

SUMMARY OF OPERATIONS

During the previous quarter, the Company signed a conditional heads of agreement with Monument Mining Limited, a Canadian listed mining company, to form a mining and exploration alliance, where by Monument would purchase 50% of Gascoyne's gold projects, by issuing 100 million Monument shares to Gascoyne and participate in a series of placements. In late December, the Company was notified that a number of the conditions precedent to the proposed transaction would not be met as a result of the deterioration in market conditions. As a result, coupled with the considerable drop in the valuation of the consideration shares, the transaction was terminated by mutual consent.

Gascoyne retains control of its advanced gold projects which contain approximately 1.8 million ounces of gold on granted Mining Leases within Western Australia, and retains the \$1 million non-refundable placement at 25c per Gascoyne share to Monument announced on 11 September 2014.

TECHNICAL:

During the Quarter, progress was made defining a number of the high grade gold targets identified in the previous quarters drilling programs. Of particular note was the identification of significant extensions to the high grade mineralisation at the Gaffney's Find prospect within the Company's 100% owned Egerton project in the eastern Gascoyne of Western Australia. A number of additional high grade targets have also been identified at the Glenburgh project. Progress is summarised below:

Egerton Project

Following the purchase of the Egerton project during the previous quarter, on ground activities continued during the quarter.

- Soil sampling along strike from the high grade Gaffney's Find Prospect (recent drilling intersected **over 72g/t gold**) has identified high priority drill targets, extending the Gaffney's Find Prospect around 150m further to the north east
- Additional targets identified at Gaffney's Find North, where a coherent new soil anomaly (~400m long) has been identified.
- Drilling approvals have been received, which will allow drilling in Q1 2015.

Glenburgh Project

The updated Glenburgh Mineral Resource estimate announced in the previous quarter includes a substantial component of high grade material that could be mined in a more selective way than originally anticipated in the 2013 feasibility study.

- Optimisation of the Glenburgh feasibility study commenced during the quarter to investigate potential for a lower-tonnage, higher-grade development at Glenburgh. Activities that are being undertaken include throughput optimisation, pit shell and design optimisation and refinement of metallurgical testwork and revised capital and operating costs.

Dalgaranga Project

The scoping study for the Dalgaranga project continued at a reduced pace during the quarter. This is expected to be completed in Q1 2015.

CORPORATE:

- In early January, the company lodged its 2013 - 2014 tax return; which included a claim for R&D activities completed last financial year. A rebate of approximately \$340,000 is expected to be received in Q1 2015.
- The Company's cash reserves (excluding the R&D rebate) were **\$625,000** at the end of the quarter.
- The Company's Annual general meeting was held on the 19th of November, with all resolutions passed by a show of hands.

CORPORATE DETAILS

ASX Code: GCY
 Shares: 166M
 Share Price: 12c
 Market Cap: \$20 M

ASSETS

Cash: \$625,000
 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

During the previous quarter, the Company signed a conditional heads of agreement with Monument Mining Limited, a Canadian listed mining company, to form a mining and exploration alliance, where by Monument would purchase 50% of Gascoyne's advanced gold projects, by issuing 100 million Monument shares to Gascoyne and participate in a series of placements. In late December, the Company was notified that a number of the conditions precedent to the proposed transaction would not be met as a result of the deterioration in market conditions. As a result, coupled with the considerable drop in the valuation of the consideration shares, the transaction was terminated by mutual consent and Gascoyne retains ownership of the advanced gold projects which contain 1.76 million ounces of gold on granted mining leases in Western Australia.

Since the termination of the proposed transaction, the Company has been approached by a number of mining companies who have expressed an interest in becoming involved in the projects. Options for co-developing or joint venturing of the advanced projects will continue to be assessed.

Details of the exploration progress during the quarter include:

Egerton Project

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

As outlined in the September quarterly report, since the company purchased the project, on ground activities at the Egerton project have increased. Following the high grade drill intersections at the Gaffney's Find prospect (which included 8m @ 11.4g/t gold and up to 1m @ 72g/t gold), soil sampling along strike has been completed.

This sampling has identified an extension of over 150m to the known mineralisation at Gaffney's Find, bringing the current extent of the high grade anomaly to over 500m (see ASX announcement 14th January 2015 and Figure 2 & 3).

