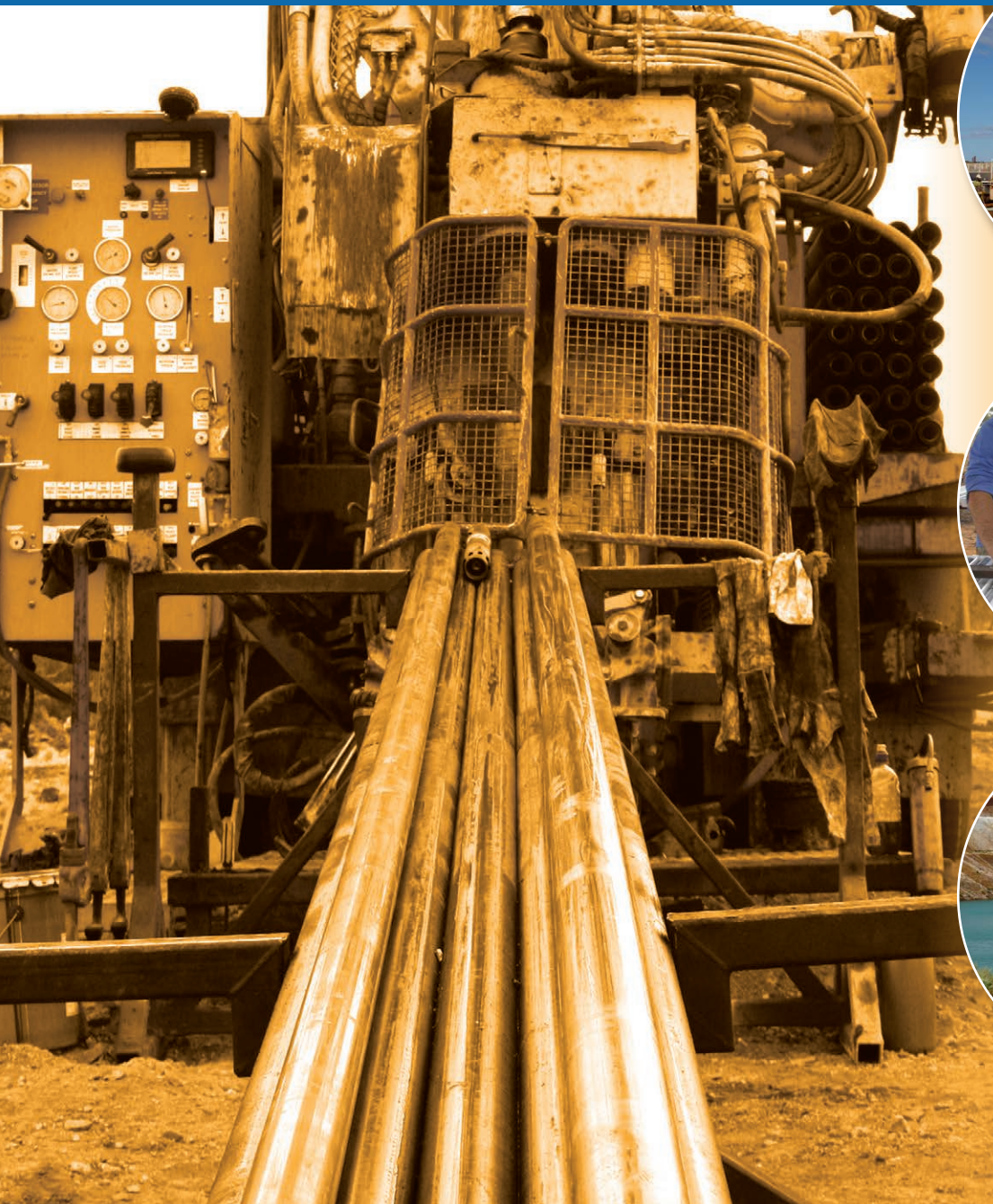


GASCOYNE RESOURCES LIMITED



ANNUAL REPORT
— 2015 —

Corporate Directory

Directors

Rodney Michael Joyce	Non-Executive Chairman
Michael Dunbar	Managing Director
John den Dryver	Non-Executive Director
Gordon Dunbar	Non-Executive Director
Stanley Macdonald	Non-Executive Director
Graham Riley	Non-Executive Director

Australian Business Number

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Stock Exchange

The Company Securities are quoted on the Australian Stock Exchange Limited

CODE: GCY

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Chairman's Review

Dear Fellow Shareholder,

The 2014-2015 financial year was a difficult time for junior exploration and development companies, underscored by Australian Bureau of Statistics figures showing that total mineral exploration expenditure in Australia fell 28% in the financial year to post-GFC lows across the sector.

Despite the market conditions we continued working to advance our three key gold projects in Western Australia, which boast combined JORC resources of 1.78 million ounces of contained gold, all on granted Mining Leases. Staged drilling campaigns led to resource updates and new discoveries, and we progressed development studies at the Glenburgh, Dalgaranga and Egerton deposits. The deteriorating market did however lead to the mutual termination of Gascoyne's announced alliance with Canadian gold mining company Monument Mining Limited in late 2014. While the cessation of exploration during the 3 month due diligence period slowed our progress somewhat, the Company did receive a non-refundable placement tranche of \$1 million at 25c.

The Company continued to trim costs during the year in response to this difficult environment, with voluntary Board remuneration reductions of 30 to 50% and further office/tenement rationalisations, and is intent on continuing to progress its projects while preserving its tight capital structure. At times like this it is critical to have the support of an invested and experienced Board and management, plus a supportive investor base. Gascoyne is fortunate to have both, with Board and management owning ~25% stake, and a strong group of long term major shareholders who have shared in previous successful ventures with Board members, and are prepared to take a longer term view.

At our Dalgaranga project the Scoping Study was finalised, indicating a potentially attractive low capital development opportunity and a PFS is now underway. Further high grade intersections were returned from drilling at the Golden Wings discovery and we completed a resource upgrade to 756,000 ounces of gold in JORC Measured, Indicated & Inferred categories. Prior to Gascoyne's recent drilling there had been no exploration activity within Gascoyne's large tenement holdings at Dalgaranga for ~ 15 years, and we recognise great potential for further discovery and resource growth.

At the million ounce Glenburgh project we announced a new discovery east of known resources at Chevelle, in an area defined by high order gold in soil anomalism. Detailed resource drilling is restricted so far to only ~10% of the prospective strike at Glenburgh, highlighting the potential for significant exploration upside. We plan to update the 2013 Feasibility Study in the coming months, and lodgement of a Mining Proposal is imminent as we progress the permitting of the project.

We also exercised our option to acquire 100% interest in the Egerton gold project and reported follow up drilling results with further high grade shallow intersections at the Gaffney's Find prospect.

We will continue to add value to our gold projects through ongoing resource growth via exploration and discovery. The rapid devaluation of the Australian dollar since the beginning of calendar 2015 has more recently resulted in a period of intense M&A activity in the Australian gold sector, with aggressive mid cap producers competing to expand attributable ounces through acquisitions of unloved assets from majors, and scouring the junior sector for development projects. Gascoyne's advanced and substantially de-risked Glenburgh and Dalgaranga deposits have the Company well placed to attract a funding partner for development, or participate in sector consolidation if commercially attractive.

On behalf of all shareholders I would like to again thank Gascoyne's small team for their hard work this year in a difficult environment.

Yours faithfully



RODNEY MICHAEL JOYCE
Chairman

Review of Operations

Gascoyne Resources Limited ("Gascoyne Resources" or "the Company") is a mineral exploration 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 4,000km² in the Gascoyne and Murchison regions of Western Australia (see Figure 1). The immediate priority remains on building on the gold resources at Glenburgh, Egerton and Dalgaranga projects, refinement of a number of key areas identified in the development studies at both the Glenburgh and Dalgaranga projects. During the year the Company continued with a measured exploration strategy which included targeted drilling programmes at Dalgaranga, Egerton and Glenburgh.

Along with the ongoing exploration effort, a detailed Scoping Study was completed at the Dalgaranga project, which concluded that a low cost / high margin and long life development can be sustained at Dalgaranga via an onsite dedicated 1.5Mtpa CIL processing facility. As a result a Preliminary Feasibility Study has commenced on the project.

As outlined in the 2014 Annual Report, in September 2014 Gascoyne entered into a conditional Heads of Agreement with Monument Mining Limited (MMY or Monument) a Canadian gold mining company listed on the Toronto Venture Exchange, for the sale of a 50% interest in the Group's key Western Australian gold projects Glenburgh, Dalgaranga and Egerton. The agreement provided a funded path to development and cashflow for the company. However in December it became clear that Monument was unable to complete the transaction. As a result, the agreement was terminated by mutual consent. While this regrettably has resulted in short term share price weakness, it does leave the Company with control of each of the projects, which in the longer term puts the Company in a much stronger position to advance talks with Australian and international mining companies interested in becoming involved in the Company's projects.



Figure 1: Gascoyne Resources Limited, Gascoyne and Murchison Tenement Locations

DALGARANGA GOLD PROJECT - WESTERN AUSTRALIA

Gascoyne Resources Limited 80%

ML 59/749, EL 59/1709, 59/1904, 59/1905 & 59/1906, ELA 21/184, L59/141 & 142

Project Summary

780km² tenement area located in the Murchison region of WA

Measured, Indicated and Inferred JORC (2012) Mineral Resource of 14.1Mt @ 1.7 g/t for 756,000 oz Au

Project Background

The Dalgaranga project is located approximately 70km by road NW of Mt Magnet in the Murchison gold mining region of Western Australia (Figure 1) 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 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 Dalgaranga 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 number of drill programs which resulted in the discovery and delineation of the Golden Wings deposit and discovery of a mineralised trend that extends for over 1,400m.

