

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

Highlights:

- Normalised free cash flow generation of \$9.0M for the quarter (excluding one-off administration and litigation costs); \$16.8M for the half year
- 20,381oz produced for the quarter; 40,695oz for the half year
- 21,341oz sold at an average realised price of A\$2,605/oz
- Third consecutive quarter >20koz produced (80,086oz for CY2020)
- AISC \$1,100/oz for the quarter; \$1,276/oz for the half year
- On track for upper end of FY2021 production guidance of 70 – 80koz at an AISC of \$1,200 – \$1,300/oz
- 668kt milled at feed grade of 1.03g/t and 92.2% recovery for the quarter
- Drilling success at Gilbey's, Plymouth and Sly Fox
- Aircore drilling commenced at prospects within 15km of Dalgara
- Group Mineral Resources now 1.3Moz gold with release of updated Mineral Resource estimate for Glenburgh Project of 510koz
- Net cash position of \$0.8M with cash balance of \$37.3M at quarter end
- \$7.5M mark-to-market gold hedge position at quarter end, with 53,722oz hedged at an average of \$2,611/oz over the next 18 months

Gascoyne Resources Limited ("Gascoyne" or "Company") (ASX:GCY) is pleased to provide the following update on its activities for the quarter ending 31 December 2020, including operating and cost performance at its 100% owned Dalgara Gold Project ("Dalgara").

The Company advises that it will be holding a teleconference to discuss the quarterly results at 10:00am (WST) on Thursday, 21 January 2021. Dial-in and registration details to participate in the call are located at the end of this report.

Gascoyne Managing Director and CEO, Mr Richard Hay, commented:

"The December quarter results are very pleasing, in particular ending the quarter in a net cash position. The Company has achieved what we said we would do in a very short period of time since being reinstated to the ASX in October 2020."

"For the quarter we produced 20,381 ounces which has us on track to achieve the upper end of guidance of 80,000 ounces and within our AISC cost per ounce range of \$1,200 to \$1,300. With 53,722 ounces hedged at an average price of \$2,611 Gascoyne is well placed to continue generating free cash flow."

"Furthermore, the Company successfully fired up both exploration and resource drilling across a range of targets within 15km of the Dalgara plant which continues to be one of the most efficient in WA with a milling cost of only \$11.79 per tonne for the quarter."

"In addition, the Company's total Mineral Resources now stands at 1.3 million ounces following release of the updated estimate of 510,100 ounces at the Glenburgh project."

SHARE PRICE:
\$0.52 at 20 Jan 21

SHARES ON ISSUE:
250.9 million

MARKET CAP:
\$130 million at 20 Jan 21

CASH:
\$37.3 million

All dollar figures included in this report are Australian dollars unless otherwise stated

DIRECTORS

Richard Hay,
Managing Director & CEO

George Bauk,
Non-Executive Chairman

Rowan Johnston,
Non-Executive Director

MANAGEMENT

David Coyne,
CFO & Joint Company Secretary

David Baumgartel,
Executive GM Operations and Development

Julian Goldsworthy,
Chief Geologist

Shane McBride,
Joint Company Secretary

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Dalgaranga Gold Project

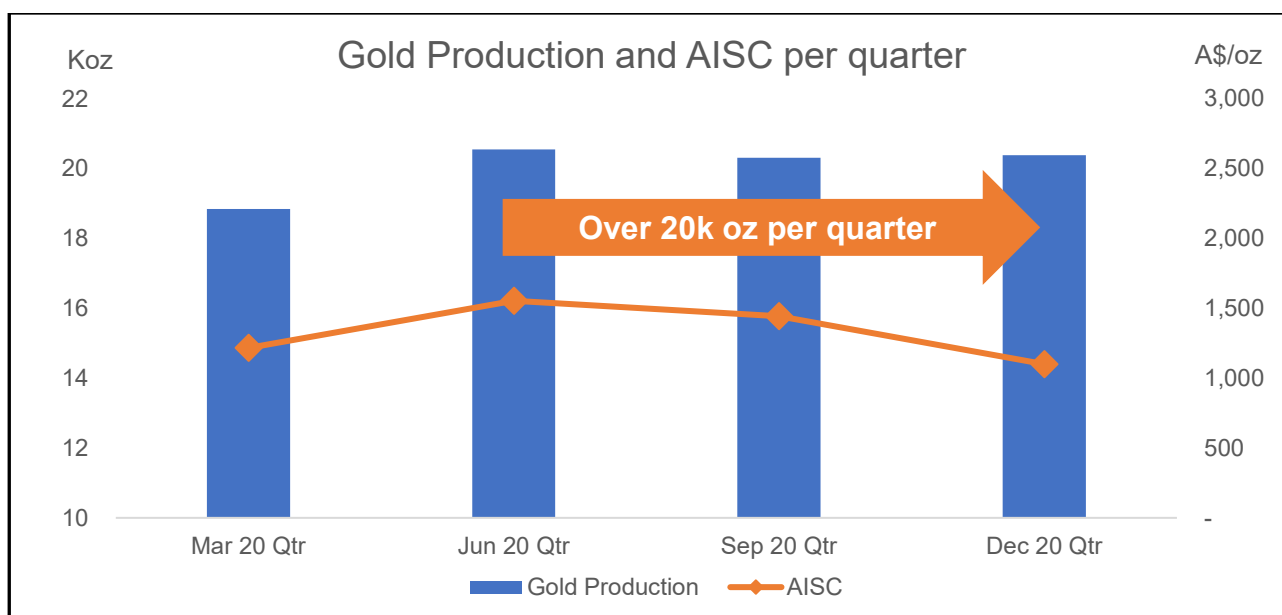
Safety

Total recordable injury frequency rate (“**TRIFR**”) at the end of the quarter was 11.3 a slight increase on 11.2 at the end of the September quarter. As part of the renewed focus on improving safety performance and culture, a number of initiatives were progressed during the quarter including safety leadership development at all levels of the organisation.