In addition to the extension at Gaffney's, another anomaly has been identified along strike to the north east, at Gaffney's Find North. This high priority target extends for over 400m and remains untested by modern exploration techniques.

All the regulatory approvals required for drill testing of these targets have been received, with drilling expected to be undertaken in the first calendar quarter of 2015

Glenburgh Project

M09/148, E09/1325, 1764, 1865, 1866, 1946, 1947 & 2025, ELA09/2125, L09/56 & 62 -100% Gascoyne

Following the completion of the updated Glenburgh Mineral Resource estimate in the September quarter, a review of the preliminary feasibility (completed in 2013) was undertaken. The new resource estimate includes a substantial component of high grade material (**2.09Mt @ 4.1 g/t gold for 273,000 ounces**) that could be mined in a more selective way than originally anticipated (see ASX announcement 24th July 2014 titled "High Grade Domains Identified within Updated Glenburgh Gold Mineral Resource" for more details on the resource estimate).

The review has highlighted to potential for a lower tonnage, higher grade development at Glenburgh. As a result, the original feasibility study is currently being revised to optimise the project, including the proposed throughput, pit designs, capital costs and operating costs.

It is anticipated that this optimisation will be completed in the first half of 2015.

Glenburgh Forward Program

Additional drilling is scheduled for late in Q1 2015 to follow up the r discovery intersection of 4m @ 8.4g/t gold from the Chevelle area and to further investigate the gold soil geochemical anomalies in the north eastern area (see Figure 4). All regulatory approvals of this drilling have been received.

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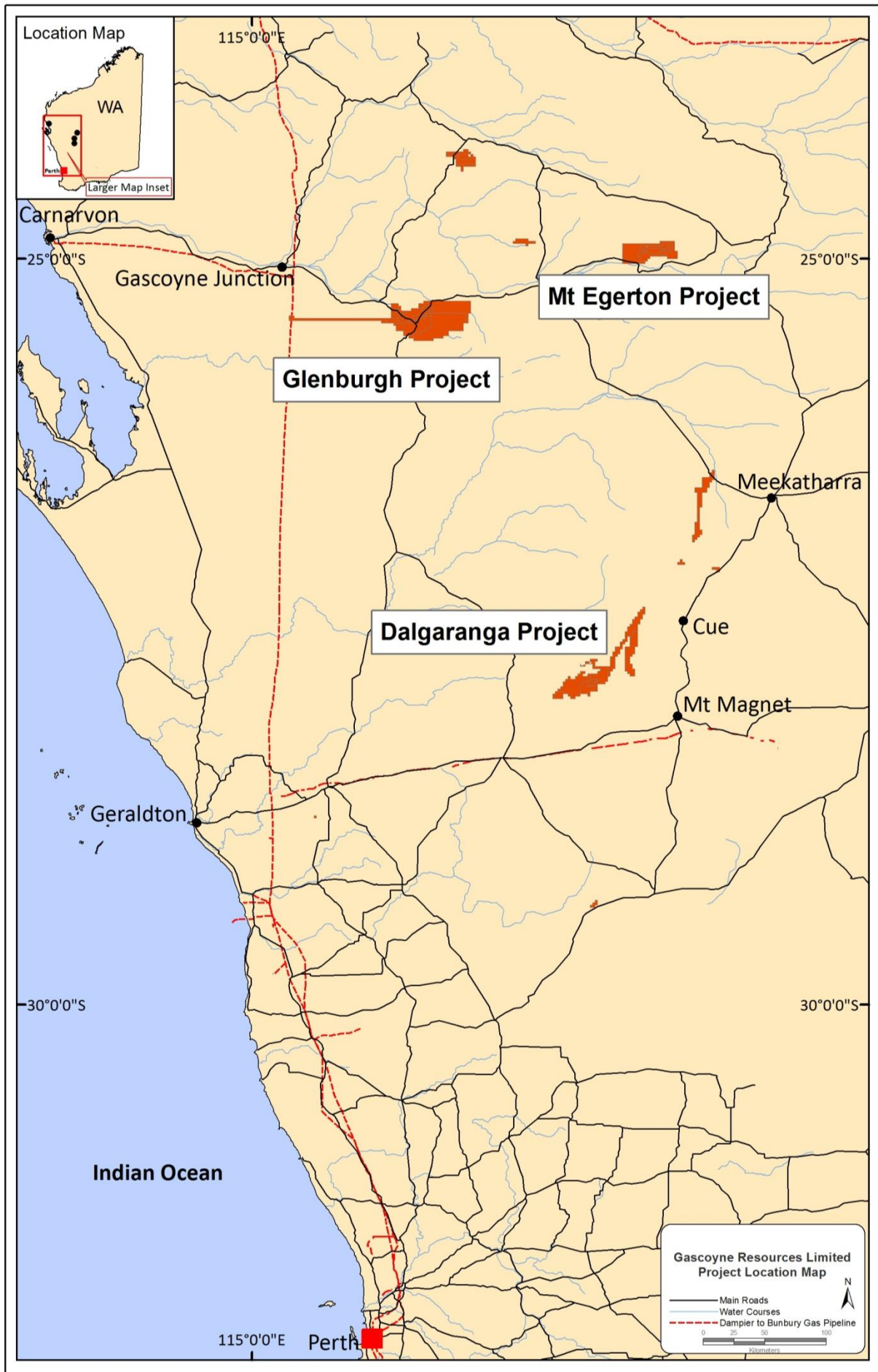


