

September 19<sup>th</sup> 2018  
Australian Securities Exchange Limited  
Via Electronic Lodgement

## **8M @ 373.5g/t GOLD (INC 3M @ 987g/t GOLD) INTERSECTED IN VERY FIRST RC DRILLING AT THE TANQUERAY PROSPECT**

- Initial RC drilling has intersected ultra-high grade gold mineralisation at the Tanqueray Prospect at the Dalgara Gold Project; only 1.8km north of the mill.
- Gold grades up to 1,450g/t (46.6 oz/t)\* within an 8 metre wide zone of high grade visible gold mineralisation.
- Only two RC holes ever drilled on the prospect; follow-up drilling being planned.
- The drilling intersected:
  - 8m @ 373.5 g/t gold (12.0 oz/t) from 53 metres including 3m @ 987 g/t\* (31.7 oz/t) from 53 metres
- The mineralisation contains very coarse visible gold within a quartz rich clay zone.



Visible Coarse Gold Panned from High Grade Gold Zone

Gascoyne Resources Limited (“Gascoyne” or “Company”)(ASX:GCY) is pleased to advise that the first ever RC drilling at the Tanqueray prospect, only 1.8 km north of Gascoyne’s mill at Dalgara, has intersected significant very high grade visible gold mineralisation.

Commenting on the drilling, Gascoyne’s Managing Director Mr Mike Dunbar said:

*“We are pleased to have discovered a zone of ultra high grade gold mineralisation at Dalgara. This intersection is by far the highest gold grades ever identified at Dalgara and highlights the potential for a completely different style of mineralisation to the known 1.3 million ounce resource, which is currently being mined only 1.8km to the south of Tanqueray. While the full significance of the discovery is yet to be fully understood, it is clear that the potential of the Dalgara greenstone belt, which is ~90% held by Gascoyne, is yet to be fully appreciated.*

*We look forward to undertaking the follow up drilling as soon as practicable, while remaining focused on the ramp-up to commercial production of the current mining operations.”*

\* Assays determined by 50g fire assay method. These results are above the upper threshold (800g/t) for this method. Analysis is underway using a screen fire assay technique, which is industry standard for ultra high grade coarse gold mineralisation.



### **Tanqueray Prospect**

The Tanqueray prospect is located approximately 1.8 km north west of the Dalgaranga processing plant (see Figure Two), and is interpreted to be an east west trending geological package although, from the drilling completed to date, the exact lode orientation can not yet be determined. The area has previously had only limited very wide spaced aircore drilling completed (see Figure Three).

The initial two hole RC programme was designed to test a historical aircore anomaly (9m @ 1.1g/t gold) in 200m metre line spaced aircore drilling. The shallowest RC hole intersected the highest grade mineralisation ever seen at Dalgaranga. This drilling is the first RC test of the area and clearly highlights the potential of the prospect. Geological logging of the mineralised zone indicated that the sampling was dry, sample quality good with no downhole contamination identified. Additional drilling will be required to determine the significance and potential of the area and of this ultra high grade gold mineralisation. Previous aircore drilling located 200m and 400m west intersected +1g/t gold, including 2m @ 3.1g/t gold.

The high grade mineralisation is contained within extremely weathered palid clays with minor quartz veining, visible gold is contained both within the quartz veins and as free gold. The mineralisation is approximately eight metres above a weathered black shale contact (see Figure Four)

Follow-up drilling will be undertaken as soon as practicable.

See Table One for details of the significant mineralisation and Table Two for drill hole details.