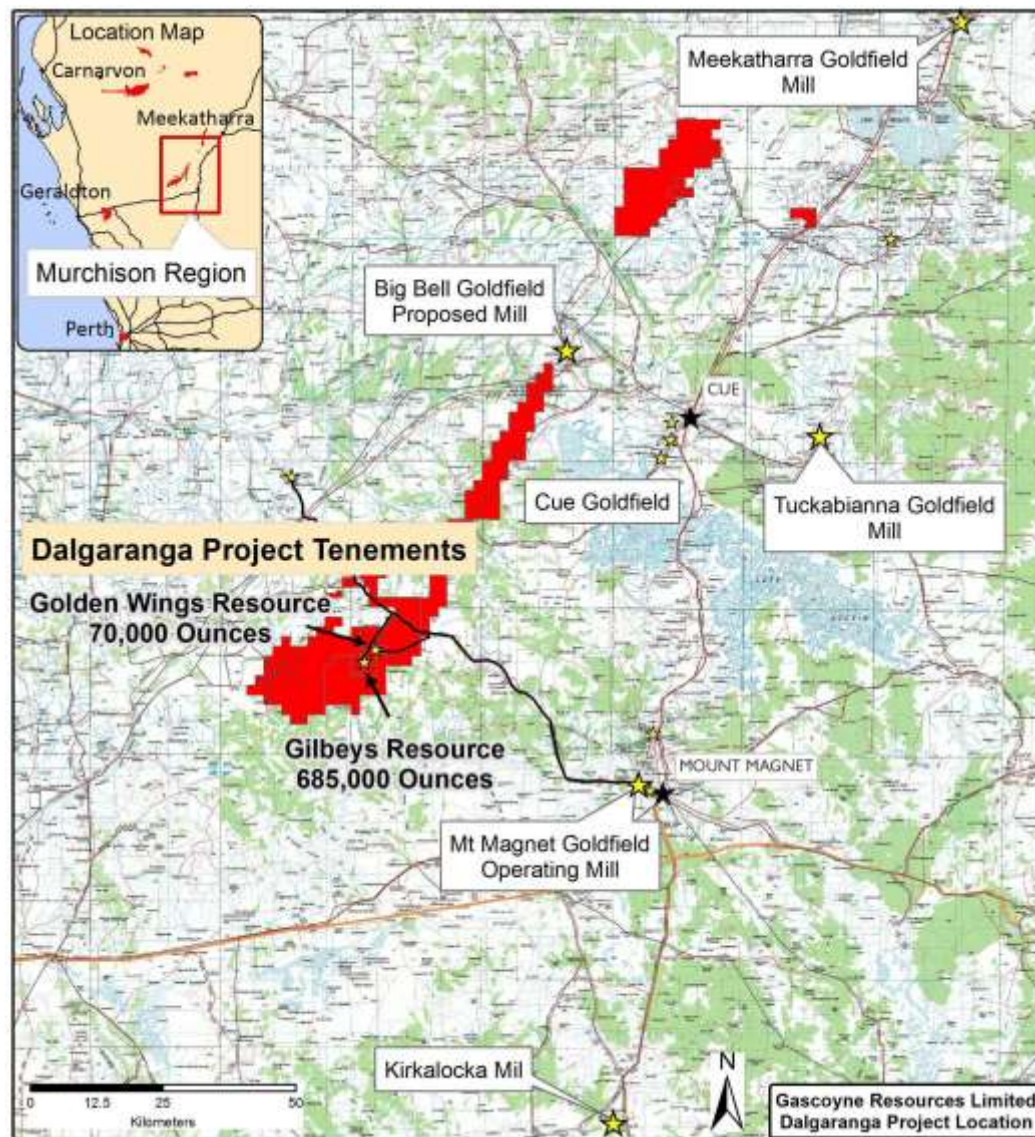


Figure 2: Dalgaranga Project Location

Resources

The project contains a JORC compliant, Measured, Indicated and Inferred mineral resource of **14.1Mt @ 1.7 g/t Au for 756,000 ounces** (see Table 1 & 2 for resource classification). Resource modelling and estimation was completed in 2013 and 2014 by Elemental Geology Pty Ltd, an external and independent resource consultant. In mid 2014 the high grade Golden Wings Deposit was the focus of a concerted exploration effort, which resulted in the Indicated and Inferred resource being updated.

Table One: Summary of the Dalgaranga 2015 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	-	-	-	4.7	1.6	240,000	8.2	1.7	445,000	12.9	1.7	685,000
Golden Wings	-	-	-	0.83	2.0	52,000	0.36	1.5	17,000	1.2	1.8	70,000
Vickers Laterite⁽¹⁾	0.02	1.2	600	-	-	-	-	-	-	0.02	1.2	600
Total	0.02	1.2	600	5.5	1.6	293,000	8.6	1.7	463,000	14.1	1.7	756,000

Note: Discrepancies in totals are a result of rounding; unless otherwise stated a cut-off grade of 1.0g/t is used

(1) Laterite resources cut-off 0.7 Au g/t

Table Two: Summary of the Dalgaranga 2014 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

Laterite resources cut-off 0.7 Au g/t, (1) Gilbeys resource cut-off 1.0 Au g/t, (2) Golden Wings resource cut-off 2.0 Au g/t

Resource Governance Statement

The Dalgaranga resources are reported as at 30 June 2015. The only deposit that has been re-estimated during the year is the Golden Wings Deposit. This estimate resulted in an increase in the overall contained gold to 70,000oz (2014: 55,000 oz), an increase in tonnage to 1.2Mt (2014: 450,000t) and a decrease in grade to 1.8g/t (2014: 3.7g/t). This change in resource was in part as a result in a change to the cut-off grade that was applied. In 2014, a 2.0g/t cut-off grade was used, however during the year, the Detailed Scoping Study suggested that a lower cut-off of 1.0g/t was reasonable, hence the cut-off grade was changed.

Governance of Gascoyne's Mineral Resources and Ore Reserves development and the estimation process is a key responsibility of the Executive Management of the Company. The Managing Director of the Company oversees the reviews and technical evaluations of the Mineral Resource and Ore Reserve estimates.

The Company has a number of governance arrangements in place to manage the resource estimates in line with industry best practice. All Mineral Resource estimates are prepared by qualified professionals following JORC Code compliant procedures that ensure representative and unbiased samples are obtained with appropriate QA/QC practices in place. Mineral Resource estimates for the Gilbeys and Golden Wings deposits are based on information compiled by Ms Christine Shore, who is a geological consultant employed by Elemental Geology Pty Ltd. The results of the estimation are then peer reviewed by both the independent consultants and by Gascoyne Resources.

Project Study

A detailed Scoping Study was completed on the project during the year. 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 3 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. See ASX Announcement 23rd June 2015 titled "Dalgaranga Scoping Study Outlines High Margin Development" for further details on the study.

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

Table Three– Dalgara 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 A\$1,570 for 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%

Cautionary Statement:

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. See ASX Announcement 23rd June 2015 titled "Dalgara Scoping Study Outlines High Margin Development" for further details on the study.

Exploration

In addition to the Scoping Study, the Golden Wings resource was updated during the year (See ASX Announcement 23rd June 2015 titled "Dalgara 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 cut-off), of which 75% is classified as Indicated (see Table One).

A number of RC drilling programmes were also completed during the year. These were primarily aimed at increasing the confidence in the Golden Wings resource and confirming the geological interpretation. 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 3 and 4).

The 2015 drilling intersected substantial zones of shallow mineralisation including **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. These results have not been 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 underway as part of the Pre-Feasibility Study. In addition to the resource drilling, 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.

