DECEMBER QUARTERLY REPORT 2012

GASCOYNE RESOURCES LIMITED

57 139 522 900

HIGHLIGHTS

TECHNICAL:

Glenburgh Project

- Early in October the Glenburgh JORC resource was updated resulting in a significant increase to

27.1 Mt @ 1.2 g/t gold for 1,040,000 oz of gold

  - This equates to an increase of 47 % in total ounces and a 56% increase in global resource tonnes since the February 2012 estimate
  - The Indicated Resource was increased by 305% to **10.1 Mt @ 1.3 g/t gold for 420,000 oz**

- Exploration drilling continued during the quarter with one RC rig and one RAB / Aircore rig drilling in the south west target zone and along strike from the Tuxedo Deposit resulting in the discovery of significant mineralisation including:
  - Zone 126 Deposit
    - **4m @ 9.0 g/t gold from 132m**
  - Tuxedo area
    - **19m @ 1.2 g/t gold from 69m**
    - **22m @ 0.9 g/t gold from 5m** including **9m @ 1.7 g/t gold**
  - South West exploration area
    - **27m @ 0.6 g/t gold from 6m** including **3m @ 3.3 g/t gold**
    - **19m @ 0.8 g/t gold from 37m, including 2m @ 2.0 g/t gold**

- Soil sampling along strike from the Zone 126 Deposit has defined an anomaly that extends the known mineralised gold trend a further 5,000 metres to the north east. Individual results up to 1.3g/t highlight the untested potential of Glenburgh mineralised system.
- The current Feasibility Study continued, with completion by major consultants expected in February 2013.

Dalgaranga Project

- Documentation for the purchase of the project continued during the quarter. Completion is expected to be finalised and tenement transfers completed in early 2013.
- Compilation of the historical drilling data has identified a number of targets which are expected to be drill tested in the first quarter of 2013.

New Projects:

- A number of new projects were reviewed, leading to the application of a new tenement (Elphin Bore) covering a highly prospective gold trend in the Pilbara of Western Australia. Historical drilling on the project intersected up to 13m @ 3.0g/t gold and 8m @ 2.99g/t gold. The Elphin Bore project is along trend from the Independence group's (IGO's) Karlawinda gold project which hosts ~ 674,000oz of gold.

CORPORATE:

- During the quarter a private placement was completed to a number of prominent international investment funds and sophisticated investors. In total 14.6 million shares were issued raising $3.7 million dollars before placement costs.

CORPORATE DETAILS
ASX Code: GCY
Shares: 151M
Share Price: 34 cents
Market Cap: $51 M

ASSETS
Cash: $5.0 M

Glenburgh (100%) 1,040,000 oz Gold
Dalgaranga (80%) 380,000 oz Gold

BOARD
Non-Executive Chairman
Mike Joyce

Managing Director
Michael Dunbar

Non-Executive Directors
John den Dryver
Gordon Dunbar
Graham Riley
Stan Macdonald

CONTACT DETAILS
Telephone: +61 8 9481 3434
Facsimile: +61 8 9481 0411
Email:
admin@gascoyneresources.com.au
Web: www.gascoyneresources.com.au

REVIEW OF OPERATIONS

GLENBURGH

E09/1325, 1764, 1865, 1866, 1946 & 1947, ELA 09/1988, 2012, 2013 & 2025, P09/471-744, MLA 09/148, L09/50 - 100% Gascoyne

During the quarter the 2012 drill program of over 40,000m was completed. The RC and diamond drilling has been incorporated into the revised resource that was released in early October. Exploration drilling, testing a number of anomalous trends was also undertaken. The Glenburgh JORC Indicated and Inferred resource has now grown by over 800,000 ounces of gold in the last two years to **27.1 Mt @ 1.2 g/t gold for 1,040,000 oz of gold** using a 0.5g/t cutoff (see Table 1 & 2 and Figures 1 & 2)

RESOURCE UPDATE:

The resource modelling and estimation has been completed by Runge Limited, an external and independent global resource consultancy. See the resource announcement released on the 2nd of October for more details. Highlights from this significant resource upgrade include:

- 305% increase in the Indicated Resource category to **10.1 Mt @ 1.3 g/t gold for 420,000 oz**
- 47 % increase in total resource
- 56 % increase in global resource tonnes over previous estimate
- Higher grade "core" of the resources contains **11.8Mt @ 1.8g/t gold for 675,000 oz** (at a 1g/t cutoff)

Table 1: Glenburgh Deposits
October 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	0.7	1.0	23,500	1.3	1.1	47,100	**2.1**	**1.1**	**71,000**
Fresh	9.3	1.3	395,100	15.6	1.1	570,100	**25.0**	**1.2**	**965,000**
Total	**10.1**	**1.3**	**420,000**	**17.0**	**1.1**	**620,000**	**27.1**	**1.2**	**1,040,000**

Note: Discrepancies in totals are a result of rounding

EXPLORATION ACTIVITIES

During the quarter exploration drilling continued with an RC rig and a RAB/Aircore rig in operation. In addition a detailed soil sampling program was completed. The soil sampling was successful in defining a gold trend that has extended the known mineralisation a further 5,000m further to the north east from the Zone 126 deposit (2.4Mt @ 2.0g/t for 151,000 oz of gold). Individual results of up to 1.3g/t from the soil sampling has highlighted the untested potential of the Glenburgh gold system. (see Figure 3)

DRILLING

Assay results have also been received from the last 3 RC holes drilled last quarter as part of the Resource drilling program, intersections include.