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

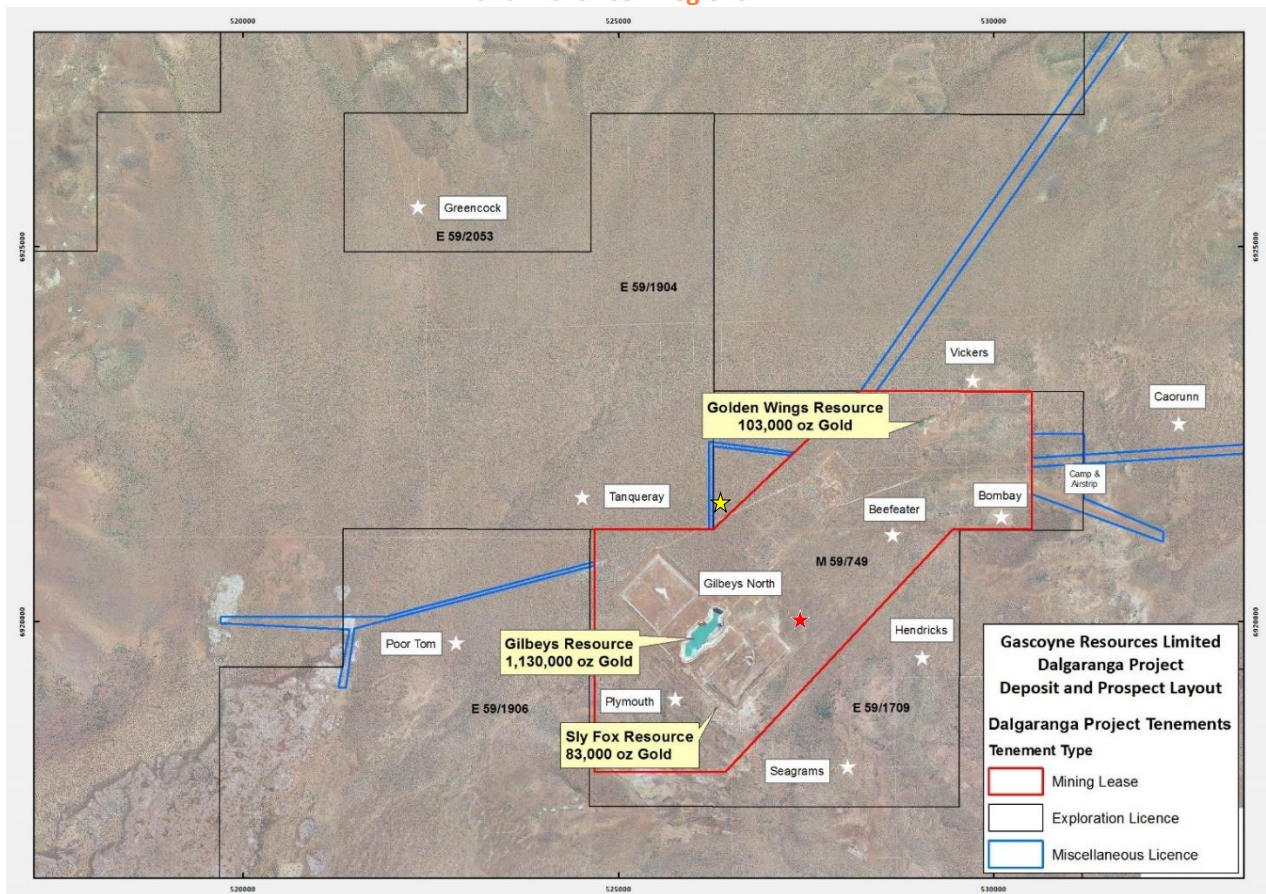


Figure Two: Dalgaranga Gold Project Deposit and Prospect Layout (★ Process Plant Location, ★ Tanqueray High Grade Mineralisation)



