JUNE 2014 QUARTERLY REPORT

GASCOYNE RESOURCES LIMITED

57 139 522 900

HIGHLIGHTS

TECHNICAL:

During the quarter Gascoyne completed a significant drill programme on the Company's three main gold projects. The drilling was a combination of RC and aircore drilling, testing a number of high priority targets.

This programme was successful in outlining extensions to known deposits and the discovery of a number of high grade zones of mineralisation.

Progress is summarised below:

Egerton Project

- Gascoyne's first drill programme on the project was completed during the quarter. This drilling discovered a high grade extension to the Gaffney's Find prospect. Intersections include:
    - **12m @ 12.0 g/t gold from 28m, including 4m @ 33.8 g/t gold**
    - **4m @ 8.9 g/t gold from 8m**
    - **6m @ 6.8 g/t gold from 44m to end of hole.**

  Single metre sample results are expected in the next few days.

- Initial drill testing of a major soil anomaly at the Mako prospect intersected significant gold mineralisation **including 8m @ 2.1 g/t gold from 40m**. This anomaly has only partly been tested.

Dalgaranga Project

- 9 shallow RC holes were completed and identified high grade shallow mineralisation at the Golden Wings deposit including:
    - **16m @ 4.4 g/t gold from 14m, including 3m @ 20.3 g/t gold**
    - **17m @ 2.2 g/t gold from 21m**
    - **17m @ 3.9 g/t gold from 43m, including 6m @ 8.2 g/t gold**
    - **12m @ 2.8 g/t gold from 49m, including 5m @ 5.1 g/t gold**

- An exploration drill program discovered a new 1,400m long mineralised gold trend, which remains open along strike to the west

Glenburgh Project

- The Glenburgh Mineral Resource estimate was updated during the quarter. This has identified;
    - High grade domains of **2.09Mt @ 4.1 g/t gold for 273,000 ounces**
    - **The first Measured Mineral Resource of 180,500 ounces defined**
    - **Confirms the overall project contains +1.0 million ounces of gold**

  The revised resource provides the potential for various development options to be considered, including a smaller but higher grade development, which would reduce the upfront capital cost.

- An initial drill test of a significant geochemical target, approximately 6km to the north east of the known Glenburgh gold resources was completed during the quarter. Assay results from this drilling are expected to be received in the next week.

CORPORATE:

- The company's cash reserves were **$1.0 million** at the end of the quarter.

CORPORATE DETAILS
ASX Code: GCY
Shares: 158M
Share Price: 13.5c
Market Cap: $22 M

ASSETS
Cash: $1.0 M
Glenburgh (100%) 1.0M oz Gold
Dalgaranga (80%) 740,900 oz Gold
Egerton (under option) 24,000oz Gold

BOARD
Non-Executive Chairman
Mike Joyce

Managing Director
Michael Dunbar

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

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REVIEW OF OPERATIONS

The company remains committed to the exploration of its advanced exploration projects, which host a combined 1.76 million ounces of gold on granted mining leases within Western Australia. As part of this ongoing commitment, a significant drill programme of shallow RC and aircore drilling has been completed on the Egerton, Dalgaranga and Glenburgh projects. This exploration effort has resulted in the discovery of numerous zones of high grade mineralisation. A summary of the exploration activities is outlined below:

Egerton Project

E52/2117, E52/2515, M52/343, M52/567 (under option) & E52/2866 - 100% Gascoyne

During the quarter the first drill programme on the project for over 9 years was completed.
The drilling targeted extensions to the Gaffney's Find prospect and an initial test of a portion of the Mako soil anomaly (see Figures 2-4). As reported to the ASX on the 20th of July 2014, this drilling intersected significant high grade mineralisation. Results included:

Gaffney's Find Prospect:

- **12m @ 12.0 g/t gold from 28m, including 4m @ 33.8 g/t gold**
- **6m @ 6.8 g/t gold from 44m, including 4m @ 9.9g/t gold**
- **4m @ 8.9 g/t gold from 8m**

Mako Prospect:

- **8m @ 2.1 g/t gold, including 4m @ 3.5 g/t gold**

These results are from initial 4 metre composite samples, single metre samples have been submitted for analysis, with results expected within the next few days.

Forward Programme:

After all results are received and compiled from the single metre samples, additional drilling will be planned at Gaffney's Find and Mako as well as along the 8km Hibernian shear zone which hosts the high grade Hibernian Gold Deposit. This drilling is likely to be a combination of infill drilling (between and along the current drill lines) as well as extensional drilling along strike and at depth.

Dalgaranga

E59/1709, E59/1922, E59/1904, 1905, 1906, E21/174, M59/749 & L 59/141 & 142, ELA21/178- 80% Gascoyne

During the quarter exploration effort was directed to identification of high grade zones of mineralisation at the Golden Wings deposit and regional exploration.
As announced on the 29th of April 2014, the RC drilling at Golden Wings identified a number of shallow high grade zones of mineralisation including (see Figure 5 & 6):

- **16m @ 4.4 g/t gold from 14m, including 3m @ 20.3 g/t gold**
- **17m @ 2.2 g/t gold from 21m**
- **17m @ 3.9 g/t gold from 43m, including 6m @ 8.2 g/t gold**
- **12m @ 2.8 g/t gold from 49m, including 5m @ 5.1 g/t gold**

This drilling has confirmed that the high grade Golden Wings deposit extends to within a few metres of the surface. This further reinforces the geological interpretation that there is little to no gold depletion above the high grade Golden Wings deposit.

In addition to the RC drilling at Golden Wings, a 3,000 metre regional aircore drilling programme was undertaken during the quarter. This drilling, as announced on the 19th of June, discovered a mineralised trend which extends for over 1,400 metres and remains open to the west (see Figure 5). The trend has been defined based upon very wide spaced drilling (800m X 200m spaced holes). At that drill spacing any result above 0.2g/t gold is considered to be highly significant. The drilling identified numerous drill intersections of between 12 and 20 metres of between 0.4 and 0.5 g/t gold, with individual samples up to 4m @ 1.7 g/t gold (see ASX announcement 19th June 2014 for details). These initial composite samples have been resampled with the single metre samples highlighting the potential of the areas with results up to 4m @ 1.7g/t gold from 51m in DGAC226 and 2m @ 2.4 g/t gold within a 10 metre @ 0.6 g/t gold from 64m in DGAC236 (see ASX announcement 19th June 2014 titled "Discovery of New Gold Mineralised Trend at Dalgaranga" for collar details).

Dalgaranga Forward Program

Additional exploration is currently being planned. This drilling is likely to be a combination of infill drilling (between and along the current drill lines) as well as extensional drilling to the west along the mineralised trend.

This additional drilling is expected to be completed in the second half of 2014, once all government approvals are received.

Glenburgh

M 09/148, E09/1325, 1764, 1865, 1866, 1946, 1947 & 2025, ELA09/2090, LLA09/50 & 56 -100% Gascoyne

During the quarter an update to the Glenburgh Mineral Resource estimate was completed to include the drilling completed during 2013. The new (JORC 2012) Measured, Indicated and Inferred Mineral Resource estimate has confirmed Glenburgh as a + 1.0 million ounce gold system (21.5Mt @ 1.5g/t gold for 1.003Moz at a 0.5g/t cut off) (see Table 1-2 and Figure 7).