Production and Costs

Consistent ore production from the Gilbey’s Main Zone (“**GMZ**”) in the December quarter resulted in 20,381 ounces of gold produced at an All in Sustaining Cost (“**AISC**”) of \$1,100 per ounce (Table 1). A total of \$21.3M of revenue was reinvested into pre-stripping Stage 2 of the Gilbey’s open pit to ensure consistent ore supply to the processing plant, resulting in an All in Cost (“**AIC**”) of \$2,214 per ounce. Operations continue to run as planned with greater than 20,000 ounces produced for the last three quarters in succession.

Figure 1: Quarterly Production and AISC



During the quarter ore was sourced entirely from the GMZ with >99% fresh and transitional ore processed at a grade of 1.03g/t, marginally lower than the record grade of 1.06g/t processed in the September quarter. Continued processed grade of >1.00g/t of ore sourced from the GMZ has been one of the key factors driving the consistency in operating performance over the past 12 months.

Processing recoveries of 92.2% for the quarter were slightly lower than the September quarter (92.8%), however, this was offset by higher throughput of 668,000 tonnes (Sep Qtr: 645,000 tonnes). Increased throughput while maintaining recovery rates greater than 90% continues to be a core business improvement focus for the Company.

Total mined material movement increased to 3.1M bank cubic metres (“**BCM**”) during the quarter (Sep Qtr: 2.2M BCM), due to higher waste movement following the September quarter commencement of the Gilbey’s Stage 2 cutback.

Table 1: December 2020 Quarter Production and Cost Summary

Quarterly production, sales and cost summary	Unit	Mar 20 Qtr	Jun 20 Qtr	Sep 20 Qtr	Dec 20 Qtr
Mining					
Total material movement	Kbcm	2,815	2,019	2,248	3,102
Waste	Kbcm	2,395	1,643	1,859	2,800
Ore (volume)	Kbcm	420	376	389	302
Ore (tonnage)	kt	931	814	1,004	827
Mined grade	g/t	0.75	0.95	0.86	0.88
Processing					
Mill throughput	kt	741	683	645	668
Mill feed grade	g/t	0.85	1.03	1.06	1.03
Recovery	%	92.8%	90.9%	92.8%	92.2%
Gold produced	oz	18,841	20,550	20,314	20,381
Poured gold	oz	18,697	20,795	20,540	19,640
Revenue summary					
Production sold	oz	18,429	21,072	20,088	21,341
Average realised price	A\$/oz	2,414	2,602	2,667	2,605
Gold sales proceeds	A\$000	44,301	54,738	53,565	55,601
Cost summary					
Mining and Geology	A\$/oz	1,500	1,296	1,220	1,401
Less: Capitalised deferred waste	A\$/oz	(974)	(384)	(502)	(1,085)
Mining net of deferred waste	A\$/oz	526	830	718	316
Processing and Maintenance	A\$/oz	425	497	400	401
Site support	A\$/oz	151	146	139	157
Refining and freight*	A\$/oz	-	-	1	1
By-product credits*	A\$/oz	-	-	(10)	(13)
ROM stockpile adjustment*	A\$/oz	-	-	(38)	61
Site cash cost	A\$/oz	1,103	1,474	1,209	922
Royalties	A\$/oz	59	66	58	68
Corporate allocation	A\$/oz	14	13	16	17
Rehabilitation - Accretion*	A\$/oz	-	-	4	4
Capital (sustaining)**	A\$/oz	41	1	95	6
Leases (sustaining)	A\$/oz	-	-	47	49
Capitalised mine site exploration	A\$/oz	-	-	14	35
AISC	A\$/oz	1,217	1,554	1,444	1,100
Capital (non-sustaining)**	A\$/oz	20	32	2	6
Capitalised deferred waste (non sustaining)	A\$/oz	974	384	502	1,085
Capitalised mine site exploration (non-sustaining)	A\$/oz	-	-	-	22
AIC	A\$/oz	2,211	1,970	1,949	2,214

Note: Discrepancies in totals are a result of rounding

* Categories previously excluded from AISC but now included from 1 July 2020.

** A capital project previously classified as "Capital (non-sustaining)" in the September 2020 quarter has been reclassified to "Capital (sustaining)", increasing the September quarter AISC by \$34/oz from that previously reported.

AISC decreased to \$1,100 per ounce (Sep Qtr: \$1,444/oz) primarily as a result of a higher proportion of mining costs during the quarter relating to deferred waste stripping for the Stage 2 cutback in the Gilbey's pit. AIC was higher at \$2,214 per ounce (Sep Qtr: \$1,949/oz) as a result of more material being mined following the mobilisation of an additional mining fleet for the Gilbey's Stage 2 cutback.

Processing costs for the quarter at \$11.79 per tonne (Sep Qtr: \$13.69/t) were positively impacted by lower levels of planned maintenance. Process plant availability remained high at 94.1% (Sep Qtr: 92.2%) as a result of less unplanned outages during the quarter.

All 668,000 tonnes processed by the plant during the quarter was sourced from the Gilbey's pit which has now demonstrated a high degree of consistency and reliability from the fresh and transitional ore as compared to the historical issues with the shallow level oxide ore. On an annualised basis, the December quarter throughput provides further confidence that the plant is likely to regularly exceed its 2.5 million tonne per annum nameplate design. This was again a strong driver in successfully delivering a third consecutive quarterly production total of over 20,000 ounces and underpins production over the Life of Mine.

