GASCOYNE RESOURCES LIMITED

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November 25th, 2016
Australian Securities Exchange Limited
Via Electronic Lodgement

FEASIBILITY CONFIRMS DALGARANGA AS A LOW COST / HIGH MARGIN PROJECT

- **Feasibility Study (FS) confirms that Gascoyne's Dalgaranga Gold Project in WA is one of the highest margin undeveloped gold projects in Australia**
- **FS outlines a technically and financially robust project with an initial 6 year life of mine (LOM) with undiscounted pre-tax operating cash surplus of A$373 million from revenue of A$866 million[1]**
- **Development based on two open cut mines, and a new conventional SAG milling circuit, gravity and carbon in leach processing plant with a throughput of 2.5Mtpa**
- **Estimated LOM Operating Cash Cost (C1) of A$869/oz[2]**
- **Estimated LOM all in sustaining cost (AISC) of A$931/oz[3]**
- **Pre-production Capital Cost for processing plant and associated Infrastructure of A$86 million (including contingencies of $6.1m) - payback within 18 months of production**
- **Production of 105,000ozpa in first two years**
- **592,500 ounces within the initial mine plan [4] (14.1Mt @ 1.31 g/t gold), with exceptional potential for Resource growth**
- **Proved and Probable Ore Reserve of 552,000 ounces (13.3Mt @ 1.29 g/t) [5] a 25% increase over PFS**
- **Initial Mine Life 6 years, not including organic growth from Gilbeys South or other regional prospects**
- **Pre-tax NPV_8 of A$177 million and IRR 65% based on a A$1,600 gold price**
- **The Gascoyne Board has approved the Feasibility Study and subject to obtaining a suitable financing arrangement, has approved the project to proceed to construction. It is anticipated that construction will commence as soon as financing has been completed with gold production targeted for Q1 CY2018**
- **Exploration drilling at the project is continuing**

Gascoyne Resources Limited (**"Gascoyne" or "Company"**) **(ASX:GCY)** is pleased to announce the completion of the Feasibility Study for the Company's 80% owned Dalgaranga Gold Project in the Murchison region of Western Australia. The Dalgaranga Gold Project contains a Measured, Indicated and Inferred Resource of **25.7 Mt @ 1.4 g/t gold for 1.12Moz of contained gold** (see Figure 1&2).

[1] Based on production of 541,000oz at US$1,200 gold price, A$/US$ exchange rate of 75c. All amounts in A$ unless otherwise stated
[2] C1 operating costs include all mining and processing costs, site administration, refining and site rehabilitation costs
[3] AISC includes C1 costs + royalties, sustaining capital, but excludes head office corporate costs.
[4] 93% of the material in the mine plan is classified as an Ore Reserve, the remaining 7% is classified as Inferred Mineral Resource.
[5] See Appendix 1 for JORC Table 1 and below for Reserve Details

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Table 1 – Key Project Statistics

MINERAL RESOURCES	Tonnage	Grade	Ounces
Measured Resources (Gilbeys and Golden Wings)	2.9Mt	1.41 g/t	133,000
Indicated Resources (Gilbeys and Golden Wings)	13.4Mt	1.33 g/t	574,000
Inferred Resources (Gilbeys and Golden Wings)	9.3Mt	1.4 g/t	408,000
Total Resources	**25.7Mt**	**1.4 g/t**	**1,116,000oz**
MATERIAL IN MINE PLAN			
Proved Ore Reserve [1]	3.1Mt	1.28 g/t	129,000 (22%)
Probable Ore Reserve [1]	10.2Mt	1.3 g/t	423,500 (71%)
Inferred Resource (Gilbeys and Golden Wings)	0.8Mt	1.5 g/t	40,000 (7%)
Total (totals vary due to rounding)	**14.1Mt**	**1.31g/t**	**592,500oz**

CAPITAL COSTS (A$)	Life of Mine
New 2.5 Mtpa Processing Plant	$60.0M
Infrastructure Capital (Offices, TSF, Camp Installation and Ancillary Infrastructure)	$14.8M
Owner's Costs, Construction Facilities, First Fills and Capital Spares	$ 5.3M
Contingency	$ 6.1M
Total Capital Cost	**$86.2M**

PRODUCTION SUMMARY	
Key Outcome	
Life of Mine	6 yrs
Strip Ratio	7:1
Gold Production	**541,000 oz**
Processing Rate	2.5 Mtpa
Average LOM Metallurgical Recovery	91.3%

PROJECT ECONOMICS	
Base Case gold price (US$)	$1,200/oz
Exchange Rate (US$:A$)	75c
Revenue (A$)	$866M
C1 Cash Costs (A$) [2]	$869/oz
All In Sustaining Costs (A$) [3]	**$931/oz**
Operating Cash Surplus (A$)	$373M
NPV $_{8\%}$ (using A$1,600 gold price)	**$177M**
IRR (using A$1,600 gold price)	**65%**
Payback (using A$1,600 gold price)	**18 months**

[1] See Appendix 1 for JORC Table 1 and below for Reserve Details

[2] C1 operating costs include all mining and processing costs, site administration, refining and site rehabilitation costs

[3] AISC includes C1 costs + royalties, sustaining capital, but excludes head office corporate costs.

A summary of the Feasibility Study is outlined below.

Cautionary Statement:

The Company advises that while the FS is based on Proved and Probable Ore Reserves (93%), it is partly based on Inferred Mineral Resources (7%). There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Inferred Mineral Resources will add to the economics of the project. Currently the drill spacing in the Inferred portion of the resource is too sparse to allow the material to be classified as Indicated. There has historically been very good conversion of Inferred Resources into Indicated Resources as the structures and geological units that host the mineralisation at Dalgaranga can be traced along strike and at depth. however there is no assurance that the economic evaluation outlined above will be realised.

Commenting on the results of the Dalgaranga FS, Gascoyne's Managing Director Mr Mike Dunbar said;

"The completion of the Feasibility Study and calculation of an updated Ore Reserve for the project is a considerable step forward for the Company. It confirms Dalgaranga will be a low cost and high margin WA gold development with very robust economics. The higher grades from the Golden Wings deposit along with the low all in sustaining costs will allow very rapid payback of the pre-production capital costs and will set the project up to remain competitive at gold prices well below the current levels."

"The compelling technical and economic outcomes of the FS have lead the Gascoyne Board to approve the Feasibility Study and subject to obtaining a suitable financing arrangement, proceed to project construction. It is anticipated that construction will commence as soon as financing has been completed with gold production targeted for Q1 CY2018."

"While the FS outlines a very profitable project that will produce around 100,000ozpa for 6 years, that is just the start for the project. Significant exploration potential still remains outside the resource and current mine plan at the Gilbeys South prospect, where recent RC and aircore drilling has identified an extension to the Gilbeys deposit. Intersections in the area, which include up to 22m @ 5.7 g/t gold, provide confidence that the mine life at Dalgaranga is likely to increase well in excess of the current 6 year mine plan. Exploration continues in the area and other regional prospects and, if exploration proves successful, the mine life will undoubtedly grow adding significantly to the value proposition that the Feasibility Study has clearly demonstrated"

"The Company would like to acknowledge the efforts of all of the independent Consultants who have worked on the FS"

Further opportunities to grow the project exist, in particular from ongoing exploration at the Gilbeys South prospect, where a 550m southern strike extension to the Gilbeys deposit has been discovered, let alone the other regional prospects which the company continues to drill. To date, none of the mineraliation at Gilbeys South has been included in the initial life of mine at Dalgaranga. An aggressive exploration effort will continue at the project to further enhance the already robust project, and there will be further opportunity to optimise the mine plan to reflect growth in Resources from areas such as Gilbeys South

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

On behalf of the board of
Gascoyne Resources Limited

Michael Dunbar
Managing Director

Competent Persons Statement

Information in this announcement relating to the Dalgaranga project is based on data compiled by Gascoyne's Managing Director Mr Mike Dunbar who is a member of The Australasian Institute of Mining and Metallurgy and Mr Karl van Olden, a full-time employee of CSA Global Pty Ltd, who is a fellow of The Australasian Institute of Mining and Metallurgy. Mr Dunbar and Mr van Olden have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dunbar and Mr van Olden consent to the inclusion of the data in the form and context in which it appears.

The Gilbeys and Golden Wings Mineral Resources at the Dalgaranga and Glenburgh Projects have been estimated by RungePincockMinarco Limited, an external consultancy, and are reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see GCY-ASX announcement 7th September 2016 titled: 40% Increase in Gilbeys Measured and Indicated Mineral Resource at Dalgaranga and ASX announcement 24th July 2014 titled: High Grade Domains Identified Within Updated Glenburgh Gold Mineral Resource). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcements

The Glenburgh 2004 JORC resource (released to the ASX on April 29th 2013) which formed the basis for the preliminary Feasibility Study was classified as Indicated and Inferred and as a result, is not sufficiently defined to allow conversion to an ore reserve; the financial analysis in the preliminary Feasibility Study is conceptual in nature and should not be used as a guide for investment. It is uncertain if additional exploration will allow conversion of the Inferred resource to a higher confidence resource (Indicated or Measured) and hence if a reserve could be determined for the project in the future. Production targets referred to in the preliminary Feasibility Study and in this report are conceptual in nature and include areas where there has been insufficient exploration to define an Indicated mineral resource. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. This information was prepared and first disclosed under the JORC Code 2004, the resource has now been updated to conform with the JORC 2012 guidelines. This new JORC 2012 resource, reported above, will form the basis for any future studies.

The Egerton Resource estimate and Gaffney's Find prospect historical exploration results have been sourced from Exterra Resources annual reports and other publicly available reports which have undergone a number of peer reviews by qualified consultants, who conclude that the resources comply with the JORC code and are suitable for public reporting. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

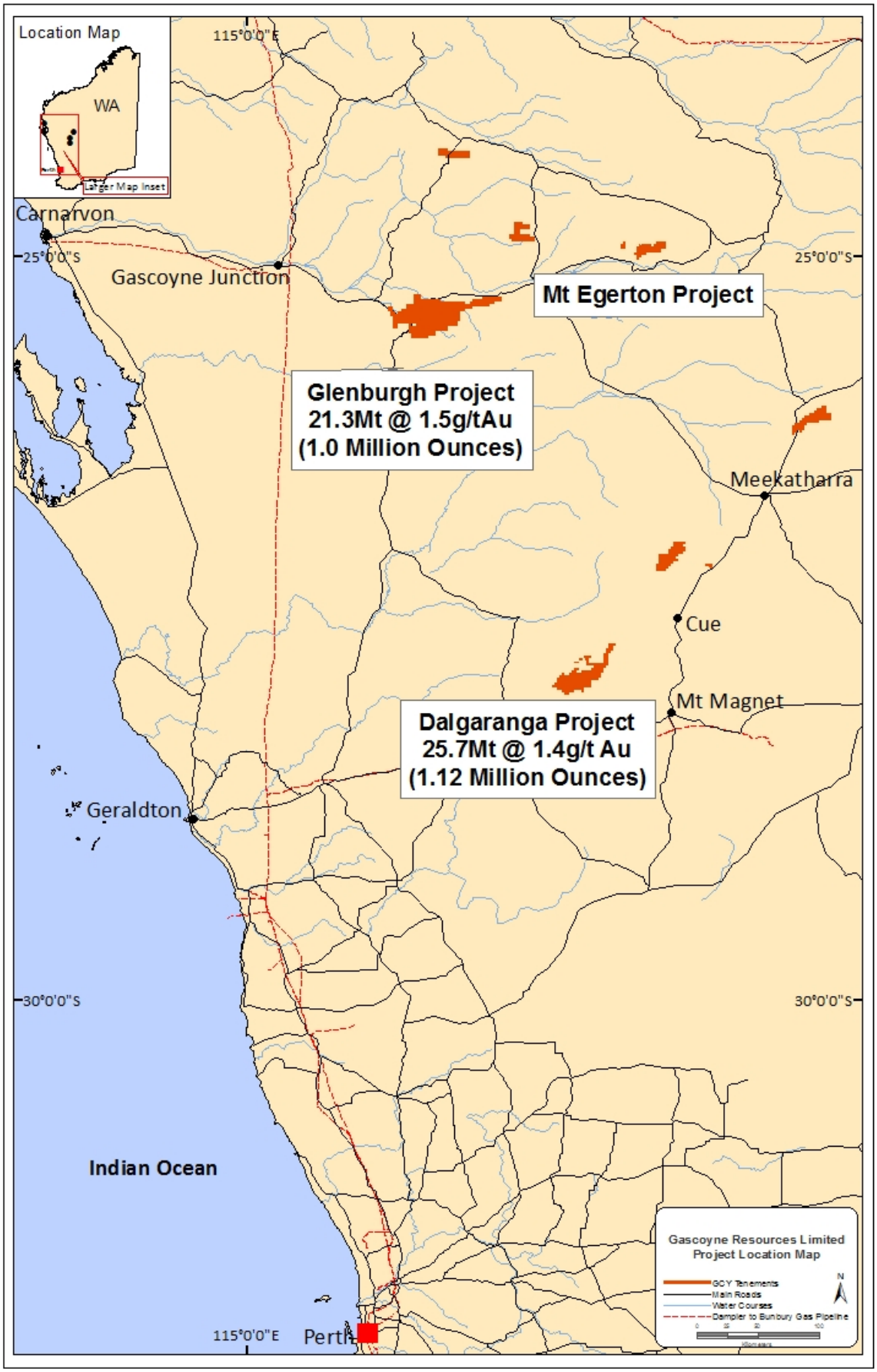


Figure 1: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions

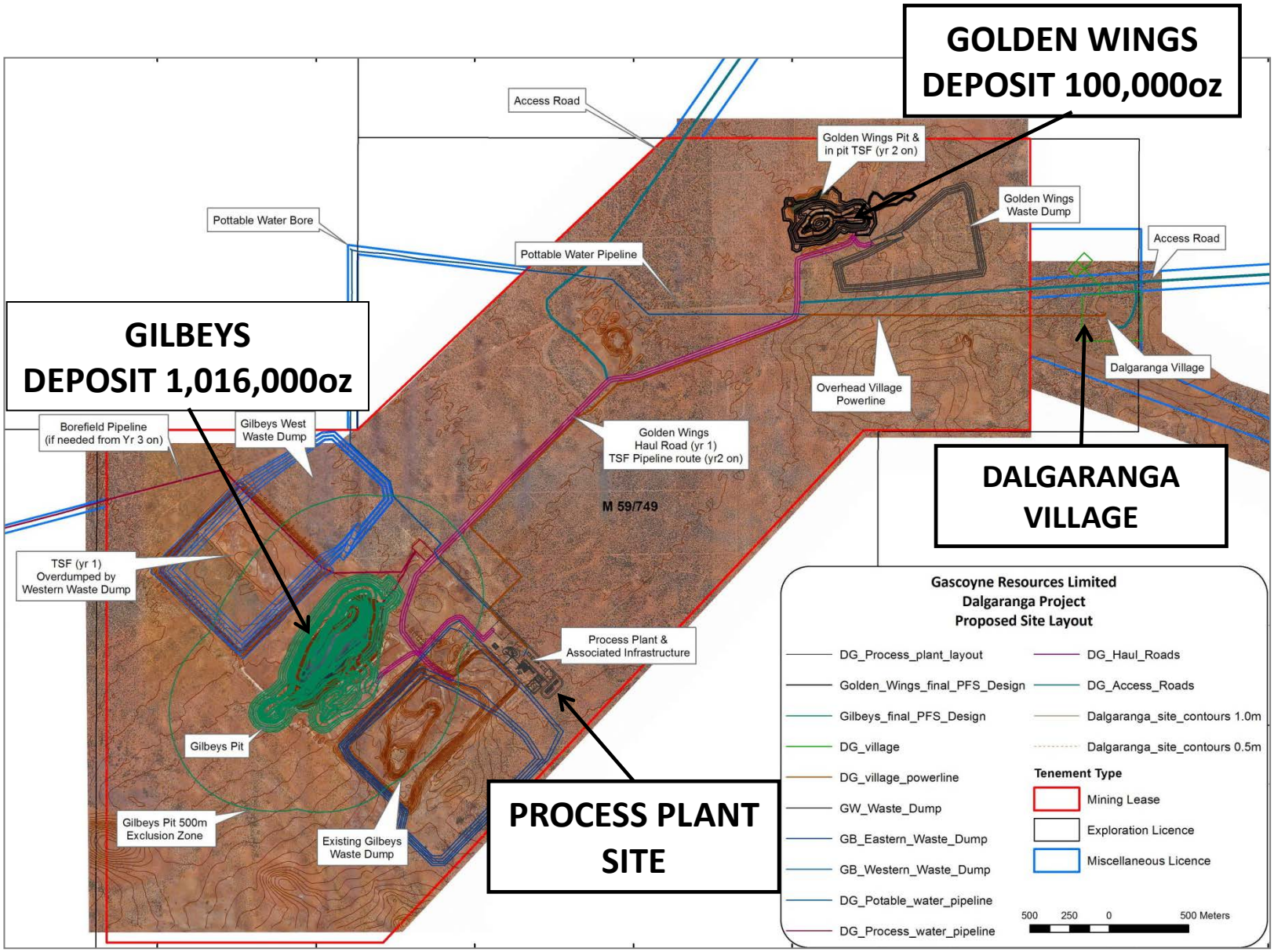


Figure 2: Plan of Dalgaranga Deposits and Prospect Location

GASCOYNE RESOURCES LIMITED

DALGARANGA GOLD PROJECT
FEASIBILITY STUDY

Contents

Introduction and Executive Summary

The Dalgaranga Gold Project is located in the Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. The Project is located approximately 65km by road North West of the town of Mt Magnet in the Murchison gold mining region and covers the majority of the Dalgaranga greenstone belt. After discovery in the early 1990's, exploration and development resulted in a profitable gold mining operation from between 1996 to 2000 producing some 229,000 oz's of gold.

Gascoyne Resources Limited (Gascoyne) completed the 80% acquisition of the Dalgaranga Project and associated joint venture agreements with Mr Jaime McDowell and Murchison Gold Mines Pty Ltd on the 7th of February 2013 with Gascoyne the Manager of the joint ventures. The minor JV partners are "free carried" to completion of a FS, at which point they must elect to either contribute to further capital and operating costs or revert to a 2% NSR royalty. Gascoyne is currently in discussions to move to 100% ownership of the Mining Lease, which hosts the entire current resource base.

In 2014 Mining Lease M59/749 was granted; the rest of the tenement group are granted exploration licences. Gascoyne has been conducting exploration programs for the last 3 years culminating in significant resource upgrades during the period and now the completion of a Feasibility Study. The Gilbeys and Golden Wings deposits are situated on Mining Lease M59/749. The planned infrastructure for the Project will be sited on the Mining Lease and adjoining granted Miscellaneous Licences

The project contains a JORC Measured, Indicated and Inferred Resources of **25.7 Mt @ 1.4 g/t Au for 1,116,000 ounces** of contained gold (Table A). The Dalgaranga Project has an Initial **Proved and Probable Ore Reserve of 14.1Mt @ 1.31 g/t Au for 552,000 ounces of gold** (Table B)

The Project comprises two open cut mines, and a new conventional SAG milling circuit, gravity and carbon in leach processing plant with a throughput capacity of 2.5Mtpa and has an initial mine life of 6 years. Importantly this initial mine plan excludes the recently discovered Gilbeys South prospect, which has defined an extension of 550 metres to the south of the Gilbeys deposit. The Gilbeys South prospect potential has not been included in the current mine plan or Feasibility Study.

The Feasibility Study has indicated that the project can produce ~100,00ozpa for an initial 6 year period. The first two years have slightly higher production of 105,100ozpa. This is as a result of the mining and processing of the higher grade Golden Wings deposit early in the mine life.

The operating costs for the project have been estimated by the study team and have highlighted that the project will be a low cost and high margin operation with a LOM All in Sustaining Costs (AISC) of $931/oz. This is a result of the favourable characteristics on the deposits, which are deeply weathered, have soft to very soft oxide ore, are free milling with high metallurgical recovery (average LOM recovery of 91.3%), low reagent consumption and a high component of gravity recoverable gold.

The capital cost of the development is also low due to the physical characteristics of the ore, the very rapid leaching kinetics (which reduces the installed power requirement), the excellent regional and local infrastructure, which includes an existing TSF facility, access roads, haul roads and existing water bore field. As a result of these advantages the capital costs are estimated to be $86.2 million. This is made up of $60 million for the process plant, $14.8 million for the camp installation, TSF lift, offices and ancillary infrastructure, $5.3 million in Owner's costs, construction costs, first fills and capital spares and also includes $6.1 million in project contingency.

The financial model has highlighted that the project is capable of paying back the capital required for development inside 18 months from completion of process plant commissioning based on a gold price of A$ 1,600/oz.

