GASCOYNE RESOURCES LIMITED
57 139 522 900

MARCH QUARTERLY REPORT 2012

HIGHLIGHTS

TECHNICAL:

Glenburgh

- Indicated and Inferred Resource increased by 35% to **703,000 oz of gold**
  17.4 Mt @ 1.3 g/t gold for 703,000 oz of gold
  Including maiden Indicated Resource of 103,000 oz of gold (1.6Mt @ 2.0 g/t gold)
- Mining Lease Application for Glenburgh pegged, covering all of the known gold mineralised shear zone
- Drilling is ongoing with a 40,000 metre drill program advancing ahead of schedule with two drilling rigs on site.
- Results from the first two diamond holes at Zone 126 of the 2012 drilling program have been received, intersections included 2m @ 41.6g/t gold, 4m @ 15.2g/t gold and 14m @ 5.9 g/t gold (including 6m @ 12.2g/t gold)

Higginsville Project

- New tenements have been granted and one new Joint Venture tenement added to the project increasing the size of the project to approximately 100 km2

CORPORATE:

- Private placement of 10 million shares at 21c to sophisticated and institutional investors was completed, raising $ 2.1 million before costs.
- A 1 for 5 non renounceable Rights issue (at 20c) was launched on the 5th of April 2012 and remains open until the 9th of May 2012. If fully subscribed this will raise approximately $4.6 million before costs.

CORPORATE DETAILS
ASX Code: GCY
Shares: 113.8M*
Share Price: 0.20 cents
Market Cap: $23M*

ASSETS
Cash: $3.8 M *(27th April)
*after placement but prior to rights issue
Glenburgh (100%) 703,000 oz Gold

BOARD
Non-Executive Chairman
Graham Riley

Managing Director
Michael Dunbar

Non-Executive Directors
John den Dryver
Gordon Dunbar
Mike Joyce
Stan Macdonald

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REVIEW OF OPERATIONS

GLENBURGH

E09/1325, 1764, 1865 & 1866, ELA 1946 & 1947, PLA 09/471-744, MLA 09/148 - 100% Gascoyne

As a result of the positive scoping study (announced in the December quarter), an accelerated drill program of 40,000 metres commenced on the Company's 100% owned Glenburgh Gold project in Western Australia. One RC and one Diamond drill rig recommenced drilling in February and are expected to continue for around 6 months.

Activities completed during the quarter include:

- An Updated resource estimate was completed. The resource has grown by ~ 35% to 703,000 oz of Gold.
- Extensional and exploration drilling recommenced with one RC and one diamond drill rig on site.
- Results from the first two diamond holes below the Zone 126 deposit has extended the mineralisation by approximately 100m down dip, results included up to 49 g/t gold within 14m @ 5.9 g/t gold, 4m @ 41.6 g/t gold, 4m @ 15.2 g/t gold, 10m @ 2.4 g/t gold and 1.65m @ 7.0 g/t gold.

35% INCREASE TO THE GLENBURGH RESOURCE ESTIMATE:

As announced on 8th February, an update to the Glenburgh resource has been completed by Runge Limited, an external and independent global resource consultancy.
The combined Indicated and Inferred resource now stands at:

17.4 Mt @ 1.3 g/t gold for 703,000 oz of gold

Highlights from this significant resource upgrade include:

- 35 % increase in total resource ounces
- Increase in global gold grade by 8% over previous estimate
- 26 % increase in global resource tonnes over previous estimate
- Inclusion for first time of resource in the Indicated category of 1.6 Mt @ 2.0 g/t gold for 103,500 oz
- First Resources from the Torino deposit – 1.3 Mt @ 1.5 g/t gold for 65,000 oz
- Plunging high grade shoot at Zone 126 includes Indicated Resource of 200,000 t @ 4.5 g/t gold for 32,000 oz
- Increase of gold grade with depth
- The resource includes a higher grade "core" of 7.0 Mt @ 2.0g/t gold for 450,000oz.

