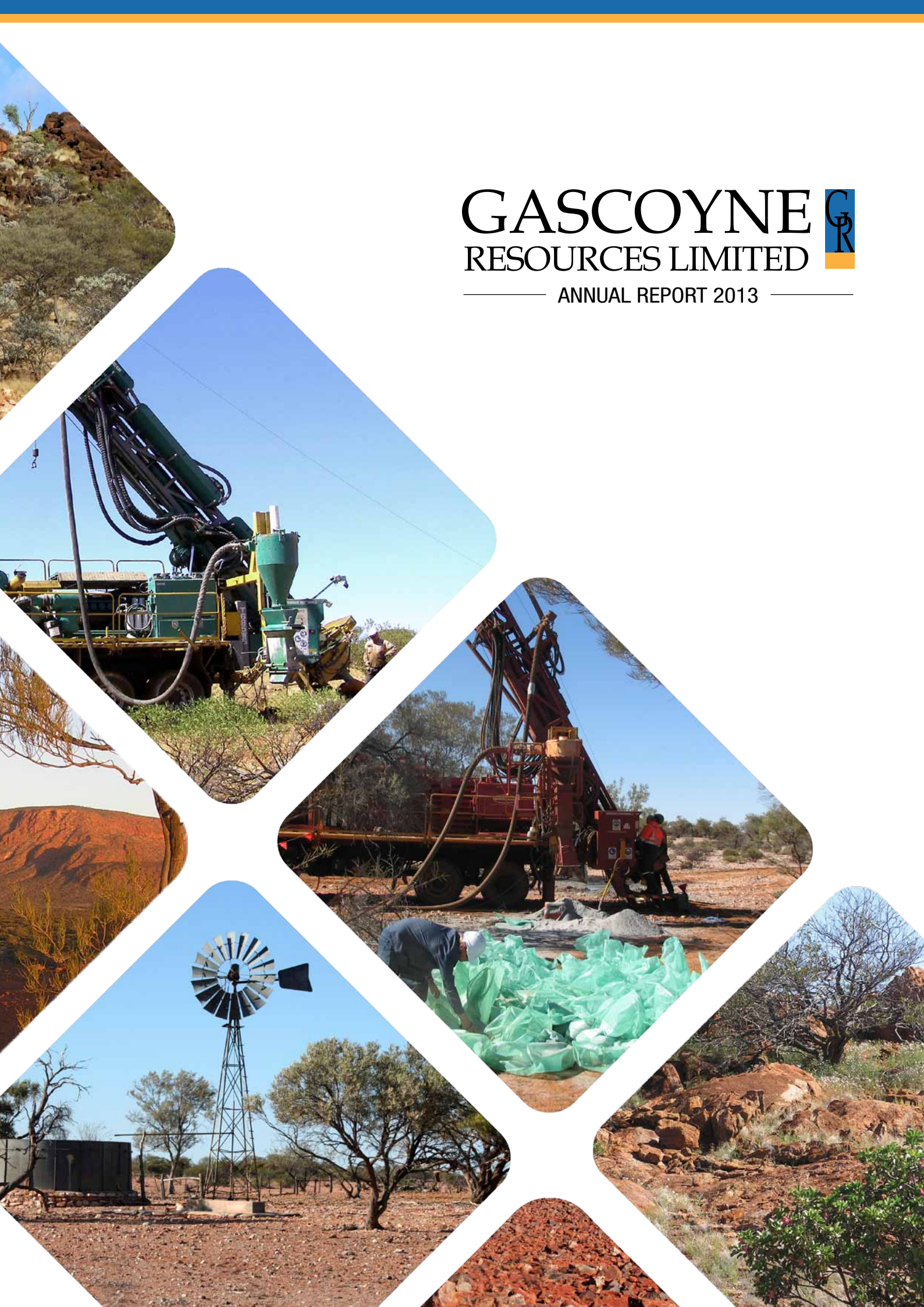


GASCOYNE RESOURCES LIMITED

ANNUAL REPORT 2013





CORPORATE DIRECTORY

Directors

Rodney Michael Joyce
Non-Executive Chairman

Michael Dunbar
Managing Director

John den Dryver
Non-Executive Director

Gordon Dunbar
Non-Executive Director

Stan Macdonald
Non-Executive Director

Graham Riley
Non-Executive Director

Australian Business Number

57 139 522 900

Head and Registered Office

Level 2, 33 Ord Street
West Perth
Western Australia 6005

PO Box 1449
West Perth
Western Australia 6872

Telephone: +61 8 9481 3434

Facsimile: +61 8 9481 0411

Email: admin@gascoyneresources.com.au

Website: www.gascoyneresources.com.au

Share Registry

Advanced Share Registry
150 Stirling Highway
Nedlands
Western Australia 6009

PO Box 1156
Nedlands
Western Australia 6909

Telephone: +61 8 9389 8033

Facsimile: +61 8 9389 7871

Auditor

Grant Thornton Audit Pty Ltd
Level 1, 10 Kings Park Road
West Perth Western Australia 6005

Telephone: +61 8 9480 2000

Facsimile: +61 8 9322 7787

Stock Exchange

The Company Securities are quoted on the
Australian Securities Exchange
CODE: GCY



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CHAIRMAN'S REVIEW

Dear Fellow Shareholder,

Following a year of aggressive and successful drilling and two new project acquisitions, Gascoyne Resources Limited has established combined JORC resources of 1.7 million ounces of contained gold at its three gold projects in Western Australia. This is the strongest position the Company has enjoyed since listing on the ASX in December 2009. We have made significant progress in the last 12 months, with exciting high grade initial results from the Dalgaranga project suggesting potential for near term low capital development, and positive results from the Feasibility Study at our flagship Glenburgh project.

At the Company's 100% owned Glenburgh gold project we announced a 25% increase in grade resulting in a combined Indicated and Inferred resource of 21.1Mt @ 1.5 g/t gold for 1.0M oz of gold (using a 0.5 g/t cut-off). Positive preliminary feasibility findings released just after year end support a viable development under a range of scenarios. Ongoing exploration for further resource growth continues to provide encouragement.

In February 2013 the Company reported the completion of the purchase of an 80% interest in the Dalgaranga gold project near Mount Magnet. In the short period since acquisition, we reported an 80% increase in the Indicated and Inferred resource at Dalgaranga to 12.9Mt @ 1.7 g/t gold for 685,000 oz of gold (using a 1.0 g/t cut-off). High grade drill intersections were also returned from the new Golden Wings discovery outside the current resource. The Dalgaranga project is well located close to several operating gold processing facilities, and a scoping study on the development options for the project will investigate possibilities for near term cash flow generating operations, with the potential to assist in funding the larger Glenburgh development.

In May 2013 the Group secured an option to purchase a 100% interest in the Egerton gold project, including the high grade Hibernian gold deposit containing a Measured, Indicated and Inferred resource of 116,400Mt @ 6.4 g/t gold for 24,000 oz of gold (using a 2.0 g/t cut-off), importantly located on a granted mining lease. The deposit is within potential trucking distance of the Glenburgh project, and provides a significant boost to the conceptual Glenburgh milling schedule.

Importantly the Dalgaranga and Egerton project acquisitions were driven by the significant amount of exploration potential recognised in these large landholdings by Gascoyne's technical team. At both projects there has been little or no drilling in the last 10 to 15 years, and we believe that applying carefully focussed and drill intensive exploration, as we have done so successfully at Glenburgh, we can drive significant resource growth.

We continue to hold a number of other granted tenements and applications in the Murchison, Pilbara and Higginsville regions of Western Australia. These earlier stage projects provide us with a pipeline of future opportunities, acquired at low cost.

I would like to draw your attention to the Review of Operations which discusses our mineral assets in detail and I encourage you to visit our website at www.gascoyneresources.com.au for the latest information regarding our activities.

On behalf of all shareholders I would like to thank the exploration and development study teams for their efforts in what has been a highly productive and successful year for Gascoyne. I look forward to your attendance at the forthcoming Annual General Meeting.

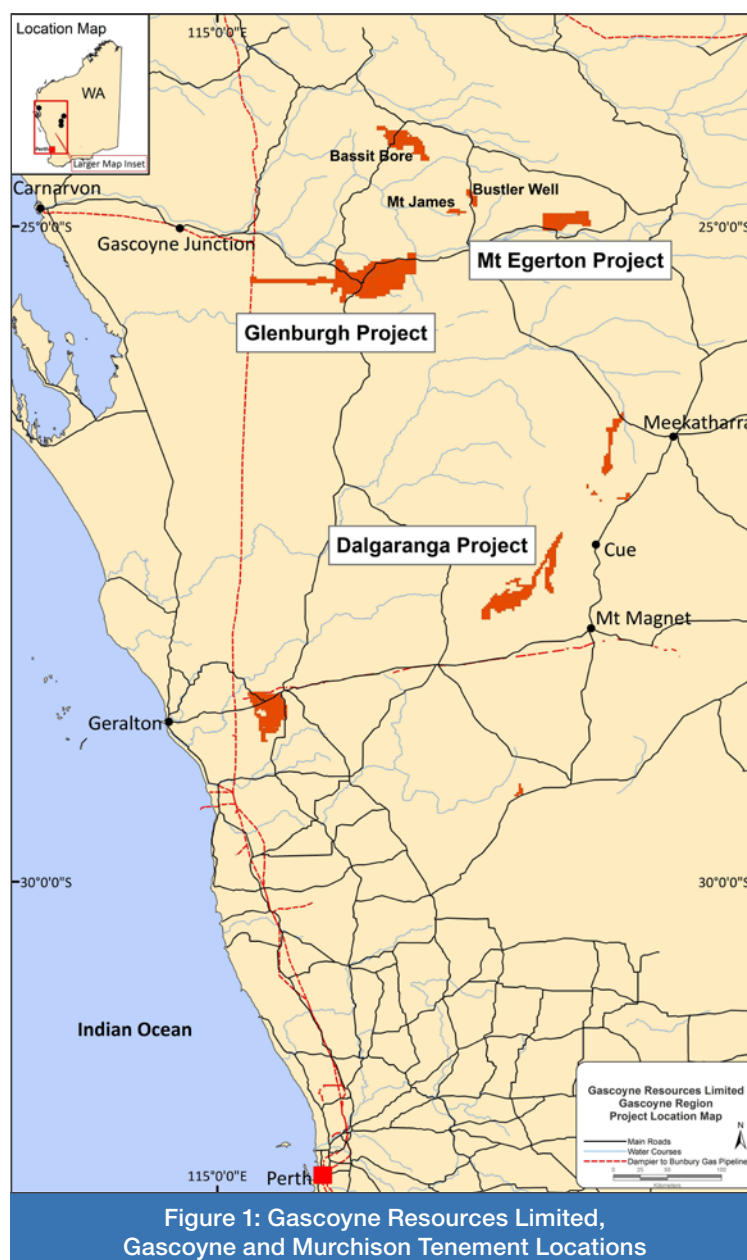
Yours faithfully



Rodney Michael Joyce
Chairman

REVIEW OF OPERATIONS

Gascoyne Resources Limited ("Gascoyne Resources" or "the Company") is a mineral exploration and development company with an experienced Board and Management team aiming to create shareholder wealth from its mineral assets, as well as examining new opportunities to add to the value proposition for our shareholders. The Company holds exploration licenses and applications totaling approximately 4,500km² in the Gascoyne and Murchison regions of Western Australia (see Figure 1). The immediate priority remains on building on the gold resources at Glenburgh and the newly acquired Egerton and Dalgaranga projects, refinement of a number of key issues identified in the preliminary findings of the Glenburgh feasibility study to facilitate a potential development decision at the Glenburgh Project, and completion of an initial scoping study at Dalgaranga.



GLENBURGH GOLD PROJECT – WESTERN AUSTRALIA

Gascoyne Resources Limited 100%

EL 09/1325, 09/1764, 09/1865, 09/1866, 09/1946, 09/1947 ELA 09/2013 & 09/2025, 09/2073, PL 09/471-474, MLA 09/148 and LA 09/50

PROJECT SUMMARY

2,000km² tenement area located in the Southern Gascoyne region of WA

Indicated and Inferred JORC Resource of 21.1Mt @ 1.5 g/t for 1.0 million oz Au – (April 2013)

PROJECT BACKGROUND

The Glenburgh gold project is situated in the Southern Gascoyne Province of WA ~ 250km east of Carnarvon. The project consists of a gold mineralised shear system hosted in interpreted remnants of Archaean terrain in a Proterozoic mobile belt. Glenburgh was a grass roots discovery by Helix Resources Ltd from regional stream sampling in the 1990's. It has now progressed to be considered a Pre-Development project.