Study Team

The Feasibility Study commenced immediately after completion of the Pre Feasibility Study at the end of March 2016 and has been managed by Gascoyne's Senior Management team working with the following key consultants:

- Mintrex - Process Plant Design and Metallurgical Overview
- ALS Ammtec - Metallurgical Testwork
- OMC - Comminution Modelling
- Rockwater - Hydrogeology and Subterranean Fauna
- Clark Lindbeck and Associates - Environmental Permitting
- Native Vegetation Solutions - Flora Surveys
- Soil Water - Waste Rock Classification
- Absolute Geotechnical - Geotechnical Assessment
- Coffey Mining - Tailings Storage Design
- Land Surveys – Surface Surveys
- RungePincockMinarco - Resource Estimation
- CSA Global – Mine Planning and Optimisation, Ore Reserve Statement

Geology

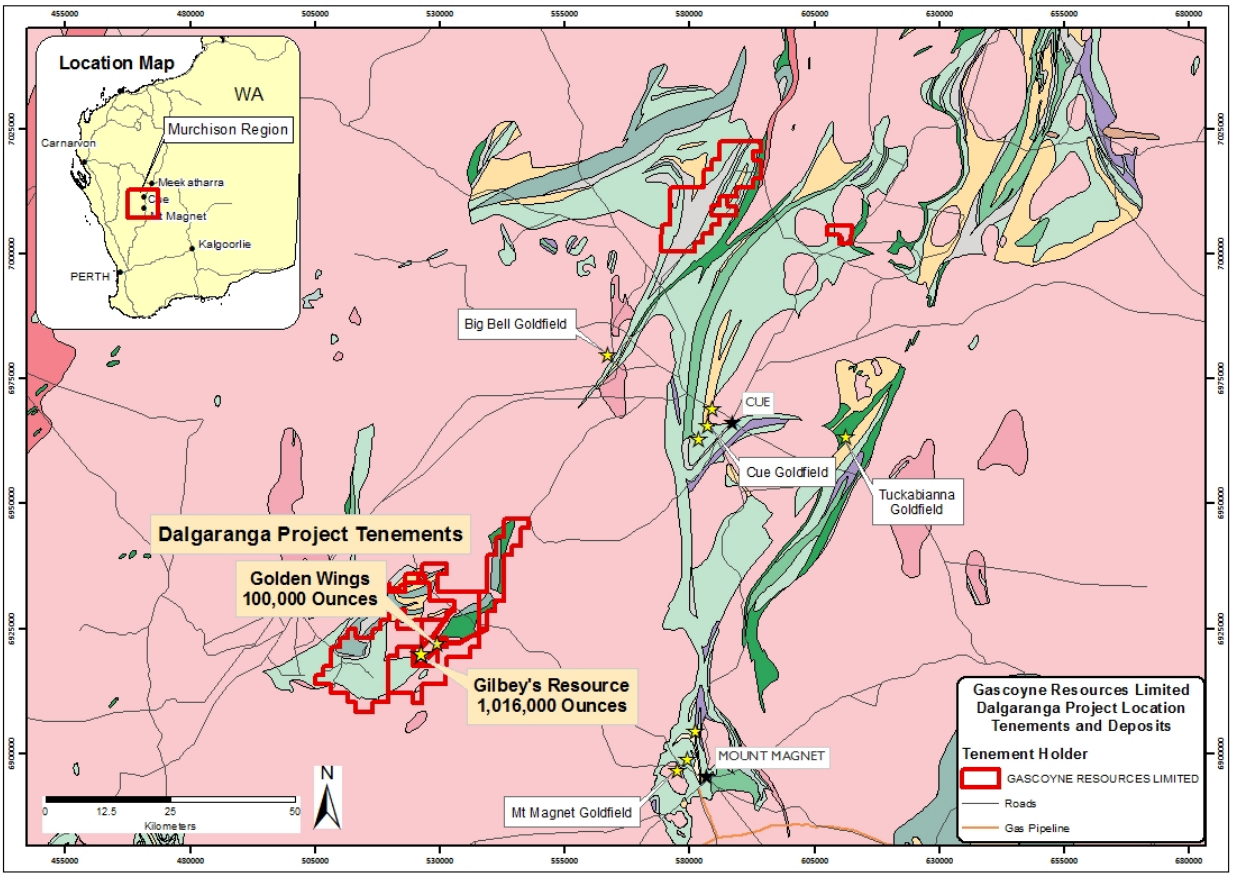
The project is located in the Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. The North-East trending belt consists of high magnesium basalt, tholeiitic basalt, intermediate volcanic, felsic intrusive porphyry, and a volcano-sedimentary sequence dominated by black shale and volcaniclastic lithologies. The Greenstone sequence is intruded by large gabbro complexes in the north (Mt Farmer, Mt Charles) and to the west (Dalgaranga Hill). The stratigraphy has been folded into two regional synforms which plunge in opposite directions separated by a regional fault/shear along the western side of the Mt Farmer gabbro sill. The Dalgaranga Greenstone Belt is intruded by a number of post tectonic granites separated by zones of amphibolite and mafic schists intruded by pegmatites.

<u>Gilbeys Deposit Geology</u>

The Gilbeys deposit is located on the western limb of a regional anticline within a dextral ductile shear 100 - 200m wide. The shear zone trends North-east and dips North-west, sub parallel to the stratigraphy which strikes between 055°- 065°.

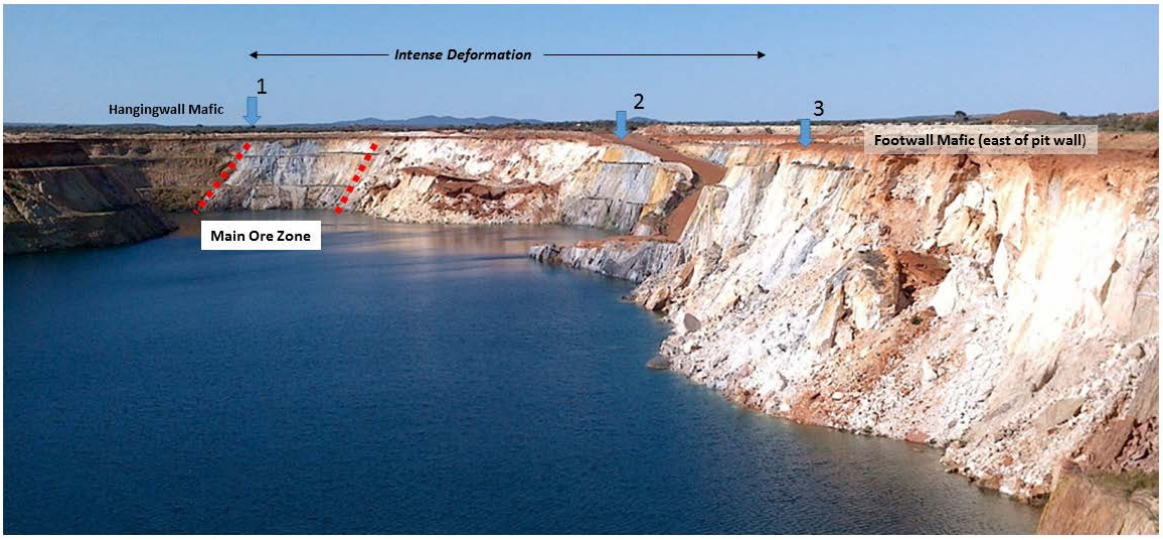
The main body of mineralisation is hosted by a porphyry - shale / volcaniclastic package and varies from 20 to 110 metres in width. A combined thickness of the main zone and parallel mineralised zones is up to 200m wide. The style of mineralisation at Gilbeys is a quartz-pyrite-carbonate veined ductile shear system.

The major control on mineralisation at Gilbeys is structure. A major ductile shear hosts the mineralisation, with the ore grade material developing as consistently wide sub parallel lodes in the areas of strongest shearing. A flat and late vein stage is visible in the footwall and ore-zone, these quartz + sulphide veins appear to be variably mineralised.

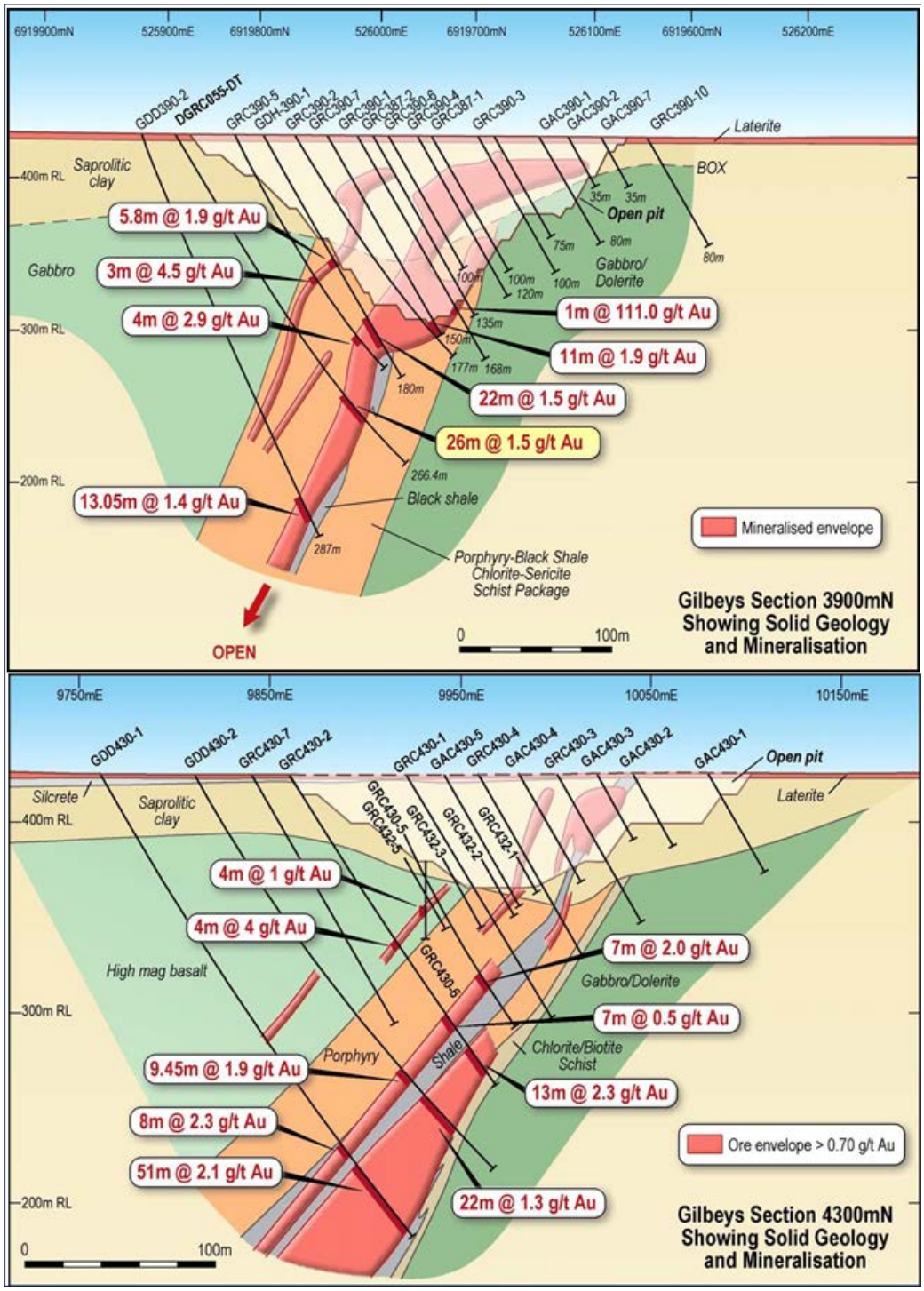


Dalgaranga Project Location and Regional Geology

The footwall shale is moderately graphitic, pyritic and usually contains pyrrhotite. It varies from 10m thick in the south to 80m thick in the north, where shearing and folding have thickened or repeated the shale. This unit appears to form the eastern boundary to the strongest deformation, acting in a very ductile manner during the deformation.



Mine stratigraphy from West to East. (1) Hangingwall contact or ore zone with mafic (2) Shale and volcaniclastic package (3) Footwall Mafic contact (striking sub-parallel to pit wall).



Typical Sections through Gilbeys Mineralisation.

Golden Wings Deposit Geology

The host rocks at Golden Wings consist of a sequence of high magnesium basalts, basalt and interflow sediments (predominantly black shales) and minor porphyries. Quartz gabbro occurs on the northern side of the prospect. These rock units have been sheared to form quartz biotite schists, with the strike of the geology interpreted to be east-west in a broad shear zone. A well-developed weathering profile occurs at Golden Wings; at surface a mixed hardpan / residual pisolitic laterite horizon to approximately 5m depth is well mineralised, below which residual mottled and saprolitic clay zones are developed, in places strong oxidation occurs to a depth of 80m or more.

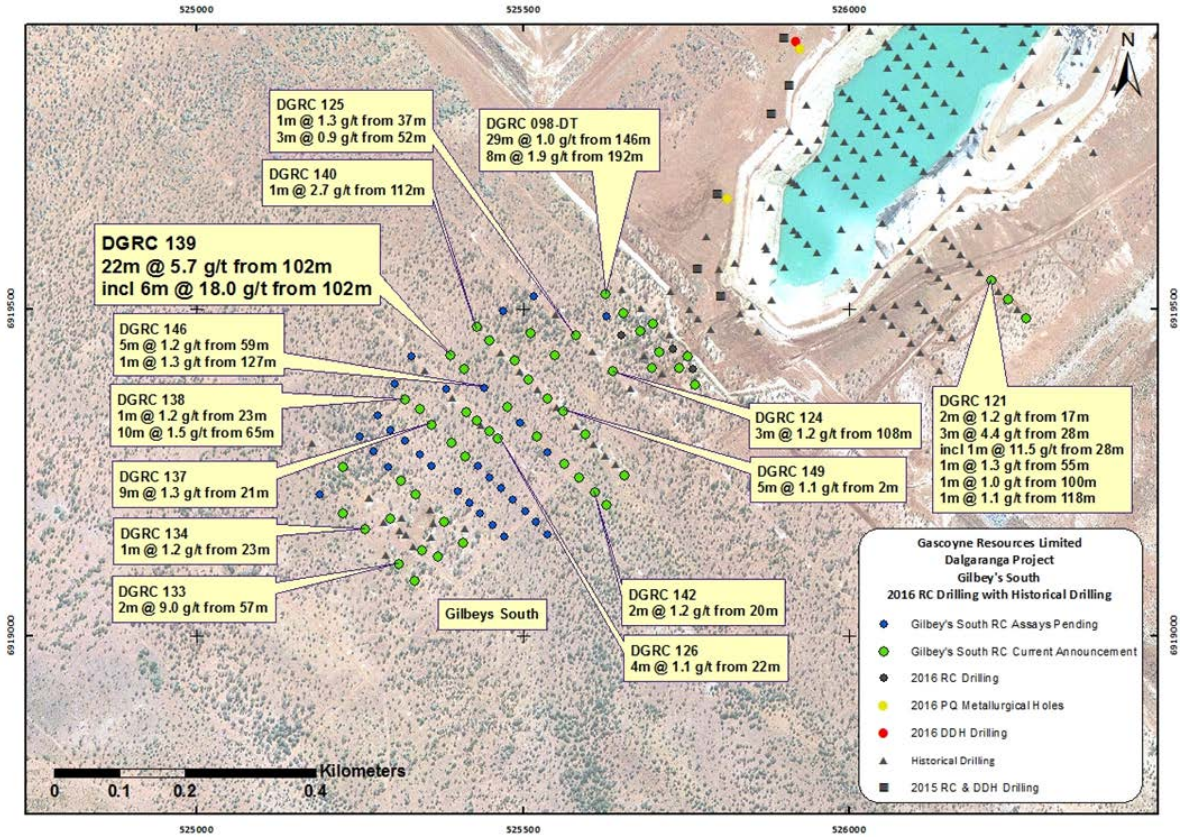
Golden Wings mineralisation is a plunging orebody limited to a short strike length of mineralised shear zone. There are several mineralised shears developed within a 100m wide zone over 450m of east-west mineralised structure. The geometry of the orebody within the broad east west trend, is, dominated by a high grade zone trending 065-070° dipping steeply to the North, slightly oblique to the stratigraphy. A review of the historic Newcrest, Equigold reports and recent Gascoyne Resources drilling shows multiple gold mineralised zones occurring in the following fresh rock types around 100m; sericite-chlorite-quartz schists after mafic or sedimentary units, and quartz-pyrite-arsenopyrite plunging lodes within biotite-sericite-carbonate-pyrite schists.

Recent Exploration

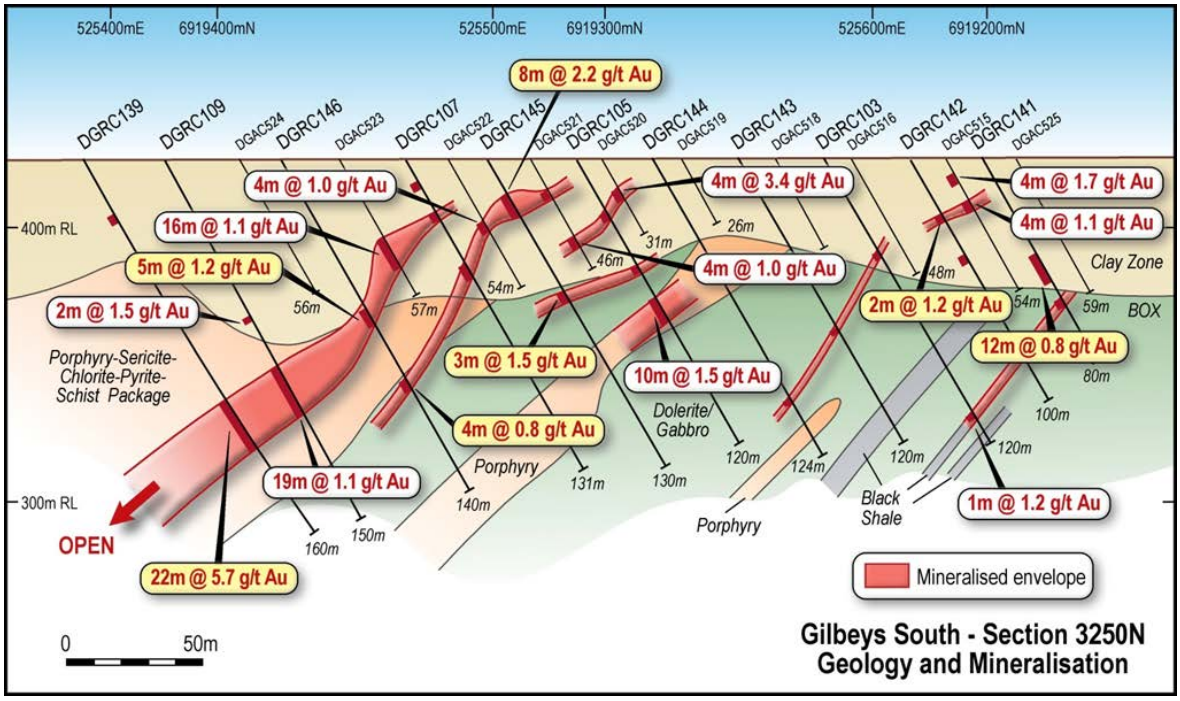
Exploration drilling and extensional drilling has continued during the resource definition and feasibility phase s, demonstrating considerable potential for mine life extensions.

RC drilling along strike south of the Gilbeys Pit (Gilbeys South) has extended the known mineralisation some 550m with mineralisation open along strike and at depth. This area is currently not in the resource and hence has not been included in the feasibility study. The drilling is continuing in the area where mineralisation of up to 22m @5.7 g/t gold have been intersected. It is expected that this drilling will add to the current +1.0 million ounce Gilbeys deposit and is expected to, subject to resource estimation and ongoing mining studies, add to the mine life.

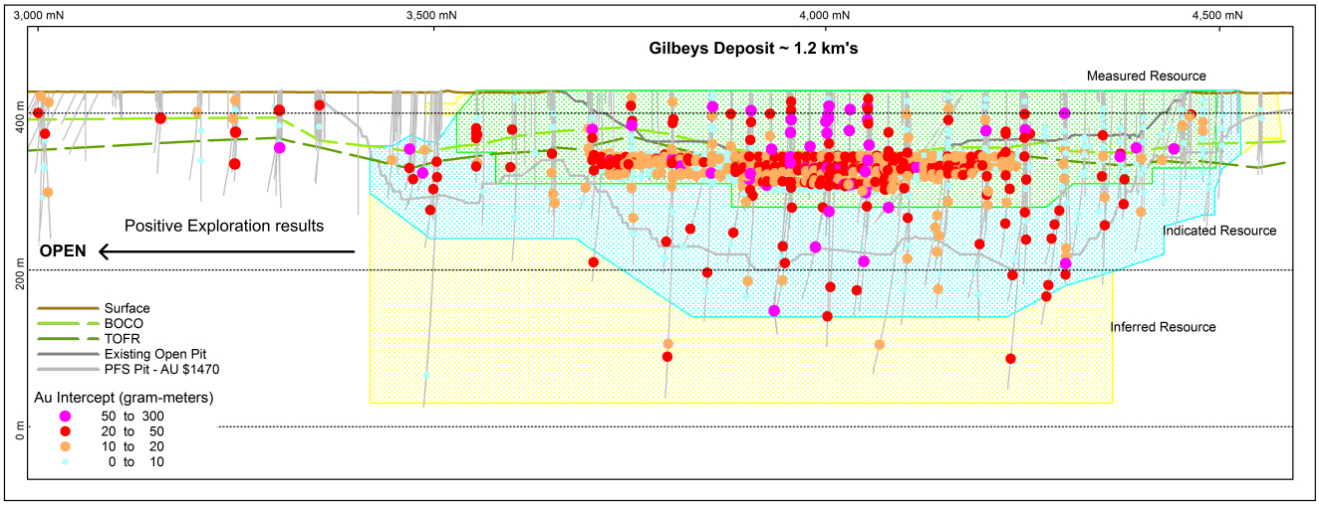
Other prospects of note include Hendricks, approximately 3km east of Gilbeys Pit and Gilbeys North, along strike to the North of the Gilbeys Pit. Recent diamond drilling at Hendricks resulted in, 6.65m @ 1.88g/t Au from 166.15m. At Gilbeys North a result of 8m @ 4.9g/t Au from 57m depth is also significant.



Gilbeys South significant results.



Gilbeys South Section3250 showing typical Gilbeys South mineralisation and Eastern footwall shear zones.



Gilbeys long section with Exploration potential at Gilbeys South.

Mineral Resource

Over the past 12 months, a significant exploration effort has been undertaken on the project. This has resulted in a substantial growth in the Dalgaranga Mineral Resource and a significant increase in the confidence in the resource which has resulted in conversion of the Inferred and Indicated Mineral Resources to Indicated and Measured resource classification. As announced to the ASX on the 7th of September 2016, the current global Dalgaranga resource base currently stands at 25.7Mt @ 1.4g/t gold for 1,116,000 ounces of contained gold (see Table A).

The Resource modelling and estimation has been completed by RungePincockMinarco Limited, an external and leading independent global mining consultancy.

