



## HIGHLIGHTS

During the Quarter, a conditional Heads of Agreement was signed with Monument Mining Limited (TSX-V - MMY) to form an exploration and development alliance resulting in the:

- **Sale of a 50% Stake in Gascoyne's Key Gold Projects (Glenburgh, Dalgaranga and Egerton)**
- **A Series of Premium Placements Raising at least \$ 7.5million over the next Twelve Months**
- **Exploration and Development JVs (50:50) to be formed:**
  - Gascoyne to manage exploration activities (jointly funded)
  - Monument Mining to manage development and mining operations
  - Gascoyne's share of capital costs carried through development and into production

## TECHNICAL:

During the quarter Gascoyne completed a series of drill programmes on the Egerton and Glenburgh gold projects. The drilling was a combination of RC and aircore drilling, testing a number of high priority targets. Additionally the Glenburgh Gold Resource was updated to conform to the JORC 2012 code.

Progress is summarised below:

### Egerton Project

- Purchase of the project was completed during the quarter. This resulted in the issue of \$750,000 worth of GCY shares and 500,000 25c options being issued to Exterra Resources Limited
- Gascoyne's first drill programme on the project was completed during the quarter. This drilling discovered a high grade extension to the Gaffney's Find prospect. Intersections include:
  - **8m @ 11.4 g/t gold from 31m, including 4m @ 21.2 g/t gold**
  - **4m @ 9.0g/t gold from 44m, including 1m @ 31.6 g/t gold**
  - **2m @ 13.7 g/t gold from 9m**

The mineralisation remains open along strike and at depth. Follow up targeted geochemical sampling has been completed. Results are pending.

- Initial drill testing of a major soil anomaly at the Mako prospect intersected significant gold mineralisation **including 7m @ 2.1 g/t gold from 40m.**

### Glenburgh Project

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

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

- An initial drill test of a significant geochemical target, approximately 6km to the north east of the known Glenburgh gold resources was completed during the quarter. This programme resulted in the discovery of the **Chevelle Prospect**, where drilling intersected **4m @ 8.4 g/t gold from 44m downhole**. This prospect remains open at depth and along strike.

## CORPORATE:

- The company's cash reserves were **\$1.1 million** at the end of the quarter.
- The Company's Annual report, notice of Annual General Meeting (AGM) and proxy forms were distributed to shareholders
- AGM scheduled for Wednesday 19<sup>th</sup> November 2014.

### CORPORATE DETAILS

ASX Code: GCY  
Shares: 166M  
Share Price: 13c  
Market Cap: \$21 M

### ASSETS

Cash: \$1.1 M  
Glenburgh (100%) 1.0M oz Gold  
Dalgaranga (80%) 740,900 oz Gold  
Egerton (100%) 24,000oz Gold

### BOARD

Non-Executive Chairman  
Mike Joyce

Managing Director  
Michael Dunbar

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

### CONTACT DETAILS

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## **REVIEW OF OPERATIONS**

The company is committed to the exploration and development of its advanced exploration projects, which host a combined 1.76 million ounces of gold on granted mining leases within Western Australia. As part of this commitment, on the 5<sup>th</sup> of September, the company entered into a conditional Heads of Agreement which will result in the sale of 50% of the advanced projects to an established and successful Canadian gold mining company – Monument Mining Limited (MMY), which is listed on the Toronto Venture Exchange (“TSX-V”) for C\$25million (comprising 100 million MMY shares- a 19.6% stake). The alliance with MMY is cemented by 50:50 Joint Venture Arrangements, with Gascoyne to manage the jointly funded exploration phase and MMY to carry Gascoyne’s share of mine development costs only repayable from production revenue. In addition MMY has agreed to obtain and maintain up to a matching 19.6% stake in Gascoyne through a series of placements in the Company (as announced to the 5<sup>th</sup> of September).

### **Gascoyne JV Properties Acquisition**

Pursuant to the Heads of Agreement, MMY has agreed to acquire a 50% interest in the Dalgaranga, Glenburgh and Mt. Egerton projects (“Joint Venture Properties”) from Gascoyne subject to certain conditions through three separate unincorporated joint venture arrangements. The terms for three separate joint venture agreements to be entered into on completion of the acquisition will allow MMY to be the manager in respect of mine development and mining operations on the properties and Gascoyne to be the manager in respect of exploration of the projects. Gascoyne and MMY will jointly fund the exploration activities, while Gascoyne will be carried to production with MMY to meet Gascoyne’s share of mine development costs through a participant loan only repayable from 80% of Gascoyne’s share of production revenue.

The consideration for the 50% interests in the Dalgaranga, Glenburgh and Egerton properties is C\$25, million comprising 100 million MMY fully paid common shares at a deemed issue price of C\$0.25 per share.

### **Gascoyne Private Placement**

In addition, MMY has agreed to purchase aggregate 20 million Gascoyne ordinary shares at A\$0.25 per share (a 75% premium to 5 day VWAP share price of A\$0.143) for total \$A5 million through a private placement, subject to the ASX acceptance or shareholders’ approval when required, of which 4 million Gascoyne shares have been issued at A\$0.25, resulting in a capital injection into the company of \$1.0 million. The remaining 16 million Gascoyne ordinary shares shall be subscribed for and issued within 10 days of closing of the Proposed Transaction. MMY will purchase another A\$2.7 million of Gascoyne ordinary shares at A\$0.29 per shares within 12 months after the date of closing the Proposed Transaction with the intention of allowing MMY to obtain 15.31% of the entire issued capital of the Company. The funds generated by Gascoyne from these private placements will allow the Company to implement exploration programs on the joint venture properties and fund Gascoyne’s share of exploration expenditure.

Subject to completion of the placements mentioned above, Gascoyne has agreed to issue 10.25 million options exercisable at \$0.29 each within 12 months after completion of the last placement such that MMY can acquire by exercise of those options a 19.6% stake in Gascoyne. It is expected that a nominee of Gascoyne will be appointed to the board of directors of MMY; and a nominee of MMY will be appointed to the board of directors of Gascoyne.

The Heads of Agreement is subject to execution of the formal agreements and a number of other conditions, including obtaining all regulatory approvals from ASX, TSX-V, FIRB and shareholders’ approval where required, satisfactory completion by each party of due diligence, obtaining various consents and waivers from Gascoyne’s current JV partners, the exercise of the option to acquire the Mt Egerton project and completion of a concurrent capital raising of C\$25 million by MMY. Mutual due diligence is well advanced and both MMY and the Company are progressing satisfaction of conditions.

