations in the Gascoyne and Murchison Regions

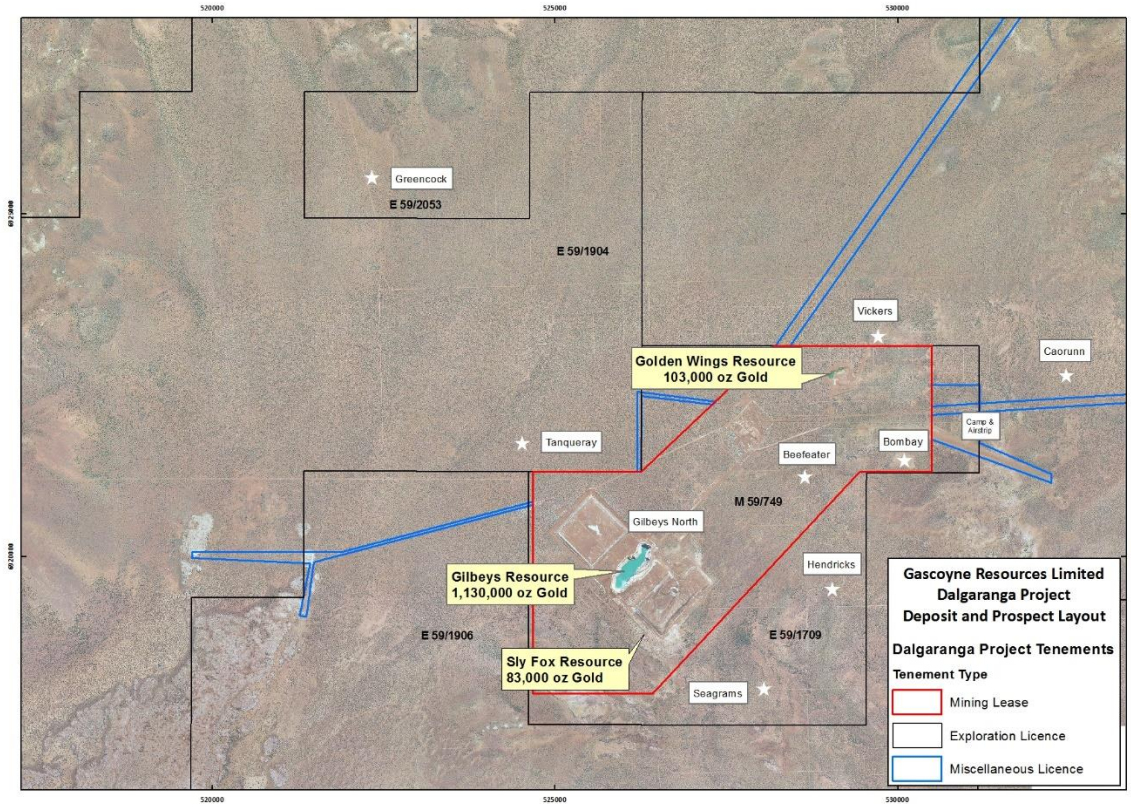

Figure Two: Dalgaranga Gold Project Deposit and Prospect Layout

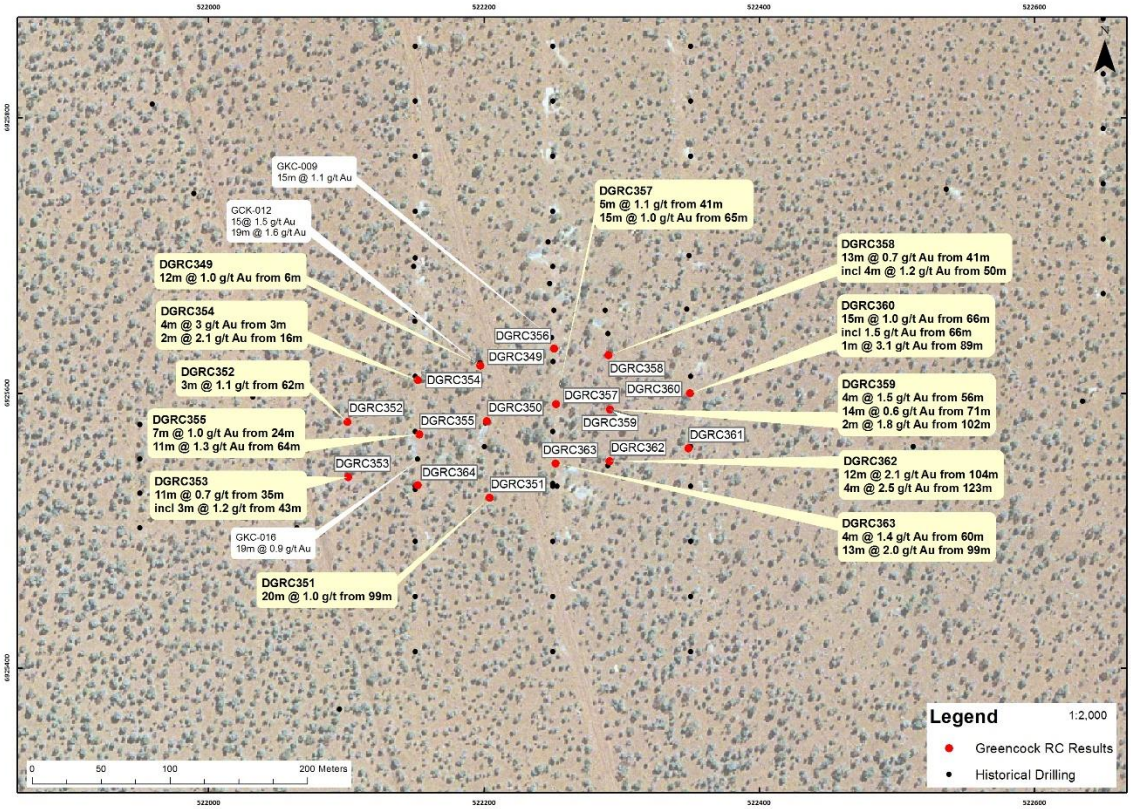

Figure Three: Greencock - Location of Drill holes and Significant Gold Intersections