One of the most significant steps forward for the project is the identification of a maiden Measured Mineral Resource at Glenburgh. The Measured portion of the Mineral Resource contains a total of **180,500 ounces** (at a 0.5g/t cut-off). This adds to the confidence in the Mineral Resource and to the project as a whole. Notably, the grade of the Measured Mineral Resource at 2.0g/t is substantially higher than the other portions of the deposit, suggesting that where zones are better drilled and defined, the grade improves.

Additionally, a number of high grade domains have been identified within the overall global Mineral Resource. These high grade domains (+2.0g/t zones) contain a total of:

2.09Mt @ 4.1 g/t gold for 273,000 ounces

(See Table 3 for details)

These higher grade portions of the resource allow a range of development options to be considered. These include optimisation of the plant throughput. Up until now the preliminary feasibility envisaged a larger tonnage lower grade development (The 2013 Preliminary Feasibility Study – released to the ASX on August 5th 2013 envisaged a 1.2Mtpa process plant with an average grade of 2.0g/t gold). With the identification of these higher grade zones, a smaller throughput, higher grade option may provide a better economic outcome for the company, as the capital cost of a lower tonnage; higher grade development could be substantially lower.

See ASX Announcement 24th July 2014 titled "High Grade Domains Identified within Updated Glenburgh Gold Mineral Resource" for more details on the resource estimate.

In addition to the Mineral Resource update, shallow RC drilling has been completed at Glenburgh. This drilling was the initial test of the high priority geochemical anomaly approximately 6km along strike to the north east of the Glenburgh gold deposits. Results from this drilling are expected to be received in the next week. Full details of this drilling will be reported when the results are received and compiled.

Glenburgh Forward Program

It is expected that additional exploration drilling will be undertaken once the recent RC drilling results are received. In addition to the exploration activities, pit optimisations will be undertaken on the new Glenburgh Mineral Resource and with updated mining costs. It is likely that the optimisations will lead to a revision of the mining studies and an update to the feasibility study.

Table One: Glenburgh Deposits

2014 Mineral Resource Estimate (0.5g/t Au Cut-off)

Type	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
Transitional	0.2	1.7	11,800	0.4	1.3	17,000	1.4	1.1	51,000	**2.0**	**1.2**	**79,000**
Fresh	2.7	2.0	168,800	4.2	1.6	215,000	12.5	1.4	540,000	**19.3**	**1.5**	**923,000**
Total	**2.9**	**2.0**	**180,500**	**4.6**	**1.6**	**232,000**	**13.9**	**1.3**	**591,000**	**21.3**	**1.5**	**1,003,000**

Table Two: Glenburgh Deposits - Area Summary

2014 Mineral Resource Estimate (0.5g/t Au Cut-off)

Area	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
Icon	1.7	1.5	82,500	1.7	1.4	77,000	4.1	1.3	168,000	**7.6**	**1.3**	**328,000**
Apollo	0.9	2.4	67,400	0.3	1.3	14,000	1.5	1.4	67,000	**2.7**	**1.7**	**149,000**
Tuxedo				0.7	1.2	29,000	1.2	1.0	37,000	**1.9**	**1.1**	**66,000**
Mustang				0.2	1.3	7,000	1.0	1.1	35,000	**1.1**	**1.2**	**42,000**
Shelby				0.2	1.4	10,000	0.6	1.1	21,000	**0.8**	**1.2**	**32,000**
Hurricane				0.1	1.6	3,000	0.5	1.1	16,000	**0.5**	**1.2**	**19,000**
Zone 102				0.9	1.9	56,000	1.2	1.3	50,000	**2.1**	**1.6**	**106,000**
Zone 126	0.2	4.0	30,500	0.4	2.9	35,000	1.4	2.2	101,000	**2.0**	**2.5**	**166,000**
NE3							0.2	1.5	11,000	**0.2**	**1.5**	**11,000**
Torino							1.6	1.3	64,000	**1.6**	**1.3**	**64,000**
SW Area							0.6	1.0	20,000	**0.6**	**1.0**	**20,000**
Total	**2.9**	**2.0**	**180,500**	**4.6**	**1.6**	**232,000**	**13.9**	**1.3**	**591,000**	**21.3**	**1.5**	**1,003,000**

Table Three: Glenburgh Deposits – High Grade Domains (+2.0g/t)

2014 Mineral Resource Estimate (0.5g/t Au Cut-off)

Area	Measured			Indicated			Inferred			Total		
	tonnes Kt	Au g/t	Au Ounces	tonnes Kt	Au g/t	Au Ounces	tonnes Kt	Au g/t	Au Ounces	tonnes Kt	Au g/t	Au Ounces
Icon				70	4.7	10,000	40	3.7	5,000	**110**	**4.3**	**15,000**
Apollo	309	4.8	48,000	10	6.4	1,000	230	2.5	18,000	**540**	**3.9**	**68,000**
Mustang				30	2.0	2,000	80	2.4	6,000	**110**	**2.3**	**8,000**
Hurricane							10	3.1	1,000	**10**	**3.1**	**1,000**
Zone 102				410	2.8	38,000	190	2.2	13,000	**610**	**2.6**	**51,000**
Zone 126	62	5.6	29,100	190	4.9	30,000	320	6.5	68,000	**680**	**5.8**	**127,000**
SW Area							30	2.3	2,000	**30**	**2.3**	**2,000**
Total	**471**	**5.1**	**77,100**	**710**	**3.6**	**82,000**	**910**	**3.9**	**114,000**	**2,090**	**4.1**	**273,000**

Note: Totals may differ due to rounding *Mineral Resources reported on a dry basis*