The December quarter gravity gold recovery increased to 24.9% of all gold produced, compared to 20.8% in the September quarter. Increased gravity recovery is a result of improvements made during the 2020 calendar year to the gravity circuit.

FY2021 Guidance Reiteration

The Company expects to produce at the upper end of the range of 70,000 to 80,000 ounces of gold at AISC of \$1,200 to \$1,300 per ounce 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, underpinned by ore sourced from the Gilbey's pit.

Following the recent drilling success at Gilbey's, Sly Fox and Plymouth, the Company is progressing a full update to the Dalgaranga current mine design. The Stage 3 cutback of the Gilbey's pit has been deferred until this update has been completed early in the June 2021 quarter. Waste movement in the 2nd half of the 2021 financial year is expected to be less than previously planned, however, gold produced is expected to remain at the upper end of the 2021 financial year range of 70,000 to 80,000 ounces. With reduced waste to be moved, the Company expects that total site cash costs for the financial year will be lower than planned, hence reducing the AIC.

Further information will be provided in the update planned for release in the first half of the June 2021 quarter.

Resource Definition Drilling

During the quarter, one RC rig was mobilised to Dalgaranga to undertake a 28-hole resource definition program (4,846m drilled in total) targeting the down dip potential of the Gilbey's, Sly Fox and Plymouth deposits. Assay results were progressively received by the Company prior to and subsequent to the end of the quarter (see ASX releases dated 7 December 2020 *"High Grade Drilling Results within 1.5km of Dalgaranga Gold Processing Facility"* and 19 January 2021 *"More High Grade Drill Results Close to Dalgaranga Plant"*). Significant intersections include:

Gilbey's

- 13m @ 2.1 g/t Au (DGRC0620) from 228m (Estimated True Width ("**ETW**") of 13m)
- 44m @ 1.0 g/t Au (DGRC0608) from 221m (ETW of 44m), including 10m @ 1.9 g/t Au

Sly Fox

- 11m @ 15.7 g/t Au (DGRC0599) from 142m (ETW of 10m)
- 21m @ 3.0 g/t Au (DGRC0598) from 144m (ETW of 16m), including 15m @ 3.9 g/t Au
- 26m @ 2.3 g/t Au (DGRC0623) from 277m (ETW of 18m), including 16m @ 3.0 g/t Au

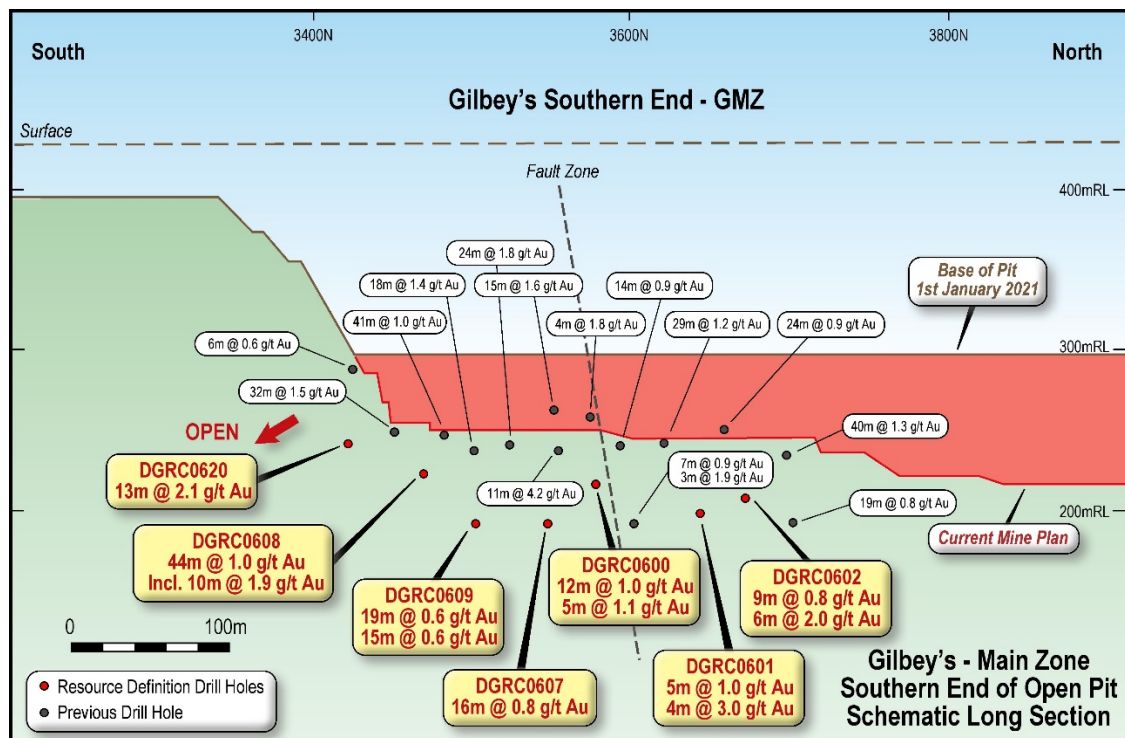
Plymouth

- 3m @ 6.2 g/t Au (DGRC0611) from 31m (ETW of 3m), including 1m @ 16.2 g/t Au
- 12m @ 3.0 g/t Au (DGRC0604) from 129m (ETW of 12m), including 6m @ 4.9 g/t Au
- 18m @ 1.0 g/t Au (DGRC0603) from 93m (ETW of 18m)

Gilbey's

At Gilbey's, RC drilling targeted extensions down dip and along strike to the GMZ. The very significant result of **13m @ 2.1 g/t Au from 277m in DGRC0620** is the most southerly intersection of the GMZ to date and has extended the GMZ some 25m further south outside of the current resource and mine plan extents and remains open at depth and to the south (Figure 2). This area will be the focus of follow up extensional drilling in the March 2021 quarter. The GMZ mineralisation intersected consists of quartz-carbonate veined biotite, pyrite altered schists.

