GASCOYNE RESOURCES LIMITED

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November 28th 2018
Australian Securities Exchange Limited
Via Electronic Lodgement

DALGARANGA GOLD MINE OPERATIONS AND GILBEYS RESOURCE UPDATE

- **The project remains Lost Time Incident (LTI) free.**
- **Reconciled gold production for October was 4,898 oz from 176.8kt @ 0.9 g/t, with gold recovered to date in November of 4,894 oz, for a total of 9,792 oz of gold recovered quarter to date (to 26 November), compared to 12,951 ounces for the previous full quarter.**
- **Ore mined for November to date is 176 kt at 0.98 g/t for 5,531 contained ounces.**
- **Daily mining production rate for November has been effected by significant 1 in 20 year rain event on 10 November (52mm in 12 hours) . Estimated impact of the rain event is 130,000 BCM to 150,000 BCM.**
- **Following a partial replacement of SAG mill discharge grates, Ore processed has increased to a rate of 750kt per quarter (3mtpa) and up from 535kt in September Quarter.**
- **Average milling rates at record levels for the last 7 days at 9,450dt per day (~3.2mtpa rate).**
- **Milled ore grade for November to date of 0.83g/t is below expectations following the rain event, and an unplanned shut down to replace split conveyor belts, requiring mill feed to be supplemented from low grade coarse ore stockpile.**
- **Modelling of detailed grade control drilling data to ~65-70m below surface of major ore source Gilbeys (~85% of feasibility LOM ore supply) has been used to estimate an interim Updated Gilbeys Mineral Resource. The new model provides increased confidence in both short term and long term ore supply, with similar tonnes but at slightly lower grade than pre-mining resource model.**
    - **Although resulting in a reduction of only ~4.1% of the total Mineral Resource within the planned LOM Gilbeys pit shell, the greatest impact is in the oxide and transition ore. Within the final design lower tonnes and grade were estimated resulting in a reduction of contained gold of 22,000 ounces.**
- **The ramp up of the project is continuing, however as a result of the impact of rain on the timing of ore releases impacting mill feed grade production for the quarter is revised to 17,000 – 18,000 ounces**
- **A short program of closely spaced RC drilling is planned for December around the high grade intersection at the Tanqueray prospect 2km north of the mill.**

Gascoyne Resources Limited (**"Gascoyne" or "Company"**)(**ASX:GCY**) is pleased to provide an operational update on the Dalgaranga Gold Project**.**

SAFETY

Pleasingly the project remains Lost Time Incident (LTI) free, since the commencement of construction activities in April 2017 (605 days LTI free to the 26 November2018).

MINING RAMP UP

Mining production rates have reduced since the end of October due to both weather and tighter mining conditions.

A 1 in 20 year rain event (52mm in 12 hrs) effectively closed all three pits for 24 hours and has had a continuing effect over the last two weeks due to saturated ground conditions. An estimated 130,000 to 150,000 BCM of total material movements has been lost from that weather event.

Ore mined for the month to date (26 November) is 176 kt at 0.98 g/t for 5,531 contained ounces.

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The rain event on 10th November impacted ore mining particularly in the higher grade central section of the Golden Wings pit and at the southern end of the Gilbeys pit (figure 1).

Mining in Sly Fox has also been delayed this month while testwork is completed on potentially reactive materials in both ore and waste. The testwork has successfully shown we can continue to use the standard emulsion product with blasting commencing again in the coming week.

Figure 1; – Gilbeys pit following rain event on 10 November 2018

The planned accumulation of ROM stocks has been impacted both by the rain event and the resolution of the potential reactive ground in Sly Fox. No substantial ore releases were possible in Golden Wings for a period of 12 days due to the saturated floor conditions. Stockpiles are anticipated to accumulate over the month of December.

DECEMBER QUARTER PRODUCTION TO DATE

In the September Quarterly Report production to date for October (to 25 October) of 3,806 oz was provided on an unreconciled basis. Final October production was 4,898 oz (176,783t @ 0.9 g/t) processed at 95.3% recovery.

For November to date (26 November) production (unreconciled) is ~4,894 oz giving December Quarter to date production of ~9,792 oz.

An unplanned mill shut down occurred in mid November to replace split conveyor belts which required the feed of material from the base of the Coarse Ore Stockpile, which is low grade (0.5g/t) thus lowering the month to date grades.

The ramp up of the project is continuing, however as a result of the above factors impacting mill feed grade, production guidance for the quarter is revised to 17,000 – 18,000 oz.

MILL THROUGHPUT OPTIMISATION

Throughput in November has improved markedly with the installation of 6 hardox grates (of a total of 24 grates installed in the mill) as an interim solution on the 30 October. Mill rates have improved from a daily average of 5,700 dry tonnes per day for the month of October to 7,500 dry tonnes per day for the month of November to date including an average of 9,450 dry tonnes per day for the last week, peaking over 10,000 dry tonnes per day.

Figure 2; Photograph taken 2 weeks after hardox grate installation, with hardox grates essentially clear and the rubber grates almost completely pegged.

As a result, the 36 hour shutdown specifically planned to install the replacement set of grates previously scheduled for installation at the end of November, will be delayed. A shorter, 24 hour, regular plant maintenance shutdown is now planned for mid-December during which some of the pegged grates will be replaced with the new rubber grates to continue to improve throughput and performance data/knowledge to understand the optimal solution for the current mill feed blend.

Mill throughput for November month to date (26 November) is 203.7 kt at 0.83 g/t and 90% recovery for 4,894 ounces (production for the month to date is unreconciled, reconciliation to occur at month end). This compares with 138kt throughput for the same period in October, a 33% increase month on month.

MODELLING OF GILBEYS GRADE CONTROL DRILLING/ INTERIM UPDATED GILBEYS MINERAL RESOURCE

As reported in the September quarterly the Company engaged Cube Consulting to provide a number of services at Dalgaranga including reviews of grade control, resources and reconciliation. During September and October some 33,000 m of grade control drilling was completed to provide greater confidence in geological and resource/reserve models for near term production. Cube Consulting and resource consultants Ashmore Advisory have worked closely with the Dalgaranga mine staff in preparing an updated grade control model for the Gilbeys Deposit incorporating all grade control results available at the 8 of November.

The updated global Gilbeys Mineral Resource estimate is shown below in Table 1.

