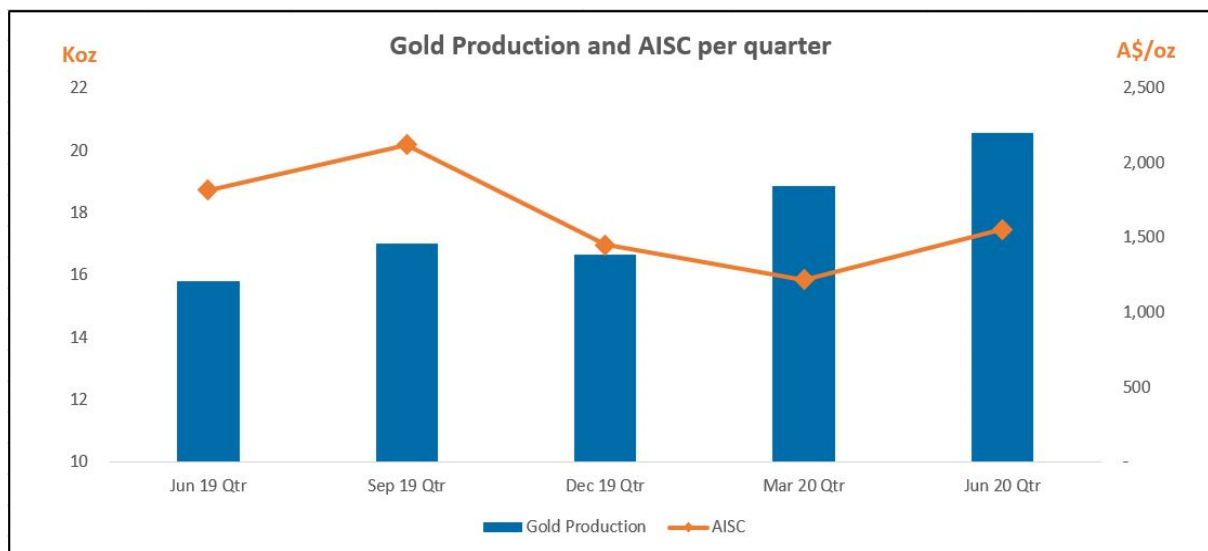


JUNE 2020 QUARTERLY REPORT – DALGARANGA GOLD PROJECT:

Highlights:

- **Record quarter** with 20,550 ounces of gold produced (18,841oz Mar Qtr);
- **Production guidance achieved, and 6 consecutive months >6Koz;**
- Resource definition drilling at **Gilbey's Main Zone (GMZ)** confirmed higher-grade zone;
- Gascoyne remains unhedged, selling 21,072 ounces at spot averaging \$2,602 per ounce;
- Throughput tonnage processed of 682,927 tonnes (740,702 Mar Qtr);
- Processed **record grade** of **1.03g/t** (0.85g/t Mar Qtr);
- AISC increased to \$1,554¹ per ounce (Mar qtr \$1,217);
- **Free cashflow generated of \$6.0M in the quarter with \$5.6M cash on hand;**
- Two batch trials undertaken on GMZ ore exceeded expectations;
- Updated Ore Reserve and Life of Mine plan finalised post end of quarter, showing 7 years of mine life;
- Safety TRIFR² increased slightly to be 4.32 at 30 June (3.84 end of Mar Qtr).



Corporate:

- Creditors voted to approve Deed of Company Arrangement (DOCA) proposal in June;
- David Coyne appointed as Chief Financial Officer;
- Extraordinary General Meeting to vote on recapitalisation and subsequent relisting of Gascoyne to be held on 5 August 2020.

FY2021 Guidance:

- Forecast production is 70,000 to 80,000 ounces for FY2021

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This announcement has been authorised for release to the ASX by the Deed Administrators of Gascoyne.

1. All In Sustaining Costs (AISC) references to currency are in Australian Dollars throughout this announcement;

2. Total Recordable Injury Frequency Rate



Figure 1a: Gascoyne employees at Dalgara during the June quarter



Figure 1b: A gold pour at Dalgara during the June quarter

JUNE 2020 QUARTER:

Gascoyne Resources Limited (subject to Deed of Company Arrangement) (Gascoyne or the Company) provides the following update on activities at its 100% owned Dalgara operations (Dalgara), for the June 2020 quarter.