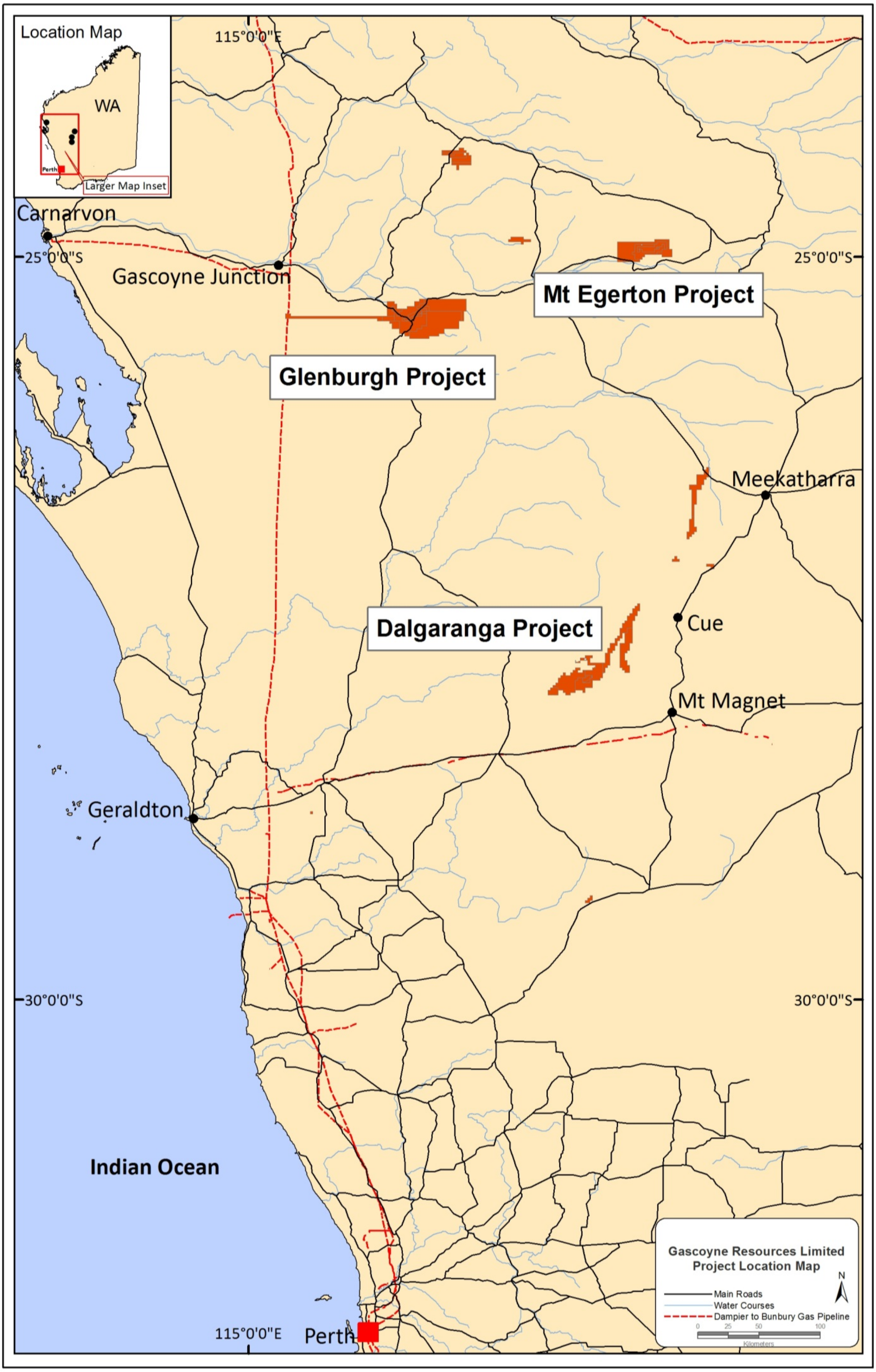

Figure One: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions

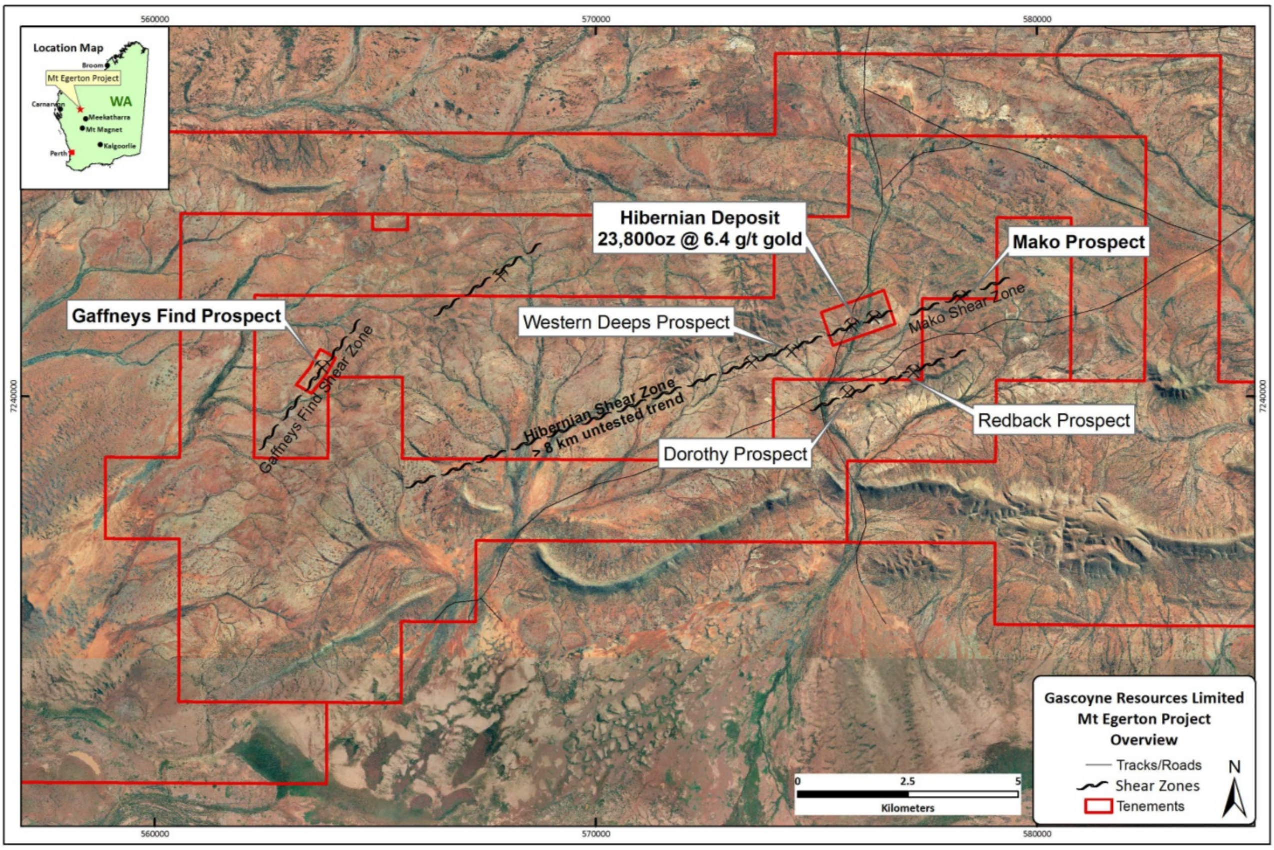

Figure Two: Gascoyne Resources Egerton Project Overview

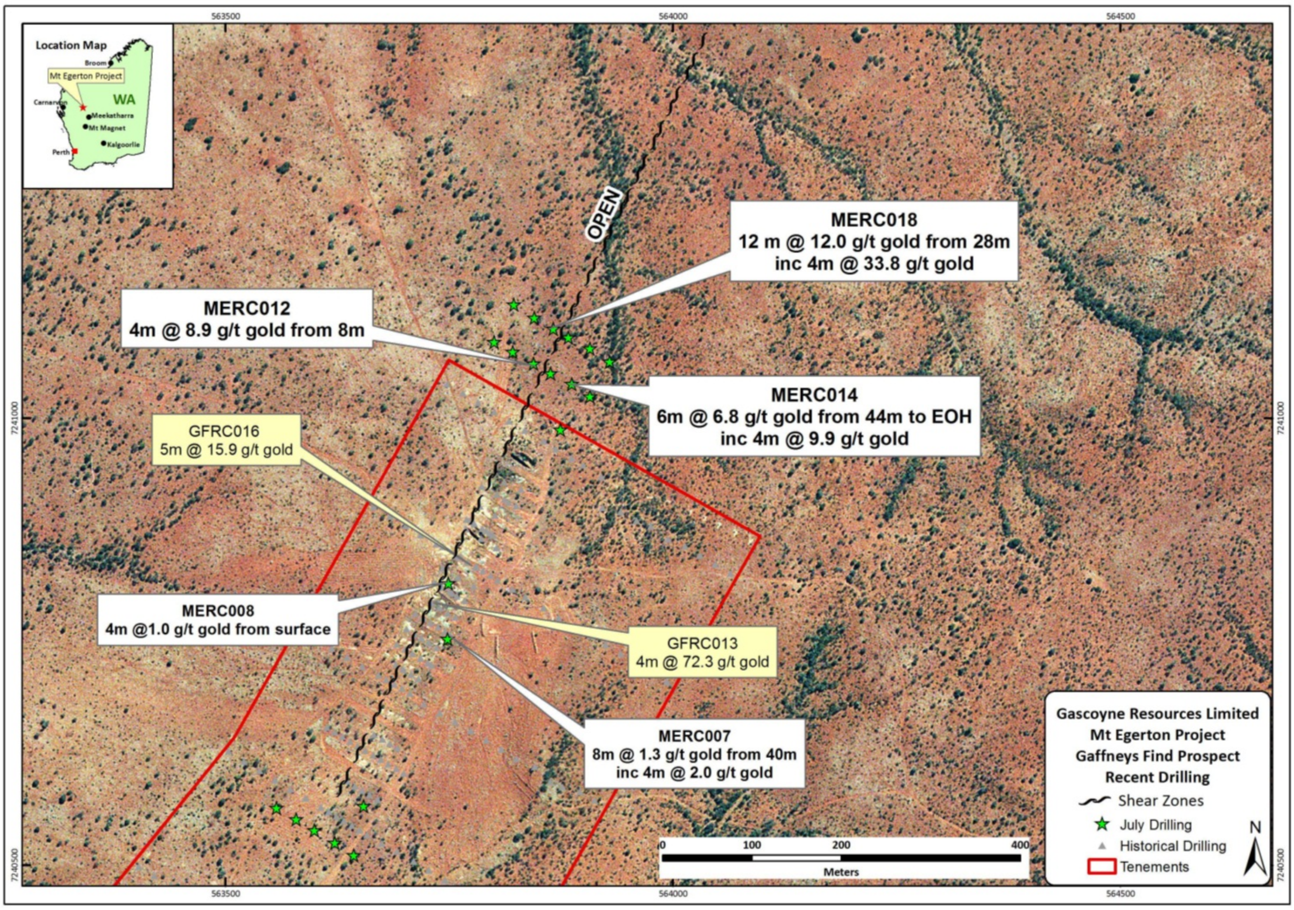

Figure Three: Gaffney's Find Prospect with July RC Drilling and High Grade Intersections