Table 1: Glenburgh Deposits
February 2012 Mineral Resource Estimate (0.5g/t Au Cut-off)

Type	Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Transitional	0.1	1.6	7,500	1.7	1.1	58,600	**1.9**	**1.1**	**66,000**
Fresh	1.5	2.1	95,900	14.0	1.2	540,700	**15.5**	**1.3**	**637,000**
Total	**1.6**	**2.0**	**103,500**	**15.8**	**1.2**	**600,000**	**17.4**	**1.3**	**703,000**

Note: Discrepancies in totals are a result of rounding, See table two for breakdown in resource for each deposit and comparison between the previous resource estimate.

MINING LEASE APPLICATION LODGED:

During the quarter, a mining lease application was lodged with the Western Australian Department of Mines and Petroleum (see announcement 6th of February). The application covers an area of approximately 3,000 ha and includes the resource areas – Icon, Apollo, Mustang, Shelby, Hurricane, Zone 102, Zone 126, NE 3, Tuxedo deposits and the new Torino/South West prospect areas. The application also includes space for infrastructure requirements, including treatment plant, ROM pad, waste dumps, and tailings storage facility (Figure 1).

DRILLING:

As announced on the 28th of February (and the 16th of March), drilling recommenced on the Glenburgh project during the quarter. The current drill program of approximately 40,000 metres has begun with two drill rigs operating on site.

The program has been designed with a number of objectives including:

1. Infill drilling to allow conversion of the Inferred portion of the resource to Indicated (or measured)
2. Extensional drilling to add incremental open pittable resource tonnes
3. Extensional / exploration drilling below the high grade plunging shoot identified at Zone 126, with the aim to add to the potential underground resource at depth
4. Exploration / regional drilling to identify new resources
5. Feasibility related drilling, including metallurgical, geotechnical and water bore drilling

Diamond Drilling:

During the quarter 9 diamond drill holes were completed beneath the Zone 126 Deposit. Results for the first two drilled (GBD011 and 012) have been received (and announced on the 3rd and 11th of April 2012) and intersected the mineralisation approximately 100m below the previously reported RC drill results that included 20m @ 11.1g/t (see Figure 2).

The diamond intersections include:

- **2m @ 41.6 g/t gold from 265m metres downhole (GBD011),**
- **4m @ 15.2 g/t gold from 295.45 metres downhole (GBD011),**
- **10m @ 2.4 g/t gold from 277 metres downhole (GBD011),**
- **14m @ 5.9 g/t gold from 287 metres downhole (GBD012),**
  Including 6m @ 12.2 g/t gold, with 1m @ 49.3g/t gold
- **1.65m @ 7.0 g/t gold from 322 metres downhole (GBD012),**

A further 7 holes have been completed, with the drill core currently in the laboratory in Perth being cut and assayed. Results for these holes are expected to be received in the next two weeks.

RC Drilling:

RC drilling, as part of the 40,000m drill program, commenced in March. To date approximately 60 holes have been completed. Samples from these holes are either at the laboratory in Perth awaiting analysis or on route from Glenburgh to the laboratory in Perth.

The first few batches of samples are expected to be received within the next week. Details of the holes will be released along with the results as they are available.

FORWARD PROGRAM

The main focus for the company during 2012 will remain the Feasibility study and ongoing exploration at the Glenburgh Project. The forward program includes:

- Follow up RC drilling at the Torino Prospect.
- Follow up RC and diamond drilling at the high grade plunging "shoot" at Zone 126.
- Additional RC drilling to test the down dip, down plunge and strike extensions of the known gold deposits at Glenburgh.
- Exploration RC drilling at the South Western target zone, to define additional targets along strike from the Torino prospect.
- Feasibility related drilling and test work including metallurgical, geotechnical and hydro-geological
- Further resource updates

HIGGINSVILLE PROJECT

E15/1265, 1297, P15/5570 – 5573, ELA 15/1280 100% Gascoyne, E15/1286 80% Gascoyne

During the quarter, a new tenement was granted in the project (E15/1297) which is interpreted to cover prospective stratigraphy of the Higginsville region (see figure 3). This tenement has undergone little recent exploration.

