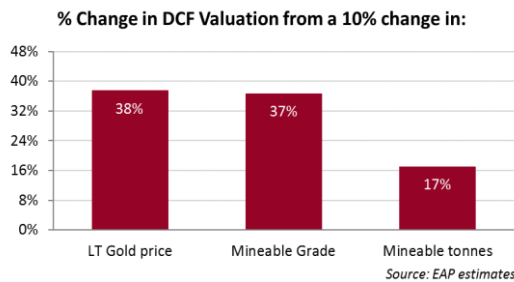
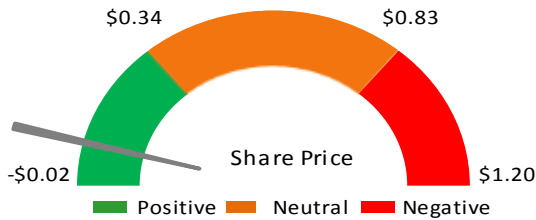


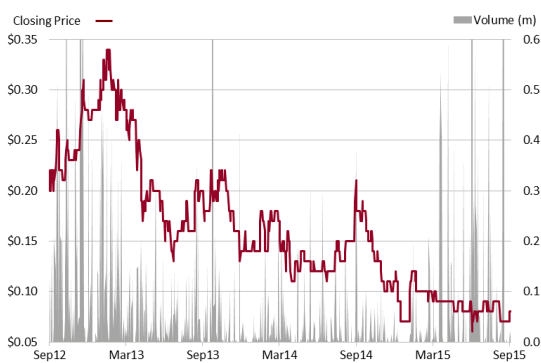
Gascoyne Resources (GCV)



Trading Data

Last Price	\$0.08
12 month range	\$0.06 - \$0.19
Market cap.	\$14m
Free Float	\$9m (65%)
Avg. daily volume	0.1M
Avg. daily value	\$0.0m
12m return (historical)	(56.1)%
Valuation (DCF - \$ps)	\$0.45

Share Price History



RECOMMENDATION: SPECULATIVE BUY

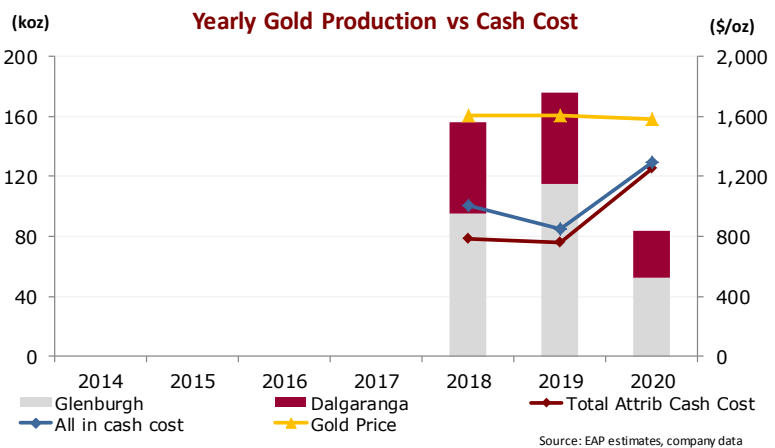
Gascoyne recently released strong positive results from the Scoping study on second project, Dalgarranga. The company boast 3 advanced gold projects in WA with 1.78m ounces within granted Mining Leases. Whilst funding may be problematic given the market capitalisation of the company, the project metrics are robust and we feel the company offers excellent value at current prices.

Directors aligned with shareholders. The Gascoyne Board holds circa 25% of issued capital. The remuneration of both directors and senior management appears significantly below our benchmark for similar companies.

Multi projects reduces risk. Gascoyne has 2 projects of similar value (on our estimates). The company recently released the results from the Scoping study on Dalgarranga, with a capital cost of \$37m, and a resource base of 756k ounces on a granted mining lease.

Strong potential for further upside at both projects. High grade results from Golden Wings within the Dalgarranga project has already added to the mineable resource here, and is not in our base valuation. Within the Glenburgh tenements, Zone 126 (high grade underground) remains open, with the tenements largely undrilled.