Figure 2: Schematic Long Section GMZ – Southern End of the Gilbey's Open Pit Highlighting New Drill Results

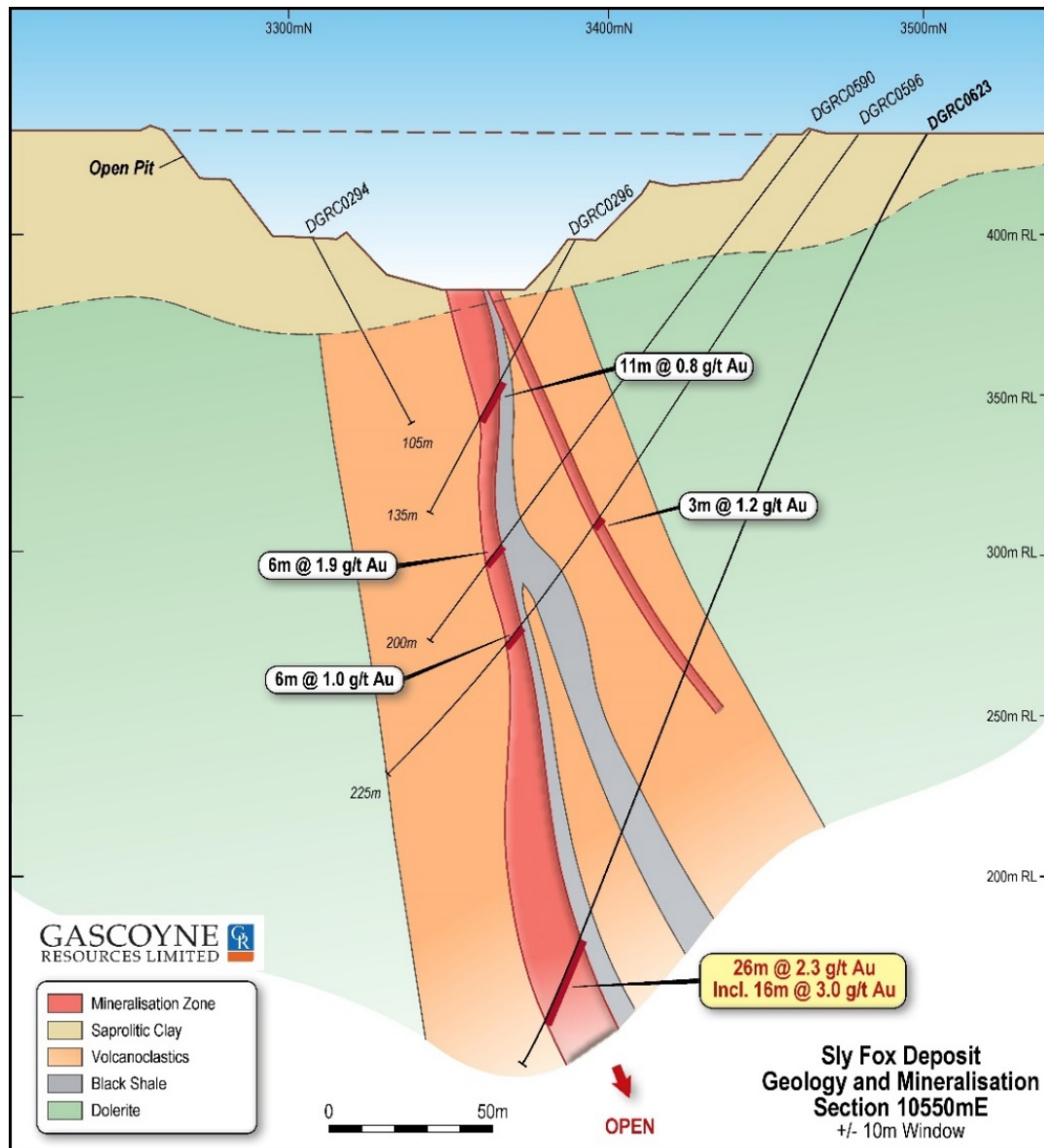


Sly Fox

Drilling targeted high-grade zones below the base of the open pit. The deepest hole drilled to date at Sly Fox returned a wide high grade gold intersection, of **26m @ 2.3 g/t Au from 277m in DGRC0623**, including **16m @ 3.0 g/t Au from 279m**. This deep intersection is encouraging from a potential underground mining perspective and will be followed up with further drilling to determine if this is an option for Sly Fox.

The results continue to confirm a SW orientated steeply plunging high grade shoot that remains open at depth and along strike (Figure 3). Mineralisation at Sly Fox is related to silica, pyrite and quartz altered biotite schists. Previous mining at Sly Fox has demonstrated that the orebody is continuous, predictable and reliable.

