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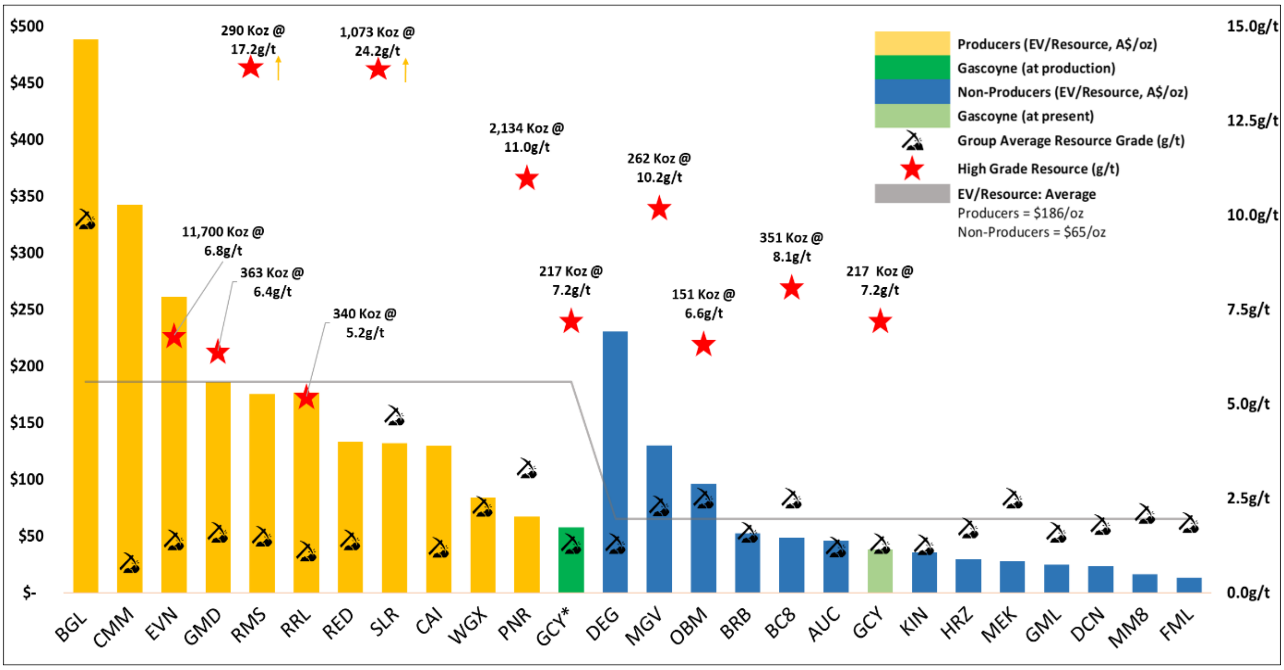
Gascoyne Resources (GCY AU. $0.12, Market cap $105.7)

Recap delivers an inexpensive, quality exploration/pre-development play

- GCY's Never Never Lode (NNL) "shadow of the headframe" discovery at Dalgaranga is one of the best in WA over recent years, and we are firmly of the view that this orebody will deliver more ounces going forward. And the last round of drilling suggests that the orebody might actually be improving with depth. The recent deeper drillholes averaged grades of an impressive 8.9g/t over an average down-hole width of 30m, with intercepts ranging from 18.5m at 18g/t to 35m at 7.7g/t. There aren't many new gold discoveries that can boast these grade statistics.
- With management changes in 2022 and now with a recapitalised balance sheet, GCY is positioned to develop a higher quality reserve base for Dalgaranga and move back into production in 2024.
- A new geological model for high grade discoveries may lead to further success, and walk-up targets are already available within the old Gilbey's pit itself. This in turn could lead to additional high-grade feed for the mill, potentially enhancing production rates even further.
- With a total resource endowment now of over 1.5Moz and with a 2.5mtpa process plant (with a replacement value somewhere north of A$150m), GCY is unquestionably inexpensive. In this report we demonstrate the very real potential for a re-opened mine to deliver around 140kozpa for at least 5 years, and probably at quite competitive cash costs.
- In the following chart we plot the commonly-used exploration 'rule of thumb' valuation, EV/resource ounce. On this basis GCY's value is around half its exploration sector peers, A$38/resource ounce against a sector average of $65/oz. This discount is magnified when compared to the mid-cap producers of nearly $190/oz (incorporating $30m in capex into the GCY EV to restart the Dalgaranga mine). See Appendix 2 for further detail.