Gilbeys Deposit
November 2018 Mineral Resource Estimate (0.5g/t Au Cut-off, Depleted for mining EOM Oct 18)

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
Oxide	0.4	1.4	17,000	0.8	1.3	32,000	0.3	1.2	12,000	**1.4**	**1.3**	**61,000**
Transitional	0.5	1.9	30,000	0.8	1.3	33,000	0.2	1.6	12,000	**1.6**	**1.5**	**75,000**
Fresh	2.2	1.4	95,000	11.8	1.2	463,000	10.2	1.2	403,000	**24.1**	**1.2**	**960,000**
Total	**3.0**	**1.5**	**142,000**	**13.3**	**1.2**	**528,000**	**10.8**	**1.2**	**426,000**	**27.1**	**1.3**	**1,096,000**

Note:
The Mineral Resource has been compiled under the supervision of Mr. Shaun Searle who is a director of Ashmore Advisory Pty Ltd and a Registered Member of the Australian Institute of Geoscientists. Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
All Mineral Resources figures reported in the table above represent estimates at 28 November 2018. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).

The Gilbeys deposit contains around 85% of total Dalgaranga mining inventory, and although mining has only recently commenced in this pit (173kt mined to end October from 13.2 Mt of reserves) the focus has been on understanding the reasons for variance to resource seen to date, and to improve confidence in the oxide and transition portions of the resource to be mined in the coming months.

The Gilbeys grade control drilling took place initially from natural surface ~ 430 RL and then from the 400 RL predominantly in the major Gilbeys southern pit extension where mining is more advanced, and has provided detailed information on a 10m by 7.5m pattern infilling the approximately 25m by 25m pre-mining resource drilling. The grade control drilling extends to approximately 360RL (~65-70m below natural surface), and the re-modelling extends its influence to around 345RL.

All assays from Gilbeys grade control drilling were re-wireframed and modelled by Cube using its GCX process . Ashmore has reviewed the Cube wireframes and model, and incorporated the area of grade control drilling into the existing Gilbeys Mineral Resource to derive the interim updated Gilbeys Mineral resource as at 27 November 2018.

For the RL interval from the current Gilbeys pit floor (as at 31 October) to 345RL a comparison is shown below in Table 2 between the new resource model based on detailed grade control drilling, and the previous 2017 pre-mining resource model (both are undiluted, and adjusted for depletion by mining to date);

Table 2- Comparison 2017 and 2018 Mineral Resource above 345RL (area of detailed grade control drilling)

Gilbeys Deposit - Grade Control Area of Influence
November 2018 Mineral Resource Estimate Above Final Design (0.5g/t Au Cut-off, Depleted for mining EOM Oct 18)

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
Oxide	0.4	1.4	16,000	0.7	1.4	29,000	0.1	1.3	4,000	**1.1**	**1.4**	**50,000**
Transitional	0.3	1.8	16,000	0.4	1.3	19,000	0.1	1.3	4,000	**0.8**	**1.5**	**39,000**
Fresh	0.01	2.3	1,000	0.2	1.4	7,000	0.03	1.7	1,000	**0.2**	**1.5**	**9,000**
Total	**0.7**	**1.6**	**33,000**	**1.3**	**1.3**	**55,000**	**0.2**	**1.3**	**10,000**	**2.2**	**1.4**	**98,000**

Gilbeys Deposit - Grade Control Area of Influence
March 2017 Mineral Resource Estimate Above Final Design (0.5g/t Au Cut-off, Depleted for mining EOM Oct 18)

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
Oxide	0.2	1.6	8,000	0.8	1.6	38,000	0.3	1.4	15,000	**1.2**	**1.5**	**61,000**
Transitional	0.2	2.4	18,000	0.5	1.5	24,000	0.1	1.5	6,000	**0.9**	**1.7**	**48,000**
Fresh	0.01	2.6	1,000	0.2	1.5	10,000	0.003	1.9	200	**0.2**	**1.6**	**11,000**
Total	**0.4**	**2.1**	**27,000**	**1.5**	**1.5**	**72,000**	**0.4**	**1.5**	**21,000**	**2.3**	**1.6**	**120,000**

Table notes as above.

As foreshadowed in the September Quarterly the grade control data has largely confirmed the original interpretations at Gilbeys, with a minor reduction in tonnes observed, however the infill drilling has resulted in a reduction in grade of ~0.2g/t gold in the upper sections of the deposit. From the preliminary analysis completed by Cube and Ashmore, it would appear that the losses are largely confined to the oxide and transition zones above the 345 RL with the top of fresh rock boundary modelled at around 355RL in most of the area of grade control drilling. The changes in grade are greatest in the near surface above RL 395, in the area of very strong weathering where the Company has previously reported (September Quarterly) irregular grade depletion and tonnage loss from mining to date both at Golden Wings and Gilbeys. The grade variation between pre-mining resource model and detailed grade control model lessens with increasing depth.

A comparison of the updated 2018 Gilbeys Mineral Resource model and the 2017 Mineral Resource within the overall life of mine Gilbeys planned pit design, is shown below in Table 3, again on an undiluted basis and depleted for mining to date,

Table 3-Comparison 2017 and 2018 Mineral Resource –Gilbeys below 31 October surface and within planned pit (undiluted)

Gilbeys Deposit

November 2018 Mineral Resource Estimate Above Final Design (0.5g/t Au Cut-off, Depleted for mining EOM Oct 18)

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
Oxide	0.4	1.4	16,000	0.7	1.4	29,000	0.1	1.3	4,000	**1.1**	**1.4**	**50,000**
Transitional	0.5	1.8	28,000	0.6	1.3	24,000	0.1	1.3	5,000	**1.2**	**1.5**	**56,000**
Fresh	2.1	1.4	93,000	8.1	1.3	332,000	0.2	1.5	11,000	**10.5**	**1.3**	**436,000**
Total	**3.0**	**1.4**	**137,000**	**9.4**	**1.3**	**385,000**	**0.4**	**1.4**	**20,000**	**12.8**	**1.3**	**542,000**

Gilbeys Deposit

March 2017 Mineral Resource Estimate Above Final Design (0.5g/t Au Cut-off, Depleted for mining EOM Oct 18)

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
Oxide	0.2	1.6	8,000	0.8	1.6	38,000	0.3	1.4	15,000	**1.2**	**1.5**	**61,000**
Transitional	0.4	2.1	29,000	0.6	1.4	29,000	0.1	1.5	6,000	**1.2**	**1.7**	**64,000**
Fresh	2.1	1.4	93,000	8.2	1.3	335,000	0.2	1.4	9,900	**10.5**	**1.3**	**438,000**
Total	**2.7**	**1.5**	**131,000**	**9.6**	**1.3**	**402,000**	**0.7**	**1.4**	**31,000**	**13.0**	**1.4**	**564,000**

Table notes as above.

