

October 19<sup>th</sup> 2017  
Australian Securities Exchange Limited  
Via Electronic Lodgement

## NRW SELECTED AS PREFERRED MINING CONTRACTOR FOR THE DALGARANGA GOLD PROJECT

Gascoyne Resources Limited ("**Gascoyne**" or "**Company**") (ASX:GKY) is pleased to advise that through its 100% owned subsidiary, GNT Resources Pty Ltd, it has selected NRW Holdings Limited (ASX:NWH) as the preferred mining contractor for its 100% owned Dalgara Gold Project. Selection of NRW follows the completion of a comprehensive and competitive tendering process.

The contract, award of which is subject to finalisation of contract terms and conditions, is for the open pit mining, including drill and blast, of four pits over a six year period. The estimated contract value is circa \$300M.

The Dalgara Gold Project has an initial mine life of 6 years, producing an average of around 100kozpa at an average life of mine all-in sustaining costs of approximately A\$1,000/oz. In addition, as demonstrated by Gascoyne since completion of the Feasibility Study, there is very significant potential to extend mine life through near mine discoveries such as the recent Sly Fox discovery.

Commenting on the selection of NRW, Gascoyne's Managing Director Mike Dunbar said: *"We are very pleased to have attracted NRW to our project. NRW is a highly respected Mining Contractor, with the mining experience required for the project with all key personnel and equipment available now, ensuring that we will be able to commence mining in March 2018 in accordance with the development plan. We look forward to working alongside NRW to ensure the successful development of the Company's Dalgara Gold Project."*



Construction of the Dalgara Gold Project Well Advanced

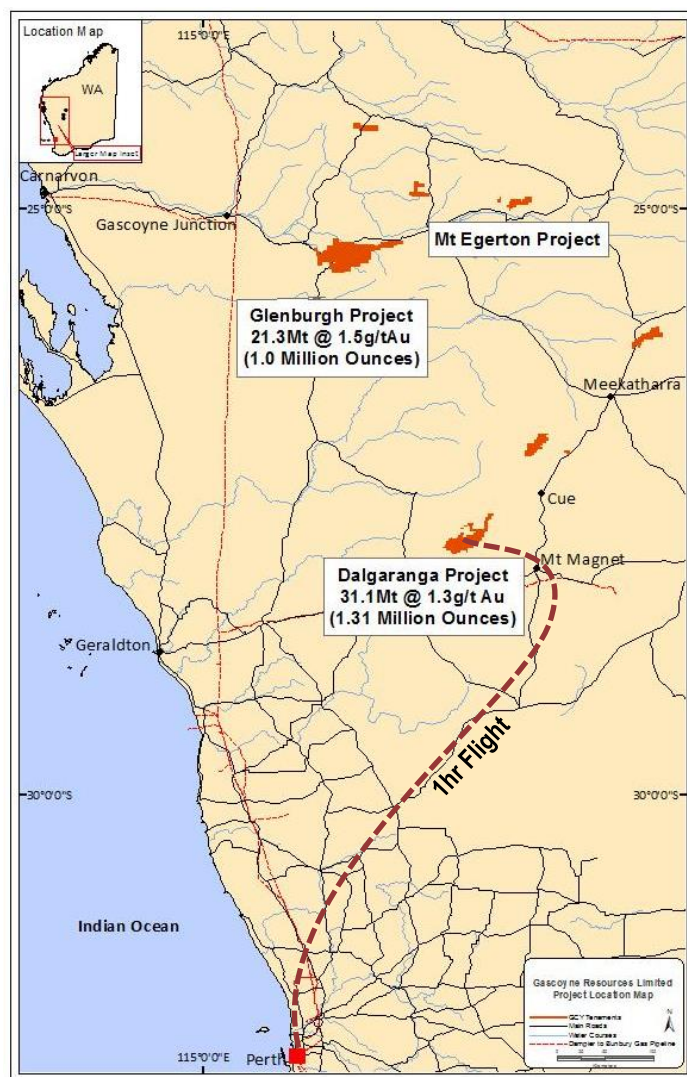
On behalf of the board of  
**Gascoyne Resources Limited**