Continued access to significant quantities of Gilbey's Main Zone ("GMZ") ore (62% of ore feed) in the June quarter resulted in a record 20,550 ounces produced at an All in Sustaining Cost (AISC) of \$1,554 per ounce (Table 1) and All In Cost (AIC) of \$1,970 per ounce. For the first time the operation produced greater than 6,000 ounces per month for 6 months in a row. The June quarter also saw a record quarterly processed grade of 1.03g/t. The significant improvement in performance can be directly attributed to the increased contribution of GMZ ore supplemented with high grade ore from the Golden Wings pit.

As anticipated, +90% of ore feed was transitional or fresh rock by the end of June, with process plant throughput subsequently trending down toward nameplate capacity, however the higher processed grade underpinned increased gold production compared to the March Quarter. The Company continues to investigate options to increase throughput capacity while maintaining recovery rates greater than 90%.

With the increased contribution of transitional and fresh GMZ ore processed, as anticipated, processing recoveries of 90.9% for the quarter were slightly lower than the March quarter (92.8%). Lower recoveries were more than compensated for by the higher feed for the June quarter of 1.03g/t (March Qtr 0.85g/t).

Total material movement decreased to 2.0M bank cubic metres (BCM) during the quarter (March Qtr 2.8M BCM), due to lower waste movement following the completion in February 2020 of the cutback acceleration of Gilbey's Stage 1.

Table 1: June 2020 Quarter Production and Cost Summary

Quarterly Production, sales and cost summary	Unit	Sep 19 Qtr	Dec 19 Qtr	Mar 20 Qtr	Jun 20 Qtr	FY 2020
Mining						
Total material movement	Kbcm	2,799	3,440	2,815	2,019	11,072
Waste	Kbcm	2,276	3,020	2,395	1,643	9,333
Ore (volume)	Kbcm	523	420	420	376	1,739
Ore (tonnage)	kt	737	1,007	931	814	3,488
Mined grade	g/t	0.83	0.65	0.75	0.95	0.78
Processing						
Mill throughput	kt	737	761	741	683	2,921
Mill feed grade	g/t	0.83	0.73	0.85	1.03	0.86
Recovery	%	86.52	93.57	92.77	90.92	90.97
Gold produced*	oz	17,016	16,654	18,841	20,550	73,062
Poured gold	oz	17,010	16,781	18,697	20,795	73,283
Revenue Summary						
Production sold	oz	16,409	16,939	18,429	21,072	72,848
Average price	A\$/oz	2,138	2,171	2,414	2,602	2,346
Gold sales proceeds	A\$000	35,118	36,769	44,301	54,738	170,925
Cost Summary						
Mining	A\$/oz	1,409	1,722	1,500	1,296	1,472
Less: Capitalised deferred waste	A\$/oz	(26)	(983)	(974)	(384)	(589)
Less: one-off adjustments**	A\$/oz	-	-	-	(82)	(23)
Mining net of deferred waste	A\$/oz	1,383	739	526	830	860
Processing	A\$/oz	471	477	425	497	468
Site support	A\$/oz	180	151	151	146	157
Site Cash cost	A\$/oz	2,034	1,368	1,103	1,474	1,485
Royalties	A\$/oz	45	55	59	66	57
Sustaining capital	A\$/oz	14	12	41	1	17
Corporate allocation	A\$/oz	28	16	14	13	18
AISC(1)	A\$/oz	2,121	1,451	1,217	1,554	1,576
Major project capital	A\$/oz	-	119	20	32	41
Capitalised deferred waste (non sustaining)	A\$/oz	26	983	974	384	589
AIC	A\$/oz	2,147	2,552	2,211	1,970	2,224

Note: Discrepancies in totals are a result of rounding

* Total gold produced for the year is different to that reported in the June month production ASX announcement dated 7 July 2020 due to adjustments related to the final June Perth Mint outturn.

