MARCH QUARTERLY REPORT 2013

GASCOYNE RESOURCES LIMITED

57 139 522 900

HIGHLIGHTS

TECHNICAL:

Glenburgh Project

- The Glenburgh JORC resource was remodelled resulting in an increase in grade by 25%. The revised resource as reported on 29 April 2013 is

  21.1 Mt @ 1.5 g/t gold for 1.0 Moz of gold (at a 0.5 g/t cutoff)
  including 12.3Mt @ 2.0 g/t gold for 791,000 oz of gold (at a 1.0 g/t cutoff)

- Exploration drilling recommenced with a total of 5,000 m of RC drilling completed during the quarter. Results from the first portion of the program have been received and highlight the potential of the system. Results included:
  - Shelby Area
    - **17m @ 4.2 g/t gold** from 42m
      - including **3m @ 21.0 g/t gold**
    - **14m @ 4.1 g/t gold** from 55m
      - including **4m @ 12.9 g/t gold**
    - **1m @ 4.7 g/t gold** to EOH
  - Zone 126 Deposit
    - **15m @ 1.6 g/t gold** from 2m
      - including **8 m @ 2.3 g/t gold**

- Results for a further 63 RC drill holes are awaited.
- The Feasibility Study continued during the quarter with many aspects of the study nearing completion.

Dalgaranga Project

- The purchase of 80% of the project was completed during the quarter. As a result, a total of 7.0m shares were issued to the two vendors of the project.
- RC drilling commenced on the project with approximately 2,500m of drilling completed. Results are expected within the next two weeks. A further aircore drill program has been planned and is expected to commence in late May.
- An updated resource estimate for the project is underway and will be completed once the RC drill results have been received and interpreted.

Higginsville Project

- A shallow geochemical auger drill program was completed over the project during the quarter. This identified a number of anomalous gold trends that will be followed up later in the year.

CORPORATE:

- During the quarter (as mentioned above) the purchase of the Dalgaranga project was completed. As a result a total of 7.0 million shares were issued pursuant to the purchase agreement.

CORPORATE DETAILS
ASX Code: GCY
Shares: 158M
Share Price: 20 cents
Market Cap: $32 M

ASSETS
Cash: $3.4 M

Glenburgh (100%) 1.0M 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

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REVIEW OF OPERATIONS

GLENBURGH

E09/1325, 1764, 1865, 1866, 1946 & 1947, ELA 09/1988, 2012, 2013 & 2025, P09/471-474, MLA 09/148, LA09/50 - 100% Gascoyne

During the quarter Drilling recommenced at the project with approximately 5000m of RC drilling completed. Results from the first part of the program have been received (see announcement 23rd of April 2013) with results from a further 63 RC drill holes still pending.

Additionally, the Glenburgh resource was remodelled during the quarter. This resulted in a 25% increase in the resource grade, a decrease in the resource tonnage, which resulted in the overall contained ounces remaining effectively unchanged at 1.0 Moz of gold (see announcement 29th April 2013).

The Feasibility Study has continued during the quarter, with a number of aspects nearing completion.

RESOURCE UPDATE:

The remodelling of the JORC resource has been completed by RungePincockMinarco, an external and independent global resource consultancy. See the resource announcement released on the 29th of April 2013 for more details. (See Figure 1 & 2 and Table 1 & 2)

The combined Indicated and Inferred Resource now stands at

21.1 Mt @ 1.5 g/t gold for 1.0 Moz of gold (using a 0.5 g/t cutoff),

Including **12.3 Mt @ 2.0 g/t gold for 791,000 oz** (1.0g/t cutoff)

Highlights from the remodelling include:

- 25% increase in the overall Resource grade to 1.5 g/t gold
- Indicated resource grade up by 34% to 1.73 g/t gold, Inferred Resource grade up by 19% to 1.3 g/t gold
- Resource tonnage decreased by 22%
- Total contained ounces remain relatively unchanged (down 3%)
- Higher grade “core” of the resources contains 12.3Mt @ 2.0 g/t gold for 791,000 oz (at a 1.0 g/t cutoff)

A number of high grade zones have also been identified and modelled. These include (at a 0.5g/t cutoff)