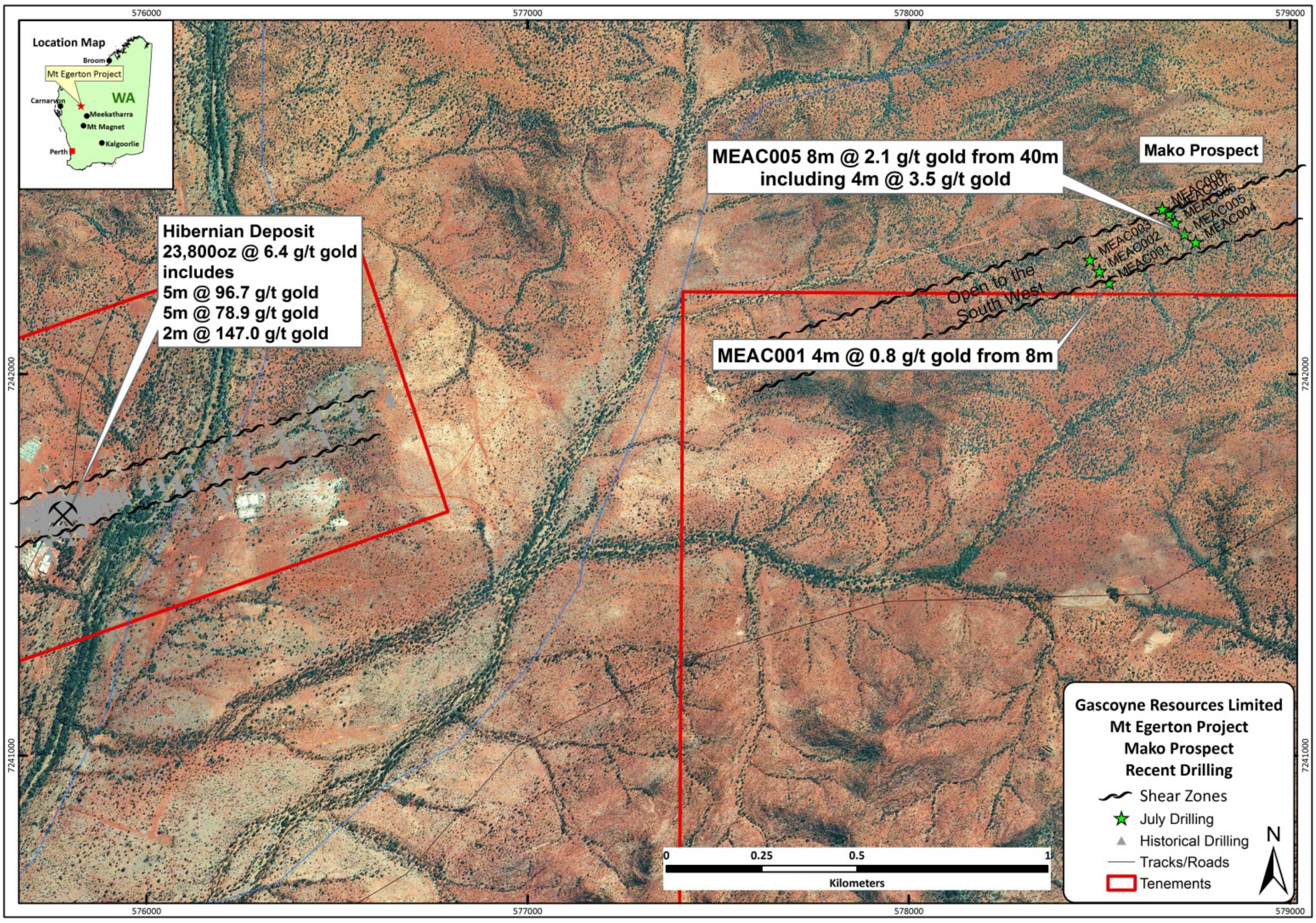

Figure Four: Mako Prospect with July Drilling and Significant Intersections

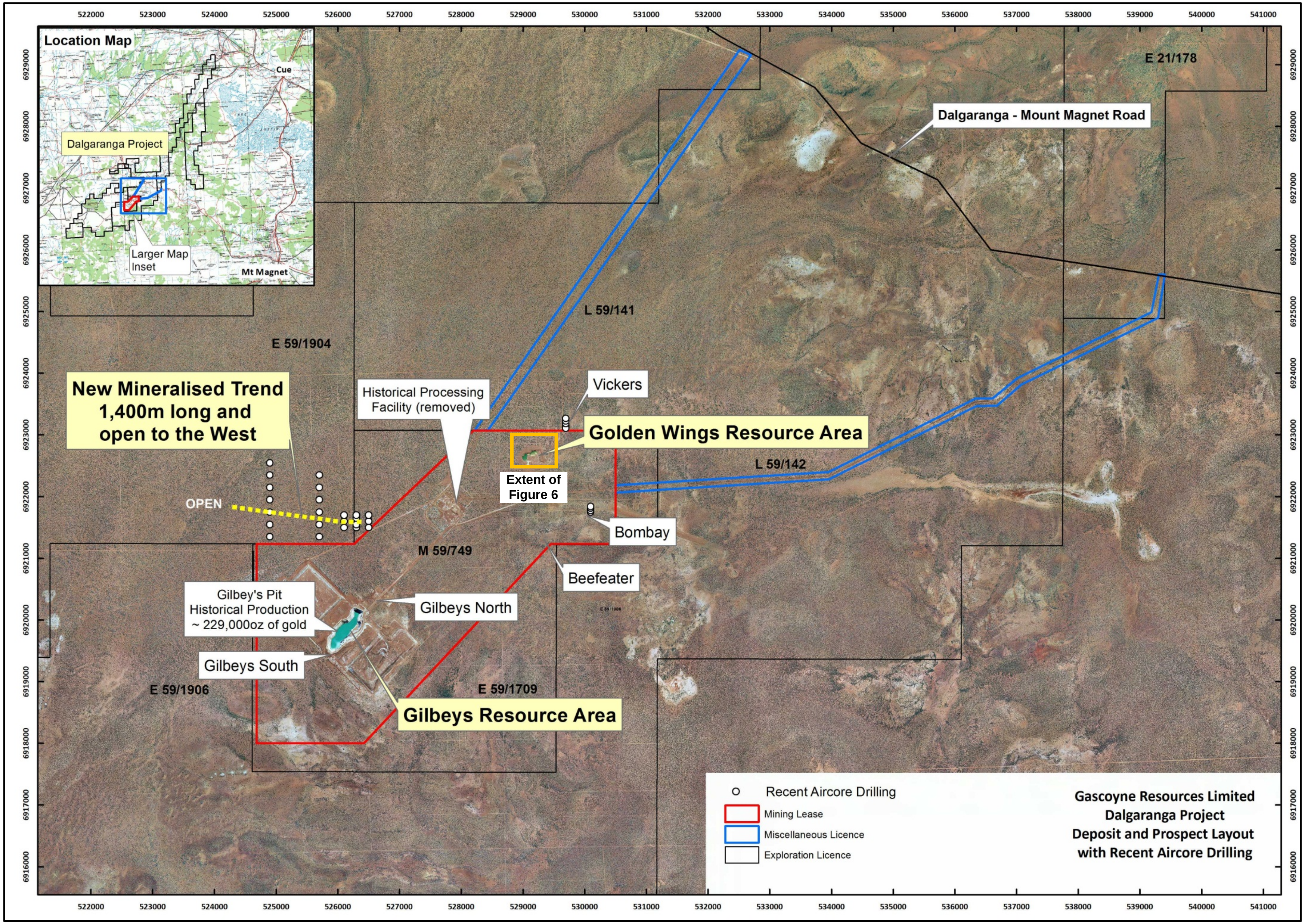

