

ASX ANNOUNCEMENT

11 January 2021

CONSISTENT DECEMBER QUARTER FOR DALGARANGA

Highlights:

- December quarter 2020 production of **20,381oz** (FY2021 year to date production of 40,695oz)
- On track for upper end of FY2021 production guidance of 70 – 80koz at an AISC of A\$1,200 – A\$1,300/oz
- Calendar year 2020 production from Dalgaranga of 80,086oz
- Net cash position of \$0.8M with cash balance of \$37.3M at the end of December quarter 2020
- Excludes \$7.5M mark-to-market gold hedge position, with 53,722oz now hedged at an average of A\$2,611/oz over the next 18 months
- Exploration success at Sly Fox and Plymouth

Gascoyne Resources Limited (“**Gascoyne**” or “**Company**”) (ASX:GCY) is pleased to provide the following preliminary production update for the Dalgaranga Gold Project (“**Dalgaranga**”) for the December quarter 2020. Full reconciled quarterly outcomes will be provided later in the month.

Gascoyne Managing Director and CEO, Mr Richard Hay, commented:

“Dalgaranga has achieved three consecutive quarters producing in excess of 20,000 ounces, resulting in 80,086 ounces being produced in calendar year 2020. This consistent performance is largely as a result of mining transitioning through the oxide zone and into fresh rock in the Gilbey’s pit over the past 18 months. Combined with a growing net cash position and a \$7.5M in the money hedge position, Gascoyne is well placed to pursue its growth ambitions.”

Dalgaranga December Quarter Production

Production for the December quarter was 20,381oz, with H1 FY2021 production totalling 40,695oz and tracking towards the upper end of FY2021 guidance of 70,000 – 80,000oz production at an AISC of A\$1,200 – A\$1,300/oz. December quarter AISC will be provided in the quarterly report later this month.

During the quarter ore was sourced entirely from the Gilbey’s Main Zone with >99% fresh and transitional ore processed.

Exploration

Success at the Sly Fox and Plymouth deposits (see ASX announcement dated 7 December 2020 and titled “High Grade Drilling Results within 1.5km of Processing Plant”) has given rise to an additional drill program aimed at increasing resources and reserves for near term mill feed.

Corporate and Finance

The Company entered into new gold hedges during the quarter in order to meet its debt facility rolling commitment of hedging at least 40% of the following 18 months production which resulted in a \$7.5 million



mark-to-market “in the money” position as at 31 December. A total of 53,722oz is hedged out to June 2022 at an average price of A\$2,611/oz.

Total cash and gold on hand as at 31 December 2020 was \$39.1 million. Cash on hand of \$37.3 million exceeded bank debt of \$36.5 million, resulting in the Company having a net cash position of \$0.8 million at the end of the December quarter.

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

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ABOUT GASCOYNE RESOURCES

Gascoyne was reinstated on the ASX in October 2020 and is focused on production, development and exploration of a number of gold projects in Western Australia underpinned by positive cash flow generated from the Dalgaranga Operation. In 2019/20, Dalgaranga produced in excess of 73,000 ounces of gold with targeted production over the next 4 years of between 70,000 and 80,000 ounces of gold per annum.