

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Summary:

Operations (Dalgara)

- September quarter production of 13,905oz, heavily impacted by abnormally high rainfall and labour shortages (as foreshadowed in August)
- 13,950oz sold at an average realised price of A\$2,548/oz
- AISC of A\$3,135/oz and C1 cash costs of A\$2,653/oz for the quarter
- 497kt ore mined at average grade of 0.82g/t Au
- 619kt milled at feed grade of 0.81g/t Au and 85.8% recovery
- H1 FY2023 production guidance of 25-30,000oz

Exploration/Growth

- Gascoyne Group Mineral Resources increased to **36.74Mt @ 1.16g/t gold for 1,370,800 ounces** – a 15.6% increase in contained ounces
- Initial Mineral Resource Estimate of **1.43Mt @ 2.32g/t gold for 107,200 ounces** delivered for the recently discovered Gilbey's North - Never Never Gold Deposits, comprising:
 - 0.66Mt @ 3.78g/t for 79,600 ounces – Never Never Gold Deposit
 - 0.78Mt @ 1.10g/t for 27,600 ounces – Gilbey's North Gold Deposit
- **Multiple high-grade hits outside the Never Never Resource envelope**, including:
 - **25m @ 6.25g/t** gold from 233m including **10m @ 8.8g/t** (DGRC1129)
 - **21.65m @ 9.1g/t** gold from 134m including **11.9m @ 14.5g/t** (DGDH029)
 - **50m @ 4.58g/t** from 191m, including **24m @ 7.3g/t** (DGRC1123)
 - 29m @ 2.5g/t gold from 203m including 4m @ 6.1g/t (DGRC1121)
 - Results to date illustrate a continuous zone of high-grade gold mineralisation from surface to beyond 500m down-plunge
- Updated Mineral Resource expected in the December Quarter
- Shallow high-grade intercepts expand and confirm the continuity of mineralisation across the eastern side of the Gilbey's main pit
- Interim Ore Reserve update of 2.04Mt @ 1.10g/t gold for 72,100 ounces. Update reflects move towards higher-grade mill feed, with grade increased from 0.80g/t Au in 2021 to 1.10g/t Au in 2022

Corporate

- **Gascoyne remains debt-free**
- 5,150oz hedged at \$2,557/oz for the December Quarter
- Total cash, value of gold-on-hand (211oz) and listed company investments as at 30 September 2022 was \$21.0M
- **Net cash position of \$18.2M**
- Non-ferrous mineral rights on the Beebyn tenement sold for proceeds of \$0.150 million

SHARE PRICE:

\$0.225 at 20 Oct 22

SHARES ON ISSUE:

426 million

MARKET CAP:

\$96 million at 20 Oct 22

CASH:

\$18.2 million at 30 Sep 22

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

DIRECTORS

Simon Lawson,
Managing Director & CEO

Rowan Johnston,
Non-Executive Chairman

Hansjoerg Plaggemars
Non-Executive Director

David Coyne
Finance Director &
Company Secretary

MANAGEMENT

David Baumgartel,
Chief Operating Officer

Tejal Magan,
Chief Financial Officer

Nicholas Jolly
GM Business Development

Chris O'Brien
GM Projects & Technical
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Gascoyne Managing Director and CEO, Mr Simon Lawson, commented:

“As first guided in late August, the September quarter has been challenging from an operating perspective given the combination of abnormal rainfall levels and ongoing labour and skills shortages. The unacceptably high unit costs were a direct consequence of the lower ounce production levels, combined with further increases in input costs.

“Our strategy to transform Dalgaranga to an operation mining and processing much higher-grade ore feed is fundamental and critical to improving unit costs. Initial open pit mining of Gilbey’s North – Never Never over the next 12 months is one of the first key steps in this transformation.

“It’s also important to emphasise that the reduction in cash during the quarter was only partly attributable to operations. It also reflected the significant investment we are making in the future with \$3.7 million invested in exploration and evaluation – principally at the Gilbey’s North – Never Never discoveries.

“Investment in the future was a key theme of the quarter, and the stunning success we have enjoyed with near-mine exploration provides us with some insights into the potential of this asset if we can successfully transition to a long-term mine plan underpinned by higher-grade ore feed.

“That plan is rapidly taking shape with the drilling success we have been enjoying at Gilbey’s North – Never Never and Gilbey’s East, and we are on track to publish an updated mine plan for the next 12 months in the December / January period.

“In light of recent safety issues in the industry, I would also like to emphasise that Gascoyne is currently stepping up activities to reinforce safe work practices and behaviours across our operations and business. We recognise the risk environment that we work in and the imperative that all personnel working on our sites complete each shift unharmed and uninjured.”

Environmental, Social & Governance

In September 2022, Gascoyne released its Annual Report for the 12 months ended 30 June 2022. The Annual Report included the inaugural Sustainability Report marking a significant step forward in the maturity of the Company’s environmental, social and governance (“**ESG**”) policies, processes and reporting. Focus areas that were selected for inclusion in the inaugural report were i) Health, Safety and Well-being; ii) Water Management; iii) Economic Performance; and iv) Business Ethics, Governance and Compliance.

During the September Quarter, the Company participated in a number of local and regional community activities and initiatives including:

- Sponsorship of books and materials for the 2022 Indigenous Art and Writers Program at Pia Wadjari, Mullewa and Yalgoo remote schools;
- Sponsorship of a race held on Mount Magnet Cup Day; and
- Donation to the Royal Flying Doctor Service.

Safety

The Total Recordable Injury Frequency Rate (“**TRIFR**” 12-month rolling) for the Dalgaranga Gold Project at the end of the September Quarter was 2.9, a pleasing decrease from 5.7 at the end of the June Quarter. The Lost Time Injury Frequency Rate (“**LTIFR**” 12-month rolling) at the end of the September Quarter was 1.5, which is below the West Australian gold mining industry average of 2.2 and consistent with the LTIFR at 30 June 2022. No lost time injuries were recorded during the September Quarter; however, the Company and its main contractors are stepping up activities to reinforce safe work practices and “safety always” culture, especially in light of the recent unfortunate fatalities in the industry

During the June Quarter, approximately 40% of the workforce at Dalgaranga required time off work as a result of COVID-19. Pleasingly, the September Quarter marked a significant reduction in COVID-19 related absenteeism. Like all businesses, the Company remains vigilant on this matter and stands ready

to again introduce measures aimed at practically restricting the spread of COVID-19 on site as and when required.

Environmental

During the second half of May, the Company submitted its latest revisions to the Dalgaranga Mining Proposal and Mine Closure Plan to the relevant regulators. The requests to amend these two key regulatory approvals are primarily to obtain approval for open pit mining at the Gilbey's North – Never Never deposits, increase the height of existing waste dumps and to be able to commence construction work on the initial lift of the Golden Wings Tails Storage Facility ("**GWTSF Lift**").

During the September Quarter, the Company received approval from the Department of Water and Environmental Regulation for the construction of the GWTSF Lift, closing out one aspect of the required approvals. The Company also responded to technical queries raised by the Department of Mines, Industry Regulation and Safety as part of their standard review of applications of this nature.

The Company remains confident that final regulatory approval will be received in late October / early November to enable commencement of open pit mining at Gilbey's North – Never Never and construction of the GWTSF Lift.