In addition to the granting of the new exploration licence, the company entered into a Joint Venture with a prospector to acquire an additional tenement south of the "Trident line of lodes" as well as a significant amount of ultramafic rocks which are considered prospective for nickel sulphide deposits similar to Mincor's Mittel, Mariners and Redross deposits further north.

While no on ground activities were completed on the expanded project during the quarter, compilation of the historical exploration was undertaken. This is expected to lead to identification of drill targets that will be tested latter in the year.

BUSTLER WELL, MT JAMES

E52/2348, 2343, 100% Gascoyne

During the quarter both Bustler well and Mt James project areas were covered by a detailed aeromagnetic survey. The data collected is still being processed, however it is expected that a number of targets will be identified for further field validation.

BASSIT BORE

E09/1088, 1750 & 1751 100% Gascoyne

No exploration was undertaken during the quarter.

NEW PROJECTS

In addition to Gascoyne's existing projects, a number of new opportunities have been and continue to be assessed. These evaluations are preliminary and ongoing. The company will make announcements as and when negotiations are more advanced.

CORPORATE

Private Placement and Non Renounceable Rights Issue:

On the 5th of April, the company announced a capital raising by way of a private placement and a non renounceable rights issue. A Placement of 10 million shares was made to sophisticated and institutional investors at 21 cents to raise $2.1 million before costs and has been followed by a 1 for 5 pro-rata non-renounceable rights issue at 20 cents per share. The rights issue if fully subscribed will raise approximately $4.6 million. The prospectus for the rights issue has been sent to all eligible shareholders, with the closing date for acceptances on the 9th of May 2012.

If fully subscribed the company will have approximately 136.6 million fully paid shares on issue and have approximately $8.5 Million in cash to fund the current 40,000m drill program and ongoing feasibility studies.

Information in this announcement relating to mineral resources and exploration results is based on data compiled by Gascoyne's Managing Director Mr Michael Dunbar who is a member of The Australasian Institute of Mining and Metallurgy. Mr Dunbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dunbar consents to the inclusion of the data in the form and context in which it appears.

The drilling was conducted using RC and Diamond drilling with samples being collected at one metre intervals and a riffle split (of half core) subsample of approximately 2-4 kg was sent to Genalysis Laboratory Services Pty Ltd in Perth Western Australia. The sample was fully pulverized and analysed for gold using a 50 gram lead collection fire assay digest and an atomic absorption spectrometry finish to a 0.01ppm Au detection limit. Full analytical quality assurance – quality control (QA/QC) is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicate, repeats, blanks and grind size analysis.

The spatial location of the samples is derived using surveyed local grid co-ordinates, GPS collar survey pickups, and Reflex single shot down hole surveys taken every 30m down hole.

RC Intersections have been reported using a 0.5g/t cut off and allowance for up to 4m of internal waste. Some +0.5g/t intersections have not been reported if they are single metre intersections or are not considered to be significant due to their isolated position compared to other intersections.

True widths have not been determined as the level of detail needed to calculate accurate true widths is not yet available, as a result down hole widths have been reported, however true widths are not expected to significantly change from the down hole widths