Figure Five: Dalgaranga Site Layout

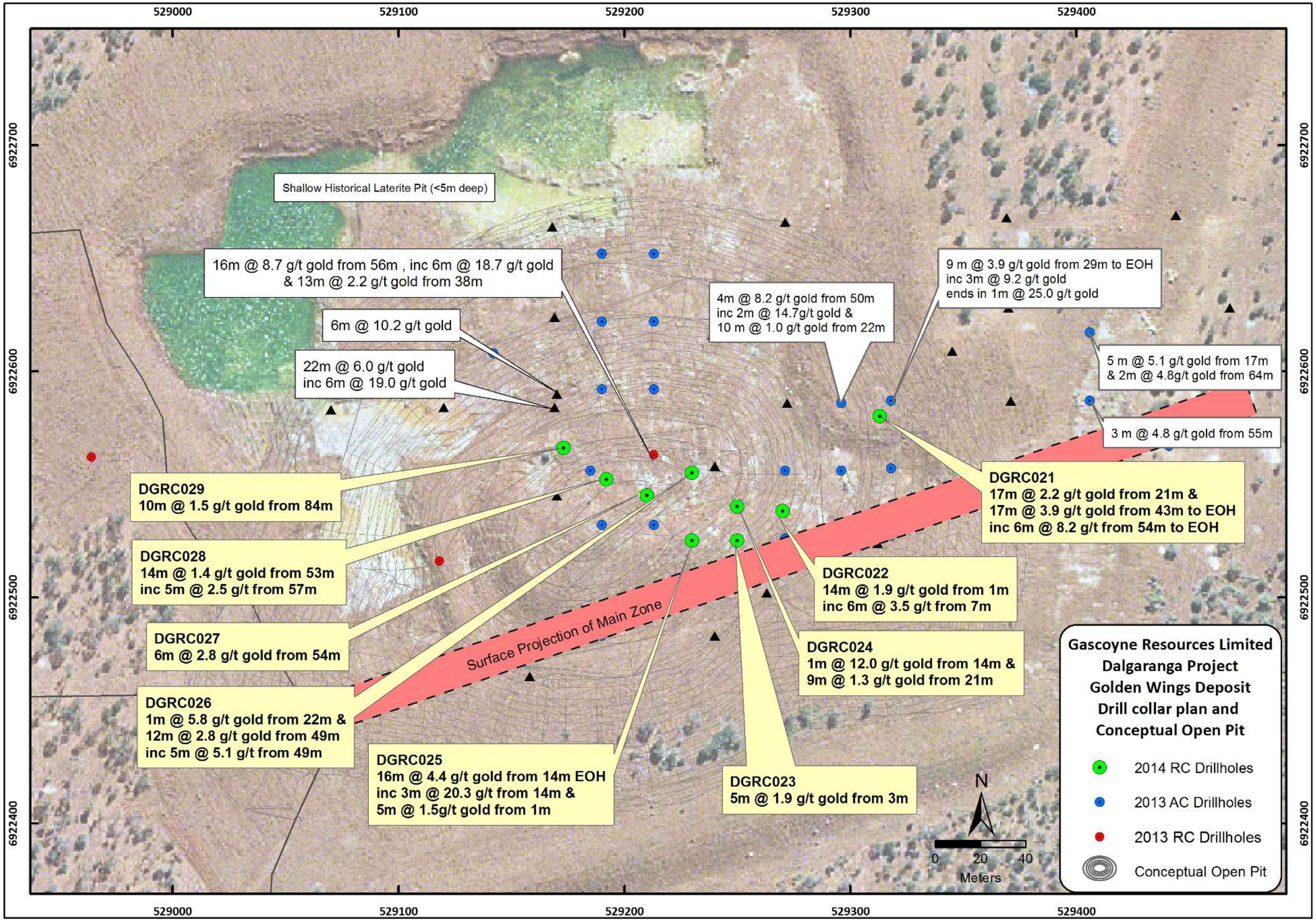

Figure Six: Golden Wings Deposit Drill Hole Location Plan (new holes highlighted in yellow