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## Michael Dunbar

Managing Director



**Figure One: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions**

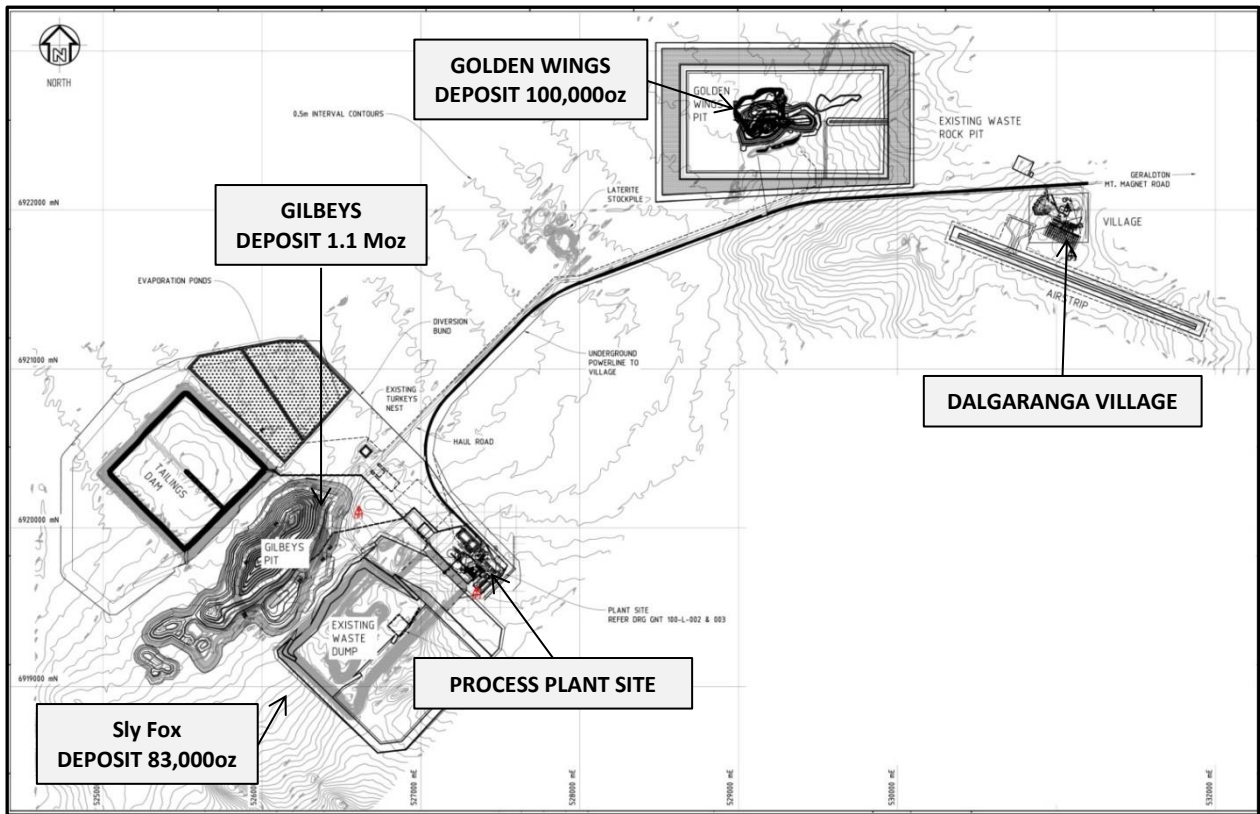


Figure Two: Dalgara Gold Project Layout

## 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 100% owned gold projects combined have over **2.3 million ounces of contained gold on granted Mining Leases**:

### DALGARANGA:

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 **31.1 Mt @ 1.3 g/t Au for 1,320,000 ounces** of contained gold (Table 1). The Dalgaranga project has a **Proved and Probable Ore Reserve of 581,000 ounces of gold** (Table 2). The Ore Reserves are included in the Mineral Resource.

The FS study that has been completed has highlighted a robust development case for the project.