Figure One: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions

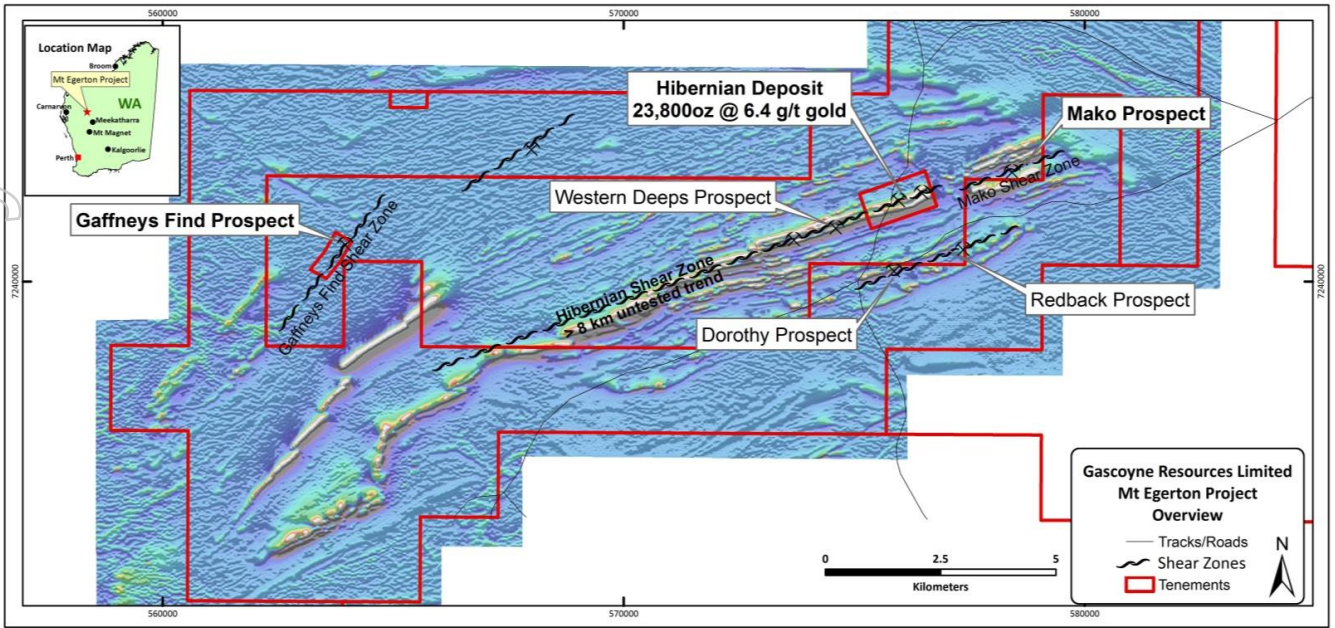


Figure Two: Gascoyne Resources Egerton Project Overview