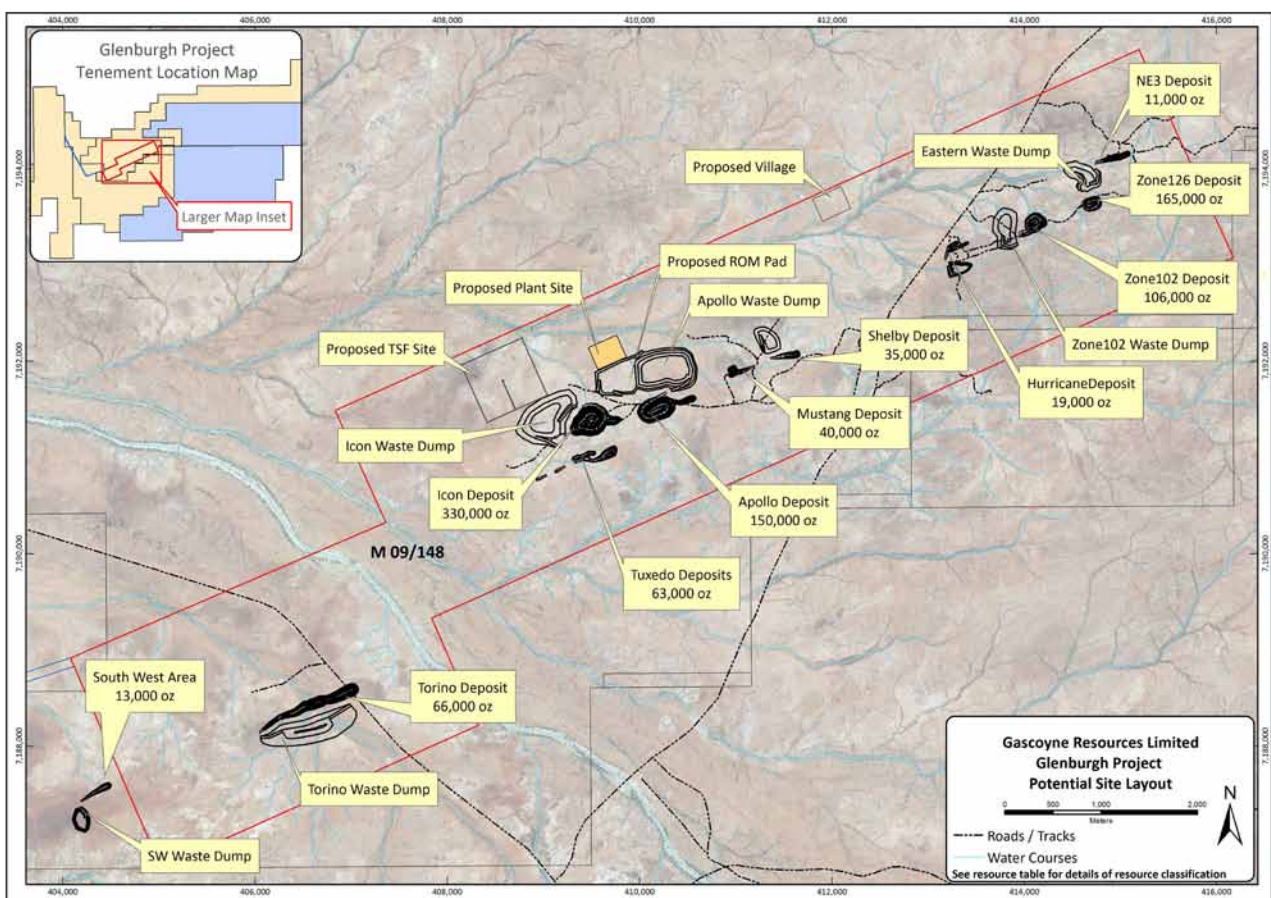


Figure 2: Glenburgh Project, Deposit Locations and Target Overview

RESOURCES

The Indicated and Inferred mineral resource for the project stands at **21.1Mt @ 1.5 g/t Au for 1 million ounces** (see Table 1 for resource classification). This resource was estimated in April 2013 by RungePincockMinarco, an independent global resource consultancy. It excludes additional mineralisation defined by “near mine” drilling conducted by Gascoyne Resources during 2013. In addition significant exploration potential remains throughout the project. See Figure 2 for the deposit locations and target overview.

	April 2013 Mineral Resource Estimate (0.5 g/t Au Cut-off)								
	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
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 as a result of rounding.

Table 1: Summary of the Glenburgh Resource Estimate

PROJECT STUDY

Preliminary findings from the twelve month feasibility study completed for the proposed development options for the Glenburgh project based on the April 2013 resource (see Table 2), were announced in August 2013. These findings indicated that the project could support a viable development under a range of scenarios. The Study was completed by a number of independent consultants and investigated several development options based around a carbon in leach (CIL) treatment facility processing approximately 1.2 mtpa. The project included a number of conceptual mill feed sources including eleven open pits at Glenburgh, a high grade open pit at the Egerton project (currently under option) and an underground development at the Zone 126 deposit at Glenburgh.

From these mill feed sources, a total mining inventory of 4.9Mt @ 2.0 g/t gold for 316,000 ounces of gold was estimated. It should be noted that while ~70% of the mining inventory is in the measured or indicated resource category (and could be converted into a probable reserve), 30% of the material in the mine plan is classified as inferred and hence can't be converted into a reserve. As a result a reserve has not been calculated for the project and the financial assessments provided are preliminary in nature. Inclusion of the already completed 2013 drilling program is expected to lead to an increase in the resource base, however, there is no guarantee that future drilling will result in the conversion of the inferred resource to indicated allowing a reserve to be calculated.

The study has identified a number of key areas that need to be refined prior to development. The main areas which need to be finalised are identifying and securing a suitable second hand processing facility and including the infill drilling into a resource update. Also on the critical path for the development of the project is finalising the native title negotiations. This will allow the grant of the mining lease, which is a prerequisite for the permitting of the project.

Key Project Statistics			
Mineral Resources	Tonnage	Grade	Ounces
Measured (Egerton)*	32,100	9.5 g/t	9,800
Indicated (Egerton + Glenburgh)*	6.95Mt	1.75 g/t	390,000
Inferred (Egerton + Glenburgh)*	14.2Mt	1.35 g/t	620,000
Total Resources	21.2Mt	1.5 g/t	1.02Moz

Mining Inventory	Tonnage	Grade	Ounces
Measured Resource (Egerton)	50,000	6.6 g/t	10,000
Indicated Resource (Egerton + Glenburgh)	3.01Mt	2.1 g/t	202,000
Inferred Resource (Egerton + Glenburgh)	1.86Mt	1.7 g/t	101,000
Total Mining Inventory **	4.92Mt	2.0 g/t	316,000oz

Capital Costs (A\$)	Life of Mine
Fixed Plant and Establishment	\$60.4M
Pre-Production Working Capital	\$10M
Initial Underground Development (year 3)	\$15M
Total Sustaining Capital	\$13.2M

Production Summary	
Life of Mine	4+ years
Strip Ratio (open cut)	8.1:1
Processing Rate	1.2 Mtpa
Average Recovery	94.5%
Gold Production	299,000 oz
Operating Cost /t (inc royalties, processing & admin)	\$29.20

Project Economics	
Base Case gold price (US\$)	\$1,350
Exchange Rate (US\$:A\$)	90c
Revenue (A\$)	\$448M
C1 Cash Costs per ounce ⁽¹⁾	\$913
All In Sustaining Costs per ounce ⁽²⁾	\$994
Operating Cash Surplus (A\$)	\$162.1M

Table 2: Key Project Statistics

Notes:

(1) C1 Cash costs include all open cut mining costs (ie there has been no capitalisation of cutbacks or open cut waste mining costs), underground production mining costs (excluding waste development costs), all processing, site administration, travel and accommodation costs, selling costs, grade control, fixed monthly mining costs, ongoing rehabilitation but excludes state royalties.

(2) All in Sustaining Costs include all of the C1 costs plus state royalties, establishment costs for satellite deposits, tailings dam lifts, demobilisation of the mining fleet, a closure rehabilitation allowance as well as underground waste development but excludes one off capital items such as initial underground establishment in year 3 and initial project capital.

** Discrepancies due to rounding

* Egerton Resource reported at 2.0g/t cutoff. Glenburgh Resources reported at 0.5g/t cutoff.

EXPLORATION

During the last 12 months, a total of 363 drill holes have been completed on the Glenburgh project for approximately 18,750 metres of RC, Diamond and Aircore drilling. This has been a substantial investment by the Group.

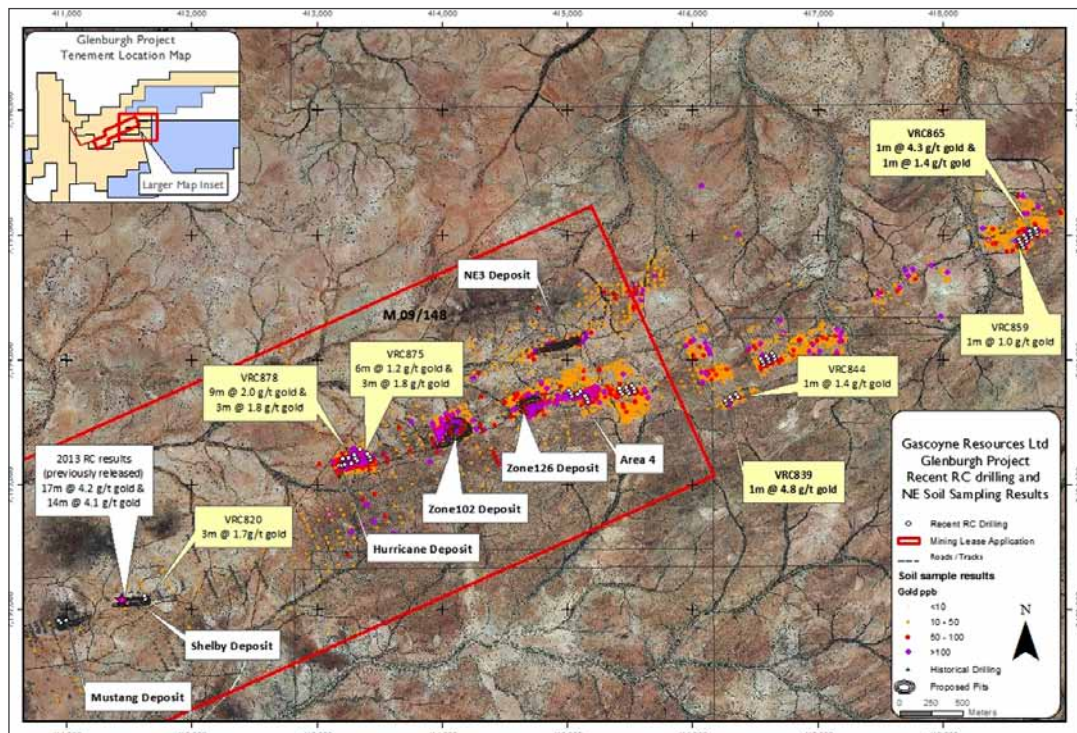


Figure 3: Glenburgh Project, Recent RC Drilling and NE Soil Sampling Results

RC DRILLING

During the year, a significant infill and extensional drilling program has been undertaken. Results from the 2013 RC drilling (see Figure 3) yet to be included in the resource include:

Shelby:

- 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 and 1m @ 4.7 g/t gold to EOH

Zone 126:

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

Hurricane:

- 9m @ 2.0 g/t gold from 1m
- 6m @ 1.2 g/t gold from 24m

North East Soil Anomalies:

A number of RC holes were directed as an initial test of some of the gold soil anomalies in the north east area of the Glenburgh project. The drilling confirmed the continuation of the mineralised system to the east with 6 RC holes intersecting gold values greater than 1 g/t including values up to 4.8 g/t. A number of other holes returned anomalous gold intervals up to 4m long in the 0.5 to 0.9 g/t gold range. While the widely spaced first pass drilling didn't return an ore grade and width intersection, it has confirmed the continuation of the system for 5km to the east of the known Glenburgh deposits. Further soil sampling and drilling is proposed for the north east area.

AIR CORE DRILLING

A phase of Aircore drilling was completed targeting extensions to the recent high grades discovered west of the Shelby deposit conceptual pit. Additional drilling was also conducted in the Tuxedo, Icon, Apollo, Mustang and South West deposit areas. The positive drill results will extend the conceptual open pits at Tuxedo, Shelby and the South West deposits once included into an updated resource which is expected to be completed in the second half of 2013 (see Figure 4). Of particular note is that all of the intersections are shallow with many starting within 10m of the surface. Results include:

Tuxedo:

- 9m @ 2.5 g/t gold from 25m
- 3m @ 11.2 g/t gold from 19m
- 13m @ 1.0 g/t gold from 37m to EOH

Shelby:

- 6m @ 1.4 g/t gold from 10m
- 4m @ 1.4 g/t gold from 26m

South West Area:

- 13m @ 1.1 g/t gold from surface

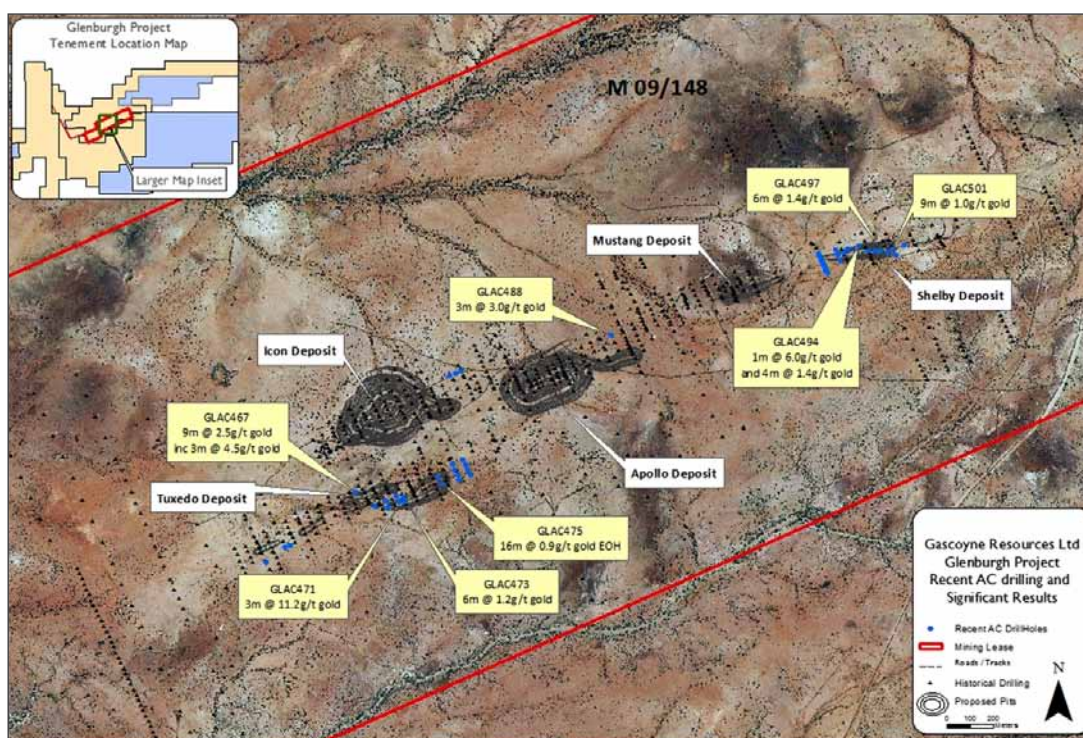


Figure 4: Glenburgh Project, Recent AC Drilling and Significant Results

EGERTON GOLD PROJECT – WESTERN AUSTRALIA

Gascoyne Resources Limited 100%

EL 52/2117, 52/2515, ML 52/343 & 52/567 under option, EL 52/2866

PROJECT SUMMARY

450km² tenement area located in the Southern Gascoyne region of WA

Measured, Indicated and Inferred JORC Resource of 116,400Mt @ 6.4 g/t for 23,811 oz Au

PROJECT BACKGROUND

The Egerton project consists of two granted mining leases and two granted exploration licences covering approximately 180km² of the Lower Proterozoic Egerton inlier in the Gascoyne Region of Western Australia (Figure 1).