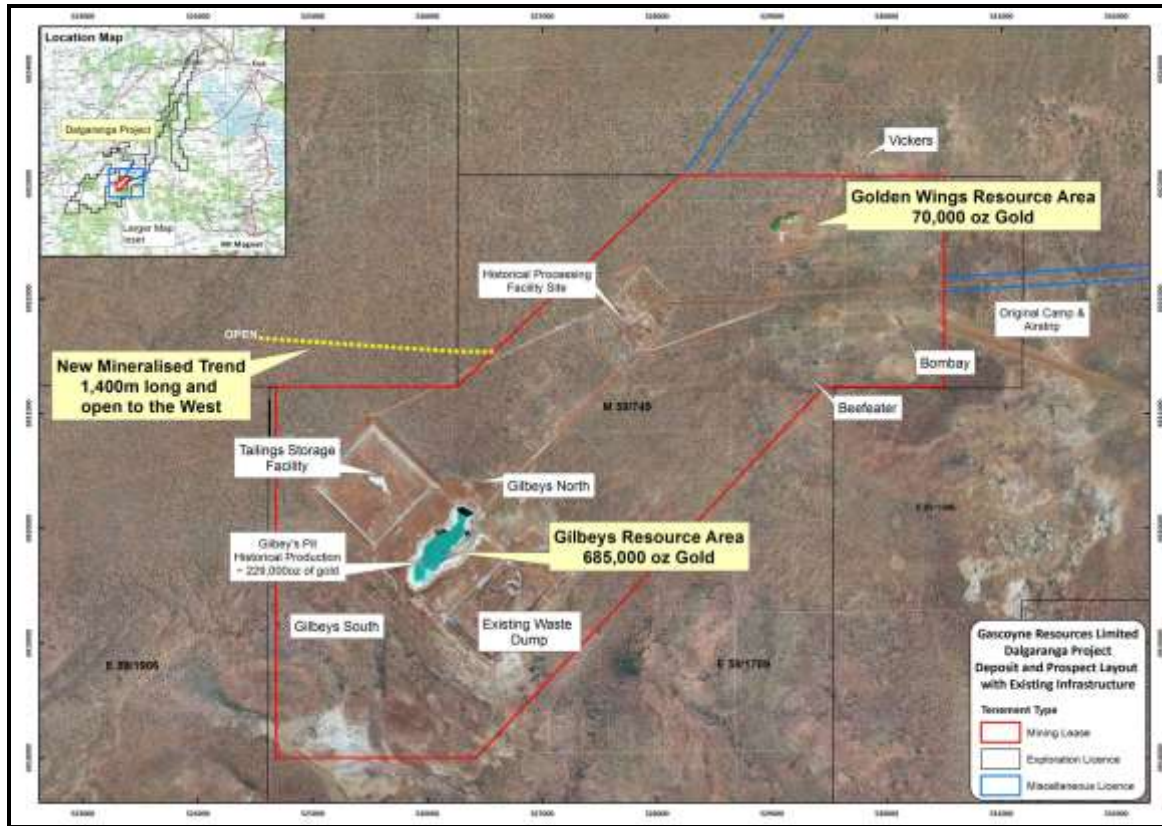


Figure 3: Dalgaranga Project Location

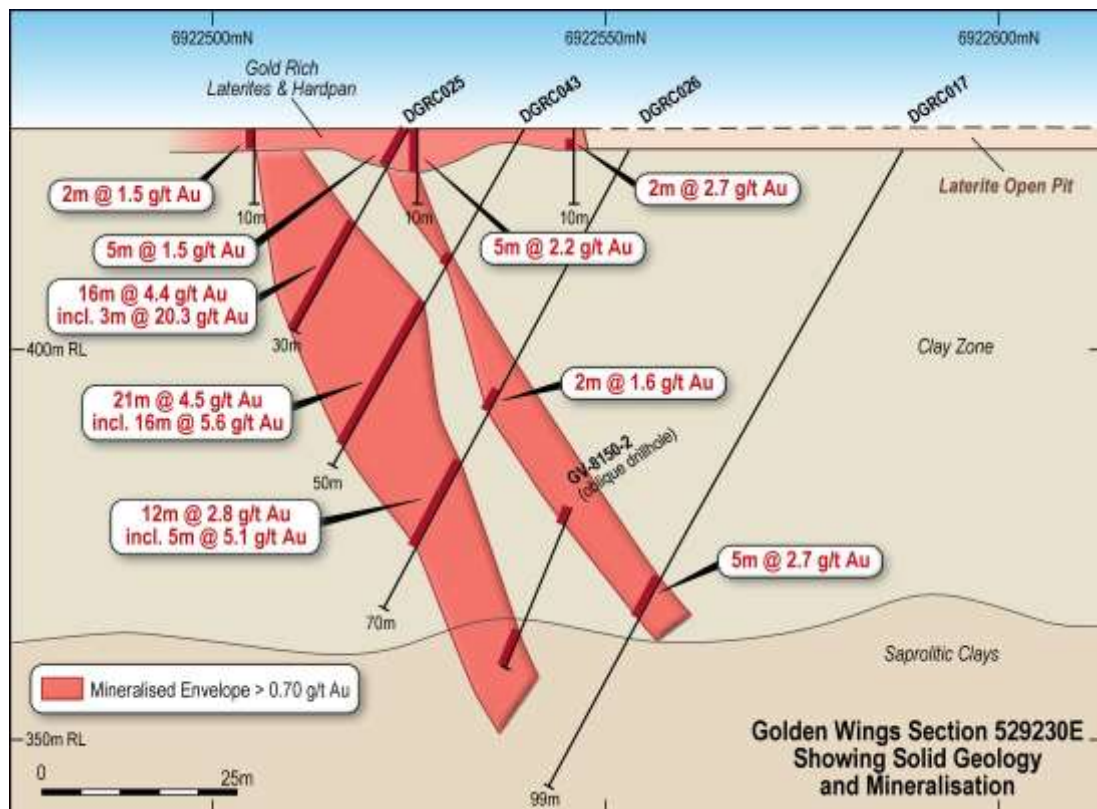


Figure 4: Golden Wings Cross Section

GLENBURGH GOLD PROJECT – WESTERN AUSTRALIA

Gascoyne Resources Limited 100%

ML09/148, EL 09/1325, 09/1764, 09/1865, 09/1866, 09/2025, ELA 09/2090, LA 09/56 and LA 09/62

Project Summary

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

Measured, Indicated and Inferred JORC 2012 Resource of 21.3Mt @ 1.5 g/t for 1.003 million oz Au

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 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.

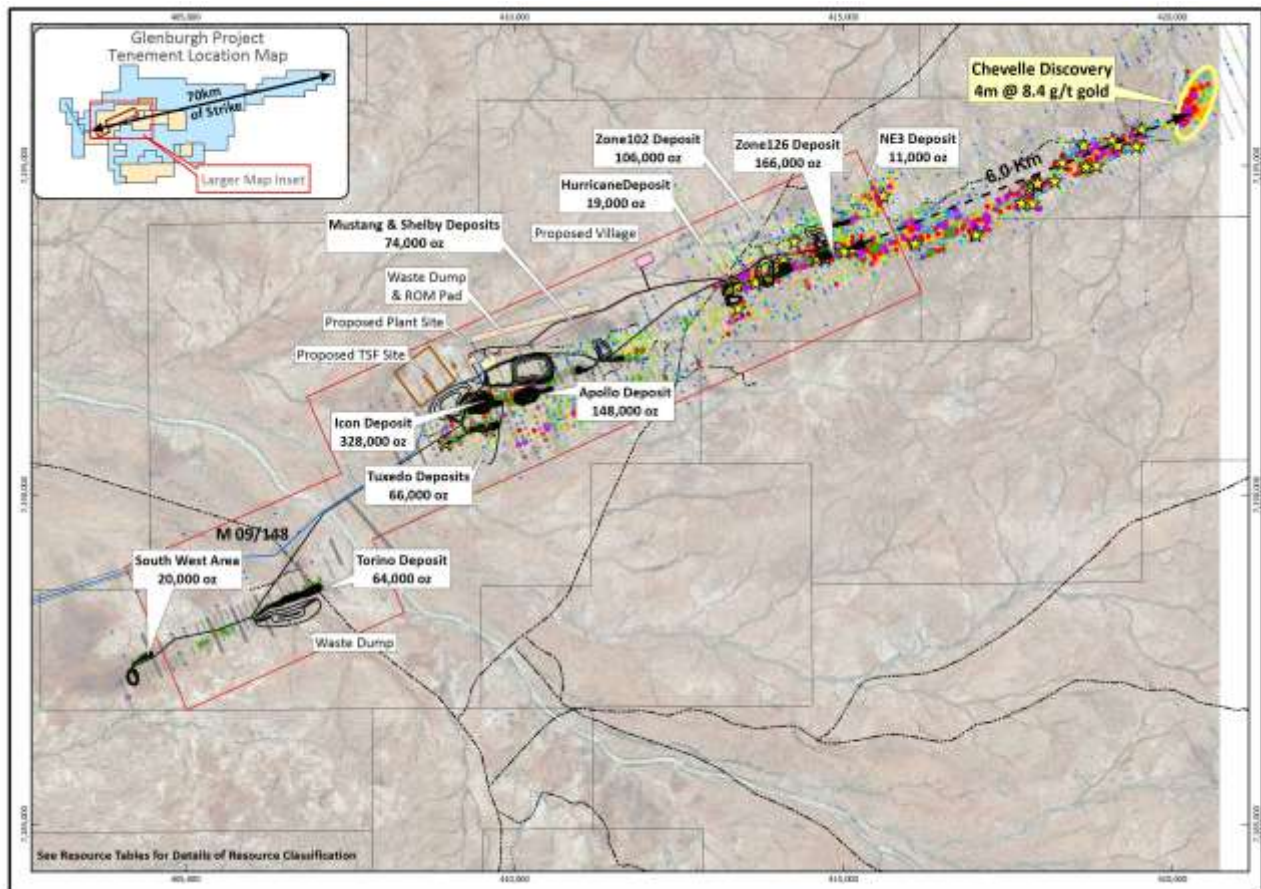


Figure 5: Glenburgh Project, Deposit Locations and Target Overview

Resources

The Measured, Indicated and Inferred JORC 2012 Mineral Resource for the project stands at **21.3Mt @ 1.5 g/t Au for 1 million ounces** (see Table Four for resource classification). This resource was estimated in mid 2014 by RungePincockMinarco, an independent global resource consultancy and has undergone external and internal peer reviews. It excludes additional mineralisation defined by “near mine” drilling completed in 2014. In addition significant exploration potential remains throughout the project. See Figure 5 for the deposit locations and target overview.

Table Four: Summary of the 2014 & 2015 Glenburgh 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 as a result of rounding. Mineral Resources reported on a dry basis

Resource Governance Statement

The Glenburgh resources are reported as at 30 June 2015. There has not been any material change in the Glenburgh Resource since the 2014 Annual Report.

Governance of Gascoyne's Mineral Resources and Ore Reserves development and the estimation process is a key responsibility of the Executive Management of the Company. The Managing Director of the Company oversees the reviews and technical evaluations of the Mineral Resource and Ore Reserve estimates.

The Company has a number of governance arrangements in place to manage the resource estimates in line with industry best practice. All Mineral Resource estimates are prepared by qualified professionals following JORC Code compliant procedures that ensure representative and unbiased samples are obtained with appropriate QA/QC practices in place. Mineral Resource estimates for the Glenburgh deposits are based on information compiled by Mr Shaun Searle, who is a geological consultant employed by RungePincokMinarco Pty Ltd. The results of the estimation are then peer reviewed by both the independent consultants and by Gascoyne Resources.

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 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.

The study has identified a number of key areas that need 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 infill drilling into a resource update.

During the year, significant progress was made towards derisking the project, including preparation of the Mining Proposal, which is one of the last permitting obligations that must be approved before a mining development can commence.

Exploration

During the last 12 months, significant progress was made surrounding the known deposits at Glenburgh, with a substantial increase in the Indicated resources and the initial Measured resource defined on the project. In addition to the extensional drilling a new discovery was made approximately 6km north east of the known resources.

Chevelle Discovery

An initial drill test of a substantial geochemical anomaly 6km along strike from the eastern most resource, the Zone 126 deposit, resulted in the discovery of a new zone of mineralisation. The initial RC drilling intersected up to 4m @ 8.4 g/t gold (see Figure 5). The geochemical trend extends for over 6km, remains open to the north east. Further drilling is required to adequately test this significant gold trend. All the required approvals for the drilling have been received and drilling is expected to be completed in the 2015 – 2016 reporting year.

EGERTON GOLD PROJECT – WESTERN AUSTRALIA

Gascoyne Resources Limited 100%

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

Project Summary

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

Measured, indicated and Inferred JORC (2004) 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 three 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 development project at Glenburgh or any of the nearby gold processing facilities. 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 or another nearby gold processing facility.

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. 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 6).

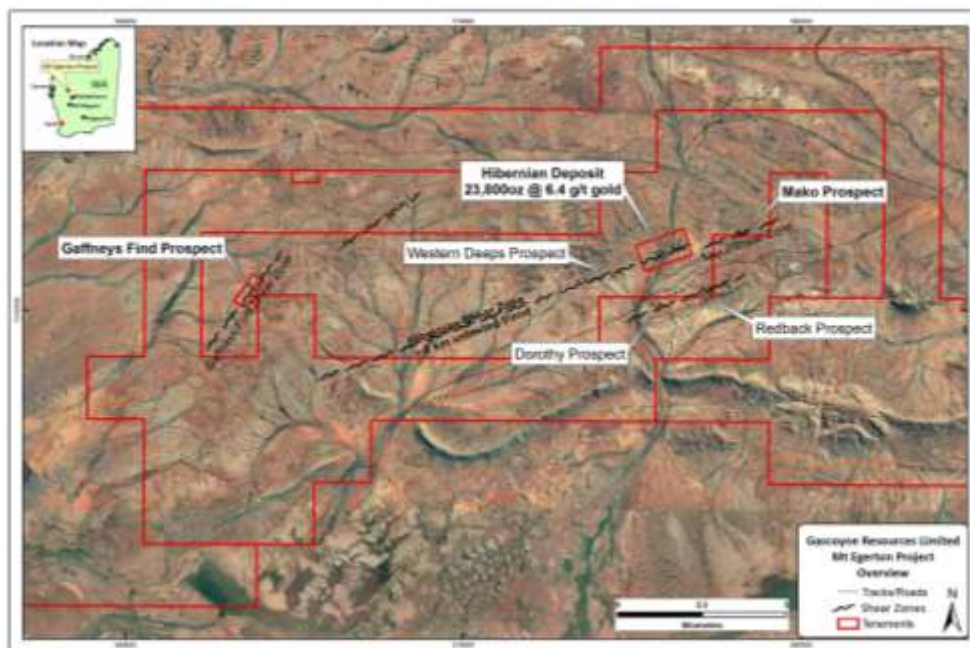


Figure 6: Egerton Project, Tenement Prospect / Deposit Locations

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 Five). 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 Five: Hibernian Deposit Mineral Resource Estimate (2.0 g/t Au Cut-off)

JORC Classification	Tonnes	Au	Au
	Mt	g/t	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

Note: Discrepancies in totals are as a result of rounding, Mineral Resources reported on a dry basis

Resource Governance Statement

The Egerton resources are reported as at 30 June 2015. There has not been any change in the Resource since the 2014 Annual Report.