- Tuxedo area
  19m @ 1.2 g/t gold from 69m in VRC792
- Zone 126 area
  4m @ 9.0 g/t gold from 132m in VRC793

These results were incorporated into the October 2012 resource update for Glenburgh.

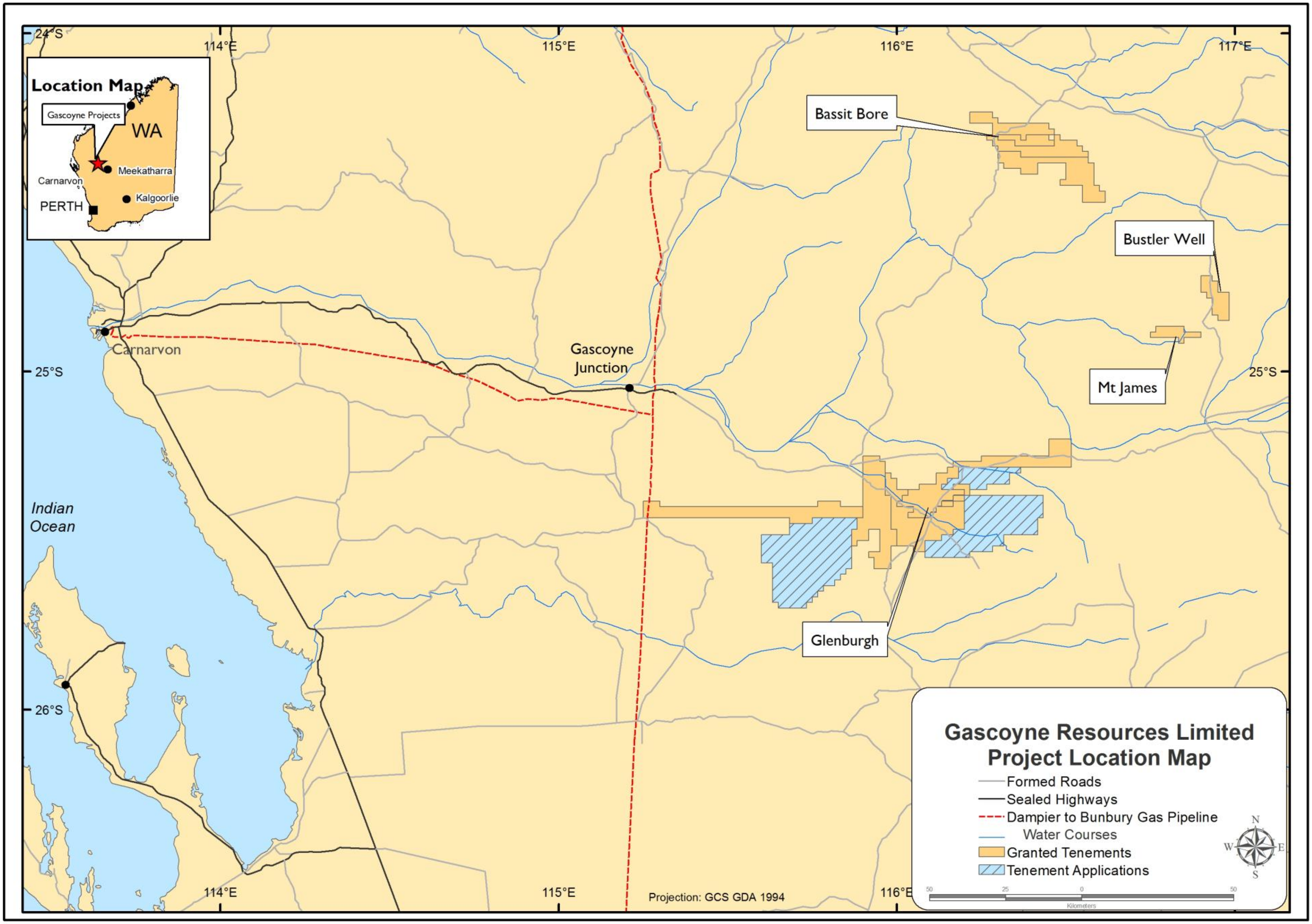

Figure 1: Gascoyne Region – Gascoyne Resources Project Locations

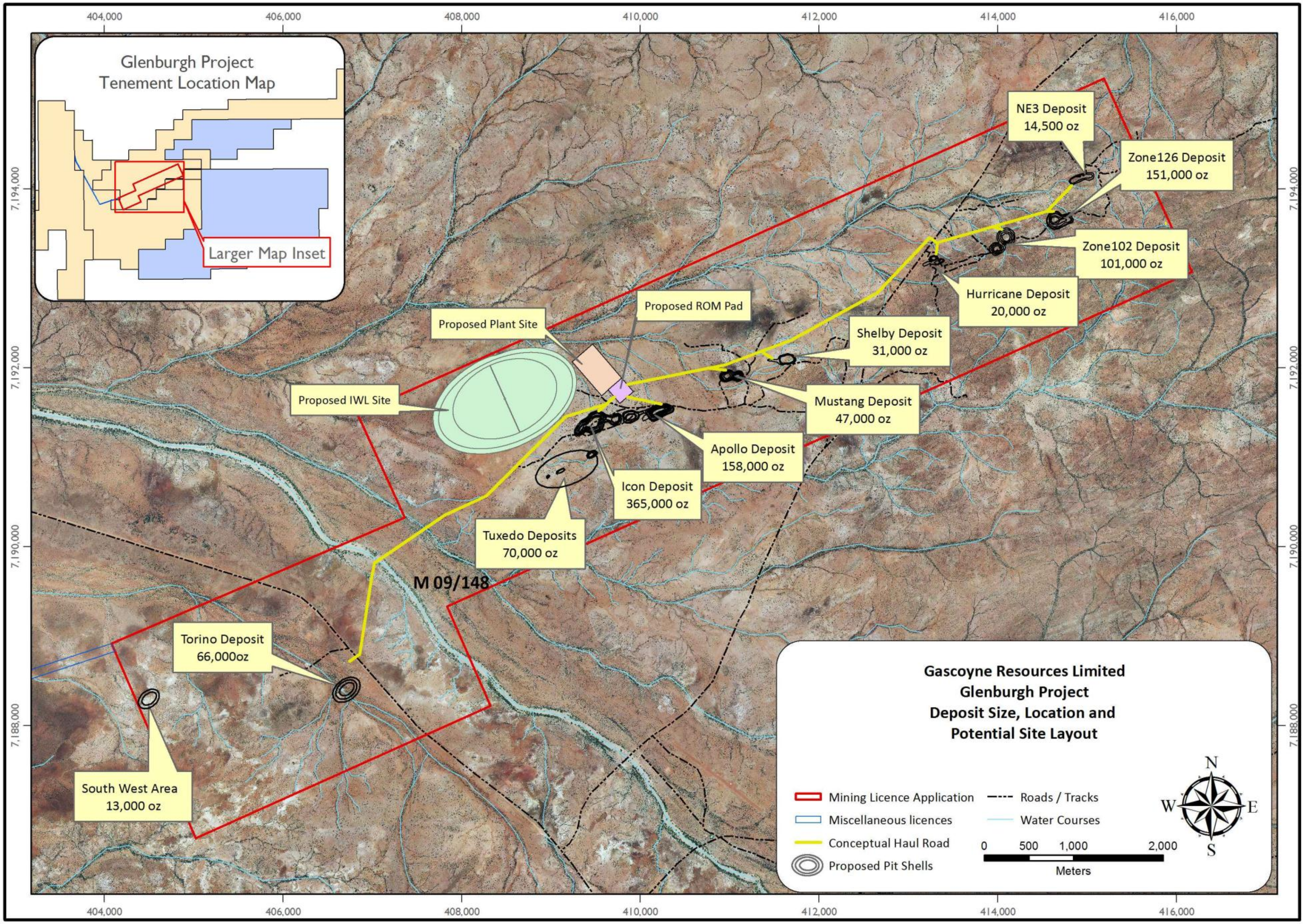

Figure 2: Plan showing Deposit Location, Resources and Conceptual Site-Layout

Table 2: Glenburgh Deposits - Area Summary
October 2012 Mineral Resource Estimate (0.5g/t Au Cut-off)

Area	Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Icon	5.5	1.0	176,900	5.2	1.1	187,900	**10.7**	**1.1**	**364,800**
Apollo	1.6	1.6	82,900	2.2	1.1	75,100	**3.8**	**1.3**	**158,000**
Tuxedo	0.9	0.9	26,000	1.5	0.9	44,100	**2.4**	**0.9**	**70,100**
Mustang				1.5	1.0	47,000	**1.5**	**1.0**	**47,000**
Shelby				1.0	1.0	30,700	**1.0**	**1.0**	**30,700**
Hurricane				0.6	1.0	20,200	**0.6**	**1.0**	**20,200**
Zone 102	1.4	1.5	68,500	0.8	1.2	32,600	**2.2**	**1.4**	**101,100**
Zone 126	0.7	3.0	64,300	1.7	1.6	86,800	**2.4**	**2.0**	**151,100**
NE3				0.5	0.9	14,400	**0.5**	**0.9**	**14,400**
Torino				1.6	1.3	65,700	**1.6**	**1.3**	**65,700**
SW Area				0.4	1.1	12,800	**0.4**	**1.1**	**12,800**
Total	**10.1**	**1.3**	**420,000**	**17.0**	**1.1**	**620,000**	**27.1**	**1.2**	**1,040,000**