- **523,000t @ 6.3 g/t gold for 107,000 oz** (within the Zone 126 Deposit)
- **139,000t @ 7.9 g/t gold for 35,000 oz** (within the Apollo Deposit)
- **521,000t @ 2.8 g/t gold for 47,000 oz** (within the Zone 102 Deposit)

Table 1: Glenburgh Deposits
April 2013 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	0.5	1.4	22,000	1.4	1.2	53,000	**1.9**	**1.2**	**80,000**
Fresh	6.4	1.8	360,000	12.8	1.4	561,000	**19.2**	**1.5**	**920,000**
Total	**6.9**	**1.7**	**382,000**	**14.2**	**1.3**	**613,500**	**21.1**	**1.5**	**1,000,000**

Note: Discrepancies in totals are a result of rounding

EXPLORATION ACTIVITIES

Drilling recommenced, with 5,000m of RC drilling completed during the quarter. In addition to the drilling completed, planning for a further 2,500m of shallow aircore / RC drilling was also completed and is expected to commence in early May.

RC DRILLING

During the quarter, the 2013 RC drill program commenced with 5,000m of exploration and extensional RC drilling completed. Results from the first phase of the program have been received (see announcement 23rd of April 2013), which have highlighted to potential of the larger Glenburgh mineralised system. Intersections received to date include:

<u>**Shelby area**</u>

- **17m @ 4.2 g/t gold** from 42,
  - including **3m @ 21.0 g/t gold**
- **14m @ 4.1 g/t gold** from 55m,
  - including **4m @ 12.9 g/t gold**
- **1m @ 4.7 g/t gold** from 99m (to EOH)

<u>**Zone 126 area**</u>

- **15m @ 1.6 g/t gold** from 2m,
  - including **8m @ 2.3 g/t gold**

The bulk of the remaining RC drill holes are exploration focused holes, which are the first pass evaluation of the high order soil sample anomalies (see Figure 3) to the north east of the Zone 126 deposit which contains 2.1Mt @ 2.5 g/t gold for 165,000 oz (see table 2 for resource breakdown).

Results for these drillholes are expected to be received in the next few weeks.

FEASIBILITY STUDY UPDATE:

As announced on the 19th of March, The Glenburgh Feasibility is well advanced, with a number of major components now complete or nearing completion (see table 3). Of particular note from GR Engineering's work to date on process engineering is a reduction in the expected capital cost for the processing facility. Original estimates suggested a cost of around $77 million for a new 1.5Mtpa processing facility, however after refining the project's requirements, the capital estimate has been reduced to approximately $67.6 million for a 2.0Mtpa facility (including ~$8.1M for engineering and $3.0M for first fills, insurance, spares and commissioning). This equates to an improvement of around $10 million.

Initial open cut mine designs have also been undertaken and have identified a number of key areas that need to be refined. The remodelling of the resource has been completed (as mentioned above). In particular the high grade zones within the overall broad low grade envelope have been modelled. This modelling has highlighted a number of high grade zones which have the potential to support an underground development. One zone is of particular interest at the Zone 126 deposit, where modelling has identified a zone of 523,000t @ 6.3 g/t gold for 107,000 oz, which contains not only the grade but also the ounces per vertical metre needed to support an underground development.