Dalgaranga Gold Project

Production and Costs

Ore production was once again primarily sourced from Stage 2 of the Gilbey's Main Zone ("**GMZ**") in the September Quarter, supplemented by small quantities of ore from the Plymouth open pit, resulting in production of 13,905 ounces of gold at an All-in Sustaining Cost ("**AISC**") of A\$3,135 per ounce and C1 cash cost of A\$2,635 per ounce (Table 1). During the Quarter, the Company poured the 1,000th gold bar from Dalgaranga since production commenced in May 2018.



Figure 1: Photo of Dalgaranga gold bar no. 1,000 poured during the September Quarter

No capitalised waste stripping expenditure in the Gilbey's open pit was recognised during the Quarter, resulting in an All-in Cost ("**AIC**") of \$3,179 per ounce. The difference between the AISC and AIC is due to exploration and evaluation costs for the new high-grade Never Never deposit being treated as a longer-term growth project as the benefits are expected to be realised over the coming years.

Production for the September Quarter (13,905 ounces) was down on the June Quarter (16,882 ounces), with abnormally high rainfall of over 160mm at Dalgaranga during the September Quarter resulting in the direct loss of over one week of mining shifts. Upon resumption of mining activities following the rain events, mining productivity was adversely affected by wet conditions, especially in the Plymouth (oxide) pit. In addition to immediately impacting mining productivity at the time of each rain event, the consequential impact on dewatering activities prolonged the negative impact on mining productivity.

De-stacking of the Gilbey's east ramp was the major focus during the Quarter in order to achieve the final pit design for Gilbey's Stage 2 GMZ that will, in turn, increase the width and footprint of the Stage 2 GMZ in the coming months. While this de-stack is an essential activity, minimal material was able to be mined from this area during the Quarter and mining productivity was also challenged by tight and narrow work areas. The tight work benches also resulted in increased ore dilution as selective mining was not practical. In summary, the mining schedule required the removal of the east ramp material in order to gain access to higher grade ore blocks under the east ramp de-stack, and this was not able to be realised during the Quarter.

When combined with regular unscheduled maintenance on one of the primary excavators impacting availability during the Quarter, these factors all contributed to mining volumes being lower than planned and also resulted in increased ore dilution. The ore under the Gilbey's east ramp is not lost but its extraction in the mining sequence has unfortunately been delayed.

Ore was again predominantly sourced from the Stage 2 GMZ during the Quarter (88% of ore) and waste movement was primarily from the Plymouth pit and Gilbey's East area (54% of waste). Total mined material movement decreased to 0.75M bank cubic metres ("**BCM**") during the quarter (Jun Qtr: 0.9M BCM), of which 0.3M BCM was waste movement at Plymouth and Gilbey's East.

Ore processed during the Quarter was at an average feed grade of 0.81g/t Au, lower than the grade of 0.89g/t Au processed in the June Quarter, which reflected the impact on the mining schedule and timing of access to higher grade ore caused by inclement weather and dig unit availability issues referenced above.

Gross metallurgical processing recoveries of 85.8% for the Quarter were consistent with the June Quarter (85.7%). September Quarter gravity gold recovery increased to 17.2% of all gold produced (Jun Qtr: 14.9%).

Throughput of 619,000 tonnes (annualised rate of 2.5Mtpa) was lower (June Qtr: 667,000 tonnes) as a result of a harder ore blend being fed to the mill due to lower volumes of the softer Plymouth ore being available (Plymouth ore comprised only 5% of mill feed). The September Quarter also saw a slightly higher rate of unplanned maintenance shutting the mill, predominantly due to periods of high mill weights and the requirement to install retro-fitted feed end liner plates in August that failed after being installed in the scheduled partial mill reline in July.

Work on the conversion of Tank 1 into a pre-oxidisation tank was largely completed during the Quarter. Following its commissioning in the December Quarter, pre-oxidisation in Tank 1 will assist in optimising the usage of processing reagents such as cyanide, oxygen and lime.

Low-grade stockpiles (material mined with a grade of 0.3g/t to 0.5g/t Au) are now 2,153,000 tonnes at an average grade of 0.35g/t, containing approximately 24,000 ounces of gold. Gascoyne continues to adopt a conservative accounting treatment for low-grade stockpiles with nil value ascribed to them on the balance sheet.

Table 1: September 2022 Quarter Production, Sales and Cost Summary

	Unit	Dec 21 Qtr	Mar 22 Qtr	Jun 22 Qtr	Sep 22 Qtr
Mining					
Total material movement	Kbcm	2,204	1,646	879	738
Waste (1)	Kbcm	1,896	1,356	573	497
Ore (volume) (1)	Kbcm	308	290	306	241
Ore (tonnage) (1)	kt	848	750	822	647
Mined grade (1)	g/t	0.82	1.11	0.80	0.82
Processing					
Mill throughput	kt	647	635	667	619
Mill feed grade	g/t	0.91	1.20	0.89	0.81
Recovery (Gross metallurgical)	%	86.9%	88.7%	85.7%	85.8%
Gold produced	oz	16,442	21,669	16,298	13,905
Revenue Summary					
Production sold	oz	16,578	21,260	16,882	13,950
Average realised price	A\$/oz	2,537	2,586	2,620	2,548
Gold sales	A\$000	42,064	54,987	44,227	35,538
Cost Summary					
Mining and Geology	A\$/oz	1,713	1,140	1,429	1,683
Less: Capitalised deferred waste	A\$/oz	(136)	-	-	-
Mining net of deferred waste	A\$/oz	1,577	1,140	1,429	1,683
Processing and Maintenance	A\$/oz	515	472	549	771
Site support	A\$/oz	186	177	210	300
Refining and freight	A\$/oz	1	1	1	1
By-product credits	A\$/oz	(14)	(12)	(17)	(20)
ROM stockpile movement	A\$/oz	76	138	(118)	(82)
Site Cash cost (C1 Cash Costs)	A\$/oz	2,341	1,917	2,054	2,653
Royalties	A\$/oz	61	65	67	46
Corporate allocation	A\$/oz	32	33	32	42
Rehabilitation - Accretion	A\$/oz	6	6	7	33
Capital (sustaining)	A\$/oz	5	3	4	93
Leases (sustaining)	A\$/oz	58	46	59	72
Capitalised mine site exploration	A\$/oz	33	57	174	197
AISC	A\$/oz	2,536	2,127	2,396	3,135
Capital (non-sustaining)	A\$/oz	-	-	-	-
Capitalised deferred waste (non sustaining)	A\$/oz	136	-	-	-
Capitalised mine site exploration (non-sustaining)	A\$/oz	(21)	8	2	44
AIC	A\$/oz	2,651	2,134	2,399	3,179

Note: Totals may not add due to rounding.

- (1) During the September 2022 Quarter, the Company released its annual update to its Dalgaranga Mineral Resource Estimate and Ore Reserves. In this update, the cut-off grade for both the Mineral Resource Estimate and Ore Reserves were increased from 0.3g/t Au to 0.5g/t Au. "Waste", "Ore (volume)", "Ore (tonnage)" and "Mined grade" are all reported based on a 0.5g/t Au cut-off from 1 July 2022. Prior periods for these items are reported based on a 0.3g/t Au cut-off and have not been restated.