The overall impact of the revision of the model based on the detailed grade control drilling on the total in-pit Mineral Resource at Gilbeys is a small reduction in tonnes, and a 0.04g/t (rounded in table above) reduction in grade resulting in a reduction in ounces of 4.1 %.

The Gilbeys deposit has significant available geological information, and data on the historical pit production and reconciliation. A comparison of the historical resource and grade control data was also performed by Cube for the lowest levels of the historical Gilbeys pit to test reconciliation in fresh ore, which indicated that there is reasonable expectation that the trend of grade reduction indicated by Gascoyne's grade control drilling in the oxide and transition zones may not continue into fresh rock.

Ashmore's estimate of the updated Gilbeys Mineral Resource at 27 November 2018 is based on a review of the grade control model provided by Cube and its incorporation into the 2017 Gilbeys Mineral resource Estimate
The Company will now use the updated resource model for mine scheduling.

Listing Rule 5.8.1

Pursuant to ASX listing rule 5.8.1, and in addition to the information contained in Appendix 3, the Company provides the following in respect of the interim 2018 Gilbeys Mineral Resource update:

Gilbeys Deposit Geology and Geological interpretation;

The Gilbeys gold deposit forms part of the Dalgaranga Gold Project and is located in the Archaean aged Dalgaranga Greenstone Belt 70km northwest of Mt Magnet in the Murchison Province of Western Australia.

The northeast trending belt consists of basalts, sediments (mainly black shales) and felsic volcanic rocks intruded by large gabbro complexes and post tectonic granites. The Gilbeys deposit is located on the western limb of a southerly

plunging anticline within a broad (100-200m wide) shear zone that trends northeast for over 2km. Gold mineralisation is associated with quartz-pyrite-carbonate veins within a sheared, altered, porphyry-shale-volcaniclastic package. Mineralisation dips 45-70˚ to the northwest. Mining occurred at the Project between 1996 and 2000 predominantly from the Gilbeys pit, with approximately 229,000oz of gold produced.

Drilling and Sampling, and Sample Analysis Techniques;

The Gilbeys deposit mineralisation has been extensively drilled historically with RC and diamond (DD) by Newcrest and Equigold (1,818 holes for 58,451 metres, including 31 DD holes), and by the Company for inclusion in the previous 2017 Mineral Resource estimate (205 holes for 26,301 metres, including 17 DD holes). Grade control drilling data completed by the Company in 2018 from both natural surface (430 RL) and in pit (400RL) were incorporated into this estimate comprised 742 RC holes / 24,283 metres.

Historical holes and holes drilled by the Company prior to September 2016 were down hole surveyed (magnetic azimuth and dip of the drill hole) at 10 or 30m intervals, and Gyro surveys have been undertaken on subsequent GCY surface RC and diamond holes. Grade Control drill holes drilled after August 2018, with the exception of few holes where equipment was not available, were surveyed with a Reflex or Champ Gyro, with a minimum of two surveys per hole. The majority of drill holes have a dip of -60° towards local grid east.

Detailed geological logging for historical holes was captured from historical drill logs. For GCY drilling, geological data was collected using Field Marshall software and Datashed front end until January 2018, from which time geological logging from grade control drilling was captured with Geobank Mobile software on tablet computers, and then transferred via Geobank front end to an SQL back end database.

For Newcrest RC drilling, a face sampling hammer was used to collect 1m samples via a cyclone, which were riffle split when dry, with samples of 2 to 3kg were sent to a commercial laboratory for assaying using a 50g charge Fire Assay. For Equigold's drilling sampling was also conducted on 1m intervals. Equigold samples were analysed at the Dalgaranga Laboratory, using Leachwell Bottle Rolls with AAS finish.

For GCY surface drilling, 1m samples from RC drilling were split by either cone or riffle splitter at the rig to produce a 2.5 to 4kg sample. For GCY diamond drilling NQ holes were sampled by ½ core sampling while the HQ hole was ¼ core sampled. The diamond core was consistently sampled. The left hand side of the NQ hole was sampled, while for the HQ, the left hand side of the left hand half was sampled. For all GCY drilling, samples were dried, crushed and pulverised then analysed using a 50g charge lead collection Fire Assay with AAS finish at a commercial laboratory.

For 2018 GCY grade control drilling, 1m samples from RC drilling were split by riffle splitter at the rig to produce a 2.0 to 4kg sample. The majority of samples were sent to MinAnalytical for analysis, by either Fire Assay or Photon Assay. Both techniques involve drying the sample, for Fire Assay the sample is crushed and pulverised then assayed for gold using a 50g charge lead collection Fire Assay with AAS finish. For Photon Assay, the sample is crushed to nominal 85% passing 2mm, linear split and a nominal 500g sub sample taken (method code PAP3502R). The 500g sample is assayed for gold by Photon Assay (method code PAAU2) along with quality control samples including certified reference materials, blanks and sample duplicates.

Approximately 10% of samples were assayed using the Dalgaranga PAL assay laboratory using a standard PAL assaying process. The PAL technique involves drying and crushing the sample to nominal 85% passing 2mm, a 250-500g split of crushed material is processed in the PAL1000 for 65 minutes, 100ml of solution is collected and centrifuged, 10ml aliquot is collected and assayed for Gold by AAS technique.

About the MinAnalytical Photon Assay Analysis Technique;

Developed by CSIRO and the Chrysos Corporation, the PhotonAssay technique is a fast and chemical free alternative to the traditional fire assay process. The process is non destruction and utilises a significantly larger sample that the

conventional 50g fire assay. MinAnalytical has thoroughly tested and validated the PhotonAssay process with results benchmarked against conventional fire assay. The National Association of Testing Authorities (NATA), Australia's national accreditation body for laboratories, has issued MinAnalytical with accreditation for the technique in compliance with ISO/IEC 17025:2018-Testing.

QA/QC procedures by GCY involved the use of 8 different certified reference materials (1 in 50) provided by Geostats Pty Ltd, field duplicates (1 in 50) and blanks (1 in 50) for 2017 Resource drilling. The frequency of the use of the certified reference material sample was doubled during infill resource and grade control drilling at Gilbeys (1 in 25). All Resource drill holes were picked up with DGPS survey equipment, with an accuracy of 20cm. All grade control drill holes are pegged out by the authorised site Surveyor and then drill hole locations are recorded once drilled also by the authorised site Surveyor.