Figure 3: Sly Fox Cross-Section

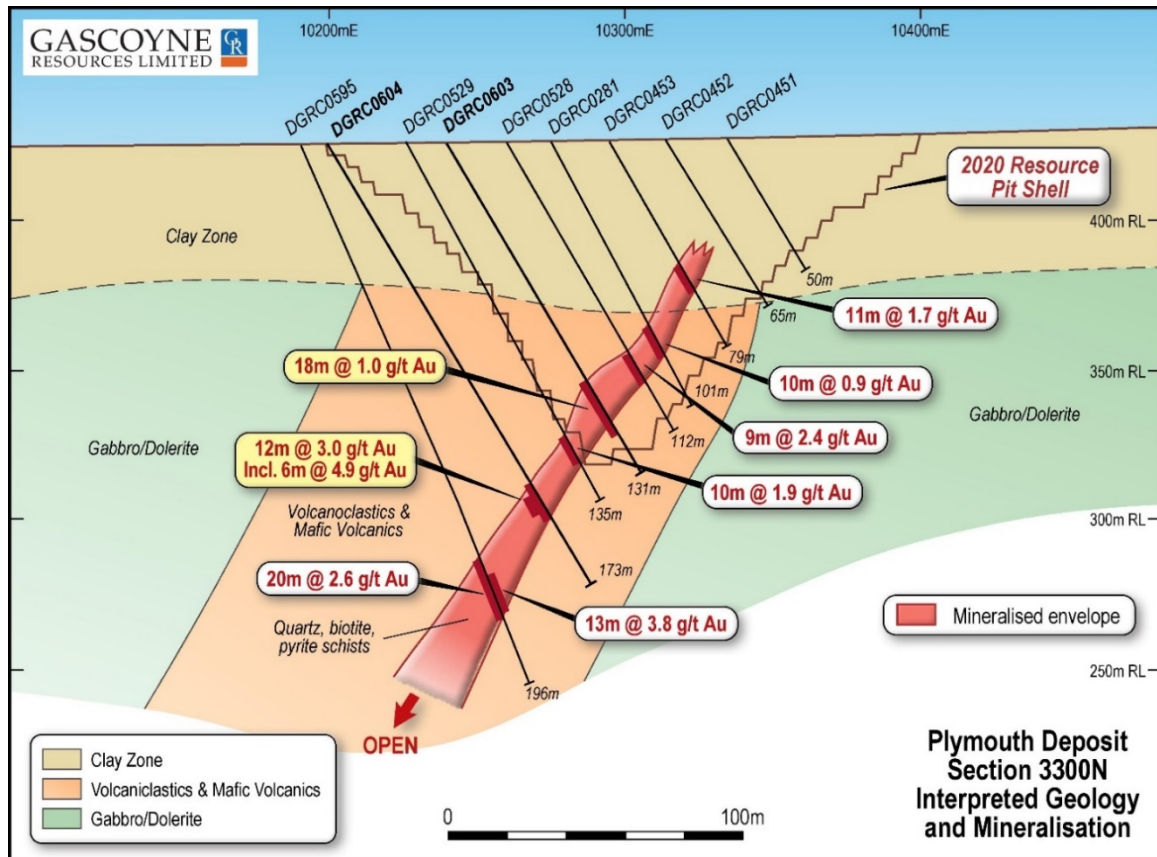


Plymouth

Excellent results have been received from a number of holes including **12m @ 3.0g/t Au from 129m** in DGRC0604 including **6m @ 4.9 g/t Au from 134m** and **18m @ 1.0 g/t Au from 93m** in DGRC0603 (see Figure 4). Drill hole DGRC0604 is considered significant as it represents the highest grade intersection achieved at Plymouth and is located below the current Mineral Resource.

A high grade intersection of **3m @ 6.2 g/t Au from 31m** in DGRC0611 (not shown in the Figure 4 cross-section) shows that there is encouraging potential economic mineralisation extending to the north. Mineralisation at Plymouth is related to quartz veins within silica, pyrite and biotite altered schists.

Figure 4: Plymouth Cross-Section



Following a pause in drilling activity over the Christmas / New Year period, an RC drill rig is mobilising back to Dalgarranga in late January 2021 to recommence resource definition drilling activities. The initial focus of this program will be testing the extension of the GMZ at the southern end of the Gilbey's pit.