Of particular significance is the fact that the recent exploration discoveries at the Gilbeys South prospect are not yet included in the resource estimate and as a result have been EXCLUDED from the Feasibility Study. The resource is expected to be updated in late 2016, in time to allow an updated mine plan to be compiled prior to the commencement of mining on the project which is expected to be in late CY2017 or early CY2018.

Table A – Dalgaranga September 2016 Mineral Resource Estimate (0.5 g/t Cut-off Above 120 mRL, 1.0 g/t Cut-off Below 120 mRL)

Type	Measured		Indicated		Inferred		Total		
	Tonnes Mt	Au g/t	Tonnes Mt	Au g/t	Tonnes Mt	Au g/t	Tonnes Mt	Au g/t	Au Ounces
Laterite			0.5	1.11	0.1	0.8	0.6	1.1	21,000
Oxide	0.4	1.69	1.0	1.65	0.6	1.7	2.0	1.7	108,000
Transitional	0.3	1.83	0.8	1.69	0.3	1.5	1.4	1.7	74,000
Fresh	2.2	1.31	11.2	1.28	8.3	1.3	21.7	1.3	913,000
Total	**2.9**	**1.41**	**13.4**	**1.33**	**9.3**	**1.4**	**25.7**	**1.4**	**1,116,000**

Note:

1. *Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.*
2. *The Statement of Estimates of Mineral Resources has been compiled by Mr. Shaun Searle who is a full-time employee of RPM and a Member of the AIG. Mr. Searle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code (2012).*
3. *All Mineral Resources figures reported in the table above represent estimates at 7th September, 2016. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.*
4. *Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).*
5. *Reporting cut-off grades selected based on an upside case Whittle shell generated during the Dalgaranga Gold Project Pre-Feasibility Study announced to the ASX on 31st March 2016. The Pre-Feasibility Study indicated that break-even cut-off grades for the combined Dalgaranga Gold Project Mineral Resource are 0.34 g/t, 0.39 g/t and 0.43 g/t Au for oxide, transitional and fresh material respectively; assuming a gold price of AUD$1,470, a metallurgical recovery of 95 % and an open pit mining method. The cutoff of 1.0g/t for the deeper material (below 120mRL) has been estimated by GCY using an internal cutoff calculator, current spot gold price of AUD$1,750 and recent open pit mining costs.*

Geotechnical and Hydrology

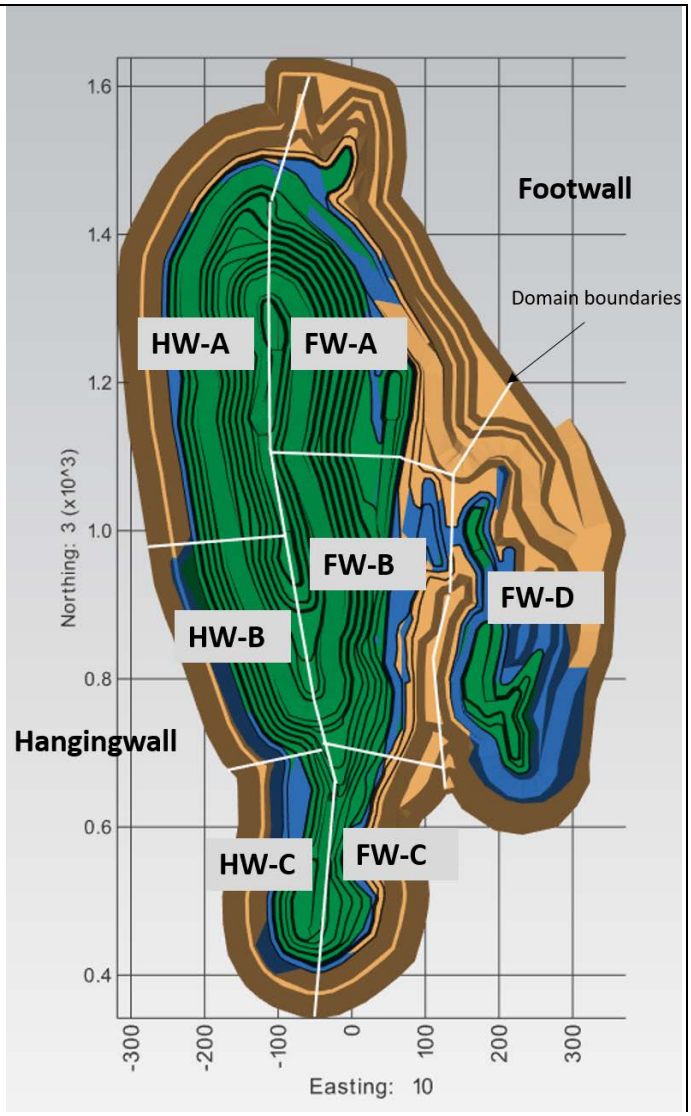
Geotechnical assessments for the FS were completed by Absolute Geotechnics Pty Ltd (AG). The assessments utilise revision of previous works by Gascoyne Resources and previous operators Richearth Mines / Equigold (BFP Consultants Pty Ltd), however they are predominantly based on new testwork from drilling activities and earthworks undertaken for specific geotechnical studies.

Gilbeys and Golden Wings Open Pits Geotechnical Assessment

The proposed development of the Gilbeys pit is to include a 2 staged cut-back, prior to excavation of the final pit. The proposed ultimate pit measures approximately 1280m in length by 635m wide, extending vertically to a level of 160m RL, a maximum depth of approximately 260m. The majority of the walls of the proposed pit design contain ramps. The proposed development of the Golden Wings pit measures approximately 830m in length by 400m wide, extending vertically to a level of 300m RL, a maximum depth of approximately 140m.

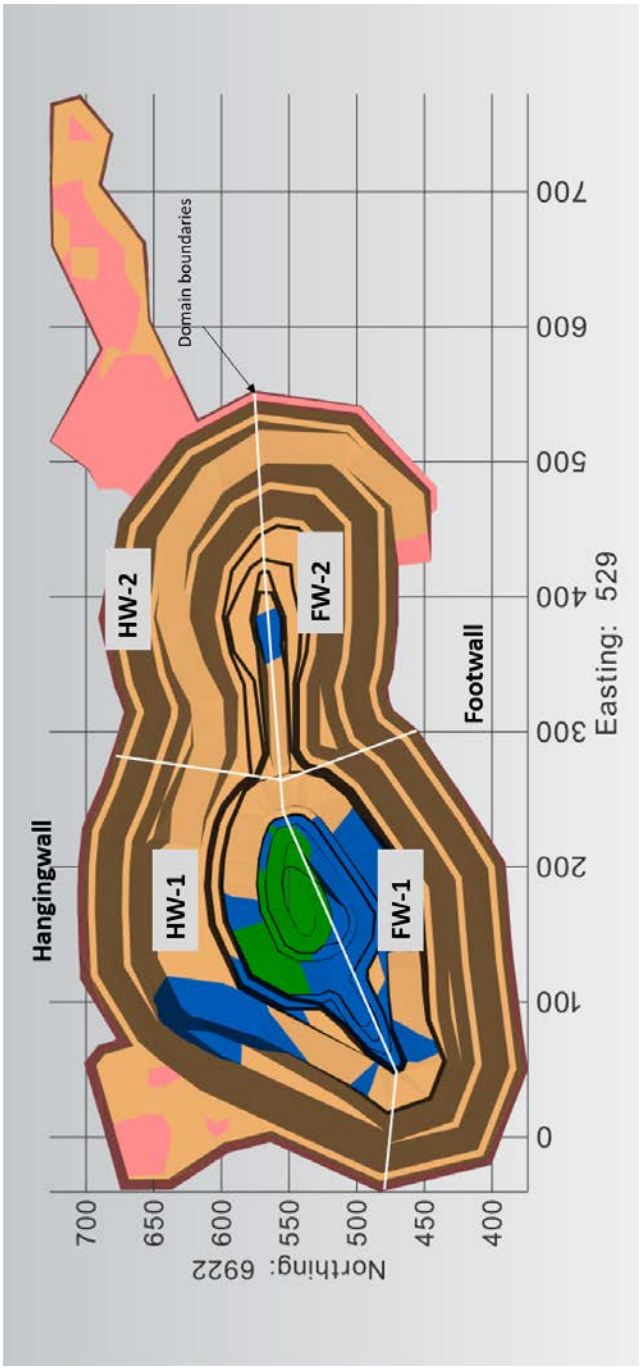
Geotechnical slope design for Gilbeys deposit. Geotechnical domains, Gilbeys (Pit shell coloured by weathering grade: brown- extremely weathered, blue- highly to moderately weathered, green- fresh). HW – hangingwall, FW – footwall.

Design sector	Material	Inter Ramp Angle (toe to toe)
HW All	Laterite	n/a
	Saprolite	42°
HW-A	Transition / fresh	62.5°
HW-B	Transition / fresh	58.5°
HW-C	Transition / fresh	62.5°
FW All	Laterite	n/a
	Saprolite	35°
FW-A, FW-B, FW-C FW-D	Transition / fresh	62.5°



Geotechnical slope design for Golden Wings deposit. Geotechnical domains, Golden Wings deposits (Pit shell coloured by weathering grade: brown- extremely weathered, blue- highly to moderately weathered, green- fresh, pink – lateritic caprock).

Design sector	Material	Inter Ramp Angle (toe to toe)
HW-1	Laterite	n/a
	Saprolite	42°
	Transition	60°
	Fresh	60°
HW-2	Laterite	n/a
	Saprolite	33°
	Transition	57°
	Fresh	Not exposed
FW-1	Laterite	n/a
	Saprolite	36
	Transition	54°
	Fresh	54°
FW-2	Laterite	n/a
	Saprolite	28°
	Transition	54°
	Fresh	Not Exposed



The wall angles recommended are very close to the wall angles from the previous operation and the angles used in the March 2016 Dalgaranga PFS.

Hydrogeological Studies

Process water supply for the Project are planned to be drawn initially from water contained in Gilbeys pit, plus groundwater inflow to the pit as its water levels are lowered by pumping. From year 3 onwards water will be obtained from a combination of mine dewatering and from the existing process-water bore field which will to be re-equipped.

Fresh-water supplies will be drawn from one or more existing bores including Potable Water Bore in a low-salinity groundwater aquifer approximately 2.0 km north of the Gilbeys pit.

Summary of Water Requirements

Water pumping rates have been calculated from the Project's Water Balance (monthly values) Processing-water requirements are estimated to be steady at 10,280 kL/d, but water-returns from the tailings storage facilities will vary because of operational and seasonal factors including evaporation from the tailings pond and rainfall.

Water Requirement and Source Summary

	Months 1–2	**Months 3–12**	**Months 13–15**	**Months 16–24**	**Months 25–32**	**Months 33–60**
Process Water Requirement* (kL/d)	10,280	10,280	10,280	10,280	10,280	10,280
Tailings Return Water (kL/d	0	6,070	0	6,100	6,150	5,930
Make-up Water Requirement* (kL/d)	10,280	4,210	10,280	4,180	4,130	4,350
Dust-suppression Requirement (kL/d)	1,480	1,040	1,480	990	990	1,150
Total Make-up and Dust-suppression Requirement (kL/d)	11,760	5,250	11,760	5,170	5,120	5,500
Groundwater Inflow to Gilbeys Pit (kL/d)	0	1,280	2,300	2,630	2,800	2,800
Net Water removed from Gilbeys Pit (kL/d)	11,760	3,960	9,460	2,540	2,320	2,800
Water Pumped from Process Water Bore field (kL/d)	0	0	0	0	0	2,700

**kL/day values are average rates for the stated periods, based on 30.4 average days per month.*

Hydrogeological Assessment

The Gilbeys pit is presently 130 m deep and is flooded to a level approximately 37 m below ground surface (bgs) i.e. 388 m AHD. Gascoyne Resources Limited plans to recommence mining and extend the pit to 265 m bgs (160 m AHD), requiring dewatering operations to first empty the pit and then to lower groundwater levels and control groundwater inflow.

The volume of water to be pumped from pit storage is estimated to be 3.8 x 106 kL. Groundwater inflow will increase from its present estimated rate of about 700 kL/d (which

replaces evaporation from the pit water surface) to reach about 2,800 kL/d when the water level is lowered to 130 m bgs, based on reports from the previous mining/dewatering operations.

The estimated average water demand for mineral processing and tailings-dam water-consumption is 4,300 kL/d. From the calculated water balance for the planned operations it is predicted that the stored water in Gilbeys pit will have been removed by the beginning of Month 33, and the processing water demand will be met by groundwater extracted by pit dewatering, plus bores at the former process-water bore field, located 5 to 6.5 km west of the mine. The existing production bores (DPPB 1 to 3) will be refurbished or replaced. Together, they previously supplied 2,330 kL/d to the previous operation.

The Golden Wings pit is planned to be extended and deepened from 5 m (at present) to 130 m bgs. Upon completion at the end of Month 12 it will be used for tailings storage.

Low-salinity water supplies, to be used as feed-water for a reverse-osmosis desalination plant, will be drawn from 'Potable Water Bore', depending on the results of bore redevelopment and test-pumping. For standby purposes, an existing nearby bore (or a replacement) could be utilised. The water salinity, prior to treatment by reverse-osmosis, is likely to be below 2,000 mg/L TDS.

Neither the dewatering operations nor the water-supply borefields planned to be used for the Dalgaranga project are likely to affect the operating pastoral wells in the region.

Mining and Reserves

The pit optimisations, mine designs and development of the mining and milling schedules for the project have been completed by CSA Global, an independent mining consultancy.

The Feasibility mining study (FS) was completed on the recently updated Mineral Resource estimates (MRe's) for the Dalgaranga Project's Golden Wings (GW) and Gilbeys (GB) gold deposits. The purpose of the mining study is to pursue development of the Dalgaranga Gold Project. The deposits are in the Murchison region of Western Australia, Australia.

The Golden Wings and Gilbeys deposits were both optimised separately in Whittle™ where pit shells were chosen to guide final pit designs.

The mining costs have been sourced from a Western Australian mining contractor. The costs have been built up based upon the PFS mining schedule and applied to the revised FS mining schedule. For the operation it is assumed that a mining contractor will be engaged to undertake the mining and drill and blast activities at the project, while technical and managerial direction will be controlled by Gascoyne. The operation is made up of two open pits; a single staged pit at Golden Wings and a two staged cutback of the existing Gilbeys pit, and a mining schedule developed to allow the process plant to process at the design capacity of 2.5Mtpa.

Summary of Pit Optimisation results

Scenario	Unit	GW	GB
Pit Shell	#	36	35
Gold Price	A$/oz	1,600	$1,550
Revenue Factor	RF	100%	98%
Total Mined – Rock	Mt	17.1	96.8
Total Mined – Waste	Mt	15.2	83.1
Strip Ratio	W:O	7.9	6.1
Process Feed	Mt	1.92	13.52
Process Feed Grade	g/t	1.42	1.28
Ounces Recovered	k-oz	83.90	504.97
Mining unit rate	$/t	2.06	2.60
Processing unit rate	$/t	14.02	16.23
Royalties and Refining Costs	$/oz	43.00	43.00
Life of Mine	Years	1.15	6.16

Note: *The table above reflects adjustments for ore losses and diluted grade. Differences may occur due to rounding.*

The Golden Wings and Gilbeys pit designs were based on maximum pit shells RF100 (A$1,600) and RF98 (A$1,520) respectively. The pit designs demonstrated close reconciliation within the range of pit shells selected to guide pit design. The shells are based on a resource classification of Measured, Indicated and Inferred as the tables below depict. Inferred material accounted for only 7% of the processed material optimised and ultimately mined.

GW Pit Design vs Pit Shell

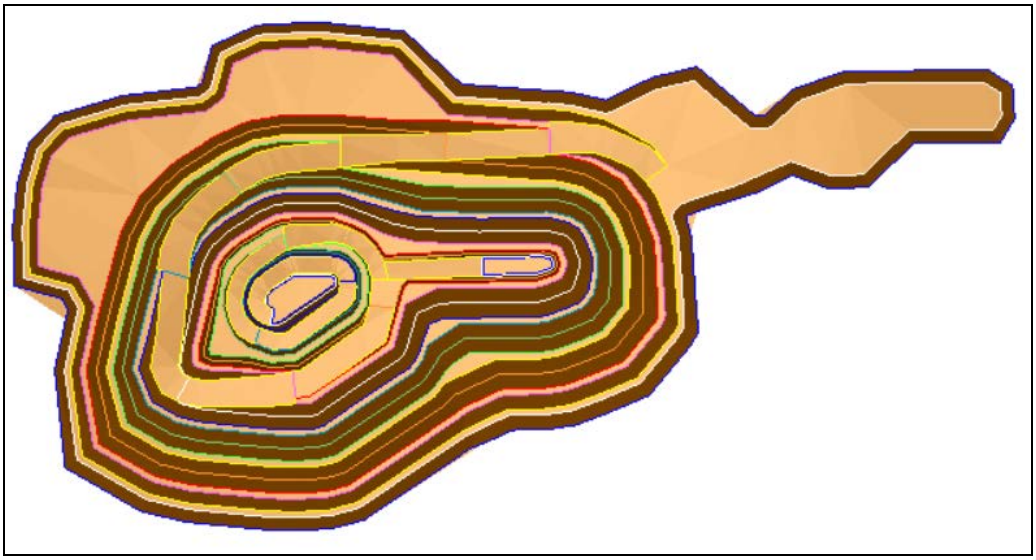
Description	Ore		Waste	Total	Strip Ratio
	kt	g/t	kt	kt	t:t
Pit Design	1,521	1.48	12,347	13,868	8
Pit Shell # 36	1,922	1.42	15,204	17,126	7.9
Variance (%)	-21	4	-19	-19	1

Gilbeys Pit Design vs Pit Shell

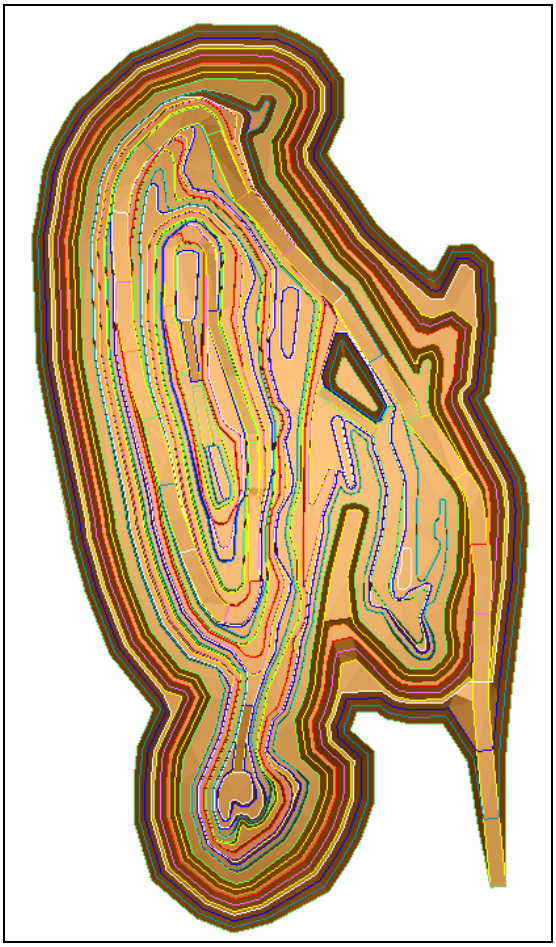
Description	Ore		Waste	Total	Strip Ratio
	kt	g/t	kt	kt	t:t
Pit Design	12,617	1.29	87,260	99,877	7
Pit Shell # 35	13,520	1.28	83,103	96,848	6.1
Variance (%)	-7	0.8	5	3	15

Whittle™ generated cutbacks were determined to be too narrow to mine at a productive rate and alternative cutbacks were generated based on ore body understanding and experience.

GW design is 830m in length, 400m in width and 140m deep with the ramp cresting on the south-east side of the pit as pictured below.



GB design is 1280m in length, 635m in width and 260m deep with the ramp cresting on the eastern side of the pit as pictured below.