Mineral Resource Estimation Methodology;

Interpretation of the Gilbeys deposit mineralisation was completed in cross section and plan using geological logging and down hole geochemistry, constrained using a 0.5 g/t Au cut-off grades. Sectional outlines were manually triangulated to form wireframes. The mineralisation wireframes were treated as hard boundaries for all estimation purposes, that is, only assays from within each wireframe were used to estimate blocks within that wireframe.

Using parameters derived from modelled variograms, Ordinary Kriging was used to estimate average block grades for gold only using Surpac software. The parent block dimensions used were 12.5m NS by 5m EW by 5m vertical with sub-cells of 3.125m by 1.25m by 1.25m.

The parent block size dimension was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the Gilbeys dataset, while dimensions in other directions were selected to provide sufficient resolution to the block model in the across-strike and down-dip direction.

Statistical analysis determined the need for top cuts, which vary by lode from 5g/t to 30g/t.

A separate grade control area block model was generated as a subset of the overall resource within the Gilbeys mine area that had been subject to detailed infill grade control RC drilling in 2018. The areas of grade control drilling cover extensions to the historic Gilbeys open pit to the south, north and east, over a depth extent of 70 metres from surface (430 RL) to 360RL. The grade control area resource estimate was performed using Surpac software. Within the grade control area parent block dimensions were consistent with the previous Gilbeys block model. An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations.

The updated Gilbeys Mineral Resource has been reported at a 0.5/t Au cut-off based on the results of the Dalgaranga Gold Project Feasibility Study (ASX release on 25th November 2016), a subsequent revision and expansion of the Dalgaranga Mine Plan to include the Gilbeys South mineralisation (ASX release on 16th November 2017) and subsequent production since the commencement of mining at Gilbeys in 2018. The Company collected density measurements during the various drilling programs which were subsequently confirmed during mill production and reconciliation to June 2018.

The Criteria used for classification, including drill and data spacing and distribution.

The updated Mineral Resource was classified as Measured, Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. At the main Gilbeys lode, the Measured Mineral Resource was defined within areas of grade control drilling and close spaced diamond and RC drilling of less than 25m by 25m, and where mineralisation and grade continuity was robust. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The 50m spacing is approximately half the observed major direction variogram range for the main lode. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 50m by 50m. For

lodes other than the main Gilbeys lode, the Measured Mineral Resource was defined within areas of grade control drilling of less than 10m by 7.5m; the Indicated Mineral Resource was defined within areas of close spaced RC drilling of less than 25m by 25m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 25m by 25m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.

Mining and Metallurgical Methods and Parameters, and other material modifying factors considered to date.

The Gilbeys deposit was previously mined as an open pit in the period 1996 to 2000, and the current phase of mining involves extending and deepening the existing open pit.

Metallurgical test work was conducted on the Gilbeys deposit by Equigold prior to mining of the deposit from 1996 to 2000. GCY has access to extensive reconciliation records from that period of operation. The remaining mineralisation has the same characteristics as the mined material. Further metallurgical test work was conducted on samples obtained from GCY surface drilling, from each material type at the Gilbeys deposit as part of Dalgaranga Gold Project Feasibility Study (ASX release on 25th November 2016). A full quarter of mill production to September 2018 from the new Dalgaranga 2.5Mtpa CIL treatment plant recorded a gold recovery of 91.3% partly from Gilbeys ore, and for the month of October 2018, processing Gilbeys as the major ore source, gold recoveries of 95.3% were achieved confirming results from the Feasibility Study.

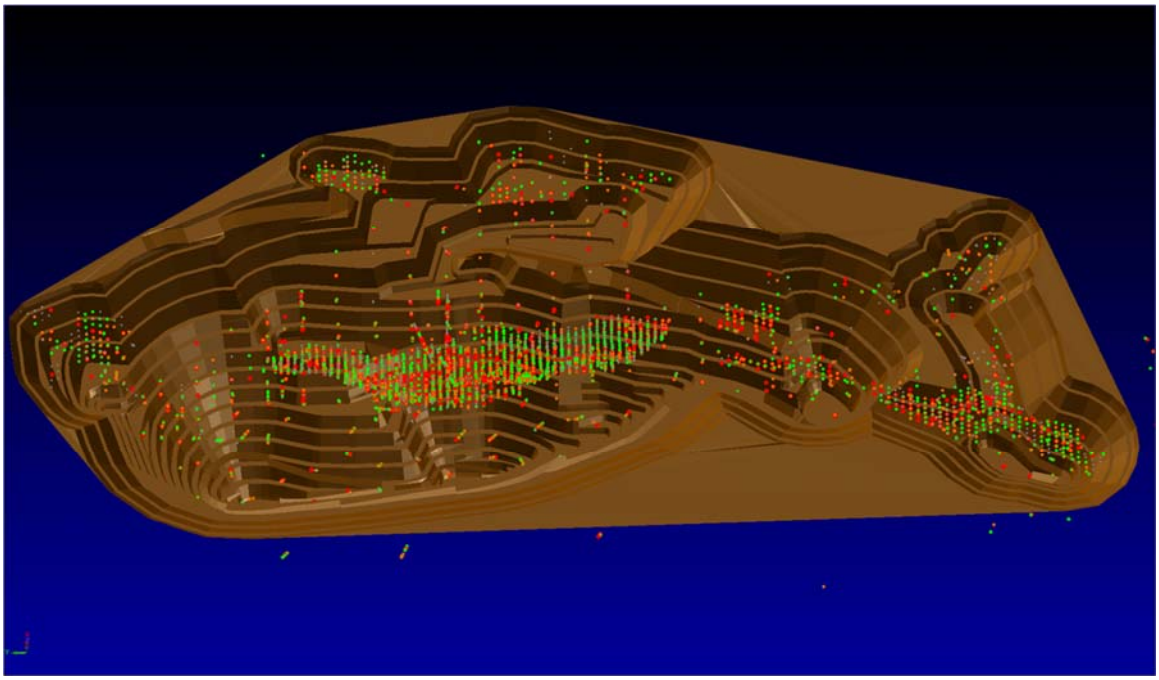

Figure 3; Grade control drill collars shown projected on Final Gilbeys pit design. The collars in the centre of the pit are historic Equigold grade control holes. (North is to the left of image)

GOLDEN WINGS GRADE CONTROL MODEL UPDATE

Alternate intepretation and modelling techniques are being explored for the Golden Wings deposit to improve production forecasting and gold grade recovery from this pit for the first half of next year. Consultants have been engaged to perform this work with the results expected early in the next quarter.