AISC increased to A\$3,135 per ounce (Jun Qtr: A\$2,396/oz) and C1 cash costs increased to A\$2,635 per ounce (Jun Qtr: A\$2,054/oz) with the primary driver of the unit cost increases being lower production in the September Quarter. Total site operating cash costs increased by 2.8% quarter-on-quarter despite a reduction in total material mined. The gross site cost increase largely reflects increased input costs for items such as energy (diesel and LNG), mill reagents and bulk steel products.

In addition to these items, \$0.5 million was also incurred during the Quarter on the GWTSF Lift capacity increase. While the GWTSF Lift is classified as a sustaining cost due to the need to expand capacity in order to continue processing operations, the current work being executed will provide the base and benefits for future TSF lifts over an 8-to-10-year period.

AIC was also higher at A\$3,179 per ounce (Jun Qtr: A\$2,399/oz), with the reasons for the quarter-on-quarter increase primarily being the same as those described above for AISC. With the high-grade Never deposit continuing to grow at depth, exploration and delineation costs from 150 metres below surface are classified as longer-term growth capital expenditure. These costs are excluded from AISC but included within AIC.

Cash processing costs (excluding site power plant finance lease payments) for the Quarter were \$16.88 per tonne, higher than the previous quarter (Jun Qtr: \$13.66/t) primarily due to lower tonnes being processed, costs incurred for unplanned maintenance and increased unit costs for energy (LNG) and mill reagents.

H1 FY2023 Guidance

In September 2022, the Company published its updated Mineral Resource Estimates (“MRE”), including the initial MRE for the Gilbey’s North – Never Never deposits, together with updated Ore Reserves. The MRE and Ore Reserves updates were only able to take into account drilling at the Gilbey’s North – Never Never deposits completed through to mid-August 2022.

Given the rapid pace of drilling at the Gilbey’s North – Never Never deposits, and the continual high-grade drill intercepts being delivered, the Company is in the process of updating the initial MRE for these deposits and expects the updated MRE to be released prior to the Company’s Annual General Meeting to be held on 3 November 2022. The updated MRE will then form the basis for a revised mine plan for Dalgaranga that incorporates initial open pit mining and production from the Gilbey’s North – Never Never deposits. Once the revised mine plan has been completed, the Company will be in a position to guide FY2023 full year production and expected costs.

For the first half of FY2023 (July to December 2022), the Company now expects production to be in the range of 25,000oz to 30,000oz. December Quarter costs are expected to be adversely impacted by the lower rate of production until ore feed from Gilbey’s North – Never Never forms part of the processing feed blend. Gilbey’s North – Never Never are currently expected to make meaningful contributions to ore feed from January 2023. As a result, the Company expects AISC and AIC for the first half of FY2023 to approximate the AISC and AIC achieved in the September Quarter.

Exploration and Development Projects

Exploration Expenditure

The 2023 financial year continues to be a year of significant investment in the future of Dalgaranga, building on the strategy aimed at finding and delineating future sources of higher-grade ore feed. FY2023 is aimed at building on the success delivered in the second half of FY2022 by further delineating and growing the Gilbey’s North – Never Never deposits and targeting nearby prospects that have the potential to replicate the high-grade Never Never deposit.

The Company spent \$3.7 million on exploration and evaluation during the September Quarter (Jun Qtr: \$3.0M). Approximately \$3.0 million was incurred on exploration and resource definition activity at Dalgaranga, predominantly on the Gilbey’s North – Never Never deposits. The remaining \$0.7 million was spent on regional exploration and evaluation activity at the Yalgoo, Glenburgh and Mt Egerton Projects.

At Dalgaranga, a total of 20,430m of diamond and Reverse Circulation (“RC”) drilling was completed during the Quarter, building on the metres drilled in the previous quarter (Jun Qtr: 24,059m) as follow-up and extensional drilling continues at pace on the Gilbey’s North – Never Never deposits and at the Gilbey’s Eastern Footwall.

At Glenburgh, 3,027m of RC drilling was completed during the Quarter, targeting extensions to the existing Mineral Resource Estimate. At Mt Egerton, 1,434m of RC drilling was completed, also targeting extensions to the existing Mineral Resource Estimate.

Activity at the Yalgoo Gold Project centred on the progression of surveys and studies in support of permit applications for future development and mining.

Updated Group Mineral Resource Estimate

Gascoyne reported an updated Annual Mineral Resource Statement for 2022, comprising 36.74Mt @ 1.16g/t gold for 1,370,800 ounces of contained gold. The update represents a 15.6% increase in contained gold and a 29% increase in Resource grade, reflecting the success of the Company’s ongoing exploration and business development programs.

The updated MRE included maiden Resource estimates for the newly-discovered Gilbey’s North and Never Never deposits.

GROUP MINERAL RESOURCES			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Measured	0.59	0.93	17.6
Indicated	27.96	1.14	1,024.9
Inferred	8.19	1.25	328.3
GRAND TOTAL	36.74	1.16	1,370.8

Table 2: Group Mineral Resource Estimates for Gascoyne Resources Ltd (at various cut-offs)

MURCHISON REGION ¹			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Measured	0.59	0.93	17.6
Indicated	14.23	1.24	569.2
Inferred	5.35	1.44	246.9
TOTAL	20.17	1.29	833.7
GASCOYNE REGION ²			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Indicated	13.73	1.03	455.7
Inferred	2.84	0.89	81.4
TOTAL	16.57	1.01	537.1
GROUP MINERAL RESOURCES			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
GRAND TOTAL	36.74	1.16	1,370.8

Table 3: Mineral Resource Estimates by Region for Gascoyne Resources Ltd (at various cut-offs)

- 1 "Murchison Region" Mineral Resource includes Dalgaranga Gold Project (DGP) and Yalgoo Gold Project (YGP). The DGP also includes the Gilbey's North – Never Never and Archie Rose mineral resources. Cut-off grades are 0.5g/t Au at DGP and 0.7g/t Au at YGP.
- 2 "Gascoyne Region" Mineral Resource includes Glenburgh Gold Project (GGP) and Mt Egerton Gold Project (EGP). Cut-off grades range are 0.25g/t Au at GGP open pit, 2.0g/t Au at GGP underground, and 0.7g/t Au at EGP open pit.

Full details of the updated MRE were provided in the Company's ASX Announcement dated 8 September 2022.

Updated Group Ore Reserve Estimate

Following the completion of its updated Mineral Resource Estimates (see above), Gascoyne reported its updated 2022 Ore Reserve Statement on 21 September 2022. This update is an interim update to reflect that exploration and resource definition activities at the Gilbey's North – Never Never deposits remain in progress and continue to evolve at a rapid pace.

Further updates to the Ore Reserve are expected over the next 6-12 months as Mineral Resource Estimates for Gilbey's North – Never Never are updated as new information progressively comes to hand.

Ore Reserves for the Company now stand at 2.04Mt at 1.10g/t Au for 72,100 ounces of gold. All Ore Reserves are at the Dalgaranga Gold Project.