In addition to the alliance with Monument (mentioned above), exploration has continued on the Company’s projects. Exploration drill programmes have resulted in the discovery of high grade mineralisation at Egerton and Glenburgh. The Glenburgh Resource has also been updated during the quarter, resulting in the identification of a High Grade core of over 2.0Mt @ 4.1 g/t gold for 273,000 ounces within the 1.0 million ounce gold resource and the maiden Measured Mineral Resource on the project.

Details of the exploration progress during the quarter include:

## Egerton Project

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

During the quarter, the company completed the purchase of the project. This resulted in the issue of 4,166,667 Gascoyne shares to Exterra Resources Ltd (with 67% of the shares escrowed for 6 months) plus 500,000 Gascoyne options, exercisable at 25c within a 3 year term. Completion of this purchase was one of the conditions precedent to the Monument Mining alliance.

During the quarter the first drill programme on the Egerton Project for over 9 years was completed. The drilling targeted extensions to the Gaffney's Find prospect and an initial test of a portion of the Mako soil anomaly (see Figures 2-4). As reported to the ASX on the 20<sup>th</sup> of July and 1<sup>st</sup> of September 2014, the drilling intersected significant high grade mineralisation up to 72.9 g/t gold. Results included:

### Gaffney's Find Prospect:

- 8m @ 11.4 g/t gold from 31m, including 4m @ 21.2 g/t gold
- 4m @ 9.0g/t gold from 44m, including 1m @ 31.6 g/t gold
- 2m @ 13.7 g/t gold from 9m

### Mako Prospect:

- 7m @ 2.1 g/t gold from 40m

## Forward Programme:

Additional drilling is currently being planned at both the Gaffney's Find and Mako prospects as well as along the 8km Hibernian shear zone which hosts the high grade Hibernian Gold Deposit. This drilling is likely to be a combination of infill drilling (between and along the current drill lines) as well as extensional drilling along strike along the mineralised trends and at depth.

Detailed soil sampling has commenced focussed on sampling along the Gaffney's Find trend to help delineate the mineralised structure and better target further exploration drilling.

## Glenburgh

M09/148, E09/1325, 1764, 1865, 1866, 1946, 1947 & 2025, ELA09/2090, L09/56 & LLA09/62 -100% Gascoyne

During the quarter an update to the Glenburgh Mineral Resource estimate was completed to include the drilling completed during 2013. The new (JORC 2012) Measured, Indicated and Inferred Mineral Resource estimate has confirmed Glenburgh as a + 1.0 million ounce gold system (21.5Mt @ 1.5g/t gold for 1.003Moz at a 0.5g/t cut off - see Table 1-3 and Figure 7).

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

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

**2.09Mt @ 4.1 g/t gold for 273,000 ounces**  
(See Table 3 for details)

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

outcome for the company, as the capital cost of a lower tonnage; higher grade development could be substantially lower.

See ASX Announcement 24<sup>th</sup> July 2014 titled “High Grade Domains Identified within Updated Glenburgh Gold Mineral Resource” for more details on the resource estimate.

### Chevelle

In addition to the Mineral Resource update, shallow RC drilling has been completed at Glenburgh. This drilling was the initial test of the high priority geochemical anomaly approximately 6km along strike to the north east of the Glenburgh gold deposits. The drilling has discovered a new zone of mineralisation at the **Chevelle** prospect. This discovery has extended the Glenburgh gold system to over 18km along strike and remains open along strike to the north east and south west. (See ASX Announcement 11 August 2014 for details). 16 shallow RC drillholes were completed on 4 short lines (See Figure 5-6). The best result returned was;

**4m @ 8.4 g/t from 44m in GLAC 521**

Gold mineralisation is hosted in the typical Glenburgh geological sequence of quartz-feldspar-biotite-garnet gneiss. Importantly at the current drill spacing, the results are similar to what was initially intersected above the Zone 126 deposit, which has since grown to 2.0Mt @ 2.5 g/t gold for 166,000 ounces (see Table 2 for resource classification).

The gold mineralisation at Chevelle remains open along strike and depth and demonstrates that the soil geochemical anomalies in the north east area of the project are highly prospective and need further assessment as part of the ongoing exploration programme at the +1.0 million ounce Glenburgh gold project.

### Shelby

A single infill RC drill hole at the Shelby deposit was completed. The interval of **11m @ 1.1g/t gold** from 45m in VRC883 was intersected. The drilling confirmed an up dip extension of a gold zone defined in earlier drilling of the deposit and confirmed the grades estimated from the recently updated resource model.

A single line of 3 shallow RC holes was undertaken in the SW Area of Glenburgh to test for strike extensions to the SW deposit. The drilling intersected narrow zones of 0.5g/t gold.

### Glenburgh Forward Program

Additional drilling is currently being planned to follow up the results from the Chevelle area and to further investigate the gold soil geochemical anomalies in the north eastern area of the Glenburgh project. In addition to the exploration activities, pit optimisations will be undertaken on the new Glenburgh Mineral Resource and with updated mining costs. It is likely that the optimisations will lead to a revision of the mining studies and an update to the feasibility study.

**Table One: Glenburgh Deposits**  
**2014 Mineral Resource Estimate (0.5g/t Au Cut-off)**

Type	Measured			Indicated			Inferred			Total		
	tonnes Mt	Au g/t	Au Ounces	tonnes Mt	Au g/t	Au Ounces	tonnes Mt	Au g/t	Au Ounces	tonnes Mt	Au g/t	Au Ounces
Transitional	0.2	1.7	11,800	0.4	1.3	17,000	1.4	1.1	51,000	<b>2.0</b>	<b>1.2</b>	<b>79,000</b>
Fresh	2.7	2.0	168,800	4.2	1.6	215,000	12.5	1.4	540,000	<b>19.3</b>	<b>1.5</b>	<b>923,000</b>
<b>Total</b>	<b>2.9</b>	<b>2.0</b>	<b>180,500</b>	<b>4.6</b>	<b>1.6</b>	<b>232,000</b>	<b>13.9</b>	<b>1.3</b>	<b>591,000</b>	<b>21.3</b>	<b>1.5</b>	<b>1,003,000</b>