RECONCILIATION TO RESERVE

As previously stated reconciliation to reserve for the project to date has been below expectations. Zones of depletion in the upper levels of each pit coupled with the laterite cover in Golden Wings has seen global reconcilaition to date at 67% of reserve tonnes (1,049kt vs 1,573kt) and 67% of reserve grade (0.81 g/t vs 1.20 g/t), with Golden Wings accounting for 59% of the reduced ore tonnes and 64% of the ounce losses. The Golden Wings laterite ore accounts for more then half of the reduction in ounces.

Estimation of reconciliation grades by pit has been challenged by reduced ore supply which restricted planned ROM stockpiles to enable batch processing by pit.

Gilbeys has started to become the most significant ore source, only 172kt of ore has been mined to date or 1.5% of reserve.

CY2019 BUSINESS PLANNING PROCESS

As foreshadowed in the September Quarterly Activities Report a quarterly life of mine reforecast is underway which will incorporate the latest grade control model for Gilbeys. This is an important process given the significant amount of tightly spaced (10 x 7.5 metre) grade control drilling performed in recent months to inform resource models. It is expected that the majority of the first quarter of calendar year 2019 production will be based on grade control drilling informed models.

The reforecast is expected to be completed and results announced (including calendar year 2019 production and cost guidance) in December.

EXPLORATION

Exploration activity has been scaled back, with the focus on Dalgaranga production ramp up and grade control programs. Follow up holes are now permitted for a small program of closely spaced RC drilling around the spectacular high grade intersection of 8m @ 353g/t Au at the Tanqueray prospect, only 2km north of the mill (reported to ASX on 19 September 2018), with the drilling planned for early December.

For further information please refer to the Company's website or contact the Company directly.