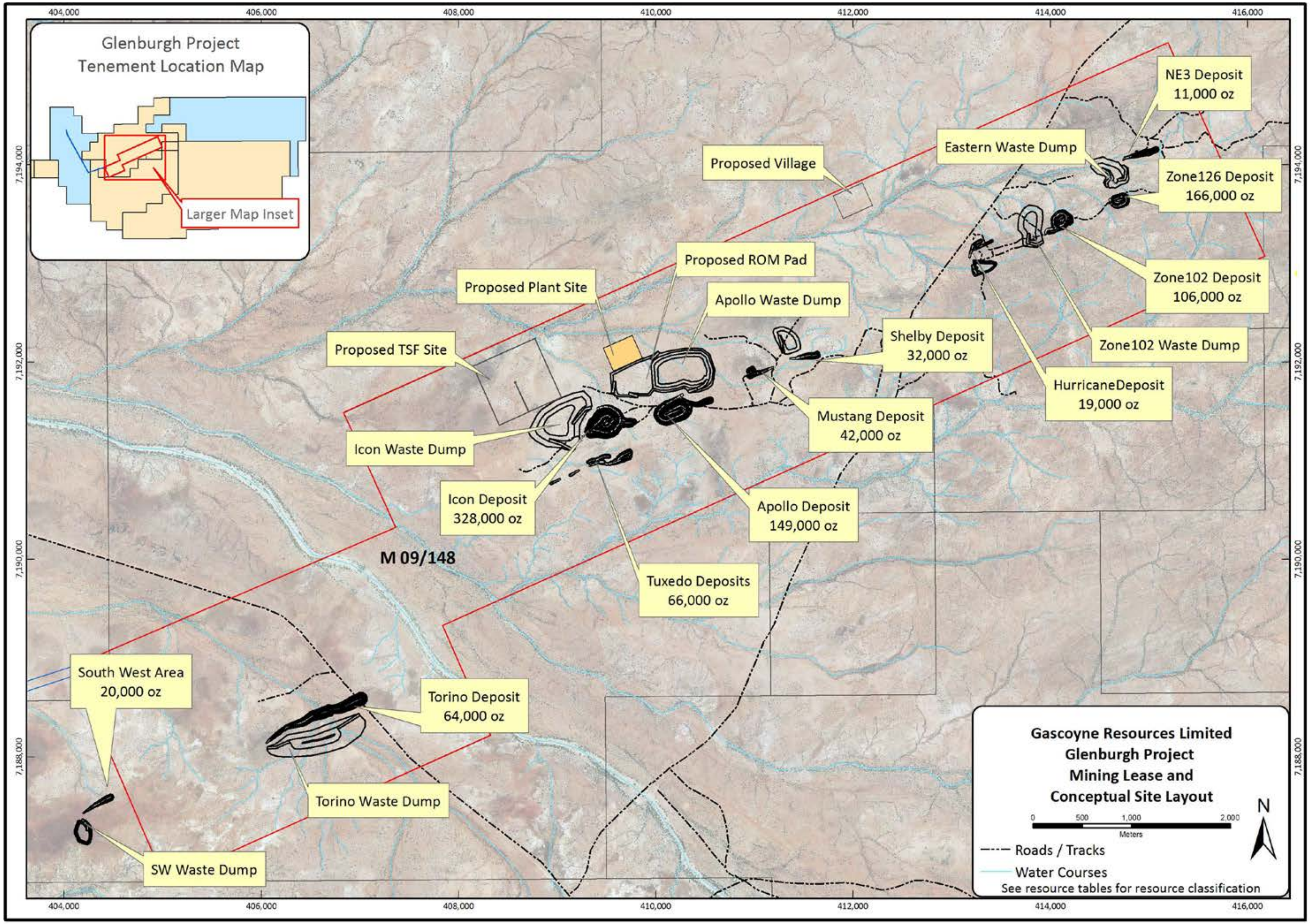

Figure Seven: Glenburgh Mining Lease, Conceptual Site Layout and Updated JORC 2012 Mineral Resource

Other Projects

No field exploration was undertaken during the quarter. A review of the non-core tenements has been undertaken. A number of tenement rationalisations are being planned with partial and full tenement surrenders to be lodged with the DMP over the next few months.

This rationalisation will result in a substantial saving in annual tenement rents as well as annual tenement expenditure commitments.

CORPORATE

The Company is currently in the process of evaluating the development (or monetization) options for the advanced gold projects. The options being considered include sole risk development of some of the assets (in particular the Golden Wings deposit), partnerships, or partial /outright sale of some of the assets. Notwithstanding the challenging market conditions facing the junior mining / exploration sector at present, interest in the Company's advanced projects remains strong.

The Company's cash position at the end of the June 2014 quarter was $1.0 million dollars.

Mining Tenements held at 30th June 2014

All the company's tenements are within Western Australia

Tenement	Location	Name	Mineral	Ownership
EL09/1750	Gascoyne Region	Bassit Bore	Gold	100% Gascoyne Resources
EL09/1751	Gascoyne Region	Bassit Bore	Gold	100% Gascoyne Resources
ELA09/2080	Gascoyne Region	Bassit Bore	Gold	100% Gascoyne Resources
EL21/174	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
ELA21/178	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1709	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1904	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1905	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1906	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1922	Murchison Region	Dalgaranga	Gold	100% Gascoyne Resources
L59/141	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
L59/142	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
ML59/749	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
ELA52/3090	Pilbara Region	Elphin Bore	Gold	100% Gascoyne Resources
ELA52/2997	Pilbara Region	Elphin Bore	Gold	100% Gascoyne Resources
EL09/1325	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1764	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1865	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1866	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1946	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1947	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/2025	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
ELA09/2090	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
LA09/50	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
LA09/56	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
ML09/148	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL15/1265	Gold Fields Region	Higginsville	Gold	100% Gascoyne Resources
EL15/1280	Gold Fields Region	Higginsville	Gold	100% Gascoyne Resources
EL15/1286	Gold Fields Region	Higginsville	Gold	Earning 80% Gascoyne Resources
EL15/1297	Gold Fields Region	Higginsville	Gold	100% Gascoyne Resources
PL15/5570	Gold Fields Region	Higginsville	Gold	100% Gascoyne Resources
PL15/5571	Gold Fields Region	Higginsville	Gold	100% Gascoyne Resources
PL15/5572	Gold Fields Region	Higginsville	Gold	100% Gascoyne Resources
PL15/5573	Gold Fields Region	Higginsville	Gold	100% Gascoyne Resources
EL51/1470	Murchison Region	Illagalara Pool	Gold	100% Gascoyne Resources
EL51/1551	Murchison Region	Illagalara Pool	Gold	100% Gascoyne Resources
EL52/2117	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources – Under Option
EL52/2515	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources – Under Option
EL52/2866	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
ML52/343	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources – Under Option

Tenement	Location	Name	Mineral	Ownership
ML52/567	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources – Under Option
EL52/2343	Gascoyne Region	Mt James	Gold	100% Gascoyne Resources
EL70/4399	Mid West Region	Mullewa	Coal	100% Gascoyne Resources
EL20/799	Murchison Region	Murchison	Gold	100% Gascoyne Resources
EL59/1731	Murchison Region	Ningham	Gold	100% Gascoyne Resources
EL20/773	Murchison Region	Tuckanarra	Gold	100% Gascoyne Resources

Abbreviations and Definitions used in Tenement Schedule:

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

<u>Competent Persons Statement</u>

Information in this announcement relating to exploration results for the Dalgaranga project 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 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dunbar consents to the inclusion of the data in the form and context in which it appears.

The Glenburgh Mineral Resources have been estimated by RungePincockMinarco Limited, an external consultancy, and are reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see GCY -ASX announcement 24th July 2014 titled: High Grade Domains Identified Within Updated Glenburgh Gold Mineral Resource). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements 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 announcements.

