JUNE 2015 QUARTERLY REPORT

GASCOYNE RESOURCES LIMITED

57 139 522 900

SUMMARY OF OPERATIONS

TECHNICAL:

During the quarter, substantial progress was made on development studies on the Dalgaranga project as well as exploration drilling at the Dalgaranga and Egerton gold projects. A number of additional high grade targets have also been identified at the Glenburgh project. Progress is summarised below:

Dalgaranga Project

The Detailed Scoping Study was completed during the quarter. It highlighted the potential for a high margin, low cost and long life project (See ASX Announcement 23rd June for details).

The initial Base Case metrics are:

- 1.5Mtpa onsite second hand CIL processing plant
- Initial Open Pit Production Target of 7.5Mt @ 1.4 g/t for 330,000 ounces contained gold
- Production Target: 60,000 ounces per annum for 6 years
- Cash costs of $813/oz, AISC of $1,025/oz
- Revenue of $612 million
- Pre Production Capital Cost: $37 million
- Pre Tax $NPV_{8\%}$: $100 million & IRR of 74%

An Upside Case exists that would extend the mine life to 10 years producing a total of ~600,000oz of gold.

As a result of the positive Scoping Study, a Pre-Feasibility Study has commenced.

Further infill resource drilling was also completed and identified shallow high grades at the Golden Wings Deposit. Intersections include **21m @ 4.5 g/t gold** from 26m, **6m @ 3.8 g/t gold** from surface and **2m@ 6.2 g/t gold** from 23m. Additional infill RC drilling to convert the bulk of the resource to Indicated category is planned as part of the Pre-Feasibility Study. In addition a substantial programme of aircore drilling on new targets is planned within the Company's large prospective Dalgaranga tenement holdings, which have had virtually no exploration since the late 1990s.

Egerton Project

Drilling of the high grade Gaffney's Find Prospect and Gaffney's Find North was also completed during the quarter. The drilling has confirmed the mineralisation extends for over 500 metres. Intersections include **17m @ 2.3 g/t gold** (inc. **9m @ 3.8 g/t gold), 9m @ 2.0 g/t gold, 4m @ 3.6 g/t gold** and **2m @ 12.5 g/t gold.**

The initial drill test of the Gaffney's North prospect also intersected **3m @ 5.9 g/t gold.** Further drilling and surface sampling is planned.

Glenburgh Project

During the quarter, activities at Glenburgh were limited to the preparation of the Mining Proposal (MP) for the project. The MP is a key permitting obligation that must be approved before a mining development can commence.

Follow-up RC drilling at the new Chevelle discovery east of the current 1 million ounce Glenburgh recource is scheduled for the second half of 2015, along with extensions to geochemical coverage.

CORPORATE:

- The Company's cash reserves were **$1.2 million** at the end of the quarter.

CORPORATE DETAILS

ASX Code: GCY
Shares: 178M
Share Price: 8.1c
Market Cap: $14 M

ASSETS

Cash: $1.20M
Glenburgh (100%) 1.0M oz Gold
Dalgaranga (80%) 756,000 oz Gold
Egerton (100%) 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

CONTACT DETAILS

Telephone: +61 8 9481 3434
Facsimile: +61 8 9481 0411

Email:admin@gascoyneresources.com.au
Web: www.gascoyneresources.com.au

REVIEW OF OPERATIONS

Details of the exploration progress during the quarter include:

Dalgaranga Project

E59/1709, E59/1904, 1905, 1906, M59/749 & L 59/141 & 142, ELA21/184 - 80% Gascoyne

The quarter was a particularly busy one at Dalgaranga. A 20 hole RC drilling programme was completed at the Golden Wings deposit and the Detailed Scoping Study for the Golden Wings and Gilbeys deposits was completed (See ASX Announcements 17th & 23rd June titled: "Shallow High Gold Grades from Golden Wings" and "Dalgaranga Scoping Study Outlines High Margin Development").

The Detailed Scoping Study was completed during the quarter. The Study concludes that a low cost / high margin and long life development can be sustained at Dalgaranga via an onsite dedicated 1.5Mtpa CIL processing facility. The key study metrics are outlined in Table 1 below:

The Base Case provides a robust development at current and projected gold prices, while the Upside Case represents an option on the future gold price, as both the Upside Case and the Base Case are the same for the first three years of the project's life. At that point the decision can be made to cutback the Gilbeys pit and to mine the Upside Case, providing an additional 4 years of mine life, or to mine the original Base Case only.