Governance of Gascoyne's Mineral Resources and Ore Reserves development and the estimation process is a key responsibility of the Executive Management of the Company. The Managing Director of the Company oversees the reviews and technical evaluations of the Mineral Resource and Ore Reserve estimates.

The Company has a number of governance arrangements in place to manage the resource estimates in line with industry best practice. All Mineral Resource estimates are prepared by qualified professionals following JORC Code compliant procedures that ensure representative and unbiased samples are obtained with appropriate QA/QC practices in place. Mineral Resource estimates were last updated in 2005 in accordance with the JORC 2004 code. There has not been any material change since the estimate was completed, as a result it has not been updated to comply with the JORC 2012 code. The 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 concluded that the resources comply with the JORC code and are suitable for public reporting.

Exploration

During the year, a number of drill programmes were undertaken on the project. This drilling was primarily aimed at extending the known mineralisation at the high grade Gaffney's Find prospect.

The 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 2015 titled "High Grade Gold Drill Results at Mt Egerton Project"). The 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 gold**. This intersection lies down dip of the intersection **8m @ 11.4 g/t gold** drilled in 2014 and defines a coherent steeply dipping mineralised zone open at depth (see Figure 7 and 8). Other notable intersections include **9m @ 2.0 g/t gold** from 36m, **2m @ 12.5 g/t gold** from 48m to EOH and **2m @ 5.4 g/t gold**. Gascoyne's recent drilling has now confirmed significant gold mineralisation over 500 metres along strike at Gaffney's Find.

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). Drilling returned up to 3m @ 5.9 g/t gold 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.

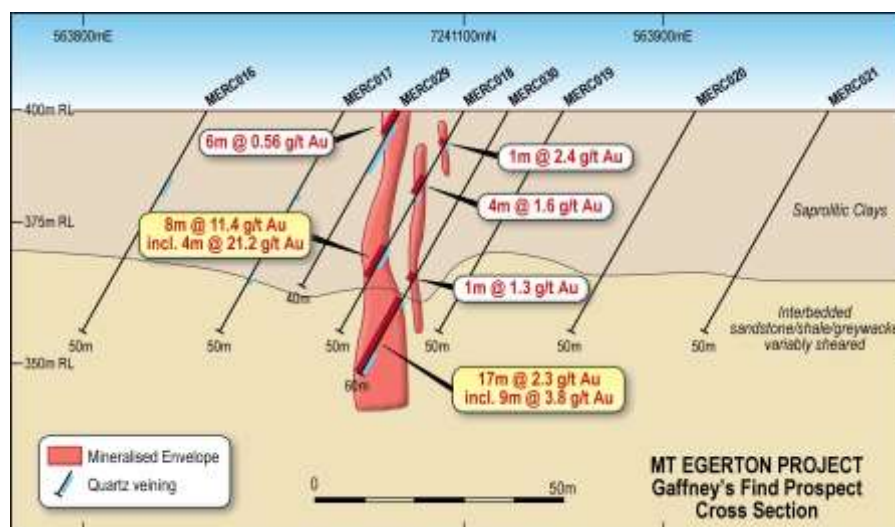


Figure Seven: Gaffney's Find Cross Section

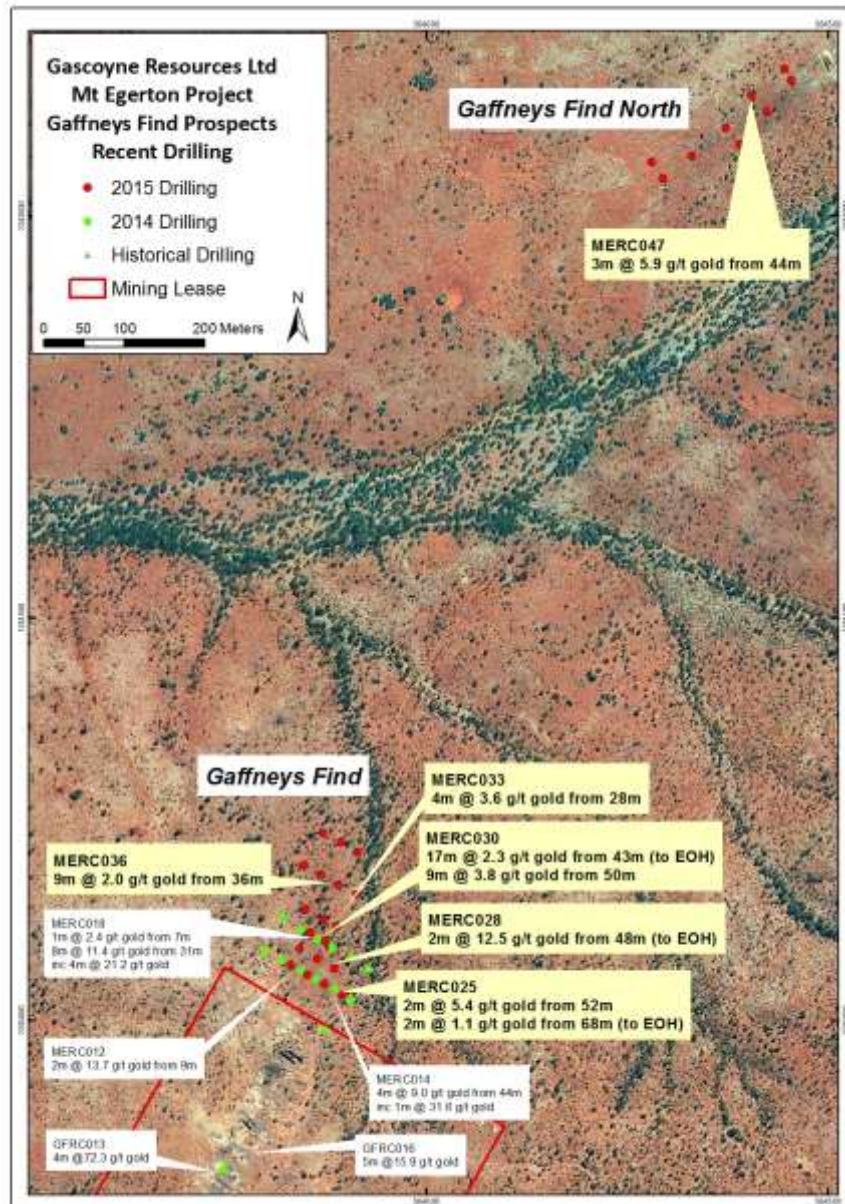


Figure Eight: Egerton Project, Recent RC Drilling at the Gaffney's Find Prospects

OTHER PROJECTS—WESTERN AUSTRALIA

Gascoyne Resources Limited 100%

Gascoyne controls a number of tenements and tenement applications in the Murchison, Pilbara, Gascoyne and Higginsville regions of Western Australia. While the Glenburgh, Dalgarranga and Egerton projects remain 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 North Murchison Region:** A total of three tenements have been granted and two applications lodged in the Murchison region of Western Australia. The tenements extend from the Chesterfield greenstone belt in the north to the Dalgarranga greenstone belt in the south. These tenements 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:** Two 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 south of the Higginsville gold mine, operated by Metals X (MLX). This tenement contains a complexly folded series of ultramafic and mafic rocks, which are transected by a number of regionally significant structures. This area is considered prospective for gold or nickel. The recently discovered Tipan nickel discoveries made by Sirius Resources (SIR) is located along trend to the south east of this tenement highlight the potential of the region.

- The Elphin Bore Area: One new tenement application has been lodged 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.

Competent Persons Statement

Information in this report 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 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.

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. The Group has adopted the third edition of the *Corporate Governance Principles and Recommendations* which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ending 30 June 2015 is dated as at 30 June 2015 and was approved by the Board on 24 September 2015. The Corporate Governance Statement is available on the Gascoyne Resources Limited website at www.gascoyneresources.com.au/corporate-overview/corporate-governance.

Directors' Report

The Directors of Gascoyne Resources Limited (Gascoyne), present their Report together with the financial statements of the consolidated entity, being Gascoyne Resources Limited (the Company) and its Controlled Entities (the Group) for the year ended 30 June 2015.

DIRECTOR DETAILS

The following persons were Directors of Gascoyne Resources Limited during or since the end of the financial year.

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 Giralda Resources NL initially as the Exploration Manager and then as Managing Director.

Other current Directorships:

Zenith Minerals Limited (Appointed 6 December 2006)

Previous Directorships (last 3 years):

None

Interests in shares:

10,783,939

Interests in options:

None

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

Managing Director - Appointed 31 March 2011

Mr Michael Dunbar is a geologist with over 19 years' experience in exploration, resource development and mining projects, both within Australia and overseas. Michael 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.

Michael was involved in the discovery, delineation and development of the +2Moz Thunderbox gold deposit, the discovery and delineation of the Waterloo and Amora 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. Michael'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, Mirabella Nickel, African Energy, Sally Malay Mining (now Panoramic) and Exco Resources.

Other current Directorships:

None

Previous Directorships (last 3 years):

None

Interests in shares:

1,650,000

Interests in options:

2,300,000

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 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.

Other current Directorships:

None

Previous Directorships (last 3 years):

Helix Resources Limited (Appointed 18 July 2006; resigned 30 April 2014)

Rubianna Resources Limited (Appointed 13 September 2011; resigned 30 June 2013)

Interests in shares:

1,063,655

Interests in options:

None

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 Giralda Resources NL, where he was a Director for over 20 years.

Other current Directorships:

Zenith Minerals Limited (Appointed 24 April 2006)

Previous Directorships (last 3 years):

Lion One Australia Pty Ltd (Previously Avocet Resources Limited; appointed 6 October 2005; resigned 5 July 2013)

Interests in shares:

14,565,455

Interests in options:

None

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.