Gascoyne Ore Reserves					
Classification	Oxidation state	COG (g/t Au)	Mt	Au g/t	Au koz
Proved	Oxide	0.50	-	-	-
	Transition	0.50	0.08	0.82	2.0
	Fresh	0.50	0.04	0.87	1.2
	Stockpiles	0.50	-	-	-
	Gold In circuit				1.0
	SUBTOTAL		0.12	1.10	4.2
Probable	Oxide	0.50	0.32	1.26	13.1
	Transition	0.50	0.23	1.87	13.6
	Fresh	0.50	1.37	0.94	41.2
	SUBTOTAL		1.92	1.10	67.9
Total			2.04	1.10	72.1

Table 4: Gascoyne Ore Reserve Estimate

1. The Ore Reserve estimate for the Gilbey's Complex deposits (Gilbey's, Gilbey's East, Gilbey's South, Sly Fox and Plymouth deposits) and Gilbey's North – Never Never deposits have been compiled by Mr Neil Rauert. Mr Neil Rauert is an experienced Mining Engineer, a full time employee of Gascoyne Resources Limited and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Neil Rauert has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that was undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
2. Effective date of 30 June 2022 for the Gilbey's Complex deposits and 15 September 2022 for Gilbey's North – Never Never deposits.
3. Ore Reserves are reported after considering modifying factors that include mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
4. Ore Reserves are reported within final pit designs, developed by Gascoyne, based on a gold price of A\$2,500/oz and Proved and Probable categories.
5. Totals may not add up due to rounding.

Initial Ore Reserves have been included for Gilbey's North – Never Never deposits totalling 0.38Mt @ 1.63g/t gold for 20,000 ounces. This excludes higher grade Inferred material that is currently subject to in-fill drilling to upgrade to the Measured or Indicated Resource categories.

The decrease in Ore Reserve since the previous (July 2021) update reflects:

- Removal of Reserve ounces contained in the Stage 3 Gilbey's Cut-back deferred in October 2021;
- Mining depletion of the Gilbey's Main Zone Stage 2 and Plymouth deposits;
- Change in cut-off grade for the Gilbey's Complex from 0.30g/t Au to 0.50g/t Au; and
- Removal of all low-grade (<0.50g/t Au) surface stockpiles

This represents a pragmatic reduction in Ore Reserves for the Gilbey's Complex as the Company transitions its future mining plans to the recently discovered, higher-grade Gilbey's North – Never Never deposits, as part of its strategy to increase mining head grade at the Dalgaranga Project.

Never Never discovery

Drilling during the Quarter led to the discovery of a substantial new high-grade lode system on the immediate western flank of the new Gilbey's North prospect, located less than 1km from the 2.5Mtpa processing plant at Dalgaranga.

This new high-grade lode has been named the "Never Never" deposit.

The discovery was made following a change in drilling orientation, resulting in the discovery of a new style of mineralisation that sits roughly at right angles to the predominantly north-south orientation of most of the known deposits.

Standout intercepts from the Never Never discovery include:

- 54m @ 6.55g/t Au from 116m down-hole including 12m @ 20.1g/t (DGRC0971)
- 32m @ 8.58g/t Au from 167m down-hole including 14m @ 16.4g/t (DGRC1026)
- 59m @ 12.5g/t Au from 139m including 13m @ 51.1g/t (DGRC1110)
- 39m @ 3.09g/t Au from 99m and 20m @ 1.12g/t Au from 156m (DGRC1109)

These results underpinned a maiden Mineral Resource Estimate for the Never Never deposit during the Quarter of 0.66Mt @ 3.78g/t for 79,600 ounces of contained gold (see above).

Subsequent drilling has confirmed outstanding potential to continue to grow this Resource, with numerous high-grade intercepts returned outside of the Resource envelope. These include:

- 50m @ 4.58g/t from 191m, including 24m @ 7.3g/t (DGRC1123) – this intercept sits below the current Resource
- 31m @ 3.42g/t from 172m, including 15m @ 5.0g/t (DGRC1122)
- 25m @ 6.25g/t gold from 233m including 10m @ 8.8g/t (DGRC1129)
- 29m @ 2.5g/t gold from 203m including 4m @ 6.1g/t (DGRC1121)

Full details of assay and visual results reported from the Never Never discovery were provided in the Company's ASX Announcements dated 16 August, 6 September, 13 September and 12 October 2022.

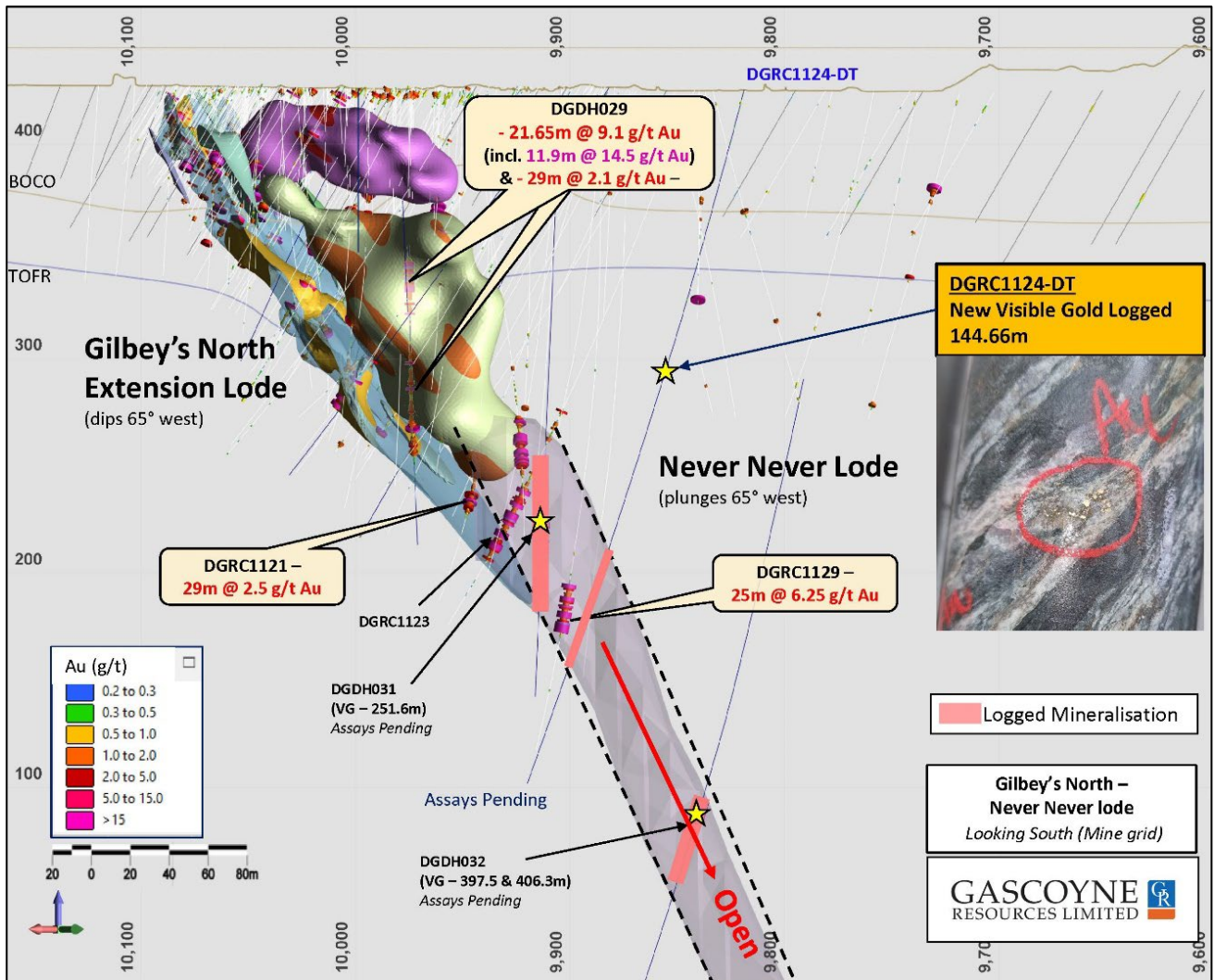


Figure 2: 4910mN Cross-section (+/-50m) looking south through the Never Never Gold Deposit showing the current resource wireframe interpretations, including visible gold locations noted in diamond drillholes DGDH031 and DGDH032 (assays pending), diamond hole DGDH029 infilling Never Never and the two new RC drillholes DGR1121 and DGR1129. With the exception of DGDH029 all holes are outside the current MRE extents.

