

CORPORATE DETAILS

Directors

Graham Riley
Non-Executive Chairman

Gordon Dunbar
Managing Director

John den Dryver
Non-Executive Director

Assets

Cash **\$4.38M**
Glenburgh Gold (100%)
 203,000 oz Au

Company Information:

ASX Codes GCY

Shares 61.15M

Share Price9.1 cents

Market Capitalisation

\$5.5 Million

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Highlights

TECHNICAL

- 1956 metres of RC drilling was completed at the Icon, Apollo West and Zone 102 zones at Glenburgh
- First hole, VRC 399, returned 47m at 1.4g/t gold.
- RAB drilling in progress at Bassit Bore

CORPORATE

- A scheme to enable shareholders of Unmarketable Parcels of Shares to sell their shares without brokerage costs was initiated during the quarter.

REVIEW OF OPERATIONS

GLENBURGH E09/1079, E09/1325, ELA09/1764 100% Gascoyne

RC Drilling Program

An RC drilling program of 15 holes for 1956 metres was completed in early July at 3 locations within the Glenburgh gold mineralised system following ground disturbing approval and Aboriginal Heritage Clearances. The locations of these holes are contained in Table One.

- 10 holes on five lines spaced 50m apart have been drilled at the Icon prospect to cover the potential strike extensions from a hole VRC351 that intersected 25m @ 3.1 g/t in the 2008 drilling program.
- 3 holes were drilled to test along strike and up plunge from a 6m @ 5.9g/t intersection in VRC 287, thought to be the faulted offset of the Apollo lode. This location has been termed South West Apollo.
- 2 holes are planned at the Zone 102 prospect where a high grade zone based on hole VRC390 (16m @ 3.8g/t) remains open to the east.

The location of the North East Icon and South West Apollo are shown diagrammatically in Figure 1.

Results have been returned for VRC399, the first hole drilled in the program. It intersected 47m at 1.4g/t gold from a down hole depth of 81m (using a 0.5g/t gold cut off and 4m of internal dilution). This drill hole is located approximately 30m grid east of VRC 351. The significance of this intersection will only become clear once the results from the remaining 14 holes are received (expected to be within the next three weeks) and interpreted along with those of the previous drilling.

The drilling was conducted using RC drilling with samples being collected at one metre intervals and a subsample of approximately 2kg being split for pulverisation and analysis for gold using Fire Assay with a 50 gram charge by Genalysis Laboratory Services Pty Ltd.

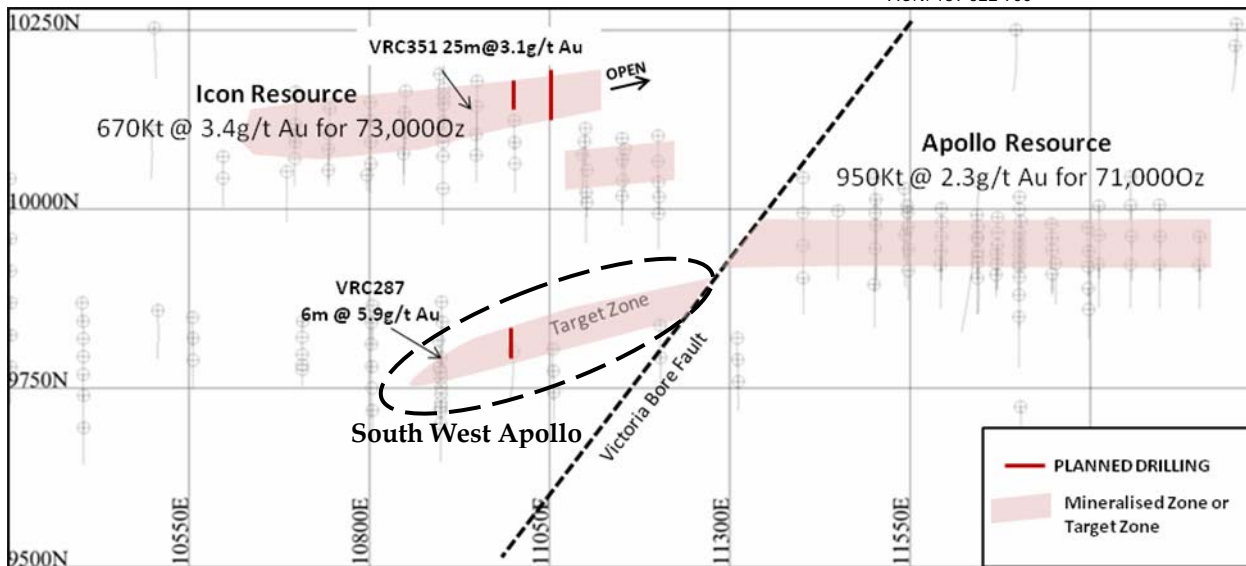


Figure 1: Apollo and Icon Drill Collars and planned drilling on the Victoria Bore Local Grid

Table One: Location of recent RC drilling at the Icon, Apollo West and Zone 102 prospects - Glenburgh