Exploration and Development Projects

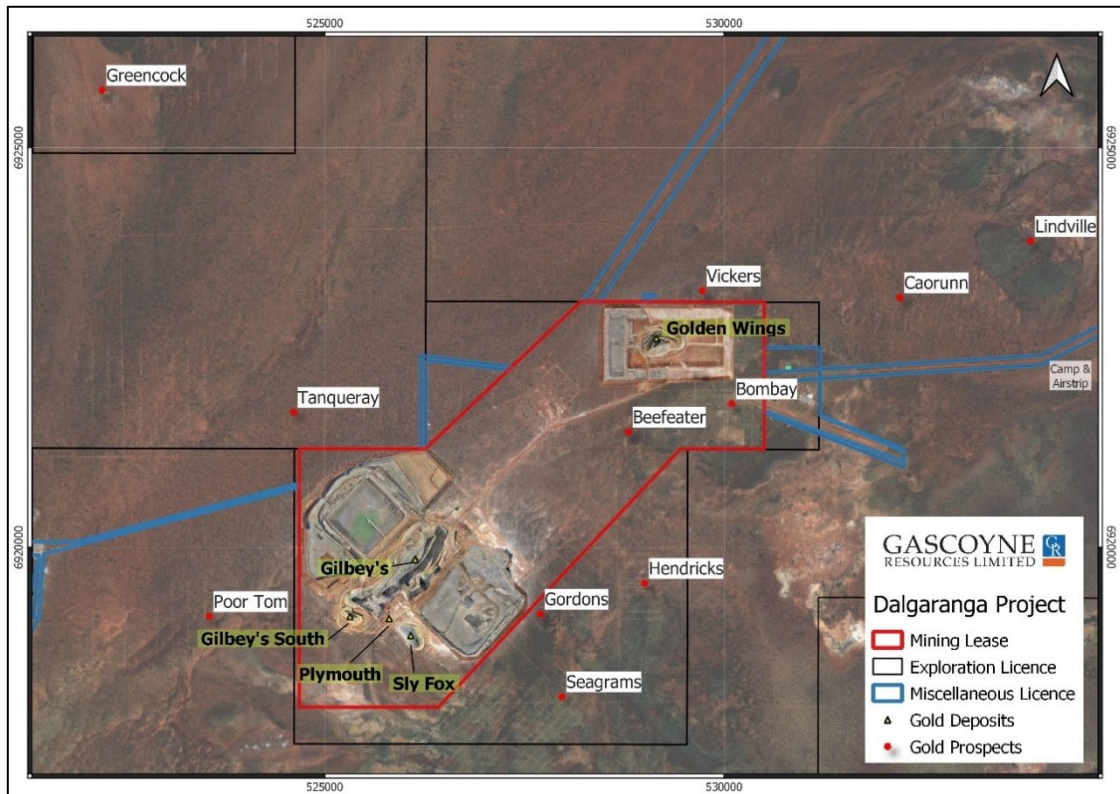
Dalgarranga Regional Prospects

An aircore rig was mobilised to Dalgarranga during the quarter to commence testing a number of targets within a 15km radius of the process plant. A total of 178 holes was drilled during the quarter for 10,717 metres.

Aircore drilling during the quarter was carried out at the Tanqueray trend (northwest of Gilbey's pit) and at the Lindville trend (northeast of Gilbey's pit) (Figure 5). Samples collected during the quarter are being assayed in Perth and the results are expected to become available during the first half of the March 2021 quarter.

Planning and permitting was advanced during the quarter for a large program of reconnaissance air core drill testing along the Greencock trend (Figure 5). The geology and interpreted shear zone along the Greencock deposit trend extends southwest and east-northeast of Greencock for approximately 20km in total length. Drilling of this extensive strike length is anticipated to be undertaken in the June quarter subject to relevant Program of Work approvals being received.

Figure 5: Dalgaranga Gold Project – Deposit Location Map



Glenburgh - Mt Egerton Gold Project

On 18 December 2020, the Company released an updated Mineral Resource estimate for its Glenburgh - Mt Egerton advanced exploration project (see Figure 6). The updated Mineral Resource estimate was prepared in accordance with JORC Code 2012 and is **16.3Mt @ 1.0g/t for 510,100 ounces of contained gold** (see ASX release dated 18 December 2020 and titled “*Group Mineral Resources Grow to over 1.3Moz*”). The combined total Mineral Resources for Dalgaranga and Glenburgh – Mt Egerton projects now stands at 1.3Moz.

Gascoyne engaged independent consultants Cube Consulting Pty Ltd to update the Mineral Resource modelling and estimation. The new estimates were completed for 11 deposits within Gascoyne’s Glenburgh Project area covering three zones as follows:

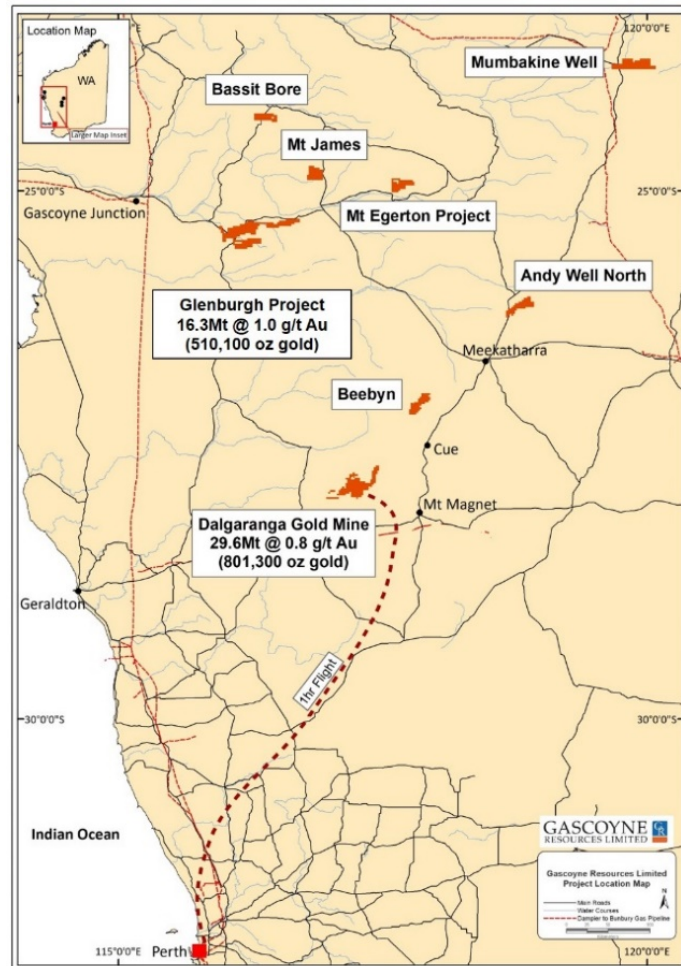
- Central Zone – (total of 313.6koz): Includes five deposits covering a strike length of 3.4km made up of Icon, Apollo, Tuxedo, Mustang-Cobra, and Shelby.
- North East Zone – (total of 149.1koz): Includes four deposits covering a strike length of 2.4km made up of Zone 126, Zone 102, Hurricane, and North East 3.
- South West Zone – (total of 47.4koz): Includes two deposits covering a strike length of 3.1km made up of Torino, and Thunderbolt.

The Mineral Resource estimate was reported within a \$2,800 per ounce of gold optimised pit shell in order to capture any mineralisation that may become economic to extract with an increasing gold price in the future. Furthermore, the underground Mineral Resource estimate was reported above a 2.0g/t gold cut-off grade.

Following the completion of the updated Mineral Resource estimate for Glenburgh, desktop studies into development options are underway, including the potential to incorporate the Mt Egerton project into a future Glenburgh processing hub development plan.