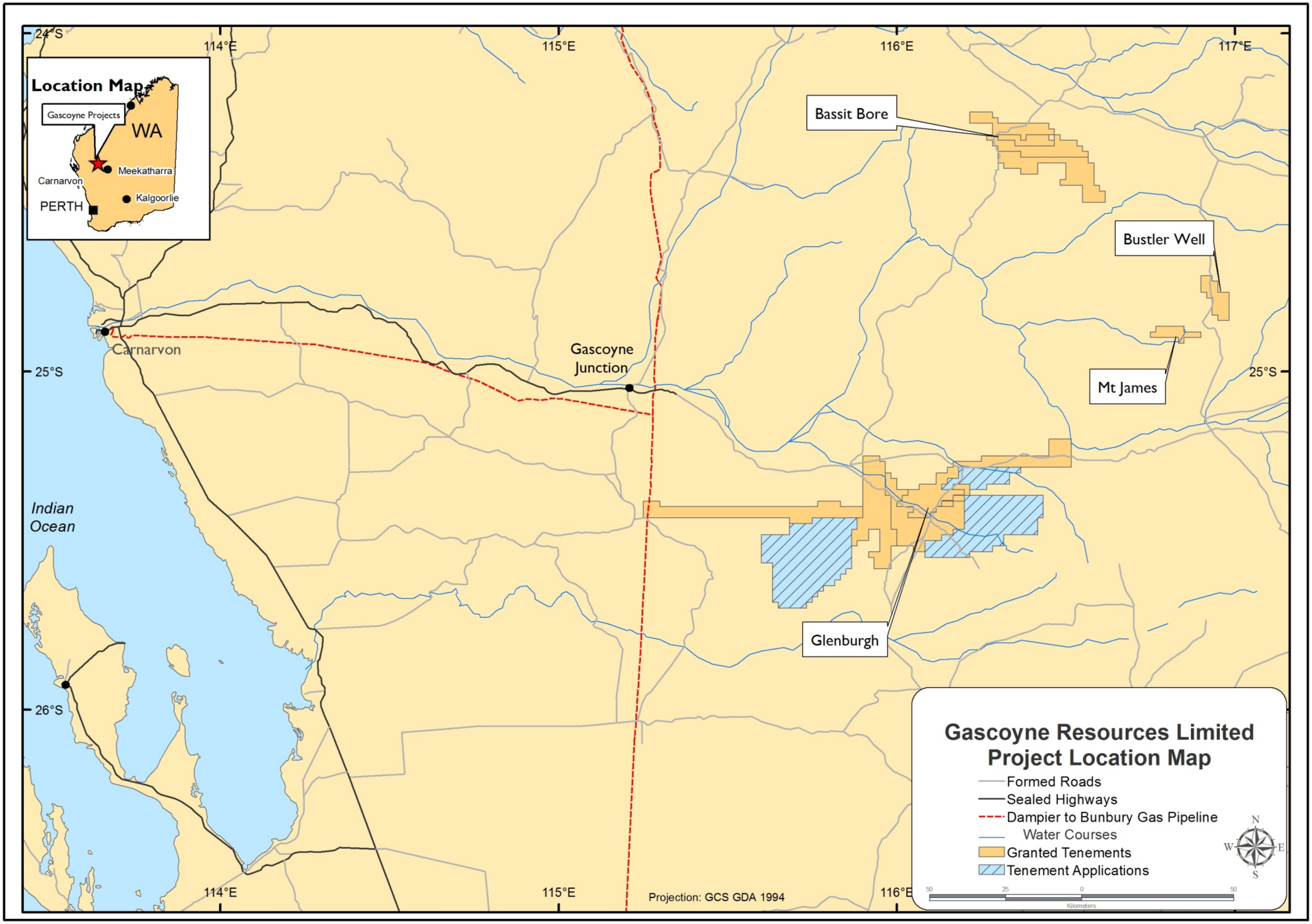

Figure 1: Gascoyne Region – Gascoyne Resources Project Locations

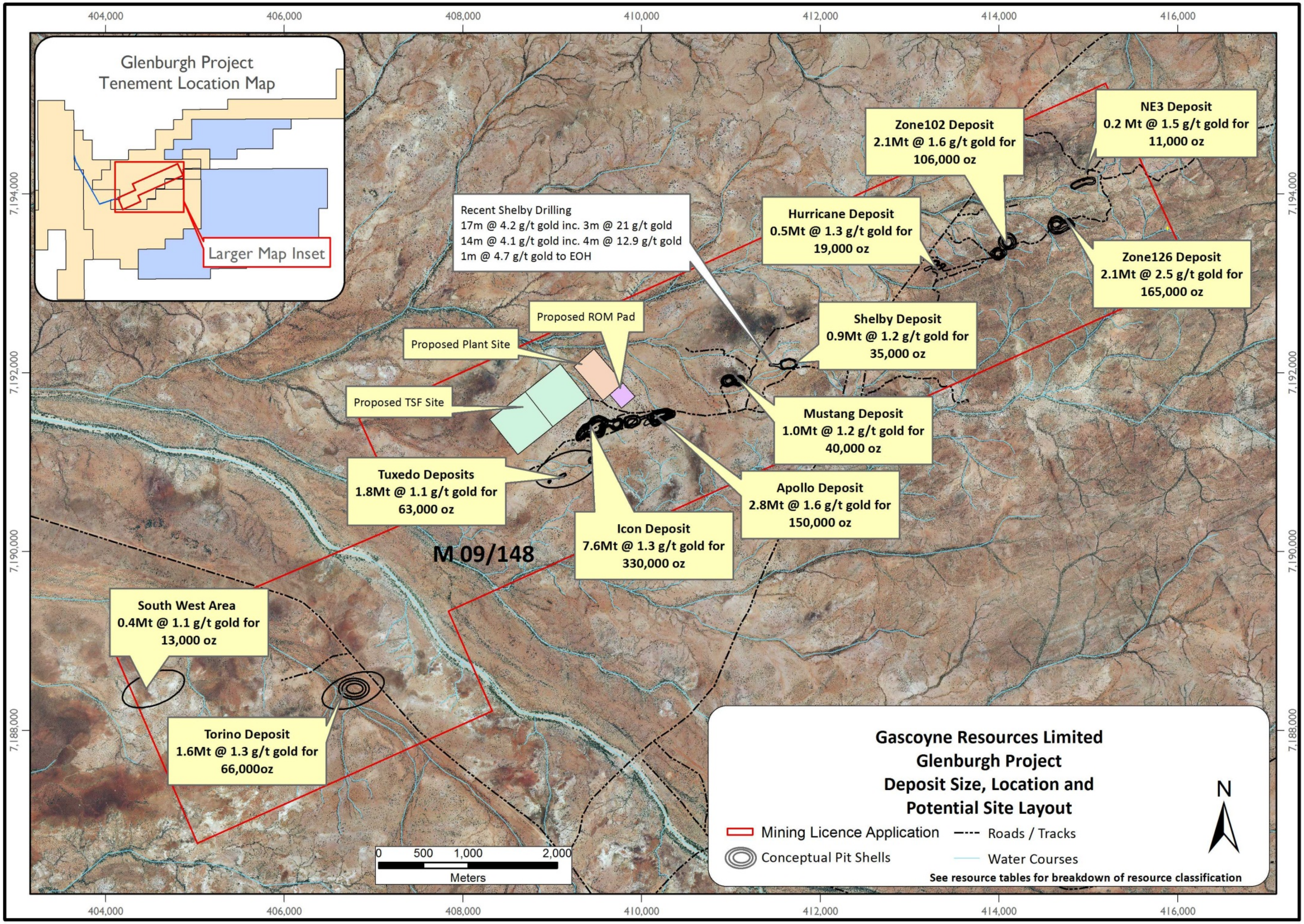

Figure 2: Plan showing Deposit Location, Resources and Conceptual Site-Layout

Table 2: Glenburgh Deposits - Area Summary
April 2013 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	3.5	1.4	160,400	4.1	1.3	168,000	**7.6**	**1.3**	**328,400**
Apollo	1.2	2.1	81,100	1.6	1.3	69,100	**2.8**	**1.6**	**150,200**
Tuxedo	0.6	1.1	21,800	1.2	1.1	41,300	**1.8**	**1.1**	**63,100**
Mustang				1.0	1.2	40,300	**1.0**	**1.2**	**40,300**
Shelby				0.9	1.2	34,600	**0.9**	**1.2**	**34,600**
Hurricane				0.5	1.3	18,500	**0.5**	**1.3**	**18,500**
Zone 102	0.9	1.9	56,500	1.2	1.3	49,100	**2.1**	**1.6**	**105,600**
Zone 126	0.6	3.2	62,200	1.4	2.2	102,700	**2.1**	**2.5**	**164,900**
NE3				0.2	1.5	11,300	**0.2**	**1.5**	**11,300**
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	**6.9**	**1.7**	**382,000**	**14.2**	**1.3**	**613,500**	**21.1**	**1.5**	**1,000,000**