** One-off adjustments have been made in the June 2020 quarter to normalise earnings for the quarter. The adjustments relate to costs incurred pre-appointment of the voluntary administrators in the June 2019 quarter but only finalised in the June 2020 quarter.

AISC increased to \$1,554 per ounce (\$1,217 March quarter) primarily as a result of a lower proportion of mining costs during the quarter relating to deferred waste stripping. AIC decreased to \$1,970 per ounce for the June quarter (\$2,211 March quarter) primarily due to higher gold production in the quarter as there was minimal variance in the total site costs between the March and June quarters.

Processing costs for the quarter at \$15.13 per tonne (\$10.74 March quarter) were adversely impacted by planned maintenance for leach tank refurbishments and a full SAG mill shell reline. As a result of these planned maintenance activities, processing plant availability was lower at 89% (96% March quarter).

Some 62% of the c. 683,000 tonnes processed by the plant during the quarter was GMZ ore with an additional 8% coming from the hangingwall lodes that are more continuous and better defined than the historically difficult footwall lodes. This was a strong driver in successfully delivering the record quarterly ounces recovered of 20,550 and also underpins production over the remaining life of mine.

The June quarter gravity gold recovery increased to 16.7%, compared to 13.0% in the March quarter. The gravity gold recovery result continues to build confidence in the original feasibility study metallurgical test work, which identified a range of 30-50% gravity recoverable gold in the GMZ fresh ore. Investigations are ongoing into options to increase the proportion of mill throughput that passes through the gravity circuit, currently less than 20%.

COVID-19

The Company has worked closely with all regulatory and representative bodies to develop and implement the agreed WA Resources Industry Framework and Implementation Plan. Social distancing policies have been developed and implemented at head office, site and all FIFO/DIDO aspects of the business. Roster durations were initially lengthened to reduce travel interactions between personnel and the community, however in line with WA Government policy, relaxation of certain restrictions have been implemented. Furthermore, screening of all personnel travelling to and from site implemented early on was continued throughout the quarter.

The Company has experienced no material impact to its operations as a result of COVID-19 to date and roster durations have now returned to normal. Gascoyne continues to closely monitor developments and will maintain a high level of readiness to respond to potential COVID-19 risks.

GILBEY'S MAIN ZONE (GMZ)

The Company continued to make positive progress at Gilbey's pit. During the period, the Company announced excellent results from the resource definition RC drilling completed at the southern end of the Gilbey's deposit (see ASX announcement dated 6 May 2020). The drilling confirmed the higher grade and continuity of GMZ mineralisation, with mineralisation still open to the south of 3450N and down dip. These results indicate that there is significant potential for additional resource upside at Dalgara.

In addition, Gascoyne completed two batch processing trials on GMZ's ore (see ASX announcement dated 21 May 2020). The combined batches, which are based on a large sample size of ore sourced from the southern end of the Gilbey's pit, resulted in 18% more tonnes and 6% higher grade for 25% more mined ounces compared to the Ore Reserve. While the Company is very encouraged by the results of these trials, it is important to note that these outcomes should not be universally applied across the entirety of the orebody as geological models are estimates and future reconciliations of declared ore mined (DOM) to geological models will likely vary, both positively and negatively, over the remainder of the mine life.

FY2021 PRODUCTION GUIDANCE

Following 6 consecutive months of production exceeding 6koz per month, the Company expects to produce 70,000 to 80,000 ounces of gold for the financial year ending 30 June 2021. Production is expected to be relatively even between the first and second halves of the financial year. Production for the 2021 financial year will be underpinned by ore sourced from the GMZ.

UPDATED ORE RESERVES AND LIFE OF MINE PLAN

During the quarter, Gascoyne continued work to finalise an update to the Dalgarranga Ore Reserve estimate which has underpinned an updated life of mine plan (LOMP). The Ore Reserve estimate is now 16.3Mt at 0.8g/t for 426.3koz. The LOMP indicates a seven year mine life with a production target of 400koz recovered. The results were released to the ASX on 31 July 2020 and is titled "Updated Life of Mine Production Target and Ore Reserve".