Source: company reports

- In the chart above we highlight those projects which have the ability to deliver higher grade ounces to a mill, as in the case of GCY from the NNL discovery. We concede that not all ounces will demonstrate equivalent economics. However, the ability to access high grade ounces from, for example, NNL at a resource grade of 7.2g/t, to supplement lower grade feed from open cut sources, can be a major positive for project economics, and an attribute which has never been available to the Dalgaranga project.
- This chart demonstrates that the market appears to pay a premium for those companies with assets that have the ability to include higher grade feed. With the NNL discovery, GCY's 100%-owned project Dalgaranga, now fits into this category.
- We therefore conclude that GCY represents a very inexpensive and quite low-risk pre-development play, which should deliver exciting drilling results over the course of 2023 and 2024.
- For us, GCY had always been an exploration play. We had hoped that cashflows from the mine would fund exploration and subsequent development success, but in 2022 that was not to be.
- On the negative side, the recent equity issue has been unpalatable to existing shareholders, but desperate times demanded desperate solutions. Moreover, the introduction of a ca. 2% royalty over the Dalgaranga (and other) tenements represents further value leakage. (See Appendix 1 for more details on the equity issue and royalties).
- **Note that shareholder approval will be sought for the issue of shares to Tembo, Deutsche Balaton, to contractors NRW and to two GCY directors. The Extraordinary General Meeting will be held on 18 April 2023.**

Background

- Facing negative cashflows GCY's Dalgaranga mine and mill were shut down in late 2022. This was in the face of a significant discovery in mid-2022, the high grade Never Never Lode (NNL), already over 300koz gold and at grades the project had never seen before. Despite attempts to bring quick, higher grade ore to the mill, management decided that this was neither achievable, nor a sustainable solution.
- GCY has chosen to raise significant new equity, A$50m at 10c to accelerate exploration and move the project back into production. This has been a deeply dilutive equity issue for existing shareholders. However the company does remain debt-free. (See Appendix 1 for details of the issue).
- The next 18 months will consist of a programme to comprehensively explore and develop the NNL and other targets.
- GCY's exploration target for the NNL is 600,000 to 1 million ounces gold (inclusive of the existing 303koz resource) at a grade of 4.6 to 6.2g/t. The aim is to convert this to a resource and a reserve, targeting production of 130-150koz gold per year for at least 5 years.
- To achieve this target we envisage the production of some 50-60kozpa low-cost gold from an NNL underground, with the balance made up of low-to-medium grade ore, from nearby open cut sources and ultimately from the Yalgoo satellites. This, we believe, can deliver low to mid curve cash costs for well over 5 years. Modest additional capital (probably debt) will be required for a mine/mill re-start, in our view.
- The table below demonstrates that GCY isn't that far from its production goals. Should the geologists achieve a resource upgrade in line with the midpoint of their exploration target (3.6Mt at 4.9g/t excluding the current NNL underground resource) the project is on track for its targeted +5 year mine life at 130-150koz gold per year.

	Mt/Mtpa	g/t	Koz/Kozpa
Open cut potential (resources)	19.8	1.3	813
Underground potential (resources)	0.9	7.2	217
Underground potential (resource target, midpoint)	3.6	4.9	565
Total resource + target (midpoint)	24.3	2.0	1594
Mill capacity/av. grade/production (at 85% met. rec.)	*2.5*	*2.0*	*139*
Resource+target life x 60%	*5.8*	*years*	

The Never Never Lode – the future for Dalgaranga, and possibly the first discovery of many

NNL now a 303koz resource with a "resource plus target" of 600-1,000Koz

- In early 2023 GCY reported a significant increase in the Dalgaranga resource, which now totals just over 1Moz (around 20Mt at 1.5g/t including the satellite Yalgoo project). In total GCY's resource is now 1.54Moz including resources to the north in the Gascoyne province. The largest share of the resource upgrade emerged from an upgrade to the resource at the newly discovered Never Never Lode (NNL) located to the north of the Gilbey's pit which now totals 303Koz.
- Subsequent drilling and more rigorous geological interpretations have generated a significantly larger resource than that prepared by independent consultants in 2022. Like-for-like 80koz within the NNL resource has grown dramatically to just over 300koz at grades never seen before at Dalgaranga. The largest increment has emerged from the down-plunge high grade section on NNL, which has been delivered at an impressive grade of over 7g/t (at a 2g/t cut off), the so-called "underground resource".