Note: Discrepancies in totals are a result of rounding

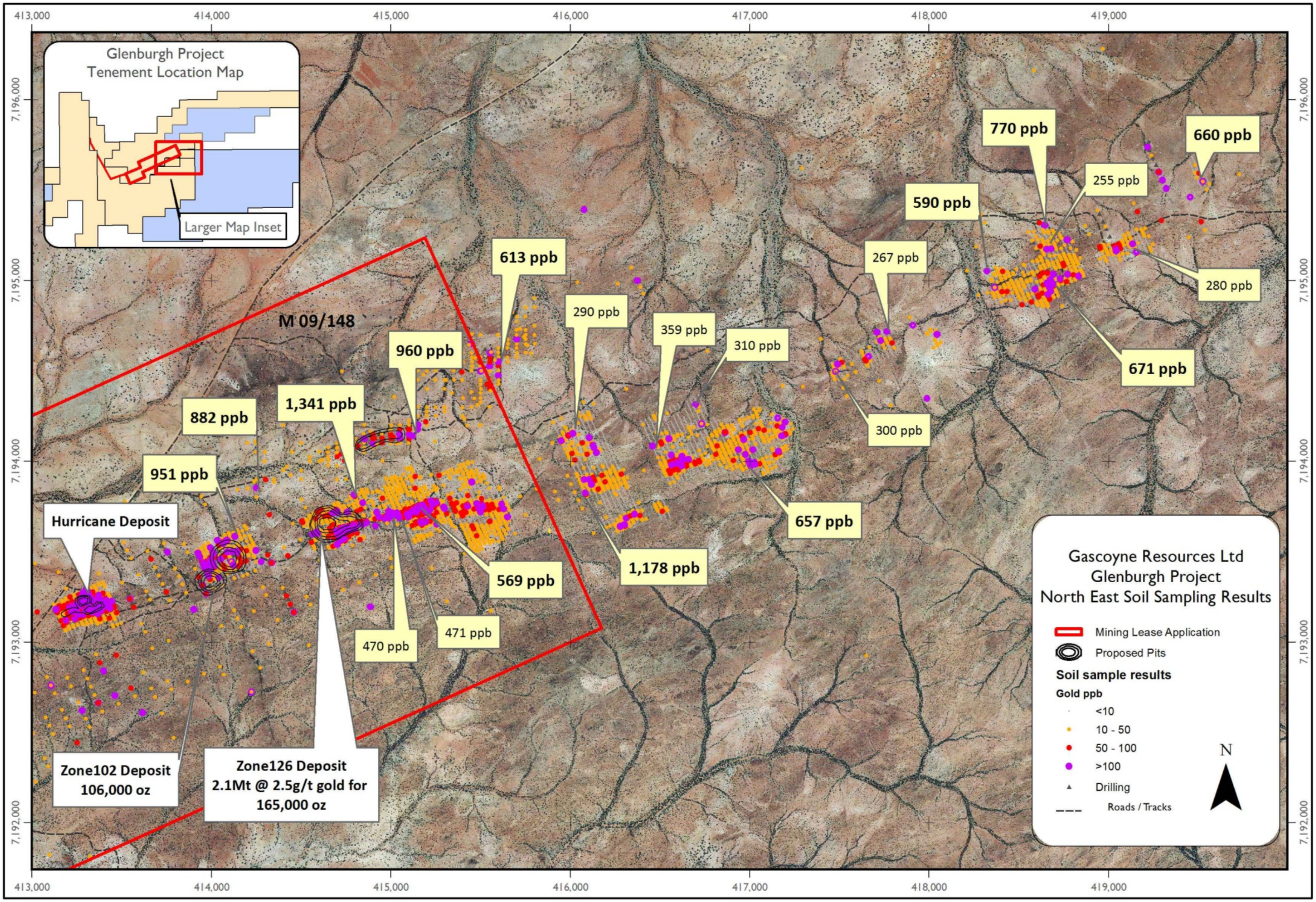

Figure 3: Glenburgh Project North East Soil Sampling Results

Table 3: Progress of the Glenburgh Study

Activity	Responsibility	Progress
Metallurgy	AH Metallurgical / Ammtec	Complete
Geotechnical	Dempers & Seymour Pty Ltd	Complete
Hydro Geology	Rock Water	Complete
Tailings Storage Design	Coffey Mining	Complete
Process Engineering	GR Engineering	Nearing Completion
Environmental	Keith Lindbeck & Associates	Nearing Completion
Mining	Kenmore Consulting	First designs underway
Resource	RungePincockMinarco	Remodelling of high grade zones within broad lower grade halo is complete, however modelling will continue as new exploration information becomes available