Other options have been considered including off site processing via a third party owned processing facility and onsite heap leaching. While these options provided lower capital cost requirements, the transport costs to an offsite mill and expected contract milling charges (for offsite CIL processing) and the reduced metallurgical recovery and associated metallurgical risks associated with heap leaching of clayey material makes the alternatives to onsite CIL processing far less attractive.

As a result of the positive Scoping Study, a Pre-Feasibility Study has commenced on the project.

In addition to the Scoping Study, the Golden Wings resource was updated during the quarter (See ASX Announcement 23rd June titled "Dalgaranga Scoping Study Outlines High Margin Development"). The updated resource includes 1.2Mt @ 1.8g/t gold for 70,000 ounces (using a 1.0g/t cutoff), of which 75% is classified as Indicated (see table Two below).

Also during the quarter, the 2015 drill programme commenced. The first phase of drilling was undertaken at the Golden Wings Deposit. The drilling has confirmed that the high grades extend to surface and that a number of continuous high grade gold lenses exist at the deposit (See Figures 1 - 3).

Significant Intersections include **21m @ 4.5 g/t gold** from 26m, **including 16m @ 5.6 g/t gold, 6m @ 3.8 g/t gold** from the surface and **2m @ 6.2 g/t gold** from 23m. Importantly these recent RC drill results are not included in the current Golden Wings resource.

Further infill and step out RC drilling aimed at converting the majority of the Dalgaranga resource to Indicated status is planned as part of the Pre-Feasibility Study. In addition a substantial programme of aircore drilling on new targets is planned within the Company's large prospective Dalgaranga tenement holdings, which have had virtually no exploration since the late 1990s.

Table One – Dalgaranga Project June 2015 Scoping Study - Key Project Statistics

Mineral Resources	**Tonnage**	**Grade**	**Ounces**
Indicated Resources (Gilbeys and Golden Wings)	5.5Mt	1.6 g/t	293,000
Inferred Resources (Gilbeys and Golden Wings)	8.6Mt	1.7 g/t	463,000
Total Resources	**14.1Mt**	**1.7 g/t**	**756,000oz**
PRODUCTION TARGET: BASE CASE (using A$1,370 optimisations and pit designs)			
Indicated Resources(Gilbeys and Golden Wings)	5.2Mt	1.3g/t	224,000 (75%)
Inferred Resource (Gilbeys and Golden Wings)	2.3Mt	1.5g/t	107,000 (25%)
Total Production Target *	**7.5Mt**	**1.4g/t**	**330,000oz**
PRODUCTION TARGET: UPSIDE CASE (using US$1,200 & 75c FX & pit optimisations)			
Indicated Resources(Gilbeys and Golden Wings)	7.3Mt	1.2g/t	288,000 (52%)
Inferred Resource (Gilbeys and Golden Wings)	6.8Mt	1.4g/t	307,000 (48%)
Total Production Target *	**14.1Mt**	**1.3g/t**	**595,000oz**

CAPITAL COSTS (A$)	**Life of Mine**
Fixed Plant, Establishment & First Fill	$35M
Pre-Production Working Capital	$2M

PRODUCTION SUMMARY		
Key Outcome	**Base Case**	**Upside Case**
Life of Mine	6 yrs	10 yrs
Strip Ratio	6.9:1	8.1:1
Gold Production	**320,000 oz**	**577,000 oz**
Processing Rate	1.5 Mtpa	
Average Recovery	97%	

PROJECT ECONOMICS (Base Case)	
Base Case gold price (US$)	$1,200
Exchange Rate (US$:A$)	75c
Revenue (A$)	$512M
C1 Cash Costs per ounce	$813
All In Sustaining Costs per ounce	$1,025
Operating Cash Surplus (A$)	$183M
NPV $_{8\%}$	$100M
IRR	74%

<u>Cautionary Statement:</u>

The Company advises that the Scoping Study is based on lower-level technical and preliminary economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. The Production Target referred to in this report is partly based on Inferred Mineral Resources (being 25% for the Base Case and 48% for the Upside Case). 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 or preliminary economic assessment will be realised.