Due to the high grade nature of the Hibernian deposit there is potential to truck ore from Egerton to the Company's near term development project at Glenburgh. The trucking of ore from Egerton to Glenburgh has been evaluated as part of the Glenburgh feasibility study, which concluded that the high grade nature of the Hibernian deposit lends itself to economic trucking to Glenburgh.

Twelve kilometres west of the Hibernian resource the Gaffney's Find prospect lies on another granted mining lease where a number of shallow historic workings lie on a north east trending shear zone extending over 4km, with drill intercepts including 4m @ 72.3 g/t gold and 5m @ 15.9 g/t gold (Figure 5). Elsewhere within the project there are a number of prospects aligned along the 8km long poorly tested Hibernian shear including the Hibernian West and Western Deeps prospects (Figure 5).

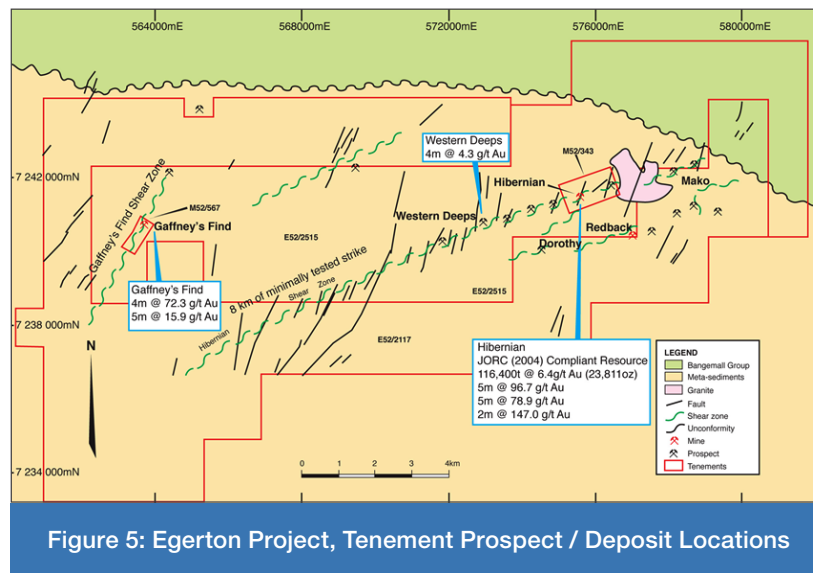


Figure 5: Egerton Project, Tenement Prospect / Deposit Locations

RESOURCES

The project includes the high grade Hibernian deposit which contains a resource of 116,400 tonnes @ 6.4 g/t gold for 24,000 ounces in the Measured, Indicated and Inferred JORC categories (Table 3). The deposit lies on a granted mining lease and previous drilling includes high grade intercepts, 2m @ 147.0 g/t gold, 5m @ 96.7 g/t gold and 5m @ 96.7 g/t gold associated with quartz veining in shallow south-west plunging shoots. The Hibernian deposit has only been drill tested to 70m below surface and there is strong potential to expand the current JORC Resource with drilling testing deeper extensions to known shoots and targeting new shoot positions.

Hibernian Deposit Mineral Resource Estimate (2.0 g/t Au Cut-off)			
JORC Classification	Tonnes Mt	Au g/t	Au Ounces
Measured Resource	32,100	9.5	9,801
Indicated Resource	46,400	5.3	7,841
Inferred Resource	37,800	5.1	6,169
Total	116,400	6.4	23,811

Table 3: Hibernian Deposit Mineral Resource Estimate

DALGARANGA GOLD PROJECT - WESTERN AUSTRALIA

Gascoyne Resources Limited 80%

EL 59/1709, ELA 21/173 & 21/174, 59/1904, 59/1905, 59/1906 & 59/1922, MLA 59/749

PROJECT SUMMARY

780km² tenement area located in the Murchison region of WA

Indicated and Inferred JORC Resource of 12.95Mt @ 1.7 g/t for 686,900 oz Au – (August 2013)

PROJECT BACKGROUND

During the financial year, the Group entered into an agreement to purchase 80% of the Dalgara gold project from a group of private tenement holders, who own the Dalgara gold project and 850km² of surrounding tenements.

The Dalgara project is located approximately 70km by road NW of Mt Magnet in the Murchison gold mining region of Western Australia (Figure 6) and covers the majority of the Dalgara greenstone belt. After discovery in the early 1990's, the project was developed and from 1996 to 2000 Equigold NL in JV with Western Reefs NL produced 229,000 oz's of gold from primarily the Gilbeys deposit (4.4Mt @ 1.5 g/t gold) with reported cash costs of less than \$350/oz. A small amount of gold was also mined from gold-rich laterites at the Golden Wings-Vickers areas.

The tenements acquired are unencumbered by rehabilitation liabilities related to past mining activity, and the project provides an excellent opportunity for near-term production either on a standalone basis or as a satellite deposit supplying mill feed for existing or planned processing facilities in the resurgent Murchison Gold district.

There had been very limited exploration conducted in the Dalgara Greenstone Belt in the last 12 or more years since mining ceased. Historic prospects nearby the Gilbeys deposit show excellent potential for discovery and resource growth. During the year, the Group undertook a modest drilling program and incorporating the results into a remodel of the Gilbeys resource.

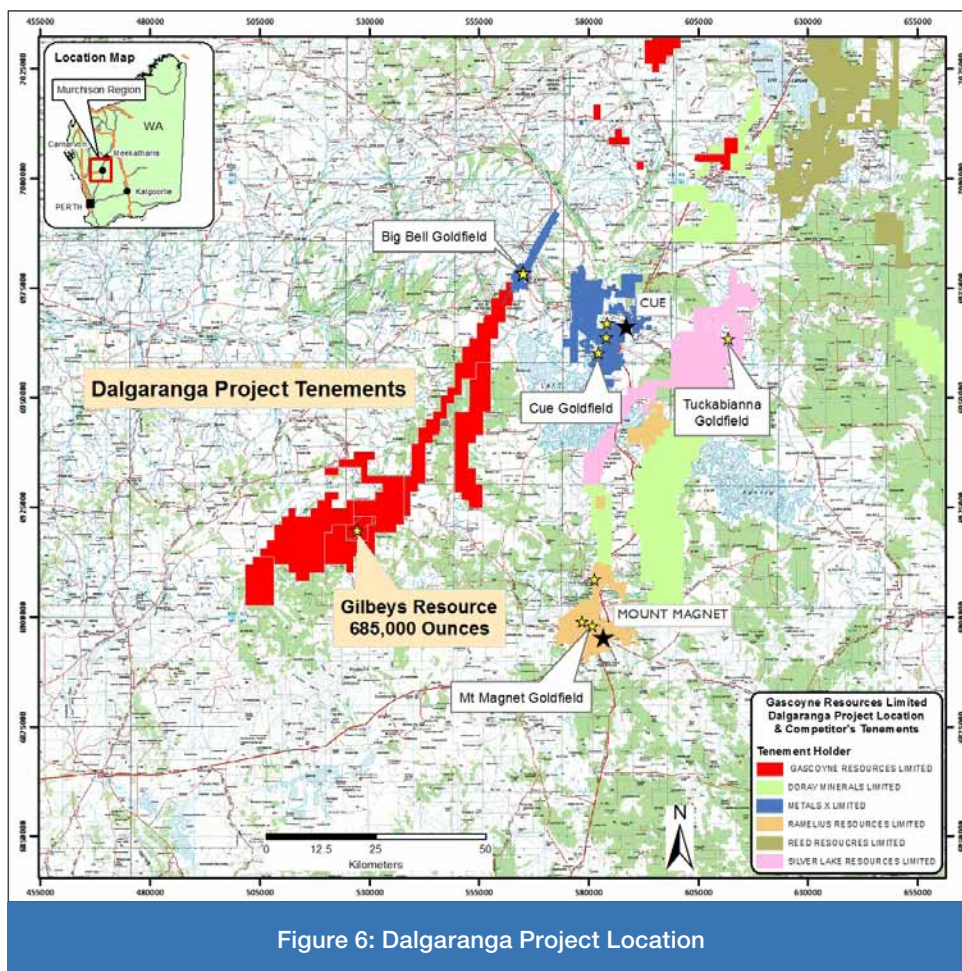


Figure 6: Dalgara Project Location

RESOURCES

The project contains a remnant JORC Measured, Indicated and Inferred mineral resource of **12.9Mt @ 1.7 g/t Au for 686,900 ounces** (see Table 4 for resource classification). Resource modelling and estimation was completed in August 2013 by Elemental Geology Pty Ltd, an external and independent resource consultant. Highlights from the refined Gilbeys deposit included an 80% increase in resource ounces, an increase in resource tonnage of 72% and a higher cut-off grade of 1.0 g/t used compared to 0.7 g/t used in the historical resource estimate.

August 2013 Mineral Resource Estimate												
Deposit	Measured			Indicated			Inferred			Total		
	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
Gilbeys ⁽¹⁾				4.7	1.6	240,200	8.2	1.7	445,200	12.90	1.7	685,300
Golden Wings Laterite	0.04	0.8	1,000							0.04	0.8	1,000
Vickers Laterite	0.02	1.2	600							0.02	1.2	600
Total	0.06	1.1	1,600	4.7	1.6	240,000	8.2	1.7	445,200	12.95	1.7	686,900

Note: Discrepancies in totals are a result of rounding; unless otherwise stated, the above resources are reported at a 0.7 Au g/t cut-off

⁽¹⁾ Gilbeys resource cut-off 1.0 Au g/t

Table 4: Summary of the Dalgaranga Resource Estimate

EXPLORATION

An initial 12 RC drill hole program was completed at Dalgaranga in mid 2013, this was followed by a 78 hole aircore drill program in June and July.

A total of 8 RC holes were drilled around the known Gilbeys resource area, which were included in an updated resource estimate resulting in a substantial (80%) increase to the previous resource (see Table 4). In addition to the resource drilling at Gilbeys, exploration drilling was undertaken at the Golden Wings prospect.

The Golden Wings drilling was aimed at following up historical high grade results which included 22m @ 6 g/t gold (including 6m @ 19 g/t gold) and 6m @ 10.2 g/t gold. The new drilling intersected a high grade shallow gold trend that extends for over 250m with intersections including 16m @ 8.7 g/t gold (including 6m @ 18.7 g/t gold), 4m @ 8.2 g/t gold, 9m @ 3.9 g/t gold (including 3m @ 9.2 g/t to the end of the hole) and 5m @ 5.1 g/t gold. The high grade mineralised trend remains open along strike and at depth.

This drilling data is currently being modelled along with historic drilling with the aim of estimating an initial high grade resource for Golden Wings below the mineralised near surface laterite.

A scoping study has commenced on the Dalgaranga project to determine the optimum development path. This study is investigating the possibility of toll treatment of material through an existing (third party owned) processing facility in the region, which would significantly reduce the initial capital requirements for development as well as significantly reduce the timeframe for development. The study is expected to be completed in the second half of 2013.

GASCOYNE REGIONAL PROJECTS - WESTERN AUSTRALIA

Bassit Bore, Bustler Well & Mt James

Gascoyne Resources Limited 100%

EL 09/1088, 09/1750 & 09/1751, EL 52/2343 & 2348 - 562km²

PROJECT BACKGROUND

These three regional Gascoyne projects are all located within 150km of the Glenburgh project (see Figure 1). Each of the tenements have highly anomalous surface gold geochemistry and limited drilling. A brief summary of the target for each of the regional projects is outlined below:

Bassit Bore: Surface geochemistry has identified that an anomalous zone that extends for over 15km and includes rock chip samples of up to 70 g/t gold. The limited drilling that has been undertaken over the last few years has intersected significant gold, copper and tellurium results. Significant potential remains in the area, with a modest geochemical sampling program planned aiming to identify additional drill targets.

Mt James: Located 85 km east of Glenburgh, a highly anomalous shear zone was identified by previous explorers. Drilling along the shear identified a strike of over 3.6km, with numerous low grade gold intersections up to 14m @ 1.6 g/t. A detailed aeromagnetic survey has been completed over the entire project and has identified a number of structural targets. These targets will be validated during the year, with additional surface sampling prior to drill testing of the trends.

Bustler Well: Located approximately 100km from Glenburgh (and 15km from Mt James), the Bustler Well project covers an area which has previous zones of mineralisation including up to 1m @ 37.4 g/t gold, 2m @ 9.1 g/t gold, 3m @ 7.6 g/t gold and 3m @ 7.2 g/t gold. The historical data is being evaluated to determine if potential exists to significantly expand the target zone. The entire project has been covered by a detailed aeromagnetic survey, which when coupled with the surface geochemistry, has identified a number of targets, which will be further evaluated during the year.

OTHER PROJECTS—WESTERN AUSTRALIA

Gascoyne Resources Limited 100%

EL 51/1469, 51/1470, 51/1551, 15/1265, 15/1280, 15/1297, 20/759, 20/773, 20/799, 59/1731, 70/4106, 70/4399, PL 15/5570-5573, PLA 20/2209, ELA 52/2812, 52/2900

A number of tenement applications have been made in the Murchison, Pilbara, Higginsville and Mullewa regions of Western Australia. While the Gascoyne region remains the focus for the Company, these new projects have the potential to add significantly to the Company's future, while also providing some geographical diversification of our gold and base metal assets within Western Australia.

A brief outline of the targets is provided below:

- **The Murchison Region:** A total of seven tenement have been granted in the Murchison region of Western Australia. The tenements extend from the northern end of the Big Bell greenstone belt in the north to the Ninghan region south of Paynes Find in the south. These tenement areas have been selected based on the underlying Archaean greenstone geology and are considered prospective for gold and a range of base metals.
- **The Higginsville Region:** A total of seven tenements have been granted in the area, which is located on the southern end of the Widgemooltha Dome. The area is considered to be prospective for gold and nickel, with operating gold and nickel mines within close proximity to the tenements. Of particular interest is the area around the Footes Find gold deposit which lies within one of the tenements. The deposit was mined in the late 1980's and early 1990's and trucked to the nearby Higginsville operation. During the year 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 which will be further field checked. 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.
- **The Elphin Bore Area:** During the year two new tenement applications were made covering a highly prospective gold trend located 50km south of the Pilbara town of Newman in Western Australia. The Elphin Bore project is along trend from the Independence group's (IGO's) Karlawinda gold project which hosts ~ 674,000 oz of gold. 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. 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. 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.
- **The Mullewa Region:** A total of two tenements have been granted in the area covering the interpreted northern extensions of the Irwin River Coal Measures, an area that has had very little historical exploration. The area is very close to the proposed Oakajee port and rail infrastructure, which if built could solve the infrastructure constraints that have, to date, limited the development of potential deposits in the region.