The recent volatility in the gold price has caused a review of base case assumptions and the study continues to evaluate various alternative development pathways for the project. These options include (but are not limited to):

1 Identifying the optimum processing plant size
2 Investigating the availability of second hand processing plants of the selected size.
3 Reviewing processing strategies, including accelerating mining to allow stockpiling of lower grade material, while maximising grade and recovery in the early years of the projects life
4 Pit Scheduling
5 "Off Balance Sheet" financing options to reduce initial capital requirements

GLENBURGH FORWARD PROGRAM

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

- Ongoing exploration to the north east of the known Glenburgh mineralised gold system
- Mining studies (pit optimisation, pit and dump design, mining schedules) based in the recently announced resource update.
- Process plant design, and evaluation of second hand processing facilities
- Capital and operating cost estimates
- Project permitting including approvals through the Western Australian Department of Mines and Petroleum
- Native Title negotiations

DALGARANGA

E59/1709, ELA21/173 & 174, ELA59/1904, 1905 1906 & 1922, MLA 59/749 - 80% Gascoyne

During the quarter, the purchase of 80% of the project was completed. As a result of the completion, a program of work (POW) was submitted to the Department of Mines and Petroleum and subsequently approved. This approval allowed the first exploration on the project for around 10 years to commence. A 2,500m RC drill program was completed targeting a number of zones along strike from the known resource at the Gilbeys pit as well as around the historical high grade intersections at Golden Wings (22m @ 6.0 g/t gold). The first results from this program are expected in the next two weeks.

The new drilling information will be incorporated into the historical drill database to allow a new resource estimate to be completed in the coming months.

HIGGINSVILLE

E15/1265, E15/1280, E15/1297, P15/5570-5573 - 100% Gascoyne

During the quarter a program of shallow auger sampling was undertaken over the project. The program was designed to geochemically test areas of shallow transported cover, which had not previously been surfaced sampled. The sampling identified a number of low order geochemical trends (see figure 4 & 5), which will be further field checked. Follow up exploration is planned for later in the year.

The sampling on the smaller prospecting licences failed to identify significant anomalism. These tenements are currently being reviewed to determine if they are retained or divested.

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

No field exploration was undertaken during the quarter.

CORPORATE

As mentioned above, the purchase of the Dalgaranga project was completed during the quarter. As a result a total of 7.0 million shares were issued to the two vendors of the project pursuant to the purchase agreement.

This issue brings the total issued capital of the company to 158.3 million shares.

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 Dalgaranga 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 RungePincockMinarco Pty Ltd, an international and independent resource consultancy.