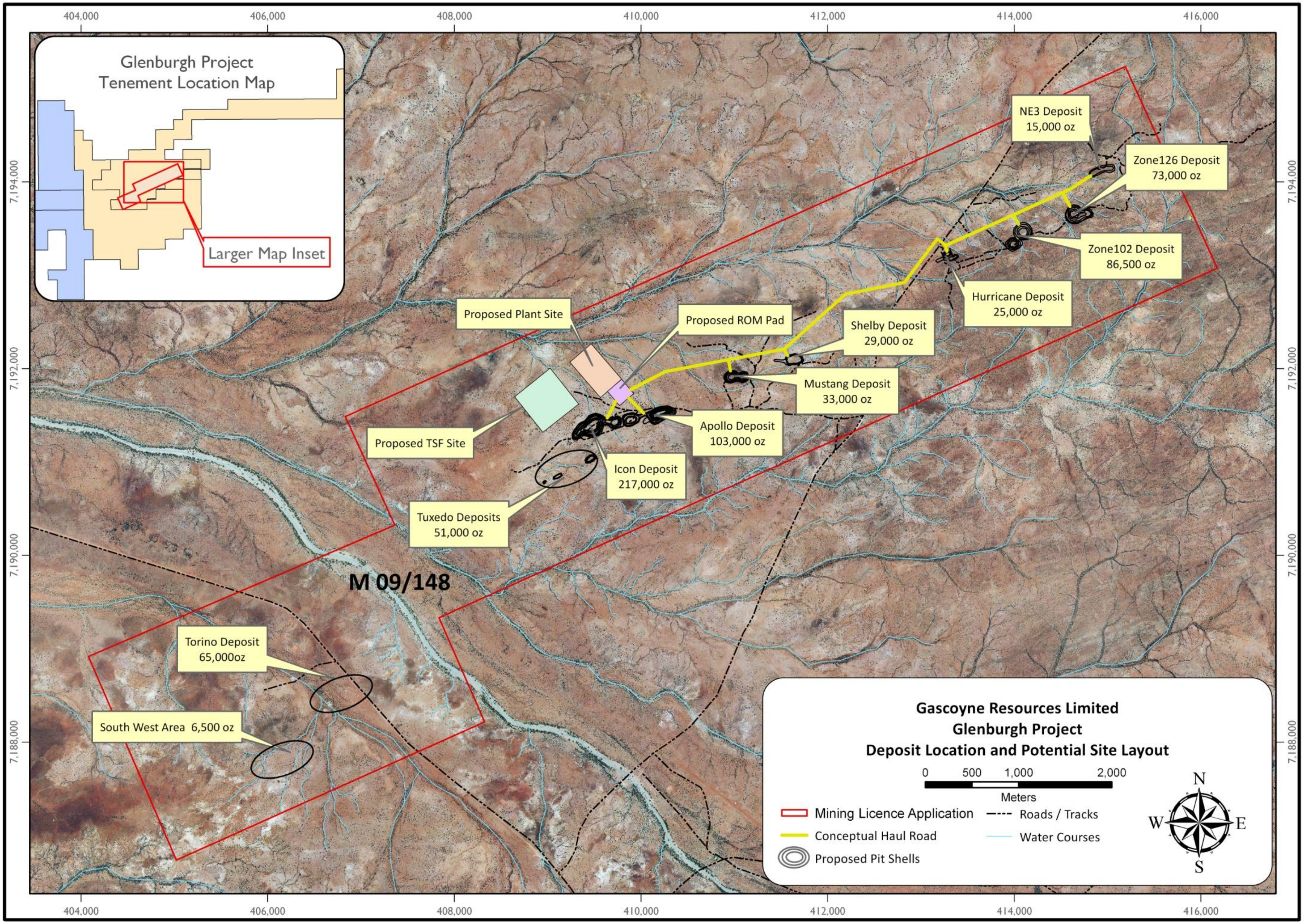

Figure 1: Glenburgh Mining licence application, deposit locations and conceptual site layout.