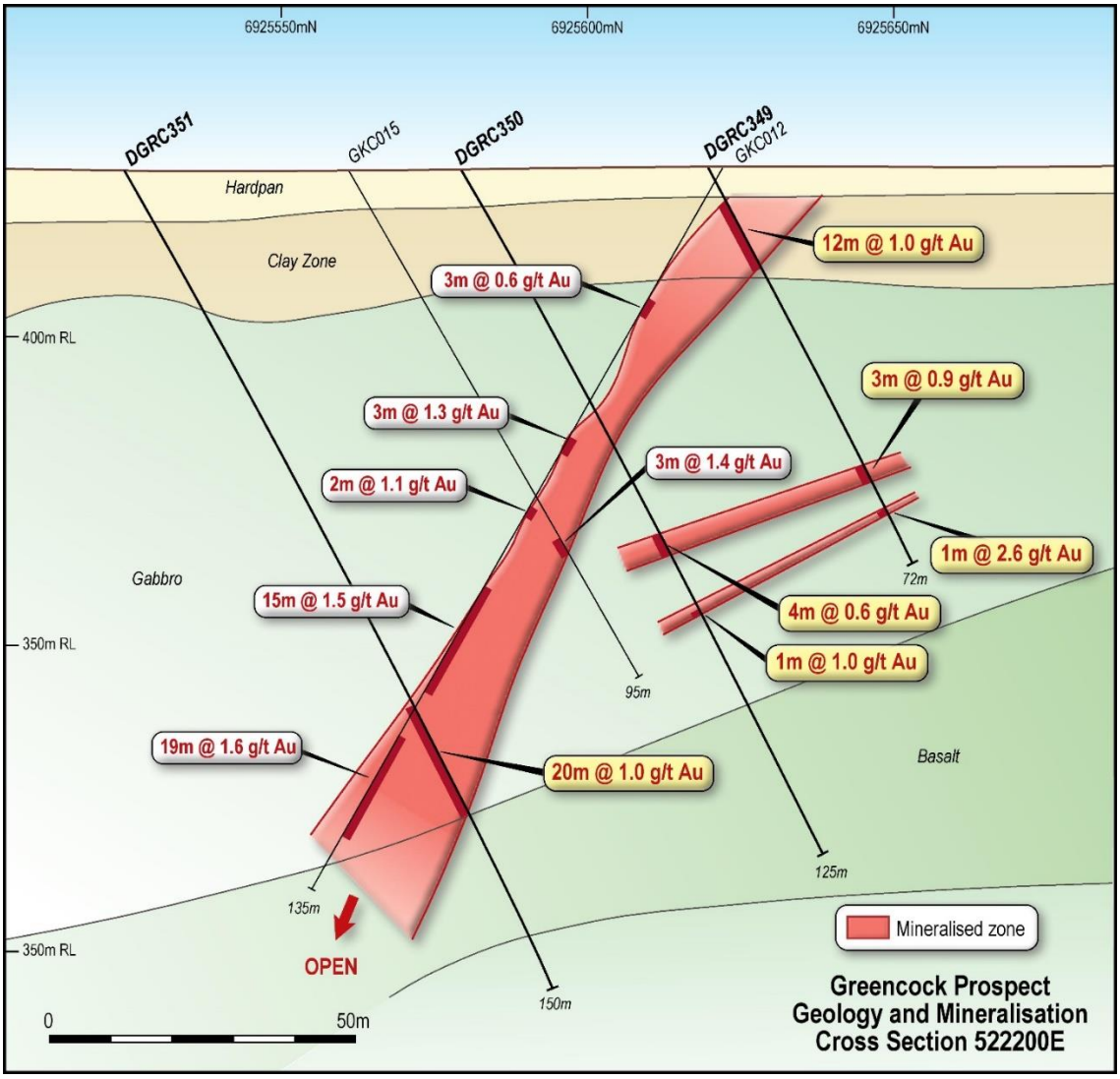

Figure Four: Greencock - Cross Section 522200mE

Table One: Significant RC Results Greencock

Hole ID	From (m)	To (m)	Interval (m)	Au g/t	Grade * Interval
DGRC349	**6**	**18**	**12**	**1**	**12**
	54	57	3	0.9	2.7
	62	63	1	2.6	2.6
DGRC350	81	82	1	1	1
DGRC351	**99**	**119**	**20**	**1**	**20**
incl.	**99**	**109**	**10**	**1.1**	**11**
incl.	**114**	**119**	**5**	**1.5**	**7.5**
DGRC352	25	27	2	0.6	1.2
	62	**65**	**3**	**1.1**	**3.3**
DGRC353	**35**	**46**	**11**	**0.7**	**7.7**
Incl.	**43**	**46**	**3**	**1.2**	**3.6**
	58	59	1	1.3	1.3
	65	66	1	1.3	1.3
	106	107	1	0.6	0.6
DGRC354	**3**	**7**	**4**	**1**	**4**
	16	**18**	**2**	**2.1**	**4.2**
	44	**45**	**1**	**2.5**	**2.5**
DGRC355	**24**	**31**	**7**	**1**	**7**
	64	**75**	**11**	**1.3**	**14.3**
Incl.	**71**	**75**	**4**	**2.6**	**10.4**
DGRC356	14	15	1	1.2	1.2
	29	31	2	0.6	1.2