**Table Two: Glenburgh Deposits - Area Summary**  
**2014 Mineral Resource Estimate (0.5g/t Au Cut-off)**

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

**Table Three: Glenburgh Deposits – High Grade Domains (+2.0g/t)**  
**2014 Mineral Resource Estimate (0.5g/t Au Cut-off)**

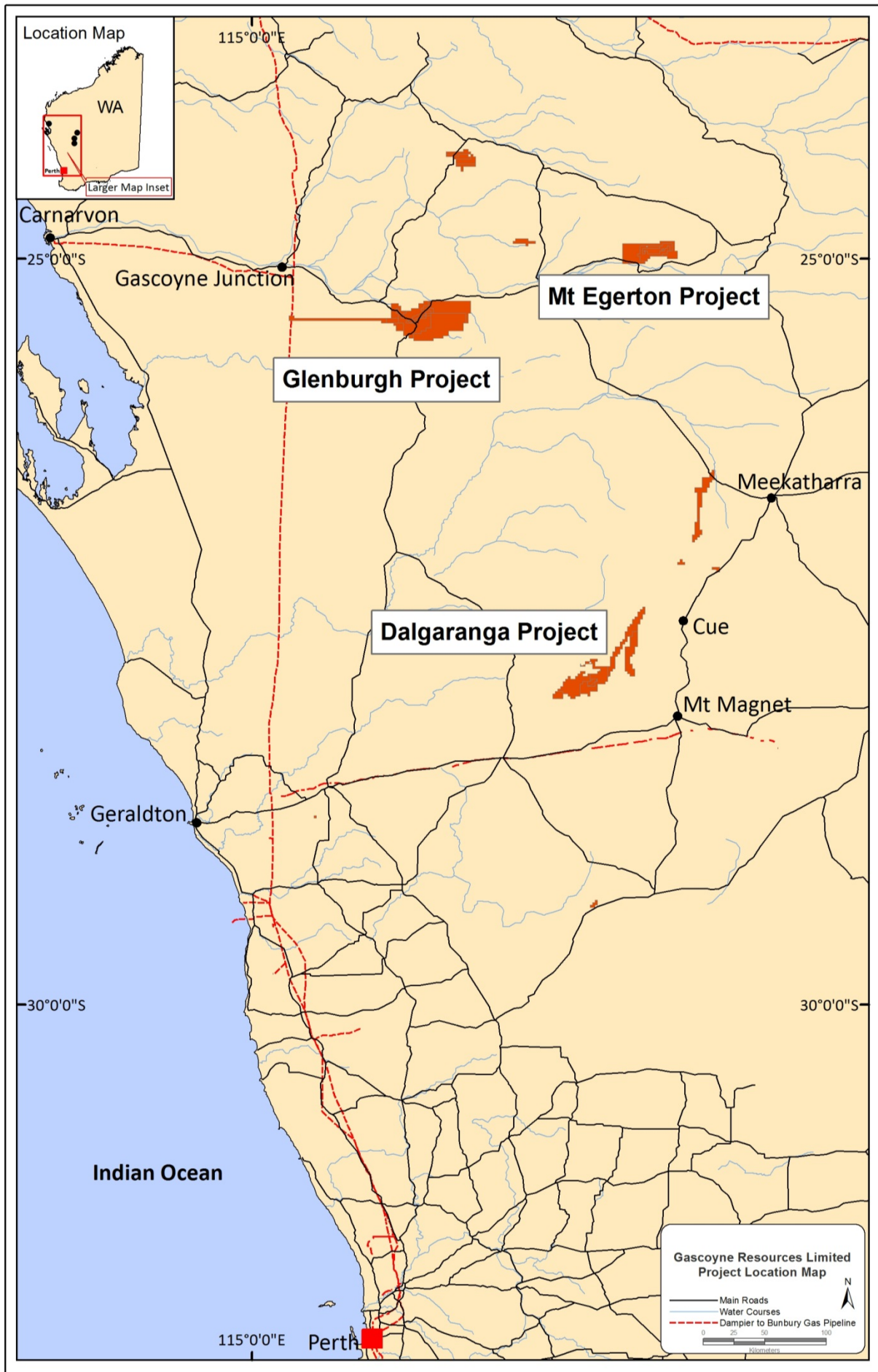
Area	Measured			Indicated			Inferred			Total		
	tonnes Kt	Au g/t	Au Ounces	tonnes Kt	Au g/t	Au Ounces	tonnes Kt	Au g/t	Au Ounces	tonnes Kt	Au g/t	Au Ounces
Icon				70	4.7	10,000	40	3.7	5,000	110	4.3	15,000
Apollo	309	4.8	48,000	10	6.4	1,000	230	2.5	18,000	540	3.9	68,000
Mustang				30	2.0	2,000	80	2.4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