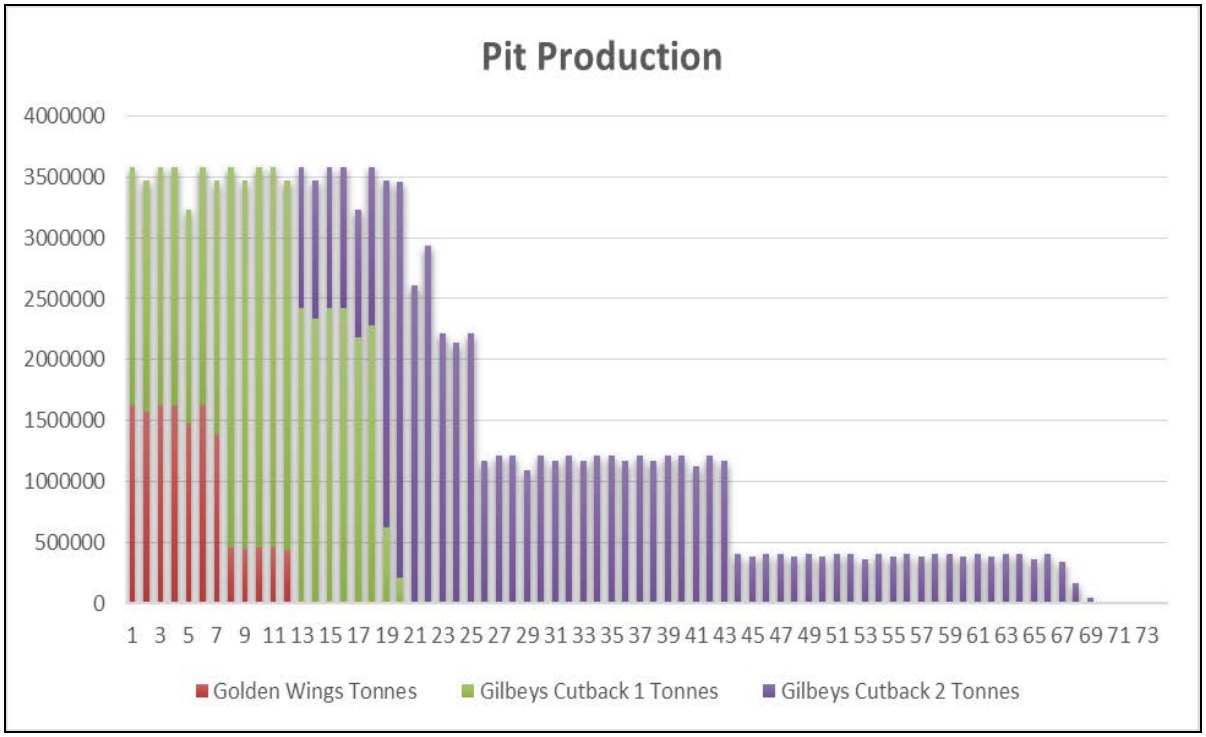
The breakdown of material within the mine plan by resource classification highlights that 93% of the mine plan is supported by Measured and Indicated Resources and only 7% by lower confidence Inferred material

	Mined Tonnes	Mined Grade	Mined Ounces
Golden Wings			
Measured	-	-	-
Indicated	1,366,514	1.44	63,236
Inferred	119,781	1.61	6,209
Gilbeys			
Measured	3,139,910	1.28	128,995
Indicated	8,845729	1.27	360,189
Inferred	698,313	1.53	34,424
Total			
Measured	3,139,910	1.28	128,995
Indicated	10,212,243	1.29	423,425
Inferred	818,094	1.54	40,633

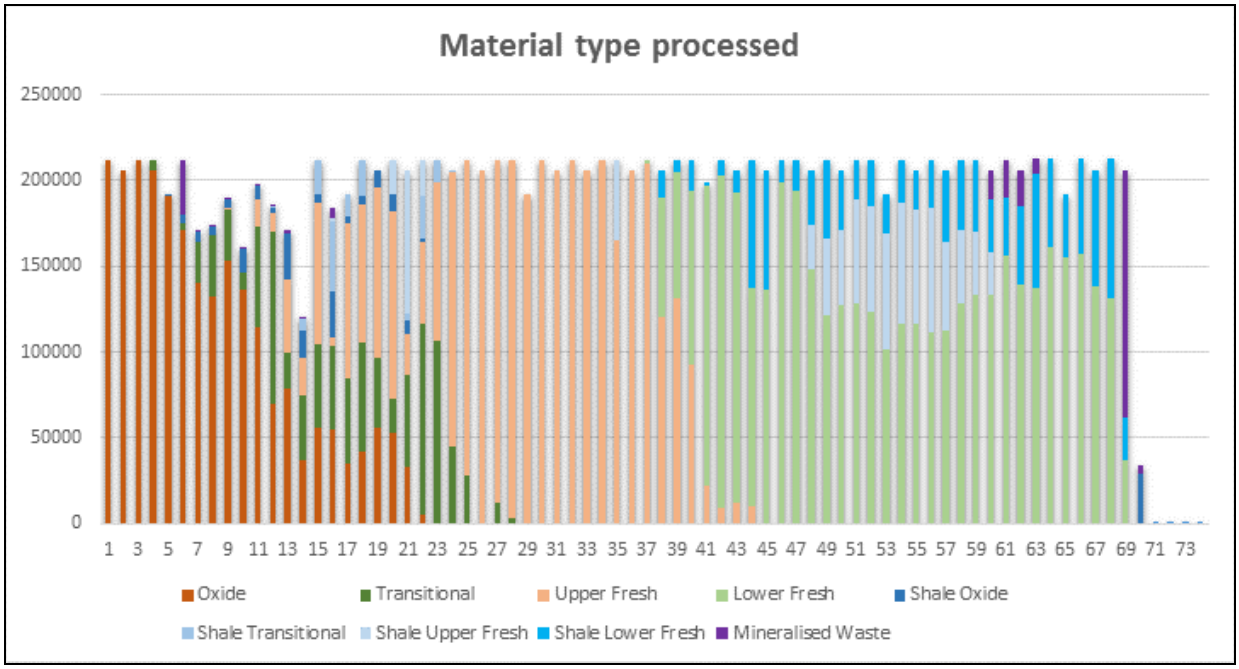
The results shown in the table below are the annual movement summary for the Dalgaranga Mine Schedule. It is expected that the main mining fleet will consist of four excavators, namely a 300t, a 250t, a 200t and 150t sized with appropriate haul fleet to ensure efficient truck cycling.

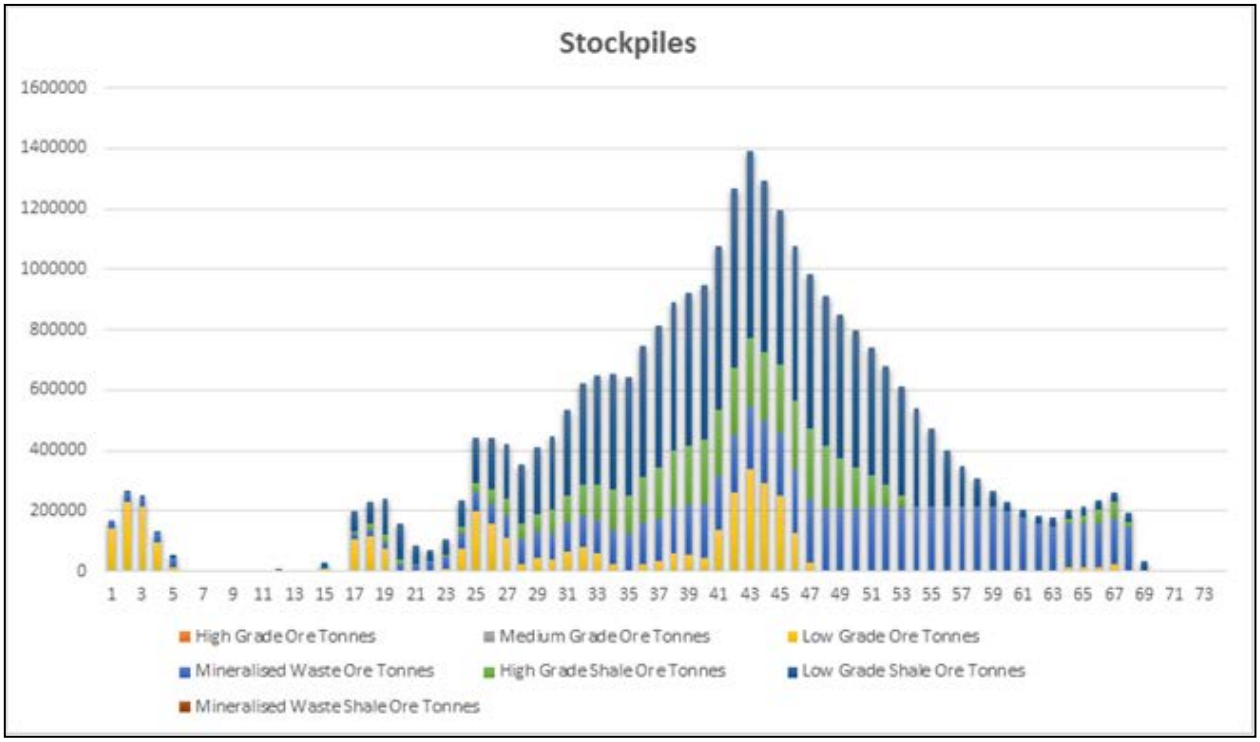
Year #	Total Mined (kt)	Waste (kt)	Ore (kt)	S/R (t:t)	ROM Feed (kt)	Au Head (g/t)
1	42,113	39,760	2,353	16.9	2,346	1.43
2	37,842	35,269	2,573	13.7	2,346	1.52
3	15,226	12,215	3,011	4.1	2,500	1.19
4	10,279	7,602	2,677	2.8	2,507	1.22
5	4,736	2,922	1,814	1.6	2,501	1.22
6	2,894	1,218	1,676	0.7	1,904	1.16
Total:	**113,090**	**99,986**	**14,104**	**7.0**	**14,104**	**1.31**

Note: *The table above reflects adjustments for ore losses and diluted grade. Differences may occur due to rounding*



From the mined physicals, a milling schedule and stockpiling strategy has been developed. It prioritises by grade and material type as well as metallurgical recovery. The milling and stockpiling strategy has been developed using MineSched™ software. The milling schedule and stockpiles are highlighted below





Key Findings from Mining Study

- The pit optimisations were based on material within the Indicated and Inferred category for Golden Wings and the Measured, Indicated and Inferred category for Gilbeys.
- The Golden Wings and Gilbeys gold deposits present a strong and robust production profile and suitable life of mine of six years based on a plant throughput of 2.5Mtpa.
- The Golden Wings pit and upper Gilbeys pit provides early high grade oxide material for the Dalgaranga Gold Project, contributing to the payback period.
- Pit wall angles of both pits have been designed based on Absolute Geotechnics' geotechnical design parameters.
- The Mine Schedule demonstrates that the plant requirements are satisfied whilst achieving a balanced total mining movement.
- The Mine Schedule indicates that the first 24 months of mining will need to be at a high movement rate to uncover the required ore to maintain plant feed in later years.
- Mining movement is reduced in the later years of the mine schedule to reduce stockpile sizes and production costs.

Proved and Probable Ore Reserve

Gascoyne engaged CSA Global, an independent Mining Consultancy, to complete the mining aspects of the PFS. As a result of the Feasibility study, CSA Global has completed an update of the Ore Reserve estimate based on the recently updated Mineral Resources estimated by RungePincockMinarco (as outlined above).

The Ore Reserve for the project has been completed in accordance with the JORC 2012 code. As a result of the high confidence in the Mineral Resource and detailed modifying factors a portion of the Mineral Resource was converted into a Proved and Probable Ore Reserve. The Proved Ore

Reserve is based on the Mineral Resource classified as Measured, while the Probable Ore Reserve is based on the Indicated portion of the Mineral Resource. No Inferred Resource has been incorporated into Ore Reserve. Table B presents a summary of the Proved and Probable Ore Reserve on a 100% Project Basis.

See JORC 2012 Table One Sections 1-4 in the Appendices of this report for full details on the Reserve.

Table 1, Sections 1, 2 and 3 of the JORC Code (2012 Edition) relating to Sampling Techniques, Data and Exploration Results and, Estimation and Reporting of Mineral Resources is presented in Appendix 1 as provided by Gascoyne Resources. The Ore Reserve Statement for the Dalgaranga Project (and a completed JORC Table 1, Section 4) reflects the mine planning work recently completed by CSA Global, additional project information and the work completed in preparing the Feasibility Study for the project by Gascoyne Resources Ltd and the FS team.

Table B Ore Reserve Statement - Dalgaranga Project November 2016 (100% basis)

	Tonnes (M tonnes)	Gold Grade (g/t)	Contained ounces (oz)
Ore Reserves			
Proven	3.1	1.28	129,000
Probable	10.2	1.29	423,000
Ore Reserves Total	**13.3**	**1.29**	**552,000**

Note: Rounding errors may occur

The information in this report that relates to the Dalgaranga Project Ore Reserves is based on information compiled by Mr Karl van Olden, a Competent Person, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Karl van Olden is employed by CSA Global Pty Ltd, an independent consulting company. Mr van Olden 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 a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr van Olden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Metallurgy and Process Flowsheet Development

The DGP process development, and resulting plant design is a result of knowledge gained from historical testwork, detailed operational metallurgical process plant data and drilling programs in 2016. In total 26 samples, from 9 diamond core drillholes, 3 reverse circulation drillholes at Gilbeys, and 4 reverse circulation holes at Golden Wings, complimented historical and operational data, within the FS study.

The FS drilling programme sampled mineralised zones within the Gilbeys proposed pit perimeter from surface locations, as the existing pit is not accessible for drilling.

The study includes testwork for comminution and recovery characteristics of the fresh and oxide ore from Gilbeys and Golden Wings Resource's, bulk gravity recoverable work, detailed mineralogical analysis, and carbon absorption testwork.

A key data set that has been used in FS studies is the detailed process plant comminution circuit data from November 1996 to November 2000. These were categorised according to the predominant ore type processed with the period, and summarised.

Comminution Testwork

Comminution testwork was completed for the FS on seven diamond core drillholes, over a range rock types and composites.

The detailed historical operational data has provided the comminution inputs for the first 3 years (oxides) of the operation. The historical data confirms that the ore is very soft in the oxide zone (bond work index of 5.9kWhr/t) and relatively soft in the transitional and upper fresh zones (bond work index of 10.5 kWhr/t).

The recent testwork has concentrated on the material below the original pit to ensure the Gilbeys fresh rock zone (vertically from 130m to 305m) has been carefully tested along the length of the deposit. Fresh rock material samples have returned BWi classified as Hard (range of 13.4 – 17.4 kWhr/t) and are considered normal for similar rock types within similar geological settings.

The crushing work index is relatively low and crushing can be accomplished with low energy input.

The Abrasion Index results range from 0.086 to 0.222 signifying that the material is non-abrasive to slightly abrasive, which reduces the wear rates in the crusher and mills and hence the expected maintenance costs relative to most projects.

Gold Extraction and Recovery

For extractive recovery testwork, samples were ground to 90µm and subjected to gravity separation followed by cyanide leaching. The porphyry samples were subjected to a timed direct cyanide leach and the shale samples were subjected to a 20 hour CIL leach. The RC composite samples from Gilbeys and Golden Wings were also subjected to a 20 hour CIL leach. The CIL leaches were utilised due to the presence of organic carbon in the samples and the 20 hour was based on the proposed plant residence time being 19 hours.

Significant amounts of gravity gold are present in all samples and gold leaching kinetics are very fast with the majority of leaching complete at 12 hours. Gravity gold recoveries at 90 µm grind from Gilbeys core samples ranged from 29.6% to 45.9%. Gravity gold recoveries from Golden Wings RC samples ranged from 26.7% to 71.1% at 90µm grinds. A conservative gravity recovery of 30% was utilised for FS design purposes.

The gold recoveries used for optimisation and financial modelling purposes are shown below. The recent testwork shows recoveries generally ranging from 91.1% to 93% for Gilbeys, and a consistent +96% for Golden Wings, dependant in location and material type, the fresh shale ore, which represents a small component (<10%) of the material in the mine plan has a lower recovery of 77%.

The black shale units are not “preg robbing” and do not cause issues in the proposed CIL flowsheet.

Of particular note is the fact that the Gilbeys operational recoveries were higher at a coarser size, for example 94.2% @ 163µm for upper fresh ore.

The historical operating data (which represents a "metallurgical test" of ~4.5Mt of oxide, transitional and upper fresh material from the deposit) has been used in assessing the metallurgical performance of the shallower portion of the Gilbeys deposit. The operational oxide recovery averaged 94.1%, 93.9 % for transitional and 95.1% for upper fresh ore.

These recovery rates have been applied to the pit optimisation, mining schedule and financial modelling for the project.

The average metallurgical recovery over the current mine life is 91.3%. This is slightly lower than 95% that was assumed in the PFS.

Operational recovery data 1996 – 2000.

Month	Head Grade	Tail Grade	% Rec.	Ore Type
Nov-96	1.17	0.09	92.7	
Dec-96	1.44	0.10	92.9	
Jan-97	1.69	0.14	91.8	
Feb-97	1.77	0.14	91.9	
Mar-97	1.83	0.14	92.5	
Apr-97	1.77	0.12	93.4	
May-97	1.67	0.12	92.9	
Jun-97	1.96	0.14	93.0	
Jul-97	1.74	0.13	92.8	
Aug-97	1.76	0.10	94.4	
Sep-97	1.74	0.09	95.0	
Oct-97	1.69	0.09	94.5	
Nov-97	1.65	0.08	95.1	
Dec-97	1.55	0.09	94.4	
Jan-98	1.43	0.07	95.4	
Feb-98	1.62	0.08	95.3	
Mar-98	1.76	0.07	96.2	
Apr-98	1.59	0.08	95.2	
May-98	1.41	0.07	95.0	
Jun-98	1.55	0.09	94.4	
Jul-98	1.59	0.10	93.9	
Aug-98	1.42	0.07	95.3	
Sep-98	1.50	0.07	95.2	
Oct-98	1.45	0.08	94.4	
Nov-98	1.45	0.08	94.2	
Dec-98	1.56	0.10	93.9	
Jan-99	1.49	0.11	92.3	
Feb-99	1.54	0.09	94.2	
Mar-99	1.60	0.06	96.4	
Apr-99	1.77	0.08	95.5	
May-99	1.70	0.11	93.3	
Jun-99	1.86	0.11	94.2	
Average	1.62	0.10	94.1	
Max	1.96	0.14	96.4	OXIDE
Min	1.17	0.06	91.8	

Month	Head Grade	Tail Grade	% Rec.	Ore Type
Jul-99	2.00	0.12	93.9	
Aug-99	2.24	0.15	93.2	
Sep-99	2.17	0.12	94.5	TRANS
Oct-99	2.27	0.15	93.5	
Nov-99	2.25	0.12	94.5	
Average	2.19	0.13	93.9	
Max	2.27	0.15	94.5	TRANS
Min	2.00	0.12	93.2	
Dec-99	3.50	0.17	95.0	
Jan-00	3.02	0.16	94.8	
Feb-00	3.44	0.15	95.6	
Mar-00	2.04	0.19	90.9	
Apr-00	2.47	0.16	93.4	
May-00	6.80	0.22	96.8	FRESH
Jun-00	6.57	0.25	96.2	
Jul-00	4.07	0.18	95.5	
Aug-00	1.72	0.11	93.4	
Sep-00	4.66	0.15	96.9	
Oct-00	4.05	0.16	96.1	
Nov-00	4.17	0.17	96.0	
Average	3.88	0.17	95.1	
Max	6.80	0.25	96.9	FRESH
Min	1.72	0.11	90.9	

Summary of Testwork and Operational Recoveries

Ore Type	125µm Grind	Source	90µm Grind	Source	75µm Grind	Source
Golden Wings Laterite		No data		No data		No data
Golden Wings Oxide			99.0	DGRC059/060	98.6	GRL Scoping
Golden Wings Transition		No data		No data		No data
Golden Wings Fresh			96.8	DGRC062/063		
Gilbeys Oxide	79.9	Richearth/Equigold	89.5		92.0	Richearth/Equigold
Gilbeys Transition		No Data	88.2	Richearth/Equigold	91.2	Richearth/Equigold
Gilbeys Porphyry	88.8	DGDH006/007	91.1	BFS Average Porphyry		
Gilbeys Shale		No Data	77.7	BFS average Shale		
Gilbeys Porphyry/Shale	83.6/73.8	DGRC002A/DGRC055DT	89.8	DGDH002A	90.4/78.3	DGRC002A/DGRC055DT
Gilbeys Fresh Mixed - RC			94.1	DGRC051/054/057		

Operational Recoveries	
Gilbeys Transition	93.6% @ 143µm
Gilbeys Fresh	94.2% @ 163µm
Gilbey Oxide Nov96 - Jun99	94.1
Gilbeys Trans Jul99 - Nov99	93.9
Gilbeys Fresh Dec99 - Nov00	95.0

Process Plant and Production

The Dalgaranga process plant will have a "nameplate" throughput capacity of 2.5Mtpa. The plant will be located adjacent to the existing waste dump, to the east of the Gilbeys open pit to minimise mine haulage costs.

The process flow diagrams (PFD) for the Dalgaranga Feasibility Study (FS) have been developed from the process design criteria (PDC) prepared by Mintrex. The plant design proposed is simple but robust and broadly comprises the following:

- Primary Crushing;
- Crushed Ore Stockpile;
- Grinding and Classification;
- Gravity Recovery;
- Leaching and Adsorption;
- Elution and Electrowinning; and,
- Smelting.

The design of the comminution circuit for the Dalgaranga Gold Project was undertaken by Orway Minerals Consultants (OMC) in Perth, Australia in consultation with Mintrex. They were requested by Mintrex to model a Single-Stage SAG milling circuit (1C SS SAG) as the basis for their design. The SS SAG milling circuit was selected due to its capital cost and maintenance and operability advantages over more complex and capital intensive circuits.

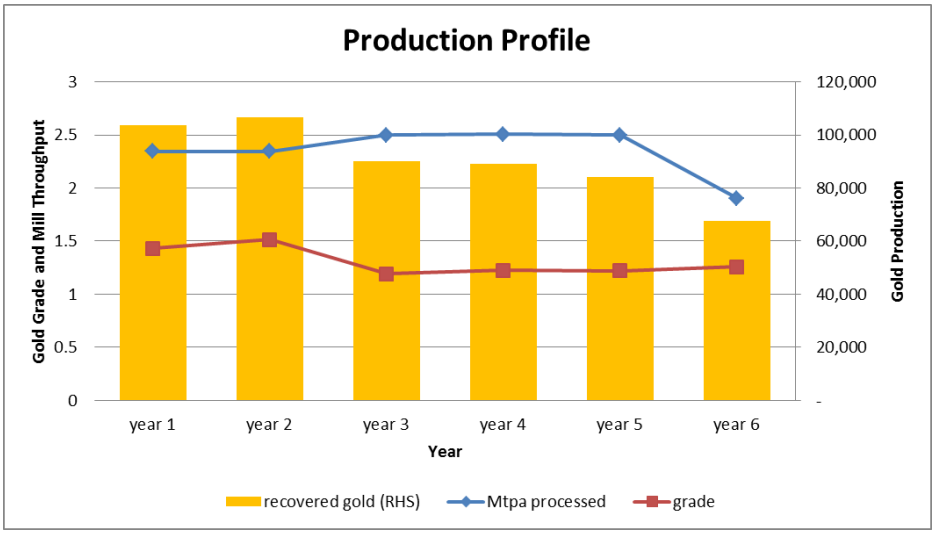
The FS flowsheet and resultant equipment selections are based on the results of the FS metallurgical testwork programme and the historical operating data from the original Dalgaranga processing plant.