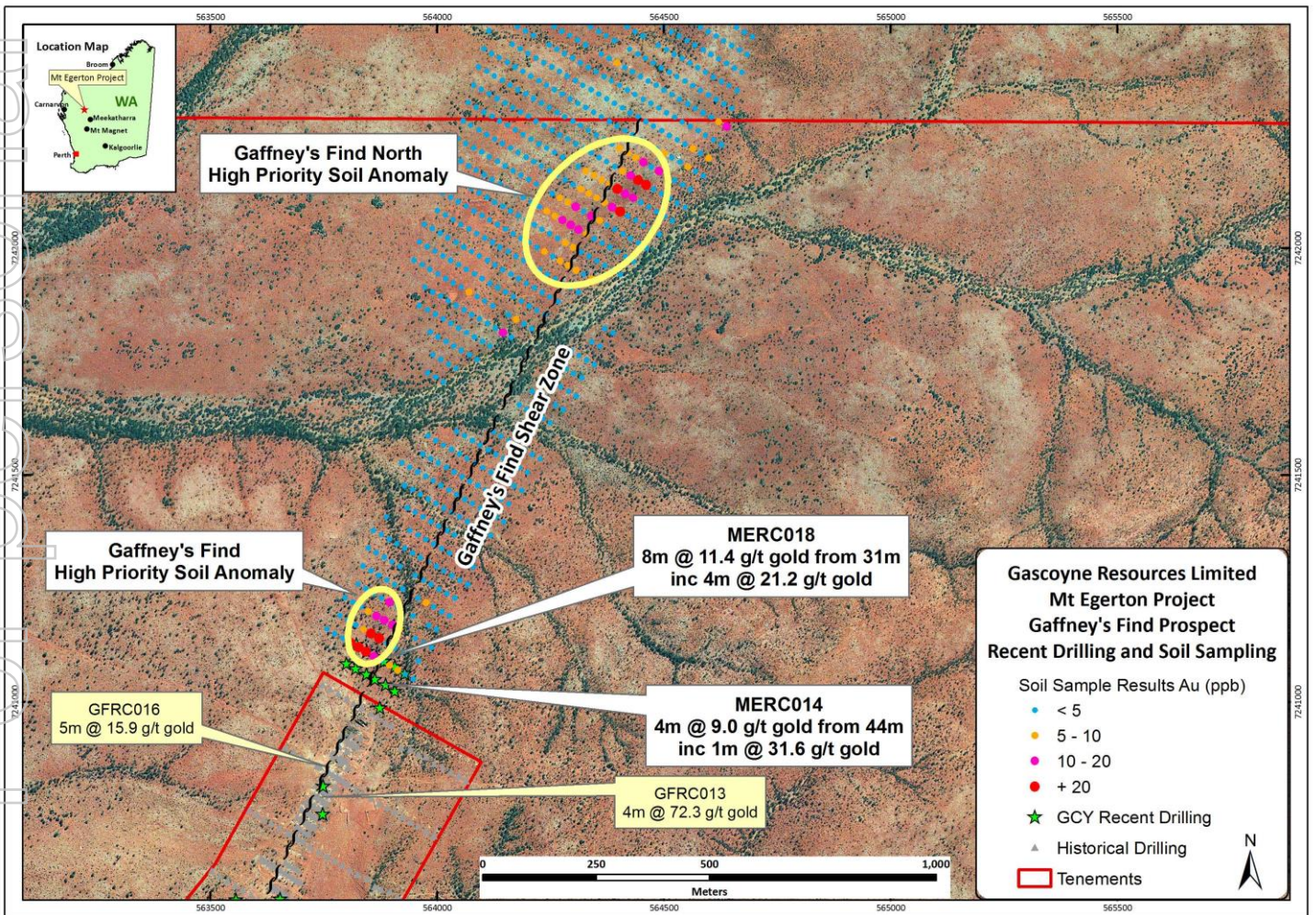


Figure Three: Gaffney's Find Prospect with July RC Drilling and Recent Soil Sample Results