NEVER NEVER GOLD DEPOSIT – MINING TYPE			
"Open Pit" Resource >0.5gpt Au <270mRL			
Category	**Tonnes (Mt)**	**Grade (g/t)**	**Contained Metal (koz Au)**
Indicated	0.93	2.68	79.9
Inferred	0.17	1.19	6.6
TOTAL	**1.10**	**2.45**	**86.5**
"Underground" Resource >2.0gpt Au >270mRL			
Category	**Tonnes (Mt)**	**Grade (g/t)**	**Contained Metal (koz Au)**
Indicated	0.40	6.00	77.4
Inferred	0.53	8.13	139.2
TOTAL	**0.93**	**7.22**	**216.6**
TOTAL NEVER NEVER GOLD DEPOSIT – MINING TYPE			
Category	**Tonnes (Mt)**	**Grade (g/t)**	**Contained Metal (koz Au)**
Indicated	1.33	3.69	157.3
Inferred	0.71	6.43	145.8
GRAND TOTAL	**2.03**	**4.64**	**303.1**

- Note that this new resource has been completed in-house, and has been reviewed by an independent group which found no issues with the new interpretation and resource modelling.
- The key changes between the initial MRE and subsequent estimate which saw a strong upgrade in the NNL resource were:
  - The inclusion of an additional 8 holes drilled following the maiden resource.
  - Conservative wire frames had been used to constrain mineralisation.
  - A single resource domain was applied.
  - A top cut of 40g/t for the entire drill hole database for NNL was applied.

- As well as incorporating 8 additional holes into the model, the GCY geologists undertook a detailed structural study of the orebody and were able (seemingly with a good degree of confidence) to conclude that the footwall and hanging wall of the NNL were constrained by faults. This enabled them to understand the likely local limits to the gold mineralisation.
- The resource was determined within multiple domains with a variety of top cuts applied in each domain. GCY's 23 January 2023 release has a detailed summary of the deposit geostatistics applied to the resource estimate. Again, another reason to have confidence in the recent re-estimation.
- It should be stressed that 64% of the "underground resource" is of Inferred status, so a good deal more drilling is required to bring this up to at least Indicated status to allow mine planning to proceed and then to define a new Reserve.
- Drilling is currently underway with two rigs on site.
- The cross section below demonstrates the structural integrity of the NNL and how the grade (highlighted by the warm colours) appears to be improving with depth.

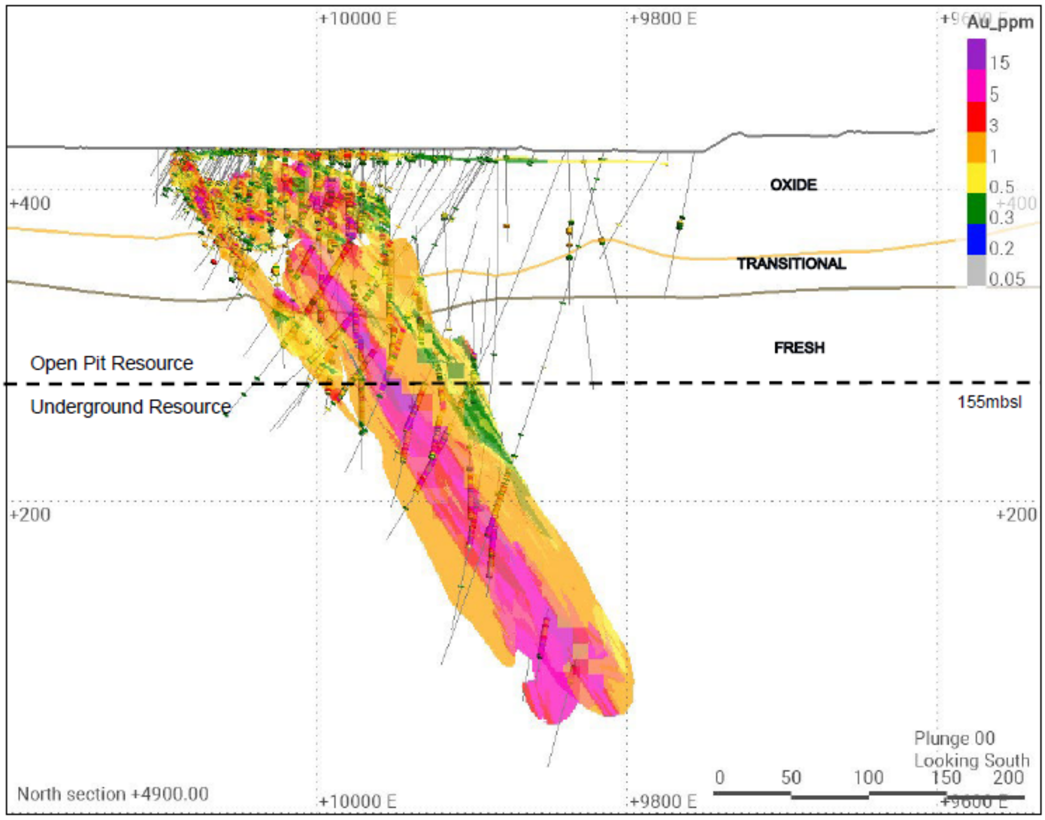
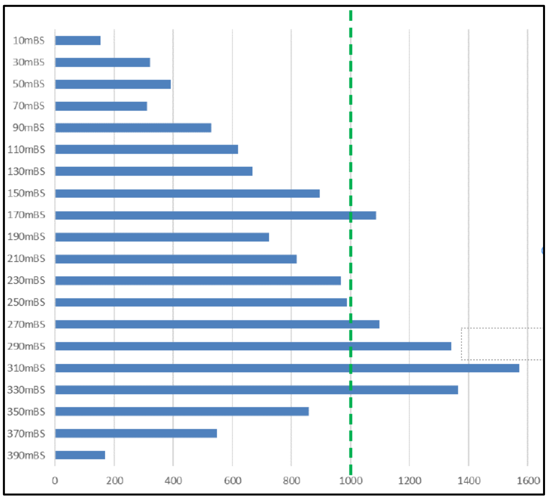