On behalf of the board of
Gascoyne Resources Limited

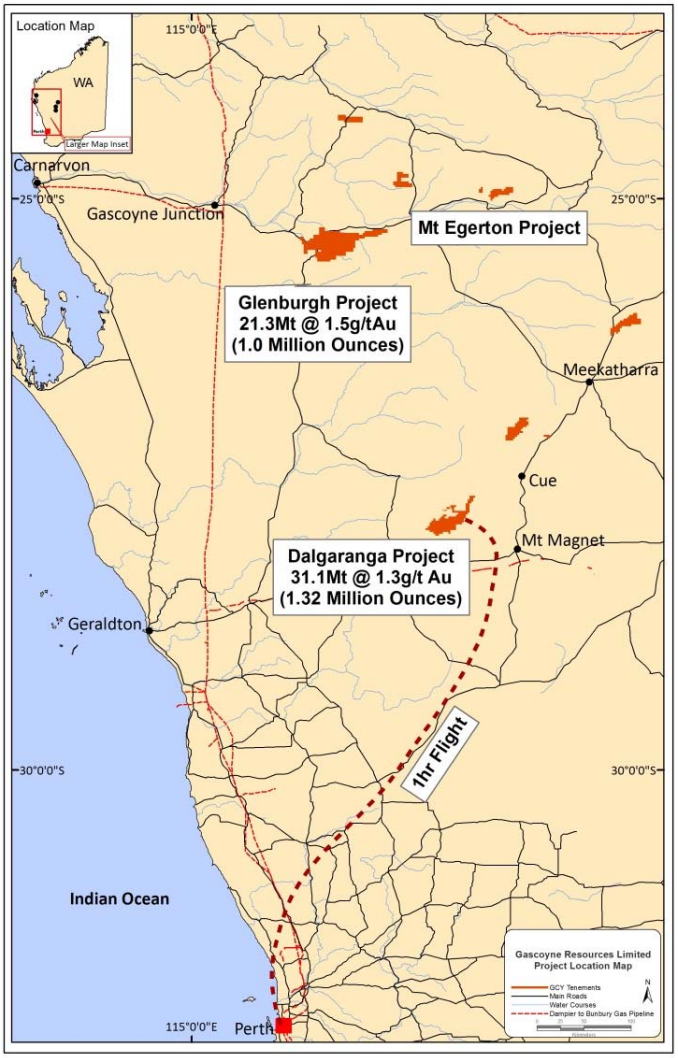

Figure Three: Project Locations in the Gascoyne and Murchison Regions

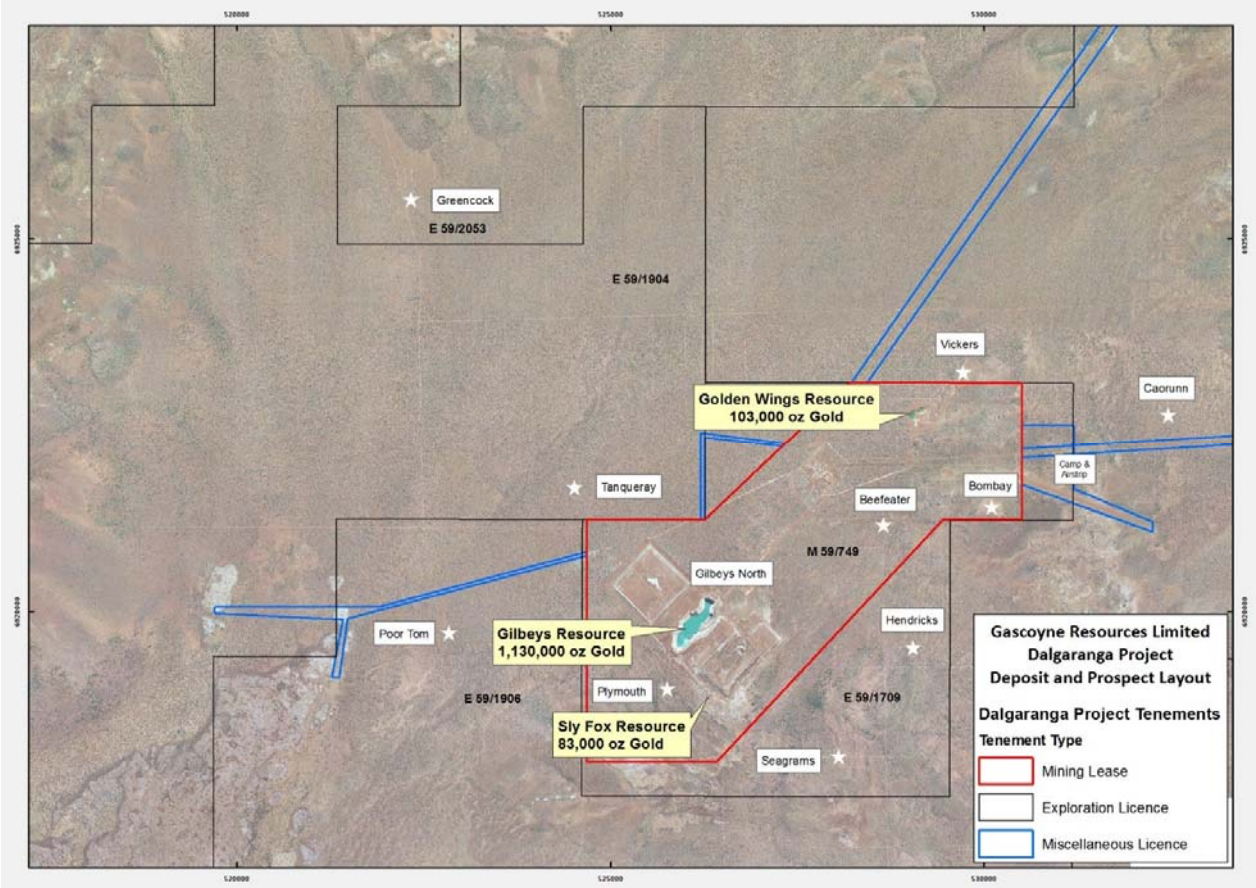

Figure Four: Dalgaranga Gold Project Deposit and Prospect Layout

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 information in this announcement that relates to the Gilbeys Mineral Resource is based on information compiled by Mr Shaun Searle who is a Member of the Australasian Institute of Geoscientists and an employee of Ashmore Advisory Pty Ltd, an external consultancy. Mr Searle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Searle consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

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.

JORC Code, 2012 Edition – Table 1; Section 1 Sampling Techniques and Data, Gilbeys deposit Dalgaranga

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

Section 1 Sampling Techniques and Data

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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	• The deposit has been drilled (sampled) using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond (DD) drilling over numerous campaigns by several companies and currently by GCY. The majority of 2017 Resource holes are on a 25m grid either infilling or extending known mineralisation, Grade Control RC drilling was utilised in 2018 with the majority of holes drilled on a 10m x 7.5m grid over modelled mineralisation. The majority of drill holes have a dip of -60° towards local grid east, one programme of 10m x 10m spaced holes in early 2018 tested an alternative drilling direction of -60° towards local grid southeast, however the change was not seen as an improvement and all subsequent drilling has been towards local grid east. • Sample related 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. Based on statistical analysis of these results, there is no evidence to suggest the samples are not representative. • During early (pre-2017) Resource drilling campaigns, 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 4 m composite sample of approximately 3 – 5 kg was collected from the top portion of the holes considered unlikely to host significant mineralisation. The samples were shipped to the laboratory for analysis via 25 g Fire Assay. Where anomalous results were detected, the single metre samples were collected for subsequent analysis, also via 25 g 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 25 g 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 25 g Fire Assay. The diamond drilling was undertaken as diamond tails to completed RC holes. One of the holes was HQ (to allow metallurgical samples to be collected). The majority of the Diamond holes are NQ core holes that were sampled by ½ core sampling while the HQ hole was ¼ core sampled. The samples are assayed using 50 g charge fire assay with an AAS finish. • Grade Control drilling in 2018 has continued to utilise QAQC protocols with an increase in the frequency of commercial standard use. 1m samples from RC drilling were split by riffle splitter at the rig to produce a 2 - 4kg sample The majority of samples were sent to MinAnalytical for analysis, by either Fire Assay of Photon Assay. Both techniques involve drying the sample, for Fire Assay the sample is crushed and pulverised then assayed for gold using a 50g charge lead collection Fire Assay with AAS finish. For Photon Assay,

Criteria	JORC Code explanation	Commentary
		the sample is crushed to nominal 85% passing 2mm, linear split and a nominal 500g sub sample taken (method code PAP3502R). The 500g sample is assayed for gold by Photon Assay (method code PAAU2) along with quality control samples including certified reference materials, blanks and sample duplicates. Approximately 10% of samples were assayed using the Dalgaranga PAL assay laboratory using a standard PAL assaying process. The PAL technique involves drying and crushing the sample to nominal 85% passing 2mm, a 250-500g split of crushed material is processed in the PAL1000 for 65 minutes, 100ml of solution is collected and centrifuged, 10ml aliquot is collected and assayed for Gold by AAS technique.
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 and RC Grade Control 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 RC holes. One of the holes was HQ (to allow metallurgical samples to be collected) the last two were NQ.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• RC and AC sample recovery was visually assessed and recorded where significantly reduced. Very little sample loss was noted. The diamond drilling recovery was excellent with very little or no core loss identified. • 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. 4 m 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%. • Sample recoveries are generally high. No significant sample loss was recorded with a corresponding increase in Au present. Field duplicates produce consistent results. Sample bias is not anticipated and no preferential loss/gain of grade material was 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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Detailed logging exists for most historic holes in the data base. Current RC and AC chips are geologically logged at 1 m intervals and to geological boundaries respectively. RC Resource hole chip trays and end of hole chips from AC drilling have been stored for future reference. Drill chips from grade control drill holes are not retained, with exceptions being retained to confirm lithological logging. Diamond drill holes have all been geologically, structurally and geotechnically logged. • RC and AC chip logging recorded the lithology, oxidation state, colour, alteration and veining. The Diamond core photographed tray by tray wet and dry. • All drill holes were logged in full.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Diamond drilling completed by GCY was 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. • RC chips were riffle or cone split at the rig. AC samples were collected as 4 m composites (unless otherwise noted) using a spear of the drill spoil. Samples were generally dry. 1m AC resamples are riffle split or speared. • RC and AC samples are dried. If the sample weight is greater than 3 kg, the sample is riffle split. For Fire Assay samples are pulverised to a grind size where 85% of the sample passes 75 µm, for Photon analysis the sample is crushed to nominal 85% passing 2mm and a large subsample of 500g is used for assay, for PAL assay (onsite) a crushed sample is pulverised to 90% passing 75 µm. • 1m samples from RC drilling were split by riffle splitter at the rig to produce a 2 - 4kg sample. The majority of samples were sent to MinAnalytical for analysis, by either Fire Assay of Photon Assay. Both techniques involve drying the sample, for Fire Assay the sample is crushed and pulverised then assayed for gold using a 50g charge lead collection Fire Assay with AAS finish. For Photon Assay, the sample is crushed to nominal 85% passing 2mm, linear split and a nominal 500g sub sample taken (method code PAP3502R). The 500g sample is assayed for gold by PhotonAssay (method code PAAU2) along with quality control samples including certified reference materials, blanks and sample duplicates. Approximately 10% of samples were assayed using the Dalgaranga PAL assay laboratory using a standard PAL assaying process. The PAL technique involves drying and crushing the sample to nominal 85% passing 2mm, a 250-500g split of crushed material is processed in the PAL1000 for 65 minutes, 100ml of solution is collected and centrifuged, 10ml aliquot is collected and assayed for Gold by AAS technique. • Field QAQC procedures included the insertion of 1 in 25 certified reference 'standards' and 1 in 50 field duplicates for RC and AC drilling. Diamond drilling has 1 in 25 certified standards included. • Field duplicates were collected during RC and AC drilling. Further sampling (lab umpire assays) is conducted if it is considered necessary. 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. • A sample size of 2 - 5 kg was collected from the original sample of 20 – 40kg depending on material density. 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, as an industry standard.
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.* • *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.*	• All Pre - RC samples were analysed using a 25 or 50 g charge Fire Assay with an AAS finish which is an industry sample for gold analysis. A 25 g 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.