EXPLORATION

Exploration activities for the quarter was limited to the resource definition drilling undertaken at GMZ, which was previously outlined and a soil sampling program on the Egerton project. Details of the expenditure incurred on these activities is set out in the Appendix 5B accompanying this announcement. The Company intends to re-invigorate exploration activities post completion of the recapitalisation and relisting, details of which will be outlined in the upcoming Prospectus.

CORPORATE

Cash

Free cashflow generated of \$6.0M in the quarter on the back of improved operating performance and recent increase in the price of gold. At 30 June 2020 there was \$5.6M cash on hand excluding 1,981 ounces of gold in bullion, with a fair value of \$5.1M.

Revenue Protection

To protect the short-term viability of the Dalgarranga operations while the Company was in Voluntary Administration, short term put options were purchased. Remaining gold put options at 30 June 2020 amounted to 8,000 ounces at a strike price of A\$2,200 per ounce, and all put options expire during the month of August 2020.

Administration Update

The Deed Administrators confirm that the recapitalisation process is underway, as during the June quarter creditors voted to approve the Deed of Company Arrangement (DOCA) proposal (see ASX announcement dated 25 June 2020). The Deed Administrators and the relevant companies subsequently executed the DOCA (see ASX announcement 26 June 2020).

An Extraordinary General Meeting to vote on matters relevant to the recapitalisation and the subsequent relisting of Gascoyne will be held on 5 August 2020.

In the meantime, the Deed Administrators continue to trade the business on a going concern basis.

Chief Financial Officer Appointed

David Coyne commenced as Chief Financial Officer (CFO) of Gascoyne on 20 July 2020. Mr Coyne was previously CFO, Finance Director and Company Secretary at ASX-listed Peninsula Energy Limited where he remains on the board as a Non-Executive Director. He has also held senior executive positions at Consolidated Minerals, Macmahon Holdings and VDM Group Limited.