***Figure 2:** Section 4,900N (+/-50m) looking south through the Never Never Gold Deposit illustrating resource block model and drilling intercept grades (Au g/t)*

- The following chart (an excerpt from one of the slides in GCY's 27 February presentation) is instructive. It demonstrates how gold endowment of the NNL is increasing to over 1,000oz per vertical metre (OVM) toward the base of drilling.
- Note that the OVMs tail off within the basal 60 metres. To us, this seems to be more likely a result of a reduction in volume of the interpreted resource with reducing drillhole intercept density. Further success with the current drilling programme may well demonstrate that the OVM remains at around 1000oz/vertical metre, and possibly more.

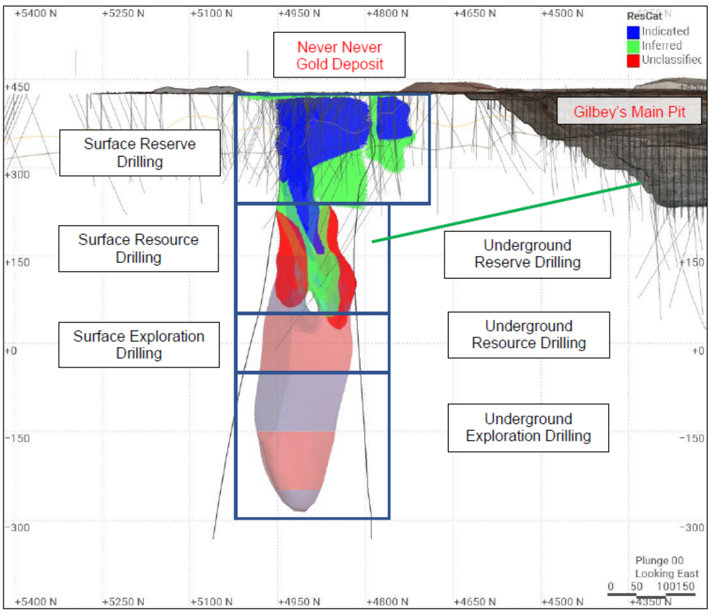


Note: This chart plots ounces per vertical metres for 20m slices though the NNL orebody.

- These are important metrics to understand the potential production capacity for a new underground mine. In typical underground mines using, for example, long hole open stoping, a vertical advance of around 40-50m per year is considered realistic. This implies that the NNL alone may be capable of delivering 50-60koz per annum to the mill. This is discussed in more detail below as we look to potential future production levels for Dalgaranga.

The NNL resource target of 600Koz-1Moz: is this realistic?

- The following chart illustrates the extent of the resource target mapped out by GCY's geologists. Not surprisingly the opportunity for a significant increase in NNL ounces is projected to come from its down plunge extension. The red 'unclassified' zone and paler coloured zones down plunge are the additional exploration targets, which together with the existing resource are projected to contain 600-1,000koz gold (and quite possibly more). GCY comments that "drilling and interpretation work completed to date shows no indication that down-dip mineralised units could be structurally affected or interrupted at this stage". This is certainly encouraging, but as we know, the rocks can be unpredictable.