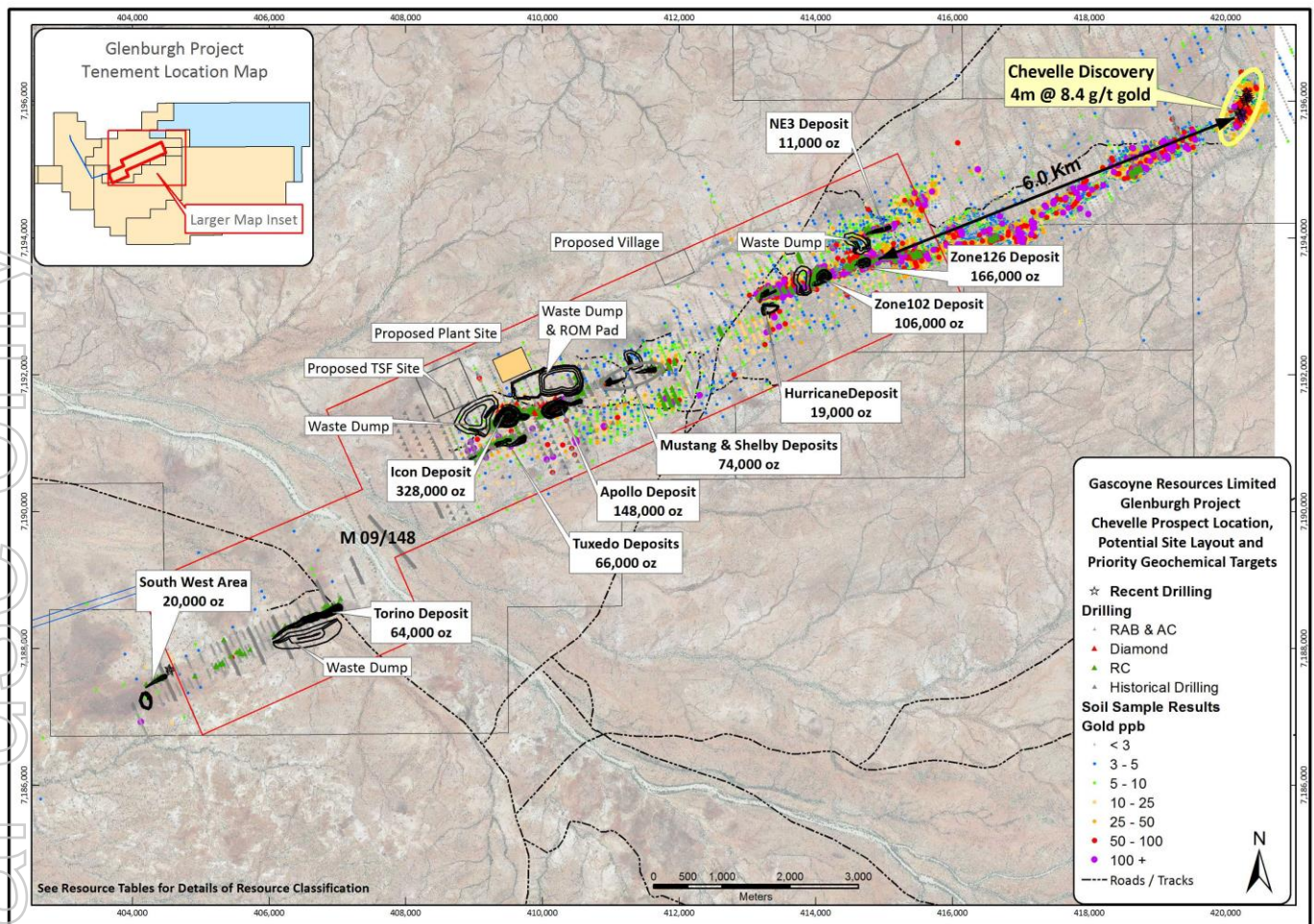


Figure Five: Glenburgh Site Layout and Soil Geochemical Anomaly showing Chevelle Prospect

Dalgaranga Project

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

No on ground exploration was undertaken during the quarter at Dalgaranga; however additional exploration drilling is being planned. This drilling is expected 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 Q2 2015, once all government approvals are received.

In addition to the ongoing exploration effort, the Scoping Study for the project is expected to be completed in Q1 of 2015.

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 have been undertaken with partial and full tenement surrenders lodged with the DMP.

These rationalisations will result in a substantial saving in annual tenement rents, local government rates as well as annual tenement expenditure commitments.

CORPORATE

As mentioned above, the proposed transaction with Monument Mining Limited was terminated during the quarter. Since the termination of the proposed Monument Mining transaction, the Company has been approached by a number of mining companies who have expressed an interest in becoming involved in the projects. Options for co-developing or joint venturing of the advanced projects will continue to be assessed and weighed up against a standalone development.