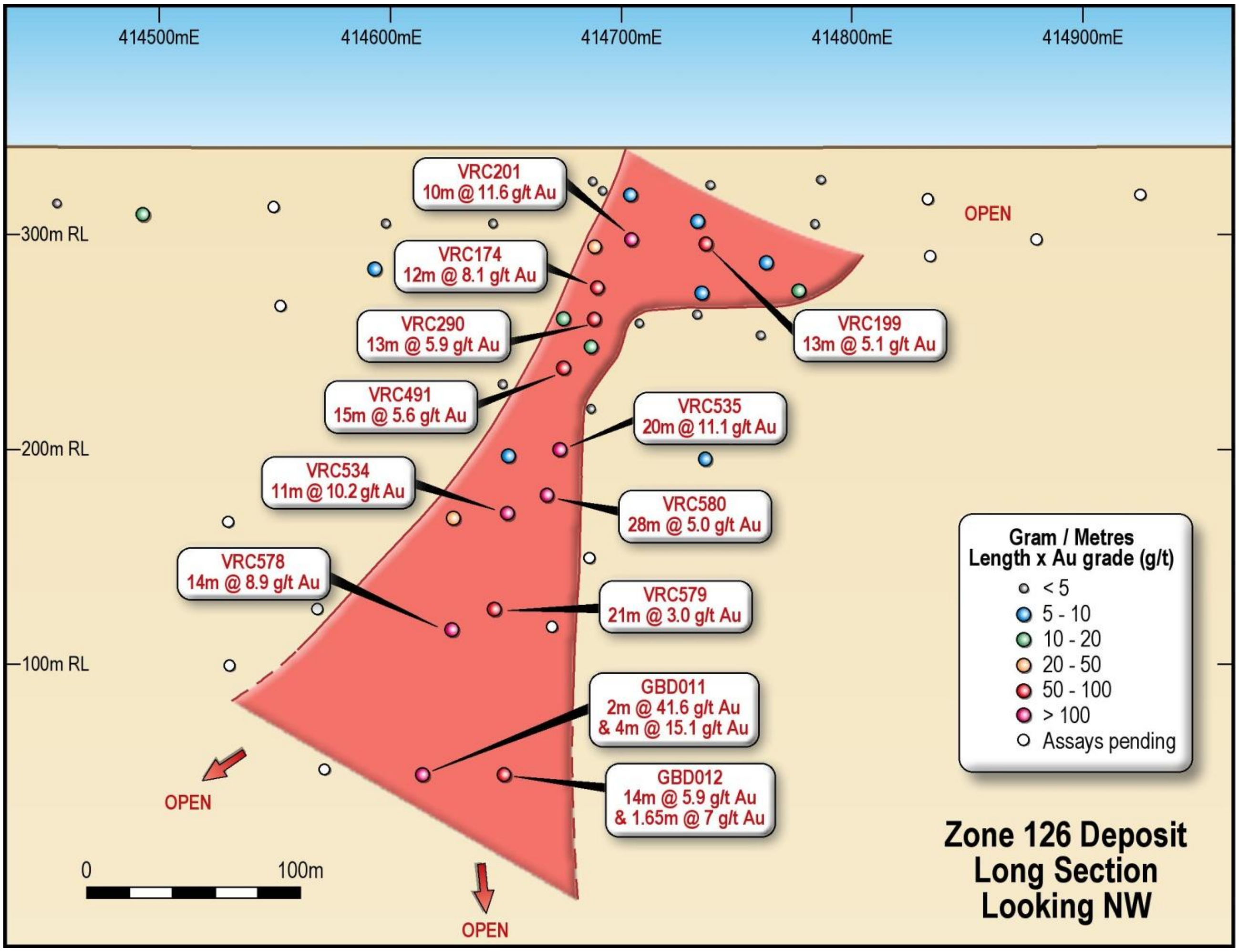

Figure 2: Zone 126 Deposit Long Sections showing recent deep diamond drilling results