- That said, it is worth noting that GCY drilled a 300m deep RC hole directly down-plunge through mineralisation from the base of the Gilbey's pit with no noted interruption. This gives a combined 550m uninterrupted extent to the Gilbey's mineralisation plane immediately adjacent to the Never Never Lode. This is certainly encouraging and we consider the stated resource target as entirely reasonable.
- The upper section of the deposit is to be infilled drilled from surface. The deeper zones will be accessed by an exploration decline, collared from within the Gilbey's main pit (highlighted in dark green in the long section, above).
- A budget of $8-10m has been set for the decline, and $10-15m for a 12-18 month drilling programme.
- Drilling from surface has already commenced so we can envisage an upgrade to the shallower resources during 2023 and 2024.
- Drilling from the underground drill drive is expected to commence in 3Q23 so results from the deep extension of the NNL are expected during 2024.
- A maiden ore reserve is to be delivered in 1H24, so around 12 months away.

What are the other issues that might impact NN/Dalgaranga?

- The NNL is a new style of mineralisation for Dalgaranga, with grades that have never been seen in this section of the Murchison province before. What issues does this raise?
    - **Geotechnical/mining issues?** Still early days but preliminary mine designs seem to be well away from potentially troublesome rock types. The NNL itself is strongly silicified and should be well-suited for mining.
    - **Metallurgy?** Samples have been taken and results are awaited. As yet, there is nothing that says that met recoveries will lie outside a range of 85-90%. Deleterious elements (the likes of copper etc) don't seem to be an issue. Historically some 15% of Dalgaranga's gold has been associated with shale units, which have caused recovery issues in the past. The 'shales' at NNL are heavily silicified and are therefore less likely to cause issues. That said, these rocks are likely to be tough to mill, which may slow the milling rates somewhat. We await Bondi Work Index (BWI) test details.

"130-150Kozpa for 5 years". Is this achievable?

- GCY is targeting a mill re-start when a 5-year mine life has been identified. With a combination of the higher grade NNL and lower grade open pit ore, production of 130-150kozpa is targeted. How could this be achieved?
- Revisiting the table from earlier in this report:

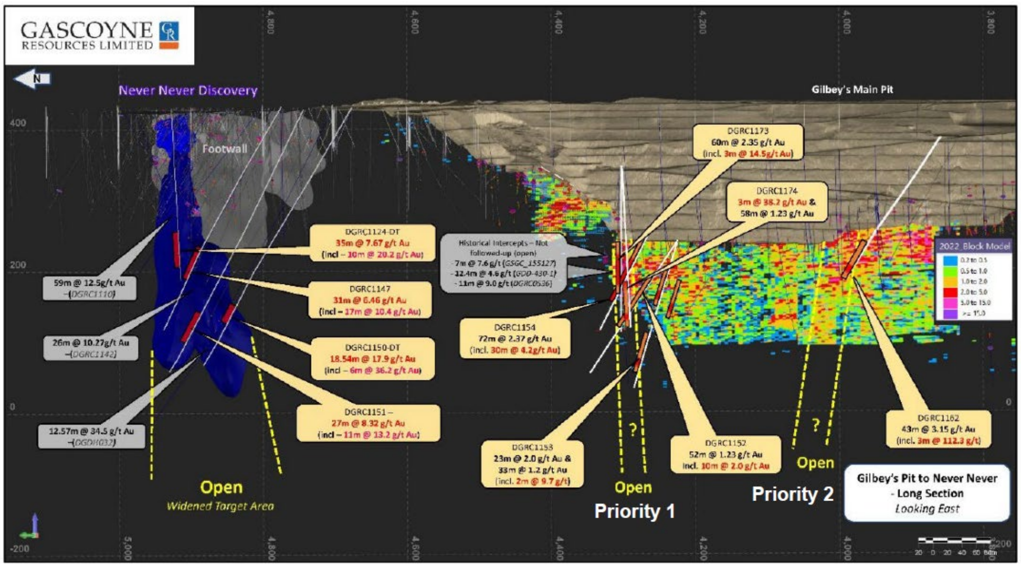
	Mt/Mtpa	g/t	Koz/Kozpa
Open cut potential (resources)	19.8	1.3	813
Underground potential (resources)	0.9	7.2	217
Underground potential (resource target, midpoint)	3.6	4.9	565
Total resource + target (midpoint)	24.3	2.0	1594
Mill capacity/av. grade/production (at 85% met. rec.)	*2.5*	*2.0*	*139*
Resource+target life x 60%	*5.8*	*years*	

- Here we suggest that with the discovery of another 500-600koz gold at a grade of around 5g/t (which will likely be from the NNL) a total resource target of 1.6Moz at a grade of 2g/t is suggested. Simplistically at a milling rate of 2.5Mtpa, production of around 140kozpa could be expected. Assuming a 60% conversion of Resources to Reserves (a common ratio) a 5-6 year mine life is possible.