Criteria	JORC Code explanation	Commentary
	• *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.*	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 was assayed using fire assay with a 50 g 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. Photon Assay of RC Grade Control in 2018 has utilised the same QAQC protocols to ensure quality of the assays, the non-destructive nature of the Photon Assay technique provides an alternative assay technique to Fire Assay, and is considered a partial technique due to the fact matrix characteristics will alter the detection limits, this is not considered significant at a Grade Control level. • No geophysical tools have been used at Gilbeys. • 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.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections were visually field verified by company geologists. • No twinned holes have been drilled to date by GCY, although grade control drilling has confirmed mineralisation thickness and tenor in oxide material below pallid zone depletion. • Field data was collected using Field Marshal software on tablet computers for pre 2018 drilling campaign, post January 2018 the Geobank Mobile software was used to collect Geological logging data, providing excellent data validation during the logging process. The data pre 2018 was sent to Mitchell River Group for validation and compilation into an SQL database server, for post January 2018 the data was processed and validated by in house database administration and compiled into a the SQL database • Assay values that were below detection limit were adjusted to equal half of the detection limit value.
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill hole collars were surveyed in the MGA94 Zone 50 grid. Historical collars were surveyed to within +/- 1m. GCY drill collars have been surveyed by DGPS equipment and mine site Surveyors. The hole collars were transformed to Gilbeys local grid. 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. Grade Control drill holes drilled after August 2018, with the exception of few holes where equipment was not available, were surveyed with a minimum of two surveys per hole. The grid system is MGA94 Zone 50, then the collars were converted to the Gilbeys local grid. • An aerial topographic survey was flown in 2016. A 5m resolution was used for Mineral Resource estimation and is considered appropriate. Monthly DTM and orthophoto images are collected via drone photography providing

Criteria	JORC Code explanation	Commentary
		an excellent control on topography.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Initial exploration by GCY was targeting discrete areas that may host mineralisation. Consequently Resource drilling pre 2018 was not grid based, however when viewed with historic data, the drill holes lie on existing grid lines and within 25m – 100m of an existing hole. Grade Control drilling has been to test areas of modelled resources, and are at a spacing of generally 10m x 7.5m. • 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. • 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.* • *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.*	• Drilling sections are orientated perpendicular to the strike of the mineralised sequence at Gilbeys, which is towards local grid east. In the south of the deposit folding does result in local changes to the orientation of the mineralised sequence, however these are not in areas with significant ore zones. The drilling is angled at -60° which is approximately perpendicular to the dip of the stratigraphy. • No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by GCY. RC samples collected Pre-2018 were delivered daily to the Toll depot in Mt Magnet by GCY personnel. Toll delivered the samples directly to the assay laboratory in Perth. In some cases company personnel have delivered the samples directly to the laboratory. Diamond drill core is transported directly to Perth for cutting and dispatch to the assay laboratory for analysis. • 2018 Grade Control samples are collected immediately as drilled and stored in a designated area at the Dalgaranga mine site administration office. They are stored in closed bulka bags, numbered and ordered ready for transport. To ready the bulka bags for transport they are strapped to pallets, limiting the chance to tamper with sample bags during transport. The samples are sent twice weekly directly to Minanalytical Laboratory via the companies preferred transport provider. Consignments are specific to Gascoyne Resources limiting potential security issues.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data pre-2018 was validated by Mitchell River Group prior to loading into the SQL database. Any errors within the data were returned to GCY for validation. All data collection and sampling protocols are to an industry standard and have passed independent technical review.

Section 2 Reporting of Exploration Results: Gilbeys deposit-Dalgaranga Project

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

Section 2 Reporting of Exploration Results

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.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Dalgaranga Project is situated on tenement number M59/749. GCY has a whole 100% interest in the tenement. • The tenement is in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The tenement area has 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 within the Archean Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. At Gilbeys, gold mineralisation is associated is associated with sericite chlorite quartz schists after mafic rocks or sediments and quartz pyrite arsenopyrite dipping lodes within biotite-sericite-carbonate pyrite schists within a sheared porphyry-shale–basalt package.

Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *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.*
		• All exploration results have previously been reported by GCY between 2013 and 2017.
		• All information has been included in the appendices. No drill hole information has been excluded.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results are not being reported. • Not applicable as a Mineral Resource is being reported. • Metal equivalent values have not 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*	• Most drill holes are angled to local grid east so that intersections are orthogonal to the expected orientation of mineralisation. It is interpreted that true width is approximately 70-100% of down hole intersections.

Criteria	JORC Code explanation	Commentary
	statement to this effect (e.g. 'down hole length, true width not known').	
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.*	• Relevant diagrams have been included within the Mineral Resource report main body of text.
Balanced Reporting	• *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.* • *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.*	• All GCY hole collars were surveyed in MGA94 Zone 50 grid using differential GPS. GCY Resource holes were down-hole surveyed with multi-shot tools. • Exploration results are not being reported.
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.*	• All interpretations for Gilbeys mineralisation are consistent with observations made and information gained during previous mining at the Gilbeys open pit.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Gilbeys is at a mining stage. Infill drilling is via grade control. Infill drilling via grade control will be completed during an ongoing grade control drilling process. • Refer to diagrams in the body of text within the Mineral Resource report.