Table Two: Golden Wings Deposit

Mineral Resource Estimate (1.0g/t Au Cut-off)

Type	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 Mt	Au g/t	Au Ounces
Laterite				245	1.6	12,600				**0.25**	**1.6**	**12,600**
Oxide	-	-	-	370	2.0	23,600	46	1.7	2,500	**0.42**	**2.0**	**26,000**
Transitional	-	-	-	152	2.1	10,400	126	1.5	6,000	**0.28**	**1.8**	**16,400**
Fresh	-	-	-	69	2.6	5,800	183	1.5	9,000	**0.25**	**1.8**	**14,800**
Total	**-**	**-**	**-**	**835**	**2.0**	**52,400**	**355**	**1.5**	**17,400**	**1.2**	**1.8**	**70,000**

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

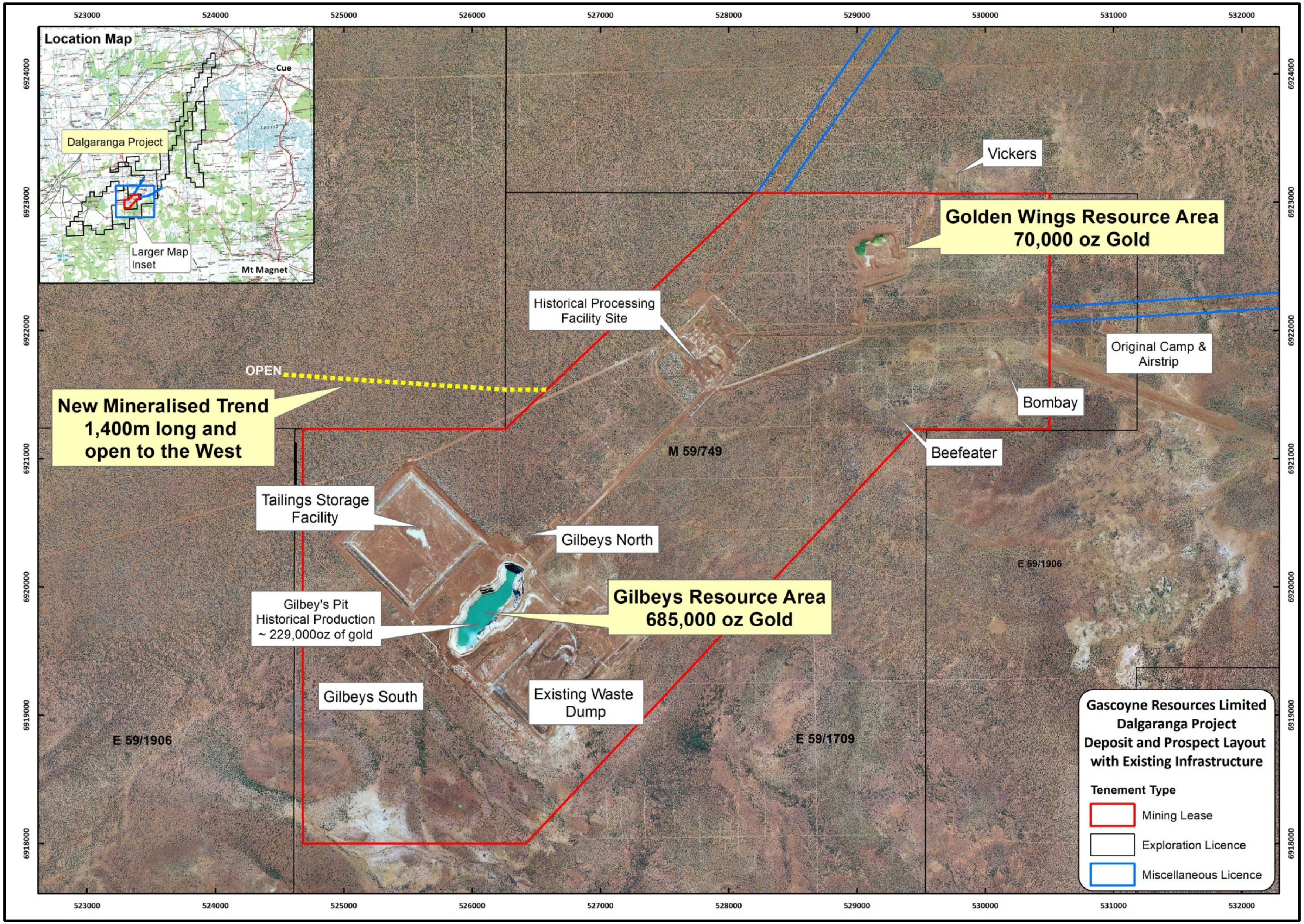

Figure 2: Dalgaranga Site Layout

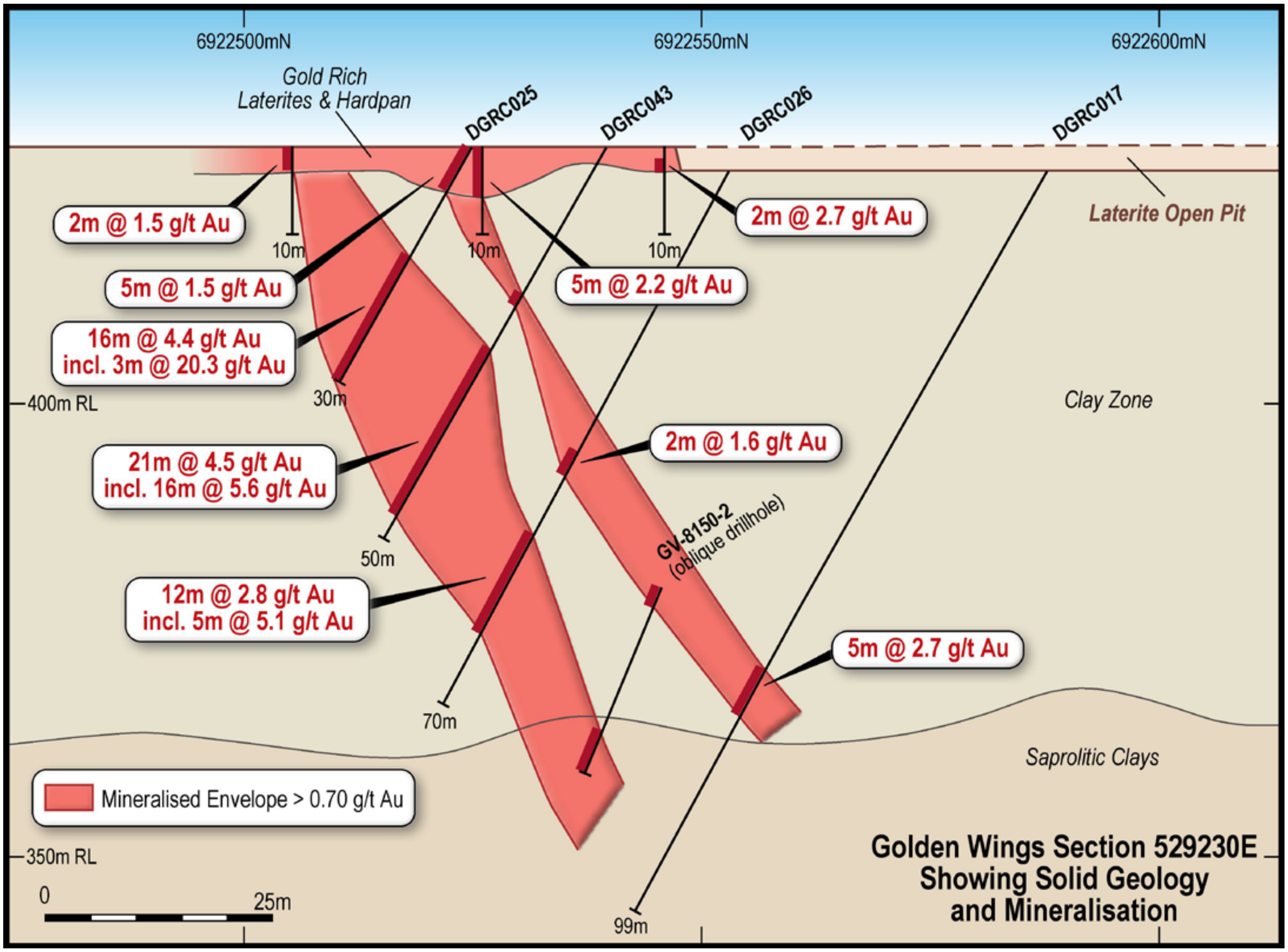

Figure 3: Golden Wings Cross Section

Egerton Project

E52/2117, E52/2515, M52/343, M52/567 & E52/2866 - 100% Gascoyne

The 2015 drill programme commenced during the quarter. The Egerton drilling included infill RC and extensional drilling at Gaffney's Find and first pass testing of the new Gaffney's Find North prospect (see ASX Announcement 7th July titled "High Grade Gold Drill Results at Mt Egerton Project"). The drilling Gaffney's Find drilling intersected significant new intersections including **17m @ 2.3 g/t gold from 43m** to the end of the drill hole (EOH) including **9m @ 3.8 g/t Au** in MERC030. This intersection lies down dip of the intersection **8m @ 11.4 g/t Au** in MERC018 drilled last year and defines a coherent steeply dipping mineralised zone open at depth (see Figure 4 & 5). Other notable intersections include **9m @ 2.0 g/t Au** from 36m in MERC036, **2m @ 12.5 g/t Au** from 48m to EOH in MERC028 and **2m @ 5.4 g/t Au** from 52m in MERC025. Gascoyne's recent drilling has now confirmed significant gold mineralisation over 500 metres along strike at Gaffney's Find.

In addition to the Gaffney's Find drilling, First pass drilling was also conducted at the new Gaffney's Find North prospect to test the gold in soil anomalies (see ASX announcement dated 14 January 2015). Drill hole MERC047 returned the interval of **3m @ 5.9 g/t Au** from 44m. The mineralisation is related to quartz veining in sheared sediments and remains open in all directions. Further drilling and soil sampling is planned.