	58	59	1	0.8	0.8
DGRC357	**29**	**30**	**1**	**1**	1
	41	**46**	**5**	**1.1**	**5.5**
	51	52	1	0.7	0.7
	64	**83**	**19**	**0.8**	**15.2**
	65	**80**	**15**	**1**	**15**
	95	**98**	**3**	**1.2**	**3.6**
DGRC358	**41**	**54**	**13**	**0.7**	**9.1**
Incl.	**50**	**54**	**4**	**1.2**	**4.8**
DGRC359	**56**	**60**	**4**	**1.5**	**6**
	71	**85**	**14**	**0.6**	**8.4**
	102	**104**	**2**	**1.8**	**3.6**
DGRC360	**66**	**81**	**15**	**1**	**15**
Incl.	**66**	**75**	**9**	**1.5**	**13.5**
	89	**90**	**1**	**3.1**	**3.1**
DGRC361	84	86	2	0.6	1.2
	114	115	1	0.9	0.9
	139	140	1	0.7	0.7
	146	148	2	0.8	1.6
DGRC362	**67**	**68**	**1**	**1.3**	1.3
	85	**86**	**1**	**1.1**	1.1
	92	**96**	**4**	**1.3**	**5.2**
	104	**116**	**12**	**2.1**	**25.2**
	123	**127**	**4**	**2.5**	**10**
DGRC363	**60**	**64**	**4**	**1.4**	**5.6**
	99	**112**	**13**	**2**	**26**
DGRC364	68	72	4	0.6	2.4
	77	80	3	0.6	1.8