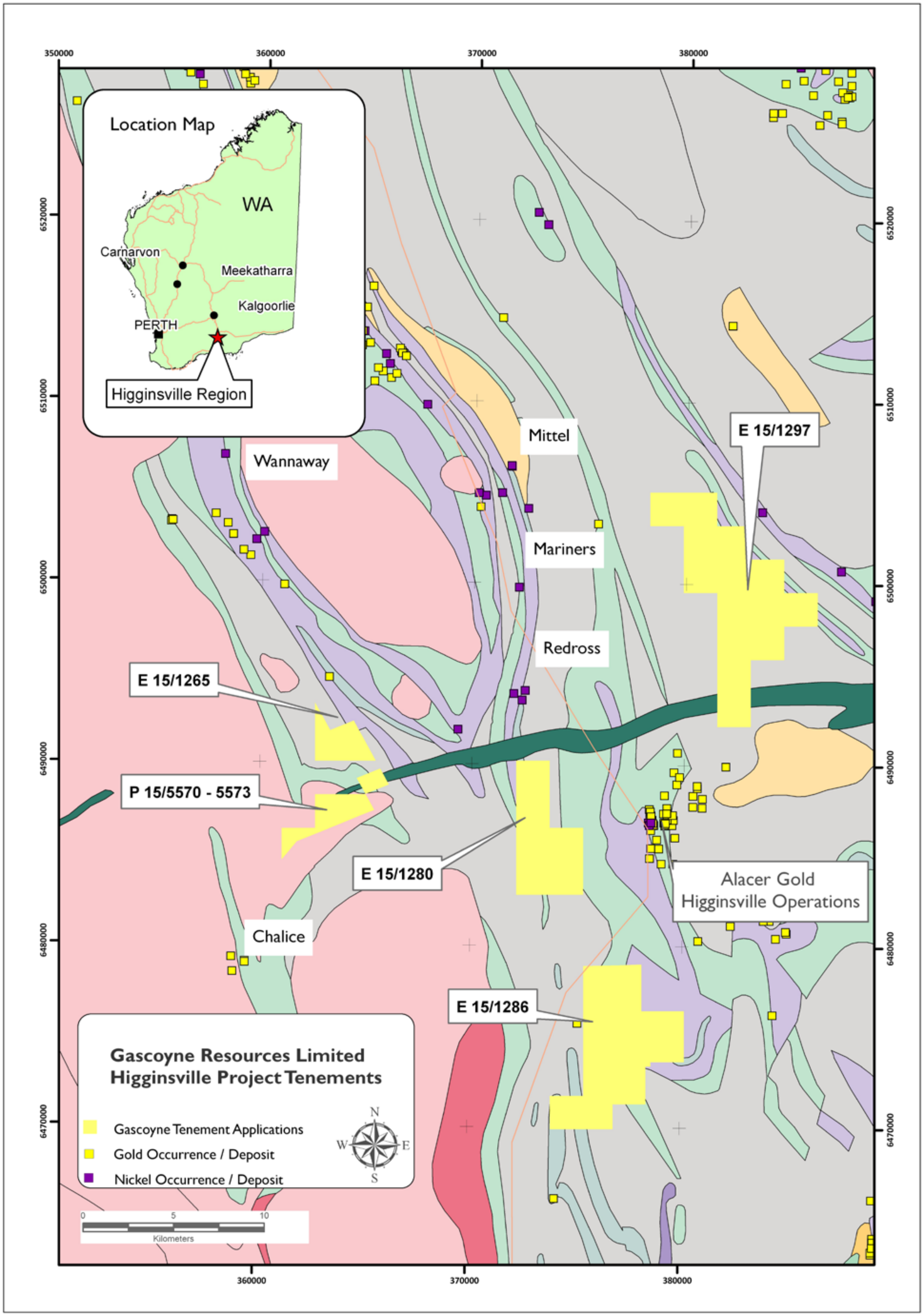

Figure 4: Higginsville Project Location

Figure 5: Higginsville Project, Auger sampling results and geochemical trends.

Background on Gascoyne Resources

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 combined contain **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: 21.1 Mt @ 1.5g/t Au for 1.0 million oz 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 40,000m 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 well advanced.

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 gold 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 4). 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.

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

Table 4: Dalgaranga Deposits Mineral Resource (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**	**1.6**	**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**	**1.6**	**382,300**

Note: Discrepancies in totals are a result of rounding

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 2013

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	(1,253)	(5,207)
	(b) development		
	(c) production		
	(d) administration	(271)	(808)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	43	129
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other	-	2
	Net Operating Cash Flows	(1,481)	(5,884)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	(155)	(155)
	(b) equity investments		
	(c) other fixed assets	(2)	(10)
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		
	Release of security deposits	10	10
	Net investing cash flows	(147)	(155)
1.13	Total operating and investing cash flows (carried forward)	(1,628)	(6,039)

1.13	Total operating and investing cash flows (brought forward)	(1,628)	(6,039)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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	(23)	(23)
	Net financing cash flows	(23)	3,640
	Net increase (decrease) in cash held	(1,651)	(2,399)
1.20	Cash at beginning of quarter/year to date	5,041	5,789
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	3,390	3,390

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

During the quarter the company issued 7 million fully paid ordinary shares in relation to the acquisition of 80% of the Dalgaranga project as announced to the ASX on 7 February 2013.

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	1,500
4.2	Development	
4.3	Production	
4.4	Administration	300
	Total	**1,800**

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	390	541
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other: Term deposits	3,000	4,500
	Total: cash at end of quarter (item 1.22)	3,390	5,041

+ See chapter 19 for defined terms.

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	E59/1709 M59/0749 E52/2866	Purchased Application Application	0% 0% 0%	80% 80% 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**	158,269,520	158,269,520		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,000,000	7,000,000		
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: 30 April 2013

Print name: Eva O'Malley

+ See chapter 19 for defined terms.

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.