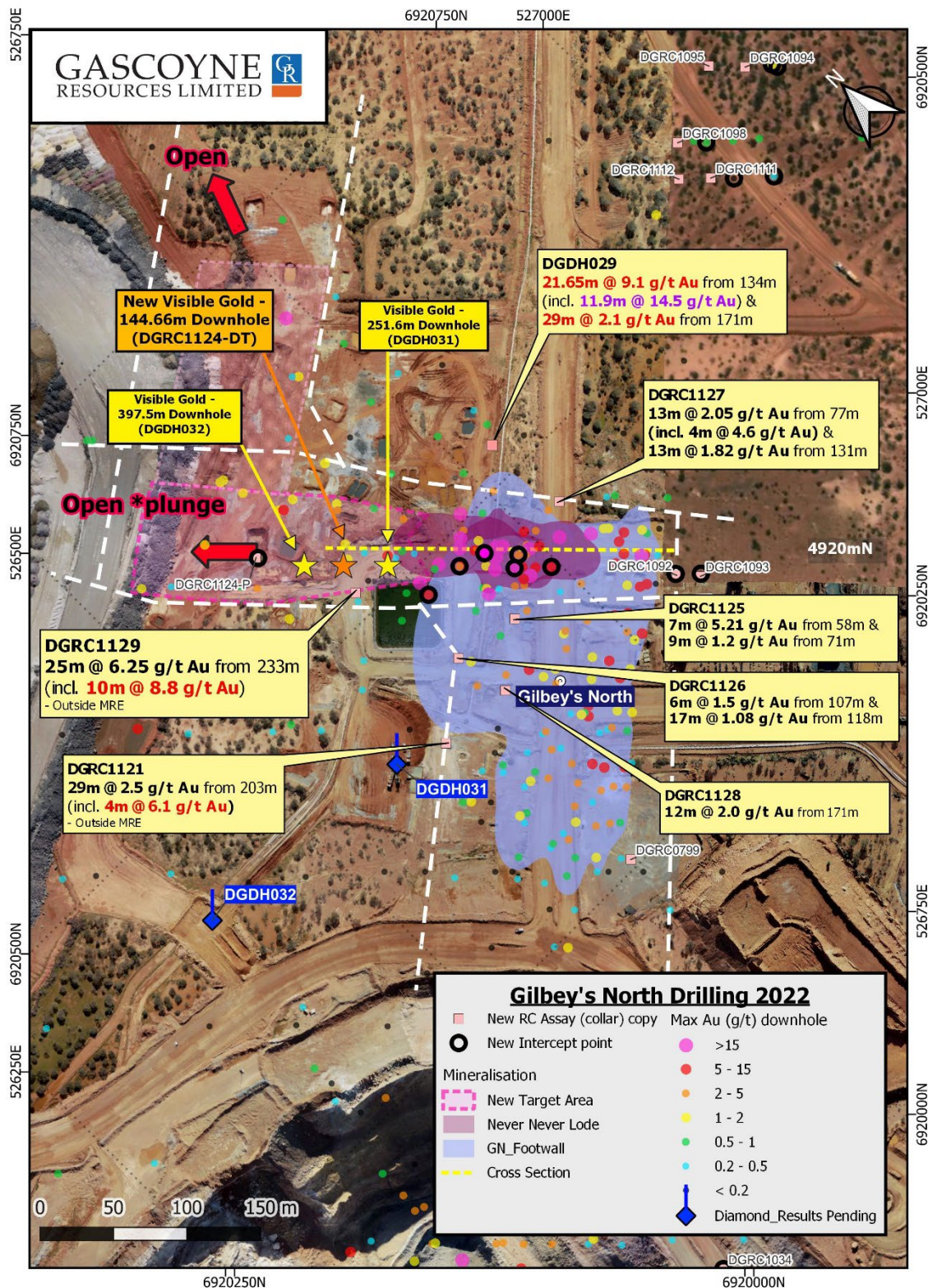


Figure 3: Plan view of east-west Never Never (pink) and north-south Gilbey's North (purple) gold deposits showing collar locations and pending assays (blue).

Gilbey's North – Significant New Near-Mine Discovery

Drilling at the new Gilbey's North discovery during the Quarter confirmed the consistent width and continuity of the mineral system, delineating extensions both down-dip and up-dip of the high-grade intercepts reported during the June Quarter.

Of particular significance was the standout intercept in DGRC1026, which confirmed a significant down-dip extension of the record intercept of 54m at 6.55g/t Au from 116m including 12m at 20.1g/t reported in DGRC0971.

DGRC1026 was collared at a 45-degree angle further to the north-east of the high-grade intercept in DGRC0971 to test the orientation and true width of the developing high-grade gold system.

The intercept in DGRC1026 is situated 30m beneath the DGRC0971 intercept, illustrating the “open at depth” potential as well as the consistency of high-grade gold mineralisation down-dip.

RC drilling was also undertaken to follow up the previously reported intercept of 20m @ 7.24g/t including 1m @ 47.9g/t in drill-hole DGRC0974 on a section 20m south of the high-grade intercept in DGRC0971. This drilling returned highlight assays of:

- 31m @ 4.68g/t from 132m, including 5m @ 18.1g/t (DGRC1067); and
- 26m @ 3.05g/t from 150m, including 2m @ 14.2g/t (DGRC1055)

Full details of the assay results reported from Gilbey's North during the Quarter were provided in the Company's ASX Announcement dated 8 August 2022.

Gilbey's Eastern Footwall

Drilling targeting in-fill and down-dip extensions of previous intercepts in the Gilbey's Eastern Footwall area during the September Quarter continued to deliver positive results, with significant intercepts including:

- 3m @ 4.5g/t from 54m (DGRC0897)
- 5m @ 7.8g/t from 43m including 1m @ 30.1g/t (DGRC0899)
- 2m @ 5.2g/t from 76m and 3m @ 4.0g/t from 87m (DGRC0965)
- 13m @ 2.0g/t from 65m including 5m @ 4.2g/t (DGRC0966)

The Eastern Footwall represents a substantial and strategic target area for delivering mine life extensions at Dalgaranga given:

- The presence of numerous high-grade mineralised horizons;
- A potentially lower strip ratio than other advanced targets;
- Ease of drilling and mining access; and
- A continuing 100% hit rate (intercepts above 1g/t) with every resource drill-hole completed so far.

Initial mining activities, including decommissioning/repositioning of infrastructure is underway at Gilbey's East in preparation for the commencement of larger-scale mining activities.