Note: Discrepancies in totals are a result of rounding

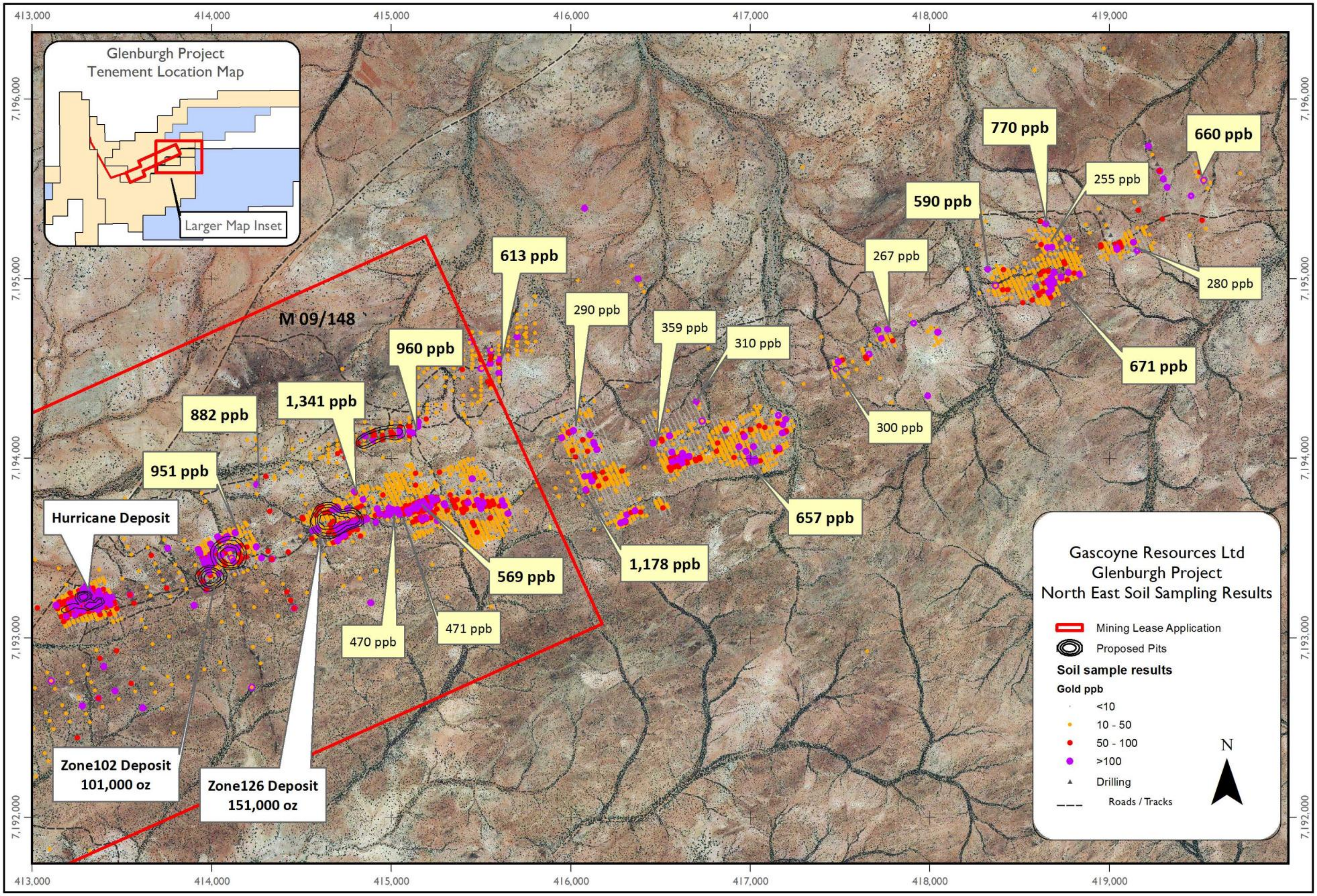

Figure 3: Glenburgh Project North East Soil Sampling Results

DRILLING (continued):

Drilling continued for the quarter with the focus shifting from resource drilling around the known Glenburgh gold deposits to first pass testing of exploration targets with Aircore drilling and "sterilisation" RAB drilling of proposed infrastructure sites. A total of 7,056m of Aircore and RAB drilling was completed. Aircore drilling targeted strike extensions to the Tuxedo, Torino and South West deposit areas. Some of the more significant shallow drilling results returned during the quarter include: (See Table 3 and 4 for significant intersections and hole details)

- Tuxedo area
  22m @ 0.9 g/t gold from 5m including **9m @ 1.7 g/t gold**
  18m @ 0.4 g/t gold from 0m

- South West area
  27m @ 0.6 g/t gold from 6m including **3m @ 3.3 g/t gold**
  19m @ 0.8 g/t gold from 37m, including **2m @ 2.0 g/t gold**
- Torino area
  11m @ 0.3 g/t gold to EOH from 12m
  3m @ 2.3 g/t gold to EOH from 16m

RAB drilling was completed targeting proposed Glenburgh Project infrastructure sites to "sterilise" proposed Tailings Storage Facility, Waste Dumps and Processing Plant locations. No significant assays were received.

FEASIBILITY STUDY UPDATE:

During the quarter, significant progress has been made on the Feasibility Study. Activities have included:

Process Engineering:

A flow sheet and design for the proposed processing facility was developed for the project during the quarter by GR Engineering. The initial design selected envisages two stages of crushing followed by a coarse feed ball mill and a "standard" CIL leaching circuit. Given the high gravity gold component identified from the metallurgical tests, a gravity circuit has also been included into the design.

Following the development of the inital flowsheet and engineering design, a number of options have been identified to further improve the design, the process plant throughput, operating costs and capital costs. As a result, engineering is ongoing on these refinements, with completion of the GR Engineering design work expected in February.

Metallurgy:

Detailed metallurgical test work is continuing with the recent bench scale tests confirming gold recovery of approximately 95% with gravity gold recovery of approximately 50%. These tests confirm the excellent leaching recoveries received from previous test work.

Given the expected power costs (of approximately 19c/kWh) for the project, testwork to optimise the grind size versus recovery and hence the power requirements for the project are ongoing. In addition some testwork is planned to follow-up on some historical heap leach tests on Glenburgh that reported favourable recoveries from RC drill chip composites.

Geotechnical:

The geotechnical assessment of the 10 dedicated geotechnical diamond drill holes has been completed. The modelling has highlighted that steep inter-ramp wall angles (up to 53^0) can be achieved at all deposits other than Zone 102 where a fault has caused some design complexity. The steep wall angles will allow an improvement in the overall ore to waste strip ratio in the mine designs.

Mining Studies:

Based on the updated resource and the geotechnical modelling, a series of pit optimisations have been undertaken. From these optimisations, a set of pit designs are currently being developed which will allow a mining schedule to be developed for the project.