- Looking at it another way, the NNL is shaping up as a deposit which can yield perhaps 1,200-1,300 ounces per vertical metre (possibly more if the deposit continues to improve with depth). At a maximum vertical mining rate of, say, 50 metres per year this implies a production rate of around 50koz from the underground assuming 85% met recovery. Assuming a recoverable grade of say 5.5g/t this would see the mining of around 340ktpa.
- A 5-year underground mine life would therefore require reserves of around 1.7Mt at 5.5g/t, against the current NNL underground resource (>2g/t) of 930kt at 7.2g/t. Dilute this to our assumed recovered 5.5g/t grade and the tonnes expand to around 1.3mt, not far from the required 1.7Mt.
- The Dalgaranga mill capacity is 2.5Mtpa. Assume the NNL's BWI is higher than for example Gilbey's, milling capacity might drop a little. Let's assume 2.4Mtpa. So, to fill the mill, a further 2Mtpa would therefore be required from the open cuts. Currently the open cut resource, including Yalgoo, amounts to just under 20Mt at 1.3g/t.
- If we assume the open cuts can produce around the 1.4g/t mark (Yalgoo's resource grade is 1.45g/t for example) and underground reserve grades of 5.5g/t, production from the Dalgaranga mill could be around the 140kozpa mark.
- Based on these 'what if' calculations, we see little risk in getting to GCY's stated target production target of 130-150kozpa for over 5 years. Further success with the drill bit is required, but the targets to us look perfectly reasonable, and achievable.
- Early days, and it's not yet possible to get our minds around the potential economics of Dalgaranga. But with +5g/t from the underground and assuming 1-1.5g/t from open cuts, cash costs (and therefore margins) are likely to be very attractive. Future studies will tell.

Other opportunities for high grade ore

- The upside opportunity for Dalgaranga is to find more medium to high grade deposits like the NNL. This discovery has encouraged the geologists to look at new structural controls for mineralisation within the existing tenements.
- To put this in context, at the completion of the original Dalgaranga DFS (in 2016) the project's resources were around 26Mt at 1.4g/t (for 1.1Moz gold) with reserves of 14Mt at 1.31g/t (592Koz). As we've subsequently discovered these estimates proved to be optimistic and the plant rarely achieved grades in excess of 1g/t.
- Looking back at the GCY annual reports and presentations, drill intercepts quoted were consistently around the tenor of the resource (1-1.5g/t) with only two intercepts that we can see offering significantly higher grades near the open cut (28m at 3.5g/t and 17m at 3.2g/t towards the southern end of the old Gilbey's pit). This was always considered a low-grade open pit mine. That is, until the discovery of the NNL.
- We are greatly attracted by the opportunity of further high-grade discoveries. GCY has been talking about zones potentially similar to the NNL beneath the Gilbey's pit and highlight two targets in the long section below, "Priority 1" and "Priority 2", as having good potential for NNL look-alike discoveries. Both targets already have a number of significant, potentially underground mineable intercepts, including 3m at 112g/t, 3m at 38g/t, 30m at 4.2g/t and 2m at 9.7g/t. These are targets worth chasing.



- Additional high grade/underground mineable deposits could allow a greater underground mining rate than can be offered by the NNL. More tonnes of higher-grade feed equals the prospect of higher production levels and consequentially lower costs.
- There appear to be other targets within a short haul of the Dalgaranga plant. GCY in its 2 February announcement, looks at opportunities within the Gilbey's-Gilbey's North corridor and states that a number of near surface anomalies have already been identified, but not followed up. These include including the 'Arc Prospect' approximately 800m from Never Never with drill intercepts including 12m at 1.7g/t Au from 76m, 4m at 4.0g/t Au from 68m, 8m at 1.1g/t from 80m, 24m at 0.8g/t Au from 84m.
- The Dalgaranga tenements remain underexplored, in our view.