The Glenburgh 2004 JORC resource (released to the ASX on April 29th 2013) which formed the basis for the preliminary Feasibility Study was classified as Indicated and Inferred and as a result, is not sufficiently defined to allow conversion to an ore reserve; the financial analysis in the preliminary Feasibility Study is conceptual in nature and should not be used as a guide for investment. It is uncertain if additional exploration will allow conversion of the Inferred resource to a higher confidence resource (Indicated or Measured) and hence if a reserve could be determined for the project in the future. Production targets referred to in the preliminary Feasibility Study and in this report are conceptual in nature and include areas where there has been insufficient exploration to define an Indicated mineral resource. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. This information was prepared and first disclosed under the JORC Code 2004, the resource has now been updated to conform with the JORC 2012 guidelines. This new JORC 2012 resource, reported above, will form the basis for any future studies.

The Laterite Dalgaranga Resources estimate has been sourced from Equigold NL annual reports and other publicly available reports which have undergone a number of peer reviews by qualified consultants, that conclude that the resources comply with the JORC code and are suitable for public reporting. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The Gilbeys and Golden Wings resources have been estimated by Elemental Geology Pty Ltd, an external consultancy, and are 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 and GCY ASX announcement 1st October 2013 titled: Initial high grade gold resource at Golden Wings). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements 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 announcements.

The Egerton Resource estimate has been sourced from Exterra Resources annual reports and other publicly available reports which have undergone a number of peer reviews by qualified consultants, who conclude that the resources comply with the JORC code and are suitable for public reporting. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported

Background on Gascoyne Resources

Gascoyne Resources Limited was listed on the ASX in December 2009 and is focused on exploration and development of a number of gold projects in Western Australia.

The Company's three gold projects combined have **1.76 million ounces of contained gold on granted Mining Leases**:

GLENBURGH (100% GCY):

The Glenburgh Project in the Gascoyne region of Western Australia, has an Measured Indicated and Inferred Mineral Resource of: 21.3 Mt @ 1.5g/t Au for 1.003 million oz gold from several prospects within a 20km long shear zone (see Table 1 & 2 above)

A preliminary feasibility study on the project has been completed (see announcement 5th of August 2013 based on the previous 2013 estimate) that showed a viable project exists, with a production target of 4.9mt @ 2.0g/t for 316,000oz (70% Indicated and 30% Inferred Mineral Resources based on the 2013 estimate) within 12 open pits and one underground operation. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The study showed attractive "all in" operating costs of under A$1,000/oz and indicated a strong return with an operating surplus of ~ A$160M over the 4+ year operation. The study has included approximately 40,000m of Mineral Resource definition drilling, metallurgical drilling and testwork, geotechnical, hydro geological and environmental assessments. Importantly the Mineral Resource and resulting study did not include the drilling completed during 2013. The Mineral Resource has now been updated (reported above), which will form the basis for further studies.

EGERTON (100% GCY - Secured Under Option)

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.

Table 3: Egerton Project: Hibernian Deposit Mineral Resource (2.0g/t Au Cut-off)

Classification	Tonnes	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**

DALGARANGA (80% GCY):

The Dalgaranga project is located approximately 65km by road NW of Mt Magnet in the Murchison gold mining region of Western Australia and covers the majority of the Dalgaranga greenstone belt. After discovery in the early 1990's, the project was developed and from 1996 to 2000 produced 229,000 oz's of gold with reported cash costs of less than $350/oz.

The project contained a remnant JORC Measured, Indicated and Inferred resources of **13.4 Mt @ 1.7g/t Au for 740,900 ounces** of contained gold.(see Table 4).

Significant exploration potential also remains outside the known resource with numerous historical geochemical prospects only partly tested. The Golden Wings deposit is also open along strike and at depth.

Table 4: Dalgaranga Global 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	**12.9**	**1.7**	**685,000**
Golden Wings(2)				0.3	4.0	38,000	0.15	3.1	15,000	**0.45**	**3.7**	**54,000**
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**	**5.0**	**1.7**	**278,000**	**8.35**	**1.7**	**460,000**	**13.4**	**1.7**	**740,900**

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

(2) Golden Wings resource cut-off 2.0 Au g/t

Gascoyne is continuing to evaluate the Glenburgh gold deposits to delineate meaningful increases in the Mineral Resource base and progress project permitting, while also continuing to explore the Dalgaranga project with the view to moving towards a low capital cost development as rapidly as possible. The Company also has a 15 month option on the Egerton project; where the focus is to assess the economic viability of trucking high grade ore to either Glenburgh or to another processing facility for treatment and exploration of the high grade mineralisation within the region. Further information is available at www.gascoyneresources.com.au

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	• The project has been drilled using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond drilling over numerous campaigns by several companies and currently by Gascoyne Resources Ltd. The majority of holes are on a 25m grid either infilling or extending known prospects. The majority of drill holes have a dip of -60°but the azimuth varies. This program was AC and all holes had an azimuth of 180°. Drill spacing for this program was nominally 800m spaced lines and 200m spaced drilling on the lines.
	• Sample procedures followed by historic operators are assumed to be in line with industry standards at the time. Current QAQC protocols include the analysis of field duplicates and the insertion of appropriate commercial standards. Based on statistical analysis of these results, there is no evidence to suggest the samples are not representative.
	• RC drilling was used to obtain 1m samples which were split by either cone or riffle splitter at the rig to produce a 3 – 5 kg sample. In some cases a 4m composite sample of approximately 3 – 5 kg was also collected from the top portion of the holes considered unlikely to host significant mineralisation. The samples were shipped to the laboratory for analysis via 25g Fire Assay. Where anomalous results were detected, the single metre samples were collected for subsequent analysis, also via 25g Fire Assay. A 4m composite sample of approximately 3 – 5 kg was collected for all AC drilling. This was shipped to the laboratory for analysis via a 25g Aqua Regia digest with reading via a mass spectrometer. Where anomalous results were detected, single metre samples will be collected for subsequent analysis via a 25g Fire Assay.
Drilling techniques	• RC drilling used a nominal 5 ½ inch diameter face sampling hammer. AC drilling used a conventional 3 ½ inch face sampling blade to refusal or a 4 ½ inch face sampling hammer to a nominal depth.
Drill sample recovery	• RC and AC sample recovery is visually assessed and recorded where significantly reduced. Very little sample loss has been noted.
	• RC samples were visually checked for recovery, moisture and contamination. A cyclone and splitter were used to provide a uniform sample and these were routinely cleaned. AC samples were visually checked for recovery moisture and contamination. A cyclone was used and routinely cleaned. 4m composites were speared to obtain the most representative sample possible.
	• Sample recoveries are generally high. No significant sample loss has been recorded with a corresponding increase in Au present. Field duplicates produce consistent results. No sample bias is anticipated, and no preferential loss/gain of grade material has been noted.
Logging	• Detailed logging exists for most historic holes in the data base. Current RC and AC chips are geologically logged at 1 metre intervals and to geological boundaries respectively. RC chip trays and end of hole chips from AC drilling have been stored for future reference.
	• RC and AC chip logging recorded the lithology, oxidation state, colour, alteration and veining.
	• All current drill holes are logged in full.
Sub-sampling techniques and sample preparation	• No diamond drilling has been completed by Gascoyne Resources on the tenement. Previous companies have conducted diamond drilling, it is unclear whether ½ core or ¼ core was taken.
	• RC chips were riffle or cone split at the rig. AC samples were collected as 4m composites (unless otherwise noted) using a spear of the drill spoil. Samples were generally dry. 1m AC resamples are riffle split or speared.
	• RC and AC samples are dried. If the sample weight is greater than 3kg, the sample is riffle split. It is then pulverised to a grind size where 85% of the sample passes 75 micron.
	• Field QAQC procedures included the insertion of 4% certified reference 'standards' and 2% field duplicates for RC and AC drilling.
	• Field duplicates were collected during RC and AC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary.
	• A sample size of between 3 and 5 kg was collected. This size is considered appropriate and representative of the material being sampled given the width and continuity of the intersections, and the grain size of the material being collected.
Quality of	• All RC samples were analysed using a 25g charge Fire Assay with an AAS finish which is an

