

## **ASX ANNOUNCEMENT**

**31 March 2021**

### **Bank Debt Reduces by ~45% to \$17.5m After Voluntary Prepayment**

#### **Highlights:**

- Voluntary debt prepayment of A\$14.6 million to Investec – bank debt as at 31 March will reduce to A\$17.5 million
- The early prepayment follows a +12 month period of consistent operating performance from the Dalgaranga operation and ongoing free cash flow generation
- No further mandatory gold hedging required
- Existing hedge book remains in place – 50koz at A\$2,564/oz with an in-the-money position of A\$15.7 million
- Remaining term of the Investec loan facility reduces by 12 months to 30 June 2022 and prepayment avoids interest costs of ~A\$750,000 over the next 12 months
- Exploration activities continue as planned with the FY2021 budget recently doubled to \$6.3 million

Gascoyne Resources Limited (“**Gascoyne**” or “**Company**”) (ASX:GCY) is pleased to advise that following a period of +12 months of consistent operating performance from the Dalgaranga Gold Project (“**Dalgaranga**”), the Company has made a A\$14.6 million voluntary prepayment under its loan facility with Investec Bank plc, Australia branch (“**Investec**”).

Gascoyne entered into a A\$40 million loan facility with Investec in August 2020 as part of a recapitalisation of the business. The loan was fully drawn on 20 October 2020.

In addition to lowering bank debt, the voluntary prepayment removes the requirement for any further mandatory hedging at current spot prices, beyond the position already entered into, by reducing the loan term by 12 months to 30 June 2022. At the current spot gold price, the existing hedge book has an in-the-money position of A\$15.7 million at 30 March 2021 (50koz at A\$2,564/oz) and will result in Gascoyne achieving an average realised price in excess of A\$2,400/oz for the remainder of the 2021 calendar year.

The reduction in total term of the loan will avoid more than A\$750,000 of interest costs over the next 12 months. Following the significant reduction in the bank debt balance, the minimum cash balance required to be held by the Company under the Investec loan facility has decreased from A\$10 million to A\$5 million.

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

“The voluntary prepayment of close to half of Gascoyne’s bank debt really highlights how far the business has come after more than 12 months of consistent performance of the Dalgaranga operation. This prudent approach to capital management has further strengthened our balance sheet and is a credit to our team and the support we have received from a range of stakeholders.”

#### **Authorisation**

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

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**BACKGROUND ON 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 Dalgara Operation. In 2020, Dalgara produced in excess of 80,000 ounces of gold with targeted production over the next 4 years of between 70,000 and 80,000 ounces of gold per annum.