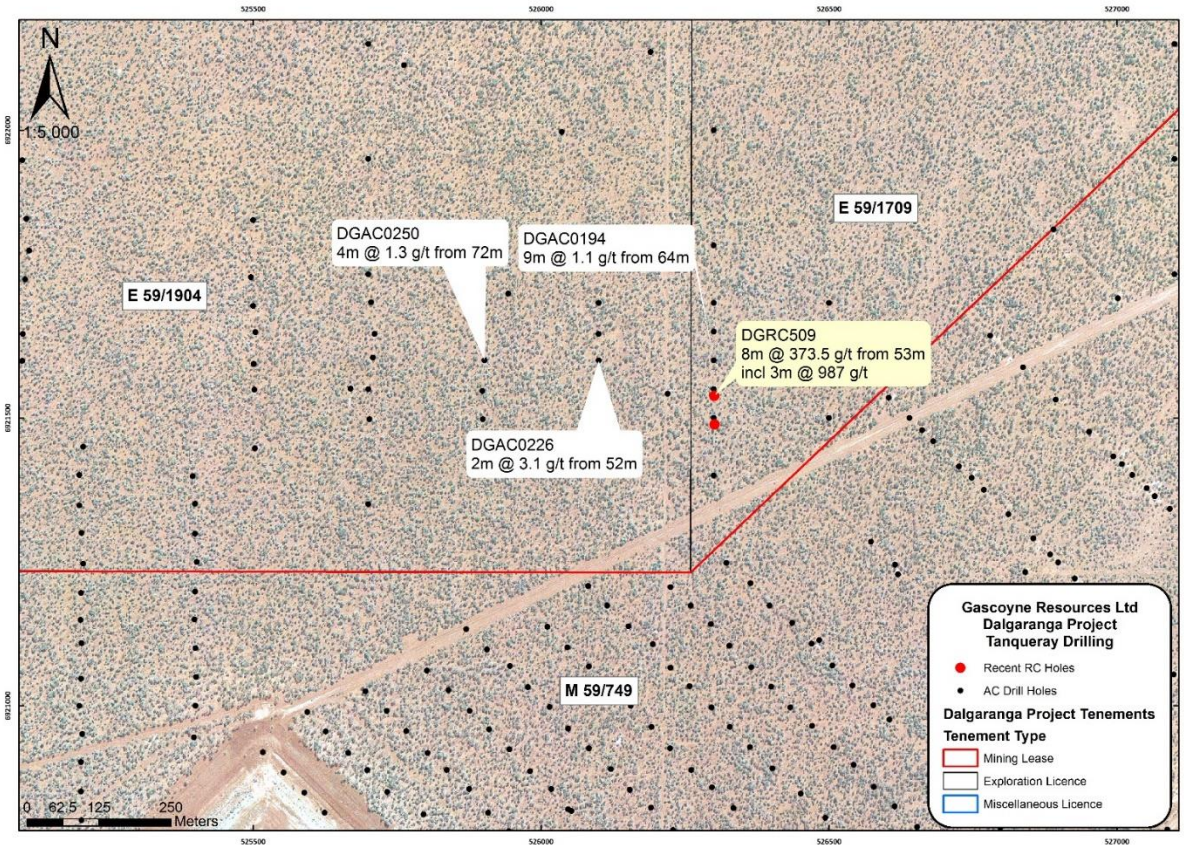


Figure Three: Tanqueray - Location of initial RC Drill holes and Significant Gold Intersections