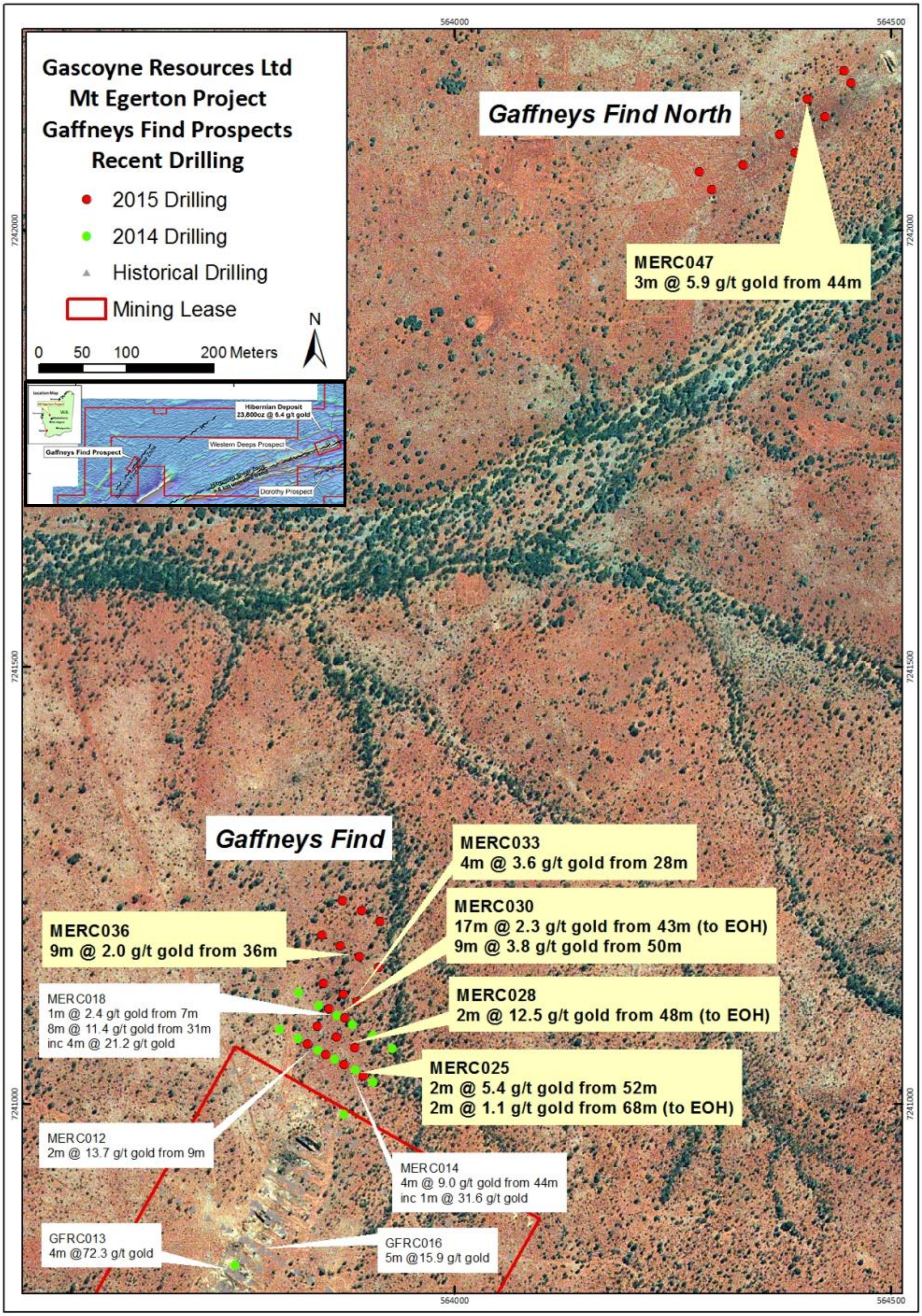

Figure 4: Gaffney's Find Drill Hole Location Plan

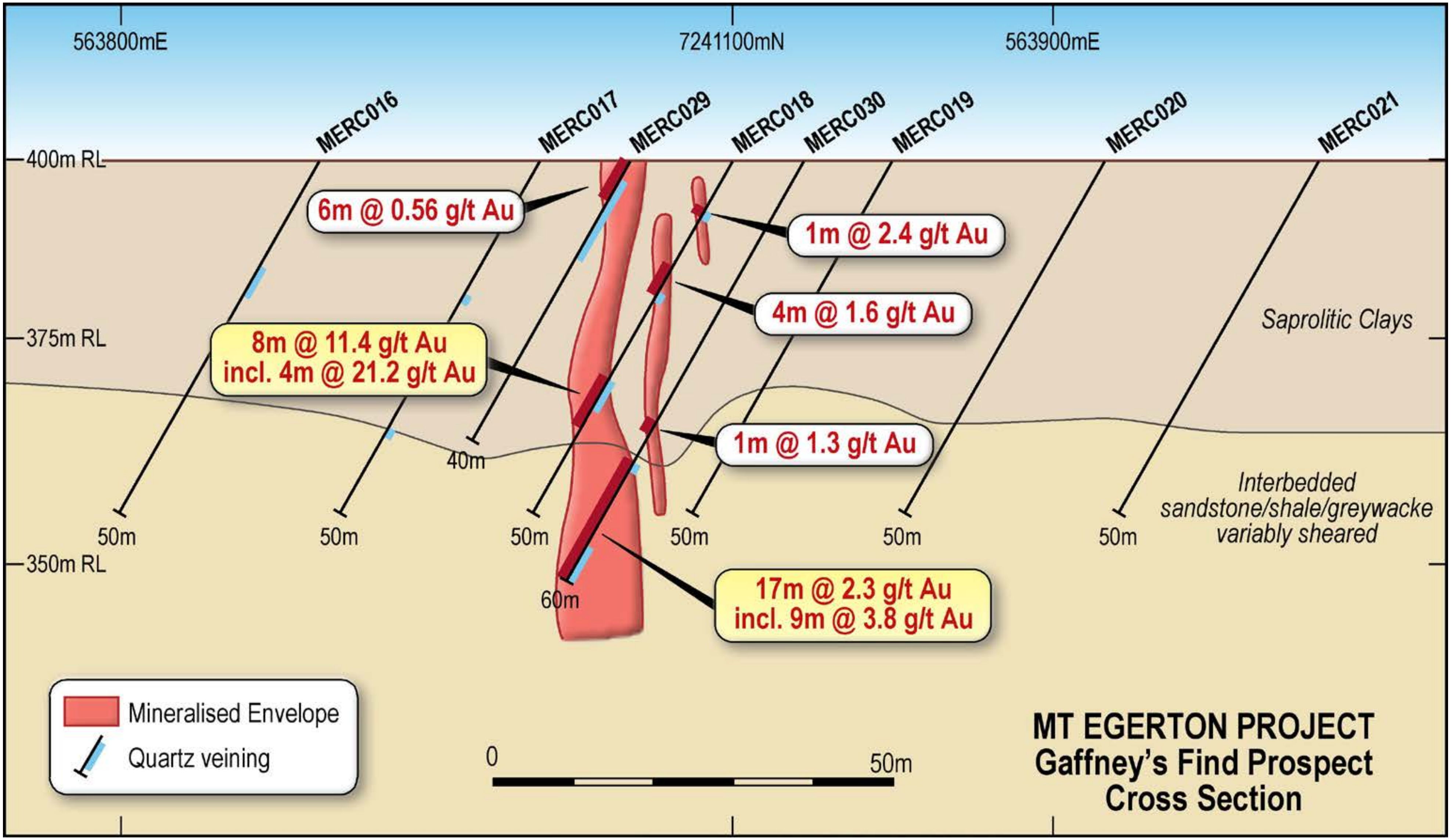

Figure 5: Mt Egerton Project RC Cross Section

Glenburgh Project

M 09/148, E09/1325, 1764, 1865, 1866, 1946, 1947 & 2025, ELA09/2125, L09/56, 62 & 65 -100% Gascoyne

During the quarter no on-ground activities were undertaken at Glenburgh. Preparation of the Mining Proposal (MP) was ongoing. The MP is a key permitting obligation that must be approved before a mining development can commence.

A review of the regional prospectivity has also been undertaken during the quarter. As a result, subsequent to the end of the quarter, one new large tenement has been applied for and number of non core tenements either reduced in size or surrendered. The new tenement application covers identified extensions to the prospective sequence at Glenburgh and increases the strike length of the host sequence in the Company's control to over 70 kilometres, of with less than 10% has been explored.

In addition to the permitting, an update to the Glenburgh PFS commenced during the quarter. This has included assessment of a number of second hand processing plants and commencement of a pit optimisation study that will take into account the revised mining costs. This study update is expected to be completed in the next few months.

Follow-up RC drilling at the new Chevelle discovery east of the current 1 million ounce Glenburgh resource is scheduled for the second half of 2015, along with extensions to geochemical coverage.