The report from the mining consultants is expected to be received in early February.

Environmental Baseline Studies:

The reports on the level 2 flora and fauna baseline studies have been completed. The studies did not identify any endangered species within the study area. Four priority species were identified during the field surveys, however the reports concluded that the proposed development is not expected to impact these species.

GLENBURGH FORWARD PROGRAM

The main focus for the company remains the Feasibility study and ongoing exploration at the Glenburgh Project. The forward program includes:

- Mining studies (pit optimisation, pit and dump design, mining schedules)
- Process plant design
- Capital and operating cost estimates
- Project permitting including approvals through the Western Australian Department of Mines and Petroleum
- Native Title negotiations

The study is on track, with completion expected in the March quarter.

In addition to the Feasibility Study, the 2013 exploration and resource development drill program is planned, with the first phase of over 5,000m of RC drilling expected to commence in late February. The successful surface geochemical sampling program that commenced in late 2012 is continuing with the detailed soil sampling along strike from the high grade Zone 126 deposit as a priority.

Further results and information will be provided as they become available.

DALGARANGA

ELA21/173, 174, ELA59/1904, 1905 1906 & 1922 - 80% Gascoyne

During the quarter, joint venture agreements for the project were drafted. It is expected that these agreements will be executed in either late January or early February, which will allow transfer of the company's 80% interest in the tenements to be completed.

Compilation of the historical data continued during the quarter, with a number of high priority targets already identified. It is expected, pending environmental approval, that these targets will be drilled at the end of the first quarter of 2013.

NEW PROJECT - ELPHIN BORE

ELA 52/2812 - 100% Gascoyne

Elphin Bore is a new 100% owned tenement application located 50km south of the Pilbara town of Newman just east of the Great Northern Highway.

The project area occurs on the southern margin of the Sylvania Dome, an inlier of Archaean aged granitoid-greenstone terrain on the southern edge of the Hamersley Basin (see figure 4).

The historic focus to date on the tenement area has been the Central gold Prospect, which is a shear hosted stockwork and vein style gold system. Only 150m of the structures' strike potential has been tested with the mineralisation open down dip and along strike to the East and West. Historical drilling results include **8m @ 2.99 g/t gold and 13m @ 3.0 g/t gold**.

Recent exploration to the east of Elphin Bore by the Independence Group (ASX: IGO) at their Karlawinda gold project has returned significant gold intersections in 2 prospects, Bibra and Francopan, resulting in the Independence Group recently announced a 674,300 oz Inferred gold resource for the project (18.5Mt @ 1.1 g/t gold). This resource and the historic gold occurrences at Gascoyne's Elphin Bore project indicate the southern margin of the Sylvania Dome is an emerging highly prospective gold belt. Compilation of all the historic work conducted on the tenement is in progress with the aim of developing drill targets prior to the granting of the tenement.

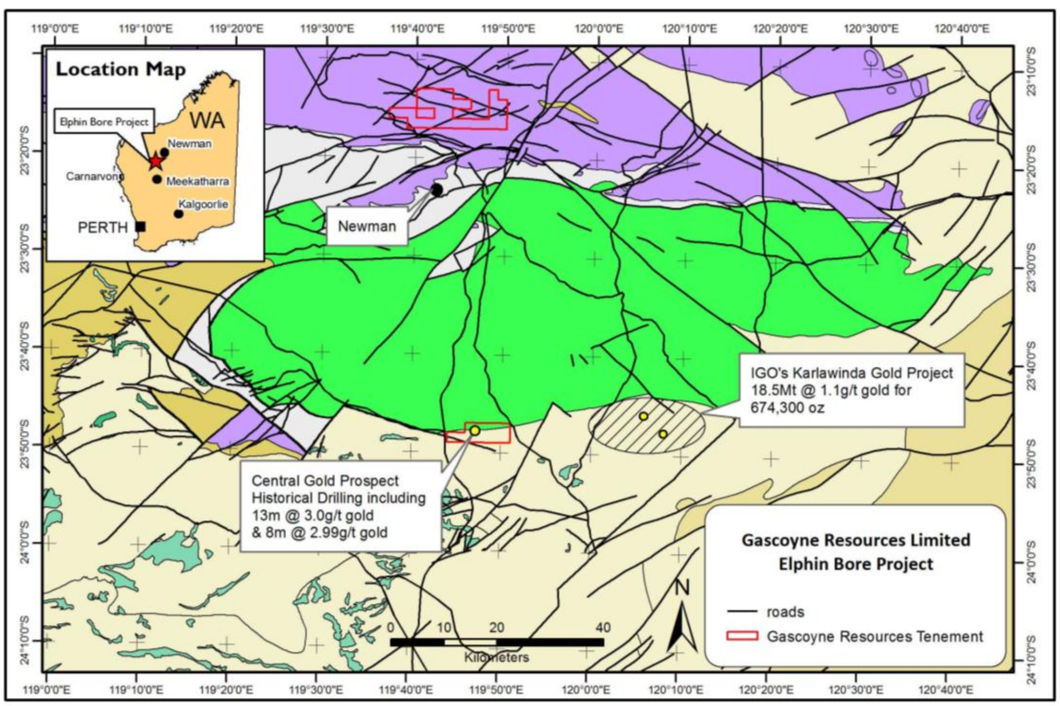

Figure 4: Elphin Bore Project Location

OTHER PROJECTS (Higginsville, Bassit Bore, Bustler Well, Mt James and Murchison)

No field exploration was undertaken during the quarter.