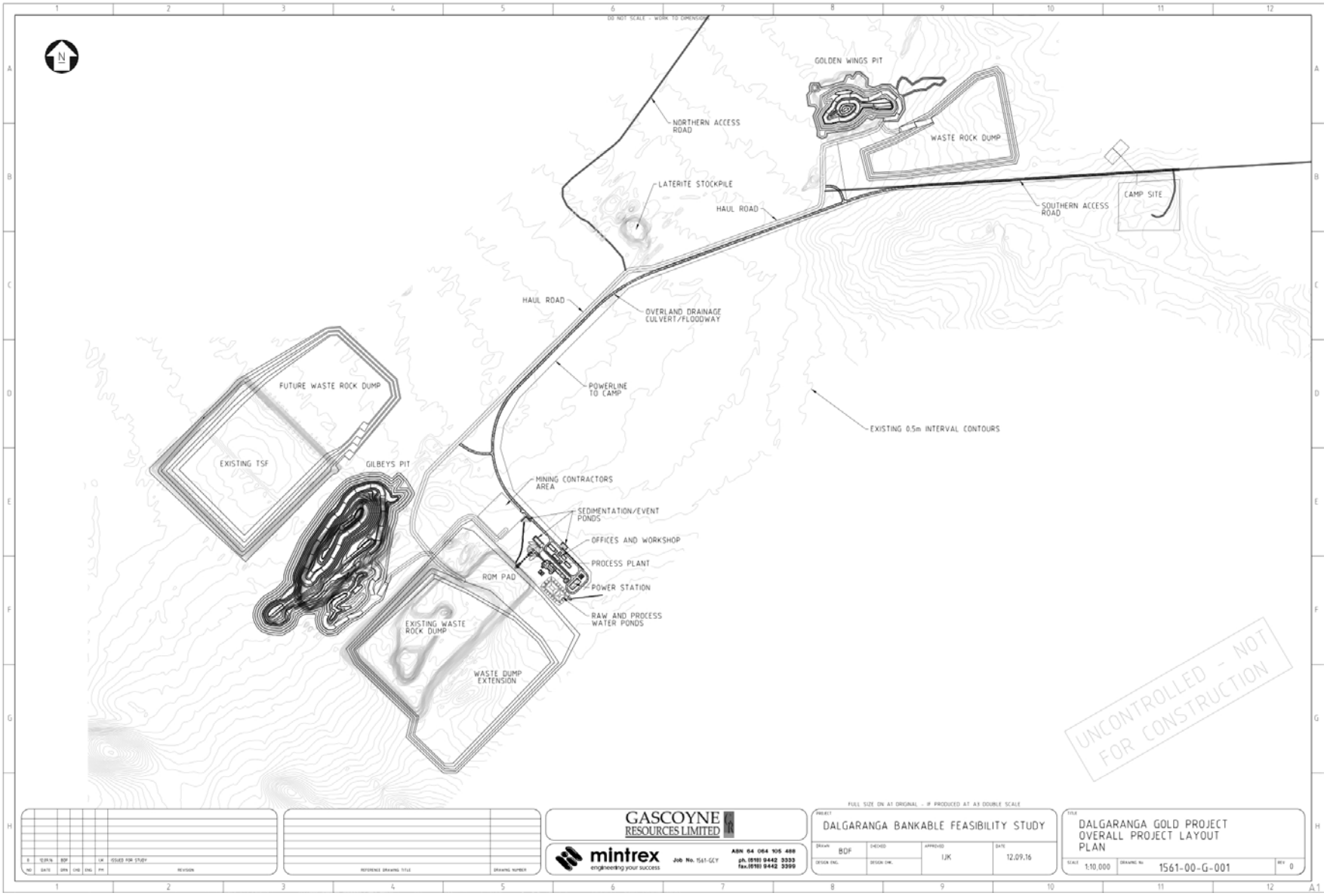
The plant will be designed to achieve the required throughput, as stated in the introduction and as per the PDC. It will be a combination of circuits, which are described below:

- The crushing circuit will be designed with a throughput of 450 tph and availability of 65%, on a 24 hours per day operation;
- Crushed product will report to an open stockpile, which has a total capacity of 10,000 tonnes;
- A buried apron feeder installed in a concrete reclaim tunnel reclaims ore and directly feeds the milling circuit via the mill feed conveyor. An emergency reclaim feeder is also installed in the reclaim tunnel to provide feed to the mill when reclaiming dead ore from the stockpile via front end loader;
- The Milling circuit is designed for a throughput of 300tph, operate at 95% availability, and aims to achieve a design grind of 80% passing 90 µm;
- Gravity circuit on cyclone underflow will consist of two centrifugal concentrators and an Intensive Leach Reactor for treatment of the gravity concentrate, treating 30% of the cyclone underflow;
- CIL circuit will consist of six adsorption tanks, treating the cyclone overflow;
- Metal recovery and refining will consist of an elution circuit, electrowinning cells, and smelting;
- Tailings storage facility (TSF) for tailings deposition will utilise the existing TSF (which will be raised 3.5 m) to the west of the Gilbeys pit and then diverted to the Golden Wings void at the end of the first year of production.

Ore will be transported to the Run of Mine (ROM) pad from the open pit ore bodies at Golden Wings in the first year of operation followed by the redevelopment of the existing Gilbeys pit commencing in year 1 onwards. The ore will be placed in stockpiles on the ROM pad located south-west of the process plant, fed by front end loader (FEL) from the ROM stockpile to the primary crusher, conveyed to the crushed ore stockpile of approximately 10,000 tonnes total capacity. The crushed ore will be conveyed to the milling circuit and further processing into gold doré from gravity and CIL recovery.

Based on the mining schedule, availability of higher grade ore and stockpile strategy, a milling schedule and production schedule has been developed. This results in higher production of 105,100ozpa in the first two years, while the higher grade Golden Wings deposit is mined and processed. The figure below breaks down the production profile for the initial mine life. It should be noted that this production does not include the Gilbeys South mineralisation or any of the mineralisation from the regional prospects. It is expected that these will add significantly to the mine life and the milling schedule as soon as the mineralisation is included in an updated Mineral Resource estimate and then the mine plan.





NO	DATE	DRN	CHD	ENG	PM	REVISION
0	12.09.16	BDF			UK	ISSUED FOR STUDY

REFERENCE DRAWING TITLE

DRAWING NUMBER

FULL SIZE ON A1 ORIGINAL - IF PRODUCED AT A3 DOUBLE SCALE

GASCOYNE RESOURCES LIMITED

mintrex engineering your success

Job No. 1561-GCY

ABN 64 064 105 488
ph.(618) 9442 3333
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PROJECT: DALGARANGA BANKABLE FEASIBILITY STUDY

DRAWN	CHECKED	APPROVED	DATE
BDF		UK	12.09.16
DESIGN ENG.	DESIGN DWG.		

TITLE: DALGARANGA GOLD PROJECT
OVERALL PROJECT LAYOUT PLAN

SCALE	DRAWING No.	REV
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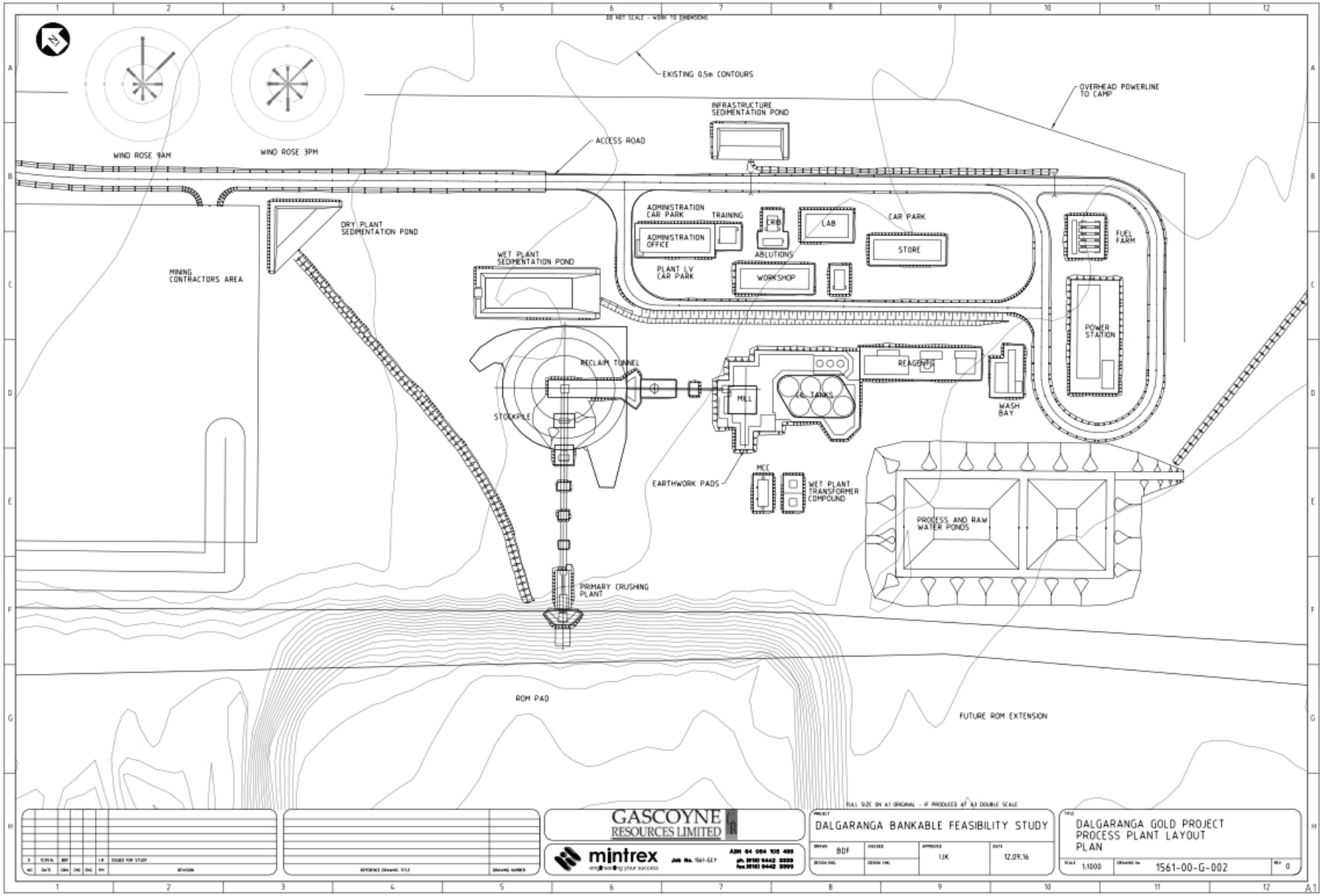

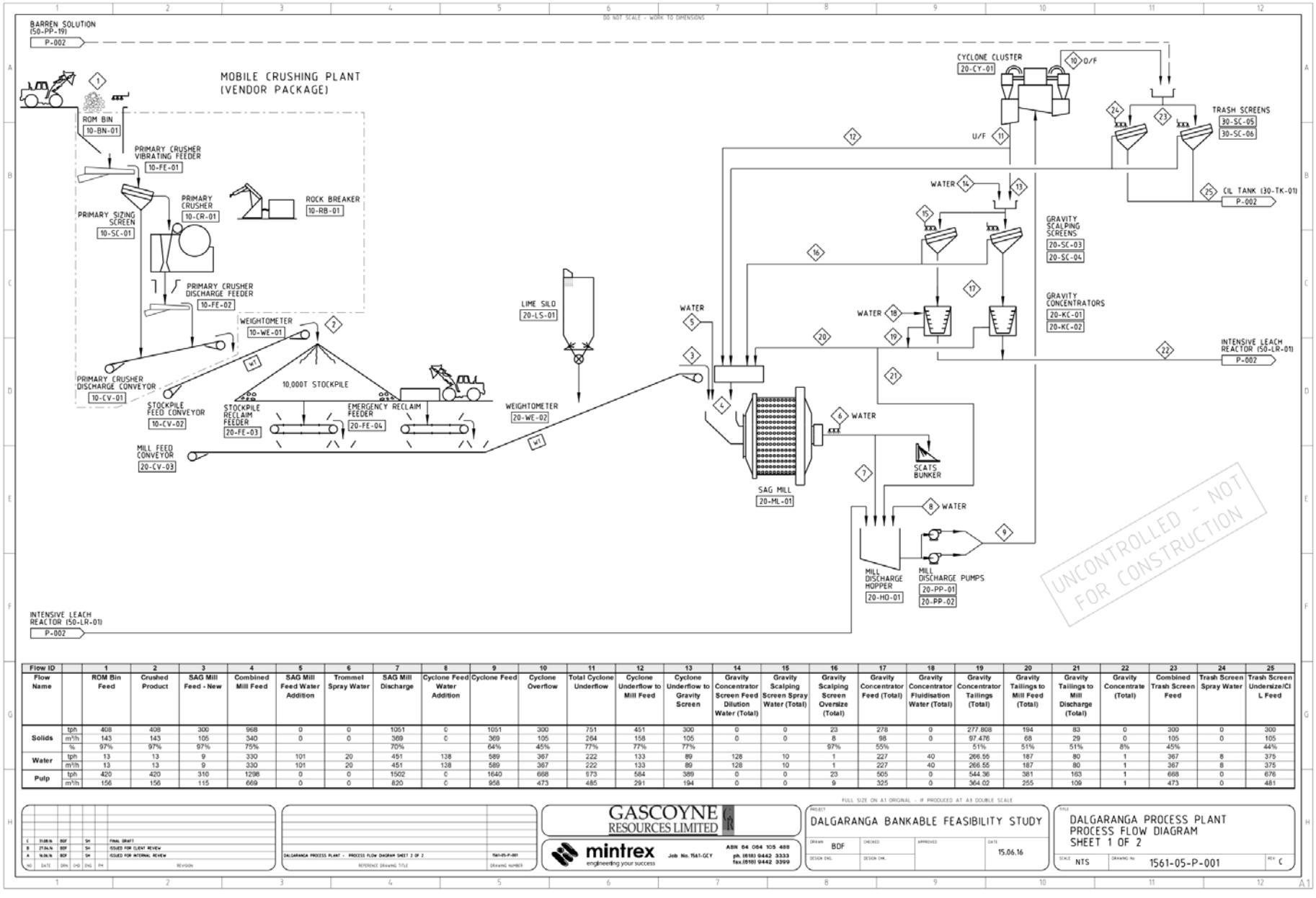

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Solids	tph	408	408	300	968	0	0	1051	0	1051	300	751	451	300	0	0	23	278	0	277.808	194	83	0	300	0	300
	m³/h	143	143	105	340	0	0	369	0	369	105	264	158	105	0	0	8	98	0	97.476	68	29	0	105	0	105
	%	97%	97%	97%	75%			70%		64%	45%	77%	77%	77%			97%	55%		51%	51%	51%	8%	45%		44%
Water	tph	13	13	9	330	101	20	451	138	589	367	222	133	89	128	10	1	227	40	266.55	187	80	1	367	8	375
	m³/h	13	13	9	330	101	20	451	138	589	367	222	133	89	128	10	1	227	40	266.55	187	80	1	367	8	375
Pulp	tph	420	420	310	1298	0	0	1502	0	1640	668	973	584	389	0	0	23	505	0	544.36	381	163	1	668	0	676
	m³/h	156	156	115	669	0	0	820	0	958	473	485	291	194	0	0	9	325	0	364.02	255	109	1	473	0	481

NO	DATE	DRN	CHD	ENG	PM	REVISION
C	31.05.16	BDF		SH		FINAL DRAFT
B	27.04.16	BDF		SH		ISSUED FOR CLIENT REVIEW
A	16.04.16	BDF		SH		ISSUED FOR INTERNAL REVIEW

DALGARANGA PROCESS PLANT - PROCESS FLOW DIAGRAM SHEET 2 OF 2 — REFERENCE DRAWING TITLE
1561-05-P-001 — DRAWING NUMBER

GASCOYNE RESOURCES LIMITED

mintrex engineering your success — Job No. 1561-GCY

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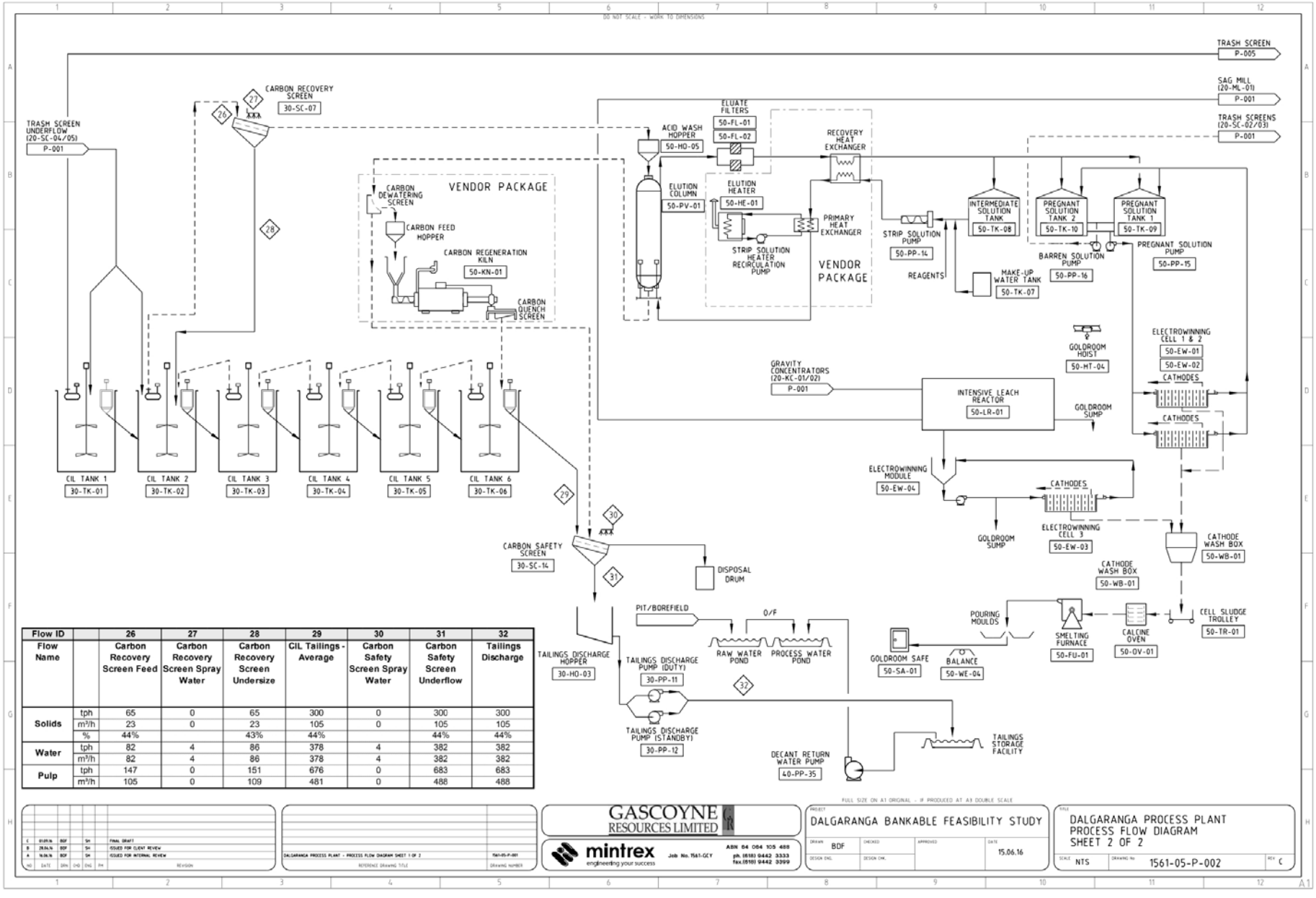
FULL SIZE ON A1 ORIGINAL - IF PRODUCED AT A3 DOUBLE SCALE

PROJECT: DALGARANGA BANKABLE FEASIBILITY STUDY

DRAWN	CHECKED	APPROVED	DATE
BDF			15.06.16
DESIGN ENG.	DESIGN CHK.		