Ongoing operational efficiencies are being actively pursued that will reduce the ongoing overhead costs for the company. These include tenement rationalisations, staff redundancies, reduced head office costs and general overheads.

Subsequent to the end of the quarter, the Company lodged its Tax return with the Australian Taxation Office. The return included an R&D claim for activities completed in the last financial year. As a result of the R&D completed, a rebate of approximately \$340,000 is expected to be received during the first quarter of 2015.

The company's cash reserves were \$625,000 at the end of December (excluding the R&D rebate mentioned above).

The company held its Annual general meeting on the 19th of November 2014, where the shareholders passed all the resolutions by a show of hands.

Mining Tenements held at 31th December 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
ELA21/184	Murchison Region	Dalgaranga	Gold	80% Gascoyne Resources
ELA21/185	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
ELA52/3218	Pilbara Region	Elphin Bore	Gold	100% Gascoyne Resources
EL09/1325	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1764	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1865	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1866	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
EL09/1946	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
ELA09/2125	Gascoyne Region	Glenburgh	Gold	100% Gascoyne Resources
L09/62	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
EL51/1551	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
ELA52/3169	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
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, Glenburgh and Egerton projects is based on data compiled by Gascoyne's Managing Director Mr Michael Dunbar who is a member of The Australasian Institute of Mining and Metallurgy. Mr Dunbar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dunbar consents to the inclusion of the data in the form and context in which it appears.

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

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

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

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

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

Background on Gascoyne Resources

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

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

GLENBURGH (100% GCY):

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

A preliminary feasibility study on the project has been completed (see announcement 5th of August 2013) that showed a viable project exists, with a production target of 4.9mt @ 2.0g/t for 316,000oz (70% Indicated and 30% Inferred resources) within 12 open pits and one underground operation. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The study showed attractive all in operating costs of under A\$1,000/oz and indicated a strong return with an operating surplus of ~ A\$160M over the 4+ year operation. The study included approximately 40,000m of resource drilling, metallurgical drilling and testwork, geotechnical, hydro geological and environmental assessments. Importantly the study has not included the drilling completed during 2013, which intersected significant shallow high grade zones at a number of the known deposits.

Table 1: Glenburgh Deposits - Area Summary
2014 Mineral Resource Estimate (0.5g/t Au Cut-off)

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

Note: Discrepancies in totals are a result of rounding

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 2). 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 2: Egerton Project: Hibernian Deposit Mineral Resource (2.0g/t Au Cut-off)

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

DALGARANGA (80% GCY):

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

The project contained a remnant JORC Measured, Indicated and Inferred resources of **13.4 Mt @ 1.7g/t Au for 740,900 ounces** of contained gold.(see Table 3).

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 3: Dalgaranga Global Mineral Resource Estimate

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

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

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

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

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

Further information is available at www.gascoyneresources.com.au

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")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 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	(361)	(985)
1.3 Dividends received	(189)	(467)
1.4 Interest and other items of a similar nature received	5	10
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	82	120
Net Operating Cash Flows	(463)	(1,322)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		(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)
Net investing cash flows		(61)
1.13 Total operating and investing cash flows (carried forward)	(463)	(1,383)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(463)	(1,383)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		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		
	Net financing cash flows		1,000
	Net increase (decrease) in cash held	(463)	(383)
1.20	Cash at beginning of quarter/year to date	1,088	1,008
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	625	625

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	100
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 \$100k	

Non-cash financing and investing activities

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

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

+ See chapter 19 for defined terms.

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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	245
4.2 Development	
4.3 Production	
4.4 Administration	161
Total	406

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	625	1,088
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (Term Deposits)		
Total: cash at end of quarter (item 1.22)	625	1,088

+ See chapter 19 for defined terms.

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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	E52/3090	Withdrawn	100%	0%
	E59/1731	Surrendered	100%	0%
	E51/1470	Surrendered	100%	0%
	E21/178	Withdrawn	100%	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	E21/184	Application	0%	100%
	E21/185	Application	0%	100%
	E52/3218	Application	0%	100%
	E52/3169	Application	0%	100%
	E09/2125	Application	0%	100%
	Lo9/62	Granted	100%	100%

Issued and quoted securities at end of current quarter

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

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

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

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

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:


 Managing Director

Date: 30 January 2015

Print name: Michael Dunbar

+ 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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