CORPORATE

During the quarter a private placement of 14.6 million shares at $0.25 was completed to a group of prominent international funds and sophisticated investors. This raised $3.7 million before placement costs and provides funds needed to continue the aggressive exploration program of Glenburgh and Dalgaranga as well as the current feasibility study.

The first broker coverage was also initiated during the quarter, providing an independent valuation of the company's projects. The research note completed by State One Stockbroking resulted in a share valuation of 64c.

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 resources quoted for the Dalagranga project have been sourced from Equigold NL annual reports, and other publicly available reports which have undergone a number of peer reviews by qualified consultants, that conclude that the resources comply with the JORC code and suitable for public reporting.

Resources quoted for the Glenburgh Project have been estimated for Gascoyne Resources Limited by Runge Pty Ltd, an international and independent resource consultancy.

Table 3: Significant New Intersections RC and Aircore Drilling (>0.3 g/t gold)

Hole ID	From (m)	To (m)	Interval (m)	Au Grade g/t	Area / Deposit
RC Drilling Results					
VRC792	36	38	2	0.8	Tuxedo
	69	88	19	1.2	
	93	94	1	0.6	
VRC793	132	136	4	9.0	Zone 126
	142	145	3	0.8	
	162	163	1	0.7	
VRC794	122	123	1	0.5	Zone 126
Aircore Results					
GLAC370	13	18	5	0.3	Tuxedo
	30	31	1	0.5	
	45	48	3	0.7	
	55	56	1	0.5	
GLAC371	18	19	1	0.3	Tuxedo
GLAC372	5	27	22	0.9	Tuxedo
inc	12	21	9	1.7	
GLAC373	2	3	1	0.4	Tuxedo
	8	16	8	0.3	
GLAC375	18	26	8	0.5	Tuxedo
inc	22	23	1	1.7	
	34	35	1	0.3	
GLAC378	26	27	1	0.5	Tuxedo
	38	39	1	0.3	
	55	59	4	0.7 to EOH	Tuxedo
GLAC379	43	44	1	0.3	Tuxedo
	51	52	1	2.5	
GLAC380	0	1	1	0.4	Tuxedo
	14	17	3	0.7	
	24	26	2	1.4	
	35	43	8	0.8	
GLAC381	2	8	6	0.3	Tuxedo
	16	24	8	0.3	
	32	38	6	0.6	
	45	48	3	0.8	
GLAC382	49	50	1	0.3 to EOH	Tuxedo
GLAC383	16	17	1	0.4	Tuxedo
	23	31	8	0.4	
	40	41	1	0.6	
	45	49	4	0.3	
GLAC384	0	18	18	0.4	Tuxedo
	26	30	4	0.8	
	35	39	4	0.3	
	44	46	2	0.3	

Table 3: Significant New Intersections Aircore Drilling - Continued

Hole ID	From (m)	To (m)	Interval (m)	Au Grade g/t	Area / Deposit
GLAC385	7	8	1	0.4	Tuxedo
	16	17	1	0.5	
	34	35	1	0.4	
	47	48	1	0.3	
GLAC387	6	33	27	0.6	South West
inc	14	17	3	3.3	
GLAC388	11	12	1	0.4	South West
	18	19	1	0.5	
	28	30	2	0.4	
	37	56	19	0.8	
inc	40	42	2	2.0	
GLAC408	12	23	11	0.3 to EOH	Torino
GLAC410	8	12	4	0.3	Torino
GLAC414	16	19	3	2.3 to EOH	Torino

Table 4: Drill Collar Locations and Details

Hole Number	MGA Easting	MGA Northing	Local Easting	Local Northing	RL	Depth	Dip	MGA Azimuth	Local Azimuth	Prospect
RC Drilling										
VRC792	409524	7191096	10850	9835	293	100	-60	155	180	Tuxedo
VRC793	414466	7193606	16389	10048	316	180	-60	155	180	Zone 126
VRC794	414428	7193586	16346	10046	319	190	-60	155	180	Zone 126
Aircore Drilling										
GLAC370	408969	7190747	10200	9750	280	60	-60	155	180	Tuxedo
GLAC371	409047	7190755	10275	9725	280	60	-60	155	180	Tuxedo
GLAC372	409037	7190778	10275	9750	280	60	-60	155	180	Tuxedo
GLAC373	409026	7190801	10275	9775	280	60	-60	155	180	Tuxedo
GLAC374	409185	7190874	10450	9775	280	60	-60	155	180	Tuxedo
GLAC375	409175	7190897	10450	9800	280	60	-60	155	180	Tuxedo
GLAC376	409164	7190919	10450	9825	280	60	-60	155	180	Tuxedo
GLAC377	409208	7190884	10475	9775	280	60	-60	155	180	Tuxedo
GLAC378	409198	7190907	10475	9800	280	60	-60	155	180	Tuxedo
GLAC379	409187	7190930	10475	9825	280	60	-60	155	180	Tuxedo
GLAC380	409638	7191027	10925	9725	280	50	-60	155	180	Tuxedo
GLAC381	409627	7191050	10925	9750	280	50	-60	155	180	Tuxedo
GLAC382	409617	7191073	10925	9775	280	50	-60	155	180	Tuxedo
GLAC383	409683	7191048	10975	9725	280	50	-60	155	180	Tuxedo
GLAC384	409673	7191071	10975	9750	280	50	-60	155	180	Tuxedo
GLAC385	409662	7191094	10975	9775	280	50	-60	155	180	Tuxedo
GLAC386	404482	7187580	4800	8750	280	58	-60	155	180	South West
GLAC387	404471	7187603	4800	8775	280	60	-60	155	180	South West
GLAC388	404461	7187626	4800	8800	280	60	-60	155	180	South West