TITLE: DALGARANGA PROCESS PLANT PROCESS FLOW DIAGRAM SHEET 1 OF 2

SCALE: NTS — DRAWING No: 1561-05-P-001 — REV: C



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Solids	tph	65	0	65	300	0	300	300
	m³/h	23	0	23	105	0	105	105
	%	44%		43%	44%		44%	44%
Water	tph	82	4	86	378	4	382	382
	m³/h	82	4	86	378	4	382	382
Pulp	tph	147	0	151	676	0	683	683
	m³/h	105	0	109	481	0	488	488

NO	DATE	DRN	CHD	ENG	PM	REVISION
C	01.09.16	BDF		SH		FINAL DRAFT
B	28.06.16	BDF		SH		ISSUED FOR CLIENT REVIEW
A	16.06.16	BDF		SH		ISSUED FOR INTERNAL REVIEW

DALGARANGA PROCESS PLANT - PROCESS FLOW DIAGRAM SHEET 1 OF 2 — REFERENCE DRAWING TITLE
1561-05-P-001 — DRAWING NUMBER

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DO NOT SCALE - WORK TO DIMENSIONS

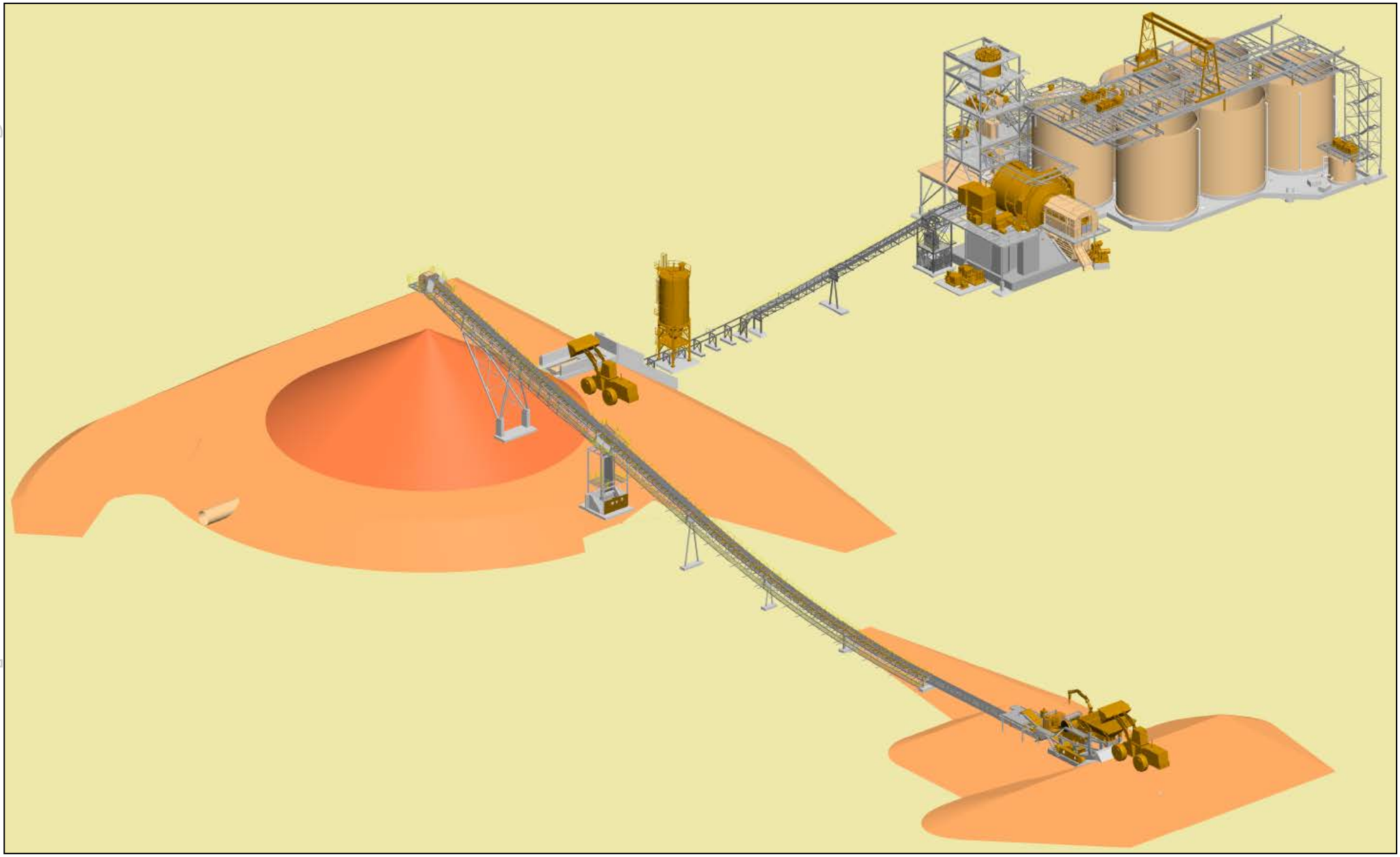
FULL SIZE ON A1 ORIGINAL - IF PRODUCED AT A3 DOUBLE SCALE

PROJECT: DALGARANGA BANKABLE FEASIBILITY STUDY

DRAWN	CHECKED	APPROVED	DATE
BDF			15.06.16
DESIGN ENG.	DESIGN CHK.		

TITLE: DALGARANGA PROCESS PLANT
PROCESS FLOW DIAGRAM
SHEET 2 OF 2

SCALE: NTS — DRAWING No: 1561-05-P-002 — REV: C



Isometric view of the Dalgaranga Process Plant

Project Infrastructure

The Dalgaranga project is very well supported by existing regional and local infrastructure, including the regional mining centre of Mount Magnet approximately 65km to the south east of the project. In addition to Mt Magnet, locally there is existing infrastructure including a communication tower on site, excellent road access, existing haul roads, a plentiful good quality water supply and an existing TSF, which can accommodate at least another 2.5 Mt of tailings storage. This infrastructure provides a substantial advantage and significantly reduces the cost of developing the project.

Site Development

The unsealed, all weather (except extreme rain events), Dalgaranga – Mt Magnet road services the route between the Dalgaranga site and the town of Mt Magnet to the south-east. This road is accessed from the Great Northern Highway via Mt Magnet. As a gazetted road, the Shire of Mt Magnet has recently upgraded the Dalgaranga – Mt Magnet road. No additional work is required in order for this road to be utilised by the DGP. Existing site access is via two (northern and southern) existing site access roads branching from the Dalgaranga – Mt Magnet road to the site, both of which are unsealed.

Gascoyne will construct a fully supported 182 person accommodation camp at the site of the previous accommodation camp, an area located approximately six kilometres to the north-east of the process plant. The camp will be operated by a catering and accommodation service provider on a long term operating contract. The camp contractor will be responsible for all operations at the accommodation camp including catering, cleaning and maintenance activities.

During the construction and operational phases the Mt Magnet asphalt all-weather aerodrome will be utilised. Personnel will be transported via bus between the site accommodation village and the Mt Magnet aerodrome.

Power Supply

Power supply for the Dalgaranga operation will be generated in an onsite diesel power station. The power station will be located adjacent to the process plant. It will house 12 (10 operating and two standby) 1MW diesel generators. The power station will be supplied, installed and operated on a build, own, operate (BOO) basis by a specialist power generation supplier. The power provider will be responsible for all operations and maintenance of the power station including the provision of all consumables and parts with the exception of diesel.

Tailings Storage Facility

An existing TSF is located adjacent to the Gilbeys pit, on the western edge of the mining lease. The TSF comprises a paddock-style square storage cell approximately 800 x 800 metres in footprint area (53ha top surface area). Coffey have undertaken the FS design for an embankment rise of the existing facility. The TSF embankment will be raised by 3.5m during the project's construction phase.

Golden Wings In-Pit Tailings Disposal

After the storage capacity from the Paddock TSF has been exhausted, the remaining LOM tailings production will be pumped to and deposited in the Golden Wings mine void.

The conversion of the Golden Wings void into an in-pit TSF (GWTSF) will provide the additional tailings storage capacity for the current project life. Tailings will be deposited into the GWTSF sub-aerially via one of six spigot points located along the western and northern perimeters of the pit.

Environment and Social

Gascoyne is committed to ensure that the Dalgaranga Gold Project (DGP) is an environmentally and socially responsible and sustainable project, identifying and managing risks at all levels. Studies have shown positive social outcomes and further rehabilitation of existing landforms will improve their future impact on the environment.

The potential Environmental Impacts, resulting from the DGP, have been assessed during environmental and operational studies completed for the Dalgaranga Feasibility Study.

During the exploration activities, resource development drilling and FS, Gascoyne staff and representative consultants have communicated and liaised with various stakeholders, including regulatory bodies, Pastoral lease holders, the Mt Magnet Shire, local Mt Magnet business's and other mining companies in the region.

During formal stakeholder meetings, various presentations were given to inform relevant stakeholders of the likely project logistics, including a timeline for the various construction and operational aspects. All stakeholder meetings were held in good spirits with positive outcomes. Gascoyne Resources has made a point committing to use local services and labour, where possible, benefiting the local community.

Proactive information sharing with regulatory departments has been well received. During stakeholder meetings with DPaW (September 2016) Gascoyne Resources has committed to implementing a communications protocol for use during local emergency situations, for example Bush Fires, whereby earthmoving equipment, water supply, accommodation and services are made available to DPaW should they become necessary.

Consultation with stakeholders will continue throughout the life of the Project to ensure stakeholder concerns and objectives are accounted for.

Operations Strategy

Gascoyne's overall operations strategy is to exploit the gold bearing Dalgaranga project reserves by using bulk tonnage mining methods to feed the purpose built processing plant. The plant will utilise conventional gravity recovery and cyanide leaching technology (Carbon in Leach – CIL) in order to recover and produce gold doré. The mining and processing activities will be supported by facilities, systems, services and infrastructure that are sufficient in magnitude, fit for purpose and based upon existing models and methods used at other gold operations within Australia.

The General Manager – Dalgaranga Operations (GM) will be responsible for overall site operations and will report to Gascoyne's Managing Director. The majority of personnel will be sourced from Perth and Geraldton and operate on a fly-in, fly-out (FIFO) basis. Due to the proximal location of the operation to Mt Magnet, the operation will utilise the established mining infrastructure and services of the town where possible.

Contract mining operations will operate on a continuous (two 12-hour shift per day) basis. Contract mining personnel will likewise be accommodated in the Dalgaranga village. It is expected that the mining contractor will operate on the same roster and processing personnel – 14 work shifts followed by seven rostered days off.

The operations strategy is based on the use of directly employed personnel in full time positions as a preference to the use of contractors, except for mining and catering operations. Mining and catering operations will be undertaken by contract personnel. Operational support functions such as bullion transport, access road maintenance and freight services will be provided by service contractors.

Mining Contract

All mining operations will be carried out by a suitably experienced open pit mining contractor. This contractor will also be responsible for the mining-related construction activities, including Run of Mine (ROM) pad and haul road construction and maintenance during operations.

The mining contractor shall be responsible for:

- Drilling and blasting;
- Loading and hauling;
- Supply of ancillary equipment;
- Equipment maintenance;
- Ore re-handling;
- Haul road construction and maintenance;
- Waste dump construction;
- Short term mine planning;
- Procurement of mining supplies;
- General Administration of mining activities.

ROM stockpile management will be shared by the Gascoyne mining and processing departments. The mining department will engage the mining contractor to haul ore to and stockpile ore on the ROM pad. Feeding of the primary crusher will be done by Gascoyne's processing department.

Ore will arrive in 100 - 140 t trucks directly from the mining area and will be dumped onto the ROM pad into various graded stockpiles. Ore will be rehandled from the graded stockpiles on the ROM pad by a FEL and fed to the primary crushing plant with the required processing blend.

Occupational Health and Safety

The FS operational implementation strategy has investigated organisation structures, recruitment and employment policies and the accommodation and support facilities required for the operation of a profitable, sustainable and safe gold mine.

In addition to complying with requirements of the various statutory Acts and Regulations which govern workplace health and safety in WA, the DGP will develop and implement a site wide occupational health and safety management systems to govern site operations. The key driver behind the development and implementation of these OHS management systems is the commitment to providing a safe a healthy working environment for all staff, contractors and visitors to the DGP.

Operating Cost Estimate

Mintrex have calculated the operating costs based on various processing throughputs and for different material types. For the purpose of the FS, the processing costs are split into oxide ore, transitional and upper fresh ore and deeper fresh ore (assuming a 2.5Mtpa throughput).

The costs have been built up from first principles and have used the historical reagent consumption data and recent testwork reagent consumptions to assist in validating the operating cost model. Due to the soft oxide and transitional ore and moderately hard fresh rock, low reagent consumption high throughput rates and high metallurgical recovery, the operating costs on a per ounce basis are low compared to other projects. See Table D for a summary of the operating costs.

Table D: Operating Cost Estimate Summary (assuming A$1,600 gold price)

Item	LOM Cost (A$M)	LOM Cost / Ore Tonne	LOM Cost / Ounce (A$/oz)
Mining	$268	$19.03	$496
Processing and Maintenance	$168	$11.96	$312
General & Administration	$33	$2.36	$61
State Royalties and Refining Charges	$22	$1.58	$41
Sustaining Capital	$13	$0.79	$21
Total	**$504**	**$35.71**	**$931**

Capital Cost Estimate

Mintrex have built up the capital cost estimate to provide current costs suitable for use in assessing the economics of the project and to provide the initial control of capital expenditure. The estimated project capital cost is $86.2 million, inclusive of $6.1 million of contingencies.

The capital cost estimate is based upon an EPCM approach and has been prepared to a level equivalent of that of a feasibility study and is presented in Australian dollars (AUD) to an accuracy level of +/-15% as at Quarter 4 2016.

Table E Capital Cost Estimate Summary

CAPITAL COSTS (A$)	Life of Mine
New 2.5 Mtpa Processing Plant	$60.0M
Infrastructure Capital (Offices, TSF, Camp Installation and Ancillary Infrastructure)	$14.8M
Owner's Costs, Construction Facilities, First Fills and Capital Spares	$ 5.3M
Contingency	$ 6.1M
Total Capital Cost	**$86.2M**

Financial Evaluations

The project can be split into two phases, one year of construction and commissioning and six years of production, giving a 7 year mine life based on the current pit designs and the known resources.

The financial evaluation has been completed on a 100% project basis and is based on A$1,600/oz gold price (or US$1,200 and a 75c exchange rate). Gascoyne currently owns an 80% interest in the project and is in discussions in relation to aquiring 100% interest.

Based on the operating cost estimate, metallurgical recoveries, mining schedule and the other aspects of the FS, a number of Net Present Values (NPV's) of the project have been calculated. At the base case gold price of A$1,600/oz (US$1,200/oz and an FX of 75c) and using an 8% discount rate, the project generates an NPV of A$177M (pre-tax), an IRR of 65% with a payback period of less than 18 months after commissioning of the Processing Plant.

Given the low AISC for the project, it is clear that the project is viable and robust at a wide range of gold price scenarios. Table 6 provides a sensitivity analysis demonstrating the forecast robust economics under a range of future gold prices scenarios.

Table 6 Economic Evaluation Variation with Gold Price

A$ Gold Price	Cumulative Cashflow ($M)	Pre-tax NPV (A$M) based on 8% discount rate	IRR	Payback Months	US$ Price (75c FX)
$1,750	$355	$234	83%	14	$1,312
$1,600	**$276**	**$177**	**65%**	**18**	**$1,200**
$1,500	**$223**	**$138**	**53%**	**25**	**$1,125**

Cautionary Statement:

The Company Advises that while the is FS based on Proved and Probable Ore Reserves (93%), it is partly based on Inferred Mineral Resources (7%). There is a lower level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Inferred Mineral Resources will add to the economics of the project. There has historically been very good conversion of Inferred Resources into Indicated Resources as the geological structures and geological units that host the mineralisation can be traced along strike and at depth. Currently the drill density is too sparse to allow this material to be classified as Indicated Resources. As a result there is no assurance that the economic evaluation outlined above will be realised.

Permitting and Approvals

As a result of the area not being subject to any native title claim, Gascoyne already has the Mining Lease for the project granted. The lease was granted in February 2013 and extends to 2034, at which point it can be extended for a further 21 years.

Heritage searches have been undertaken on the project and indicate that no areas of heritage significance exist within the project area.

In addition to the grant of the Mining Lease, Gascoyne has commenced the permitting required for the project. The historical annual environmental reports and the original mine approval documents (from 1996) have also been obtained. The data from these reports and the original mine development proposals have been used to inform the future Mining Proposal (MP) and Mine Closure Plan (MCP).

The Mining Proposal (MP), Mine Closure Plan (MCP) and Works Approval have all been submitted to the Department of Mines and Petroleum for assessment.

While approval of some of the permits are yet to be received they are expected to be received in late December 2016 or January 2017. As a result permitting will not hinder the development timetable for the project.

Project Implementation Schedule

Once the financing for the project has been completed and regulatory approvals are received, the construction will commence.

It is anticipated that this will result in site activities commencing in Q1 CY2017 with a 12-14 month construction schedule leading to targeted gold production in Q1 CY2018.

Financing and Forward Looking Statements

As noted above, the Project capital cost of $86.2 million can be paid back in less than 18 months from commisioning of the processing plant at A$1,600 gold price. This coupled with the fact that the project has an Ore Reserve of 552,000 ounces, provides the Company with confidence that it will be able to finance the project on attractive terms.

Gascoyne intends to finance the project through a combination of debt and equity, although other structures which are in shareholders best interest will also be considered. The Company will take a prudent and measured approach to the level of debt that the Company will take on, while also minimising shareholder dilution.

Preparations for debt funding are well advanced and the Company is in discussions with a number of Australian and international banks to secure funding.

Gascoyne has already engaged an independent technical expert to complete a review of the project on the potential financiers behalf. This review is expected to be completed by the end of CY2016.

The Feasibility study constitutes a forward looking statement including indications on future earnings, cashflow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance. These risks and uncertainties include but are not limited to estimations inherent in mine development and production; geological, mining and processing technical problems; the inability to obtain mine licenses, permits and other regulatory approvals required in connection with mining and processing operations, competition for among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel, changes in commodity prices and exchange rate, currency and interest rate fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be correct.

This release has been prepared in compliance with the current JORC Code 2012 Edition and the ASX Listing Rules. All material assumptions on which the forecast financial information is based have been included in this announcement, The Company notes that an Inferred Mineral Resource has a lower level of confidence than an Indicated Mineral Resource and that the JORC Code 2012 advises that to be an Inferred Mineral Resource it is reasonable to expect that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration. Based on advice from relevant Competent Persons, the Company is confident that a significant portion of the Inferred Mineral Resources for the DGP will be upgraded to Indicated Mineral Resources with further exploration work.

In relation to the application of Inferred Mineral Resource (7%) in the production target, the Company notes that there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realized. The DGP’s geology and mineralisation are well understood. Detailed logging of all drill holes together with

excellent mine geological documentation undertaken during the previous mining operation in the 1990s provides Gascoyne with a high level of confidence it understands the lithologies and mineralisation characteristics of the potential mines that comprise the DGP.

Gascoyne has an experienced board and management team (which is currently growing) which has a proved track record of discovery and development of been involved in the development of numerous mines in Australia and globally.

Gascoyne's Chairman, Mr Mike Joyce was formerly the Managing Director of Giralia Resources NL, which prior to it's takeover was an ASX listed company with a market capitalisation of the circa $900 million.

Gascoyne's Managing Director, Mr Mike Dunbar, is an experienced project developer and has been involved in development of over 5 gold and base metals mines in Australia and overseas.

In addition to the board, the development team is currently undergoing significant growth with appointment of a highly experienced project manager expected in the next week and an experienced CFO and senior development geologist already within the team.

The Company believes it has a reasonable basis for making the forward-looking statements in this release, including with respect to any Production Targets and economic evaluation based on information contained in this release.

Conclusion and Recommendations

The Gascoyne Board has approved the Feasibility Study and subject to obtaining a suitable financing arrangement, has approved the project to proceed to construction. It is anticipated that construction will commence as soon as financing has been completed with gold production targeted for Q1 CY2018.

Further opportunities to grow the project exist, in particular from ongoing exploration at the Gilbeys South prospect, where a 550m extension to the Gilbeys deposit has been discovered, let alone the other regional prospects which the Company continues to drill.

An aggressive exploration effort will continue at the project to further enhance the already robust project.

BACKGROUND ON GASCOYNE RESOURCES

Gascoyne Resources Limited was listed on the ASX in December 2009 and is focused on exploration and development of a number of gold projects in Western Australia.
The Company's two main gold projects combined have **2.1 million ounces of contained gold on granted Mining Leases**:

DALGARANGA (80% GCY):

The Dalgaranga project is located approximately 65km by road NW of Mt Magnet in the Murchison gold mining region of Western Australia and covers the majority of the Dalgaranga greenstone belt. After discovery in the early 1990's, the project was developed and from 1996 to 2000 produced 229,000 oz's of gold with reported cash costs of less than $350/oz.

The project contains a JORC Measured, Indicated and Inferred Resources of **25.7 Mt @ 1.4g/t Au for 1,116,000 ounces** of contained gold (Table 2). The Dalgaranga project has an Initial **Proved and Probable Ore Reserve of 552,000 ounces of gold** (Table B above).

A PFS study has been completed and full FS has commenced The PFS, has highlighted a robust development case for the project.
It is expected that the FS will be completed by the end of 2016, with final development decision in early 2017. The PFS investigated the development of two open pits feeding a 2.5Mtpa processing facility resulting in production of around 104,000ozpa for 6 years. Optimisation studies have suggested that the operation would be a low cost, high margin and long life operation with high operating margins.
Significant exploration potential also remains outside the known resources with numerous historical geochemical prospects only partly tested.

Table 2 – Dalgaranga September 2016 Mineral Resource Estimate (0.5 g/t Cut-off Above 120 mRL, 1.0 g/t Cut-off Below 120 mRL)

Type	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Laterite				0.5	1.11	17,000	0.1	0.8	3,000	0.6	1.1	21,000
Oxide	0.4	1.69	22,000	1.0	1.65	55,000	0.6	1.7	31,000	2.0	1.7	108,000
Transitional	0.3	1.83	17,000	0.8	1.69	42,000	0.3	1.5	14,000	1.4	1.7	74,000
Fresh	2.2	1.31	94,000	11.2	1.28	460,000	8.3	1.3	360,000	21.7	1.3	913,000
Total	**2.9**	**1.41**	**133,000**	**13.4**	**1.33**	**574,000**	**9.3**	**1.4**	**408,000**	**25.7**	**1.4**	**1,116,000**

GLENBURGH (100% GCY):

The Glenburgh Project in the Gascoyne region of Western Australia, has a Measured, Indicated and Inferred resource of: **21.3 Mt @ 1.5g/t Au for 1.0 million oz gold** from several prospects within a 20km long shear zone (see Table 3)

A preliminary feasibility study on the project has been completed (see announcement 5th of August 2013) that showed a viable project exists, with a production target of 4.9mt @ 2.0g/t for 316,000oz (70% Indicated and 30% Inferred resources) within 12 open pits and one underground operation. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The study showed attractive all in operating costs of under A$1,000/oz and indicated a strong return with an operating surplus of ~ A$160M over the 4+ year operation. The study included approximately 40,000m of resource drilling, metallurgical drilling and testwork, geotechnical, hydro geological and environmental assessments. Importantly the study has not included the drilling completed during 2013, which intersected significant shallow high grade zones at a number of the known deposits.