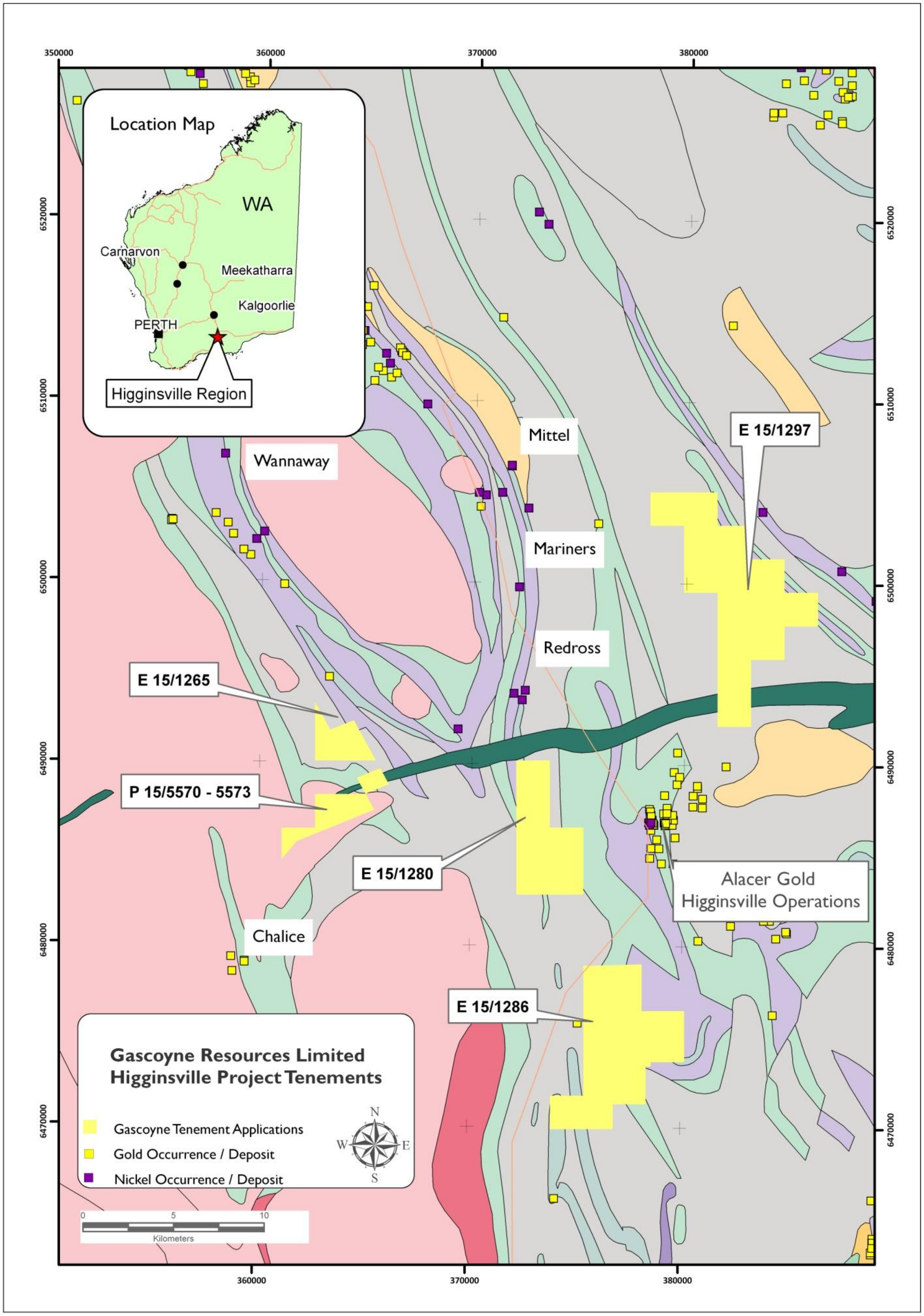

Figure 3: Higginsville Project with new tenement holding and gold and nickel deposit locations

Table 2: Glenburgh Deposits - Area Summary Comparison with Previous Resource Estimate (0.5g/t Au Cut-off)

	August 2011 Resource			February 2012 Mineral Resource								
	Inferred			Indicated			Inferred			Total		
Area	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Icon	6.0	1.0	200,000	0.8	1.3	33,500	5.6	1.0	183,200	**6.4**	**1.1**	**216,700**
Apollo	2.2	1.6	110,000	0.6	2.0	37,600	1.6	1.3	65,200	**2.2**	**1.5**	**102,800**
Tuxedo	1.0	1.0	32,000				1.8	0.9	50,900	**1.8**	**0.9**	**50,900**
Mustang	1.1	0.9	34,000				1.1	0.9	32,700	**1.1**	**0.9**	**32,700**
Shelby	1.0	0.9	29,000				0.9	1.0	29,300	**0.9**	**1.0**	**29,300**
Hurricane	0.5	1.1	17,000				0.6	1.3	24,800	**0.6**	**1.3**	**24,800**
Zone 102	1.0	1.5	51,000				1.5	1.8	86,500	**1.5**	**1.8**	**86,500**
Zone 126	0.6	1.8	34,000	0.2	4.5	32,300	0.8	1.6	40,500	**1.0**	**2.2**	**72,800**
NE3	0.4	1.0	13,000				0.5	0.9	15,000	**0.5**	**0.9**	**15,000**
Torino	-	-	-				1.3	1.5	65,000	**1.3**	**1.5**	**65,000**
SW Area	-	-	-				0.1	3.8	6,200	**0.1**	**3.8**	**6,200**
Total	13.8	1.2	520,000	**1.6**	**2.0**	**103,500**	**15.8**	**1.2**	**600,000**	**17.4**	**1.3**	**703,000**