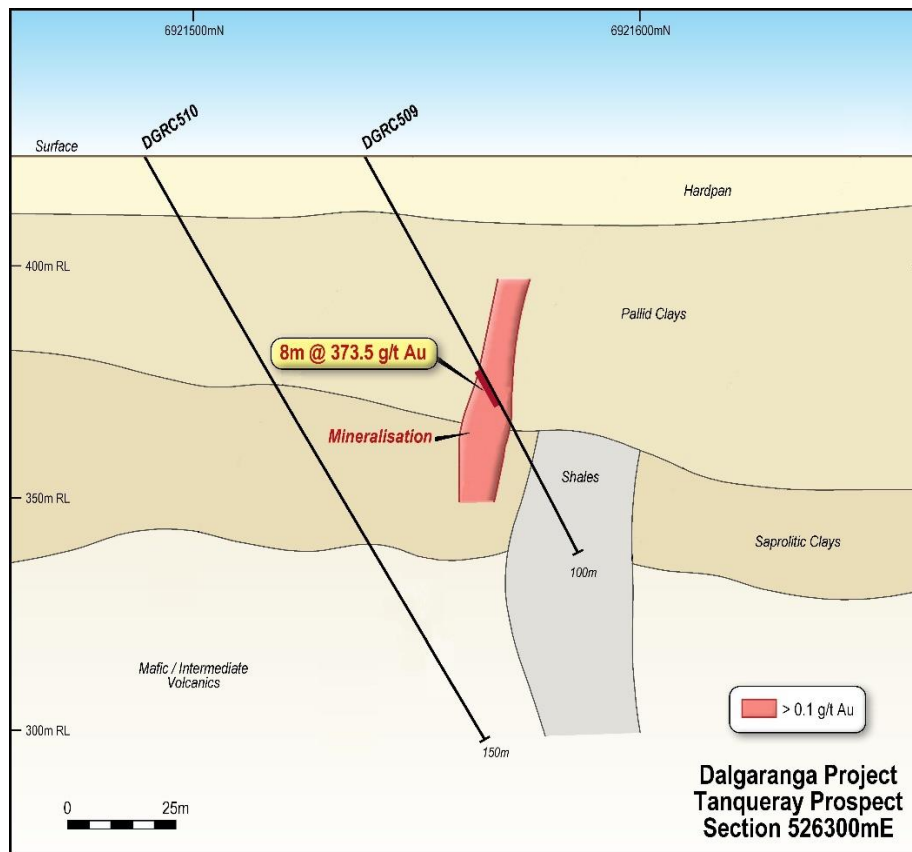


Figure Four: Tanqueray Prospect RC Drill Cross Section

**Table One: Significant RC Results >0.5 g/t Au from Tanqueray Prospect**

Hole ID	From (m)	To (m)	Interval (m)	Gold Grade g/t	Gold Grade Ounces/t	Prospect
DGRC509	53	61	8	373.5	12.00	Tanqueray
Incl	53	56	3	987.0*	31.73	
Inc	53	55	2	1,276.0*	41.02	
DGRC510	120	121	1	0.6	0.02	Tanqueray

\* Note the 50g fire assay technique has a recommended over limit of 800g/t. Additional assays using an ultra-high grade assay technique are currently underway.

**Table Two: Dalgaranga Tanqueray RC Drill Hole Collar Locations**

Prospect	Hole ID	Depth	GDA East	GDA North	RL	Dip	Azimuth
Tanqueray	DGRC509	100	526301	6921539	425	-60	360
Tanqueray	DGRC510	150	526301	6921489	425	-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 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 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, long life operation with high operating margins (relative to recent gold price and current hedge position).

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 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	<b>0.6</b>	<b>1.1</b>	<b>20,000</b>
Oxide	0.2	1.6	8,000	1.8	1.7	97,000	0.8	1.4	40,000	<b>2.8</b>	<b>1.6</b>	<b>142,000</b>
Transitional	0.5	2.1	30,000	1.2	1.4	57,000	0.5	1.5	25,000	<b>2.2</b>	<b>1.6</b>	<b>109,000</b>
Fresh	2.2	1.4	94,000	12.6	1.2	503,000	11.0	1.3	445,000	<b>25.7</b>	<b>1.3</b>	<b>1,041,000</b>
<b>Total</b>	<b>2.8</b>	<b>1.5</b>	<b>133,000</b>	<b>16.2</b>	<b>1.3</b>	<b>676,000</b>	<b>12.3</b>	<b>1.3</b>	<b>504,000</b>	<b>31.1</b>	<b>1.3</b>	<b>1,320,000</b>

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
<b>Ore Reserves Total</b>	<b>15.3</b>	<b>1.3</b>	<b>612,000</b>