*Note: Totals may differ due to rounding*

*Mineral Resources reported on a dry basis*



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



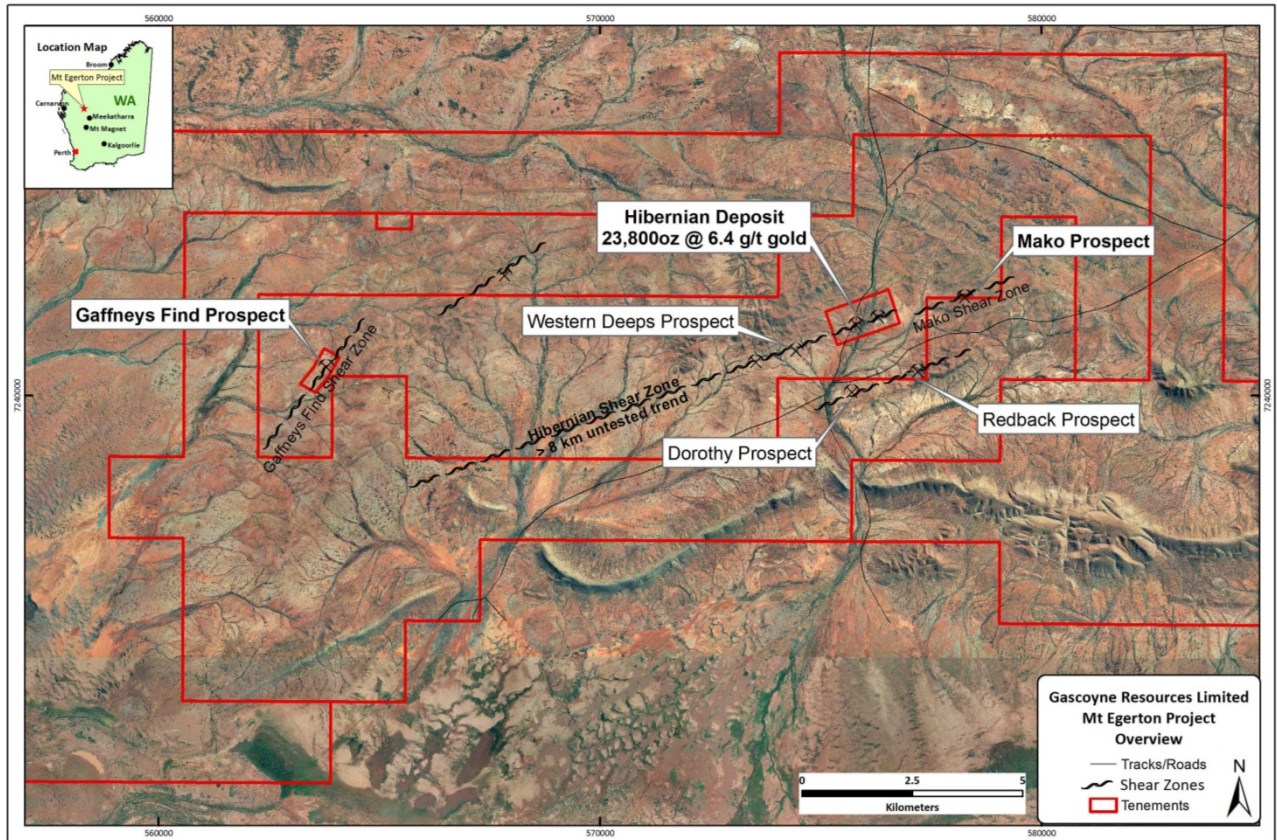


Figure Two: Gascoyne Resources Egerton Project Overview

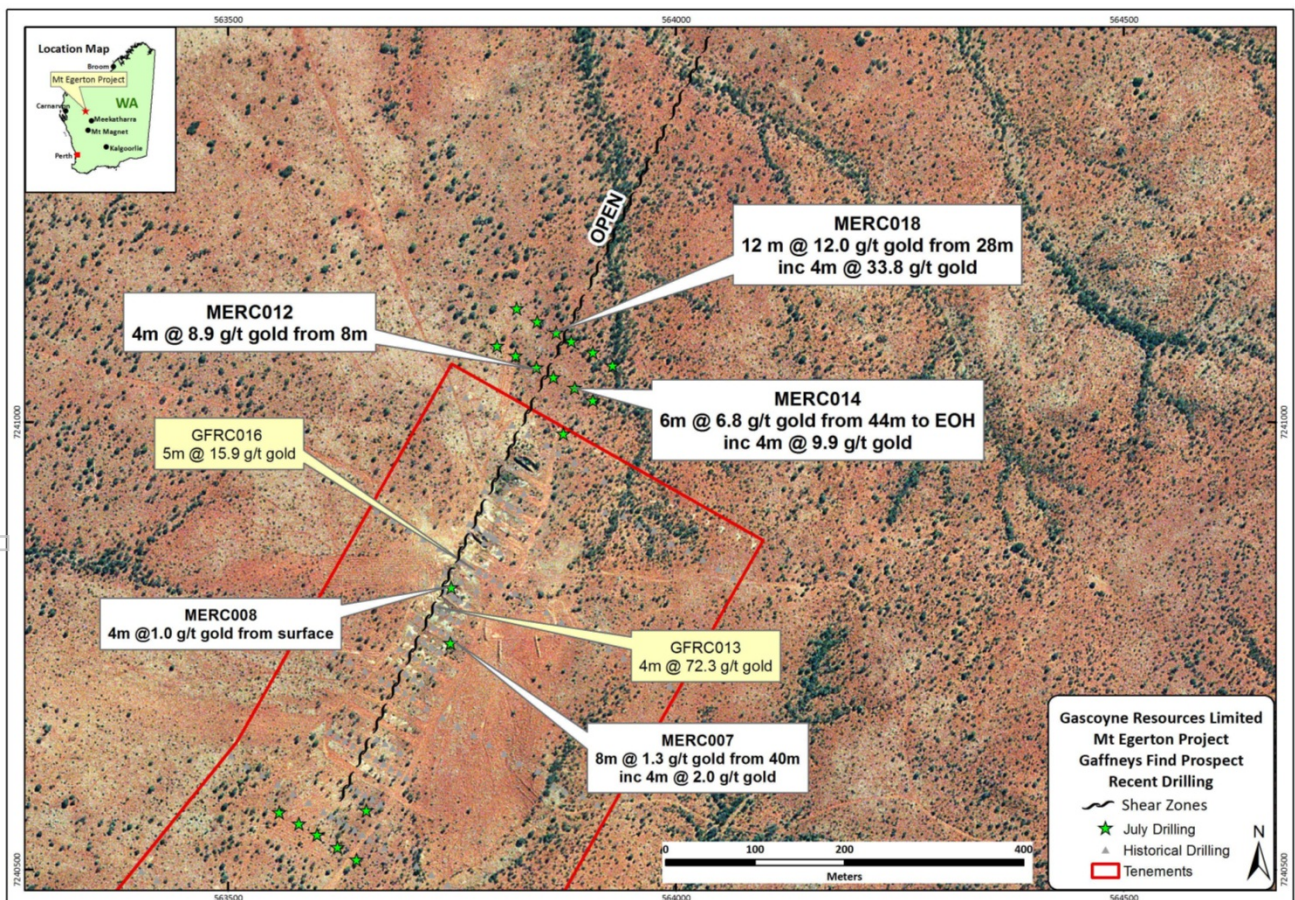
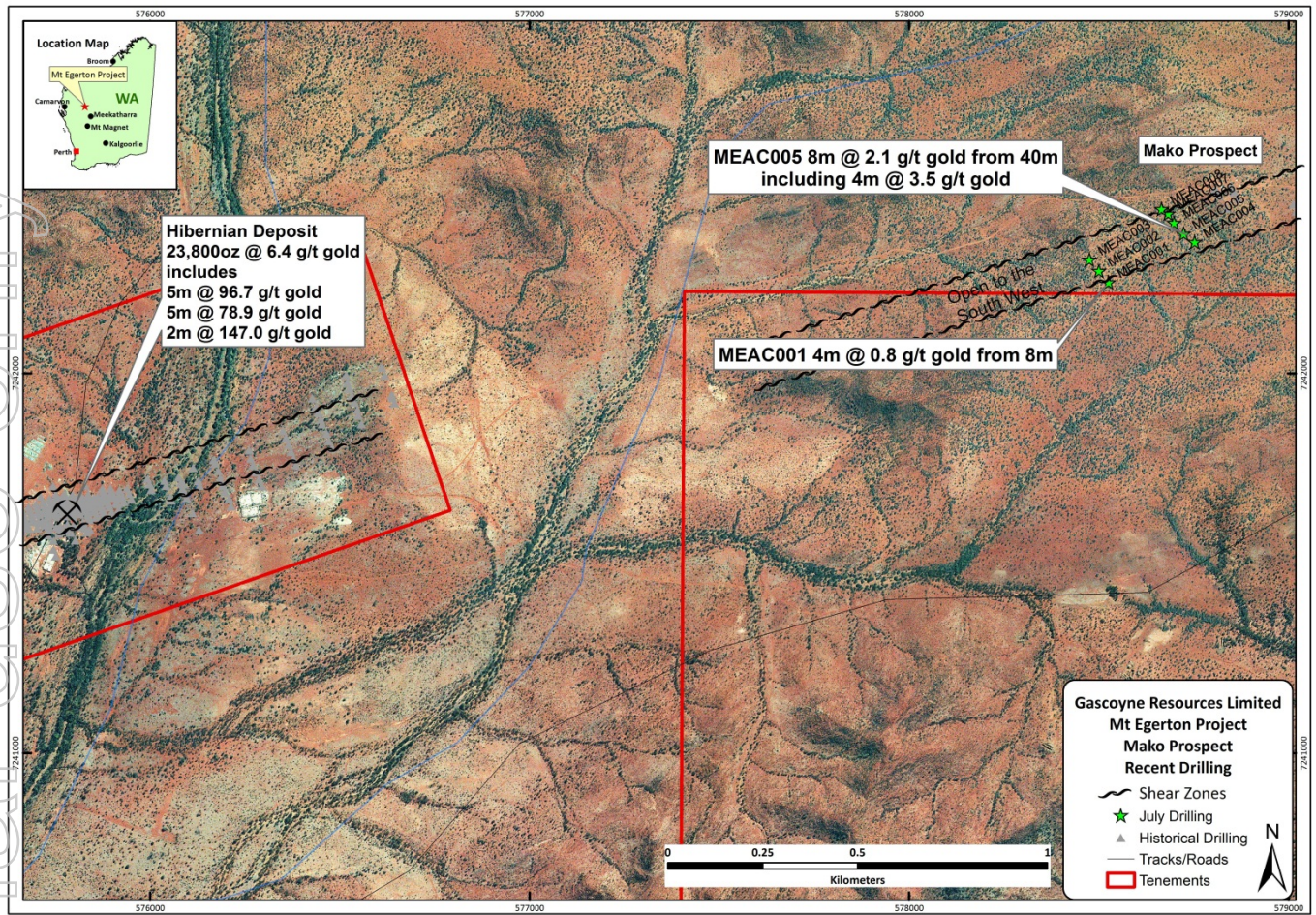