Competent Persons Statement

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.

Information in this announcement relating to mineral resources for the Glenburgh and Egerton projects are 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.

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

The resources quoted for the Egerton project have been sourced from Exterra Resources reports, prospectus and other publicly available reports and in particular the "Hibernian Gold Deposit Resource Report" by Finore Pty Ltd which have undergone a number of peer reviews by qualified consultants, that conclude that the resources comply with the 2004 JORC code and are suitable for public reporting. The resource was announced to the ASX by NGM Resources Ltd on 9 August 2005.

The laterite 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 2004 JORC code and are suitable for public reporting. The Gilbeys resource has been estimated by Elemental Geology Pty Ltd, an external consultancy, and is reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see GCY -ASX announcement 1st August 2013 titled: Dalgaranga Gold Resource Increases 80% to 685,000oz). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.

CORPORATE GOVERNANCE STATEMENT

The Directors of Gascoyne Resources Limited believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Governance practices are not a static set of principles and the Company assesses its governance practices on an ongoing basis. Changes and improvements are made in a substance over form manner, which appropriately reflect the changing circumstances of the Company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Company.

The Company has a corporate governance section on the website at www.gascoyneresources.com.au. The section includes details on the company's governance arrangements and copies of relevant policies and charters.

The Group complies with the Corporate Governance Principles and Recommendations with 2010 Amendments ("the ASX Principles"). For ease of comparison to the recommendations, the Corporate Governance statement addresses each of the 8 principles in turn. Where the Company has not followed a recommendation this is identified with the reasons for not following the recommendation. This disclosure is in accordance with ASX listing rule 4.10.3.

The following table outlines which of the ASX recommendations the Company has not complied with. Reasons for non-compliance are explained in this report.

ASX Recommendation	Description
2.1	A majority of the board should be independent directors
2.2	The Chair should be an independent Chair
3.2	The Company should establish a diversity policy and disclose the policy
3.3	The Company should disclose the measurable objectives for achieving gender diversity as set by the board and progress towards achieving them
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent director, who is not chair of the board • has at least 3 members

PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT BY THE BOARD

The Board operates in accordance with broad principles set out in its Charter which is available from the corporate governance section of the Company's website.

Broadly the key responsibilities of the Board are:

1. Setting the strategic direction of the Company with management and monitoring management implementation of that strategy;
2. Evaluating, approving and monitoring major capital expenditure, capital management and all major corporate transactions;
3. Approving the annual operating budget, annual shareholders report and annual financial accounts;
4. Appointing, monitoring, managing the performance of, and if necessary terminating the employment of the Managing Director;
5. Approving and monitoring the Company's risk management framework; and
6. Ensuring compliance with the Corporations Act 2001, ASX listing rules and other relevant regulations.

All Directors and senior executives reporting to the Managing Director of the Company have been given formal letters of appointment outlining key terms and conditions of their appointment.

Performance evaluations for senior executives are carried out annually by either the Managing Director or the Board. Performance during the previous 12 months is assessed against relevant performance indicators, and role expectations and goals are set for the following year. Performance evaluations have been completed for all executives during the reporting period in accordance with approved processes.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

BOARD MEMBERS

Details of Board members, their experience, expertise, qualifications, term in office and independence status are set-out in the Directors' Report. The Board comprises six members of which only Mr John den Dryver is considered to be independent within the ASX's definition. Accordingly, the Company did not comply with ASX recommendation 2.1 for the year as the majority of the Board were not independent Directors.

Mr Rodney Michael Joyce, the Company's Chairman and his predecessor, Mr Graham Riley, are also substantial shareholders. Accordingly, the Company did not comply with ASX recommendation 2.2 for the year as the Chair of the Company was not considered to be independent within the ASX's definition.

The Board charter is available from the Company's website. The Board has formalised various policies on securities trading, disclosure and codes of conduct, which assist in providing a stronger governance framework for the Company. These are in addition to the Company's requirements under the Corporations Act 2001 and ASX Listing Rules.

Board structure and composition will be reviewed as and when the Company's strategic directions and activities change. The Company will only recommend the appointment of additional Directors to your Board where it believes the expertise and value added outweighs the additional cost.

A copy of the Director Nomination and Induction Policy is available from the corporate governance section of the Company's website.

NOMINATION COMMITTEE

A separate nomination and remuneration committee was established by the Board during the year. The committee members are:

- Rodney Michael Joyce (Chairman)
- Gordon Dunbar
- Graham Riley

An annual formal evaluation of the Board's performance is completed by all directors including the Managing Director. The Chairman conducts an informal evaluation of the Board members at least once per annum.

Further information on the performance assessment process for the Board and senior executives can be found in the Directors' Report. Details of Director's attendance at board, audit committee and remuneration committee meetings are detailed in the Directors' Report.

A copy of the Nomination Committee Charter is available from the corporate governance section of the Company's website.

INDEPENDENT ADVICE

A Director of the Company is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out in the Board's Charter.

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

CODE OF CONDUCT

The Board has adopted a Code of Business Conduct. A copy of the Code is made available to all employees of the Company.

This code expresses certain basic principles that the Company and employees should follow in all dealings related to the Company. They should show the highest business integrity in their dealings with others, including preserving the confidentiality of other peoples' information and should conduct the Company's business in accordance with law and principles of good business practice.

A copy of the Code of Conduct is available from the corporate governance section of the company's website.

DIVERSITY POLICY

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Group recognises the benefits arising from employee and board diversity. A Diversity Policy has not yet been adopted. Measurable objectives for achieving gender diversity have not yet been set by the Board.

	2013	
	No.	%
Women on the Board	0	0
Women in senior management roles	2	67
Women employees in the company	3	27

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Managing Director and Chief Financial Officer have made the following certifications to the Board;

- That the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group and are in accordance with relevant accounting standards; and
- That the reports were founded on a sound system of financial risk management and internal compliance and control.

AUDIT COMMITTEE

A separate audit committee was established by the Board during the year. The committee members are:

- Gordon Dunbar (Chairman)
- Rodney Michael Joyce
- Graham Riley

The Company does not comply with ASX recommendations 4.2 as the audit committee does not consist of a majority of independent directors and is not chaired by an independent chair. The Board believes the audit committee structure is appropriate given the Company's size. The composition of the audit committee will be assessed on an ongoing basis in light of the Company's overall board structure and strategic direction.

A copy of the Audit Committee Charter is available from the corporate governance section of the Company's website. The charter sets out the roles and responsibilities of the audit committee and contains information on the procedures for the selection and rotation of the external auditor.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

CONTINUOUS DISCLOSURE

The Board has a formal disclosure policy outlining procedures for compliance with ASX continuous disclosure requirements. The policy is based upon the Company's desire to promote fair markets, honest management and full and fair disclosure. The disclosure requirements must be complied with in accordance with their spirit, intention and purpose.

The purpose of the policy is to:

- summarise the Company's disclosure obligations;
- explain what type of information needs to be disclosed;
- identify who is responsible for disclosure; and
- explain how individuals at the Company can contribute.

The Company Secretary is responsible for ensuring disclosure of information to the ASX.

A copy of the Disclosure Policy is available from the corporate governance section of the Company's website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

SHAREHOLDER COMMUNICATION STRATEGY

The Board has adopted a formal Shareholder Communication Guidelines Policy.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Company's website. Procedures are in place to determine where price sensitive information has been inadvertently disclosed, and if so, this information is released to the ASX.

The external auditor attends the annual general meeting and is available to respond to questions about the conduct of the audit and content of the independent audit report.

A copy of the Shareholder Communication Policy is available from the corporate governance section of the Company's website.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

RISK ASSESSMENT AND MANAGEMENT

The Company does not have a separate Risk Management committee. Given the size of the Company, the Directors believe there are no efficiencies in forming a separate committee and the Board as a whole performs this role.

The Company does not have a single specific risk management policy, but rather, financial and operating risks are addressed through individual approved policies and procedures covering financial, contract management, safety and environmental activities of the Company. In addition to financial audits, the Company's operations in Australia are subjected to annual Risk Management reviews in accordance with the relevant Risk Management Standard. The Company engages an insurance brokering firm as part of the Company's annual assessment of the coverage for insured assets and risks. The results of all the various reviews and insurances are reported to the Board at least annually.

The integrity of Gascoyne Resource's financial reporting relies upon a sound system of risk management and control. Accordingly, the Managing Director and Chief Financial Officer, to ensure management accountability, are required to provide a statement in writing to the Board that the financial reports of Gascoyne Resources are based upon a sound risk management policy.

The Board believes that it has a thorough understanding of the Company's key risks and is managing them appropriately. A copy of the Company's Risk Management Committee Charter is available from the corporate governance section of the Company's website.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

REMUNERATION COMMITTEE

A separate nomination and remuneration committee was established by the Board during the year. The committee members are:

- Rodney Michael Joyce (Chairman)
- Gordon Dunbar
- Graham Riley

The Nomination and Remuneration Committee reviews and makes recommendations to the Board of Directors in terms of compensation and incentive plan arrangements for directors and senior executives, having regard to market conditions and the performance of individuals and the group.

REMUNERATION POLICIES

The Company's remuneration policies are detailed in the Remuneration report in the Directors' Report.

NON-EXECUTIVE DIRECTOR REMUNERATION

Non-executive directors are remunerated by way of director's fees. Apart from compulsory superannuation entitlements, non-executive directors are not eligible to receive retirement benefits.

A copy of the Remuneration Policy is available from the corporate governance section of the Company's website.

DIRECTORS' REPORT

In respect of the financial year ended 30 June 2013, the Directors of Gascoyne Resources Limited, (the Group), submit the financial report. In order to comply with the provisions of the Corporations Act 2001, the Director's report as follows:

DIRECTORS

The following persons held office as Directors of Gascoyne Resources Limited during or since the end of the financial year and up to the date of this report:

Rodney Michael Joyce BSc (Hons), MSc, MAusIMM

Non Executive Chairman - Appointed 5 October 2012

Non Executive Director – Appointed 20 April 2011

Mr Joyce is a geologist with around 30 years' experience in mineral exploration, following graduation in 1979 with a BSc (Hons) degree from Monash University. He also holds a MSc from the Royal School of Mines, University of London, UK. He was the leader of a successful gold exploration team at Aberfoyle Resources Ltd responsible for significant gold discoveries at Khartoum (Carosue Dam) and Davyhurst in Western Australia prior to joining Giralia Resources NL initially as the Exploration Manager and then as Managing Director. Mr Joyce is also a Director of Zenith Minerals Limited.

Michael Dunbar BSc, P Grad Dip (economic geology), MAusIMM

Managing Director - Appointed 31 March 2011

Mr Mike Dunbar is a geologist with over 17 years experience in exploration, resource development and mining projects, both within Australia and overseas. Mike has been active in exploring and developing a broad range of deposit styles and commodities from Nickel Sulphide deposit development, Archaen and Proterozoic Gold, IOCG copper and gold deposits and sandstone hosted uranium deposits.

Mike was involved in the discovery, delineation and development of the +2Moz Thunderbox gold deposit, the discovery and delineation of the Waterloo and Amorc Nickel Sulphide deposits in Western Australia, the delineation of the Munali Nickel Sulphide deposit, the Mirabella Nickel Sulphide deposit, the IOCG - Cloncurry Copper, Gold, Cobalt, Magnetite as well as a number of smaller deposits. Mike's experience includes 4 years with Eagle Mining NL, 6 years with LionOre (now Norilsk Nickel) and 6 years with the Mitchell River group of companies including Albion Limited, Mirabela Nickel, African Energy, Sally Malay Mining (now Panoramic) and Exco Resources.

Graham Riley B.Juris LLB

Non Executive Director - Appointed 19 October 2009

Mr Riley is a qualified legal practitioner, having gained his Bachelor of Laws and Bachelor of Jurisprudence Degrees. After 10 years legal practice as a partner of a commercial firm in Perth, he resigned to pursue private interests in the resources and exploration sector, where he continues to act in various non-executive capacities. Graham was the Non-Executive Chairman of Giralia Resources NL and Red Hill Iron Limited and a Director of Adelphi Energy NL prior to their takeovers. He was also a Director of Arc Energy Limited. He is currently the Non-Executive Chairman of Buru Energy Limited and Entek Energy Limited.

Stanley Macdonald

Non Executive Director - Appointed 20 April 2011

Mr Macdonald has been associated with the mining and exploration industry for many years, having been instrumental in the formation of numerous ASX listed companies, including Giralia Resources NL, where he was a Director for over 20 years. Mr Macdonald is Director of Zenith Minerals Limited and Avocet Resources Ltd (previously U308 Limited).

Gordon Dunbar BSc (Hons), MSc, FAusIMM, FAIG

Non Executive Director - Appointed 31 March 2011

Managing Director - Appointed 25 September 2009, Resigned 31 March 2011

Mr Gordon Dunbar is a consulting geologist with 40 years experience in the Australian minerals industry managing project development, mineral exploration and evaluation programs, mine geology, financial studies, production assessment and monitoring joint venture projects. Gordon's experience includes exploration and mining geology roles at Kambalda with WMC, the evaluation of the Golden Grove base metal deposit in WA, the Chief Geologist at Rosebery Mine in Tasmania and management roles with BP Australia undertaking financial studies, monitoring the evaluation of the Olympic Dam deposit and as Exploration Manager for BP Minerals.

Gordon formed his own consulting group in 1990 to provide advice on exploration, evaluation, mining geology, project assessment and pre-feasibility studies, particularly those involving gold, base metals and nickel. He has worked on projects within Australia and Internationally. Mr Gordon Dunbar is a Non-Executive Director of Helix Resources Limited.