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 5<sup>th</sup> 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	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
<b>Total</b>	<b>2.9</b>	<b>2.0</b>	<b>181,000</b>	<b>4.6</b>	<b>1.6</b>	<b>231,000</b>	<b>13.9</b>	<b>1.3</b>	<b>591,000</b>	<b>21.3</b>	<b>1.5</b>	<b>1,003,000</b>

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 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 continuing to ramp up production of the 100% owned Dalgaranga Gold Project which is expected to achieve commercial production late in the current quarter or early next quarter, 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](http://www.gascoyneresources.com.au)

#### **Competent Persons Statement**

Information in this announcement relating to the Dalgaranga project is based on data compiled by Gascoyne's Managing Director Mr Mike Dunbar and the Chief Geologist Mr Julian Goldsworthy are members of The Australasian Institute of Mining and Metallurgy. Mr Dunbar and Goldsworthy have 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 and Goldsworthy consent 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 7<sup>th</sup> August 2017 titled "Dalgaranga Gold Project – Sly Fox Resource and Exploration Update" and 24<sup>th</sup> 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 Warriess, 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 Warriess 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 16<sup>th</sup> 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 29<sup>th</sup> 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 Dalgara project**  
 (Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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. .</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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 50g Fire Assay. Where anomalous results were detected, the single metre samples were collected for subsequent analysis, also via 50g 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.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>RC and AC sample recovery is visually assessed and recorded where significantly reduced. Very little sample loss has been noted.</li> <li>The diamond drilling recovery has been excellent with very little no core loss identified.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> <li>Diamond drilling was undertaken and the core measured and orientated to determine recovery, which was generally 100%</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Diamond drill holes have all been geologically, structurally and geotechnically logged.</li> </ul>
	<ul style="list-style-type: none"> <li>RC and AC chip logging recorded the lithology, oxidation state, colour, alteration and veining.</li> <li>The Diamond core photographed tray by tray wet and dry.</li> </ul>
	<ul style="list-style-type: none"> <li>All current drill holes are logged in full.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>



<b>Criteria</b>	<b>Commentary</b>
<b><i>Sub-sampling techniques and sample preparation</i></b>	diamond drilling, it is unclear whether ½ core or ¼ core was taken by previous operators.
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
	<ul style="list-style-type: none"> <li>• RC and AC samples are dried. If the sample weight is greater than 3kg, the sample is riffle split.</li> <li>• Samples are pulverised to a grind size where 85% of the sample passes 75 micron.</li> </ul>
	<ul style="list-style-type: none"> <li>• Field QAQC procedures included the insertion of 4% certified reference 'standards' and 2% field duplicates for RC and AC drilling.</li> <li>• Diamond drilling has 4% certified standards included.</li> </ul>
	<ul style="list-style-type: none"> <li>• Field duplicates were collected during RC and AC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary.</li> <li>• 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.</li> </ul>
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b><i>Quality of assay data and laboratory tests</i></b>	<ul style="list-style-type: none"> <li>• All RC samples were analysed using a 50g 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.</li> <li>• 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</li> </ul>
	<ul style="list-style-type: none"> <li>• No downhole geophysical tools etc. have been used at Dalgaranga.</li> </ul>
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b><i>Verification of sampling and assaying</i></b>	<ul style="list-style-type: none"> <li>• At least 3 company personnel verify all intersections.</li> </ul>
	<ul style="list-style-type: none"> <li>• No twinned holes have been drilled to date by Gascoyne Resources.</li> </ul>
	<ul style="list-style-type: none"> <li>• Field data is collected using Field Marshal software on tablet computers. The data is sent to the GCY Database Manager for validation and compilation into a SQL database server</li> </ul>
	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b><i>Location of data points</i></b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
	<ul style="list-style-type: none"> <li>• The grid system is MGA_GDA94 Zone 50</li> </ul>
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b><i>Data spacing and distribution</i></b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