Hole Number	GDA 94 co-ords		local co-ords		RL	GDA Azim	Local Azim	dip	depth (M)	Prospect
	easting	northing	East	North						
VRC399	409520	7191463	11000	10170	350	158	180	-60	154	Icon
VRC400	409499	7191509	11000	10220	350	158	180	-60	160	Icon
VRC401	409574	7191466	11050	10150	350	158	180	-60	124	Icon
VRC402	409553	7191511	11050	10200	350	158	180	-60	130	Icon
VRC403	409532	7191557	11050	10250	350	158	180	-60	130	Icon
VRC407	409444	7191390	10900	10135	350	158	180	-60	142	Icon
VRC408	409404	7191355	10850	10120	350	158	180	-60	142	Icon
VRC409	409664	7191508	11150	10150	350	158	180	-60	130	Icon
VRC410	409643	7191553	11150	10200	350	158	180	-60	124	Icon
VRC411	409623	7191599	11150	10250	350	158	180	-60	124	Icon
VRC404	409654	7191173	11000	9850	350	158	180	-60	124	Aopllo West
VRC405	409637	7191209	11000	9890	350	158	180	-60	124	Aopllo West
VRC406	409620	7191245	11000	9930	350	158	180	-60	124	Aopllo West
VRC413	414025	7193394	15900	10040	350	158	180	-60	124	Zone 102
VRC412	414042	7193358	15900	10000	350	158	180	-60	100	Zone 102

Following the technical reassessment of the Glenburgh project, which has already begun, it is envisaged additional step out drilling and surface geochemical sampling of new or untested anomalous trends will be undertaken.

BASSIT BORE E09/1088, ELA09/1750, ELA 09/1751 100% Gascoyne

RAB Drilling Program

Ground disturbing approval and Aboriginal Heritage Clearances have been obtained in respect of a shallow drilling program that is to test approximately 10 coincident gold and copper soil anomalies, many with peak values greater than 100ppb gold and 250ppm copper. The location of the planned drill lines is shown in the Bassit and Beagle sub sets in Figure 2.

This drilling program has commenced.