Other Projects

No field exploration was undertaken during the quarter. A review of the Company's tenements has been undertaken and resulted in a number of non-core tenements being partly or fully surrendered or withdrawn. This has further reduced the Company's annual tenement expenditure commitments, while focusing resources to the key areas.

CORPORATE

Ongoing operational efficiencies are being actively pursued that have reduced the ongoing overhead costs for the company. These include tenement rationalisations, reduced head office costs and reductions in general overheads.

During the quarter, two long term shareholders, Atlas Iron Limited (~2.4% stake) and Equity Trustees – Lowell Resources Fund (~1.4% stake) completed the sell down of all of their shares in the Company on-market. Both of these groups received their Gascoyne stake through in-specie distribution from Giralia Resources Ltd in early 2010, as part of GCY listing on the ASX in December 2009. The shares were purchased predominantly by supportive existing Gascoyne holders.

Three changes in directors holding notices were lodged with the ASX (on the 30th, 31st of March and 21st of April) as a result of the Company's chairman Mr Mike Joyce purchasing a combined 1.272 million shares on market.

The company's cash reserves were $1,200,000 at the end of June.

Mining Tenements held at 30th June 2015

All the company's tenements are within Western Australia

Tenement	Location	Name	Mineral	Ownership
ELA09/2142	Gascoyne Region	Bassit Bore	Gold	100% Gascoyne Resources
