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Via ASX Market Announcements Platform

Gascoyne Resources Reinstatement to the ASX Now a Profitable Gold Miner Building a Solid Future

- Re-commencement of trading on ASX following the successful completion of the \$125 million recapitalisation
- Robust updated Life of Mine Plan with nine consecutive months exceeding 6,000 ounces of gold produced
- Recent drilling results at Dalgaranga, including 11m @ 4.2g/t Au, confirms potential for mine life extension, alongside surrounding exploration opportunities
- Strong balance sheet, cash flow positive, solid infrastructure and experienced executive team to deliver shareholder value
- Hedge price set at A\$2,667/oz for 40% of production over the next 18 months
- Balance of production to be sold at spot gold price



Figure 1: Dalgaranga Gold Project – Gilbey's Pit at Sunrise (Looking South)

Gascoyne Resources Limited (“Gascoyne” or “Company”) (ASX:GCY) is pleased to announce the Company has today been reinstated to trading on the ASX following the successful recapitalisation process. As part of the recapitalisation, Gascoyne undertook an equity capital raising lead by Canaccord Genuity (Australia) Limited (“Canaccord Genuity”), which raised approximately A\$85.2 million at a post consolidation issue

price of A\$0.50 per share (“**post consolidation**”). The Company now has a well-capitalised balance sheet with a cash balance of over A\$30 million and bank debt reduced to A\$40 million.

Western Australia is a world class mining jurisdiction, and Gascoyne has built a solid production track record since accessing the higher grade Gilbey’s Main Zone at the Dalgaranga Gold Project, utilising the high quality processing infrastructure already in place, whilst maintaining a strong relationship with key mining contractor NRW.

Gascoyne is in a strong position with a robust Life of Mine Plan (LOMP) based on updated Resource Model and Ore Reserve estimates, leading to a significantly improved production rate with nine consecutive months (to September 2020) exceeding 6,000 ounces of gold produced. The Company’s latest drill results from the recently completed resource definition RC drilling program included an intersection of 11m @ 4.2g/t Au and confirmed the potential for mine life extensions (see ASX Announcement 19 October).

With a strong balance sheet and the gold price trading at very high levels (+A\$2,680 / oz), Gascoyne is well-funded to pursue growth initiatives including additional resource definition drilling at the Dalgaranga Gold Project’s Gilbey’s and Sly Fox deposits, and a wider surrounding regional exploration program. The Company’s Glenburgh Exploration / Development project also offers significant upside, and technical reviews have commenced towards progressing to a pre-feasibility study, with an updated Mineral Resource estimate anticipated in the December quarter.

Gascoyne Resources CEO and Managing Director, Mr Richard Hay, expressed his sincere appreciation to all stakeholders who supported the Company during its recapitalisation, including National Australia Bank and Commonwealth Bank of Australia, Investec Bank, Canaccord Genuity, Foster Stockbroking, Bridge Street Capital, NRW, Zenith Pacific, Evol, Marooomba Airlines, FTI Consulting and the Gascoyne team.

Mr Hay commented *“The team has achieved a great outcome for all stakeholders with Gascoyne’s reinstatement on the ASX. The fact that we are a WA-based business has also meant very minimal impact from COVID-19 with no operational setbacks. Furthermore, the results from our recent drilling program (see ASX Announcement 19 October) highlight the potential to enhance the mine life at our Dalgaranga operation.*

Credit for this achievement goes to the Gascoyne team, FTI Consulting, creditors, shareholders, new investors and suppliers for their support. Gascoyne today has a materially reduced debt, sufficient working capital, a strong balance sheet combined with a capable, experienced Board and Management group. This platform will enable the Company to pursue meaningful growth in a favourable gold price environment.”

Initial Mandatory Hedging

A requirement under the new debt facility with Investec Bank plc (“**Investec**”) is to partially protect adverse movements in the gold price by hedging on a rolling 18-month basis, a minimum of 40% of forecast gold sales. Following draw down of proceeds under the debt facility and effectuation of the DOCA, the Company entered into forward sale agreements with Investec for approximately 46,000 ounces (being 40% of forecast production and gold sales over the 18 month period commencing on 1 November 2020). The forward sale price has been set at A\$2,667 per ounce. This price is significantly higher than that used for the recent Ore Reserve estimate update (see ASX release dated 31 July 2020 “Dalgaranga Gold Mine – Updated Life of Mine Production Target and Updated Ore Reserve”).

Settlements under the forward sale agreement are expected to occur evenly over the duration of the initial 18-month period. Additional mandatory hedging of a minimum of 40% of forecast gold sales will be agreed on a month by month basis with Investec as each existing month rolls off for the duration of the debt facility.

The balance of gold production is currently to be sold at spot prices.



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

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Competent Persons Statement

Information in this announcement relating to drilling results and interpretations at the Dalgara project are based on data compiled by Gascoyne's Chief Geologist Mr Julian Goldsworthy who is a member of The Australasian Institute of Mining and Metallurgy. Mr Goldsworthy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Goldsworthy consents to the inclusion of the data in the form and context in which it appears.