Moving Dalgaranga back into production

- A number of steps are needed before GCY can push the button and restart the Dalgaranga plant. Core to the current strategy is to establish reserves for the project, including open pit tonnes at Dalgaranga and Yalgoo and underground tonnes at NNL. This should be complete within 18 months.
- The recent capital raise is sufficient, it seems, to take the project to a final investment decision. However, we believe further capital will be required to put the project back into production. This might include the following:
    - Expansion/extension of the tailings storage facility.
    - Extension of the underground drill drive and conversion for mine access.
    - Installation of mine ventilation and other underground infrastructure.
    - First fill for the mill.
    - Upgrading of the Yalgoo to Dalgaranga road for ore haulage.
    - Working capital.
- We estimate this could require further capex of perhaps $20-30m which could be funded with a modest debt facility. We understand that company is looking to fund an upgrade of the Yalgoo road with early access to the NNL open pit ore.
- We therefore see no need for further equity capital.
- Final permitting for an underground operation at NNL and open pit operations at Yalgoo are also required. We see no impediments.

BRIDGE STREET
CAPITAL PARTNERS

Appendix 1. Summary of $50m equity raise

Key element of GCY's recapitalisation are as follows:

- Institutional placement to raise $8.6m at 10c.
- 1:2.42 rights issue to raise around $17.6m at 10c.
- A $15m convertible loan to Tembo Capital, convertible to ordinary shares at 10c.
- A further $6.3m loan the Tembo to convert to a 1.8% royalty over the Dalgaranga tenements and a 1.35% royalty over gold production from Yalgoo, Glenburgh and Mt Edgerton tenements.
- A $2.5m loan from shareholder Deutsche Balaton to convert to a 0.7% royalty over the Dalgaranga tenements and a 0.525% royalty over gold production from Yalgoo, Glenburgh and Mt Edgerton tenements.
- Tembo has the right to appoint a board member. Tembo co-founder and principal Mr John Hodder is nominee.
- The new capital structure is as follows:

Pro-Forma Capital Structure

Following the Funding Solution, Gascoyne will be well-funded to pursue its exploration initiatives

		Pre-Suspension (4 Nov 2022)	Pro Forma @ $0.10
Capital Structure			
Existing Shares on Issue[1]	#m	426.1	426.1
Shares issued in Placement	#m	-	86.4
Shares issued in ANREO	#m	-	176.1
Shares issued to NRW Holdings[2]	#m	-	20.0
Conversion of Tembo Tranche A[3]	#m	-	162.8
Total Shares on Issue	**#m**	**426.1**	**871.4**
Share Price / Equity Raising Price	A$/sh	$0.195	$0.10
Market Capitalisation	**A$m**	**$83.1**	**$87.1**

		Audited position 30-Jun-22	Pro Forma
Net Cash / (Debt)			
Existing Cash[4]	A$m	30.9	11.9
Equity Raising (net of gross transaction and interest costs)	A$m	-	21.0
Tembo Capital Investment (Tranche A)[3]	A$m	-	15.0
Tembo Capital Investment (Tranche B)[5]	A$m	-	6.3
Delphi Royalty[6]	A$m		2.5
Liability Extinguishment & Remaining Redundancies	A$m	-	(6.0)
Institutional debt & NRW liability payment arrangement[7]	A$m	(9.6)	-
Net Cash / (Debt)	**A$m**	**21.3**	**50.7**
Enterprise Value	**A$m**	**61.8**	**36.4**

Summary

- Pro-forma the Funding Solution and assuming Conversion of the Tembo Capital Investment, Gascoyne will have over A$50m net cash
- Subject to shareholder approval at an EGM, NRW Holdings Limited ("**NRW**") to be issued A$2m in fully paid ordinary shares in Gascoyne ("**NRW Offer**") at the Equity Raising price as part of the settlement of amounts owed to NRW
- Over A$27m in cash committed to exploration & studies while also ensuring the Dalgaranga Mill is funded for care and maintenance costs until mid-2024

1. *Excludes 25.3m Gascoyne performance rights.*
2. *Subject to shareholder approval at an EGM, NRW to be issued A$2m in fully paid ordinary Gascoyne shares at the Equity Raising price as part of the settlement of amounts owed to NRW.*
3. *Assumes Conversion of the outstanding amount of Tranche A to fully paid ordinary Gascoyne shares including the establishment fee (2.5%) and redemption premium (5.0%).*
4. *Gascoyne's audited cash balance at 30 June 2022 and unaudited cash balance as at 31 December 2022.*
5. *Assumes Conversion of Tranche B to a gold production royalty.*
6. *Assumes the Delphi unsecured loan converts to a gold production royalty (subject to shareholder approval at an EGM).*
7. *Excludes from debt the ongoing finance lease liabilities for leases such as power plant and LNG storage tanks. Cash outflows for lease liabilities are reflected as outflows in the sources & uses within C&M and corporate costs. Assumes A$2m NRW Offer coverts to fully paid ordinary shares in Gascoyne.*