ELA21/184	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
L59/141	Murchison Region	Dalgaranga	N/A	80% Gascoyne Resources
L59/142	Murchison Region	Dalgaranga	N/A	80% Gascoyne Resources
ML59/749	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
ELA52/3218	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
EL09/2025	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
ELA09/2125	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
L09/62	Gascoyne Region	Glenburgh	N/A	100% Gascoyne Resources
L09/65	Gascoyne Region	Glenburgh	N/A	100% Gascoyne Resources
L09/56	Gascoyne Region	Glenburgh	N/A	100% Gascoyne Resources
ML09/148	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL15/1286	Gold Fields Region	Higginsville	Gold	Earning 75% Gascoyne Resources
EL15/1297	Gold Fields Region	Higginsville	Gold	100% Gascoyne Resources
EL51/1551	Murchison Region	Illagalara Pool	Gold	100% Gascoyne Resources
ELA51/1648	Murchison Region	Murchison	Gold	100% Gascoyne Resources
EL52/2117	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
EL52/2515	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
EL52/2866	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
ML52/343	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
ML52/567	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
ELA09/2111	Gascoyne Region	Mt James	Gold	100% Gascoyne Resources
ELA52/3299	Gascoyne Region	Mt James	Gold	100% Gascoyne Resources
EL20/799	Murchison Region	Murchison	Gold	100% Gascoyne Resources
ELA51/1681	Murchison Region	Murchison	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		

