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Australian Securities Exchange Limited
Via Electronic Lodgement

FIRST GOLD FROM DALGARANGA GOLD PROJECT: AHEAD OF SCHEDULE AND UNDER BUDGET

- First Gold poured from Dalgara ahead of schedule, with 9.55 kg produced in first pour
- A second pour is scheduled for the end of this week
- The processing plant is fully operational and will be progressively ramped up to nameplate capacity over the next 2 to 3 months
- GR Engineering have achieved practical completion, ahead of schedule and under budget



First Gold Pour from Dalgara

Gascoyne Resources Limited ("**Gascoyne**" or "**Company**")(**ASX:GKY**) is delighted to advise that it has poured first gold from the new 2.5Mtpa processing plant at the Company's 100% owned Dalgaranga Gold Project, joining the ranks of Australian gold producers.

Dalgaranga contains a Measured, Indicated and Inferred Resource of **31.1Mt @ 1.3 g/t for 1,320,000 ounces of contained gold**, which is inclusive of **Proved and Probable Ore Reserves of 15.3Mt @ 1.3 g/t for 612,000 ounces of gold** (see Figures 1 & 2 and Tables 1 & 2 below). The Company remains focused not only on ramping up to full production, but also an ongoing aggressive exploration effort aimed at increasing the mine life towards 8-10 years, as well as progressing the Glenburgh Gold Project, the Company's second +1.0 million ounce gold project in Western Australia.



First Gold from Dalgaranga

Commenting on the first gold pour, Mike Dunbar the Company's Managing Director said:

"To say that I am pleased to have poured our first gold would be a massive understatement. The Company has managed to put together a fantastic team which has grown the global resource base from under 200,000oz on listing, to now having two gold projects which each contain more than 1 million ounces, and progressed Dalgaranga through feasibility. We have built a 100% owned new gold processing facility and associated infrastructure under budget and ahead of schedule, and now poured first gold."

The construction of the Dalgaranga mine would not have been possible without the Company's Director of Operations and Development, Mr Ian Kerr who with his highly experienced (but small) development team of Warren King and Garry Moore, along with GR Engineering's Team of Andrew Bennett and Matt Gordon have delivered the project ahead of schedule and under budget. A very rare feat indeed.

With the plant now operational, the aim for the next few months is to achieve consistent performance from all aspects of the process plant.

While the recent attention has been on delivery of the Dalgaranga Gold Project, the Company remains focused on continuing the exploration success that has so far resulted in discovery of over 2 million ounces of gold since listing. The current 75,000 metre drill programme is split between Dalgaranga, to extend the mine life to 8 – 10 years, and Glenburgh, where exploration outside the known 1.0 million ounce resource base is aiming to increase the global resource prior to feasibility and ultimately development."

Update on Process Plant Commissioning and Ramp Up:

GR Engineering (GRES) has completed the commissioning of the new 2.5Mtpa Dalgaranga Processing Plant, which is now fully operational. The Company will continue to ramp up production over the next 2 to 3 months to steady state production levels.

The process plant has already achieved the following:

- The primary crusher has operated above design capacity of 450t/hr at up to 500t/hr
- Crusher availability has been higher than projected with daily utilisations as high as 98%
- The SAG Mill is continuing to ramp up with daily average throughput up to 271t/hr
- Daily SAG Mill availability has been as high as 98%
- The plant has recorded gold recoveries of up to 95% (month to date average of 83%)
- Grind Size is progressively improving as the initial mill charge is seasoned. The plant is currently achieving a P_{80} of 125 microns with a target P_{80} of 90 microns

Over the next few months of ramp up, the core focus will be to achieve consistent performance across all areas of the plant.