The FS investigated the development of two open pits feeding a 2.5 Mtpa processing facility resulting in production of around 100,000 ozpa for 6 years and concluded 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 1: Dalgaranga June 2017 Mineral Resource Estimate (0.5 g/t Cut-off)**

Type	Measured			Indicated			Inferred			Total		
	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces	Tonnage Mt	Au g/t	Au Ounces
Laterite				0.6	1.1	19,500	0.02	0.7	500	0.6	1.1	20,000
Oxide	0.2	1.6	8,000	1.8	1.7	97,000	0.8	1.4	40,000	2.8	1.6	145,000
Transitional	0.5	2.1	30,000	1.2	1.4	57,000	0.5	1.5	25,000	2.2	1.6	112,000
Fresh	2.2	1.4	94,000	12.6	1.2	503,000	11.0	1.3	445,000	25.7	1.3	1,042,000
<b>Total</b>	<b>2.8</b>	<b>1.5</b>	<b>133,000</b>	<b>16.2</b>	<b>1.3</b>	<b>676,500</b>	<b>12.3</b>	<b>1.3</b>	<b>510,500</b>	<b>31.1</b>	<b>1.3</b>	<b>1,320,000</b>

Note: Discrepancies in totals are a result of rounding

**Table 2 – Breakdown of Material within the Gilbeys and Golden Wings Mine Designs**

Deposit	Proved Reserve		Probable Reserve		Inferred Resources		Total		
	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Tonnes (Mt)	Au (g/t)	Ounces
<b>Gilbeys</b>	2.9	1.36	10.1	1.21	0.7	1.4	13.7	1.24	553,000
<b>Golden Wings</b>			1.3	1.52	0.2	1.6	1.5	1.5	70,000
<b>Total</b>	<b>2.9</b>	<b>1.36</b>	<b>11.4</b>	<b>1.24</b>	<b>0.9</b>	<b>1.5</b>	<b>15.2</b>	<b>1.28</b>	<b>623,000</b>

Note: Discrepancies in totals are a result of rounding

### GLENBURGH:

The Glenburgh Project in the Gascoyne region of Western Australia, has a Measured, Indicated and Inferred resource of: **21.3Mt @ 1.5 g/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 5<sup>th</sup> of August 2013) that showed a viable project exists, with a production target of 4.9 Mt @ 2.0 g/t for 316,000 oz (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 (0.5 g/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
<b>North East</b>	0.2	4.0	31,000	1.4	2.1	94,000	3.3	1.7	178,000	4.9	1.9	303,000
<b>Central</b>	2.6	1.8	150,000	3.2	1.3	137,000	8.4	1.2	329,000	14.2	1.3	616,000
<b>South West</b>							2.2	1.2	84,000	2.2	1.2	84,000
<b>Total</b>	<b>2.9</b>	<b>2.0</b>	<b>181,000</b>	<b>4.6</b>	<b>1.6</b>	<b>231,000</b>	<b>13.9</b>	<b>1.3</b>	<b>591,000</b>	<b>21.3</b>	<b>1.5</b>	<b>1,003,000</b>

Note: Discrepancies in totals are a result of rounding



### **EGERTON:**

The project includes the high grade Hibernian deposit and the high grade Gaffney's Find prospect, which lie on granted mining leases. Previous drilling includes high grade intercepts, **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 deposit with drilling testing deeper extensions to known shoots and targeting new shoot positions.

Gascoyne is developing the 100% owned low capex, high margin Dalgaranga Gold Project which is on schedule to be in production late in the second quarter of 2018, while continuing to evaluate the near term 100% owned Glenburgh Gold deposits to delineate meaningful increases in the resource base and progress project permitting. Exploration is also continuing at the 100% owned 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](http://www.gascoyneresources.com.au)

### **Competent Persons Statement**

*The Dalgaranga and Glenburgh Mineral Resources have been estimated by RPMGlobal Holdings 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 7<sup>th</sup> August 2017 titled "Sly Fox Resource and Exploration Update" and 24<sup>th</sup> 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 Dalgaranga Ore Reserve has been estimated by Mr Harry Warries, an employee of Mining Focus Consultants Pty Ltd, an external consultancy, and are reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see GCY -ASX announcement 21st June 2017 titled "Dalgaranga Gold Project – Development Update). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Ore Reserves 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 to the JORC 2012 guidelines. This new JORC 2012 resource, reported above, will form the basis for any future studies.*