Other current Directorships:

None

Previous Directorships (last 3 years):

Adelaide Resources Limited (Appointed 18 April 2005; resigned 25 November 2014)

Centrex Metals Limited (Appointed 1 March 2003; resigned 20 November 2014)

Helix Resources Limited (Appointed 25 October 2004; resigned 30 September 2013)

Interests in shares:

240,000

Interests in options:

None

PRINCIPAL ACTIVITIES

During the year, the principal activities of entities within the Group were gold and base metal mineral exploration. There has been no significant change in the nature of these activities during the year.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

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

The net consolidated loss of the Group for the financial period, after provision for income tax was \$2,919,248 (2014: \$1,356,178). In light of continuing difficult market conditions the Directors considered it appropriate to impair all non-core exploration assets resulting in an impairment loss of \$2,521,835 (2014: \$1,465,528). During the year, the Group reduced ongoing overhead costs including the rationalisation of tenements, staff and salary reductions, renegotiation of contracted office overheads and minimised marketing activities. Revenue from continuing operations increased during the year from surplus office space that was sub-leased.

A private placement in March 2015 which raised \$1.063m along with the non-refundable \$1m raised from the terminated Monument Heads of Agreement provided funding for the Groups mineral exploration and evaluation activities during the year, detailed in the Review of Operations above.

The Group has no debt and has cash at bank of \$1,202,576 (2014: \$1,007,810).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year, the following share capital issues were made by the Group:

- Monument Mining Limited conditional Heads of Agreement

In September 2014 the Group entered into a conditional Heads of Agreement with Monument Mining Limited (MMY or Monument), a Canadian gold mining company listed on the Toronto Venture Exchange, for the sale of a 50% interest in the Group's key Western Australian gold projects Glenburgh, Dagaranga and Egerton. As a result of a deterioration in market conditions a number of condition precedents were not able to be met and the Heads of Agreement for the proposed transaction was terminated by mutual consent in December 2014. As a result the Group retained control of its advanced Western Australian gold projects and Monument retained its acquired shareholding (4 million shares) in the Company from the initial non-refundable subscription of \$1 million at 25 cents per share.

- Egerton Gold Project acquisition

Also in September 2014 the Group exercised its option for the acquisition of 100% of the Egerton Gold Project from Exterra Resources Limited. The consideration for the option exercise was 4,166,667 Gascoyne shares issued to Exterra Resources Limited (with 67% of the shares escrowed for 6 months) plus 500,000 Gascoyne options, exercisable at \$0.25 within a 3 year term.

- Private Placement

In March 2015 the Group issued 11,814,390 shares for exploration and evaluation activities which resulted in proceeds of \$1.063m.

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 Giralda Resources NL and Red Hill Iron Limited and a Director of Adelphi Energy NL prior to their takeovers.

Other current Directorships:

Entek Energy Limited (Appointed 1 February 2011)

Previous Directorships (last 3 years):

Buru Energy NL (Appointed 22 May 2008; resigned 23 May 2014)

Target Energy Limited (Appointed 1 January 2011; resigned 5 October 2012)

Interests in shares:

7,036,536

Interests in options:

None

COMPANY SECRETARY

Eva O'Malley B.Com, CA, AGIA

Ms O'Malley is a Chartered Accountant, an Associate member of the Governance Institute of Australia and has a degree in Commerce. She was appointed to the position of Accountant and 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.

DIVIDENDS

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

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 studies and ongoing exploration of the Dalgaranga and Glenburgh gold projects, while also investigating the options for the Egerton gold project.

The Group is also investigating the development options for the Dalgaranga gold project following the recent detailed Scoping Study and increases to the Dalgaranga resource base. A Pre-Feasibility study is underway on the project, which if positive, will lead into a Feasibility study.

The preliminary feasibility study for 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, additional growth of the resource base and final environmental permitting. Following these refinements, an update to the feasibility study for the project will be undertaken.

At the Egerton project, investigations into the viability of mining and trucking the high grade Hibernian deposit to a local gold processing facility will be undertaken. If viable, a mining and trucking operation could be implemented relatively quickly which could result in a short to medium term cashflow for the company.

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	Entitled to Attend
G Riley	8	7	2	2	2	2
M Dunbar	8	8	-	-	-	-
J den Dryver	8	8	-	-	-	-
G Dunbar	8	8	2	2	2	2
R M Joyce	8	8	2	2	2	2
S Macdonald	8	7	-	-	-	-

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 Nov 2013	3,900,000	15-Nov-16	\$0.26
Issued 24 September 2014	500,000	24-Sep-17	\$0.25

All options expire on the earlier of their expiry date or within 30 days of termination of the employee's employment for employee incentive options. These options do not entitle the holder to participate in any share issue of the Company. No ordinary shares were issued by the Company as a result of the exercise of options during or since the end of the financial year.

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 the *Corporations Regulations 2001*.

The Remuneration Report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements
4. Share-based remuneration; and
5. Other information

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

The principles of the Group's executive remuneration policy is to ensure that remuneration packages properly reflect the duties and responsibilities of the executive and are sufficient to attract, retain and motivate personnel of the requisite quality. The Board has established a Nomination and Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team.

The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary; and
- short term incentives, being employee share schemes and bonuses

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. The payment of bonuses, share options and other incentive payments are reviewed by the Nomination and Remuneration Committee annually with regard to performance against expectations and market conditions as part of the review of executive remuneration and a recommendation is put to the Board for approval. There is no pre-determined policy regarding any relationship between the Group's performance and the remuneration of key management personnel.

Non-executive director remuneration

Non-executive Directors are remunerated by fees determined by the Board within the aggregate Directors' fee pool limit of \$400,000. 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 Group 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 2013 Annual General Meeting

Gascoyne Resources Limited received 99% of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years.

Item	2015	2014	2013	2012	2011
Loss per share (cents)	(1.7)	(0.9)	(0.2)	(1.0)	(0.6)
Dividends (cents per share)	-	-	-	-	-
Net loss (\$)	(2,919,248)	(1,365,178)	(277,560)	(1,109,772)	(382,347)
Share price (cents)	8	11	14	19	24

b) Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel of the Group and the relative proportions of remuneration that are at risk and those that are fixed are shown in the table below:

		Short term employee benefits		Long term employee benefits	Post employment benefits	Share-based payments		Fixed Remuneration
Employee	Year	Salary & Fees \$	Annual leave movement \$	Long service leave movement \$	Superannuation \$	Options \$	Total \$	%
Executive Director								
M Dunbar	2015	221,454	5,197	42,498	21,038	31,740	321,927	88
Managing Director	2014	260,869	9,947	-	24,130	136,160	431,106	68
Non-Executive Directors								
R Joyce	2015	37,500	-	-	-	-	37,500	
Chairman	2014	50,000	-	-	-	-	50,000	
J den Dryver	2015	25,114	-	-	2,386	-	27,500	
	2014	32,036	-	-	2,964	-	35,000	
G Dunbar	2015	27,500	-	-	-	-	27,500	
	2014	35,000	-	-	-	-	35,000	
S Macdonald	2015	27,500	-	-	-	-	27,500	
	2014	35,000	-	-	-	-	35,000	
G Riley	2015	27,500	-	-	-	-	27,500	
	2014	35,000	-	-	-	-	35,000	
Other Key Management Personnel								
J Goldsworthy	2015	178,310	1,209	-	16,939	-	196,458	100
General Manager – Business Development	2014	208,864	8,446	-	19,320	73,000	309,630	76
E O'Malley	2015	66,000	(3,300)	-	6,270	-	68,970	100
Company Secretary	2014	66,000	2,538	-	6,105	14,600	89,243	83
2015 Total		610,878	3,106	42,498	46,633	31,740	734,855	
2014 Total		722,769	20,931	-	52,519	223,760	1,019,979	

c) Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Employee	Base Salary	Term of Agreement	Notice Period
Michael Dunbar	\$300,000	Unspecified	Six (6) months
Julian Goldsworthy	\$240,000	Unspecified	Three (3) months
Eva O'Malley	\$66,000	Unspecified	One (1) month

Effective 1 April 2014 Mr Dunbar and Mr Goldsworthy voluntarily elected to reduce their salaries by 20%. The difference between their full salaries and their reduced salaries have not been accrued for by the Group during this period of voluntary election, employee entitlements continue to accrue and are paid at full salary rates. At the date of this report these temporary reductions remained in effect.

Ms O'Malley is employed on a 0.4 full time equivalent basis.

d) Share-based remuneration

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the Company's Share Option Plan Rules. The options were provided at no cost to the recipients. 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.

The following table discloses details of options over ordinary shares in the Company held during the financial year by Key Management Personnel of the Group. No options are held by non-executive directors.

Year Ended 30 June 2015	Balance at start of year	Granted as remuneration	Exercised	Forfeited	Bal at end of year	Bal vested at end of year	Vested but not exercisable	Vested and exercisable	Options vested during year
Key Management Personnel	No.	No.	No.	No.	No.	No.	No.	No.	No.
M Dunbar	2,300,000	-	-	-	2,300,000	2,300,000	-	2,300,000	1,150,000
J Goldsworthy	1,500,000	-	-	(500,000)	1,000,000	1,000,000	-	1,000,000	-
E O'Malley	350,000	-	-	(150,000)	200,000	200,000	-	200,000	-
Total	4,150,000	-	-	(650,000)	3,500,000	3,500,000	-	3,500,000	1,150,000

The forfeited options were granted in the financial year ended 30 June 2012.

e) Other information

Shares held by Key Management Personnel

The following table discloses details of ordinary shares in the Company held during the financial year by Key Management Personnel of the Group.

Year Ended 30 June 2015 Key Management Personnel	Balance at start of year No.	Granted as remuneration No.	Received on exercise of options No.	Net other change No.	Balance at end of year No.	Balance held nominally No.
R M Joyce	9,040,407	-	-	1,743,532	10,783,939	-
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	7,036,536	-	-	-	7,036,536	-
J Goldsworthy	3,200,000	-	-	100,000	3,300,000	-
E O'Malley	50,000	-	-	-	50,000	-
Total	36,846,053	-	-	1,843,532	36,689,585	-

Transactions with director-related entities

The company has a services agreement on normal commercial terms and conditions with an entity which Mr Joyce and Mr Macdonald are also directors relating to the sharing of office space and administrative costs. The loss before income tax includes revenue resulting from transactions under this agreement of \$70,023 (2014: \$17,028) and expenses of \$27 (2014: nil) with an amount of nil (2014: \$41) receivable and \$27 (2014: nil) payable at reporting date.