Note: Discrepancies in totals are a result of rounding

Background On Gascoyne Resources

Gascoyne Resources Limited was listed on the ASX in December 2009 following the amalgamation of the gold assets of Helix Resources Limited and Giralia Resources NL in the Gascoyne Region of Western Australia.

Gascoyne Resources is endowed with:

- 100% of the Glenburgh Project in Western Australia, which has an Indicated and Inferred resource of: 17.4 Mt @ 1.3g/t Au for 703,000oz gold (the Indicated portion is 1.6Mt @ 2.0 g/t Au for 103,500 ounces of gold) from several prospects within a 20km long shear zone. Considerable resource growth potential exists around the deposits as well as at regional targets that have had limited exploration over the last 15 years. (See table 2 for full details on resource breakdown)

- Advanced exploration projects at Mt James where drilling has outlined a +1 g/t Au mineralisation over at least 2.5km strike within a 300m thick package of sheared mafic amphibolites and BIFs: and at Bustler Well where previous RC drilling returned narrow high grade intersections including 1m @ 37.4g/t Au, 2m @ 9.08 g/t Au and 3m @ 7.62 g/t Au from a 150m long quartz-shear lode.

- At the Bassit Bore Project, a number of gold bearing quartz veins have been discovered at the Harrier prospect with rock chip samples up to 73g/t gold. RC drilling of one of these veins has intersected promising gold copper and silver mineralisation. A number of other quartz veins are yet to be tested.

- Projects in the Higginsville and Murchison regions of Western Australia, which has potential to host significant gold and nickel deposits

Gascoyne Resources' immediate primary focus is to continue the evaluation of the Glenburgh gold deposits to delineate meaningful increases in the resource base and to identify and test additional targets in the Glenburgh mineralised system and to explore for additional gold resources on the exploration properties. Success in these activities is expected to lead to the development of a gold project based on the Glenburgh gold deposits

Further information is available at www.gascoyneresources.com.au

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Gascoyne Resources Limited

ABN	Quarter ended ("current quarter")
57 139 522 900	31 March 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(379)	(2,930)
	(b) development		
	(c) production		
	(d) administration	(227)	(718)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	37	200
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
	Net Operating Cash Flows	(569)	(3,448)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(74)	(108)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other		
	Payments for security deposits	(25)	(35)
	Net investing cash flows	(99)	(143)
1.13	Total operating and investing cash flows (carried forward)	(668)	(3,591)

1.13	Total operating and investing cash flows (brought forward)	(668)	(3,591)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	675
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other		
	Net financing cash flows	-	675
	Net increase (decrease) in cash held	(668)	(2,916)
1.20	Cash at beginning of quarter/year to date	2,709	4,957
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	2,041	2,041

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	115
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Managing Director salary $68k
Non-executive Director fees $47k

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	2,000
4.2	Development	
4.3	Production	
4.4	Administration	300
	Total	**2,300**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	1,141	159
5.2	Deposits at call	-	-
5.3	Bank overdraft		-
5.4	Other: Term deposits	900	2,550
	Total: cash at end of quarter (item 1.22)	2,041	2,709

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	E51/1469 E15/1297 E20/759 M09/148	Granted Granted Granted Application	100% 100% 100% 0%	100% 100% 100% 100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	103,849,600	103,849,600		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	1,000,000 1,800,000	Nil Nil	*Exercise price* *$0.40* *$0.40*	*Expiry date* *31 August 2014* *16 November 2013*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: (Company secretary) Date: 30 April 2012

Print name: Eva O'Malley

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.