Hole Number	MGA Easting	MGA Northing	Local Easting	Local Northing	RL	Depth	Dip	MGA Azimuth	Local Azimuth	Prospect
GLAC389	404229	7186694	4200	8050	280	35	-60	155	180	South West
GLAC390	404219	7186716	4200	8075	280	40	-60	155	180	South West
GLAC391	404208	7186739	4200	8100	280	36	-60	155	180	South West
GLAC392	404198	7186762	4200	8125	280	36	-60	155	180	South West
GLAC393	404187	7186785	4200	8150	280	37	-60	155	180	South West
GLAC394	404177	7186807	4200	8175	280	40	-60	155	180	South West
GLAC395	404166	7186830	4200	8200	280	21	-60	155	180	South West
GLAC396	404156	7186853	4200	8225	280	29	-60	155	180	South West
GLAC397	404146	7186875	4200	8250	280	44	-60	155	180	South West
GLAC398	404135	7186898	4200	8275	280	34	-60	155	180	South West
GLAC399	404125	7186921	4200	8300	280	18	-60	155	180	South West
GLAC400	404114	7186943	4200	8325	280	17	-60	155	180	South West
GLAC401	404104	7186966	4200	8350	280	21	-60	155	180	South West
GLAC402	404093	7186989	4200	8375	280	24	-60	155	180	South West
GLAC403	404083	7187012	4200	8400	280	35	-60	155	180	South West
GLAC404	404072	7187034	4200	8425	280	31	-60	155	180	South West
GLAC405	404062	7187057	4200	8450	280	36	-60	155	180	South West
GLAC406	404041	7187102	4200	8500	280	17	-60	155	180	South West
GLAC407	406406	7188301	6850	8600	280	7	-60	155	180	Torino
GLAC408	406396	7188324	6850	8625	280	23	-60	155	180	Torino
GLAC409	406386	7188347	6850	8650	280	21	-60	155	180	Torino
GLAC410	406375	7188369	6850	8675	280	17	-60	155	180	Torino
GLAC411	406365	7188392	6850	8700	280	7	-60	155	180	Torino
GLAC412	406497	7188343	6950	8600	280	36	-60	155	180	Torino
GLAC413	406487	7188366	6950	8625	280	23	-60	155	180	Torino
GLAC414	406476	7188389	6950	8650	280	19	-60	155	180	Torino
GLAC415	406466	7188411	6950	8675	280	19	-60	155	180	Torino
GLAC416	406455	7188434	6950	8700	280	28	-60	155	180	Torino
GLAC417	406445	7188457	6950	8725	280	13	-60	155	180	Torino
GLAC418	407554	7189132	8240	8875	280	39	-60	155	180	Central West
GLAC419	407542	7189182	8250	8925	280	32	-60	155	180	Central West
GLAC420	407521	7189227	8250	8975	280	26	-60	155	180	Central West
GLAC421	407491	7189269	8240	9025	280	26	-60	155	180	Central West
GLAC422	407461	7189310	8230	9075	280	20	-60	155	180	Central West
GLAC423	407400	7189612	8300	9375	280	36	-60	155	180	Central West
GLAC424	407379	7189657	8300	9425	280	38	-60	155	180	Central West
GLAC425	407358	7189702	8300	9475	280	39	-60	155	180	Central West
GLAC426	407337	7189748	8300	9525	280	26	-60	155	180	Central West
GLAC427	407316	7189793	8300	9575	280	31	-60	155	180	Central West
GLAC428	407295	7189839	8300	9625	280	36	-60	155	180	Central West
GLAC429	407274	7189884	8300	9675	280	37	-60	155	180	Central West
GLAC430	407253	7189930	8300	9725	280	13	-60	155	180	Central West
GLAC431	407232	7189975	8300	9775	280	11	-60	155	180	Central West