Figure Three: Gaffney's Find Prospect with July RC Drilling and High Grade Intersections





**Figure Four: Mako Prospect with July Drilling and Significant Intersections**



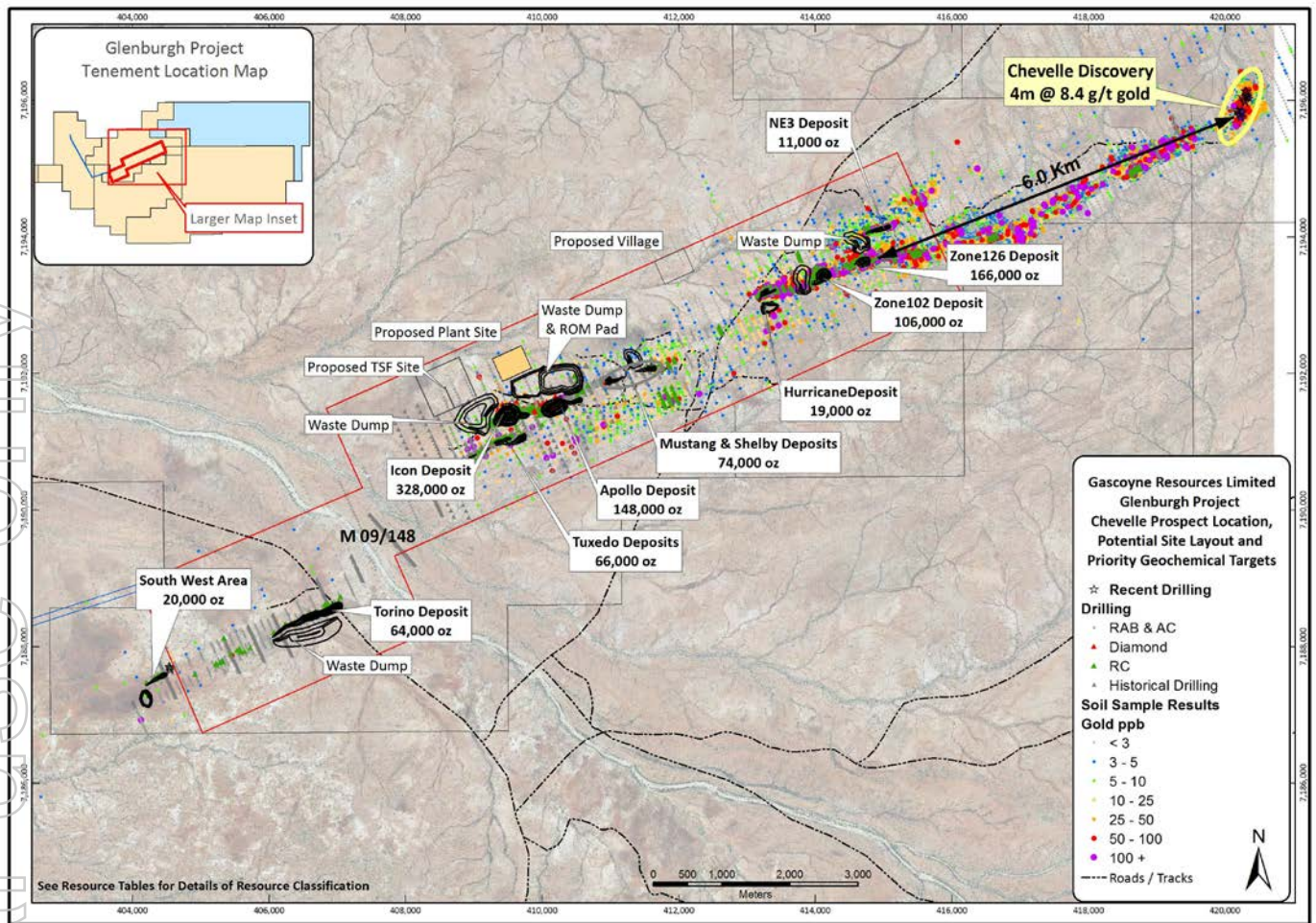


Figure Five: Glenburgh Site Layout and Soil Geochemical Anomaly showing Chevelle Prospect

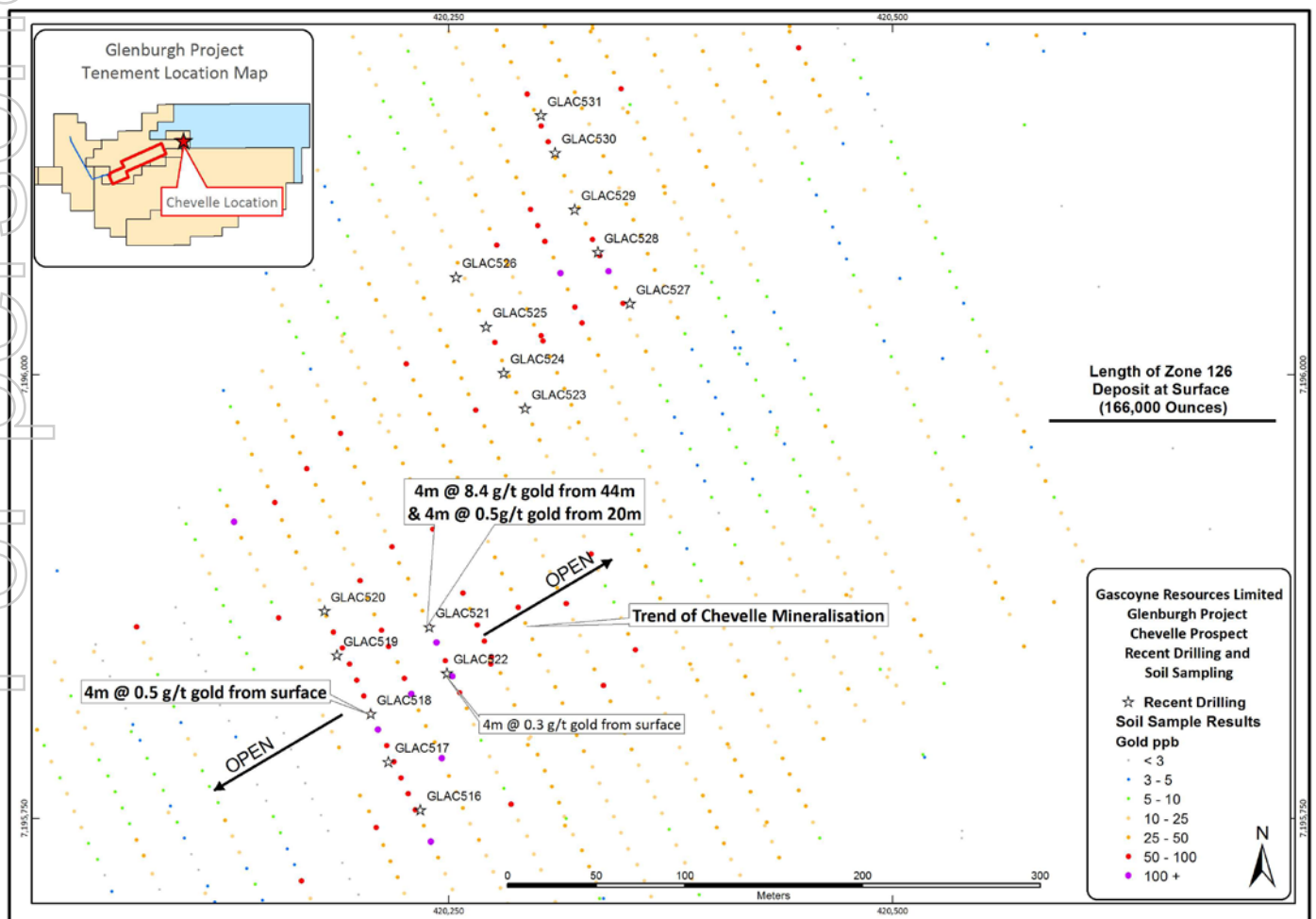


Figure Six: Chevelle Prospect showing results from recent RC drilling and soil sampling