John den Dryver BE (Mining) MSc FAusIMM (CP)

Non-Executive Director - Appointed 25 September 2009

Mr den Dryver is a mining engineer with over 30 years mining experience in operational and corporate management. John joined Mount Isa Mines in 1973. In 1982, John joined North Flinders Mines as the Company Mining Engineer. He became the Operations Manager for North Flinders after the mine was commissioned in 1986 and over the next 10 years managed the operations as well as developing the further discoveries in this region including the Callie Mine. In 1987 he was invited to join the Board of North Flinders to become Executive Director- Operations. In 1997 after Normandy Mining took over North Flinders, John was appointed Executive General Manager-Technical leading a team of specialist geologists, mining engineers and metallurgists in operational support, technical review and due-diligence activities. In 2003, after the takeover of Normandy by Newmont Corporation, John set up his own mining consultancy business. Mr den Dryver is a Director of Adelaide Resources Limited, Centrex Metals Limited and Helix Resources Limited.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by Directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
John den Dryver	Adelaide Resources Limited Centrex Metals Limited Helix Resources Limited	18 April 2005 – current 1 March 2011 - current 25 October 2004 - current
Gordon Dunbar	Helix Resources Limited Rubianna Resources Limited	18 July 2006 – current 13 September 2011 – 30 June 2013
Rodney Michael Joyce	Giralia Resources NL Pacmag Metals Limited Zenith Minerals Limited	10 May 2000 - 2 March 2011 18 November 2005 – 31 October 2010 6 December 2006 - current
Stanley Macdonald	Carpentaria Exploration Limited Giralia Resources NL Avocet Resources Limited (previously U308 Limited) Zenith Minerals Limited	10 April 2007 – 3 February 2012 12 April 1991 - 2 March 2011 6 October 2005 - current 24 April 2006 - current
Graham Riley	Adelphi Energy NL Buru Energy NL Entek Energy Limited Giralia Resources NL Target Energy Limited	10 January 2005 – 16 July 2010 22 May 2008 – current 1 February 2011 - current 30 June 1998 – 2 March 2011 1 January 2011 – 5 October 2012
Michael Dunbar	None	

COMPANY SECRETARY**Eva O'Malley B.Com, CA, ACSA, ICSA**

Ms O'Malley was appointed to the position of Company Secretary on 12th January 2011. She has extensive experience in managing the financial obligations of ASX listed corporations across a diverse range of industries.

PRINCIPAL ACTIVITIES

The principal activity of the Group constituted by Gascoyne Resources Limited and the entities it controlled during the period consisted of gold and base metal mineral exploration. There has been no significant change in the nature of these activities during the year.

FINANCIAL RESULTS

The net consolidated loss of the Group for the financial period, after provision for income tax was \$277,560 (2012: \$1,109,772).

DIVIDENDS

No dividend has been paid or is recommended for the current period.

REVIEW OF OPERATIONS

The Group's activities are contained in releases to the ASX on a quarterly basis and contained on our website at www.gascoyneresources.com.au.

The Company's strategy continues to be corporate and geological expertise to target and secure mineral assets, and then create and extract value for the benefit of our shareholders.

MINERAL EXPLORATION

The summary of the years activities is contained in the review of operations on page 4.

CORPORATE

The Group has no debt and has cash at bank of \$3,262,613 (2012: \$5,788,995).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Group issued 14,650,000 ordinary shares during December 2012 to institutional and sophisticated investors at 25 cents each to raise \$3,662,500 for additional working capital.

The Group also issued 7,000,000 ordinary shares during February 2013 as partial consideration for the purchase of the Dalgaranga gold project and surrounding exploration tenements from private tenement holders.

In the opinion of the Directors, other than disclosed elsewhere in this Report, there were no significant changes in the state of affairs of the Group that occurred during the period under review.

SUBSEQUENT EVENTS

The Directors are not aware of any other matter or circumstance that has arisen since the end of the financial year which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

FUTURE DEVELOPMENTS

The focus for the Group remains the feasibility study and ongoing exploration of the Glenburgh gold project while also investigating the development options for the Dalgaranga gold project.

The preliminary feasibility study for the proposed development of the Group's Glenburgh gold project has identified a number of key areas to be refined prior to development. The main areas to be finalised are identifying and securing a suitable second hand processing facility and including the already completed 2013 drilling program into a resource update. Also of importance for the development of the project is finalising the native title negotiations. This will allow the grant of the mining lease which is a pre-requisite for the permitting of the project.

The Group has commenced a scoping study to investigate the development options for the Dalgaranga gold project following the recent Gilbeys Mineral Resource Estimate, 12.9 Mt @ 1.7 g/t gold for 685,000 oz. The study will initially focus on the Gilbeys deposit with development of the high grade Golden Wings discovery to be contemplated once an initial resource estimate is completed. The study will investigate the possibility of toll treatment of material through an existing (third party owned) processing facility, which would significantly reduce the initial capital requirements for development.

MEETINGS OF DIRECTORS

The number of meetings held during the year by Company Directors (including meetings of committees of Directors) and the number of those meetings attended by each Director was:

	Board of Directors' Meetings		Nomination & Remuneration Committee Meetings		Audit Committee Meetings	
	Entitled to Attend	Attended	Entitled to Attend	Attended	Entitled to Attend	Attended
G Riley	3	3	1	1	2	2
M Dunbar	3	3	-	-	-	-
J den Dryver	3	3	-	-	-	-
G Dunbar	3	3	1	1	2	2
R M Joyce	3	3	1	1	2	2
S Macdonald	3	2	-	-	-	-

DIRECTORS SHARE AND OPTION HOLDINGS

Director	*Fully Paid Ordinary Shares	*Staff Options
G Riley	14,073,071	-
M Dunbar	1,650,000	1,800,000
J den Dryver	240,000	-
G Dunbar	1,063,655	-
R M Joyce	8,906,392	-
S Macdonald	14,565,455	-

* Directors' interests in ordinary shares and options of the Company are shown at the date of this Directors' Report

UNISSUED SHARES UNDER OPTION

Unissued ordinary shares of the Group under option at the date of this report are:

Options Series	No.	Expiry Date	Exercise Price \$
Issued 15 Sep 2011	1,000,000	31/08/14	\$0.40
Issued 16 Nov 2011	1,800,000	16/11/13	\$0.40
	2,800,000		

All options expire on the earlier of their expiry date or within 30 days of termination of the employee's employment. These options do not entitle the holder to participate in any share issue of the Company.

REMUNERATION REPORT (AUDITED)

The Directors of the Group present the Remuneration Report for non-executive directors, executive directors and other key management personnel prepared in accordance with the Corporations Act 2001 and Corporations Regulations 2001.

a) Principles used to determine the nature and amount of remuneration

The Company's Executive Officers' remuneration policy is set to ensure that remuneration packages properly reflect the duties and responsibilities of the senior executives and are sufficient to attract, retain and motivate personnel of the requisite quality. The policy is administered by the Remuneration Committee.

Remuneration packages contain the following key elements:

- a) Primary benefits – salary / fees and performance based bonuses;
- b) Post employment benefits – prescribed retirement benefit; and
- c) Equity – share options granted under the executive share option plan as disclosed in note 17 to the financial statements.

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum shareholder benefit. Whilst the level of remuneration is not dependent on the satisfaction of any performance condition, the performance of Executives is reviewed on an annual basis. The payment of bonuses, share options and other incentives are reviewed as part of executive remuneration and is approved by the Board.

Non-executive director remuneration

Non-executive Directors are remunerated by fees determined by the Board within the aggregate Directors' fee pool limit of \$250,000. The pool limit is not at present fully utilised. In setting the fees, account is taken of the responsibilities inherent in the stewardship of the Company and the demands made of Directors in the discharge of their responsibilities. Advice is taken from independent consultancy sources where appropriate to ensure remuneration accords with market practice.

The Company has largely adopted the ASX Principles and decided to remunerate its non-executive directors on an ongoing basis with no accrual or entitlement to a retirement benefit.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the year.

Voting and comments made at the Company's 2012 Annual General Meeting

Gascoyne Resources Limited received more than 99% of "yes" votes on its remuneration report for the 2012 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

b) Details of remuneration

The following table discloses the remuneration of the Directors and senior executives of the Company:

Key Management Personnel	Primary			Post Employment			Equity			Total \$
	Salary & Fees \$	Performance Based Payment \$	Non Monetary \$	Super-annuation \$	Pre-scribed Benefits \$	Other Retirement Benefits \$	Options \$	% of Remuneration %	Other Benefits \$	
2013										
R M Joyce	46,085	-	-	-	-	-	-	-	-	46,085
M Dunbar	275,229	-	-	24,771	-	-	119,880	29	-	419,880
J den Dryver	32,110	-	-	2,890	-	-	-	-	-	35,000
G Dunbar	35,000	-	-	-	-	-	-	-	-	35,000
S Macdonald	35,000	-	-	-	-	-	-	-	-	35,000
G Riley	38,915	-	-	-	-	-	-	-	-	38,915
J Goldsworthy	38,915	-	-	19,817	-	-	41,200	-	-	281,200
E O'Malley	66,000	-	-	5,940	-	-	12,360	15	-	84,300
Total	748,522	-	-	53,418	-	-	173,440		-	975,380
2012										
R M Joyce	35,000	-	-	-	-	-	-	-	-	35,000
M Dunbar	256,307	-	-	23,968	-	-	119,880	30	-	400,155
J den Dryver	32,109	-	-	2,891	-	-	-	-	-	35,000
G Dunbar	35,000	-	-	-	-	-	-	-	-	35,000
S Macdonald	35,000	-	-	-	-	-	-	-	-	35,000
G Riley	50,000	-	-	-	-	-	-	-	-	50,000
J Goldsworthy	214,537	-	-	19,308	-	-	41,200	15	-	275,045
E O'Malley	63,473	-	-	5,713	-	-	12,360	15	-	81,546
Total	721,426	-	-	51,880	-	-	173,440		-	946,746

c) Service agreements

Mr Michael Dunbar was appointed to the role of Managing Director on 31 March 2011. His Executive Service Agreement is ongoing and provides for a salary of \$300,000 pa inclusive of superannuation and the provision of six months' notice for termination or resignation without cause.

Mr Julian Goldsworthy was appointed to the role of General Manager – Business Development on 4 July 2011. His Executive Service Agreement is ongoing and provides for a salary of \$240,000 pa inclusive of superannuation and the provision of three months' notice for termination or resignation without cause.

Ms Eva O'Malley was appointed to the role of Company Secretary on 12th January 2011. Her Employment Agreement is ongoing and provides for a salary of \$66,000 pa plus compulsory superannuation for 15 hours per week and the provision of one months' notice for termination or resignation without cause.

d) Key management personnel's share options

Pursuant to approval at Shareholders' meetings, executives and employees are entitled to subscribe for ordinary shares on the terms agreed to by the Shareholders. At the date of this report Directors and senior executives are entitled to purchase an aggregate of 2,450,000 ordinary shares of Gascoyne Resources Limited according to the following terms:

Key Management Personnel	Number of Executive Options Held	Issuing Entity	Exercise Price	Expiry Date	Number of ordinary shares under option
M Dunbar	1,800,000	Gascoyne Resources	\$0.40	16.11.2013	1,800,000
E O'Malley	150,000	Gascoyne Resources	\$0.40	31.08.2014	150,000
J Goldsworthy	500,000	Gascoyne Resources	\$0.40	31.08.2014	500,000
Total	2,450,000				2,450,000

All options expire on the earlier of their expiry date or within 30 days of termination of the employee's employment. These options do not entitle the holder to participate in any share issue of the Company.

End of audited remuneration report.

OFFICERS' INDEMNITY AND INSURANCE

During the year the Company paid an insurance premium to insure the Directors and Officers of the Company and related bodies corporate. The Officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors' and Officers' Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company or a related body corporate. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has entered into an agreement with the Directors and Officers to indemnify them against any claim and related expenses, which arise as a result of work completed in their respective capacities.

The Company has not otherwise, during or since the financial year indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

ENVIRONMENTAL REGULATIONS

The Group is subject to environmental regulations under laws of the Commonwealth and State. The Group has a policy of complying with its environmental performance obligations and at the date of this report, is not aware of any breach of such regulations.

NON-AUDIT SERVICES

No non-audit services were provided to the Company for the year ended 30 June 2013.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 25 of the financial report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Dated at Perth this 28th day of August 2013.

This report is made and signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors.



R M Joyce
Chairman

Grant Thornton Audit Pty Ltd
ACN 130 913 594

10 Kings Park Road
West Perth WA 6005
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

**Auditor's Independence Declaration
To the Directors of Gascoyne Resources Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Gascoyne Resources Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 28 August 2013

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W www.grantthornton.com.au

**Independent Auditor's Report
To the Members of Gascoyne Resources Limited**

Report on the financial report

We have audited the accompanying financial report of Gascoyne Resources Limited (the 'Company'), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the

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overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Gascoyne Resources Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 22 to 24 of the directors' report for the year ended 30 June 2013. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion the remuneration report of Gascoyne Resources Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner - Audit & Assurance

Perth, 28 August 2013

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Gascoyne Resources Limited:
 - a. the consolidated financial statements and notes thereto of Gascoyne Resources Limited are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of its financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b. there are reasonable grounds to believe that Gascoyne Resources Limited will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Finance Officer for the financial year ended 30 June 2013.
3. The consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



R M Joyce
Chairman

Perth, 28 August 2013

STATEMENT OF FINANCIAL POSITION

As of 30 June 2013

	Notes	CONSOLIDATED	
		2013	2012
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	2	3,262,613	5,788,995
Trade and other receivables	3	197,474	379,410
Total Current Assets		3,460,087	6,168,405
Non-Current Assets			
Property, plant & equipment	6	129,421	198,304
Exploration and evaluation expenditure	7	19,866,619	13,372,876
Other assets	5	75,000	85,000
Total Non-Current Assets		20,071,040	13,656,180
Total Assets		23,531,127	19,824,585
Liabilities			
Current Liabilities			
Trade and other payables	8	805,715	1,966,260
Employee benefits	9	83,345	77,117
Total Liabilities		839,060	2,043,377
Net Assets		22,642,067	17,781,208
Equity			
Share capital	10	26,622,153	21,686,014
Other components of equity	11	404,560	202,280
Accumulated losses	12	(4,384,646)	(4,107,086)
Total Equity		22,642,067	17,781,208