Strong management team. Mike Joyce and Mike Dunbar (Chairman and Managing Director) have proven track records, and have very strong operational experience. Directors own 25% of the issued capital, pay themselves well below industry benchmarks and are clearly focused on shareholder returns.



FINANCIAL SUMMARY

Gasgoyne Resources Ltd GCY		Recommendation:								Speculative Buy		DCF Valuation \$ 0.45								
As at:		10/09/2015																		
Year end	Jun	2014A	2015E	2016E	2017E	2018E	2019E	2020E	2021E	Year end	Jun	2014A	2015E	2016E	2017E	2018E				
INCOME STATEMENT																				
Total Revenue	\$m	0	0	0	(1)	231	262.7	122.6	65.9	PER	x	NA	NA	NA	NA	0.3				
Operating Costs	\$m	0	0	0	0	(110)	-121.7	-95.8	-37.3	Dividend Yield	%	0.0	0.0	0.0	0.0	0.0				
Royalty	\$m	0	0	0	0	(7)	-7.5	-3.5	-2.0	P/FCF	x	57.8	NA	NA	NA	0.2				
Exploration W/off	\$m	(1)	(1)	(1)	(1)	(1)	-0.5	-0.5	-0.5	ROA	%	-6.3	-6.0	-6.7	-10.5	37.8				
Total Op. Costs	\$m	(1)	(1)	(1)	(1)	(117)	-129.7	-99.8	-39.8	ROE	%	-6.5	-6.2	-7.0	-10.9	38.0				
D&A	\$m	(0)	0	0	0	(34)	-40.2	-25.2	-15.8	Net Debt to Equity	%	0.0	0.0	0.0	0.0	0.0				
Interest Exp.	\$m	0	0	0	0	0	0.0	0.0	0.0	Debt to Assets	%	0.0	0.0	0.0	0.0	0.0				
Corporate	\$m	(1)	(1)	(1)	(1)	(1)	-0.6	-0.6	-0.5	Directors										
Other	\$m	(0)	(1)	(1)	(1)	(1)	-0.9	-0.9	-0.9	Chairman	Mike Joyce									
Total Costs	\$m	(3)	(2)	(2)	(2)	(153)	-171.3	-126.4	-57.1	Chief Executive Officer	Mike Dunbar									
Pre-Tax Profit	\$m	(3)	(2)	(2)	(2)	78	91.4	-3.8	8.9	Non-Executive Director	Sam MacDonald									
Tax Provision	\$m	1	1	1	1	(23)	-27.4	1.2	-2.7	Non-Executive Director	John den Dryver									
Net Profit	\$m	(1)	(1)	(1)	(2)	55	64.0	-2.7	6.2	Non-Executive Director	Gordon Dunbar									
Minorities	\$m	0	0	0	0	0	0.0	0.0	0.0	Non-Executive Director	Stan McDonald									
Attrib Net Profit	\$m	(1)	(1)	(1)	(2)	55	64.0	-2.7	6.2	Substantial Shareholders										
Abnormal	\$m	0	0	0	0	0	0.0	0.0	0.0		Shares (M)		%							
Reported profit	\$m	(1)	(1)	(1)	(2)	55	64.0	-2.7	6.2	Stanley Allan Macdonald	14.6	8.2%								
CASH FLOW																				
Operating Cashflow	\$m	0	(1)	(1)	(2)	96	104.1	12.4	22.4	JP Morgan Nominees	13.8	7.7%								
-Capex	\$m	(0)	0	0	(89)	(27)	-8.8	-0.4	0.0	Citicorp Nominees	11.5	6.4%								
-Exploration	\$m	(2)	(2)	(1)	(1)	(1)	-1.4	-1.4	-1.4	Rodney Michael Joyce	9.0	5.1%								
Free Cashflow	\$m	(2)	(3)	(3)	(92)	67	93.9	10.6	21.0	National Nominees and Forresteria Gold NL	8.9	5.0%								
-Dividends	\$m	0	0	0	0	0	-19.6	-41.0	-1.8	Valuation Summary										
+Equity Raised	\$m	0	1	0	0	0	0.0	0.0	0.0		Downside Case*		Base Case		Upside case					
+Debt Drawdown	\$m	0	0	0	0	0	0.0	0.0	0.0		A\$m A\$/share		A\$m A\$/share		A\$m A\$/share					
-Other	\$m	0	2	0	0	0	0.0	0.0	0.0	Operations										