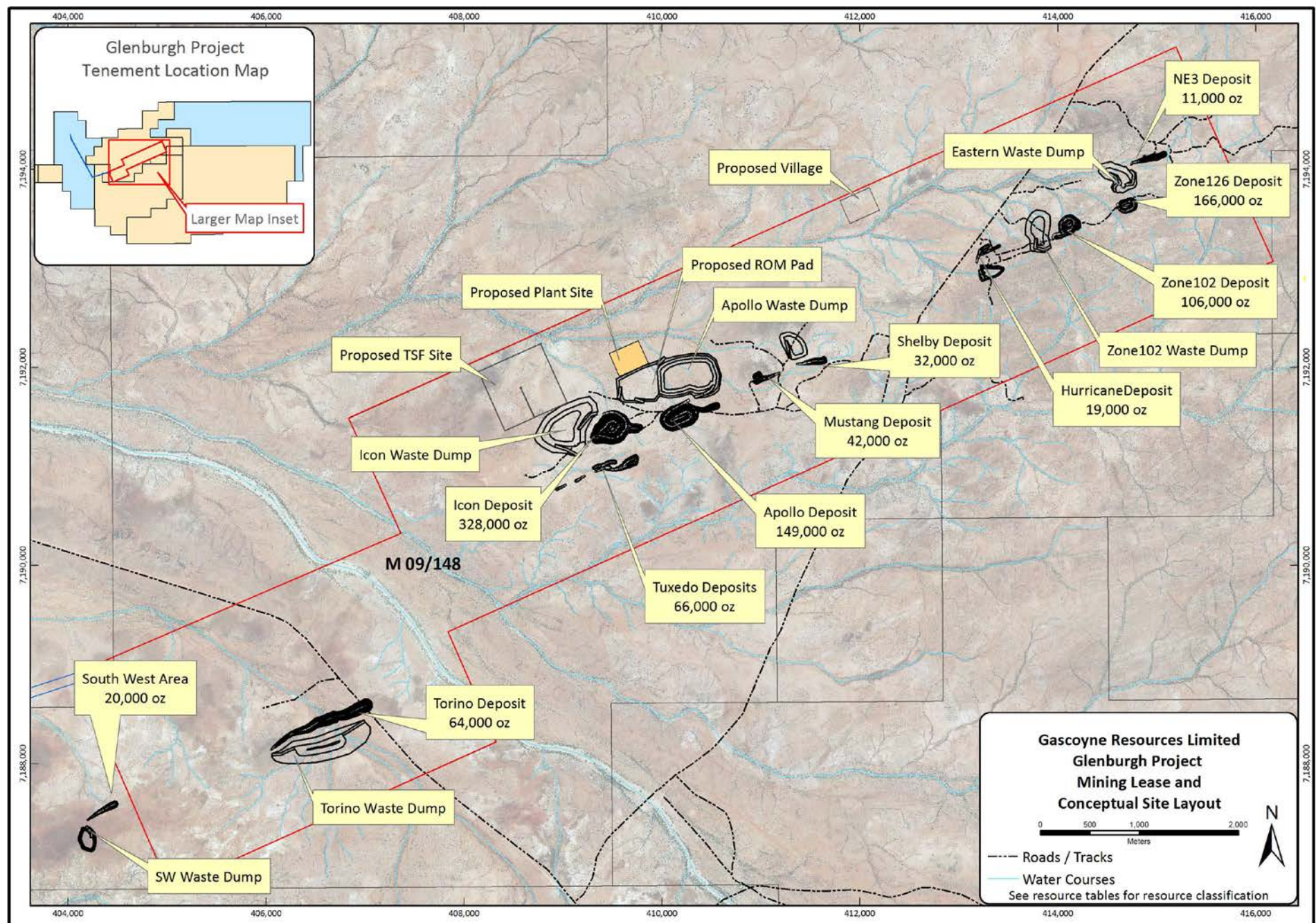


Figure Seven: Glenburgh Mining Lease, Conceptual Site Layout and Updated JORC 2012 Mineral Resource



## Dalgaranga

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

While no on ground exploration was completed during the quarter at Dalgaranga, additional exploration drilling is being planned. This drilling is likely to be a combination of infill drilling (between and along the current drill lines) as well as extensional drilling to the west along the mineralised trend. This drilling is expected to be completed in the second half of 2014, once all government approvals are received.

In addition to the ongoing exploration effort, the Golden Wings resource will be updated in the next few months and the development options for the project will be further evaluated.

## Other Projects

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

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

## CORPORATE

As mentioned above, the initial placement of 4 million \$0.25 shares were issued during the quarter to Monument Mining Limited.

In addition to the Monument Placement, the purchase of the Egerton project was completed during the quarter. This resulted in the issue of 4,166,667 Gascoyne shares to Exterra Resources Ltd (with 67% of the shares escrowed for 6 months) plus 500,000 Gascoyne options, exercisable at 25c within a 3 year term. Completion of this purchase was one of the conditions precedent to the Monument Mining alliance.

Subsequent to the end of the quarter the Company's Annual Report, notice of meeting and associated proxy forms were dispatched to shareholders.

The Company's Annual General Meeting is due to be held on the 19<sup>th</sup> of November 2014.

The Company's cash balance at the end of the quarter was \$1.1million dollars.

## Mining Tenements held at 30<sup>th</sup> September 2014

All the company's tenements are within Western Australia

Tenement	Location	Name	Mineral	Ownership
EL09/1750	Gascoyne Region	Bassit Bore	Gold	100% Gascoyne Resources
EL09/1751	Gascoyne Region	Bassit Bore	Gold	100% Gascoyne Resources
ELA09/2080	Gascoyne Region	Bassit Bore	Gold	100% Gascoyne Resources
EL21/174	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
ELA21/178	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1709	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1904	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1905	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1906	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
EL59/1922	Murchison Region	Dalgaranga	Gold	100% Gascoyne Resources
L59/141	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
L59/142	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
ML59/749	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
ELA52/3090	Pilbara Region	Elphin Bore	Gold	100% Gascoyne Resources
EL09/1325	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1764	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1865	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1866	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1946	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1947	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/2025	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
ELA09/2090	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
LA09/62	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
L09/56	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
ML09/148	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL15/1286	Gold Fields Region	Higginsville	Gold	Earning 80% Gascoyne Resources
EL15/1297	Gold Fields Region	Higginsville	Gold	100% Gascoyne Resources
EL51/1470	Murchison Region	Illagalara Pool	Gold	100% Gascoyne Resources
EL51/1551	Murchison Region	Illagalara Pool	Gold	100% Gascoyne Resources
ELA51/1648	Murchison Region	Murchison	Gold	100% Gascoyne Resources
EL52/2117	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
EL52/2515	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
EL52/2866	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
ML52/343	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
ML52/567	Gascoyne Region	Mt Egerton	Gold	100% Gascoyne Resources
EL52/2343	Gascoyne Region	Mt James	Gold	100% Gascoyne Resources
ELA09/2111	Gascoyne Region	Mt James	Gold	100% Gascoyne Resources
EL20/799	Murchison Region	Murchison	Gold	100% Gascoyne Resources
EL59/1731	Murchison Region	Ningham	Gold	100% Gascoyne Resources
EL20/773	Murchison Region	Tuckanarra	Gold	100% Gascoyne Resources

### Abbreviations and Definitions used in Tenement Schedule:

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

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### **Competent Persons Statement**

Information in this announcement relating to exploration results for the Dalgaranga project is based on data compiled by Gascoyne's Managing Director Mr Michael Dunbar who is a member of The Australasian Institute of Mining and Metallurgy. Mr Dunbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dunbar consents to the inclusion of the data in the form and context in which it appears.