Table 3: Glenburgh Deposits - Area Summary

2014 Mineral Resource Estimate (0.5g/t Au Cut-off)

Area	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
North East	0.2	4.0	31,000	1.4	2.1	94,000	3.3	1.7	178,000	**4.9**	**1.9**	**303,000**
Central	2.6	1.8	150,000	3.2	1.3	137,000	8.4	1.2	329,000	**14.2**	**1.3**	**616,000**
South West							2.2	1.2	84,000	**2.2**	**1.2**	**84,000**
Total	**2.9**	**2.0**	**181,000**	**4.6**	**1.6**	**231,000**	**13.9**	**1.3**	**591,000**	**21.3**	**1.5**	**1,003,000**

Note: Discrepancies in totals are a result of rounding

EGERTON (100% GCY)

The project includes the high grade Hibernian deposit which contains a resource of **116,400 tonnes @ 6.4 g/t gold for 24,000 ounces** in the Measured, Indicated and Inferred JORC categories (Table 4). The deposit lies on a granted mining lease and previous drilling includes high grade intercepts, **2m @ 147.0 g/t gold**, **5m @ 96.7 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 current JORC Resource with drilling testing deeper extensions to known shoots and targeting new shoot positions.

Table 4: Egerton Project: Hibernian Deposit Mineral Resource (2.0g/t Au Cut-off)

Classification	Tonnes	Au g/t	Au Ounces
Measured Resource	32,100	9.5	9,801
Indicated Resource	46,400	5.3	7,841
Inferred Resource	37,800	5.1	6,169
Total	**116,400**	**6.4**	**23,811**

Gascoyne is continuing to evaluate the Glenburgh gold deposits to delineate meaningful increases in the resource base and progress project permitting, while also continuing to explore the Dalgaranga project with the view to moving towards a low capital cost development as rapidly as possible. The Company also has 100% ownership of the high grade Egerton project; where the focus has been to assess the economic viability of trucking high grade ore to either Glenburgh or to another processing facility for treatment and exploration of the high grade mineralisation within the region.

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

Appendix 1

Dalgaranga Project
Gilbeys Deposit
JORC Code (2012) Table 1
Section 1, 2 & 3

Exploration results at Gilbey's were reported by GCY and released to the ASX between 2013 and 2016. Mr Michael Dunbar, Managing Director of GCY compiled the information in Section 1 and Section 2 of JORC Table 1 in this Mineral Resource report and is the Competent Person for those sections. Mr Shaun Searle, an employee of RungePincockMinarco Limited (RPM) compiled the information in Section 3 of the following JORC Table 1 and is the Competent Person for that section.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The deposit has been drilled using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond (DD) drilling over numerous campaigns by several companies and currently by GCY. The majority of holes are on a 25m grid either infilling or extending known prospects. The majority of drill holes have a dip of -60°towards local grid east. • Sample procedures followed by historic operators are assumed to be in line with industry standards at the time. Current QAQC protocols include the analysis of field duplicates and the insertion of appropriate commercial standards. Based on statistical analysis of these results, there is no evidence to suggest the samples are not representative. • RC drilling was used to obtain 1m samples which were split by either cone or riffle splitter at the rig to produce a 3 - 5 kg sample. In some cases a 4m composite sample of approximately 3 – 5 kg was collected from the top portion of the holes considered unlikely to host significant mineralisation. The samples were shipped to the laboratory for analysis via 25g Fire Assay. Where anomalous results were detected, the single metre samples were collected for subsequent analysis, also via 25g Fire Assay. A 4m composite sample of approximately 3 – 5 kg was collected for all AC drilling. This was shipped to the laboratory for analysis via a 25g Aqua Regia digest with reading via a mass spectrometer. Where anomalous results were detected, single metre samples will be collected for subsequent analysis via a 25g Fire Assay. The diamond drilling was undertaken as diamond tails to the recently completed RC holes. One of the holes was HQ (to allow metallurgical samples to be collected) the last two are NQ. The NQ holes were

Criteria	JORC Code explanation	Commentary
		sampled by ½ core sampling while the HQ hole was ¼ core sampled. The samples are assayed using 50g charge fire assay with an AAS finish.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling used a nominal 5 ½ inch diameter face sampling hammer. AC drilling used a conventional 3 ½ inch face sampling blade to refusal or a 4 ½ inch face sampling hammer to a nominal depth. The diamond drilling was undertaken as diamond tails to the RC holes. One of the holes was HQ (to allow metallurgical samples to be collected) the last two were NQ.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC and AC sample recovery was visually assessed and recorded where significantly reduced. Very little sample loss was noted. The diamond drilling recovery was excellent with very little or no core loss identified. • RC samples were visually checked for recovery, moisture and contamination. A cyclone and splitter were used to provide a uniform sample and these were routinely cleaned. AC samples were visually checked for recovery moisture and contamination. A cyclone was used and routinely cleaned. 4m composites were speared to obtain the most representative sample possible. Diamond drilling was undertaken and the core measured and orientated to determine recovery, which was generally 100%. • Sample recoveries are generally high. No significant sample loss was recorded with a corresponding increase in Au present. Field duplicates produce consistent results. No sample bias is anticipated and no preferential loss/gain of grade material was noted. The diamond core has been consistently sampled with the left hand side of the NQ hole sampled, while for the HQ, the left hand side of the left hand half was sampled.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Detailed logging exists for most historic holes in the data base. Current RC and AC chips are geologically logged at 1m intervals and to geological boundaries respectively. RC chip trays and end of hole chips from AC drilling have been stored for future reference. Diamond drill holes have all been geologically, structurally and geotechnically logged. • RC and AC chip logging recorded the lithology, oxidation state, colour, alteration and veining. The Diamond core photographed tray by tray wet and dry. • All drill holes were logged in full.
Sub-sampling techniques and sample	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary*	• Diamond drilling completed by GCY was ½ core (for NQ) or ¼ core (for HQ) sampled. Previous companies have conducted diamond drilling, it is unclear whether ½

Criteria	JORC Code explanation	Commentary
preparation	*split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	core or ¼ core was taken by previous operators. • RC chips were riffle or cone split at the rig. AC samples were collected as 4m composites (unless otherwise noted) using a spear of the drill spoil. Samples were generally dry. 1m AC resamples are riffle split or speared. • To RC and AC samples are dried. If the sample weight is greater than 3kg, the sample is riffle split. Samples are pulverised to a grind size where 85% of the sample passes 75µm. • Field QAQC procedures included the insertion of 4% certified reference 'standards' and 2% field duplicates for RC and AC drilling. Diamond drilling has 4% certified standards included. • Field duplicates were collected during RC and AC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary. The diamond core has been consistently sampled with the left hand side of the NQ hole sampled, while for the HQ, the left hand side of the left hand half was sampled. • A sample size of between 3 and 5 kg was collected. This size is considered appropriate and representative of the material being sampled given the width and continuity of the intersections, and the grain size of the material being collected.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All RC samples were analysed using a 25g charge Fire Assay with an AAS finish which is an industry sample for gold analysis. A 25g aqua regia digest with an MS finish has been used for AC samples. Aqua regia can digest many different mineral types including most oxides, sulphides and carbonates but will not totally digest refractory or silicate minerals. Historically the samples have been analysed by both aqua regia digest and a leachwell process. Significant differences were recorded between these analytical techniques. The diamond sampling will be assayed using fire assay with a 50g charge and an AAS finish, additional quartz washes of the grinding mills is undertaken by the lab, before and after samples which contain visible gold. • No geophysical tools have been used at Gilbey's. • Field QAQC procedures include the insertion of both field duplicates and certified reference 'standards'. Assay results have been satisfactory and demonstrate an acceptable level of accuracy and precision. Laboratory QAQC involves the use of internal certified reference standards, blanks, splits and replicates. Analysis of these results also demonstrates an acceptable level

Criteria	JORC Code explanation	Commentary
		of precision and accuracy.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections were visually field verified by company geologists. • No twinned holes have been drilled to date by GCY, although infill drilling by has confirmed mineralisation thickness and tenor. • Field data is collected using Field Marshal software on tablet computers. The data is sent to Mitchell River Group for validation and compilation into an SQL database server. • Assay values that were below detection limit were adjusted to equal half of the detection limit value.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Historical collars were surveyed to within +/- 1m. GCY drill collars have been surveyed by hand held GPS to an accuracy of about 1m. The RC and diamond drill holes will be picked up by DGPS in the near future. A down hole survey was taken at least every 30m in RC holes by electronic multishot tool by the drilling contractors. Gyro surveys have been undertaken on selected holes to validate the multi shot surveys. • The grid system is MGA94 Zone 50. • The topographic surface has been sourced from historic data used during the operation of the mine. It is considered to be of sufficient quality to be valid for this stage of exploration.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Initial exploration by GCY is targeting discrete areas that may host mineralisation. Consequently current drilling is not grid based, however when viewed with historic data, the drill holes generally lie on existing grid lines and within 25m – 100m of an existing hole. • The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code. • In some cases 4m composite samples were collected from the upper parts of RC drill holes where it was considered unlikely for significant gold mineralisation to occur. Where anomalous results were detected, the single metre riffle split samples were collected for subsequent analysis. 4m composite samples were collected during AC drilling and where anomalous results were detected single metre riffle split or speared samples were collected for subsequent analyses.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the*	• Drilling sections are orientated perpendicular to the strike of the mineralised host rocks at Gilbey's, which is towards local

Criteria	JORC Code explanation	Commentary
geological structure	*deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	grid east. The drilling is angled at -60° which is approximately perpendicular to the dip of the stratigraphy. • No orientation based sampling bias has been identified in the data
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by GCY. RC samples are delivered daily to the Toll depot in Mt Magnet by GCY personnel. Toll delivers the samples directly to the assay laboratory in Perth. In some cases company personnel have deliver the samples directly to the laboratory. Diamond drill core is transported directly to Perth for cutting and dispatch to the assay laboratory for analysis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data is validated by Mitchell River Group whilst loading into database. Any errors within the data are returned to GCY for validation.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Dalgaranga Project is situated on tenement number M59/749. The tenement is currently held under a JV arrangement with Mr Jaime McDowell. GCY has an 80% interest in the tenement. • The tenement is in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The tenement area has been previously explored by numerous companies including BHP, Newcrest and Equigold. Mining was carried out by Equigold in a JV with Western Reefs NL from 1996 – 2000.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Regionally, the Dalgaranga Project lies within the Archean Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. At Gilbey's, gold mineralisation is associated is associated with sericite chlorite quartz schists after mafic rocks or sediments and quartz pyrite arsenopyrite dipping lodes within biotite-sericite-carbonate pyrite schists within a sheared porphyry-shale–basalt package.

Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• All exploration results have previously been reported by GCY between 2013 and 2015.
		• All information has been included in the appendices. No drill hole information has been excluded.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results are not being reported. • Not applicable as a Mineral Resource is being reported. • Metal equivalent values have not been used.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Most drill holes are angled to local grid east so that intersections are orthogonal to the expected orientation of mineralisation. It is interpreted that true width is approximately 70-100% of down hole intersections.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Relevant diagrams have been included within the Mineral Resource report main body of text.
Balanced Reporting	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All GCY hole collars were surveyed in MGA94 Zone 50 grid using differential GPS. GCY holes were down-hole surveyed with multi-shot tools. • Exploration results are not being reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All interpretations for Gilbey's mineralisation are consistent with observations made and information gained during previous mining at the Gilbey's open pit.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Gilbey's will continue to be drilled to extend the current Mineral Resource and delineate further resources. • Refer to diagrams in the body of text within the Mineral Resource report.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• For GCY drilling geological and field data is collected using Field Marshall software on tablet computers. Historical drilling data has been captured from historical drill logs. • The data is verified by company geologists before the data is sent to Mitchell River Group for further validation and compilation into a SQL database server. Historic data has been verified by checking historical reports on the project.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit by the Competent Person for Mineral Resources was conducted in November 2015. The deposit area, drill chips, outcrop, drill collars and the Gilbey's open pit were all inspected. The site visit concluded no significant issues were identified with regards to current geological understanding and data information.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the geological interpretation is considered to be good and is based on previous mining history and visual confirmation in outcrop and within the Gilbey's open pit. • Geochemistry and geological logging has been used to assist identification of lithology and mineralisation. • The deposit consists of local grid west dipping lodes. Infill drilling has supported and refined the model and the current interpretation is considered robust. • Outcrops of mineralisation and host rocks within the open pit confirm the geometry of the mineralisation. • Infill drilling has confirmed geological and grade continuity.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Gilbey's Mineral Resource area extends over a strike length of 1,160 m (from 3,425 mN – 4,585 mN) and includes the 400 m vertical interval from 430 mRL to 30 mRL.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine*	• Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade estimation was deemed suitable for the Gilbey's Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from drilling was 100 m down-dip beyond the last drill holes on section. This was equivalent to approximately one drill hole spacing in the this portion of the deposit and classified as Inferred Mineral Resource. Extrapolation was generally half drill hole spacing between drill holes. • The 2016 Mineral Resource estimate reported 4.6 Mt at 1.6 g/t Au, for 243,000 in-situ ounces. After taking into account dilution and metallurgical recovery (~94%); this compares reasonably well with reported production of 4.4 Mt at 1.5 g/t Au for 217,000 ounces. • No recovery of by-products is anticipated. • Only Au was interpolated into the block

Criteria	JORC Code explanation	Commentary
	drainage characterisation). • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	model. There are no known deleterious elements within the deposits. • The parent block dimensions used were 12.5 m NS by 5 m EW by 5 m vertical with sub-cells of 3.125 m by 1.25 m by 1.25 m. The parent block size was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the Gilbey's datatset. • An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography. Three passes were used. The first pass had a range of 50 m, with a minimum of 10 samples. For the second pass, the range was 100 m, with a minimum of 6 samples. For the third pass, the range was extended to 250 m, with a minimum of 2 samples. A maximum of 30 samples was used for all three passes. A maximum of 10 samples per hole was used in the Interpolation. • No assumptions were made on selective mining units. • Only Au assay data was available, therefore correlation analysis was not possible. • The deposit mineralisation was constrained by wireframes constructed using a 0.5 g/t Au cut-off grade. The wireframes were applied as hard boundaries in the estimate. • Statistical analysis was carried out on data from 35 lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the domains suggested that high grade cuts were required if linear grade interpolation was to be carried out. As a result high grade cuts ranging between 5 to 40 g/t Au were applied, resulting in a total of 42 samples being cut. • Validation of the model included detailed comparison of composite grades and block grades by northing and elevation. Validation plots showed reasonable correlation between the composite grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resource is reported at depth dependant cut-offs. For material within approximately 300 m of the topographic surface (425 mRL to 120 mRL), a reporting cut-off of 0.5 g/t Au was applied. For deeper material (120 mRL to 30 mRL), a reporting cut-off of 1.0 g/t Au was applied. Reporting cut-off grades selected based on an upside case Whittle shell generated during the Dalgaranga Gold Project Pre-Feasibility Study announced to the ASX on 31st March 2016. The Pre-Feasibility Study indicated that break-even cut-off grades for the combined Dalgaranga Gold Project Mineral Resource are 0.34 g/t, 0.39 g/t and 0.43 g/t Au for oxide, transitional and fresh material respectively; assuming a gold

Criteria	JORC Code explanation	Commentary
		price of $1,500, a metallurgical recovery of 95 % and an open pit mining method. The cutoff of 1.0g/t for the deeper material (below 120mRL) has been estimated by GCY using an internal cutoff calculator, current spot gold price of AUD$1,750 and recent open pit mining costs.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• RPM has assumed that the deposit could potentially be mined using open pit mining techniques. Open pit mining has previously occurred at the Gilbey's deposit. No assumptions have been made for mining dilution or mining widths, however mineralisation is generally broad with mineralisation widths of greater than 50m on most benches. It is assumed that mining dilution and ore loss will be in incorporated into any Ore Reserve estimated from this Mineral Resource.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Metallurgical testwork was conducted on the Gilbey's deposit by Equigold prior to the construction of a Processing Plant. Equigold mined the deposit from 1996 to 2000. GCY has access to extensive reconciliation records from that period of operation. The remaining mineralisation has the same characteristics to the mined resource. The company has conducted a limited metallurgical testwork programme as part of the Scoping Study. This has confirmed the excellent metallurgical recoveries with over 98% recovery via a standard CIL flowsheet.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Historical mining has occurred at the Gilbey's deposit. Existing waste dumps and a tailings storage facility lie in close proximity to the Gilbey's deposit. A level 1 flora and fauna survey has been undertaken at the nearby Golden Wings prospect. This confirmed that that there are no environmental impediments to development. GCY will work to mitigate environmental impacts as a result of any future mining or mineral processing.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within*	• There are 27 density measurements collected during historical drilling programs at Gilbey's. GCY have recorded an additional 312 measurements from the fresh zone. • Density is measured using the water immersion technique. Moisture is accounted for in the measuring process and measurements were separated for lithology, mineralisation and weathering. • It is assumed there are minimal void spaces in the rocks within the Gilbey's deposit. Values

Criteria	JORC Code explanation	Commentary
	the deposit. • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	applied in the Gilbey's block model are similar to other known bulk densities from similar geological terrains.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The Mineral Resource was classified as Measured, Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Measured Mineral Resource was defined by extensive grade control and close spaced diamond and RC drilling of less than 25 m by 25 m and where the mineralisation interpretation is robust. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50 m by 50 m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 50 m by 50 m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. • The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the*	• The lode geometry and continuity has been adequately interpreted to reflect the applied level of Measured, Indicated and Inferred Mineral Resource. The data quality is good and the drill holes have detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses. • The Mineral Resource statement relates to global estimates of tonnes and grade. • The 2016 Mineral Resource estimate reported 4.6 Mt at 1.6 g/t Au, for 243,000 in-situ ounces. After taking into account dilution and metallurgical recovery (~94%); this compares reasonably well with reported production of 4.4 Mt at 1.5 g/t Au for 217,000 ounces.

Criteria	JORC Code explanation	Commentary
	procedures used. • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	

Dalgaranga Project
Golden Wings Deposit
JORC Code (2012) Table 1
Section 1, 2 & 3

Exploration results at Gilbey's were reported by GCY and released to the ASX between 2013 and 2016. Mr Michael Dunbar, Managing Director of GCY compiled the information in Section 1 and Section 2 of JORC Table 1 in this Mineral Resource report and is the Competent Person for those sections. Mr Shaun Searle, an employee of RungePincockMinarco Limited (RPM) compiled the information in Section 3 of the following JORC Table 1 and is the Competent Person for that section.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The deposit has been drilled using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond (DD) drilling over numerous campaigns by several companies and currently by GCY. The majority of holes are on a 25m grid either infilling or extending known prospects. The majority of drill holes have a dip of -60° towards the south. • Sample procedures followed by historic operators are assumed to be in line with industry standards at the time. Current QAQC protocols include the analysis of field duplicates and the insertion of appropriate commercial standards. Based on statistical analysis of these results, there is no evidence to suggest the samples are not representative. • RC drilling was used to obtain 1m samples which were split by either cone or riffle splitter at the rig to produce a 3 - 5 kg sample. In some cases a 4m composite sample of approximately 3 – 5 kg was collected from the top portion of the holes considered unlikely to host significant mineralisation. The samples were shipped to the laboratory for analysis via 25g Fire Assay. Where anomalous results were detected, the single metre samples were collected for subsequent analysis, also via 25g Fire Assay. A 4m composite sample of approximately 3 – 5 kg was collected for all AC drilling. This was shipped to the laboratory for analysis via a 25g Aqua Regia digest with reading via a mass spectrometer. Where anomalous results were detected, single metre samples will be collected for subsequent analysis via a 25g Fire Assay.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RC drilling used a nominal 5 ½ inch diameter face sampling hammer. AC drilling used a conventional 3 ½ inch face sampling blade to refusal or a 4 ½ inch face sampling hammer to a nominal depth.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• RC and AC sample recovery was visually assessed and recorded where significantly reduced. Very little sample loss was noted. • RC samples were visually checked for recovery, moisture and contamination. A cyclone and splitter were used to provide a uniform sample

Criteria	JORC Code explanation	Commentary
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	and these were routinely cleaned. AC samples were visually checked for recovery moisture and contamination. A cyclone was used and routinely cleaned. 4m composites were speared to obtain the most representative sample possible. • Sample recoveries are generally high. No significant sample loss was recorded with a corresponding increase in Au present. Field duplicates produce consistent results. No sample bias is anticipated and no preferential loss/gain of grade material was noted.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Detailed logging exists for most historic holes in the data base. Current RC and AC chips are geologically logged at 1m intervals and to geological boundaries respectively. RC chip trays and end of hole chips from AC drilling have been stored for future reference. • RC and AC chip logging recorded the lithology, oxidation state, colour, alteration and veining.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC chips were riffle or cone split at the rig. AC samples were collected as 4m composites (unless otherwise noted) using a spear of the drill spoil. Samples were generally dry. 1m AC resamples are riffle split or speared. • To RC and AC samples are dried. If the sample weight is greater than 3kg, the sample is riffle split. Samples are pulverised to a grind size where 85% of the sample passes 75µm. • Field QAQC procedures included the insertion of 4% certified reference 'standards' and 2% field duplicates for RC and AC drilling. Diamond drilling has 4% certified standards included. • Field duplicates were collected during RC and AC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary. • A sample size of between 3 and 5 kg was collected. This size is considered appropriate and representative of the material being sampled given the width and continuity of the intersections, and the grain size of the material being collected.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All RC samples were analysed using a 25g charge Fire Assay with an AAS finish which is an industry sample for gold analysis. A 25g aqua regia digest with an MS finish has been used for AC samples. Aqua regia can digest many different mineral types including most oxides, sulphides and carbonates but will not totally digest refractory or silicate minerals. Historically the samples have been analysed by both aqua regia digest and a leachwell process. Significant differences were recorded between these analytical techniques. The diamond sampling will be assayed using fire assay with a 50g charge and an AAS finish, additional quartz washes of the grinding mills is undertaken by the lab, before and after samples which contain

Criteria	JORC Code explanation	Commentary
		visible gold. • No geophysical tools have been used at Golden Wings. • Field QAQC procedures include the insertion of both field duplicates and certified reference 'standards'. Assay results have been satisfactory and demonstrate an acceptable level of accuracy and precision. Laboratory QAQC involves the use of internal certified reference standards, blanks, splits and replicates. Analysis of these results also demonstrates an acceptable level of precision and accuracy.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections were visually field verified by company geologists. • No twinned holes have been drilled to date by GCY, although infill drilling by has confirmed mineralisation thickness and tenor. • Field data is collected using Field Marshal software on tablet computers. The data is sent to Mitchell River Group for validation and compilation into an SQL database server. • Assay values that were below detection limit were adjusted to equal half of the detection limit value.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Historical collars were surveyed to within +/- 1m. GCY drill collars have been surveyed by hand held GPS to an accuracy of about 1m. The majority of RC drill holes have been surveyed DGPS. A down hole survey was taken at least every 30m in RC holes by electronic multishot tool by the drilling contractors. Gyro surveys have been undertaken on selected holes to validate the multi shot surveys. • The grid system is MGA94 Zone 50. • The topographic surface has been sourced from historic data used during the operation of the mine. It is considered to be of sufficient quality to be valid for this stage of exploration.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Initial exploration by GCY is targeting discrete areas that may host mineralisation. Consequently current drilling is not grid based, however when viewed with historic data, the drill holes generally lie on existing grid lines and within 25m – 100m of an existing hole. • The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code. • In some cases 4m composite samples were collected from the upper parts of RC drill holes where it was considered unlikely for significant gold mineralisation to occur. Where anomalous results were detected, the single metre riffle split samples were collected for subsequent analysis. 4m composite samples were collected during AC drilling and where anomalous results were detected single metre riffle split or speared samples were collected for subsequent analyses.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is*	• Drilling sections are orientated perpendicular to the strike of the mineralised host rocks at Golden Wings, which is towards the south. The

Criteria	JORC Code explanation	Commentary
geological structure	*known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	drilling is angled at -60° which is approximately perpendicular to the dip of the stratigraphy. • No orientation based sampling bias has been identified in the data
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by GCY. RC samples are delivered daily to the Toll depot in Mt Magnet by GCY personnel. Toll delivers the samples directly to the assay laboratory in Perth. In some cases company personnel have deliver the samples directly to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Data is validated by Mitchell River Group whilst loading into database. Any errors within the data are returned to GCY for validation.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Dalgaranga Project is situated on tenement number M59/749. The tenement is currently held under a JV arrangement with Mr Jaime McDowell. GCY has an 80% interest in the tenement. • The tenement is in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The tenement area has been previously explored by numerous companies including BHP, Newcrest and Equigold. Mining was carried out by Equigold in a JV with Western Reefs NL from 1996 – 2000.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Regionally, the Dalgaranga Project lies within the Archean Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. At Golden Wings, two styles of in situ mineralisation are evident, with gold zones occurring as the following in fresh rock at depths around 100m: sericite-chlorite- quartz schists after mafic rocks or sediments; and quartz-pyrite-arsenopyrite plunging lodes within biotite-sericite-carbonate-pyrite schists related to quartz feldspar porphyry intrusions. In addition, zones of lateritic mineralisation overly the Golden Wings in situ mineralisation and varies between 2 to 5m in thickness.

Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
		• All exploration results have previously been reported by GCY between 2013 and 2016.
		• All information has been included in the appendices. No drill hole information has been excluded.

Criteria	JORC Code explanation	Commentary
	• *hole length* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration results are not being reported. • Not applicable as a Mineral Resource is being reported. • Metal equivalent values have not been used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Most drill holes are angled to the south so that intersections are orthogonal to the expected orientation of mineralisation. It is interpreted that true width is approximately 70-100% of down hole intersections.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Relevant diagrams have been included within the Mineral Resource report main body of text.
Balanced Reporting	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All GCY hole collars were surveyed in MGA94 Zone 50 grid using differential GPS. GCY holes were down-hole surveyed with multi-shot tools. • Exploration results are not being reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All interpretations for Golden Wings mineralisation are consistent with observations made and information gained during previous mining at the Golden Wings laterite pit.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The Golden Wings block model will be included in the Dalgaranga PFS, where results will be assessed prior to conducting any further work at the deposit. • Refer to diagrams in the body of text within the Mineral Resource report.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• For GCY drilling geological and field data is collected using Field Marshall software on tablet computers. Historical drilling data has been captured from historical drill logs. • The data is verified by company geologists before the data is sent to Mitchell River Group for further validation and compilation into a SQL database server. Historic data has been verified by checking historical reports on the project.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit by the Competent Person for Mineral Resources was conducted in November 2015. The deposit area, drill chips, outcrop, drill collars and the Golden Wings laterite pit were all inspected. The site visit concluded no significant issues were identified with regards to current geological understanding and data information.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the geological interpretation is considered to be good and is based on previous mining history and visual confirmation in outcrop and within the Golden Wings laterite pit. • Geochemistry and geological logging has been used to assist identification of lithology and mineralisation. • The deposit consists of north dipping lodes. Infill drilling has supported and refined the model and the current interpretation is considered robust. • Outcrops of mineralisation and host rocks within the laterite pit confirm the geometry of the mineralisation. • Infill drilling has confirmed geological and grade continuity.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Golden Wings Mineral Resource area extends over a strike length of 840m (from 528,950mE – 529,790mE) and includes the 175m vertical interval from 430mRL to 255mRL.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates,*	• Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade estimation was deemed suitable for the Golden Wings Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from drilling was 50m down-dip beyond the last drill holes on section. This was equivalent to approximately one drill hole spacing in the this portion of the deposit and classified as Inferred Mineral

Criteria	JORC Code explanation	Commentary
	previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Resource. Extrapolation was generally half drill hole spacing between drill holes. • The 2016 Golden Wings Mineral Resource estimate reported 97,000t at 1.4g/t Au, for 4,000 in-situ ounces from the laterite pit. The production figures reported from the Dalgaranga Project of 4.5Mt at 1.5g/t Au for 229,000 ounces include the Gilbey's deposit, therefore reconciliation for Golden Wings cannot be conducted. • No recovery of by-products is anticipated. • Only Au was interpolated into the block model. There are no known deleterious elements within the deposits. • The parent block dimensions used were 5m NS by 10m EW by 5m vertical with sub-cells of 1.25m by 2.5m by 1.25m. The parent block size was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the Golden Wings datatset. • An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography. Three passes were used. The first pass had a range of 40m, with a minimum of 10 samples. For the second pass, the range was 60m, with a minimum of 6 samples. For the third pass, the range was extended to 100m, with a minimum of 2 samples. A maximum of 30 samples was used for all three passes. A maximum of 6 samples per hole was used in the interpolation. • No assumptions were made on selective mining units. • Only Au assay data was available, therefore correlation analysis was not possible. • The deposit mineralisation was constrained by wireframes constructed using a 0.5g/t Au cut-off grade. The wireframes were applied as hard boundaries in the estimate. • Statistical analysis was carried out on data from 22 lodes. The high coefficient of variation and the scattering of high grade values observed on the histogram for some of the domains suggested that high grade cuts were required if linear grade interpolation was to be carried out. As a result high grade cuts ranging between 10 to 30g/t Au were applied, resulting in a total of 16 samples being cut. • Validation of the model included detailed comparison of composite grades and block grades by northing and elevation. Validation plots showed reasonable correlation between the composite grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resource is reported at a cut-off of 0.5g/t Au. Cut-off parameters were selected based on a Whittle shell generated during the Scoping Study, where a mining cut-off of

Criteria	JORC Code explanation	Commentary
		approximately 0.42g/t Au was determined.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• RPM has assumed that the deposit could potentially be mined using open pit mining techniques. Open pit mining has previously occurred at the Golden Wings deposit. No assumptions have been made for mining dilution or mining widths. It is assumed that mining dilution and ore loss will be in incorporated into any Ore Reserve estimated from this Mineral Resource.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Metallurgical testwork was conducted on the nearby Gilbey's deposit by Equigold prior to the construction of a Processing Plant. Equigold mined the deposit from 1996 to 2000. GCY has access to extensive reconciliation records from that period of operation. The remaining mineralisation has the same characteristics to the mined resource. The company has conducted a limited metallurgical testwork programme as part of the Scoping Study. This has confirmed the excellent metallurgical recoveries with over 98% recovery via a standard CIL flowsheet.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Historical mining has occurred at the Golden Wings deposit. Existing waste dumps and a tailings storage facility lie in close proximity to the Golden Wings deposit. A level 1 flora and fauna survey has been undertaken at Golden Wings. This confirmed that that there are no environmental impediments to development. GCY will work to mitigate environmental impacts as a result of any future mining or mineral processing.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• There were 27 density measurements collected during historical drilling programs at the nearby Gilbey's deposit. GCY have recorded an additional 312 measurements from the fresh zone at Gilbey's. These results have been incorporated into the Golden Wings block model. • Density is measured using the water immersion technique. Moisture is accounted for in the measuring process and measurements were separated for lithology, mineralisation and weathering. • It is assumed there are minimal void spaces in the rocks within the Golden Wings deposit. Values applied in the Golden Wings block model are similar to other known bulk densities from similar geological terrains.
Classification	• *The basis for the classification of the*	• The Mineral Resource estimate is reported here

Criteria	JORC Code explanation	Commentary
	Mineral Resources into varying confidence categories. • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The Mineral Resource was classified as Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 30m by 30m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 30m by 30m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. • The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The lode geometry and continuity has been adequately interpreted to reflect the applied level of Indicated and Inferred Mineral Resource. The data quality is good and the drill holes have detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses. • The Mineral Resource statement relates to global estimates of tonnes and grade. • The 2016 Golden Wings Mineral Resource estimate reported 97,000t at 1.4g/t Au, for 4,000 in-situ ounces from the laterite pit. The production figures reported from the Dalgaranga Project of 4.5Mt at 1.5g/t Au for 229,000 ounces include the Gilbey's deposit, therefore reconciliation for Golden Wings cannot be conducted.

Dalgaranga Project
Gilbeys and Golden Wings Deposits
JORC Table 1, Section 4 – Estimation and Reporting of Ore Reserves

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral Resource estimate for conversion to Ore Reserves</td><td>• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.
• Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</td><td>• The Mineral Resource estimates for Both the Golden Wings deposit (GW) and Gilbeys deposit (GB) have been prepared by Mr Shaun Searle of Runge Pincock Minarco, and have been reported on the ASX on the 7th of September 2016. (See above)
• The Mineral Resource is reported inclusive of the Ore Reserves.</td></tr>
<tr><td>Site visits</td><td>• Comment on any site visits undertaken by the Competent Person and the outcome of those visits.
• If no site visits have been undertaken indicate why this is the case.</td><td>• A CSA Global Principal mining engineer, Paul OCallaghan has visited the Dalgaranga site in October 2016 where existing infrastructure and excavations were inspected. No issues that could impact on the Ore Reserve estimate were observed.</td></tr>
<tr><td>Study status</td><td>• The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.
• The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</td><td>• CSA Global is working with Gascoyne Resources and its technical advisors to prepare a Feasibility Study for the Dalgaranga operation. This study is nearing completion. The results of the study indicate that the Dalgaranga mine plan is technically achievable and economically viable. The material modifying factors have been appropriately considered in this study.</td></tr>
<tr><td>Cut-off parameters</td><td>• The basis of the cut-off grade(s) or quality parameters applied.</td><td>• The open pit mining shells have been calculated using; a gold price of AU$1,600/oz for Golden Wings and AU$1,550/oz for Gilbeys. The cut-off grade differentiates between material types due to the differential cost of processing.
<table><tr><th></th><th>Oxide</th><th>Transitional</th><th>Fresh</th></tr><tr><td>Golden Wings</td><td>0.31</td><td>0.31</td><td>0.37</td></tr><tr><td>Gilbeys</td><td>0.28</td><td>0.34</td><td>0.41</td></tr></table></td></tr>
<tr><td>Mining factors or assumptions</td><td>• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).
• The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including</td><td>• Pit optimisations have been completed by CSA Global. These optimisations have been used to identify ultimate pit dimensions and pit stages for GW and GB deposits.
• The GW deposit is the smaller of the two deposits and is mined in a single stage, early in the life of the operation. The GB deposit has been separated into two stages of mining.
• Detailed mine designs of the stages and final open pit have been developed, guided by the pit optimisations. These designs were subsequently used to generate a detailed schedule of the mining operations.
• The mining method that is applied to the Dalgaranga</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	associated design issues such as pre-strip, access, etc.	operation is conventional drill and blast, load and haul open pit mining methods in line with the methods previously applied in the operation. These methods are the same as many other similar operations within the Western Australian Goldfields. The mining equipment applied to the operation is sized to produce productive operations. Larger excavators are applied to the waste cut-backs in the initial stages of the operation, smaller excavators are used in ore mining and the later stages of the operation when the stripping ratio reduces.
	• *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.*	• The geotechnical parameters applied to the designs for GW and GB are based on geotechnical analysis completed by a specialist geotechnical consultant. The GB deposit has been previously mined and the applied parameters are reflected in existing stable slopes of the historic excavations.
	• *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).*	• The Mineral Resource was estimated by Mr Shaun Searle of Runge Pincock Minarco and announced on the 7th of September 2016. • The resource block model comprised block dimensions of 5m x 10m x 5m with sub-cells of 1.25m x 2.5m x 1.25m for Golden Wings and 12.5m x 5m x 5m with sub-cells of 3.125m x 1.25m x 1.25m for Gilbeys.
	• *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.*	• Overall mining factors applied to the Resource Model are 8% mine dilution and 98% mine recovery. Minimum mining widths applied to the design are 15m at the bottom of the pits and generally 30m for the remainder of the mining areas.
	• *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.*	• Inferred Mineral Resources have been included in the pit optimisation and mining schedule but have been reported as waste when generating the Ore Reserve Estimate. Inferred Mineral Resources comprises less than 7% of the mined gold ounces in the pit designs and schedule. The majority of this material occurs in the later stages of mining substantially after the project has paid-back all investment. The economic viability of the operation is not dependent on the Inferred material at any stage.
	• *The infrastructure requirements of the selected mining methods.*	• Operational establishment, processing plant, camp, site and mine infrastructure, have been included in cashflow modelling.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.*	• The project proposes to use a carbon in leach (CIL) processing method. Processing will be conducted in a newly constructed plant adjacent to the mining operations. • The proposed process includes two stage crushing, milling, gravity recovery and cyanide leaching; carbon adsorption and gold recovery. This technology is well-tested, and does not introduce any novel techniques.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
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Whether the metallurgical process is well-tested technology or novel in nature.
The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.
Any assumptions or allowances made for deleterious elements.
The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.
For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?

</td><td>

The proposed processing method aligns with the previous methods applied at the Dalgaranga operation. The design of the plant is based on a plant successfully operating in the region.
Recent metallurgical test-work has been conducted on drill samples of the deposits. The results show that the proposed processing methods will produce good gold recoveries as described in the table below. The test results align with metallurgical performance achieved in the previous operation of this deposit.

<table>
<tr><th>Deposit</th><th>Material</th><th>Metallurgical Recovery (%)</th></tr>
<tr><td>Golden Wings</td><td>Oxide</td><td>96</td></tr>
<tr><td></td><td>Transition</td><td>95</td></tr>
<tr><td></td><td>Fresh</td><td>95</td></tr>
<tr><td>Gilbeys</td><td>Oxide</td><td>93</td></tr>
<tr><td></td><td>Transition</td><td>92</td></tr>
<tr><td></td><td>Fresh</td><td>91</td></tr>
</table>

Test work does not indicate any preg-robbing characteristics for the oxide, transitional or fresh zones.
Previous operations mined a substantial portion of the GB deposit. The metallurgical test-work recently concluded and applied to this Ore Reserve estimate aligns with previous performance.
The sold product will be gold doré bars.

</td></tr>
<tr><td>Environmental</td><td>

The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.

</td><td>

Acid rock drainage issues have been identified in isolated portions of the waste material mined at depth in the GB pit. Provisions have been made in the waste dump design to encapsulate any problematic potentially acid forming material according to industry accepted practices.
The existing tailings storage facility is intended to be re-commissioned for the life of the operation, with extensions budgeted in the later parts of the mine life.
A portion of the tailings is planned to be deposited into Golden Wings after Golden Wings has been mined to completion.
Baseline environmental and heritage studies have been conducted on the Dalgaranga property and environmental licensing is not identified to pose any restriction to the planned activities.

</td></tr>
<tr><td>Infrastructure</td><td>

The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.

</td><td>

The Dalgaranga project is in the Murchison region of Western Australia. Previous mining operations at the site were decommissioned, deconstructed and the site was closed. There is sufficient land within the operating area for the planned activities to be re-established.
Water supply for the process will be sourced, in the first two years, from dewatering of the GB pit lake. Perimeter extraction bores will provide a source of

</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		water during the mine life. An existing bore-field will provide supplementary process water for the remainder of the mine life. • A 160-person camp site will be established in proximity to the mine site. Workshops, offices, and warehouse is planned adjacent to the mining and processing operations as required. • Power supply to the operation will be from a set of diesel generators • Potable water will be sourced from a potable water borehole with Reverse Osmosis (RO) processing for drinking water. • Labour is expected to be sourced from a fly-in-fly-out work force from Perth on a two week on, one week off roster. • Flights will be to the Mount Magnet Airfield and then bussed to site • Camp accommodation will be hired for the duration of the mine life
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.*	• The predominant capital costs for the project relate to establishment of the site and the construction of the processing plant. The plant design is based on a recently constructed plant, which means estimates are well understood and the risk of significant cost variance is low.
	• *The methodology used to estimate operating costs.*	• Mining capital costs will relate to the establishment of the operation, mobilisation of the contractor and costs associated with establishing the owners team. Mining will be undertaken by a contractor and the capital cost of the mining equipment will be borne by the contractor. • The process plant operating costs are well understood as the plant is like one recently built and put into operation. Contingencies have been added to operating costs in the project financial model to ensure a robust estimate. • Mine operating costs have been developed from first principles by a mining contractor to provide a budget estimate of the mining schedule. These costs have been used in the optimisation, cut-off grade estimates and in the financial model.
	• *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.*	• General and administration costs have been estimated on a first principles basis. • Costs excluded in the financial modelling include corporate overheads/ head office costs; project financing, interest charges and escalation; and ongoing exploration costs. In the cost modelling, a royalty attributable to Gascoyne's JV partner is assumed to be cancelled through a corporate transaction before operations commence. • No deleterious elements have been identified for the

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	• *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	project. • The project economics have been modelled on a gold price of AU$1,600/oz. This estimate relates to a price of US$1,200/oz at an exchange rate of US$ 0.75: AU$ 1.00 • All costs have been estimated in AU dollars. • Selling costs have been estimated for gold, including royalties, refining and transport. The product will be gold doré bars. • Allowances have been made for Western Australian State royalties
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• See comments above • The commodity price used in this estimation aligns with performance over the previous 18 months.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• Gold is a freely globally traded commodity, with prices determined by demand and supply. As such, specific market studies have not been undertaken. The revenue assumptions for this project are in Australian Dollars. The combined effects of United States Dollar gold price and the US$:AU$ exchange rate have resulted in a relatively stable Australian Dollar gold price over the previous three years, reflected in the $1,600/oz gold price used in this estimation.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• Cost inputs have been estimated from quotations and/or by competent specialists including current labour rates for the region. • Sensitivity analysis has indicated that the project drivers are commodity price and metallurgical recovery followed by operating costs; NPV and IRR remain favourable for commodity price sensitivity tests within reasonable ranges. The full sensitivity analysis is shown in the FS Report. • The All-In-Sustaining Cost (AISC) margin is estimated to be greater than 40% which indicates robust economic performance of the project.

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Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• The project is located in the remote Murchison region of Western Australia. The site has previously been operated and the current project is a re-establishment of previous mining, with the processing plant proposed to be located closer to the deposit than previously. • The project managers are in liaison with the state government and engagement with key stakeholders is in place. • Heritage surveys have been conducted for the property and no items of heritage significance have been identified on the affected property.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• No material naturally occurring risks have been identified for the Dalgaranga project. The environment is stable with a long history of productive mining operations that have not been affected by naturally occurring events. • The Dalgaranga Project is in possession of necessary legal agreements to develop the operation. The requirements to maintain agreements are transparent and well managed by the company in consultation with the Western Australian Government. • Gold is an easily traded commodity and does not require any specific marketing arrangements. • There are reasonable grounds to expect that future agreements and Government approvals will be granted and maintained within the necessary timeframes for successful implementation of the project. • There are no known material matters dependent on a third party that require resolution for the Dalgaranga project to be developed
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• The mineral resource above the cut-off grade within the designed open pits has been modified by the application of the designated modifying factors. • Mr Karl van Olden, the Competent Person for this Ore Reserve estimation, has reviewed the work undertaken for the FS and considers that in general, it is sufficiently detailed and relevant to the deposit to allow Measured Resources scheduled within the pit designs to be classified as Proved Ore Reserves and for Indicated Resources scheduled within the pit designs to be classified as Probable Ore Reserves • There are no Probable Ore Reserves derived from Measured Mineral Resources.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• This Ore Reserve has been prepared by Mr Karl van Olden, Competent Person, after reviewing the Dalgaranga FS work and project documentation. Information prepared by experts and supplied by Gascoyne Resources including Mineral Resources, metallurgy, process design, geotechnical and environmental have been relied upon in the preparation of this statement. • No independent audit has been completed on this Ore Reserve estimate
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Dalgaranga FS document addresses the various modifying factors to a feasibility level of confidence. A FS document that includes a description of the work completed to address the confidence of the modifying factors and assumptions made has been developed by Gascoyne. • Confidence of capital and operating cost estimates is within +/-25%, consistent with accepted FS standards. Contingency has been allowed in the capital cost estimate on a line by line basis to reflect the degree of uncertainty of the estimate for each area. • The FS has been developed on a detailed mining and processing plan with all applied modifying factors and parameters described in the study document. No global estimates have been applied to the modifying factors of the project. • A future stage of work is to develop a detailed operational plan that will form the basis of short-term production controls once the project is commissioned • The project is not yet operational; no production data exists.