Criteria	Commentary
	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>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.</li> <li>No orientation based sampling bias has been identified in the data at this point.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>Chain of custody is managed by Gascoyne Resources. Drill Samples are dispatched weekly from the Dalgaranga Gold Project site. Coastal Midwest Transport delivers the samples directly to the assay laboratory in Perth. In some cases company personnel have delivered the samples directly to the lab. Diamond drill core is transported directly to Perth for cutting and dispatch to the assay lab for analysis.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>Data is validated by the GCY Database Manager whilst loading into database. Any errors within the data are returned to relevant GCY geologist for validation.</li> </ul>

## ***Section 2 Reporting of Exploration Results: Dalgaranga Project***

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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</li> <li>The tenements are in good standing and no known impediments exist.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>

<b>Criteria</b>	<b>Commentary</b>																																													
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>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</li> </ul>																																													
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>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.</li> <li>High grade Au intervals lying within broader zones of Au mineralisation are reported as included intervals. For the ultra-high grade mineralisation reported here, a full list of individual assay results for the intersection are listed below, due to the very high grade nature of intersections, all repeats completed for each sample within this interval have been combined to provide an average grade for each sample (if only the first result was used the grade of the overall intersection would be unchanged):</li> </ul> <table border="1"> <thead> <tr> <th>Hole Id</th> <th>Sample Number</th> <th>From</th> <th>To</th> <th>Grade g/t</th> </tr> </thead> <tbody> <tr> <td>DGRC509</td> <td>A253433</td> <td>53</td> <td>54</td> <td>1450.5*</td> </tr> <tr> <td>DGRC509</td> <td>A253434</td> <td>54</td> <td>55</td> <td>1101.5*</td> </tr> <tr> <td>DGRC509</td> <td>A253435</td> <td>55</td> <td>56</td> <td>409.0</td> </tr> <tr> <td>DGRC509</td> <td>A253436</td> <td>56</td> <td>57</td> <td>13.38</td> </tr> <tr> <td>DGRC509</td> <td>A253437</td> <td>57</td> <td>58</td> <td>10.41</td> </tr> <tr> <td>DGRC509</td> <td>A253438</td> <td>58</td> <td>59</td> <td>1.49</td> </tr> <tr> <td>DGRC509</td> <td>A253439</td> <td>59</td> <td>60</td> <td>0.67</td> </tr> <tr> <td>DGRC509</td> <td>A253440</td> <td>60</td> <td>61</td> <td>0.73</td> </tr> </tbody> </table> <p>* 50g Fire Assay is not the preferred method for gold grades above 800g/t. Analysis is underway using screen fire assay method, which is industry standard for ultra-high grade gold mineralisation.</p> <ul style="list-style-type: none"> <li>No metal equivalent values have been used.</li> </ul>	Hole Id	Sample Number	From	To	Grade g/t	DGRC509	A253433	53	54	1450.5*	DGRC509	A253434	54	55	1101.5*	DGRC509	A253435	55	56	409.0	DGRC509	A253436	56	57	13.38	DGRC509	A253437	57	58	10.41	DGRC509	A253438	58	59	1.49	DGRC509	A253439	59	60	0.67	DGRC509	A253440	60	61	0.73
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<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>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 unless otherwise stated in the announcement.</li> </ul>																																													
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Refer to figures within body of text.</li> </ul>																																													
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Results from all holes where assays have been received are included in this announcement.</li> </ul>																																													
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>No other significant exploration work had been completed by Gascoyne Resources.</li> </ul>																																													
<b>Further work</b>	<ul style="list-style-type: none"> <li>Exploration will continue at Dalgaranga with drilling conducted to extend the current resources and mine life. At Greencock and other prospects follow up of significant exploration results will continue including exploration drilling of new areas on the project.</li> <li>Refer to figures in body of text.</li> </ul>																																													