Transactions with directors

The company has an arrangement based on normal commercial terms and conditions with non-executive directors, Mr Joyce, Mr Macdonald and Mr Riley for the provision of a serviced office and parking. The loss before income tax includes revenue resulting from transactions under this arrangement of \$29,875 (2014: \$7,125) with an amount of \$6,750 (2014: \$7,125) receivable at reporting date.

End of audited remuneration report.

OFFICERS' INDEMNITY AND INSURANCE

During the year the Group paid an insurance premium to insure the Directors and Officers of the Company and related bodies corporate. The Officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has agreements 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 Group has not otherwise, during or since the financial year indemnified or agreed to indemnify an officer or auditor of the Group 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 Group for the year ended 30 June 2015.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page [21](#) of the financial report and forms part of this Directors' 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 24th day of September 2015.

Signed in accordance with a resolution of Directors.

On behalf of the Directors.



R M Joyce
Chairman

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**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 2015, 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



M A Petricevic
Partner - Audit & Assurance

Perth, 24 September 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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**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 2015, the consolidated statement of profit or loss and other 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.

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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 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 2015 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.

Emphasis of matter

Without qualifying our opinion, attention is drawn to the following matter. As described in Note 1 in the financial report, the consolidated entity has reported a loss for the period of \$2,919,248 and a cash outflow from operating activities of \$329,350. Whilst the current assets exceed current liabilities by \$655,493, this is not sufficient to meet current commitments of \$1,169,874. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 16 to 18 of the directors' report for the year ended 30 June 2015. 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 2015, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M A Petricevic
Partner - Audit & Assurance

Perth, 24 September 2015

Directors' Declaration

1. In the opinion of the Directors of Gascoyne Resources Limited:
 - a. the consolidated financial statements and notes 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 2015 and of its performance for the financial 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 chief executive officer and chief financial officer for the financial year ended 30 June 2015.
3. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



R M Joyce
Chairman

Dated at Perth this 24th day of September 2015

Consolidated Statement of Financial Position

As of 30 June 2015

	Notes	CONSOLIDATED	
		2015	2014
		\$	\$
Assets			
Current			
Cash and cash equivalents	2	1,202,576	1,007,810
Trade and other receivables	3	74,510	84,223
Total Current Assets		1,277,086	1,092,033
Non-Current Assets			
Property, plant & equipment	6	42,271	84,231
Exploration and evaluation expenditure	7	20,770,703	21,067,798
Other Assets	5	50,000	50,000
Total Non-Current Assets		20,862,974	21,202,029
Total Assets		22,140,060	22,294,062
Liabilities			
Current Liabilities			
Trade and other payables	8	541,043	659,207
Employee benefits	9	80,550	105,006
Total Current Liabilities		621,593	764,213
Non-Current Liabilities			
Employee benefits	9	42,498	-
Total Non-Current Liabilities		42,498	-
Total Liabilities		664,091	764,213
Net Assets		21,475,969	21,529,849
Equity			
Share capital	10	29,416,331	26,622,153
Reserves	11	324,150	401,280
Accumulated losses	12	(8,264,512)	(5,493,584)
Total Equity		21,475,969	21,529,849

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

	Note	CONSOLIDATED	
		2015	2014
		\$	\$
Revenue from continuing operations	13	147,991	90,530
Employment costs	16	(505,119)	(679,955)
Audit and accountancy		(64,944)	(232,908)
Corporate marketing		(37,674)	(95,685)
Depreciation	14	(43,050)	(63,559)
Impairment of exploration and evaluation assets	7	(2,521,835)	(1,465,528)
I T costs		(10,808)	(15,000)
Premises costs		(84,909)	(87,288)
Professional services		(48,464)	(11,622)
Travel expenses		(13,283)	(25,327)
Other expenses		(81,799)	(99,824)
Loss before tax		(3,263,894)	(2,686,166)
Income tax benefit	18	344,646	1,320,988
Loss for the year		(2,919,248)	(1,365,178)
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		(2,919,248)	(1,365,178)
Loss per share			
Basic (cents per share)	20	(1.7)	(0.9)
Diluted (cents per share)	20	(1.7)	(0.9)

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Note	CONSOLIDATED	
		2015	2014
		\$	\$
Operating Activities			
Payments to suppliers and employees		(827,281)	(1,144,307)
Interest received		18,668	58,194
Research and development tax refund		344,646	1,320,988
Other revenue received		134,617	35,081
Net cash provided by operating activities	2(b)	(329,350)	269,956
Investing Activities			
Payments for capitalised exploration & evaluation expenditure		(1,457,763)	(2,482,039)
Payments for project acquisitions		(55,005)	(50,000)
Purchase of property, plant & equipment		(7,294)	(17,720)
Release of security deposits		-	25,000
Net cash used in investing activities		(1,520,062)	(2,524,759)
Financing Activities			
Proceeds from issue of shares/options		2,063,295	-
Share issue costs paid		(19,117)	-
Net cash provided by financing activities		2,044,178	-
Net change in cash and cash equivalents		194,766	(2,254,803)
Cash and cash equivalents, beginning of year		1,007,810	3,262,613
Cash and cash equivalents, end of year	2(a)	1,202,576	1,007,810

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 2015

CONSOLIDATED	Share Capital Ordinary	Options Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
2015				
Balance at the beginning of the financial year	26,622,153	401,280	(5,493,584)	21,529,849
Loss for the year	-	-	(2,919,248)	(2,919,248)
Total comprehensive loss for the year	-	-	(2,919,248)	(2,919,248)
Shares issued during the financial year	2,813,295	-	-	2,813,295
Options issued during the financial year	-	71,190	-	71,190
Share issue costs	(19,117)	-	-	(19,117)
Expiry / cancellation of options	-	(148,320)	148,320	-
Balance at the end of the financial year	29,416,331	324,150	(8,264,512)	21,475,969

CONSOLIDATED	Share Capital Ordinary	Options Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
2014				
Balance at the beginning of the financial year	26,622,153	404,560	(4,384,646)	22,642,067
Loss for the year	-	-	(1,365,178)	(1,365,178)
Total comprehensive loss for the year	-	-	(1,365,178)	(1,365,178)
Issue of employee incentive options	-	252,960	-	252,960
Expiry / cancellation of options	-	(256,240)	256,240	-
Balance at the end of the financial year	26,622,153	401,280	(5,493,584)	21,529,849

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 2015

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 2015 were approved and authorised for issue by the board of Directors on 24 September 2015.

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 realization of assets and settlement of liabilities in the ordinary course of business. As at 30 June 2015, the Group incurred a net loss of \$2,919,248 and in the forthcoming financial year will be required to meet various commitments. At 30 June 2015, the Group's cash position is insufficient 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 Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

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 realization, 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 Profit or Loss and Other Comprehensive Income when the amount to be received is known.

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 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 arrangements

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation. Interest in joint operations are accounted for by recognizing the Group's share of assets, liabilities, revenue and expenditures.

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 lowest 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 reporting 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 wholly 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 wholly 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 reporting 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

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. The Group also earns revenue from the sharing of office space and parking facilities.

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 allowance for impairment.

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 reporting 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 reporting 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 profit or loss and other 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. There is no provision for mine restoration in the current reporting period.

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 \$2.521 million for the financial year, is carried at the end of the reporting period at \$20.771 million.

Options Valuations

Management uses the Black and Scholes valuation technique in determining the fair values of options, the inputs of which, particularly in relation to volatility, are subject to judgement based on historical experience.

q) New and amended standards adopted by the Group in this Financial Report

A number of new or amended statements became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. Information on these new standards which are relevant to the Group are presented below.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014 and has been adopted in this financial report. The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

These amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend the IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 clarify the IASB’s original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014. The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of *International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*. The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

r) Impact of standards issued but not yet applied by the Group

New and revised accounting standards and amendments that are currently issued for future reporting periods that are relevant to the Group include:

AASB 9 Financial Instruments

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The effective date is for annual reporting periods beginning on or after 1 January 2018. Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Company.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

These amendments address a current inconsistency between AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* (2011). The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 *Business Combinations*. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors’ interests is recognised when the assets or subsidiary do not constitute a business. The effective date is for annual reporting periods beginning on or after 1 January 2016. When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

2. CASH AND CASH EQUIVALENTS

a) Reconciliation of Cash

Cash and cash equivalents include the following components:

	CONSOLIDATED	
	2015	2014
	\$	\$
Cash at bank	1,202,576	250,815
Cash on deposit	-	756,995
Total Cash	1,202,576	1,007,810

b) Reconciliation of cash flows from operating activities

	CONSOLIDATED	
	2015	2014
	\$	\$
Loss after income tax	(2,919,248)	(1,365,178)
Non-cash flows in loss		
Depreciation	43,050	63,559
Loss on disposal of fixed assets	-	5,555
Impairment of exploration and evaluation assets	2,521,835	1,465,528
Issuance of options	31,740	252,960
Changes in Net Assets and Liabilities		
(Increase)/Decrease in Assets		
Decrease in trade and other receivables	12,607	48,518
Increase/(Decrease) in Liabilities		
(Decrease) in trade and other payables	(37,376)	(222,647)
Increase in provisions	18,042	21,661
Net cash provided by operations	(329,350)	269,956

c) Non-cash Transactions

During the year, the Group issued 4,166,667 Gascoyne Resources Limited fully paid ordinary shares to Exterra Resources Ltd (with 67% of the shares escrowed for six months) at an issue price of \$0.18 to the value of \$750,000 (previously \$800,000) plus 500,000 Gascoyne Resources Limited options, exercisable at 25 cents within a three year term shares to acquire a 100% interest (subject to minor pre-existing royalties) in the Egerton Gold Project.

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2015	2014
	\$	\$
Prepayments	36,455	33,843
Interest Receivable	231	655
Other	37,824	49,725
Total Current Receivables	74,510	84,223

There are no unimpaired trade receivables that are past due (2014: nil).

4. FINANCIAL ASSETS

Interests in subsidiaries

Name of Subsidiary	Country of Incorporation	Percentage Held 2015	Percentage Held 2014
Gascoyne Resources (WA) Pty Ltd	Australia	100%	100%
GNT Resources Pty Ltd	Australia	100%	100%
Egerton Exploration Pty Ltd	Australia	100%	100%

Joint arrangements

Name of Joint Arrangements	Principle Place of Business	Percentage of Ownership Interest	
		2015	2014
Dalgaranga Joint Ventures	Perth, Australia	80%	80%

The Dalgaranga Joint Ventures activities are the exploration of the joint venture areas for minerals and if warranted to develop and mine minerals within the joint venture areas. 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.