Net Change in Cash	\$m	(2)	0	(3)	(92)	67	74.3	-30.4	19.2	Glenburgh	Downside Case	47	\$0.26	82	\$0.46					
Cash at End Period	\$m	1	1	(2)	(94)	(26)	48.0	17.5	36.8	Dalgaranga	is	24	\$0.13	47	\$0.26					
BALANCE SHEET																				
Cash	\$m	1	1	(2)	(94)	(26)	47.8	17.4	36.7	Exploration	Book Value	10	\$0.06	0	\$0.00					
Total Assets	\$m	22	22	20	16	145	267.9	263.0	298.1	Total		81	\$0.45	129	\$0.72					
Total Debt	\$m	0	0	0	0	0	0.0	0.0	0.0	Financial										
Total Liabilities	\$m	1	1	1	1	1	0.7	0.7	0.7	Investments	0	\$0.00	0	\$0.00						
Shareholders Equity	\$m	22	22	19	15	144	267.2	262.4	297.4	Cash	2	\$0.01	2	\$0.01						
Production																				
Glenburgh										Total Borrowings	0	\$0.00	0	\$0.00						
Ore Milled	(k t)					1,272	1,443	1,443	742	Corporate/Other	-2	-\$0.01	-2	-\$0.01						
Head Grade - Au	(g/t)					2	3	1	2	Total Financial	0	\$0.00	0	\$0.00						
Recovery - Au	(%)					95%	95%	95%	95%	Total	23	0.14	81	0.45	129	0.72				
Production - Au	(k oz)					95	115	53	37	Bull case assumes an additional 2 year mine life on the base case assumption										
Profit and Loss Cash Cost																				
Cash Cost	(\$/t)					52	54	51	50	Reserves (100%)										
Cash Cost	(A\$/oz)					702	681	1,400	1,023		Tonnes		Au		Gold					
Total Cost	(A\$/oz)					1,071	1,049	1,891	1,511		M		g/t		k oz					
Dalgaranga																				
Open Cut										Total Attributable	0.0		0							
Tonnes Mined(k t)	0					7,500	7,500	3,750		Resources (100%)										
Ore Milled	(k t)					1,000	1,000	500			Tonnes		Au		Gold					
Head Grade - Au	(g/t)					2	2	2		Glenburgh	21.1	1.5	1,000							
Recovery - Au	(%)					95%	95%	95%		Egerton	0.1	6.4	24							
Production - Au	(k oz)					61	61	31		Golden Wings	0.5	3.7	54							
Heap Leach																				
Ore Milled	(k t)									Dalgaranga	13.4	1.7	741							
Head Grade - Au	(g/t)									Total Attributable	32.4	1.6	1,671							
Recovery - Au	(%)									Assumptions										
Production - Au	(k oz)										14A		15E		16E		17E		18E	
Total																				
Total Mined	(k t)					7,500	7,500	3,750		Gold Price	(US\$/oz)	1,296	1,181	1,123	1,128	1,137				
Ore Milled	(k t)					1,000	1,000	500		Exch Rate	(US\$/A\$)	0.96	0.83	0.74	0.72	0.71				
Head Grade - Au	(g/t)					2	2	2		Gold Price	(A\$/oz)	1,356	1,435	1,524	1,577	1,609				
Recovery - Au	(%)					95%	95%	95%		GROUP ATTRIBUTABLE										
Production - Au	(k oz)					61	61	31		Gold Production	(k oz)	144	164	77	37					
Sales - Au	(k oz)					61	61	31		Cash Cost	(A\$/oz)	780	756	1,252	1,023					
Profit and Loss Cash Cost																				
Cash Cost	(\$/t)					55	55	55		Total Cost	(A\$/oz)	1,047	1,035	1,610	1,511					
Cash Cost	(A\$/oz)					932	932	932												
Total Cost	(A\$/oz)					1,002	1,002	1,002												

Source: Company data, E&P Research estimates