Gilbey's South

Drilling at Gilbey's South during the Quarter also yielded encouraging gold grades, including:

- 3m @ 4.5g/t gold from 56m including 1m @ 12.7g/t (DGRC0930)
- 3m @ 3.8g/t from 20m (DGRC0934)
- 5m @ 2.5g/t gold from 37m to EOH (DGRC0935)

The Eastern Footwall and Gilbey's South areas appear to represent shallow "base-load" material for Gascoyne to mine while higher-grade areas such as the existing Plymouth pit and the emerging Gilbey's North prospect are expected to provide the incremental ounces required to sustain >1.0g/t production in the medium to long-term.

Resource work is currently underway on the Eastern Footwall area and Gilbey's South, aiming to bring several high-priority areas into the mine plan.

Glenburgh & Mt Egerton Projects

During the Quarter, RC drilling was undertaken at the Glenburgh and Mt Egerton projects. Drilling at Glenburgh targeted extensions to existing deposits on the Mining Lease and drilling at Mt Egerton followed up on historical intercepts.

Assay results from drilling at both locations remain pending as at the date of this report.

Sale of Beebyn Non-Ferrous Mineral Rights

The Company entered into a binding agreement in September to sell its non-ferrous mineral rights on its Beebyn tenement (E51/1681) to a subsidiary of ASX-listed E79 Gold Mines Limited ("**E79**") for cash proceeds of \$50,000 and \$100,000 of E79 shares. Completion of the sale occurred post Quarter-end in mid-October 2022.

Tenement Relinquishments

During the Quarter, the Company submitted relinquishment notices for its non-core Mt James and Andy Well North tenements following a review of tenement prospectivity and proposed expansions of national parks.

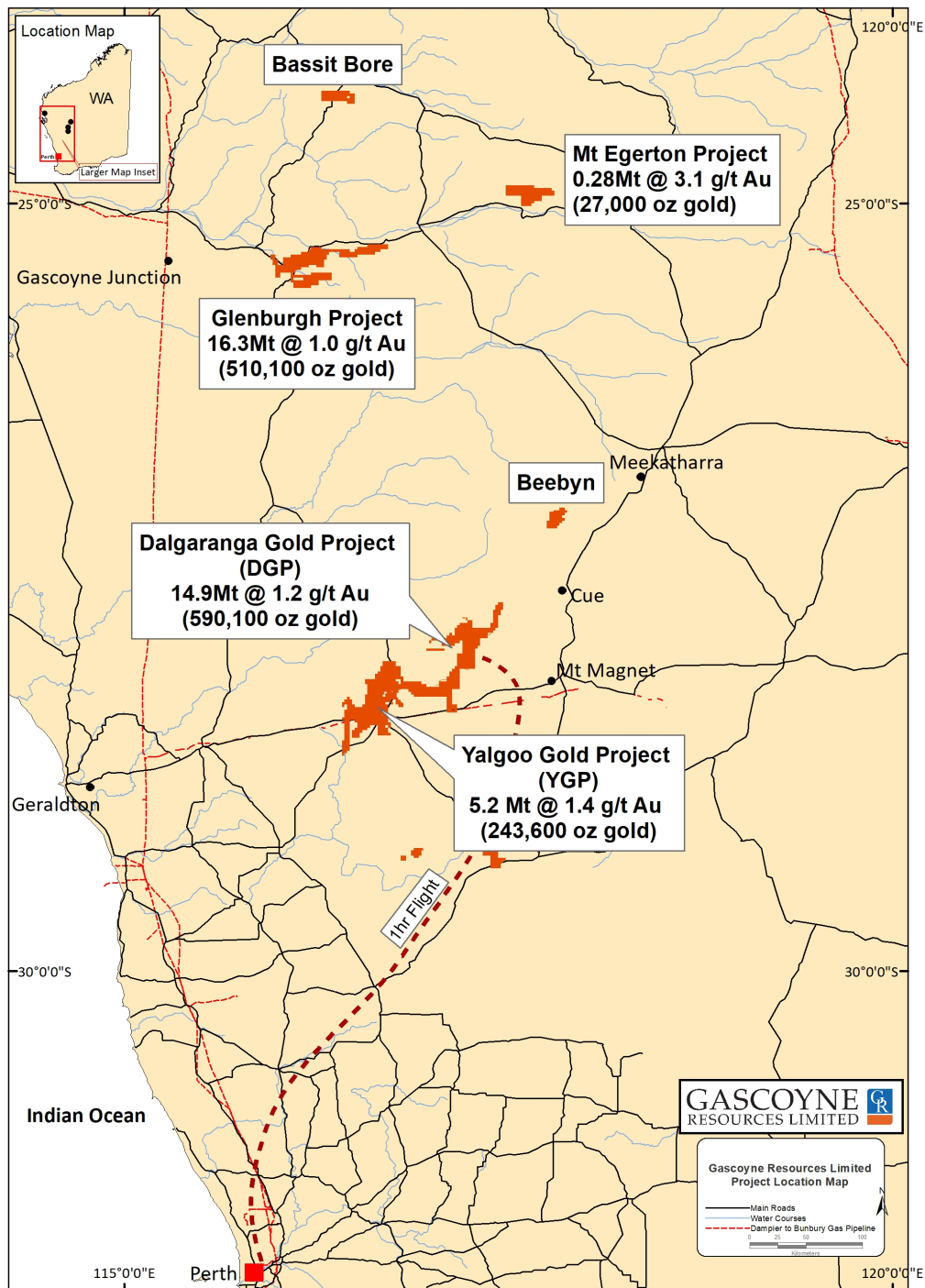


Figure 4: Gascoyne Projects Location Map

Corporate

Cash Balance and Cash Flow

Free cash-flow for the September Quarter was an outflow of \$11.6 million (Jun Qtr: outflow of \$1.1 million) reflecting lower quarter-on-quarter production and increased investment in exploration and evaluation activities of \$3.7 million, especially on the high-grade Gilbey's North – Never Never deposits.

Total cash, value of gold on hand (211oz) and investments in listed companies as at 30 September 2022 was \$21.0 million, with the cash balance comprising \$18.2 million of this amount.

The cash balance, gold on hand and investments held in ASX-listed companies, combined with the Company having no corporate or project finance debt, mean that the Company's balance sheet is in a de-risked position. Gascoyne has financial flexibility and optionality moving forward to fund its mine life extensions and production growth objectives.

Administration and corporate payments for the quarter of \$1.1 million (Jun Qtr: \$1.0 million) were marginally higher due to annual payments for the financial year end audit and other specialist services associated with end of financial year activities.

An amount of \$458,000 was paid to related parties during the Quarter. Of this amount, \$445,000 related to fees and salaries to non-executive directors, the Managing Director and the Finance Director / Company Secretary and \$13,000 related to exploration storage facility rental payments paid to Firetail Resources Limited.

Gold Hedging

A total of 5,150 ounces of gold remain hedged for delivery between October and December 2022 at an average price of A\$2,557 per ounce.

The decision to enter into new forward contracts was made to partially insulate the Company from increasing volatility in commodity markets until the higher-grade Gilbey's North – Never Never deposits come into the mine plan in the December Quarter.