JORC Code, 2012 Edition – Table 1
Section 3 Estimation and Reporting of Mineral Resources Gilbeys deposit Dalgaranga project

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• For GCY drilling geological and field data is collected using Field Marshall or Geobank Mobile software on tablet computers. Historical drilling data has been captured from historical drill logs. • The data is verified by company geologists before being sent either to Mitchell River Group for validation or passing Geobank Software validation protocols for further review by staff Geologists and compilation into a SQL database server. Historic data has been verified by checking historical reports on the project. • The data is verified by company geologists before the data is sent to Mitchell River Group for further validation and compilation into a SQL database server. Historic data has been verified by checking historical reports on the project.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit by the Competent Person for Mineral Resources was conducted in November 2015. The deposit area, drill chips, outcrop, drill collars and the Gilbeys open pit were all inspected. The site visit concluded, no significant issues were identified with regards to current geological understanding and data information. • A recent site visit was conducted in September 2018 by the Competent Person to assess geological observations made during mining activities. No differences were noted.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the geological interpretation is considered to be good and is based on previous mining history and visual confirmation in outcrop and within the Gilbeys open pit. • Geochemistry and geological logging has been used to assist identification of lithology and mineralisation. • The deposit consists of local grid west dipping lodes. Infill drilling has supported and refined the model and the current interpretation is considered robust. • Outcrops of mineralisation and host rocks within the open pit confirm the geometry of the mineralisation. • Grade control drilling has confirmed overall geological continuity. It has also highlighted areas of poor grade continuity due to near surface depletion. Continuity appears to be increasing at depth with decreased weathering.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Gilbeys Mineral Resource area extends over a strike length of 1,670 m (from 2,930mN – 4,600mN) and includes the 400m vertical interval from 430mRL to 30mRL.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production*	• Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade estimation was deemed suitable for the Gilbeys Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from drilling was 100m down-dip beyond the last drill holes on section. This was equivalent to approximately

Criteria	JORC Code explanation	Commentary
	records and whether the Mineral Resource estimate takes appropriate account of such data. • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	one drill hole spacing in this portion of the deposit and was classified as Inferred Mineral Resource. Extrapolation was generally half drill hole spacing between drill holes. • The portion of the 2017 Mineral Resource estimate lying within the existing Gilbeys open pit reported 4.5Mt at 1.7g/t Au, for 241,000 in-situ ounces at a cut-off grade of 0.7g/t Au. After taking into account dilution and metallurgical recovery (~94%); this compares reasonably well with reported production of 4.4Mt at 1.5g/t Au for 217,000 ounces which was mined at a cut-off grade of 0.7 g/t Au. • No recovery of by-products is anticipated. • Only Au was interpolated into the block model. There are no known deleterious elements within the deposits. • The parent block dimensions used were 12.5 m NS by 5 m EW by 5 m vertical with sub-cells of 3.125 m by 1.25 m by 1.25 m. The parent block size was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the Gilbeys datatset. • An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography. Three passes were used. The first pass had a range of 50m, with a minimum of 10 samples. For the second pass, the range was 100m, with a minimum of 6 samples. For the third pass, the range was extended to 250m, with a minimum of 2 samples. A maximum of 20 samples was used for all three passes. A maximum of 8 samples per hole was used in the Interpolation. • No assumptions were made on selective mining units. • Only Au assay data was available, therefore correlation analysis was not possible. • The deposit mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade. The wireframes were applied as hard boundaries in the estimate. • Statistical analysis was carried out on data from 80 domains. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the domains suggested that high grade cuts were required if linear grade interpolation was to be carried out. As a result high grade cuts ranging between 5 to 30g/t Au were applied, resulting in a total of 4132 samples being cut. • Validation of the model included detailed comparison of composite grades and block grades by northing and elevation. Validation plots showed reasonable correlation between the composite grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Statement of Mineral Resources has been constrained by the mineralisation solids and reported above a cut-off grade of 0.5g/t Au. The cut-off grade was calculated based on the expected parameters from the

Criteria	JORC Code explanation	Commentary
		November 2016 Feasibility Study.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The deposit is currently being mined with open pit techniques.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	A full quarter of mill production to September 2018 from the new Dalgaranga 2.5Mtpa CIL treatment plant recorded a gold recovery of 91.3% partly from Gilbeys ore, and for the month of October 2018, processing Gilbeys as the major ore source, gold recoveries of 95.3% were achieved confirming results from the Feasibility Study.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Gilbeys is an active open pit mine at the Dalgaranga Gold Project with all requisite environmental approvals in place.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• There are 27 density measurements collected during historical drilling programs at Gilbeys. GCY have recorded an additional 312 measurements from the fresh zone. • Density is measured using the water immersion technique. Moisture is accounted for in the measuring process and measurements were separated for lithology, mineralisation and weathering. • It is assumed there are minimal void spaces in the rocks within the Gilbeys deposit. Values applied in the Gilbeys block model are similar to other known bulk densities from similar geological terrains.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The Mineral Resource was classified as Measured, Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. At the main Gilbeys deposit, the Measured Mineral Resource was defined within areas of grade control drilling and close spaced diamond and RC drilling of less than 25m by 25m, and where mineralisation and grade continuity was robust. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 50m, and where the continuity and predictability of the lode positions was good. The 50m spacing is approximately half the observed major direction variogram range for the

Criteria	JORC Code explanation	Commentary
		main lode. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 50m by 50m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. • At the Gilbeys South and East deposits, the Measured Mineral Resource was defined within areas of grade control drilling of less than 10m by 7.5m; the Indicated Mineral Resource was defined within areas of close spaced RC drilling of less than 25m by 25m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 25m by 25m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. • The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by Ashmore which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The lode geometry and continuity has been adequately interpreted to reflect the applied level of Measured, Indicated and Inferred Mineral Resource. The data quality is good and the drill holes have detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses. • The Mineral Resource statement relates to global estimates of tonnes and grade. • The portion of the 2017 Mineral Resource estimate lying within the existing Gilbeys open pit reported 4.5Mt at 1.7g/t Au, for 241,000 in-situ ounces at a cut-off grade of 0.7g/t Au. After taking into account dilution and metallurgical recovery (~94%); this compares reasonably well with reported production of 4.4Mt at 1.5g/t Au for 217,000 ounces which was mined at a cut-off grade of 0.7g/t Au.