5. OTHER ASSETS

	CONSOLIDATED	
	2015	2014
	\$	\$
Non-Current		
Security Deposits	50,000	50,000
Total Other Assets – Non-Current	50,000	50,000

6. PROPERTY, PLANT AND EQUIPMENT

2015	Plant & Equipment	Motor Vehicles	CONSOLIDATED
			Total
	\$	\$	\$
Gross Carrying Amount			
Balance at 1 July 2014	143,366	171,003	314,369
Additions	1,090	-	1,090
Balance at 30 June 2015	144,456	171,003	315,459
Accumulated Depreciation			
Balance at 1 July 2014	99,919	130,219	230,138
Depreciation	17,966	25,084	43,050
Balance at 30 June 2015	117,885	155,303	273,188
Net Book Value			
30 June 2015	26,571	15,700	42,271

2014	Plant & Equipment	Motor Vehicles	CONSOLIDATED
			Total
	\$	\$	\$
Gross Carrying Amount			
Balance at 1 July 2013	137,497	171,003	308,500
Additions	23,924	-	23,924
Disposals	(18,055)	-	(18,055)
Balance at 30 June 2014	143,366	171,003	314,369
Accumulated Depreciation			
Balance at 1 July 2013	86,861	92,218	179,079
Disposals	(12,500)	-	(12,500)
Depreciation	25,558	38,001	63,559
Balance at 30 June 2014	99,919	130,219	230,138
Net Book Value			
30 June 2014	43,447	40,784	84,231

7. EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED	
	2015	2014
	\$	\$
Non-Current		
Balance at beginning of the financial year	21,067,798	19,866,619
Share-based payment	789,450	-
Expenditure incurred during the year	1,435,290	2,666,707
Impairment losses	(2,521,835)	(1,465,528)
Balance at the end of the financial year	20,770,703	21,067,798

During the year the Group extended its exclusive option period for a consideration of \$50,000 deducted from the final exercise price and then exercised its option to acquire a 100% interest (subject to minor pre-existing royalties) in the project. Consideration for the exercise was the issue of 4,166,667 Gascoyne Resources Limited fully paid ordinary shares to Exterra Resources Ltd (with 67% of the shares escrowed for six months) at an issue price of \$0.18 to the value of \$750,000 (previously \$800,000) plus 500,000 Gascoyne Resources Limited options, exercisable at 25 cents within a three year term.

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 Group's and independent geological reports. Impairment losses have been recognised in relation to a number of projects following a rationalisation of tenements to reduce tenement holding costs and annual commitments where drilling and exploration expenditure has not resulted in a discovery of significance. The impairment recognised relates to the costs capitalised on the tenements relinquished during the period.

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	
	2015	2014
	\$	\$
Current		
Trade payables	541,043	659,207
Total Trade and Other Payables - Current	541,043	659,207

9. EMPLOYEE BENEFITS

	CONSOLIDATED	
	2015	2014
	\$	\$
Current		
Annual leave	80,550	105,006
Total Employee Benefits - Current	80,550	105,006
Non-Current		
Long service leave	42,498	-
Total Employee Benefits – Non- Current	42,498	-

10. SHARE CAPITAL

	CONSOLIDATED	
	2015	2014
	\$	\$
178,250,577 Fully Paid Ordinary Shares (2014: 158,269,520 Fully Paid Ordinary Shares)	29,416,331	26,622,153
Balance at end of financial year	29,416,331	26,622,153

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

	2015		2014	
	No.	\$	No.	\$
Fully Paid Ordinary Shares				
Balance at beginning of financial year	158,269,520	26,622,153	158,269,520	26,622,153
Issue under share-based payments (i)	4,166,667	750,000	-	-
Issue of shares at 25 cents each (ii)	4,000,000	1,000,000	-	-
Issue of shares at 9 cents each (iii)	11,814,390	1,063,295	-	-
Share Issue Costs		(19,117)		-
Balance at end of financial year	178,250,577	29,416,331	158,269,520	26,622,153

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

(ii) Monument Mining Limited subscription.

(iii) Private Placement.

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. RESERVES

	CONSOLIDATED	
	2015	2014
	\$	\$
OPTION RESERVE		
Balance at beginning of financial year	401,280	404,560
Issue of Gascoyne Options	39,450	-
Issue of Employee Incentive Options	31,740	252,960
Transfer to Accumulated losses on expiry / cancellation of options	(148,320)	(256,240)
Balance at end of financial year	324,150	401,280

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

12. ACCUMULATED LOSSES

	CONSOLIDATED	
	2015	2014
	\$	\$
Balance at beginning of financial year	(5,493,584)	(4,384,646)
Transfer from Options Reserve	148,320	256,240
Net Loss attributable to members of the parent entity	(2,919,248)	(1,365,178)
Balance at end of financial year	(8,264,512)	(5,493,584)

13. REVENUE

Loss before Income Tax includes the following items of revenue:

	CONSOLIDATED	
	2015	2014
	\$	\$
Operating Activities		
Interest Revenue	18,244	55,295
Other Revenue	129,747	35,235
Total Operating Revenue	147,991	90,530

14. LOSS FOR THE YEAR
Expenses

	CONSOLIDATED	
	2015	2014
	\$	\$
Depreciation of non-current assets: Property, plant and equipment	43,050	63,559
Loss on disposal of fixed assets	-	5,555
Impairment of exploration and evaluation expenditure	2,521,835	1,465,528
Operating lease rental expenses: Minimum lease payments	137,882	149,763
Loss for the year	2,919,248	1,365,178

15. COMMITMENTS
a) Operating Lease Commitments

	CONSOLIDATED	
	2015	2014
	\$	\$
Not later than 1 year	110,524	103,056
Later than 1 year but not later than 2 years	82,190	-
Later than 2 years but not later than 5 years	20,313	-
	213,027	103,056

The Group has a two year lease for office premises that commenced on 1 March 2015 and a three year lease for storage that commenced on 1 April 2015. The Group also has an operating lease for rental of a photocopier that expires on 31 January 2019.

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 \$144,640 and exploration expenditure of \$1,025,234.

16. EMPLOYEE REMUNERATION

a) Employment Costs

Expenses recognised for employee benefits are analysed below:

	CONSOLIDATED	
	2015	2014
	\$	\$
Salaries and wages	927,105	1,219,260
Share-based payments	31,740	252,960
Superannuation	73,704	95,654
Other employment costs	42,628	35,663
	1,075,177	1,603,537
Salaries and wages allocation to exploration	(535,486)	(868,971)
	539,691	734,566

b) Share-based Employee Remuneration

At 30 June 2015 there are 3,900,000 (2014: 4,800,000) employee options outstanding; being 3,900,000 employee options that were issued to the Managing Director and staff in November 2013. On 31 August 2014, 900,000 employee options that were issued to staff in September 2011 expired unexercised.

Share options carry no rights to dividends and no voting rights. 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.

3,900,000 employee options issued on 15th November 2013

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 15 November 2016 and are exercisable at \$0.26 each;
- 2,750,000 of the Incentive Options vest immediately and 1,150,000 in 12 months' time;
- a share price of \$0.17. This has been based on the share price at grant date;
- a volatility factor of 80% based on historical price information;
- an interest rate of 3.00%;
- the valuations ascribed to the Incentive Options may not necessarily represent the market price of the Incentive Options at the date of the valuation;
- the valuation date for the Incentive Options was the grant date of 14th November 2013; and
- no performance conditions exist.

The notional value determined for each Incentive Option was \$0.073.

900,000 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:

	2015		2014	
	No.	Weighted average exercise price	No.	Weighted average exercise price
Balance at beginning of financial year	4,800,000	\$0.29	2,800,000	\$0.40
Cancelled during the financial year (i)	-	-	(100,000)	(\$0.40)
Expired during the financial year (ii)	(900,000)	(\$0.40)	(1,800,000)	(\$0.40)
Granted during the financial year (iii)	-	-	3,900,000	\$0.26
Exercised during the financial year	-	-	-	-
Balance at end of financial year (iv)	3,900,000	\$0.26	4,800,000	\$0.29
Exercisable at end of financial year	3,900,000	\$0.26	3,650,000	\$0.29

(i) Cancelled during the financial year

No options were cancelled during the year ended 30 June 2015.

Cancelled during the year ended 30 June 2014

Options Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price \$	Fair value at grant date
Issued 15 Sept 2011	100,000	100,000	-	12-Sep-11	31-Aug-14	\$0.40	\$0.1648 per option

(ii) Expired during the financial year

Expired during the year ended 30 June 2015

Options Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price \$	Fair value at grant date
Issued 15 Sept 2011	900,000	900,000	-	12-Sep-11	31-Aug-14	\$0.40	\$0.1648 per option

Expired during the year ended 30 June 2014

Options Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price \$	Fair value at grant date
Issued 15 Sept 2011	1,800,000	1,800,000	-	16-Nov-11	16-Nov-13	\$0.40	\$0.1332 per option

(iii) Granted during the financial year

No options were granted during the year ended 30 June 2015.

Granted during the year ended 30 June 2014

Options Series	No.	Grant Date	Expiry Date	Exercise Price \$	Fair Value Received \$
Issued 15 Nov 2013	3,900,000	14-Nov-13	15-Nov-16	\$0.26	-

(iv) Balance at end of the financial year

Options Series	No.	Vested	Unvested	Weighted average remaining contract life	Grant Date	Expiry Date	Exercise Price \$	Fair value at grant date
Issued 15 Nov 2013	3,900,000	3,900,000	-	1.4 years	14-Nov-13	15-Nov-16	\$0.26	\$0.073 per option

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. The amounts are disclosed in remuneration in respect of the financial years over which the entitlement was earned.

17. RELATED PARTY TRANSACTIONS

a) Transactions with key management personnel

The company has a services agreement on normal commercial terms and conditions with an entity which Mr Joyce and Mr Macdonald are also directors relating to the sharing of office space and administrative costs. The loss before income tax includes revenue resulting from transactions under this agreement of \$70,023 (2014: \$17,028) and expenses of \$27 (2014: nil) with an amount of \$2,553 (2014: \$41) receivable and \$29 (2014: nil) payable at reporting date.