Hole Number	MGA Easting	MGA Northing	Local Easting	Local Northing	RL	Depth	Dip	MGA Azimuth	Local Azimuth	Prospect
GLAC432	407211	7190020	8300	9825	280	32	-60	155	180	Central West
GLAC433	407190	7190066	8300	9875	280	44	-60	155	180	Central West
GLAC434	407170	7190111	8300	9925	280	80	-60	155	180	Central West
GLAC435	407149	7190157	8300	9975	280	46	-60	155	180	Central West
GLAC436	407128	7190202	8300	10025	280	53	-60	155	180	Central West
GLAC437	407107	7190248	8300	10075	280	52	-60	155	180	Central West
GLAC438	407086	7190293	8300	10125	280	46	-60	155	180	Central West
GLAC439	407065	7190338	8300	10175	280	36	-60	155	180	Central West
GLAC440A	407044	7190384	8300	10225	280	5	-60	155	180	Central West
GLAC440	407045	7190389	8303	10229	280	5	-60	155	180	Central West
GLAC441	407023	7190429	8300	10275	280	41	-60	155	180	Central West
GLAC442	407543	7190256	8700	9900	280	53	-60	155	180	Central West
GLAC443	407522	7190301	8700	9950	280	41	-60	155	180	Central West
GLAC444	407502	7190347	8700	10000	280	46	-60	155	180	Central West
GLAC445	407481	7190392	8700	10050	280	31	-60	155	180	Central West
GLAC446	407460	7190437	8700	10100	280	20	-60	155	180	Central West
GLAC447	407465	7190480	8720	10135	280	35	-60	155	180	Central West
GLAC448	407424	7190541	8710	10210	280	26	-60	155	180	Central West
GLAC449	407397	7190574	8700	10250	280	33	-60	155	180	Central West
GLAC450	407376	7190619	8700	10300	280	40	-60	155	180	Central West
GLAC451	408189	7189810	9100	9225	280	36	-60	155	180	Central West
GLAC452	408168	7189855	9100	9275	280	52	-60	155	180	Central West
GLAC453	408147	7189901	9100	9325	280	39	-60	155	180	Central West
GLAC454	408126	7189946	9100	9375	280	44	-60	155	180	Central West
GLAC455	408105	7189992	9100	9425	280	43	-60	155	180	Central West
GLAC456	408084	7190037	9100	9475	280	45	-60	155	180	Central West
GLAC457	408064	7190082	9100	9525	280	60	-60	155	180	Central West
GLAC458	408043	7190128	9100	9575	280	50	-60	155	180	Central West
GLAC459	408022	7190173	9100	9625	280	41	-60	155	180	Central West
GLAC460	408001	7190219	9100	9675	280	42	-60	155	180	Central West
GLAC461	407980	7190264	9100	9725	280	49	-60	155	180	Central West
GLAC462	407959	7190310	9100	9775	280	46	-60	155	180	Central West
GLAC463	407938	7190355	9100	9825	280	11	-60	155	180	Central West

Note: The Sterilisation RAB drilling collar details for the 111 holes completed have not been included as no significant assay results were received from the drilling.

Gascoyne Resources Limited – Background

Gascoyne Resources Limited was listed on the ASX in December 2009 and is focused on exploration and development of a number of gold projects in Western Australia.
The company owns two main gold projects which contain a combined 1.4 million ounces of contained gold:

GLENBURGH (100% GCY):

The Glenburgh Project in the Gascoyne region of Western Australia, has an Indicated and Inferred resource of: 27.1 Mt @ 1.2g/t Au for 1,040,000oz gold from several prospects within a 20km long shear zone (see Table 1 & 2)

Following a positive Scoping Study completed in late 2011, the Company has commenced a Feasibility Study on the project. The study has included approximately 30,000m of resource drilling, metallurgical drilling and testwork, geotechnical, hydro geological and environmental assessments. Resource and mining studies as well as engineering studies and evaluations are underway with completion expected within the next 6 months.

DALGARANGA (80% GCY):

The Dalgaranga project is located approximately 70km by road NW of Mt Magnet in the Murchison gold mining region of Western Australia and covers the majority of the Dalgaranga greenstone belt. After discovery in the early 1990's, the project was developed and from 1996 to 2000 produced 229,000 oz's of with reported cash costs of less than $350/oz.

The project contains a remnant JORC Measured and Indicated resource of 7.5 Mt @ 1.6g/t Au for 380,000 ounces of contained gold (see table 5). Given the increase in the gold price since mining operations ceased in 2000, there is significant potential to extract significantly more of the known resource.

Significant exploration also remains outside the known resource with exploration drill results of 22m @ 6g/t gold (including 6m @ 19g/t gold) and 6m @ 10.2 g/t gold and 7m @ 10.8 g/t gold that have not been adequately followed up and are yet to be included in the resource.

Table 5: Dalgaranga Deposits
Mineral Resource Estimate (0.7g/t Au Cut-off)

Deposit	Measured			Indicated			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Gilbeys	0.598	1.4	26,700	6.888	1.6	354,000	**7.486**	**1.58**	**380,700**
Golden Wings Laterite	0.039	0.8	1,000				**0.039**	**0.8**	**1,000**
Vickers Laterite	0.016	1.2	600				**0.016**	**1.2**	**600**
Total	**0.653**	**1.3**	**28,300**	**6.888**	**1.6**	**354,000**	**7.541**	**1.58**	**382,300**

Gascoyne Resources' immediate 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.

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 December 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(1,457)	(3,954)
	(b) development		
	(c) production		
	(d) administration	(284)	(537)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	26	86
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other	2	2
	Net Operating Cash Flows	(1,713)	(4,403)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(8)	(8)
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		
	Net investing cash flows	(8)	(8)
1.13	Total operating and investing cash flows (carried forward)	(1,721)	(4,411)

1.13	Total operating and investing cash flows (brought forward)	(1,721)	(4,411)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,663	3,663
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 – Capital Raising Costs		
	Net financing cash flows	3,663	3,663
	Net increase (decrease) in cash held	1,942	(748)
1.20	Cash at beginning of quarter/year to date	3,099	5,789
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	5,041	5,041

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	122
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Director fees $122k

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

+ See chapter 19 for defined terms.

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	1,200
4.2	Development	
4.3	Production	
4.4	Administration	300
	Total	**1,500**

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	541	1,099
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other: Term deposits	4,500	2,000
	Total: cash at end of quarter (item 1.22)	5,041	3,099

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	E09/1946 E09/1947 E09/2025 L09/0050 E51/1551 E52/2812 E59/1922	Granted Granted Application Application Application Application Application	100% 100% 0% 0% 0% 0% 0%	100% 100% 100% 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**	151,269,520	151,269,520		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	14,650,000	14,650,000		
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: 31 January 2013

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.