This statement should be read in conjunction with the notes to the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Notes	CONSOLIDATED	
		2013 \$	2012 \$
Revenue from continuing operations	13	155,123	207,308
Employment costs		(820,243)	(881,109)
Audit and accountancy		(263,197)	(27,748)
Corporate marketing		(110,958)	(114,694)
Depreciation	14	(79,203)	(61,429)
Impairment of exploration and evaluation assets	7	(444,763)	(4,481)
I T costs		(29,295)	(26,208)
Overhead allocation to exploration		167,150	160,265
Premises costs		(181,175)	(171,571)
Professional services		(4,440)	(9,684)
Travel expenses		(34,740)	(39,246)
Other general and admin expenses		(153,375)	(141,175)
Loss before tax		(1,799,116)	(1,109,772)
Tax benefit	19	1,521,556	-
Loss for the year		(277,560)	(1,109,772)
Other Comprehensive Income			
Other comprehensive income		-	-
Tax relating to comprehensive income		-	-
Other comprehensive income, after tax		-	-
Total Comprehensive Loss attributable to members of Gascoyne Resources Limited		(277,560)	(1,109,772)
Loss per share			
Basic (cents per share)	21	(0.19)	(1.03)
Diluted (cents per share)	21	(0.19)	(1.03)

This statement should be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Notes	CONSOLIDATED	
		2013 \$	2012 \$
Operating Activities			
Payments to suppliers and employees		(1,051,259)	(971,498)
Interest received		165,081	244,617
Research and development tax refund		1,521,556	-
Other revenue received		3,158	3,630
Net cash provided by / (used in) operating activities	2(b)	638,536	(723,251)
Investing Activities			
Payments for capitalised exploration & evaluation expenditure		(6,498,444)	(5,403,500)
Payments for project acquisitions		(305,193)	-
Purchase of property, plant & equipment		(10,320)	(136,449)
Release / (payments) for security deposits		10,000	(35,000)
Net cash used in investing activities		(6,803,957)	(5,574,948)
Financing Activities			
Proceeds from issue of shares/options		3,662,500	7,328,984
Share issue costs paid		(23,461)	(198,640)
Net cash provided by financing activities		3,639,039	7,130,344
Net change in cash and cash equivalents		(2,526,382)	832,144
Cash and cash equivalents, beginning of year		5,788,995	4,956,851
Cash and cash equivalents, end of year	2(a)	3,262,613	5,788,995

This statement should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

CONSOLIDATED	Share Capital Ordinary \$	Options Reserve \$	Accumulated Losses \$	Total \$
2013				
Balance at the beginning of the financial year	21,686,014	202,280	(4,107,086)	17,781,208
Shares issued during the financial year	4,959,600	-	-	4,959,600
Share Issue Costs	(23,461)	-	-	(23,461)
Issue of Employee Incentive Options	-	202,280	-	202,280
Loss attributable to members of the parent entity	-	-	(277,560)	(277,560)
Balance at the end of the financial year	26,622,153	404,560	(4,384,646)	22,642,067

CONSOLIDATED	Share Capital Ordinary \$	Options Reserve \$	Accumulated Losses \$	Total \$
2012				
Balance at the beginning of the financial year	14,432,070	123,600	(2,997,314)	11,558,356
Shares issued during the financial year	7,328,984	-	-	7,328,984
Share Issue Costs	(198,640)	-	-	(198,640)
Issue of Employee Incentive Options	-	202,280	-	202,280
Exercise of options	123,600	(123,600)	-	-
Loss attributable to members of the parent entity	-	-	(1,109,772)	(1,109,772)
Balance at the end of the financial year	21,686,014	202,280	(4,107,086)	17,781,208

This statement should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1. SUMMARY OF ACCOUNTING POLICIES

Nature of operations

Gascoyne Resources Limited and its subsidiaries (the Group) principle activity is the exploration and development of a number of gold projects in Western Australia.

Financial reporting framework

The financial report is a general-purpose financial report that has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Gascoyne Resources Limited is a for profit entity for the purpose of preparing financial statements.

Gascoyne Resources Limited is a listed public company, incorporated and operating in Australia. The address of its registered office and its principal place of business is Level 2, 33 Ord Street, West Perth, Australia.

Statement of compliance

The financial report for Gascoyne Resources Limited for the year ended 30 June 2013 were approved and authorised for issue by the board of Directors on 27 August 2013.

Going Concern

The financial statements have been prepared on the basis that the Group will continue to meet their commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As at 30 June 2013, the Group incurred a net loss of \$277,560 and in the forthcoming financial year will be required to meet various commitments. At 30 June 2013, the Group's cash position is adequate to meet these anticipated commitments (refer Note 15). The continuation as a going concern is dependent upon managing discretionary expenditure and obtaining further funding in the form of a research and development tax refund or future capital raising, as and when required. The directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future.

Accounting policies

Material accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified where applicable by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property. A summary of the Group's significant accounting policies is set out below.

a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Gascoyne Resources Limited at the end of the reporting period. A controlled entity is any entity over which Gascoyne Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 4 to the financial statements. All subsidiaries have a reporting date of 30 June.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the Company.

b) Cash and cash equivalents

Cash on hand and in banks and short term deposits are stated at nominal value. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 90 days, net of outstanding bank overdrafts.

c) Income tax

Income tax expense or revenue recognized in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantially enacted by the end of the reporting period. Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively. Research and development tax charges will be recognised under the income tax line in the Statement of Comprehensive Income.

Gascoyne Resources Limited and its wholly-owned Australian subsidiaries have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

d) Property, plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	Straight line 9% to 40%
Motor Vehicles	Straight line 22.2%

e) Exploration and evaluation

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

f) Interests in joint ventures

A jointly controlled asset involves joint control and offers joint ownership by the Group and other venturers of assets contributed to or acquired for the purpose of the joint venture, without the formation of a corporation, partnership or other entity. Where the Group's activities are conducted through jointly controlled assets, the Group recognises its share of the jointly controlled assets, and liabilities it has incurred jointly with other venturers, related revenue and operating costs in the financial statements and a share of their production.

g) Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to

sell and value in use. For the purposes of assessing impairment, assets are grouped at the low–est levels for which there are separately identifiable cash flows (cash generating units).

h) Non-derivative financial instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

i) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Provision is made in respect of wages and salaries, annual leave and other employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provision made in respect of long service leave which is not expected to be settled within 12 months is measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by the employees up to reporting date.

Share-based employee remuneration

Share-based compensation benefits are provided to employees via various Share Option Plans.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital. The market value of shares issued to employees for no cash consideration under the Share Plans is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

j) Revenue recognition

Revenue from the disposal of assets is recognised when the Group has passed control of the goods or other assets to the buyer. Interest on bank deposits is recognised as income as it accrues.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument and is net of GST.

k) Payables

Trade payables and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

l) Receivables

Other receivables are recorded at amounts due less any specific provision for doubtful debts.

m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax GST, except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

n) Fair Value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

o) Provisions

Mine restoration and rehabilitation costs are provided for at the present value of future expected expenditures required to settle the Group's obligations on commencement of commercial production, discounted using a rate specified to the liability. When this provision is recognised a corresponding asset is also recognised as part of the development costs of the mine to the extent that it is considered that the provision gives access to future economic benefits. On an ongoing basis, the rehabilitation liability is re-measured at each reporting period in line with the changes in the time value of money (recognised as an expense in the statement of comprehensive income and an increase in the provision), and additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability.

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

p) Critical accounting estimates and other accounting judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group is of the view that there are no critical accounting estimates and judgements in this financial report, other than accounting estimates and judgements in relation to the carrying value of mineral exploration expenditure and value of incentive options issued to Directors and employees.

Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure, after recognising an impairment loss of \$0.445 million for the financial year, is carried at the end of the reporting period at \$19.867 million.

q) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

AASB 9 Financial Instruments (effective from 1 January 2015)

The AASB aims to replace AASB 139 *Financial Instruments: Recognition and Measurement* in its entirety. The replacement standard (AASB 9) introduces new requirements for the classification and measurement of financial assets and liabilities. Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Company. However, they do not expect to implement the amendments until all chapters of AASB 9 have been published and they can comprehensively assess the impact of all changes.

Consolidation Standards

A package of consolidation standards encompassing AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Venture Arrangements*, AASB 12 *Disclosure of Interests in Other Entities* and consequential amendments to AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*, are effective for annual periods beginning or after 1 January 2013. When AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Venture Arrangements* are first adopted for the year ended 30 June 2014, there will be no impact on the transactions and balances recognised in the financial statements. As AASB 12 *Disclosure of Interests in Other Entities* is a disclosure standard only, there will be no impacts on amounts recognised in the financial statements, however additional disclosures may be required. When AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*, are adopted for the first time for the financial year ended 30 June 2014, there will be no impact on the financial standards because they introduce no new requirements.

AASB 13 Fair Value Measurement

AASB 13 is applicable for annual periods beginning on or after 1 January 2013. The standard clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (AASB 124 Amendments)

AASB 2011-4 makes amendments to AASB 124 *Related Party Disclosures* to achieve consistency with the international equivalent (which includes requirements to disclose aggregate (rather than individual) amounts of key management personnel compensation) and remove duplication with the Corporations Act 2011. When these amendments are first adopted for the year ending 30 June 2014, they are unlikely to have any significant impact on the entity.

2. CASH AND CASH EQUIVALENTS

a) Reconciliation of Cash

Cash and cash equivalents include the following components:

	CONSOLIDATED	
	2013 \$	2012 \$
Cash at bank	1,012,613	3,288,995
Cash on deposit	2,250,000	2,500,000
Total Cash	3,262,613	5,788,995

b) Reconciliation of cash flows from operating activities

	CONSOLIDATED	
	2013 \$	2012 \$
Loss after income tax	(277,560)	(1,109,772)
Non-cash flows in loss		
Depreciation	79,203	61,429
Impairment of exploration and evaluation assets	444,763	4,481
Issuance of employee options	202,280	202,280
Changes in Net Assets and Liabilities		
(Increase)/Decrease in Assets		
(Increase) in trade and other receivables	142,161	(105,764)
Increase/(Decrease) in Liabilities		
Increase in trade and other payables	41,461	190,809
Increase in provisions	6,228	33,286
Net cash used in operations	638,536	(723,251)

c) Non-cash Transactions

On 7 February 2013, the Group issued 7 million shares in the Company in relation to the binding purchase agreement with two private vendors for 80% of the Dalgara Project.

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2013 \$	2012 \$
Prepayments	8,327	32,403
Interest Receivable	3,554	17,868
Other	185,593	329,139
Total Current Receivables	197,474	379,410

There are no unimpaired trade receivables that are past due (2012: nil).

4. FINANCIAL ASSETS

Shares in subsidiaries

Name	Country of Incorporation	Percentage Held	Percentage Held
		2013	2012
Gascoyne Resources (WA) Pty Ltd	Australia	100%	100%
GNT Resources Pty Ltd	Australia	100%	-
Egerton Exploration Pty Ltd	Australia	100%	-

5. OTHER ASSETS

	CONSOLIDATED	
	2013 \$	2012 \$
Non-Current		
Security Deposits	75,000	85,000
Total Other Assets – Non-Current	75,000	85,000

6. PROPERTY, PLANT AND EQUIPMENT

2013	CONSOLIDATED		
	Plant & Equipment \$	Motor Vehicles \$	Total \$
Gross Carrying Amount			
Balance at 1 July 2012	128,132	170,048	298,180
Additions	9,365	955	10,320
Disposals	-	-	-
Balance at 30 June 2013	137,497	171,003	308,500
Accumulated Depreciation			
Balance at 1 July 2012	45,517	54,359	99,876
Depreciation	41,344	37,859	79,203
Balance at 30 June 2013	86,861	92,218	179,079
Net Book Value at 30 June 2013	50,636	78,785	129,421

2012	CONSOLIDATED		
	Plant & Equipment \$	Motor Vehicles \$	Total \$
Gross Carrying Amount			
Balance at 1 July 2011	68,537	114,103	182,640
Additions	59,595	55,945	115,540
Disposals	-	-	-
Balance at 30 June 2012	128,132	170,048	298,180
Accumulated Depreciation			
Balance at 1 July 2011	14,923	23,524	38,447
Depreciation	30,594	30,835	61,429
Balance at 30 June 2012	45,517	54,359	99,876
Net Book Value at 30 June 2012	82,615	115,689	198,304

7. EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED	
	2013 \$	2012 \$
Non-Current		
Balance at beginning of the financial year	13,372,876	6,560,184
Share-based payment	1,297,100	-
Expenditure incurred during the year	5,641,406	6,817,173
Impairment losses	(444,763)	(4,481)
Balance at the end of the financial year	19,866,619	13,372,876

During the year, the Group entered into an option to purchase agreement with Exterra Resources Ltd for the Egerton gold project. Under the agreement, the Group will pay option fees totaling \$200,000 for a 15 month exclusive option period to fully evaluate the project. At 30 June 2013, option fees totaling \$150,000 have been paid. If the Group decides to exercise its option it will acquire a 100% interest (subject to minor pre-existing royalties) in the project by issuing Gascoyne Resources Limited fully paid ordinary shares to Exterra Resources Ltd at the five day volume weighted average share price to the value of \$800,000 plus 500,000 Gascoyne Resources Limited options, exercisable at 25 cents within a three year term.

During the year, the Group entered into a binding agreement to purchase the Dalgaranga gold project and surrounding exploration tenements from private tenement holders. The Group acquired an 80% interest in the Dalgaranga gold project by issuing a total of 7 million Gascoyne Resources Limited fully paid ordinary shares and a cash payment of \$150,000. The Group is required to free carry the vendors' participating interest by sole funding the joint costs until the earlier of the completion of a bankable feasibility study or a decision to commence mining operations. The Group may move to 100% ownership of the project at development should the vendors elect to exchange their 20% interest for a 2% net smelter return royalty.

The Directors' assessment of carrying amount was after consideration of prevailing market conditions; previous expenditure carried out on the tenements; and the potential for mineralisation based on both the entity's and independent geological reports. An impairment loss of \$400,000 has been recognised in relation to the Bassit Bore project given drilling and additional exploration expenditure has not resulted in a discovery of significance. A further impairment loss of \$44,763 has been recognised in relation to tenement applications withdrawn during the year.

The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole, or part, of the Group's interests in those areas for an amount at least equal to the carrying value. There may exist, on the Group's exploration properties, areas subject to claim under native title or containing sacred sites or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

8. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2013 \$	2012 \$
Current		
Trade payables	755,715	1,966,260
Option fee payable (refer Note 7)	50,000	-
Total Trade and Other Payables - Current	805,715	1,966,260

9. EMPLOYEE BENEFITS

	CONSOLIDATED	
	2013 \$	2012 \$
Current		
Annual leave	83,345	77,117
Total Employee Benefits - Current	83,345	77,117

10. SHARE CAPITAL

	CONSOLIDATED	
	2013 \$	2012 \$
158,269,520 Fully Paid Ordinary Shares (2012: 136,619,520 Fully Paid Ordinary Shares)	26,622,153	21,686,014
Balance at end of financial year	26,622,153	21,686,014

Fully paid ordinary shares have no par value, carry one vote per share and carry the right to dividends.