The company has an arrangement based on normal commercial terms and conditions with non-executive directors, Mr Joyce, Mr Macdonald and Mr Riley for the provision of a serviced office and parking. The loss before income tax includes revenue resulting from transactions under this arrangement of \$29,875 (2014: \$7,125) with an amount of \$7,425 (2014: \$7,125) receivable at reporting date.

b) Remuneration of key management personnel

Key management of the Group are the Board of Directors, General Manager - Business Development and Company Secretary. Key Management Personnel remuneration includes the following expenses:

	2015 \$	2014 \$
Short term employee benefits – salary and fees	610,878	722,769
Post-employment benefits - superannuation	46,633	52,519
Share-based payments	31,740	223,760
	689,251	999,048

18. INCOME TAX

	CONSOLIDATED	
	2015 \$	2014 \$
Accounting loss before tax from continuing operations	(3,263,894)	(2,686,166)
Accounting loss before tax from discontinuing operations	-	-
Accounting loss before tax	(3,263,894)	(2,686,166)
Reconciliation of Income Tax Expense / (Benefit) to Accounting Loss		
Prima facie tax (benefit) at Australian income tax rate of 30%	(979,168)	(805,850)

	CONSOLIDATED	
	2015	2014
	\$	\$
Adjusted for tax effect of following:		
- employee incentive options	9,522	75,888
- entertainment	475	1,573
- capital raising costs put to equity	(16,467)	(47,794)
- research and development tax refund	(344,646)	(1,320,988)
- research and development expenditure	229,713	880,658
- income tax expense not brought to account	755,925	(104,475)
Income tax expense / (benefit)	(344,646)	(1,320,988)
Statement of Profit or Loss and Other Comprehensive Income		
Current income tax (benefit)		-
Research and development tax credit	(344,646)	(1,320,988)
<u>Deferred income tax</u>		
Relating to origination and reversal of temporary differences	350,375	(341,552)
Deferred tax liability offset by deferred tax asset losses	(336,696)	358,211
Temporary differences not recognised in the current period	(13,679)	(16,559)
Income tax expense / (benefit) reported in statement of comprehensive income	(344,646)	(1,320,988)
Recognised Deferred Tax Balances:		
Deferred tax asset losses	5,921,501	6,258,197
Deferred tax liability for exploration and evaluation expenditure	(5,921,501)	(6,258,197)
Net recognised deferred tax assets	-	-
Unrecognised Deferred Tax Balances:		
Deferred tax asset losses	1,373,116	630,870
Deferred tax assets other	44,858	42,519
Deferred tax liabilities	(10,352)	(21,693)
Net unrecognised deferred tax assets	1,407,622	651,696

19. SEGMENT INFORMATION

The Group has no business segments.

20. EARNINGS PER SHARE

	CONSOLIDATED	
	2015	2014
	Cents Per share	Cents Per share
Basic loss per share	(1.7)	(0.9)
Diluted loss per share	(1.7)	(0.9)

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:

	CONSOLIDATED	
	2015	2014
	\$	\$
Earnings / (loss) (a)	(2,919,248)	(1,365,178)
	No.	No.
Weighted average number of ordinary shares (b)	167,729,430	158,269,520

(a) Earnings used in the calculation of basic and diluted loss per share is net loss after tax of \$2,919,248 (2014: \$1,312,968).

(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:

	CONSOLIDATED	
	2015	2014
	No.	No.
Executive options	3,900,000	4,800,000
Gascoyne options	500,000	-

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

	Floating Interest Rate Maturity					Total
	Average Interest Rate	Fixed Interest Rate	Less than 1 year	More than 1 Year	Non Interest Bearing	
	%	\$	\$	\$	\$	\$
2015						
Financial Assets						
Other receivables		-	-	-	74,510	74,510
Cash and cash equivalent assets	1.69	1,198,122	-	-	4,454	1,202,576
Security deposits and deposits at financial institutions	2.45	-	-	50,000	-	50,000
		1,198,122	-	50,000	78,964	1,327,086
Financial Liabilities						
Trade payables (all payable in 30 days)		-	-	-	541,043	541,043
		-	-	-	541,043	541,043
2014						
Financial Assets						
Other receivables		-	-	-	84,223	84,223
Cash and cash equivalent assets	2.49	96,990	756,994	-	153,826	1,007,810
Security deposits and deposits at financial institutions	3.66	-	-	50,000	-	50,000
		96,990	756,994	50,000	238,049	1,142,033
Financial Liabilities						
Trade payables (all payable in 30 days)		-	-	-	659,207	659,207
		-	-	-	659,207	659,207

a) 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.

(i) Interest Rate Risk

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

At 30 June 2015, 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 \$25,052 (2014: \$21,156) and an increase in equity by \$25,052 (2014: \$21,156). 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 \$25,052 (2014: \$21,156) and a decrease in equity by \$25,052 (2014: \$21,156).

(ii) 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.

(iii) Credit Risk

Credit Risk refers to the risk that a 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.

b) 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).

22. EMPLOYEE BENEFITS

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

	CONSOLIDATED	
	2015	2014
	\$	\$
Provision for employee benefits:		
Current (Note 9)	80,550	105,006
Non-Current (Note 9)	42,498	-
	No.	No.
Number of employees at end of financial year	4	6

23. CONTINGENT LIABILITIES

The Group has bank guarantees to the value of \$50,000 (reduced to \$30,002 subsequent to reporting date) to secure a credit card facility.

24. REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2015	2014
	\$	\$
Auditor of the Parent Entity		
Audit and review of financial report	26,000	24,875

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

25. GASCOYNE RESOURCES LIMITED PARENT COMPANY INFORMATION

	2015	2014
	\$	\$
Assets		
Current Assets	1,275,895	1,092,033
Non-current Assets	20,864,165	21,202,029
Total Assets	22,140,060	22,294,062
Liabilities		
Current Liabilities	288,300	764,213
Non-current Liabilities	375,791	-
Total Liabilities	664,091	764,213
Equity		
Issued Capital	29,416,331	26,622,153
Accumulated Losses	(8,264,512)	(5,493,584)
Reserves		
Options Reserve	324,150	401,280
Total Equity	21,475,969	21,529,849
Financial Performance		
Loss for the year	(1,507,678)	(1,365,178)
Other comprehensive income	-	-
Total Comprehensive Income	(1,507,678)	(1,365,178)

26. SUBSEQUENT EVENTS

The Directors are not aware of any matter or circumstance that has arisen since 30 June 2015 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.

ASX Additional Information

Additional information required by the Australian Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as of 23 September 2015.

Registered Office and Principal Place of Business

Level 2, 33 Ord Street
West Perth WA 6005
Tel (08) 9481 3434

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	459	153,278
1,001 – 5,000	264	709,176
5,001 – 10,000	207	1,586,426
10,001 – 100,000	484	16,341,771
100,000 and over	152	159,459,926
Total	1,566	178,250,577

There were 792 holders of less than a marketable parcel of shares.

Voting Rights

Ordinary shares: On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote in accordance with the Company's Constitution.

Options: No voting rights.

Substantial Shareholders

Shareholder	Number of Ordinary Shares	% of Issued Capital
J P Morgan Nominees Australia Limited	16,806,633	9.43
Stanley Macdonald and associated entities	14,565,455	8.17
Citicorp Nominees Pty Limited	12,641,288	7.09
National Nominees Limited	11,982,428	6.72
Rodney Michael Joyce and associated entities	10,783,939	6.05

Directors' Interest in Share Capital

Director	Fully Paid Ordinary Shares	Staff Options
Stanley Macdonald	14,565,455	-
Rodney Michael Joyce	10,783,939	-
Graham Riley	7,036,536	-
Michael Dunbar	1,650,000	2,300,000
Gordon Dunbar	1,063,655	-
John den Dryver	240,000	-
Total	35,339,585	2,300,000

Twenty Largest Shareholders

Shareholder	Number of Ordinary Shares	% of Issued Capital
J P Morgan Nominees Australia Limited	16,806,633	9.43
Stanley Macdonald and associated entities	14,565,455	8.17
Citicorp Nominees Pty Limited	12,641,288	7.09
National Nominees Limited	11,982,428	6.72
Rodney Michael Joyce and associated entities	10,783,939	6.05
Graham Riley and associated entities	7,036,536	3.95
AM Riley <A M Riley Super Fund A/C>	6,796,535	3.81
Monument Mining Limited	4,000,000	2.24
Jaime Anthony McDowell	3,500,000	1.96
William Henry Hernstadt	3,407,810	1.91
Julian Goldsworthy	3,300,000	1.85
UBS Wealth Management Australia Nominees Pty Ltd	2,939,403	1.65
Struven Nominees Pty Ltd	2,605,183	1.35
Murchison Gold Mines Pty Ltd	2,400,000	1.35
Gregory Peacock	2,308,570	1.29
HSBC Custody Nominees (Australia) Limited	2,289,094	1.28
Yandal Investments Pty Ltd	2,185,692	1.23
Nefco Nominees Pty Ltd	2,000,000	1.12
Pakasoluto Pty Limited <Barkl Family Super Fund A/C>	2,000,000	1.12
Michael and Jodi Dunbar	1,650,000	0.98
Top 20 Total	115,198,566	64.55

Tenement Schedule

Tenement	Name	Mineral	Ownership
ELA09/2142	Bassit Bore	Gold	100% Gascoyne Resources
ELA51/1681	Beebyn	Gold	100% Gascoyne Resources
ML59/749	Dalgaranga	Gold	80% Gascoyne Resources
ELA21/184	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1709	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1904	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1905	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1906	Dalgaranga	Gold	80% Gascoyne Resources
ELA59/2150	Dalgaranga	Gold	100% Gascoyne Resources
L59/141	Dalgaranga	Gold	80% Gascoyne Resources
L59/142	Dalgaranga	Gold	80% Gascoyne Resources
ELA52/3218	Elphin Bore	Gold	100% Gascoyne Resources
ML09/148	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
EL09/2025	Glenburgh	Gold	100% Gascoyne Resources
L09/56	Glenburgh	Gold	100% Gascoyne Resources
L09/62	Glenburgh	Gold	100% Gascoyne Resources
L09/65	Glenburgh	Gold	100% Gascoyne Resources
EL15/1286	Higginsville	Gold	100% Gascoyne Resources
EL15/1297	Higginsville	Gold	100% Gascoyne Resources
ML52/343	Mt Egerton	Gold	100% Gascoyne Resources
ML52/567	Mt Egerton	Gold	100% Gascoyne Resources
EL52/2117	Mt Egerton	Gold	100% Gascoyne Resources
EL52/2515	Mt Egerton	Gold	100% Gascoyne Resources
EL52/2866	Mt Egerton	Gold	100% Gascoyne Resources
ELA09/2111	Mt James	Gold	100% Gascoyne Resources
ELA52/3299	Mt James	Gold	100% Gascoyne Resources
EL20/799	Murchison	Gold	100% Gascoyne Resources
ELA51/1648	Murchison	Gold	100% Gascoyne Resources

EL Exploration Licence ELA Exploration Licence Application ML Mining Licence
 P Prospecting Licence PLA Prospecting Licence Application
 L Miscellaneous Licence LA Miscellaneous Licence Application