

November 18th, 2015
Australian Securities Exchange Limited
Via Electronic Lodgement

HIGH PRIORITY EXPLORATION DRILLING COMMENCES AT THE DALGARANGA GOLD PROJECT

- **Drilling commenced at multiple high priority exploration targets, with view to growing existing 1Moz Mineral Resource base at the Dalgaranga Gold Project.**
- **Further RC drilling scheduled to commence next month at the higher grade Golden Wings deposit, testing continuity of the high grade mineralisation.**
- **Work on the Dalgaranga Pre-Feasibility Study is continuing on schedule for completion in early Q1 2016.**

Gascoyne Resources Limited ("**Gascoyne**" Company") is pleased to advise that it has commenced a major 10,000 metre exploration drilling programme at the Company's 80% owned Dalgaranga Gold Project in the Murchison region of Western Australia. The Dalgaranga Gold Project contains a recently upgraded (ASX announcement November 4th, 2015) Measured, Indicated and Inferred Resource of **23.0Mt @ 1.4 g/t gold for 1.02 million ounces of contained gold** (see Figure 1).

The drilling programme has been designed to test multiple high priority targets in the vicinity of the 1Moz Resource base at Dalgaranga which have the potential, with further exploration, to lead to additional discoveries and future Mineral Resource growth at Dalgaranga.

There has virtually been no drilling conducted outside the known deposits at Dalgaranga since the mid 1990s. The details of these high priority targets (announced to the ASX, October 19th, 2015) are summarised below:

- **Vickers;** a number of unconstrained RAB and Aircore anomalies including 24m @ 1.1g/t gold, 16m @ 2.02g/t gold and 8m @ 2.83g/t gold.
- **Tangueray;** open ended Aircore anomaly defined by 200 to 800m spaced shallow drilling with anomalous drillholes including 15m @ 0.8g/t gold including 3m @ 2.4g/t gold, 16m @ 0.5g/t gold to end of hole (EOH) including 2m @ 1.2g/t gold and 20m @ 0.4g/t gold including 4m @ 1.2 g/t gold.
- **Hendricks;** isolated historic shallow RAB anomaly, 8m @ 0.3g/t gold hosted in laterites with elevated gold at EOH. Anomaly associated with a NE "magnetic low" trend similar to the Gilbeys shear trend and magnetic signature.
- **Beefeater;** east-west RAB anomaly consisting of 1000m long poorly tested trend with elevated gold intersections including 15m @ 0.5g/t gold.
- **Lindeville;** isolated historic EOH RAB anomalies up to 0.6 g/t gold in shallow drilling.
- **Caorunn;** historic EOH RAB anomaly (4m @ 1.1g/t gold) on east-west trend 1.5km west of the Golden Wings deposit in favourable host rocks (shale, porphyry units).

In addition to the immediate Aircore/RAB exploration drilling programme, further RC resource drilling is scheduled for December at the Golden Wings deposit (which forms part of the Dalgaranga Project), to confirm the continuity of the higher grade mineralisation previously identified. This new drilling will be incorporated into an updated Mineral Resource for Golden Wings in early 2016.



Work continues on the Dalgara Pre-Feasibility Study (“PFS”) to build on the prior Scoping Study, which demonstrated compelling project economics including an all-in-sustaining cost of A\$1,025/oz, revenue of A\$512 million over the first 6 years, an NPV₈ of A\$100 million and an IRR of 74% (See the Detailed Scoping Study ASX announcement 23rd June), underpinned by:

- Open pit mining with considerable “free dig”
- Excellent metallurgical recoveries using standard CIL flow sheet (+95%)
- Very low power requirement, very low reagents consumption, plentiful water, very soft ore
- Low capital requirement for start-up
- Excellent location, less than 70km by road from Mt Magnet

In light of the recently increased Resource to over 1Moz, and the strong potential for further resource growth within the expansive Dalgara tenement position, the PFS is assessing the potential for an expanded production case of 80,000 – 100,000oz pa. Work on the PFS is making good progress, and the Company anticipates it will report the results of the PFS on schedule, in early Q1 2016.