	2013		2012	
	No.	\$	No.	\$
Fully Paid Ordinary Shares				
Balance at beginning of financial year	136,619,520	21,686,014	101,149,600	14,432,070
Exercise of options at 25 cents each	-	-	2,700,000	675,000
Issue under share-based payments (i)	7,000,000	1,297,100	-	-
Issue of shares at 25 cents each (ii)	14,650,000	3,662,500	-	-
Issue of shares at 21 cents each (ii)	-	-	10,000,000	2,100,000
Issue of shares at 20 cents each (iii)	-	-	22,769,920	4,553,984
Transfer from Options Reserve	-	-	-	123,600
Share Issue Costs	-	(23,461)	-	(198,640)
Balance at end of financial year	158,269,520	26,622,153	136,619,520	21,686,014

(i) Dalgaranga gold project acquisition – refer to Note 7.

(ii) Private placement.

(iii) Rights Issue - 1 for every 5 existing shares held.

Capital Management

Management controls the capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels, distributions to shareholders and share and option issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

11. OTHER RESERVES

	CONSOLIDATED	
	2013 \$	2012 \$
Options Reserve		
Balance at beginning of financial year	202,280	123,600
Issue of Employee Incentive Options	202,280	202,280
Transfer to Share Capital	-	(123,600)
Balance at end of financial year	404,560	202,280

The Options Reserve records items recognised as expenses on valuation of employee incentive options.

12. ACCUMULATED LOSSES

	CONSOLIDATED	
	2013 \$	2012 \$
Balance at beginning of financial year	(4,107,086)	(2,997,314)
Net Loss attributable to members of the parent entity	(277,560)	(1,109,772)
Balance at end of financial year	(4,384,646)	(4,107,086)

13. REVENUE

Loss before Income Tax includes the following items of revenue:

	CONSOLIDATED	
	2013 \$	2012 \$
Operating Activities		
Interest Revenue	150,767	203,678
Other Revenue	4,356	3,630
Total Operating Revenue	155,123	207,308

14. LOSS FOR THE YEAR

	CONSOLIDATED	
	2013 \$	2012 \$
Expenses		
Depreciation of non-current assets: Property, plant and equipment	79,203	61,429
Impairment of exploration and evaluation expenditure	444,763	4,481
Operating lease rental expenses: Minimum lease payments	141,083	123,606
Loss for the year	277,560	1,109,772

15. COMMITMENTS

a) Operating Lease Commitments

	CONSOLIDATED	
	2013 \$	2012 \$
Not later than 1 year	128,213	95,088
Later than 1 year but not later than 2 years	84,966	4,128
Later than 2 years but not later than 5 years	-	1,376
	213,179	100,592

The Group has a two year lease with a one year option for office premises that commenced on 1 March 2013 and a monthly tenancy for storage. The Group also has an operating lease for rental of a photocopier that expires on 20 October 2014.

b) Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the requirements specified by various State governments. These obligations can be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions. Due to the nature of the Company and Group's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. It is anticipated that expenditure commitments for the next twelve months will be tenement rentals of \$177,393 and exploration expenditure of \$1,473,040.

16. KEY MANAGEMENT PERSONNELS' REMUNERATION

Please refer to the disclosures contained in the Remuneration Report section of the Directors' Report.

The totals of remuneration paid to key management personnel of the Group during the year are as follows:

	CONSOLIDATED	
	2013 \$	2012 \$
Short term employment benefits	748,522	721,426
Post-employment benefits	53,418	51,880
Share based payments	173,440	173,440
	975,380	946,746

17. EXECUTIVE SHARE OPTION PLAN

At 30 June 2013 there are 2,800,000 (2012: 2,800,000) employee options outstanding, 1,000,000 employee options were issued to staff in September 2011 and 1,800,000 employee options were issued to the Managing Director in November 2011.

Share options carry no rights to dividends and no voting rights. The difference between the total market value of options issued during the financial year, at the date of issue, and the total amount received from executives and employees is not recognised in the financial statements except for the purposes of determining key management personnels' remuneration in respect of that financial year. The amounts are disclosed in remuneration in respect of the financial year in which the entitlement was earned. All options expire on the earlier of their expiry date or within 30 days of termination of the employee's employment. These options do not entitle the holder to participate in any share issue of the Company.

1,800,000 employee options issued on 16 November 2011

A Black & Scholes calculation of the notional value of the Incentive Options is outlined below based on the following assumptions:

- the Incentive Options expired on 16 November 2013 and are exercisable at \$0.40 each;
- 50% of the Incentive Options vest immediately and 50% in 12 months' time;
- a share price of \$0.29. This has been based on the share price at grant date;
- a volatility factor of 100% based on historical price information;
- an interest rate of 3.31%;
- the valuations ascribed to the Incentive Options may not necessarily represent the market price of the Incentive Options at the date of the valuation; and
- the valuation date for the Incentive Options was the grant date of 16th November 2011.

The notional value determined for each Incentive Option was \$0.1332.

1,000,000 employee options issued on 15th September 2011

A Black & Scholes calculation of the notional value of the Incentive Options is outlined below based on the following assumptions:

- the Incentive Options expire on 31 August 2014 and are exercisable at \$0.40 each;
- 50% of the Incentive Options vest immediately and 50% in 12 months' time;
- a share price of \$0.29. This has been based on the share price at grant date;
- a volatility factor of 100% based on historical price information;
- an interest rate of 3.52%;
- the valuations ascribed to the Incentive Options may not necessarily represent the market price of the Incentive Options at the date of the valuation; and
- the valuation date for the Incentive Options was the grant date of 12th September 2011.

The notional value determined for each Incentive Option was \$0.1648.

Further details are disclosed below:

	2013		2012	
	No.	Weighted average exercise price	No.	Weighted average exercise price
Balance at beginning of financial year	2,800,000	\$0.40	2,700,000	\$0.25
Cancelled during the financial year	-	-	-	-
Expired during the financial year	-	-	-	-
Granted during the financial year (i)	-	-	2,800,000	\$0.40
Exercised during the financial year (ii)	-	-	(2,700,000)	\$0.25
Balance at end of financial year (iii)	2,800,000	\$0.40	2,800,000	\$0.40

(i) Granted during the financial year

No options were granted during the year ended 30 June 2013.

Granted during the year ended 30 June 2012

Options Series	No.	Grant Date	Expiry Date	Exercise Price \$	Fair Value Received \$
Issued 16 Nov 2011	1,800,000	16/11/11	16/11/13	\$0.40	-
Issued 15 Sept 2011	1,000,000	12/9/11	31/8/14	\$0.40	-
	2,800,000				-

ii) Exercised during the financial year

No options were exercised during the year ended 30 June 2013.

Exercised during the year ended 30 June 2012

Options Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price \$	Fair value at grant date
Issued 8 Dec 2010	500,000	500,000	-	2/12/10	30/11/11	\$0.25	\$0.1332 per option
Issued 20 Oct 2009	2,200,000	2,200,000	-	20/10/09	30/11/11	\$0.25	\$0.052 per option
	2,700,000	2,700,000	-				

(iii) Balance at end of the financial year

Options Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price \$	Fair value at grant date
Issued 16 Nov 2011	1,800,000	900,000	900,000	16/11/11	16/11/13	\$0.40	\$0.0184 per option
Issued 15 Sept 2011	1,000,000	500,000	500,000	12/9/11	31/8/14	\$0.40	\$0.1648 per option
	2,800,000	1,400,000	1,400,000				

Fair value of consideration received is measured as the nominal value of cash receipts on conversion. The fair value of shares at the date of their issue is measured as the market value at close of trade on the date of their issue. Employee share options carry no rights to dividends and no voting rights. In accordance with the terms of the executive share option plan, options may be exercised at any time from the date the vesting period ends to the date of their expiry.

The difference between the total market value of options issued during a financial year, at the date of issue, and the total amount received from executives and employees is not recognised in the financial statements except for the purposes of determining key management personnels' remunerations in respect of that financial year as disclosed in note 16 to the financial statements. The amounts are disclosed in remuneration in respect of the financial years over which the entitlement was earned.

Consideration received on the exercise of executive options is recognised in contributed equity. During the previous financial year 2,700,000 options were exercised, hence an amount of \$123,600 was recognised in contributed equity arising from the exercise of executive options.

18. RELATED PARTY AND DIRECTORS' DISCLOSURES

a) Transactions with related parties

The loss from ordinary activities before income tax includes the following items of expenses that resulted from transactions other than remuneration with related parties. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

There were no transactions with related parties during the current financial year. During the previous financial year, Helix Resources Ltd provided shared use of a storage facility totaling \$11,618. Invoices were payable within 30 days from date of invoice (net of GST). There was no balance outstanding at 30 June 2012.

During the previous financial year the Company raised capital through a rights issue to existing shareholders whereby 1 share was offered for every 5 shares held at an issue price of 20 cents per share. Related parties that acquired shares under this rights issue were:

- Mr G Riley acquired 2,345,512 shares upon payment of \$469,102 to the Company;
- Mr M Dunbar acquired 150,000 shares upon payment of \$30,000 to the Company;
- Mr M Joyce acquired 1,484,399 shares upon payment of \$296,880 to the Company;
- Mr S Macdonald acquired 2,427,577 shares upon payment of \$485,515 to the Company.
- Mr G Dunbar acquired 177,276 shares upon payment of \$35,455 to the Company; and
- Mr J den Dryver acquired 40,000 shares upon payment of \$8,000 to the Company.

Also during the previous financial year a number of related parties exercised their employee options. Related parties that acquired shares upon exercise of their employee options were:

- Mr G Riley acquired 400,000 shares upon payment of \$100,000 to the Company for the exercise of 400,000 options at \$0.25 each;
- Mr M Dunbar acquired 500,000 shares upon payment of \$125,000 to the Company for the exercise of 500,000 options at \$0.25 each;
- Mr G Dunbar acquired 750,000 shares upon payment of \$187,500 to the Company for the exercise of 750,000 options at \$0.25 each; and
- Mr J den Dryver acquired 400,000 shares upon payment of \$100,000 to the Company for the exercise of 400,000 options at \$0.25 each.

b) Key Management Personnels' Equity Holdings

(i) Fully paid ordinary shares issued by Gascoyne Resources Limited

Year ended 30 June 2013

Key Management Personnel	Balance @ 1/7/12 No.	Granted as remuneration No.	Received on exercise of options No.	Net other change No.	Balance @ 30/6/13 No.	Balance held nominally No.
R M Joyce	8,906,392	-	-	-	8,906,392	-
M Dunbar	1,650,000	-	-	-	1,650,000	-
J den Dryver	240,000	-	-	-	240,000	-
G Dunbar	1,063,655	-	-	-	1,063,655	-
S Macdonald	14,565,455	-	-	-	14,565,455	-
G Riley	14,073,071	-	-	-	14,073,071	-
J Goldsworthy	3,200,000	-	-	-	3,200,000	-
E O'Malley	50,000	-	-	-	50,000	-
Total	43,748,573	-	-	-	43,748,573	-

Year ended 30 June 2012

Key Management Personnel	Balance @ 1/7/11 No.	Granted as remuneration No.	Received on exercise of options No.	Net other change No.	Balance @ 30/6/12 No.	Balance held nominally No.
R M Joyce	7,421,993	-	-	1,484,399	8,906,392	-
G Riley	13,977,559	-	400,000	(304,488)	14,073,071	-
M Dunbar	1,000,000	-	500,000	150,000	1,650,000	-
J den Dryver	-	-	400,000	(160,000)	240,000	-
G Dunbar	136,379	-	750,000	177,276	1,063,655	-
S Macdonald	12,137,878	-	-	2,427,577	14,565,455	-
J Goldsworthy (appointed 4 July 2011)	-	-	-	3,200,000	3,200,000	-
E O'Malley	-	-	-	50,000	50,000	-
Total	34,673,809	-	2,050,000	7,024,764	43,748,573	-

(ii) Executive Share Options issued by Gascoyne Resources Limited

Year ended 30 June 2013

Key Management Personnel	Balance @ 1/7/12	Granted as remuneration	Exercised	Other change	Bal @ 30/6/13	Bal vested @ 30/6/13	Vested and exercisable	Options vested during year
No.	No.	No.	No.	No.	No.	No.	No.	No.
R M Joyce	-	-	-	-	-	-	-	-
M Dunbar	1,800,000	-	-	-	1,800,000	1,800,000	1,800,000	900,000
J den Dryver	-	-	-	-	-	-	-	-
G Dunbar	-	-	-	-	-	-	-	-
S Macdonald	-	-	-	-	-	-	-	-
G Riley	-	-	-	-	-	-	-	-
J Goldsworthy	500,000	-	-	-	500,000	500,000	500,000	250,000
E O'Malley	150,000	-	-	-	150,000	150,000	150,000	75,000
Total	2,450,000	-	-	-	2,450,000	2,450,000	2,450,000	1,225,000

Year ended 30 June 2012

Key Management Personnel	Balance @ 1/7/11	Granted as remuneration	Exercised	Other change	Bal @ 30/6/12	Bal vested @ 30/6/12	Vested and exercisable	Options vested during year
No.	No.	No.	No.	No.	No.	No.	No.	No.
R M Joyce	-	-	-	-	-	-	-	-
M Dunbar	500,000	1,800,000	(500,000)	-	1,800,000	900,000	900,000	900,000
J den Dryver	400,000	-	(400,000)	-	-	-	-	-
G Dunbar	750,000	-	(750,000)	-	-	-	-	-
S Macdonald	-	-	-	-	-	-	-	-
G Riley	400,000	-	(400,000)	-	-	-	-	-
J Goldsworthy (appointed 4 July 2011)	-	500,000	-	-	500,000	250,000	250,000	250,000
E O'Malley	-	150,000	-	-	150,000	75,000	75,000	75,000
Total	2,050,000	2,450,000	(2,050,000)	-	2,450,000	1,225,000	1,225,000	1,225,000

Each executive share option converts into 1 ordinary share of Gascoyne Resources Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option.