Source: GCY presentation, February 2023

- Note that shareholder approval will be sought for the issue of shares to Tembo, Deutsche Balaton, to contractors NRW and to two GCY directors at an Extraordinary General Meeting to be held on 18 April 2023.
- The following uses of funds is worth studying:

Uses of Funds	A$m
Exploration & Studies	27.6
Care & Maintenance Costs	11.6
Corporate Costs & Working Capital	11.6
Redundancy Costs & Liability Extinguishment	6.0
Transaction Costs, Interest Costs & Other	5.2
Total Uses	**62.0**

Source: GCY presentation, February 2023

- Around 45% of the funds will be employed in exploration and pre-development at Dalgaranga and other tenements.
- Care and maintenance at $11.6m for just over 12 months seems high, but likely includes finance charges associated with the power plant, LNG storage tanks and other leased equipment.

BRIDGE STREET
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Appendix 2. GCY: relative valuations in the Australian gold exploration and development sector

Company Name	ASX Ticker	Market Cap. ($m)	EV ($m)	Stage	Contained Moz	EV/Resource (A$/oz)
BELLEVUE	BGL	$ 1,659.8	$ 1,539.4	Production	3.1	$ 493
CAPRICORN	CMM	$ 1,817.7	$ 1,786.0	Production	5.2	$ 340
EVOLUTION	EVN	$ 6,468.4	$ 7,834.9	Production	30.3	$ 259
GENESIS	GMD	$ 456.6	$ 375.4	Production	2.0	$ 186
RAMELIUS	RMS	$ 1,272.8	$ 1,118.8	Production	6.3	$ 178
REGIS	RRL	$ 1,695.0	$ 1,844.0	Production	10.6	$ 173
RED 5	RED	$ 570.1	$ 658.1	Production	4.7	$ 139
SILVER LAKE	SLR	$ 1,166.8	$ 904.8	Production	6.8	$ 132
CALIDUS	CAI	$ 125.2	$ 214.8	Production	1.7	$ 129
WESTGOLD	WGX	$ 716.4	$ 557.4	Production	6.6	$ 84
PANTORO (POST MERGER)	PNR	$ 343.4	$ 338.8	Production	5.1	$ 67
GASCOYNE*	GCY*	$ 108.9	$ 88.2	Production	1.5	$ 57
DE GREY	DEG	$ 2,517.4	$ 2,356.7	Exploration	10.5	$ 225
MUSGRAVE	MGV	$ 133.0	$ 118.4	Exploration	0.9	$ 130
ORA BANDA	OBM	$ 199.5	$ 188.3	Exploration	2.0	$ 93
BREAKER	BRB	$ 163.4	$ 89.4	Exploration	1.6	$ 54
BLACK CAT	BC8	$ 118.4	$ 96.4	Exploration	2.0	$ 49
AUSGOLD	AUC	$ 105.5	$ 99.0	Exploration	2.2	$ 45
GASCOYNE	GCY	$ 108.9	$ 58.2	Exploration	1.5	$ 38
KIN MINING	KIN	$ 50.7	$ 49.1	Exploration	1.4	$ 35
HORIZON	HRZ	$ 34.9	$ 35.3	Exploration	1.2	$ 28
MEEKA	MEK	$ 58.7	$ 52.0	Exploration	1.8	$ 28
GATEWAY	GML	$ 15.8	$ 12.4	Exploration	0.5	$ 25
DACIAN	DCN	$ 94.9	$ 51.1	Exploration	2.2	$ 23
MEDALLION	MM8	$ 18.9	$ 17.8	Exploration	1.1	$ 16
FOCUS	FML	$ 54.4	$ 84.5	Exploration	6.3	$ 13

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Dr Chris Baker, an authorised representative of BSCP, certifies that the advice in this report reflects his honest view of the company. He has 29 years investment experience in wholesale capital markets. He worked as a mining analyst for brokers BZW and UBS for 11 years and has a further 16 years' experience as a mining analyst and portfolio manager with Colonial First State and Caledonia Investments. He now provides independent financial advice on a part time basis. He may own securities in companies he recommends but will declare this when providing advice. He currently owns shares in GCY. He is remunerated by BSCP but is not paid a specific fee for providing this report. BSCP, its directors and consultants may own shares and options in GCY and may, from time to time, buy and sell the securities of GCY. Co-author Daniel Seeney is also an authorised representative of BSCP and does not own shares in GCY.

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Appendix 1

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