Table Two: RC Drill Hole Collar Locations

Prospect	Hole ID	Depth	GDA_East	GDA_North	RL	Dip	Azimuth
Greencock	DGRC349	72	522197	6925620	427	-60	360
Greencock	DGRC350	126	522202	6925579	427	-60	360
Greencock	DGRC351	150	522204	6925524	427	-60	360
Greencock	DGRC352	90	522101	6925579	427	-60	360
Greencock	DGRC353	126	522101	6925539	427	-60	360
Greencock	DGRC354	60	522152	6925609	427	-60	360
Greencock	DGRC355	90	522153	6925570	427	-60	360
Greencock	DGRC356	70	522251	6925632	427	-60	360
Greencock	DGRC357	114	522252	6925592	427	-60	360
Greencock	DGRC358	90	522290	6925628	427	-60	360
Greencock	DGRC359	120	522290	6925587	427	-60	360
Greencock	DGRC360	114	522350	6925601	427	-60	360
Greencock	DGRC361	156	522350	6925561	427	-60	360
Greencock	DGRC362	132	522290	6925547	427	-60	360
Greencock	DGRC363	120	522250	6925549	427	-60	360
Greencock	DGRC364	120	522150	6925530	427	-60	360

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 DGP 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 Dalgaranga 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 3). The DGP has a **Proved and Probable Ore Reserve of 612,000 ounces of gold** (Table 4). The Ore Reserves are included in the Mineral Resource.

The Feasibility Study (FS) that was completed on the DGP in November 2016 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.

As a result of the FS, the Company has progressed through the funding, development and construction phases for the Project. Construction is progressing approximately 6 weeks ahead of schedule and under budget. Ore commissioning underway and first gold expected to be produced in mid-May 2018.

Significant exploration potential also remains outside the known Resources with numerous historical geochemical prospects only partially tested.

Table 3: 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 4 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 5)

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 5: 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 mid-May 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 Chief Geologist Mr Julian Goldsworthy who is a member of The Australasian Institute of Mining and Metallurgy. Mr Goldsworthy 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 Goldsworthy 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.

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 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 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 Dunbar consents to the inclusion of the data in the form and context in which it appears

JORC Code, 2012 Edition – Table 1
Section 1 Sampling Techniques and Data Dalgaranga project

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• The deposits and prospects has been drilled using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond drilling over numerous campaigns by several companies and currently by Gascoyne Resources Ltd. The majority of holes are on a 25m grid either infilling or extending known prospects. The exploration areas have wider spaced drilling. The majority of drill holes have a dip of -60°but the azimuth varies. .
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Sample procedures followed by historic operators are assumed to be in line with industry standards at the time. Current QAQC protocols include the analysis of field duplicates and the insertion of appropriate commercial standards and blank samples. Based on statistical analysis of these results, there is no evidence to suggest the samples are not representative.
	• *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.*	• RC drilling was used to obtain 1m samples which were split by either cone or riffle splitter at the rig to produce a 3 – 5 kg sample. In some cases, a 4m composite sample of approximately 3 – 5 kg was also collected from the top portion of the holes considered unlikely to host significant mineralisation. The samples were shipped to the laboratory for analysis via 25g Fire Assay. Where anomalous results were detected, the single metre samples were collected for subsequent analysis, also via 25g Fire Assay. A 4m composite sample of approximately 3 – 5 kg was collected for all AC drilling. This was shipped to the laboratory for analysis via a 25g Aqua Regia digest with reading via a mass spectrometer. Where anomalous results were detected, single metre samples will be collected for subsequent analysis via a 25g Fire Assay. The diamond drilling was undertaken as diamond tails to the recently completed RC holes. One of the holes was HQ (to allow metallurgical samples to be collected) the last two are NQ. The NQ holes will be sampled by ½ core sampling while the HQ hole will be ¼ core sampled. The samples are assayed using 50g charge fire assay with an AAS finish.
Drilling techniques	• *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).*	• RC drilling used a nominal 5 ½ inch diameter face sampling hammer. AC drilling used a conventional 3 ½ inch face sampling blade to refusal or a 4 ½ inch face sampling hammer to a nominal depth. The diamond drilling was undertaken as diamond tails to the recently completed RC holes. One of the holes was HQ (to allow metallurgical samples to be collected) the last three are NQ.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• RC and AC sample recovery is visually assessed and recorded where significantly reduced. Very little sample loss has been noted. • The diamond drilling recovery has been excellent with very little no core loss identified.