Further details of the options granted during the year are contained in note 16 and 17 to the financial statements

19. INCOME TAX

	CONSOLIDATED	
	2013 \$	2012 \$
Accounting loss before tax from continuing operations	(277,560)	(1,109,772)
Accounting loss before tax from discontinuing operations	-	-
Accounting loss before tax	(277,560)	(1,109,772)
Reconciliation of Income Tax Expense / (Benefit) to Accounting Loss		
Prima facie tax (benefit) at Australian income tax rate of 30%	(83,268)	(332,932)
Adjusted for tax effect of following:		
- employee incentive options	60,684	60,684
- entertainment	1,963	625
- capital raising costs put to equity	(47,697)	(46,386)
- research and development refund	(456,466)	-
- prior year adjustment	1,014,467	-
- current year tax losses not recognised in current period	(489,683)	318,009
Income tax expense / (benefit)	-	-
Statement of Comprehensive Income		
Current income tax (benefit)	-	-
Research and development tax credit	(1,521,556)	-
<u>Deferred income tax</u>		
Relating to origination and reversal of temporary differences	(1,916,054)	(2,019,859)
Current year tax losses not recognised in the current period	1,916,054	2,019,859
Income tax expense / (benefit) reported in statement of comprehensive income	(1,521,556)	-
Unrecognised Deferred Tax Balances:		
Deferred tax asset losses	6,651,991	5,225,620
Deferred tax assets other	38,743	37,458
Deferred tax liabilities	(5,934,562)	(4,017,223)
Net unrecognised deferred tax assets	756,172	1,245,855

20. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed on the basis it is a mineral exploration company operating in the geographical region of Australia. The mineral assets held via outright are considered one business segment and the minerals currently being targeted include gold and base metals in Western Australia.

21. EARNINGS PER SHARE

	CONSOLIDATED	
	2013 Cents Per share	2012 Cents Per share
Basic loss per share	(0.19)	(1.03)
Diluted loss per share	(0.19)	(1.03)

Basic and Diluted Loss per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	2013 \$	2012 \$
Earnings / (loss) (a)	(277,560)	(1,109,772)

	2013 No.	2012 No.
Weighted average number of ordinary shares (b)	147,312,671	107,724,248

(a) Earnings used in the calculation of basic and diluted loss per share is net loss after tax of \$277,560 (2012: \$1,109,772).

(b) The executive share options are not considered to be potential ordinary shares and are therefore excluded from the weighted average number of shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share (refer (c) below).

(c) The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share:

	2013 No.	2012 No.
Executive options	2,800,000	2,800,000

22. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The Group's exposure to interest rate risk and effective weighted average interest rate for classes of financial assets is set out below:

	Floating Interest Rate Maturity					
	Average Interest Rate %	Fixed Interest Rate \$	Less than 1 year \$	More than 1 Year \$	Non Interest Bearing \$	Total \$
2013						
Financial Assets						
Other receivables		-	-	-	197,474	197,474
Cash and cash equivalent assets	3.64	994,532	2,250,000	-	18,081	3,262,613
Security deposits and deposits at financial institutions	4.22	-	-	75,000	-	75,000
		994,532	2,250,000	75,000	215,555	3,535,087
Financial Liabilities						
Trade payables (all payable in 30 days)		-	-	-	755,715	755,715
Option fee payable (payable Feb 2014)					50,000	50,000
		-	-	-	805,715	805,715
2012						
Financial Assets						
Other receivables		-	-	-	379,410	379,410
Cash and cash equivalent assets	4.42	3,213,656	2,500,000	-	75,339	5,788,995
Security deposits and deposits at financial institutions	5.58	-	-	85,000	-	85,000
		3,213,656	2,500,000	85,000	454,749	6,253,405
Financial Liabilities						
Trade payables (all payable in 30 days)		-	-	-	1,966,260	1,966,260
		-	-	-	1,966,260	1,966,260

None of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk. The Board is responsible for financial risk management.

Interest Rate Risk

Interest rate risk is managed by investing cash with major financial institutions in both cash on deposit and term deposit accounts.

Interest Rate Risk Sensitivity Analysis

At 30 June 2013, the effect on loss and equity as a result of a 2% increase in the interest rate, with all other variables remaining constant would be a decrease in loss by \$66,752 (2012: \$117,480) and an increase in equity by \$66,752 (2012: \$117,480). The effect on loss and equity as a result of a 2% decrease in the interest rate, with all other variables remaining constant would be an increase in loss by \$66,752 (2012: \$117,480) and a decrease in equity by \$66,752 (2011: \$117,480).

Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The Group's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets. If the Group does not raise capital in the short term, it can continue as a going concern by reducing planned but not committed exploration expenditure until funding is available and/or entering into joint venture arrangements where exploration is funded by the joint venture partner.

Credit Risk

Credit Risk refers to the risk that counterparty will default on, its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures risk on a fair value basis.

The maximum credit risk on financial assets of the Group which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

23. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability recognised and included in the financial statements is as follows

	CONSOLIDATED	
	2013 \$	2012 \$
Provision for employee entitlements:		
Current (Note 9)	83,345	77,117
	No.	No.
Number of employees at end of financial year	9	11

24. CONTINGENT LIABILITIES

The Company currently has bank guarantees to the value of \$25,000 to secure tenement holdings and \$50,000 to secure a credit card facility.

25. REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2013 \$	2012 \$
Auditor of the Parent Entity		
Audit and review of financial report	24,800	23,045
	24,800	23,045

The auditor of Gascoyne Resources Limited is Grant Thornton Audit Pty Ltd.

26. GASCOYNE RESOURCES LIMITED PARENT COMPANY INFORMATION

	CONSOLIDATED	
	2013 \$	2012 \$
Assets		
Current Assets	3,460,087	6,168,405
Non-current Assets	20,021,040	13,656,180
Total Assets	23,481,127	19,824,585
Liabilities		
Current Liabilities	839,060	2,043,377
Non-current Liabilities	-	-
Total Liabilities	839,060	2,043,377
Equity		
Issued Capital	26,622,153	21,686,014
Accumulated Losses	(4,384,646)	(4,107,086)
Reserves		
Options Reserve	404,560	202,280
Total Equity	22,642,067	17,781,208
Financial Performance		
Loss for the year	(277,560)	(1,109,772)
Other comprehensive income	-	-
Total Comprehensive Income	(277,560)	(1,109,772)

27. SUBSEQUENT EVENTS

The Directors are not aware of any other matter or circumstance that has arisen since 30 June 2013 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

ADDITIONAL INFORMATION FOR LISTED COMPANIES

Additional information required by the Australian Securities Exchange Ltd Listing Rules in respect of listed public companies only and not disclosed elsewhere is set out below. This information is supplied as at 30 August 2013.

1. Registered Office and Principal Place of Business

Registered Office

Level 2, 33 Ord Street
WEST PERTH WA 6005
Tel (08) 9481 3434

Principal Place of Business

Level 2, 33 Ord Street
WEST PERTH WA 6005
Tel (08) 9481 3434

2. Analysis of Shareholdings

Distribution of Shareholders (ASX Code: GCY)

Number of Ordinary Shares Held	Ordinary Shares Number of Holders	Ordinary Shares Number of Shares
1–1,000	482	161,594
1,001–5,000	286	771,827
5,001–10,000	235	1,808,987
10,001–100,000	517	16,963,040
100,001 and over	135	138,564,072
Total	1,655	158,269,520

Number of shareholders holding less than a marketable parcel	651	461,211
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3. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares - One vote for each ordinary share held in accordance with the Company's Constitution.

Options – No voting rights.

4. Twenty Largest Shareholders of Quoted Ordinary Shares

	Shareholder	Number of Ordinary Shares	% of Issued Capital
1	HSBC Custody Nominees (Australia) Ltd	16,542,025	10.45
2	Stanley Macdonald and associated entities	14,565,455	9.20
3	Graham Riley and associated entities	14,073,071	8.89
4	JP Morgan Nominees Australia Ltd	10,302,878	6.51
5	Rodney Michael Joyce and associated entities	8,906,392	5.63
6	National Nominees Ltd	8,315,278	5.25
7	Giralia Resources NL	4,322,000	2.73
8	Jaime McDowell	3,500,000	2.21
9	Murchison Gold Mines Pty Ltd	3,341,110	2.11
10	Julian Goldsworthy	3,200,000	2.02
11	USB Wealth Management Australia Nominees Pty Ltd	2,939,403	1.86
12	Equity Trustees Limited	2,679,851	1.69

Twenty Largest Shareholders of Quoted Ordinary Shares (continued)

	Shareholder	Number of Ordinary Shares	% of Issued Capital
13	Yandal Investments Pty Ltd	2,185,692	1.38
14	Citicorp Nominees Pty Ltd	1,894,088	1.20
15	Struven Nominees Pty Ltd	1,807,636	1.14
16	Gregory Peacock	1,753,014	1.11
17	Michael Dunbar and Jodi Dunbar	1,650,000	1.04
18	Rubicon Nominees Pty Ltd	1,584,180	1.00
19	Nefco Nominees Pty Ltd	1,462,285	0.92
20	Charrington Pty Ltd	1,456,940	0.92
	Top 20 Total	106,481,298	67.25

5. Substantial Shareholders

Shareholder	Number of Shares	% of Issued Capital
HSBC Custody Nominees (Australia) Limited	16,542,025	10.45
Stan Macdonald and associated entities	14,565,455	9.20
Graham Riley and associated entities	14,073,071	8.89
JP Morgan Nominees Australia Ltd	10,302,878	6.51
Rodney Michael Joyce and associated entities	8,906,392	5.63
National Nominees Ltd	8,315,278	5.25

6. Directors' Interest in Share Capital

Director	Fully Paid Ordinary Shares	Listed Options	Staff Options
Stan Macdonald	14,565,455	-	-
Graham Riley	14,073,071	-	-
Rodney Michael Joyce	8,906,392	-	-
Michael Dunbar	1,650,000	-	1,800,000
Gordon Dunbar	1,063,655	-	-
John den Dryver	240,000	-	-
Total	40,498,573	-	1,800,000

TENEMENT SCHEDULE

Tenement	Name	Mineral	Ownership
EL09/1750	Bassit Bore	Gold	100% Gascoyne Resources
EL09/1751	Bassit Bore	Gold	100% Gascoyne Resources
EL51/1469	Beebyn West	Gold	100% Gascoyne Resources
EL52/2348	Bustler Well	Gold	100% Gascoyne Resources
MLA59/749	Dalgaranga	Gold	80% Gascoyne Resources
ELA21/173	Dalgaranga	Gold	80% Gascoyne Resources
ELA21/174	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1709	Dalgaranga	Gold	80% Gascoyne Resources
ELA59/1904	Dalgaranga	Gold	80% Gascoyne Resources
ELA59/1905	Dalgaranga	Gold	80% Gascoyne Resources
ELA59/1906	Dalgaranga	Gold	80% Gascoyne Resources
ELA59/1922	Dalgaranga	Gold	100% Gascoyne Resources
ELA52/2812	Elphin Bore	Gold	100% Gascoyne Resources
ELA52/2900	Elphin Bore	Gold	100% Gascoyne Resources
MLA09/148	Glenburgh	Gold	100% Gascoyne Resources
EL09/1325	Glenburgh	Gold	100% Gascoyne Resources
EL09/1764	Glenburgh	Gold	100% Gascoyne Resources
EL09/1865	Glenburgh	Gold	100% Gascoyne Resources
EL09/1866	Glenburgh	Gold	100% Gascoyne Resources
EL09/1946	Glenburgh	Gold	100% Gascoyne Resources
EL09/1947	Glenburgh	Gold	100% Gascoyne Resources
ELA09/2013	Glenburgh	Gold	100% Gascoyne Resources
ELA09/2025	Glenburgh	Gold	100% Gascoyne Resources
ELA09/2073	Glenburgh	Gold	100% Gascoyne Resources
LA09/50	Glenburgh	Gold	100% Gascoyne Resources
PL09/471	Glenburgh	Gold	100% Gascoyne Resources
PL09/472	Glenburgh	Gold	100% Gascoyne Resources
PL09/473	Glenburgh	Gold	100% Gascoyne Resources
PL09/474	Glenburgh	Gold	100% Gascoyne Resources
EL15/1265	Higginsville	Gold	100% Gascoyne Resources
EL15/1280	Higginsville	Gold	100% Gascoyne Resources
EL15/1286	Higginsville	Gold	100% Gascoyne Resources
EL15/1297	Higginsville	Gold	100% Gascoyne Resources
PL15/5570	Higginsville	Gold	100% Gascoyne Resources
PL15/5571	Higginsville	Gold	100% Gascoyne Resources
PL15/5572	Higginsville	Gold	100% Gascoyne Resources
PL15/5573	Higginsville	Gold	100% Gascoyne Resources
EL51/1470	Illagalara Pool	Gold	100% Gascoyne Resources
EL20/759	Limestone Well	Gold	100% Gascoyne Resources
EL52/2117	Mt Egerton	Gold	Option to acquire 100%
EL52/2515	Mt Egerton	Gold	Option to acquire 100%
EL52/2866	Mt Egerton	Gold	100% Gascoyne Resources
ML52/343	Mt Egerton	Gold	Option to acquire 100%

Tenement	Name	Mineral	Ownership
ML52/567	Mt Egerton	Gold	Option to acquire 100%
EL52/2343	Mt James	Gold	100% Gascoyne Resources
EL70/4106	Mullewa	Coal	100% Gascoyne Resources
EL70/4399	Mullewa South	Coal	100% Gascoyne Resources
EL20/799	Murchison	Gold	100% Gascoyne Resources
EL51/1551	Murchison	Gold	100% Gascoyne Resources
PLA20/2209	Murchison	Gold	100% Gascoyne Resources
EL59/1731	Ningham	Gold	100% Gascoyne Resources
EL20/773	Tuckanarra	Gold	100% Gascoyne Resources

Abbreviations and Definitions used in Schedule:

EL	Exploration Licence
PL	Prospecting Licence
ELA	Exploration Licence Application
PLA	Prospecting Licence Application
LA	Miscellaneous Licence Application
MLA	Mining Licence Application



GASCOYNE
RESOURCES LIMITED

Level 2, 33 Ord Street, West Perth WA 6005
Telephone: +61 8 9481 3434 | Facsimile: +61 8 9481 0411

www.gascoyneresources.com.au