Figure 1c: An image of Gilbey's pit taken during the June quarter

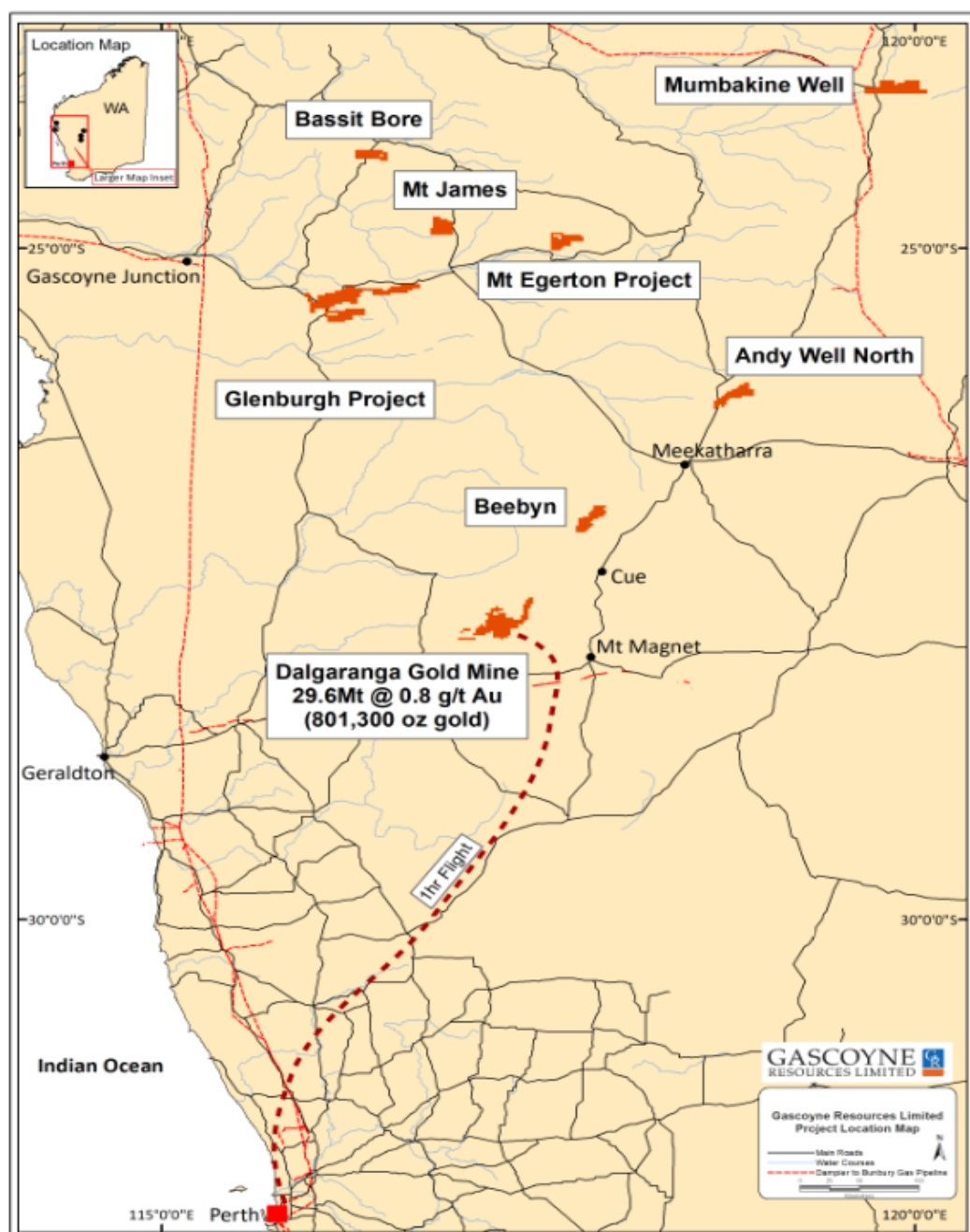


Figure 2: Gascoyne Resources Project Locations

Mining Tenements held at 30 June 2020 (All the company's tenements are within Western Australia)

Tenement	Location	Name	Ownership
ELA09/2352	Gascoyne Region	Bassit Bore	100% Gascoyne Resources
EL21/195	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1709	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1904	Murchison Region	Dalgaranga	80% Gascoyne Resources
EL59/1906	Murchison Region	Dalgaranga	80% Gascoyne Resources
L59/141	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/142	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/151	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/152	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/153	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/167	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/168	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/169	Murchison Region	Dalgaranga	100% Gascoyne Resources
L59/170	Murchison Region	Dalgaranga	100% Gascoyne Resources
ML59/749	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2150	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2053	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL59/2289	Murchison Region	Dalgaranga	100% Gascoyne Resources
EL52/3531	Pilbara Region	Mumbakine Well	100% Gascoyne Resources
EL09/1325	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1764	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1865	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/1866	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/2025	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL09/2148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/56	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/62	Gascoyne Region	Glenburgh	100% Gascoyne Resources
ML09/148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EL51/1648 ⁽¹⁾	Murchison Region	Murchison	100% Gascoyne Resources
EL51/1681	Murchison Region	Murchison	100% Gascoyne Resources
EL52/2117	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/2515	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/3574	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
ML52/343	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
ML52/567	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
EL52/3490	Gascoyne Region	Mt James	100% Gascoyne Resources

All the company's tenements are within Western Australia

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

Abbreviations and Definitions used in Tenement Schedule:

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

BACKGROUND ON GASCOYNE RESOURCES

Gascoyne Resources Limited was listed on the ASX in December 2009 and is focused on exploration, development and production of a number of gold projects in Western Australia.:

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 (Refer figure 1). 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 Feasibility Study (FS) completed on the DGP in November 2016 highlighted a robust development case for the Project based on the development of two open pits feeding a 2.5 Mtpa processing facility resulting in production of around 100,000 ozpa for 6 years. As a result of the FS, the Company progressed through the funding, development and construction phases for the Project. Construction was completed ahead of schedule and under budget, with first gold poured in late May 2018.