Multiple deposits at Glenburgh and Mt Egerton remain open and planning for a drill program will progress into 2021 with drilling anticipated to commence late in the March quarter subject to the timely receipt of Program of Work approvals and drill rig availability. Several early stage targets located outside of the known deposits have been identified and will be tested with the first stage of air core drilling during 2021.

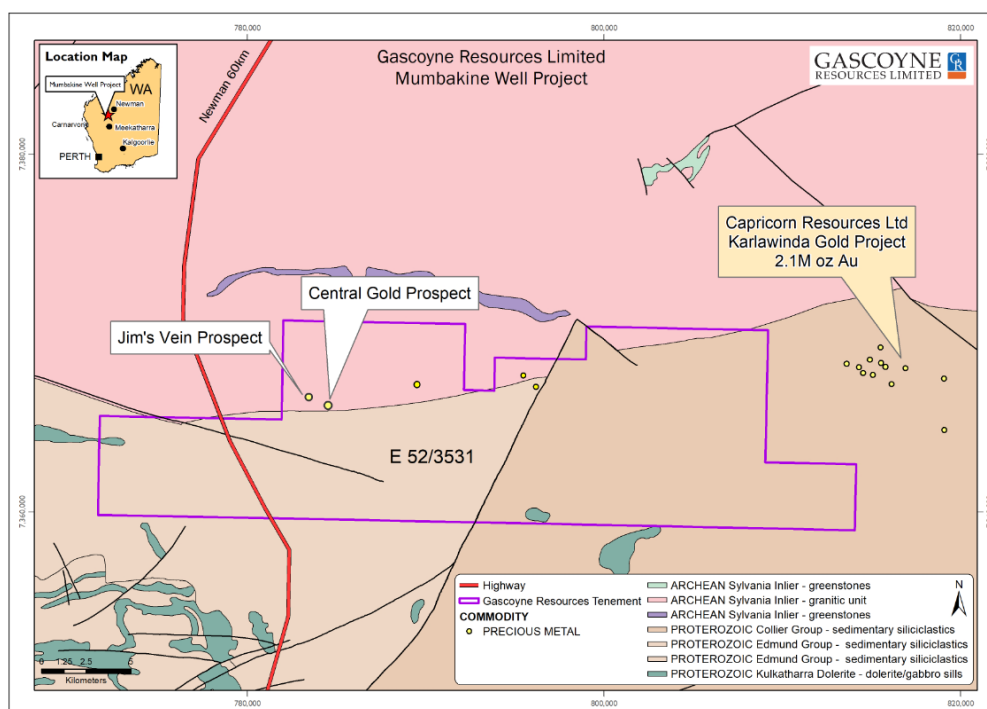
Figure 6: Glenburgh - Mt Egerton Location Map



Mumbakine Well

During the quarter, the Company executed a contract to conduct an aeromagnetic survey on its Mumbakine Well project located adjacent to the Karlawinda Gold Project currently being developed by Capricorn Metals Limited (Figure 7). The aeromagnetic survey is scheduled to commence in late January 2021.

Figure 7: Mumbakine Well



Exploration Expenditure

Total exploration expenditure by the Company during the December 2020 quarter was \$935,000. Approximately \$450,000 was incurred on resource definition activity at Dalgaranga and the remaining \$485,000 was incurred on regional exploration activities within 15km of the Dalgaranga plant. This includes aircore drilling at the Tanqueray and Lindville trends and the updated Glenburgh Mineral Resource estimate.

Corporate

Cash

Statutory free cashflow for the December quarter was negative \$2.1M, however, this included payments made during the quarter of \$11.0M to settle pre-voluntary administration obligations incurred before June 2019, as well as costs associated with voluntary administration and successfully defending the action brought by Habrok (Dalgaranga) Pty Ltd ("**Habrok**"). Excluding these payments, normalised free cash generation for the quarter was \$9.0M and \$16.8M for the half year ended 31 December 2020.

Total cash and gold (739oz) on hand as at 31 December 2020 was \$39.1M. Cash on hand of \$37.3M exceeded bank debt of \$36.5M, resulting in the Company having a net cash position of \$0.8M at the end of the December quarter. The Company repaid \$3.5M to Investec Bank, plc ("**Investec Bank**") during the quarter resulting in bank debt reducing to \$36.5M at the end of the quarter.

The Company is required to make a scheduled principal repayment of \$3.5M each quarter and is also subject to a debt prepayment cash sweep based on a percentage of cash generated in the preceding quarter. For the March quarter, the Company will be making the scheduled repayment of \$3.5M and expects the prepayment cash sweep amount to be between \$0.5M and \$1.0M. Accordingly, the Company expects to have a bank debt balance of \$32.0M to \$32.5M at the end of the March quarter.

An amount of \$479,000 was paid to related parties during the quarter. The payments related to fees and salaries to non-executive directors and the Managing Director, including the payment of a recapitalisation bonus to the Managing Director as part of a retention scheme implemented by the then administrators during the period of external administration.

As referenced in the September 2020 Quarterly Report, on 29 September 2020 the Federal Court dismissed all claims by Habrok. Costs were awarded against Habrok in favour of the Company. As at the end of the quarter, no cost recovery proceeds had been received by the Company from Habrok. The Company continues to progress legal actions to recover costs awarded to it.

Revenue Protection

A requirement under the debt facility with Investec is to partially protect adverse movements in the gold price by hedging, on a rolling 18-month basis, a minimum of 40% of forecast gold sales. Following draw down of proceeds under the debt facility and effectuation of the DOCA, the Company entered into initial forward sale agreements with Investec for approximately 46,000 ounces (being 40% of forecast production and gold sales over the 18-month period commencing on 1 November 2020) at \$2,667 per ounce.