Dalgaranga Gold Project 2.5Mtpa Processing Facility

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

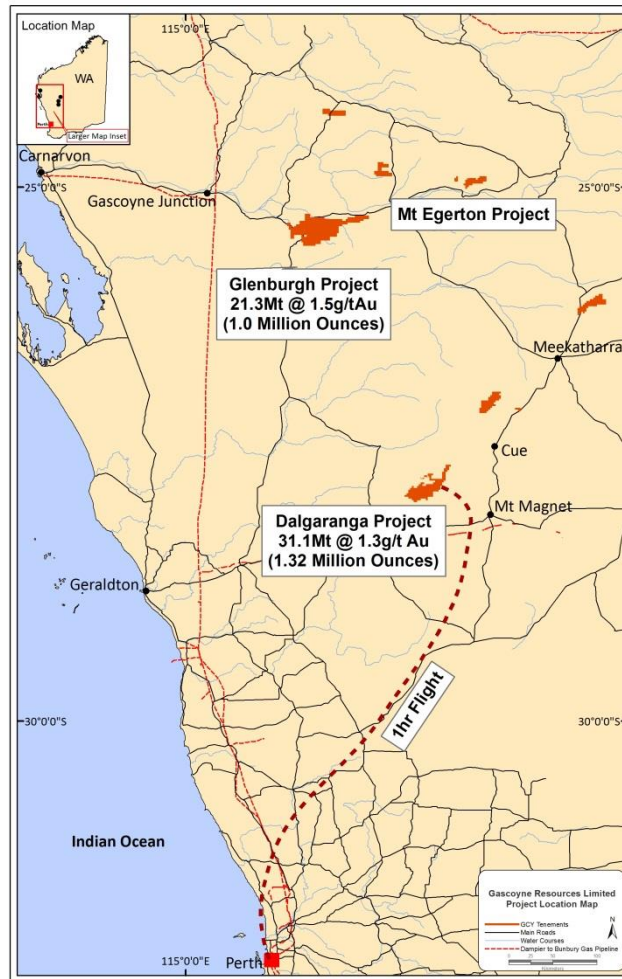


Figure One: Project Locations in the Gascoyne and Murchison Regions

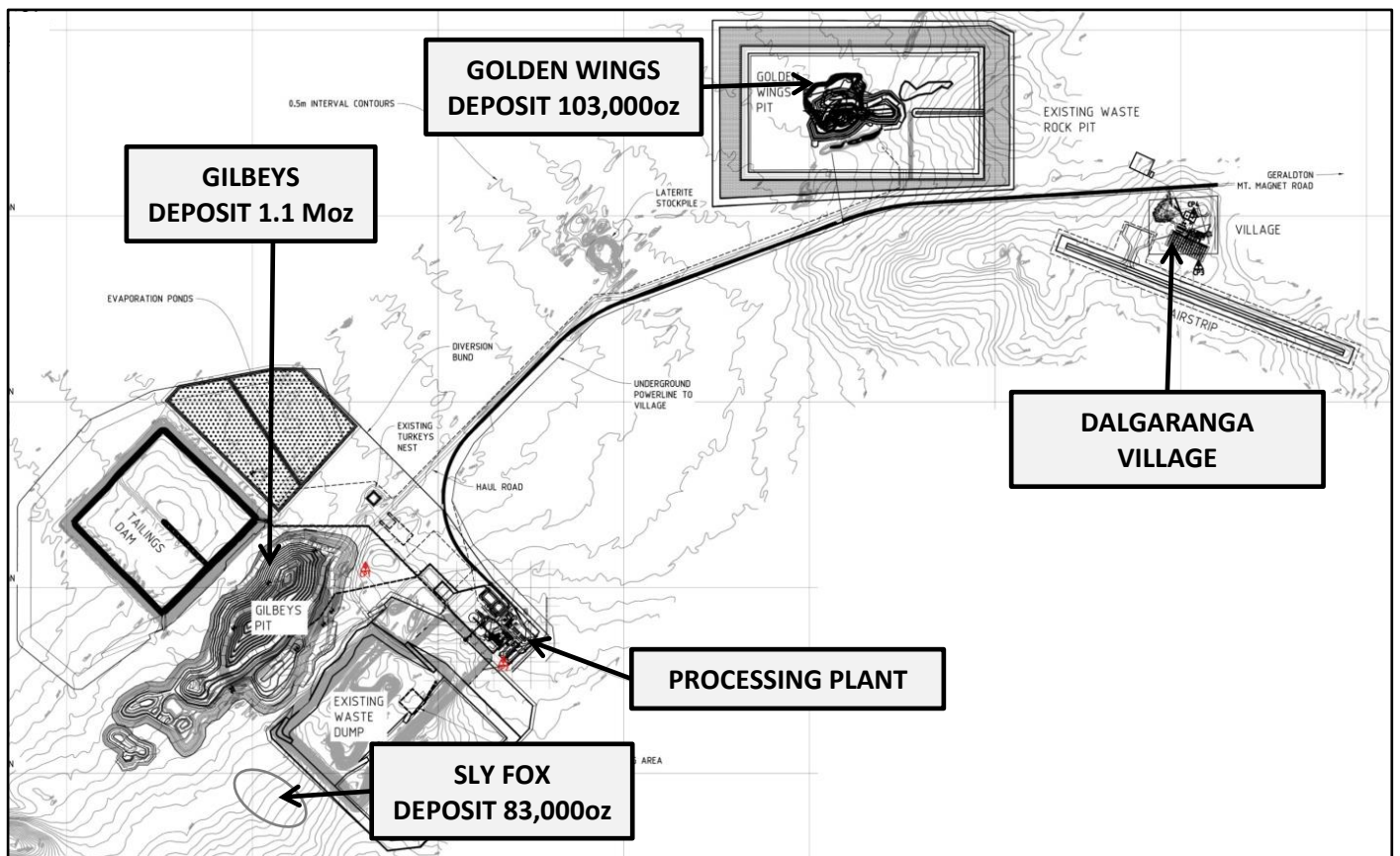


Figure Two: Dalgara Gold Project Layout

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 Dalgaranga Gold Project (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 1). The DGP 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 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 was completed ahead of schedule and under budget

Significant exploration potential also remains outside the known Resources with numerous historical geochemical prospects only partially 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	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
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 Dalgara Gold Project which is on schedule to be in production late in the second quarter of 2018, while continuing to evaluate the near term 100% owned Glenburgh Gold deposits to delineate meaningful increases in the resource base and progress project permitting. Exploration is also continuing at the 100% owned high grade Egerton project; where the focus has been to assess the economic viability of trucking high grade ore to either Glenburgh or to another processing facility for treatment and exploration of the high grade mineralisation within the region.

Further information is available at www.gascoyneresources.com.au

Competent Persons Statement

Information in this announcement relating to the 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 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.

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