The Glenburgh Mineral Resources have been estimated by RungePincockMinarco Limited, an external consultancy, and are reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see GCY -ASX announcement 24<sup>th</sup> July 2014 titled: High Grade Domains Identified Within Updated Glenburgh Gold Mineral Resource). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcements.

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

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

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

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

### **Background on Gascoyne Resources**

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

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

#### **GLENBURGH (100% GCY):**

The Glenburgh Project in the Gascoyne region of Western Australia, has an Measured Indicated and Inferred Mineral Resource of: 21.3 Mt @ 1.5g/t Au for 1.003 million oz gold from several prospects within a 20km long shear zone (see Table 1, 2 & 3 above)

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

#### **EGERTON (100% GCY)**

The project includes the high grade Hibernian deposit which contains a resource of **116,400 tonnes @ 6.4 g/t gold for 24,000 ounces** in the Measured, Indicated and Inferred JORC categories (Table 4). The deposit lies on a granted mining lease and previous drilling includes high grade intercepts, **2m @ 147.0 g/t gold, 5m @ 96.7 g/t gold and 5m @ 96.7 g/t gold** associated with quartz veining in shallow south-west plunging shoots. The Hibernian deposit has only been drill tested to 70m below surface and there is strong potential to expand the current JORC Resource with drilling testing deeper extensions to known shoots and targeting new shoot positions.

**Table 4: Egerton Project: Hibernian Deposit Mineral Resource (2.0g/t Au Cut-off)**

Classification	Tonnes	Au g/t	Au Ounces
Measured Resource	32,100	9.5	9,801
Indicated Resource	46,400	5.3	7,841
Inferred Resource	37,800	5.1	6,169
<b>Total</b>	<b>116,400</b>	<b>6.4</b>	<b>23,811</b>

**DALGARANGA (80% GCY):**

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

The project contained a remnant JORC Measured, Indicated and Inferred resources of **13.4 Mt @ 1.7g/t Au for 740,900 ounces** of contained gold.(see Table 5).

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

**Table 5: Dalgaranga Global Mineral Resource Estimate**

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
<b>Gilbeys<sup>(1)</sup></b>				4.7	1.6	240,200	8.2	1.7	445,200	<b>12.9</b>	<b>1.7</b>	<b>685,000</b>
<b>Golden Wings<sup>(2)</sup></b>				0.3	4.0	38,000	0.15	3.1	15,000	<b>0.45</b>	<b>3.7</b>	<b>54,000</b>
<b>Golden Wings Laterite</b>	0.04	0.8	1,000							<b>0.04</b>	<b>0.8</b>	<b>1,000</b>
<b>Vickers Laterite</b>	0.02	1.2	600							<b>0.02</b>	<b>1.2</b>	<b>600</b>
<b>Total</b>	<b>0.06</b>	<b>1.1</b>	<b>1,600</b>	<b>5.0</b>	<b>1.7</b>	<b>278,000</b>	<b>8.35</b>	<b>1.7</b>	<b>460,000</b>	<b>13.4</b>	<b>1.7</b>	<b>740,900</b>

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

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

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

Gascoyne is continuing to evaluate the Glenburgh gold deposits to delineate meaningful increases in the Mineral Resource base and progress project permitting, while also continuing to explore the Dalgaranga project with the view to moving towards a low capital cost development as rapidly as possible. The Company also has 100% of the Egerton project; where the focus is to assess the economic viability of trucking high grade ore to either Glenburgh or to another processing facility for treatment and exploration of the high grade mineralisation within the region.

Further information is available at [www.gascoyneresources.com.au](http://www.gascoyneresources.com.au)



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Gascoyne Resources Limited

ABN

57 139 522 900

Quarter ended ("current quarter")

30 September 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(624)	(624)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	5	5
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other	38	38
<b>Net Operating Cash Flows</b>		<b>(859)</b>	<b>(859)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(6)	(6)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other Option extension payment	(55)	(55)
<b>Net investing cash flows</b>		<b>(61)</b>	<b>(61)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(920)</b>	<b>(920)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(920)	(920)
1.14	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,000	1,000
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other		
	<b>Net financing cash flows</b>	1,000	1,000
	<b>Net increase (decrease) in cash held</b>	80	80
1.20	Cash at beginning of quarter/year to date	1,008	1,008
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,088	1,088

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	102
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
	Director fees \$102k	

**Non-cash financing and investing activities**

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

On 24 September 2014 a wholly owned subsidiary of the Group exercised its exclusive option for the acquisition for 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 Ltd (with 67% of the shares escrowed for 6 months) plus 500,000 Gascoyne options, exercisable at 25c within a 3 year term.

+ See chapter 19 for defined terms.



**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

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

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	
4.3 Production	
4.4 Administration	300
<b>Total</b>	<b>550</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,088	251
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (Term Deposits)	-	757
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,088</b>	<b>1,008</b>

+ See chapter 19 for defined terms.

## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	E52/2997 Withdrawn	100%	0%
		E15/1265 Surrendered	100%	0%
		P15/5570 Surrendered	100%	0%
		P15/5571 Surrendered	100%	0%
		P15/5572 Surrendered	100%	0%
		P15/5573 Surrendered	100%	0%
		L09/50 Withdrawn	100%	0%
		E70/4399 Surrendered	100%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased	L09/56 Granted	100%	100%
		E09/2111 Application	0%	100%
		E51/1648 Application	0%	100%
		L09/62 Application	0%	100%
		M52/567 Option exercised	100%	100%
		M52/343 Option exercised	100%	100%
		E52/2117 Option exercised	100%	100%
		E52/2515 Option exercised	100%	100%

## Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b>			
7.2	(description)			
	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	166,436,187	166,436,187	
7.4	Changes during quarter			
	(a) Increases through issues	4,000,000	4,000,000	\$0.25
		4,166,667	4,166,667	\$0.18
	(b) Decreases through returns of capital, buy-backs			

+ See chapter 19 for defined terms.



**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.5	<b>*Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	3,900,000 500,000	Nil Nil	Exercise price \$0.26 \$0.25	Expiry date 15 November 2016 24 September 2017
7.8	Issued during quarter	500,000	Nil	\$0.25	24 September 2017
7.9	Exercised during quarter				
7.10	Expired during quarter	(900,000)	Nil	\$0.40	31 August 2014
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 31 October 2014

Print name: Eva O'Malley

+ See chapter 19 for defined terms.

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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