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

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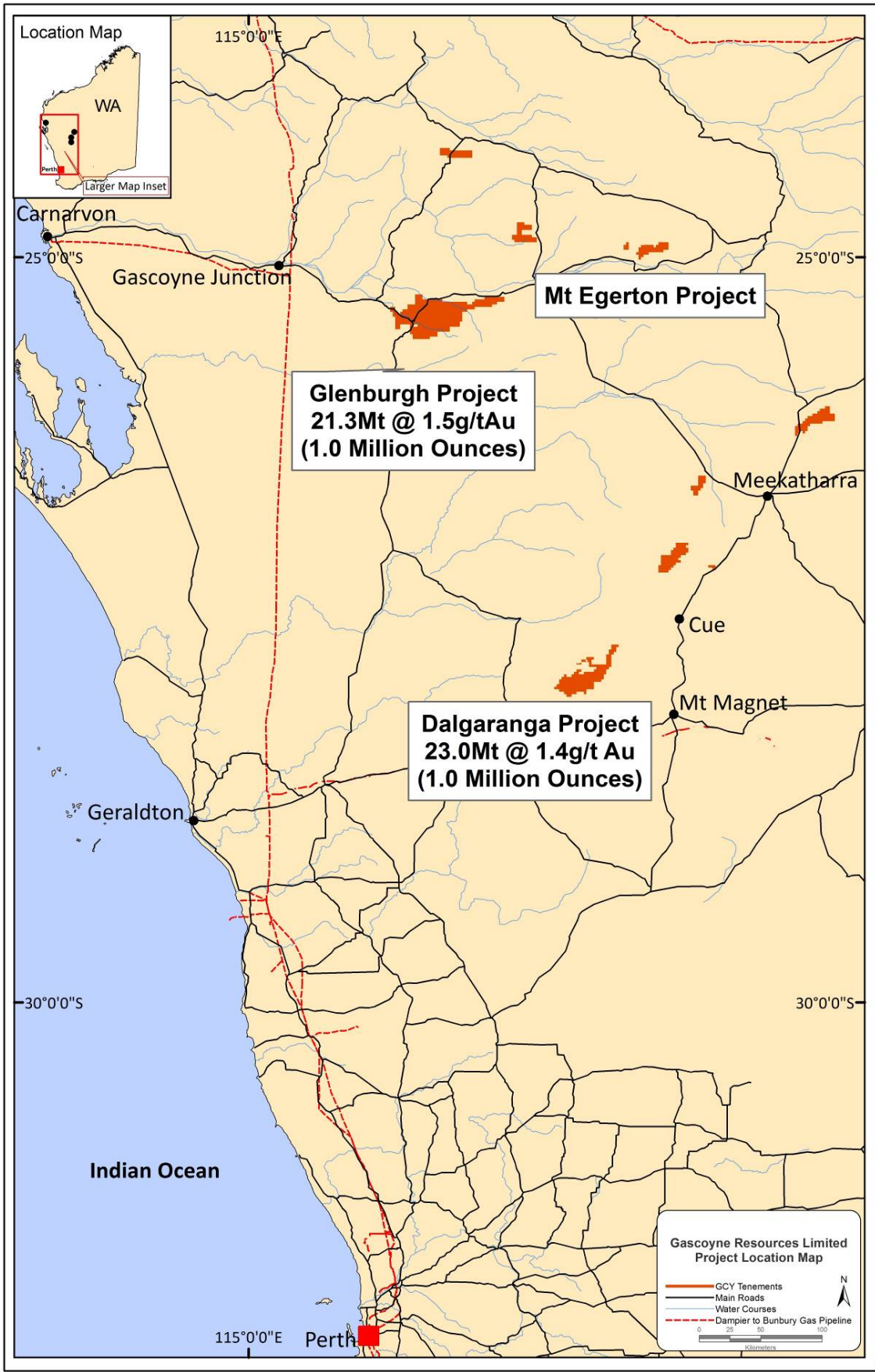