-END-

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

For further information, please contact:

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+61 8 9481 3434

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Read Corporate

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Tenements held as at 30 September 2022 (All tenements are within Western Australia)

Tenement	Location	Name	Ownership
E21/195	Murchison Region	Dalgaranga	80% Gascoyne Resources
E59/1709	Murchison Region	Dalgaranga	80% Gascoyne Resources
E59/1904	Murchison Region	Dalgaranga	80% Gascoyne Resources
E59/1906	Murchison Region	Dalgaranga	80% Gascoyne Resources
E59/2053	Murchison Region	Dalgaranga	100% Gascoyne Resources
E59/2150	Murchison Region	Dalgaranga	100% 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
M59/749	Murchison Region	Dalgaranga	100% Gascoyne Resources
E51/1681	Murchison Region	Beebyn	100% Gascoyne Resources
E59/2077	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2140	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2230	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2252	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2284	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2289	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2295	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2363	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2364	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2456	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2458	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2468	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2469	Murchison Region	Yalgoo	100% Gascoyne Resources
E59/2534	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2457	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2459	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2460	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2478	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2543	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2544	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2615	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2616	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2638	Murchison Region	Yalgoo	100% Gascoyne Resources
EA59/2688	Murchison Region	Yalgoo	100% Gascoyne Resources
LA59/200	Murchison Region	Yalgoo	100% Gascoyne Resources
LA59/201	Murchison Region	Yalgoo	100% Gascoyne Resources

Tenement	Location	Name	Ownership
LA59/212	Murchison Region	Yalgoo	100% Gascoyne Resources
M59/0057	Murchison Region	Yalgoo	100% Gascoyne Resources
M59/0384	Murchison Region	Yalgoo	100% Gascoyne Resources
MA59/767	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2040	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2042	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2086	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2087	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2088	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2089	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2134	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2138	Murchison Region	Yalgoo	100% Gascoyne Resources
P59/2158	Murchison Region	Yalgoo	100% Gascoyne Resources
E09/1325	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E09/1764	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E09/1865	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E09/1866	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E09/2025	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E09/2148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
EA09/2352	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/56	Gascoyne Region	Glenburgh	100% Gascoyne Resources
L09/62	Gascoyne Region	Glenburgh	100% Gascoyne Resources
M09/148	Gascoyne Region	Glenburgh	100% Gascoyne Resources
M09/181	Gascoyne Region	Glenburgh	100% Gascoyne Resources
E52/2117	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
E52/2515	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
E52/3574	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
E52/3756	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
E52/3894	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
M52/343	Gascoyne Region	Mt Egerton	100% Gascoyne Resources
M52/567	Gascoyne Region	Mt Egerton	100% Gascoyne Resources

Abbreviations and Definitions used in Tenement Schedule:

E	Exploration Licence	EA	Exploration Licence Application
M	Mining Lease	MA	Mining License Application
L	Miscellaneous Licence	LA	Miscellaneous Licence Application
P	Prospecting Licence	PA	Prospecting Licence Application

ABOUT GASCOYNE RESOURCES

Gascoyne is a debt-free Australian gold producer which operates the 100%-owned Dalgaranga Gold Mine, located in the Murchison region of Western Australia. The operation is underpinned by a modern, 2.5Mtpa CIL gold processing plant which represents a strategic asset in the district. Dalgaranga produced over 71,000oz of gold in the 2022 financial year.

While production is currently sourced predominantly from the Gilbey's and Plymouth open pits, Gascoyne has enjoyed recent considerable near-mine exploration success which has highlighted the potential to develop new higher-grade ore sources within a 1-2km radius of the existing plant. These near-mine exploration activities are currently a priority focus for the Company and formed the basis for updated Mineral Resource Estimate and Ore Reserves released in the September 2022 Quarter.

GROUP MINERAL RESOURCES:

GROUP MINERAL RESOURCES			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Measured	0.59	0.93	17.6
Indicated	27.96	1.14	1,024.9
Inferred	8.19	1.25	328.3
GRAND TOTAL	36.74	1.16	1,370.8

Table A1: Group Mineral Resource Estimates for Gascoyne Resources Ltd (at various cut-offs)

MURCHISON REGION ¹			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Measured	0.59	0.93	17.6
Indicated	14.23	1.24	569.2
Inferred	5.35	1.44	246.9
TOTAL	20.17	1.29	833.7
GASCOYNE REGION ²			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Indicated	13.73	1.03	455.7
Inferred	2.84	0.89	81.4
TOTAL	16.57	1.01	537.1
GROUP MINERAL RESOURCES			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
GRAND TOTAL	36.74	1.16	1,370.8

Table A2: Group Mineral Resource Estimates by region for Gascoyne Resources Ltd (at various cut-offs)

- ¹ "Murchison Region" Mineral Resource includes Dalgaranga Gold Project (DGP) and Yalgoo Gold Project (YGP). The DGP also includes the Gilbey's North and Archie Rose mineral resources. Cut-off grades are 0.5g/t Au at DGP and 0.7g/t Au at YGP.
- ² "Gascoyne Region" Mineral Resource includes Glenburgh Gold Project (GGP) and Mt Egerton Gold Project (EGP). Cut-off grades range are 0.25g/t Au at GGP open pit, 2.0g/t Au at GGP underground, and 0.7g/t Au at EGP open pit.

MURCHISON REGION

DALGARANGA GOLD PROJECT (“DGP”)

The Dalgaranga Gold Project is located approximately 65km by road North-West of Mt Magnet in the Murchison Region of Western Australia and covers the majority of the Dalgaranga greenstone belt. The Dalgaranga Gold Project comprises several declared gold resources across more than 1,000km of tenure. Most gold resources at DGP are centred around the active Gilbey’s Mining Centre and the nearby 100% Gascoyne-owned 2.5Mtpa processing facility.

Recent near-mine exploration success has seen the discovery of an extension to the main Gilbey’s mineralised trend and the release of a 27koz maiden resource for the Gilbey’s North Gold Deposit 140m north of the main Gilbey’s open pit. During resource drill-out of the Gilbey’s North discovery, the very high-grade Never Never Gold Deposit was also discovered and an initial 78koz @ 3.8g/t gold resource recently declared. Both new gold deposits are mineralised from surface, remain open at depth, and are located within 1,000m of the 2.5Mtpa Dalgaranga process plant.

The Dalgaranga Gold Project is the flagship project for the company and is the single source of gold production for the company at this stage.

RESOURCES

DALGARANGA GOLD PROJECT (DGP)			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Measured	0.59	0.93	17.6
Indicated	10.88	1.17	408.8
Inferred	3.46	1.47	163.6
TOTAL	14.93	1.23	590.1

Table A3: DGP Mineral Resource statement for in-situ and surface stockpile resources above 0.5g/t Au

RESERVES

Dalgaranga Ore Reserves					
Classification	Oxidation state	COG (g/t Au)	Mt	Au g/t	Au koz
Proved	Oxide	0.50	-	-	-
	Transition	0.50	0.08	0.82	2.0
	Fresh	0.50	0.04	0.87	1.2
	Stockpiles	0.50	-	-	-
	Gold In circuit				1.0
	SUBTOTAL		0.12	1.10	4.2
Probable	Oxide	0.50	0.32	1.26	13.1
	Transition	0.50	0.23	1.87	13.6
	Fresh	0.50	1.37	0.94	41.2
	SUBTOTAL		1.92	1.10	67.9
Total			2.04	1.10	72.1

Table A4: DGP Ore Reserve statement for in-situ and surface stockpile resources above 0.5g/t Au

MURCHISON REGION (CONTINUED)

YALGOO GOLD PROJECT (YGP)

The Yalgoo Gold Project (YGP), centred around the Melville and Applecross Gold Deposits, is situated approximately 20km north of the township of Yalgoo in Western Australia and around 110km by road from the 2.5Mtpa Dalgaranga processing plant. The YGP was acquired by Gascoyne in late 2021 and has a number of advanced gold prospects to be explored, both in and around the declared gold resources, as well as throughout the expansive +1,000sqkm tenure package.