Criteria	JORC Code explanation	Commentary
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• RC samples were visually checked for recovery, moisture and contamination. A cyclone and splitter were used to provide a uniform sample and these were routinely cleaned. AC samples were visually checked for recovery moisture and contamination. A cyclone was used and routinely cleaned. 4m composites were speared to obtain the most representative sample possible. • Diamond drilling was undertaken and the core measured and orientated to determine recovery, which was generally 100%
	• *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.*	• Sample recoveries are generally high. No significant sample loss has been recorded with a corresponding increase in Au present. Field duplicates produce consistent results. No sample bias is anticipated, and no preferential loss/gain of grade material has been noted. • The diamond core has been consistently sampled with the left hand side of the NQ hole sampled, while for the HQ, the left hand side of the left hand half was sampled.
Logging	• *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.*	• Detailed logging exists for most historic holes in the data base. Current RC and AC chips are geologically logged at 1 metre intervals and to geological boundaries respectively. RC chip trays and end of hole chips from AC drilling have been stored for future reference. • Diamond drill holes have all been geologically, structurally and geotechnically logged.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• RC and AC chip logging recorded the lithology, oxidation state, colour, alteration and veining. • The Diamond core photographed tray by tray wet and dry.
	• *The total length and percentage of the relevant intersections logged.*	• All current drill holes are logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Diamond drilling completed by Gascoyne Resources on the tenement has been ½ core (for NQ) or ¼ core (for HQ) sampled. Previous companies have conducted diamond drilling, it is unclear whether ½ core or ¼ core was taken by previous operators.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• RC chips were riffle or cone split at the rig. AC samples were collected as 4m composites (unless otherwise noted) using a spear of the drill spoil. Samples were generally dry. 1m AC resamples are riffle split or speared.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• RC and AC samples are dried. If the sample weight is greater than 3kg, the sample is riffle split. • Samples are pulverised to a grind size where 85% of the sample passes 75 micron.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Field QAQC procedures included the insertion of 4% certified reference 'standards' and 2% field duplicates for RC and AC drilling. • Diamond drilling has 4% certified standards included.
	• *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.*	• Field duplicates were collected during RC and AC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary. • The diamond core has been consistently sampled with the left hand side of

Criteria	JORC Code explanation	Commentary
		the NQ hole sampled, while for the HQ, the left hand side of the left hand half was sampled.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• A sample size of between 3 and 5 kg was collected. This size is considered appropriate and representative of the material being sampled given the width and continuity of the intersections, and the grain size of the material being collected.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• All RC samples were analysed using a 25g charge Fire Assay with an AAS finish which is an industry sample for gold analysis. A 25g aqua regia digest with an MS finish has been used for AC samples. Aqua regia can digest many different mineral types including most oxides, sulphides and carbonates but will not totally digest refractory or silicate minerals. Historically the samples have been analysed by both aqua regia digest and a leachwell process. Significant differences were recorded between these analytical techniques. • The diamond sampling will be assayed using fire assay with a 50g charge and an AAS finish, additional quartz washes of the grinding mills is undertaken by the lab, before and after samples which contain visible gold
	• *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.*	• No downhole geophysical tools etc. have been used at Dalgaranga.
	• *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.*	• Field QAQC procedures include the insertion of both field duplicates and certified reference 'standards'. Assay results have been satisfactory and demonstrate an acceptable level of accuracy and precision. Laboratory QAQC involves the use of internal certified reference standards, blanks, splits and replicates. Analysis of these results also demonstrates an acceptable level of precision and accuracy.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• At least 3 company personnel verify all intersections.
	• *The use of twinned holes.*	• No twinned holes have been drilled to date by Gascoyne Resources.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Field data is collected using Field Marshal software on tablet computers. The data is sent to Mitchell River Group for validation and compilation into an SQL database server
	• *Discuss any adjustment to assay data.*	• No adjustments have been made to assay data apart from values below the detection limit which are assigned a value of negative the detection limit
Location of data points	• *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.*	• At this stage most drill collars have been surveyed by hand held GPS to an accuracy of about 3m. The RC and diamond drill holes will be picked up by DGPS in the future. A down hole survey was taken at least every 30m in RC holes by electronic multishot tool by the drilling contractors. Gyro surveys have been undertaken on selected holes to validate the multi shot surveys
	• *Specification of the grid system used.*	• The grid system is MGA_GDA94 Zone 50