Criteria	Commentary
assay data and laboratory tests	industry sample for gold analysis. A 25g aqua regia digest with an MS finish has been used for AC samples. Aqua regia can digest many different mineral types including most oxides, sulphides and carbonates but will not totally digest refractory or silicate minerals. Historically the samples have been analysed by both aqua regia digest and a leachwell process. Significant differences were recorded between these analytical techniques.
	• No geophysical tools etc. have been used at Dalgaranga.
	• Field QAQC procedures include the insertion of both field duplicates and certified reference 'standards'. Assay results have been satisfactory and demonstrate an acceptable level of accuracy and precision. Laboratory QAQC involves the use of internal certified reference standards, blanks, splits and replicates. Analysis of these results also demonstrates an acceptable level of precision and accuracy.
Verification of sampling and assaying	• At least 2 company personnel verify all intersections in drill chips.
	• No twinned holes have been drilled to date by Gascoyne Resources.
	• Field data is collected using Field Marshal software on tablet computers. The data is sent to Mitchell River Group for validation and compilation into an SQL database server
	• No adjustments have been made to assay data apart from values below the detection limit which are assigned a value of negative the detection limit
Location of data points	• At this stage drill collars have been surveyed by hand held GPS to an accuracy of about 3m. The RC drill holes will be picked up by DGPS in the future. A down hole survey was taken at least every 30m in RC holes by electronic multishot tool by the drilling contractors.
	• The grid system is MGA_GDA94 Zone 50
	• The topographic surface has been sourced from historic data used during the operation of the mine. It is considered to be of sufficient quality to be valid for this stage of exploration.
Data spacing and distribution	• Initial exploration by Gascoyne Resources is targeting discrete areas that may host mineralisation. Consequently current drilling is not grid based, however when viewed with historic data, the drill holes generally lie on existing grid lines and within 25m – 100m of an existing hole.
	• The mineralised domains have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code.
	• In some cases 4m composite samples were collected from the upper parts of RC drill holes where it was considered unlikely for significant gold mineralisation to occur. Where anomalous results were detected, the single metre riffle split samples were collected for subsequent analysis. 4m composite samples were collected during AC drilling and where anomalous results were detected single metre riffle split or speared samples were collected for subsequent analyses.
Orientation of data in relation to geological structure	• Drilling sections are orientated perpendicular to the strike of the mineralised host rocks at Dalgaranga. This varies between prospects and consequently the azimuth of the drill holes also varies to reflect this. The drilling is angled at -60°which is close to perpendicular to the dip of the stratigraphy.
	• No orientation based sampling bias has been identified in the data at this point.
Sample security	• Chain of custody is managed by Gascoyne Resources. Samples are delivered daily to the Toll depot in Mt Magnet by Gascoyne Resources personnel. Toll delivers the samples directly to the assay laboratory in Perth. In some cases company personnel have deliver the samples directly to the lab
Audits or reviews	• Data is validated by Mitchell River Group whilst loading into a SQL database. Any errors within the data are returned to Gascoyne Resources for validation.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	• Dalgaranga project is situated on tenement number M59/749, E59/1709, E59/1904, 1905 & 1906. The tenements are currently held under a JV arrangement with Mr Jaime McDowell and Murchison Gold Mines Pty Ltd. Gascoyne Resources has an 80% interest in the project.
	• The tenements are in good standing and no known impediments exist. Mining Lease M59/749 has just been granted.
Exploration done by other parties	• The tenement area has been previously explored by numerous companies including BHP, Newcrest and Equigold. Mining was carried out by Equigold in a JV with Western Reefs NL from 1996 – 2000.
Geology	• Regionally, the Dalgaranga project lies in the Archean aged Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. Gold mineralisation is associated with quartz-pyrite-carbonate veins within a sheared porphyry-shale package and also occurs in the overlying weathered profile. At Golden Wings gold mineralisation is associated with sericite-chlorite- quartz schist after mafic rocks or sediments and quartz-pyrite-arsenopyrite plunging lodes within biotite-sericite-carbonate-pyrite schist.
Drill hole Information	• Refer to Tables in body of text of ASX Announcement 19th June 2014, titled “Discovery of New Gold Mineralised Trend at Dalgaranga”.
Data aggregation methods	• All reported assays have been length weighted if appropriate. No top cuts have been applied. A nominal 0.1ppm Au lower cut off has been applied, with only intersections >0.2g/t considered significant.
	• High grade Au intervals lying within broader zones of Au mineralisation are reported as included intervals. In calculating the zones of mineralisation a maximum of 8 metres of internal dilution is allowed.
	• No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	• The mineralised zones at Dalgaranga vary in strike between prospects, but all are relatively steeply dipping. Drill hole orientation reflects the change in strike of the rocks and consequently the downhole intersections quoted are believed to approximate true width.
Diagrams	• Refer to figures within body of text and in body of text of ASX Announcement 19th June 2014, titled “Discovery of New Gold Mineralised Trend at Dalgaranga”.
Balanced reporting	• All results are reported.
Other substantive exploration data	• No other significant exploration work had been completed by Gascoyne Resources.
Further work	• Dalgaranga will continue to be drilled to extend the current resource at Gilbeys and delineate further resources at Golden Wings and other prospects.
	• Refer to the body of text.

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Gascoyne Resources Limited

ABN	Quarter ended ("current quarter")
57 139 522 900	30 June 2014

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(451)	(2,483)
	(b) development		
	(c) production		
	(d) administration	(340)	(1,115)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	11	58
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other	5	7
	Research and Development Tax Refund	-	1,321
	Net Operating Cash Flows	(775)	(2,212)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(17)	(18)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other		
	Option payment	-	(50)
	Net investing cash flows	(17)	(68)
1.13	Total operating and investing cash flows (carried forward)	(792)	(2,280)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(792)	(2,280)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other		
	Release of bank guarantee	-	25
	Net financing cash flows	-	25
	Net increase (decrease) in cash held	(792)	(2,255)
1.20	Cash at beginning of quarter/year to date	1,800	3,263
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	1,008	1,008

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

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	107
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Director fees $107k

Non-cash financing and investing activities

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

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

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	400
4.2	Development	
4.3	Production	
4.4	Administration	340
	Total	**740**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	251	600
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (Term Deposits)	757	1200
	Total: cash at end of quarter (item 1.22)	1,008	1,800

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E51/1469 E20/759 E52/2348 E15/1280 E52/2900	Surrendered Surrendered Surrendered Surrendered Withdrawn	100% 100% 100% 100% 100%	0% 0% 0% 0% 0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	L59/141 L59/142 E21/174 E52/3090	Granted Granted Granted Application	80% 80% 80% 0%	80% 80% 80% 100%

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	158,269,520	158,269,520		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	900,000 3,900,000	Nil Nil	*Exercise price* $0.40 $0.26	*Expiry date* 31 August 2014 15 November 2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

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

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

Sign here: Date: 31 July 2014

Company secretary

Print name: Eva O'Malley

Notes

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

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

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

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

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

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