Competent Persons Statement

Information in this announcement relating to new exploration results for the Egerton project is based on data compiled by Gascoyne's Managing Director Mr Mike 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 23rd June 2015 titled: Dalgaranga Scoping Study Outlines Low Cost / High Margin Development). 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 and Gaffney's Find prospect historical exploration results have 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 main gold projects combined have **1.78 million ounces of contained gold on granted Mining Leases**:

GLENBURGH (100% GCY):

The Glenburgh Project in the Gascoyne region of Western Australia, has a Measured, Indicated and Inferred 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 3)

A preliminary feasibility study on the project has been completed (see announcement 5th of August 2013) that showed a viable project exists, with a production target of 4.9mt @ 2.0g/t for 316,000oz (70% Indicated and 30% Inferred resources) 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 included approximately 40,000m of resource drilling, metallurgical drilling and testwork, geotechnical, hydro geological and environmental assessments. Importantly the study has not included the drilling completed during 2013, which intersected significant shallow high grade zones at a number of the known deposits.

Table 3: 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**

Note: Discrepancies in totals are a result of rounding

MT EGERTON (100% GCY)

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 4). 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 4: Mt 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 **14.1 Mt @ 1.7g/t Au for 756,000 ounces** of contained gold (see Table 5).

A positive Scoping Study has recently been completed, that outlined a project that could produce 60,000 ounces of gold for between 6 and 10 years, with **low costs and high margins** (C1 Cash costs $813, and AISC of $1,025) and relatively low capital costs. (See ASX announcement released 23rd June 2015 titled "Dalgaranga Scoping Study Outlines Low Cost / High Margin Development" for full details). A Pre-Feasibility study is currently underway further evaluating the development options for the project.

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 5: 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)	-	-	-	0.83	2.0	52,400	0.36	1.5	17,438	**1.2**	**1.8**	**70,000**
Vickers Laterite	0.02	1.2	600	-	-	-	-	-	-	**0.02**	**1.2**	**600**
Total	0.02	1.2	600	**5.53**	**1.6**	**293,000**	**8.56**	**1.7**	**462638**	**14.1**	**1.7**	**756,000**

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

Gascoyne is continuing to evaluate the Glenburgh gold deposits to delineate meaningful increases in the 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 100% ownership of the high grade 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

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

57 139 522 900

Quarter ended ("current quarter")

30 June 2015

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	(194)	(1,458)
	(b) development		
	(c) production		
	(d) administration	(133)	(801)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	6	19
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and Development Rebate	-	345
	Other	(30)	108
	Net Operating Cash Flows	(351)	(1,787)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	-	(7)
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 extension payment	-	(55)
	Net investing cash flows	-	(62)
1.13	Total operating and investing cash flows (carried forward)	(351)	(1,849)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(351)	(1,849)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	223	2,063
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		
	Share issue costs	(19)	(19)
	Net financing cash flows	204	2,044
	Net increase (decrease) in cash held	(147)	195
1.20	Cash at beginning of quarter/year to date	1,350	1,008
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	1,203	1,203

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	76
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 $76k

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	200
	Total	**600**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	1,203	625
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (Term Deposits)		
	Total: cash at end of quarter (item 1.22)	1,203	625

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	E09/0751 E09/2080 E21/185 E09/1946 E09/1947 E52/3246	Surrendered Withdrawn Withdrawn Surrendered Surrendered Surrendered	100% 100% 100% 100% 100% 100%	0% 0% 0% 0% 0% 0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E09/2142 E52/3299	Application Application	0% 0%	100% 100%

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	178,250,577	178,250,577		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	3,900,000 500,000	Nil Nil	*Exercise price* $0.26 $0.25	*Expiry date* 15 November 2016 24 September 2017
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: EOMalley Date: 27 July 2015
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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+ See chapter 19 for defined terms.