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	• The topographic surface has been sourced from historic data used during the operation of the mine. It is considered to be of sufficient quality to be valid for this stage of exploration.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results*	• Initial exploration by Gascoyne Resources is targeting discrete areas that may host mineralisation. Consequently, current drilling is not grid based, however when viewed with historic data, the drill holes generally lie on existing grid lines and within 25m – 100m of an existing hole.
	• *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.*	• The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code.
	• *Whether sample compositing has been applied.*	• In some cases 4m composite samples were collected from the upper parts of RC drill holes where it was considered unlikely for significant gold mineralisation to occur. Where anomalous results were detected, the single metre riffle split samples were collected for subsequent analysis. 4m composite samples were collected during AC drilling and where anomalous results were detected single metre riffle split or speared samples were collected for subsequent analyses.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Drilling sections are orientated perpendicular to the strike of the mineralised host rocks at Dalgaranga. This varies between prospects and consequently the azimuth of the drill holes also varies to reflect this. The drilling is angled at -60° which is close to perpendicular to the dip of the stratigraphy.
	• *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.*	• No orientation based sampling bias has been identified in the data at this point.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by Gascoyne Resources. RC Samples are delivered daily to the Toll depot in Mt Magnet by Gascoyne Resources personnel. Toll delivers the samples directly to the assay laboratory in Perth. In some cases company personnel have deliver the samples directly to the lab. Diamond drill core is transported directly to Perth for cutting and dispatch to the assay lab for analysis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data is validated by Mitchell River Group whilst loading into database. Any errors within the data are returned to Gascoyne Resources for validation.

Section 2 Reporting of Exploration Results: Dalgaranga Project

(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.*	• Dalgaranga project is situated on Mining Lease Number M59/749. The tenement is 100% owned by Gascoyne Resources. Other project Tenements include E59/1709, E59/1904, 1905, 1906 which Gascoyne Resources has an 80% interest. The Greencock prospect lies on E59/2053 and is 100% owned by Gascoyne Resources
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The tenement areas have been previously explored by numerous companies including BHP, Newcrest and Equigold. Mining was carried out by Equigold in a JV with Western Reefs NL from 1996 – 2000.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Regionally, the Dalgaranga project lies in the Archean aged Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. Gold mineralisation at the Gilbeys deposit is associated with quartz-pyrite-carbonate veins within a sheared porphyry-shale package and also occurs in the overlying weathered profile. At Golden Wings gold mineralisation is associated with sericite-chlorite- quartz schist after mafic rocks or sediments and quartz-pyrite-arsenopyrite plunging lodes within biotite-sericite-carbonate-pyrite schist. The Sly Fox deposit lies on the easterly limb of a southerly plunging anticline within a dextral ductile shear zone. Gold mineralisation is associated with silica-sericite-pyrite altered biotite-carbonate schists and minor black shale zones. • Regionally, tenement E59/2053 lies within the Archean Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. The tenement lies immediately to the north west of the Gascoyne Resources Dalgaranga Gold Project tenements and encompasses the western side of the Dalgaranga 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.

Criteria	JORC Code explanation	Commentary
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *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.*	• The recent RC drill holes are being reported in this announcement. See body of the text for sample results, collar coordinates and survey (azimuth, RL and dip) information in tables
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• All reported assays have been length weighted if appropriate. No top cuts have been applied. A nominal 0.2ppm Au lower cut off has been applied.
	• *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.*	• High grade Au intervals lying within broader zones of Au mineralisation are reported as included intervals. In calculating the zones of mineralisation a maximum of 4 metres of internal dilution is allowed unless otherwise noted.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalent values have 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 (eg 'down hole length, true width not known').*	• The mineralised zones at Dalgaranga vary in strike between prospects, but all are relatively steeply dipping. Drill hole orientation reflects the change in strike of the rocks and consequently the downhole intersections quoted are believed to approximate true width.
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.*	• Refer to figures within body of text.
Balanced reporting	• *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.*	• Results from all holes where assays have been received are included in this announcement.
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 method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other significant exploration work had been completed by Gascoyne Resources.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Dalgaranga will continue to be drilled to extend the current resources. At Greencock and other prospects follow up of significant exploration results will continue including exploration drilling of new areas on the project.

Criteria	JORC Code explanation	Commentary
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Refer to figures in body of text.