

**ASX ANNOUNCEMENT**

18 December 2020

**CHAIRMAN'S ADDRESS TO THE 2020 ANNUAL GENERAL MEETING**

Gascoyne Resources Limited (ASX: GCY) provides an advance copy of the Chairman's Address to the 2020 Annual General Meeting of the Company to be held at 10.00am WST today.

Yours faithfully,



**Shane McBride**  
**Joint Company Secretary**

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

# **Gascoyne Resources Limited**

## **Annual General Meeting 18.12.20**

### **Chairperson's Address**

Dear Shareholders,

Welcome to the 2020 Annual General Meeting of Gascoyne Resources Limited.

Just over four months ago at this venue, we held a General Meeting to approve a number of resolutions that would enable the shares of the Company return to trading on the ASX. As many of you would know, we also endured and won a legal battle with Habrok Mining which delayed the return of the Company to the ASX boards. As we sit here today, running of the Company has been returned to its directors and management, and we have been reinstated since the 21<sup>st</sup> of October 2020.

Over the past two months the Company has completed the recapitalisation of its balance sheet and reduced secured debt from \$92m to \$40m under our new finance facility with Investec. The Company was also able to repay its pre-administration unsecured creditors and I am pleased to note that we have approximately \$35m in cash following the recapitalisation.

The October 2020 recapitalisation was underpinned by the \$85 million equity raising that enabled our debt to be reduced and provide additional funding to undertake activities to help grow the Company. In Section 1.3.2 of the Company's recapitalisation prospectus, we highlighted our main objectives over the coming 12 to 18 months as being:

- Consolidate operational performance and cashflow generation from Dalgara
- Conduct resource definition drilling of the Gilbey's and Sly Fox deposits
- Commence drilling defined targets and reconnaissance areas
- Investigate and advance regional processing hub opportunities
- Re-access historic drilling data at the Glenburgh Gold Project
- Conduct low impact gold target generation exploration activities on the Mumbakine Well and Beebyn projects

I will now provide you with a progress report on each of these objectives.

Following on from the 2019/20 financial year production performance of 73,020 ounces, we continue to deliver approximately 6,500 ounces per month with a guidance range of 70,000 to 80,000 ounces per annum for the next four years. The Dalgara processing plant continues to perform above nameplate parameters including operating costs running below \$14 per tonne milled. Over the past two months we have put in place a number of measures to help ensure security of success. In October we put in place 46,000 ounces of hedging representing 40% of forecast production over 18 months at A\$2,667 per ounce. As of today, we have approximately 51,000 ounces hedged at an average price of A\$2,626 per ounce for delivery between December 2020 and May 2022. Our average hedge price is around A\$150 per ounce above the current spot price.

Since the recapitalisation, the Company has progressed exploration activities with a primary focus on targets near the processing plant. Several announcements in relation to the exploration have been made with some outstanding results from both Sly Fox and Plymouth which are located with 1.5 kilometres of the processing plant. Subsequent to the recent exploration results announcement, the initial RC drilling programme has been completed and final assays are pending on the remaining holes drilled. Work has commenced on an updated resource for Sly Fox and Plymouth with

expectations of these successes being included in the next life of mine plan with potential to incrementally extend Dalgaranga's seven-year life. The board of directors are committed to further exploration in and around the Dalgaranga Plant with a focus on increasing the Company's Mineral Resources and Ore Reserves.

Air core drilling has commenced on defined targets and reconnaissance areas on the exploration tenements surrounding the Dalgaranga Mining Lease. Samples are being prepared and sent for assaying and we should see the initial results in the March quarter.

Over the past four weeks, the Company has commenced assessing various options in relation to investigating regional processing hub opportunities.

Today, we released the Glenburgh Mineral Resource Estimate following a detailed review of the historical drilling data. The resource has been determined leveraging knowledge gained from the Dalgaranga operation and we have reported a resource of 16.3Mt @ 1.0g/t for 510,100 ounces. The work completed has included a review of the various deposits at Glenburgh and identified a number of resource extension and exploration areas to be targeted in an upcoming drilling program. This program will also include the nearby Mt Egerton project, a project that we envisage will form part of a future Glenburgh-Mt Egerton hub. The Glenburgh Mineral Resource has increased Gascoyne's total gold Mineral Resources to over 1.3 million ounces.

Other recent exploration activities include the signing of a contract for an airborne aeromagnetic survey to be undertaken on our Mumbakine Well project in the March quarter 2021.

The actions mentioned above highlight the focus the Company has placed on delivering on its promises made and we have shown demonstrable progress after only two months since being reinstated on the ASX.

By continuing to deliver on our operational performance in terms of safety, environment, production and costs, along with exploration success near Dalgaranga and beyond, we believe that our share price will be rerated in the near term.

I would like to thank all our suppliers and other stakeholders for their ongoing support with particular reference to the recapitalisation process. A special thanks to NRW our contract miner which has remained committed to the Dalgaranga project.

To our people both at site and in the Perth office, thank you for your commitment over the past 12 months during uncertain times for the Company. Your passion, persistence and effort has been critical to being where we are today.

Thank you to our shareholders old and new, who have remained supportive of the Company and been part of the recent \$85m capital raising.

Finally, the board would like to thank Richard Hay for his leadership and efforts over the past 12 months. Richard has led the team through trying times and, with the right plans and people, has put us in an excellent position from which to grow.

Thank you and all the best for the festive season ahead.

Yours faithfully,

**George Bauk**  
**Non-Executive Chairman**

## Glenburgh Gold Project – MRE Total Summary for All Deposits, as at 15th December 2020

Classification	Mt	Au g/t	Au koz
Indicated	13.5	1.0	430.7
Inferred	2.79	0.9	79.4
<b>TOTAL</b>	<b>16.3</b>	<b>1.0</b>	<b>510.1</b>

### Competent Persons Statement

The information in this announcement that relates to estimation of the Mineral Resource estimates for the Glenburgh Gold Project referred to in this announcement are extracted from the ASX announcement dated 18 December 2020 and titled “Group Mineral Resources Grow to Over 1.3Moz”). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not materially modified from the original market announcement.