An updated Mineral Resource was released in June 2020 with the Dalgaranga Gold Project Mineral Resource containing 29.62Mt @ 0.84 g/t gold for 801,300oz of gold (ASX Announcement 10 June 2019). Refer table 2.

An updated Ore Reserve Estimate was completed in July 2020 with the Dalgaranga Gold Project Ore Reserve containing 16.3Mt at 0.8 g/t for 426.3koz of contained gold (ASX Announcement 31 July 2020 and titled "Updated Life of Mine Production Target and Ore Reserve"). Refer table 3.

Significant exploration potential remains at Dalgaranga within the Company's extensive tenement holdings.

Table 2: Dalgaranga Gold Project

30 April 2020 Summary Mineral Resource Statement

Classification	Mt	Au g/t	Au Koz
Measured	1.65	0.75	39.7
Indicated	21.22	0.86	588.6
Measured + Indicated	22.87	0.85	628.3
Inferred	6.76	0.80	173.1
TOTAL	29.62	0.84	801.3

Note: Discrepancies in totals are a result of rounding

Table 3: Dalgaranga Gold Project

30 April 2020 Summary Ore Reserve Statement

Classification	Oxidation state	COG (g/t Au)	Mt	Au g/t	Au Koz
Proved	Oxide	0.30			
	Transition	0.30	0.9	0.7	19.9
	Fresh	0.30	0.5	0.7	11.3
	Stockpiles	0.30	1.1	0.4	12.9
	Gold In circuit				1.7
	SUBTOTAL		2.4	0.6	45.8
Probable	Oxide	0.30	0.1	1.0	2.5
	Transition	0.30	0.8	0.8	19.8
	Fresh	0.30	13.1	0.9	358.3
	SUBTOTAL		13.9	0.9	380.6
Total			16.3	0.8	426.3

GLENBURGH:

The Glenburgh Project in the Gascoyne region of Western Australia, consists of 11 separate deposits within a 20km long shear zone. The project is an exciting advanced exploration project. Additional drilling has occurred since the original Mineral Resource estimate in 2014 (see ASX announcement dated 24 July 2014 and titled "High Grade Domains Identified Within Updated Glenburgh Gold Mineral Resource") and furthermore, the gold price environment has changed significantly. Therefore, the Glenburgh Project will be fully re-evaluated over the coming months and if indicators are favourable will progress to a pre-feasibility study.

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 Air core during drilling campaigns.

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

Competent Persons Statement

The Mineral Resources estimates Gilbey's, Gilbey's South, Sly Fox and Golden Wings referred to in this document are extracted from the ASX announcement dated 10 June 2020 and titled "Dalgara Gold Mine – Updated 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 announcement and that all material assumptions and technical parameters underpinning the estimate in the original 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 announcement.

The Ore Reserves estimates for Dalgara referred to in this document are extracted from the ASX announcement dated 31 July 2020 and titled "Updated Life of Mine Production Target and Ore Reserve". The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original 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 announcement.

Information in this announcement relating to the Dalgara 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 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 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 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 Goldsworthy consents to the inclusion of the data in the form and context in which it appears.

The Company confirms it is not aware of any new information or data that materially affects the information included in the above referenced ASX announcements and that all material assumptions and technical parameters underpinning the estimates in these ASX announcements continue to apply and have not materially changed.

DISCLOSURE IN ACCORDANCE WITH WAIVERS OBTAINED FROM LISTING RULE 10.13.5 FOR THE ISSUE OF SHARES TO RICHARD HAY.

The Company advises that it has obtained a waiver from the requirements of Listing Rule 10.13.5 to enable it to issue the Bonus Shares and Placement Shares to Mr Richard Hay no later than 3 months after the date of the shareholders meeting to be held on 5 August 2020 (**Meeting**), subject to shareholders approving the issue of those shares.

The Company advises that as at the date of this quarterly report none of the 17,500,000 shares have been issued, accordingly, 17,500,000 shares remain to be issued. These shares will be issued if shareholder approval is obtained at the Meeting, Mr Hay applies for the shares and completion of the recapitalisation of the Company as described Section 1.3 of the notice of meeting for the meeting to be held on 5 August 2020 occurs.