In order to maintain the rolling 18-month coverage, the Company entered into new hedges during the quarter as the initial hedges were delivered into. Additional discretionary hedging was also entered into during the quarter in order to protect short term revenue from adverse movements in the gold price.

As at 31 December 2020, a total of 53,722 ounces is hedged out to June 2022 at an average price of \$2,611 per ounce with an “in the money” mark to market value of \$7.5M based on the then prevailing spot price of A\$2,467/oz (Table 2).

Table 2: Quarter by Quarter Average Hedged Ounces

Qtr Ending	Oz	Price (\$/Oz)
31-Mar-21	11,910	\$2,600
30-Jun-21	11,910	\$2,599
30-Sep-21	7,500	\$2,668
31-Dec-21	7,500	\$2,668
31-Mar-22	7,500	\$2,668
30-Jun-22	7,402	\$2,479
	53,722	\$2,611

Put options were also purchased during the quarter to provide additional protection against adverse gold price volatility. Gold put options at 31 December 2020 amounted to 14,500 ounces at a strike price of \$2,300 per ounce, expiring over a 12 month period to December 2021.

Recapitalisation and DOCA Effectuation

On 20 October 2020, the Deed of Company Administration (“DOCA”) was effectuated and control of the Company reverted back to its directors and management. Effectuation of the DOCA followed completion an \$85.2 million capital raise and drawdown on a new amortising \$40 million debt facility with Investec Bank. Shares in the Company were reinstated to trading on the ASX on 21 October 2020. The Company also completed a 20:1 consolidation of its equity securities on 20 October 2020.

Investor Conference Call

Gascoyne will host a teleconference covering the quarterly results on 21 January 2021, commencing 10.00am (WST) / 1.00pm (AEDT). Participants will need to pre-register for the call at the link below:

<https://s1.c-conf.com/diamondpass/10011826-jdu584.html>

Once registered, participants will be provided with full details to allow access to the teleconference.

-END-



This announcement has been authorised for release by the Board of Gascoyne Resources Limited.

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Mining Tenements held as at 31 December 2020 (All 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	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

Abbreviations and Definitions used in Tenement Schedule:

EL Exploration Licence

ELA Exploration Licence Application

ML Mining Lease

L Miscellaneous Licence

ABOUT GASCOYNE RESOURCES

Gascoyne was reinstated on the ASX in October 2020 and is focused on production, development and exploration of a number of gold projects in Western Australia underpinned by positive cash flow generated from the Dalgaranga Operation. In 2020, Dalgaranga produced in excess of 80,000 ounces of gold with targeted production over the next 4 years of between 70,000 and 80,000 ounces of gold per annum.

DALGARANGA:

The Dalgaranga Gold Project (DGP) is located approximately 65km by road NW of Mt Magnet in the Murchison gold mining region of Western Australia and covers the majority of the Dalgaranga greenstone belt. After discovery in the early 1990s, 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.

An updated Mineral Resource was released in June 2020 with the Dalgaranga Gold Project Mineral Resource containing 29.6Mt @ 0.8 g/t gold for 801,300oz of gold (ASX Announcement 10 June 2020).

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").

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

Summary Mineral Resource Statement as at 30 April 2020

Classification	Mt	Au g/t	Au koz
Measured	1.65	0.8	39.7
Indicated	21.22	0.9	588.6
Measured + Indicated	22.87	0.9	628.3
Inferred	6.76	0.8	173.1
TOTAL	29.62	0.8	801.3

Note: Discrepancies in totals are a result of rounding

Summary Ore Reserve Statement as at 30 April 2020

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

Note: Discrepancies in totals are a result of rounding

GLENBURGH:

The Glenburgh Project in the Gascoyne region of Western Australia has an Indicated and Inferred resource of **16.3Mt @ 1.0 g/t Au for 510.1koz gold** (See ASX announcement dated 18 December 2020 titled "Glenburgh Resource Update") from several deposits within a 13km long shear zone (see Table 5). The project is an exciting advanced exploration project and will be fully evaluated over the coming months to determine its potential development to production.

Glenburgh Gold Project – MRE Total Summary for All Deposits, as at 15 December 2020

Classification	Mt	Au g/t	Au koz
Indicated	13.5	1.0	430.7
Inferred	2.8	0.9	79.4
TOTAL	16.3	1.0	510.1

MT 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

Information in this release relating to drilling results and interpretations at the Dalgaranga Gold Project are based on, and fairly represents 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 Ore Reserve estimates for the Gilbey's, Gilbey's South, Sly Fox and Golden Wings gold deposits at the Dalgaranga Gold Project referred to in this announcement are extracted from the ASX announcement dated 31 July 2020 and titled "Dalgaranga Gold Mine – Updated Life of Mine Production Target and Updated 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 Mineral Resource estimates for the Gilbey's, Gilbey's South, Sly Fox and Golden Wings referred to in this announcement are extracted from the ASX announcement dated 10 June 2020 and titled "Dalgaranga 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 Mineral Resources estimates for the Glenburgh Project referred to in this announcement are extracted from the ASX announcement dated 18 December 2020 and titled "Group Mineral Resources Grow to Over 1.3M oz". 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 Mt Egerton drill intersections referred to in this announcement were prepared and first disclosed under the JORC Code 2004 (see ASX announcement dated 29 May 2013 and titled "High grade Egerton Gold Project Secured Under Option"). They have not been updated since to comply with the JORC Code 2012. 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.

Information in this announcement relating to the Mt Egerton Gold Project is based on, and fairly represents, 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 in this announcement of the data relating to the Mt Egerton Gold Project in the form and context in which it appears.