Figure One: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions

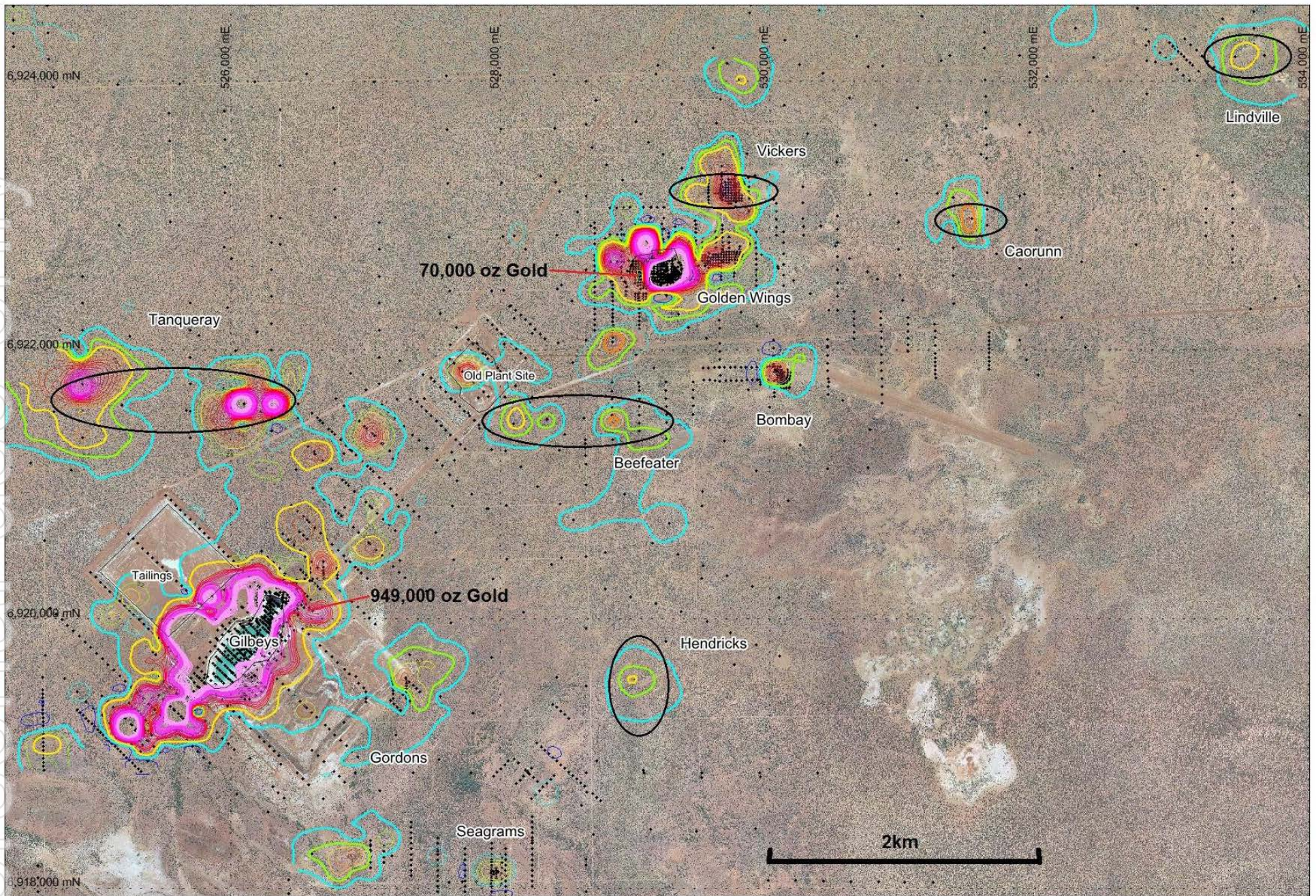


Figure Two: Dalganga Contours of Maximum Gold in Hole, Highlighting Priority Exploration Targets

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 **2.0 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 contained a JORC Measured, Indicated and Inferred resources of **23.0 Mt @ 1.4g/t Au for 1,019,000 ounces** of contained gold (see Table 1).

A positive Scoping Study has recently been completed, that outlined a project that could produce 60,000 ounces of gold for between 6 and 10 years, with **low costs and high margins** (C1 Cash costs \$813, and AISC of \$1,025) and relatively low capital costs. (See ASX announcement released 23rd June 2015 titled "Dalgaranga Scoping Study Outlines Low Cost / High Margin Development" for full details). A Pre-Feasibility study is currently underway further evaluating the development options for the project.

Significant exploration potential also remains outside the known resource with numerous historical geochemical prospects only partly tested. The Golden Wings deposit is also open along strike and at depth.

Table One: Dalgaranga Deposits

Mineral Resource Estimate

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
Golden Wings				0.85	2.0	52,400	0.35	1.5	17,400	1.2	1.8	70,000
Gilbeys	2.4	1.4	108,000	8.1	1.3	349,000	11.2	1.4	492,000	21.8	1.4	949,000
Total	2.4	1.4	108,000	9.0	1.4	401,000	11.6	1.4	509,000	23.0	1.4	1,019,000

Note: Totals may differ due to rounding

Mineral Resources reported on a dry basis

Gilbeys Resource – October 2015 (0.5g/t and 1.0g/t cut-off) and Golden Wings Resource June 2015 (1.0 g/t cut-off)

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 2)

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 Two: 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
Icon	1.7	1.5	82,500	1.7	1.4	77,000	4.1	1.3	168,000	7.6	1.3	328,000
Apollo	0.9	2.4	67,400	0.3	1.3	14,000	1.5	1.4	67,000	2.7	1.7	149,000
Tuxedo				0.7	1.2	29,000	1.2	1.0	37,000	1.9	1.1	66,000
Mustang				0.2	1.3	7,000	1.0	1.1	35,000	1.1	1.2	42,000
Shelby				0.2	1.4	10,000	0.6	1.1	21,000	0.8	1.2	32,000
Hurricane				0.1	1.6	3,000	0.5	1.1	16,000	0.5	1.2	19,000
Zone 102				0.9	1.9	56,000	1.2	1.3	50,000	2.1	1.6	106,000
Zone 126	0.2	4.0	30,500	0.4	2.9	35,000	1.4	2.2	101,000	2.0	2.5	166,000
NE3							0.2	1.5	11,000	0.2	1.5	11,000
Torino							1.6	1.3	64,000	1.6	1.3	64,000
SW Area							0.6	1.0	20,000	0.6	1.0	20,000
Total	2.9	2.0	180,500	4.6	1.6	232,000	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 3). 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 Three: 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 Dalgarranga 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

Competent Persons Statement

Information in this announcement relating to the Dalgarranga project is based on data compiled by Gascoyne's Geology Manager Mr Julian Goldsworthy who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Goldsworthy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Goldsworthy consents to the inclusion of the data in the form and context in which it appears. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement dated October 19th titled: High Priority Targets Identified at Dalgarranga

The Gilbeys Mineral Resource at the Dalgarranga 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 4th November 2015 titled: Dalgarranga Mineral Resource Grows to Over One Million Ounces 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 Golden Wings resources have been estimated by Elemental Geology 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 23rd June 2015 titled: Dalgarranga Scoping Study Outlines low cost / high margin development). 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.