The updated Mineral Resource Estimates for YGP can be found in ASX release dated 6 December 2021 and titled “24% increase in Yalgoo Gold Resource to 243,613oz strengthens Dalgaranga Growth Pipeline”.

RESOURCES

YALGOO GOLD PROJECT (YGP)			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Indicated	3.35	1.49	160.4
Inferred	1.88	1.37	83.2
TOTAL	5.24	1.45	243.6

Table A5: YGP Mineral Resource statement for in-situ resources above 0.7g/t Au.

RESERVES

There are no declared ore reserves for the YGP at this stage.

GASCOYNE REGION

There have been no material changes to the Gascoyne Region Mineral Resource Estimates since the previous reporting period. All details regarding the Mineral Resource Estimates of the Gascoyne Region were updated and released to the ASX on 18 December 2020 (“Group Mineral Resources grow to over 1.3Moz”) and 31 December 2021 (“2021 Mineral Resource and Ore Reserve Statements”).

GLENBURGH GOLD PROJECT (GGP)

The Glenburgh Gold Project is located in the Gascoyne region of Western Australia. The project is an advanced exploration project comprising 11 gold deposits split into 3 main gold enrichment zones along a 13km-long shear system.

RESOURCES

GLENBURGH GOLD PROJECT (GGP)			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Indicated	13.50	1.0	430.7
Inferred	2.80	0.9	79.4
TOTAL	16.30	1.0	510.1

Table A6: GGP Mineral Resource statement for in-situ resources above 0.25g/t Au for open pit and above 2.0g/t Au for underground.

RESERVES

There are no declared ore reserves for the GGP at this stage.

MT EGERTON GOLD PROJECT (EGP)

The Mt Egerton Gold Project is located in the Gascoyne Region of Western Australia and situated approximately 170km east of the Glenburgh Gold Project. The current declared gold resource at Mt Egerton is made up of the high-grade Hibernian Gold Deposit. The entire Mt Egerton package is under-drilled, the Hibernian Deposit remains highly prospective for resource extension, both along-strike and down-plunge, and the advanced Gaffney's Find gold prospect has returned some very good shallow high-grade gold hits.

RESOURCES

MT EGERTON GOLD PROJECT (EGP)			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Indicated	0.23	3.4	25.0
Inferred	0.04	1.5	2.0
TOTAL	0.27	3.1	27.0

Table A7: EGP Mineral Resource statement for in-situ resources above 0.7g/t Au.

RESERVES

There are no declared ore reserves for the EGP at this stage.

Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resources at the Dalgaranga Gold Project is based on, and fairly represents information and supporting documentation reviewed, collated, and compiled by Mr Simon Lawson, a full-time employee and the Managing Director of Gascoyne Resources Limited. Mr Lawson is a professional geoscientist and Member of The Australian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves. Mr Lawson consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

The Mineral Resource estimates for the Gilbey's, Gilbey's North, Never Never, Gilbey's South, Plymouth and Sly Fox deposits referred to in this announcement are extracted from the ASX announcement dated 8 September 2022 and titled "Gold Resources increase by 15.6% to 1.37Moz". 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 Ore Reserve estimates for the Gilbey's, Gilbey's North, Never Never, Gilbey's South, Plymouth and Sly Fox gold deposits at the Dalgaranga Gold Project referred to in this announcement are extracted from the ASX announcement dated 21 September 2022 and titled "2022 Ore Reserves – Interim Update". 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 Melville and Applecross deposits referred to in this announcement are extracted from the ASX announcement dated 6 December 2021 and titled "24% Increase in Resource Ounces at Yalgoo Gold Project". 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 Mineral Resources estimates for the Hibernian deposit at Mt Egerton referred to in this release are extracted from the ASX announcement dated 31 May 2021 and titled "2021 Mineral Resource and Ore Reserve Statements". 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.

Forward-looking statements

This announcement contains forward-looking statements which may be identified by words such as "believes", "estimates", "expects", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Gascoyne Resources Limited

ABN

57 139 522 900

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	35,807	35,807
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(39,542)	(39,542)
	(d) staff costs	(1,242)	(1,242)
	(e) administration and corporate costs	(1,056)	(1,056)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	(175)	(175)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (royalties paid, net of scrap metal sales)	(1,106)	(1,106)
1.9	Net cash from / (used in) operating activities	(7,310)	(7,310)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(62)	(62)
	(d) exploration & evaluation	(3,736)	(3,736)
	(e) investments	-	-
	(f) other non-current assets	(545)	(545)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Payment for acquisition of subsidiary (net of cash acquired)	-	-
	- Transfer (to) / from security deposits	-	-
2.6	Net cash from / (used in) investing activities	(4,343)	(4,343)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(827)	(827)
3.7	Transaction costs related to loans and borrowings	(193)	(193)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Repayment of convertible debt securities	-	-
3.10	Net cash from / (used in) financing activities	(1,019)	(1,019)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	30,862	30,862
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,310)	(7,310)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,343)	(4,343)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,019)	(1,019)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	18,190	18,190

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,190	30,862
5.2	Call deposits	10,000	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	18,190	30,862

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1*
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
445
13

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

* Payments made to Directors for salary and director fees

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(7,310)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,736)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(11,653)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	18,190
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	18,190
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	1.56
<i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Net operating cashflows for the Company are mainly driven by the prevailing gold price, quantity of gold produced, and the level of investment made towards exploration and development activities. The Company is forecasting gold production for the December quarter to be higher than that achieved in the September quarter, however, the Company also needs to invest in exploration (Gilbey's North – Never Never deposits) and in a capacity expansion of the tails storage facility at the Dalgara Gold Project.

As the Company is forecasting higher gold production in the December quarter, the Company does not expect the current level of net operating cash flows will continue for the time being.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Company periodically engages with its advisors regarding the markets for debt and equity financing. As part of this process, the Company also periodically evaluates proposals for both debt and equity financing.

As the Company is free from corporate and project finance debt, is an operating gold producing company, and has discovered one of the largest and highest-grade continuous zone gold deposits in Australia this year, the Company believes that it is an attractive investment proposition for providers of funding. Should the Company require additional funding, the Company believes that it is highly likely that it will be able to obtain access to such funding on reasonably short notice.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes. The Company is a producing gold company with a balance sheet that is free from corporate and project finance debt. Furthermore, the Company's recent Gilbey's North – Never Never gold discovery, which is continuing to evolve and expand, is one of the largest and highest-grade continuous gold zones discovered in Australia this year. The Company is of the opinion that these factors make the Company an attractive proposition for providers of both debt and equity funding at times when the Company may require access to additional capital.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 21 October 2022

Authorised by: *By the Board*

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.