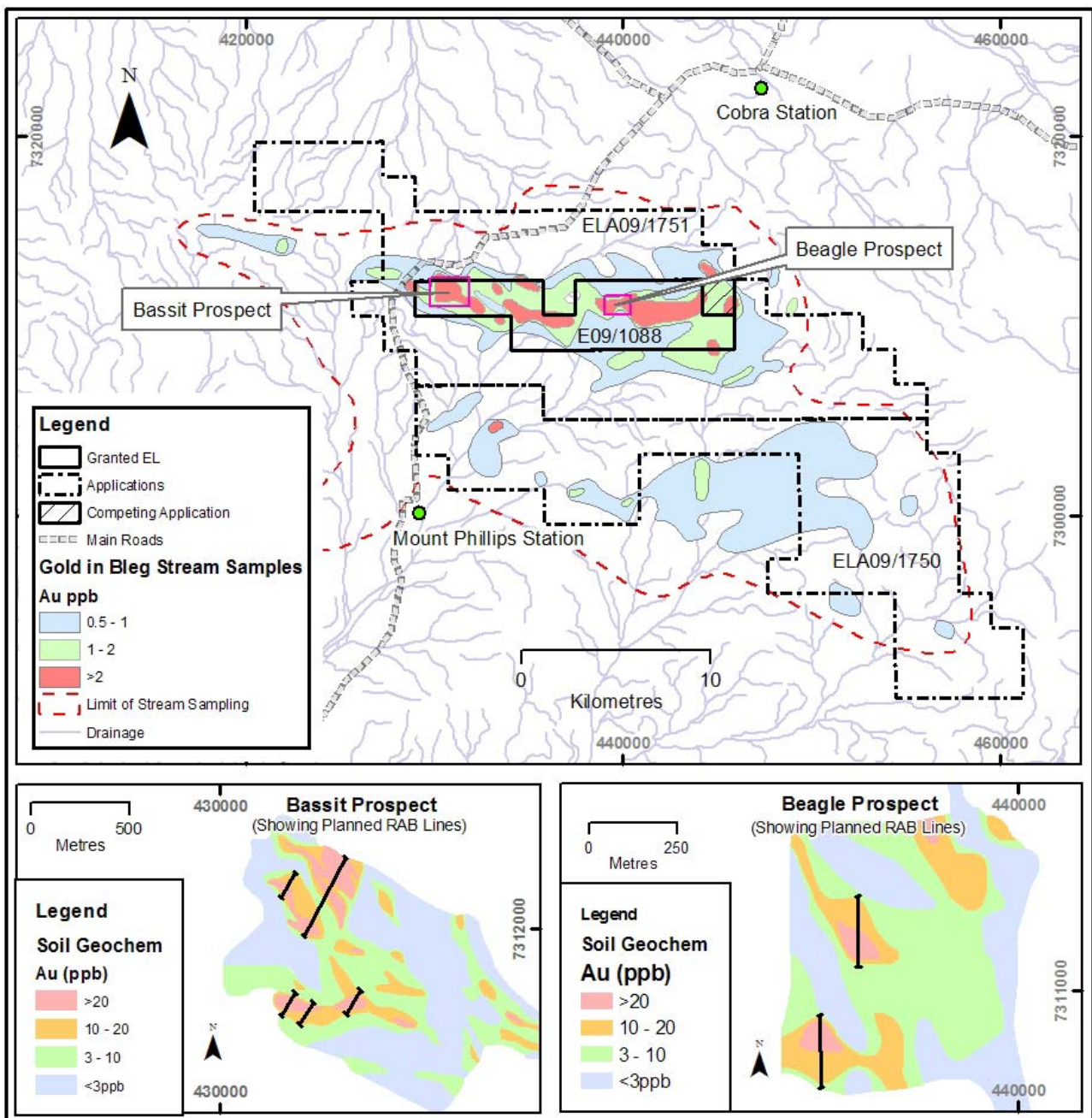


Figure 2: Bassit Bore Surface Geochemistry and planned drill lines

Stream Sediment Sampling

A stream sediment sampling program of 95 samples was conducted across central portions of E09/1088 to tighten up the stream sediment sampling results and hence to better focus the detailed soil sampling. The results of this sampling are yet to be received.

BUSTLER WELL E52/2348 100% Gascoyne

This licence covers historical pits and diggings that were RC drilled in the late 1980's with several holes returning narrow widths of high grade gold, (refer to Gascoyne Resources Limited Prospectus dated 26 October 2009).

During the quarter a detailed stream sediment sampling program of 124 samples was conducted in the southern and south western portion of the licence area to outline the extent that anomalous gold may be associated with the known gold mineralisation and to outline additional gold mineralised positions. The results of this sampling are yet to be received.

Soil sampling across the stream sediment anomalous areas is expected to be undertaken later in the year.

MT JAMES E52/2343 100% Gascoyne

Regional aeromagnetic data covering the Mt James area and surrounding area was acquired and processed during the quarter. This data set shows that the dominant structure of the area to be north west trending as compared to the east-west alignment of the gold mineralisation at the Westpoint grid area.

A tenement wide soil sampling program undertaken several years ago has been reassessed in line with the earlier drilling results and compared with the original soil sampling undertaken in the early 1980's. Enhanced gold in soil values in excess of 20ppb gold in a background of 1 to 2ppb gold have been recorded over a strike length of 1200m approximately 1.3km to the south of the Westpoint grid area. Field checking at this location confirmed that the soils are most likely derived from transported overburden and that drilling will be required to test the bedrock below these values.

During the next quarter on site geological inspection of the previous drilling at the Westpoint grid area and at Clever Mary, to the east, coupled with the results of the soil sampling and aeromagnetic structural directions will be undertaken. This is expected to lead to a RAB drilling program that will include the area of enhanced gold in soil to the south of Westpoint.

CORPORATE

Amalgamation of unmarketable shares

Following the in-specie distribution of the Gascoyne shares by Helix and Giralia to their respective shareholders the number of Gascoyne shareholders increased from approximately 600 to 5790, of whom approximately 4680 shareholders held a less than marketable parcel of shares representing 6.35% of the issued capital. Accordingly the Directors initiated the Sale of Unmarketable Parcel of Shares to reduce the share registry costs and to enable small shareholdings to be sold without brokerage costs. These shares will be sold in the near future thereby significantly reducing the number of shareholders to approximately 1900.

BACKGROUND ON GASCOYNE RESOURCES

Gascoyne Resources Limited was listed on the ASX in December 2009 following the amalgamation of the gold assets of Helix Resources Limited and Giralia Resources NL in the Gascoyne Region and capital raising. Both Helix and Giralia have distributed in-specie 80% of their shareholding in Gascoyne to their shareholders.

Gascoyne Resources is endowed with

- the Glenburgh Project that has an inferred resource estimate of: 2.4Mt @ 2.6g/t Au for 203,000oz gold from several prospects within the 20km long shear zone.
- Advanced exploration projects at Mt James where drilling has outlined a +1 g/t Au mineralisation over at least 2.5km strike within a 300m thick package of sheared mafic amphibolites and BIFs: and at Bustler Well where previous RC drilling returned narrow high grade intersections including 1m @ 37.4g/t Au, 2m @ 9.08 g/t Au and 3m @ 7.62 g/t Au from a 150m long quartz-shear lode.
- Untested soil geochemical anomalies at Bassit Bore ready to be drilled.

Gascoyne Resources' immediate primary focus is to continue the evaluation of the Glenburgh gold deposits to delineate meaningful increases in the resource base and to identify and test additional targets in the Glenburgh mineralised system and to explore for additional gold resources on the exploration properties. Success in these activities is expected to lead to the development of a gold project based on the Glenburgh gold deposits.

Competent Persons Statements

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr M Dunbar who is a full time employee of Gascoyne Resources Limited and 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 he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Gascoyne Resources Limited

ABN

57 139 522 900

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (8 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(209) (138)	(314) (223)
1.3 Dividends received	58	125
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(289)	(412)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	 (88)	 (88)
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 (provide details if material)		
Net investing cash flows	(88)	(88)
1.13 Total operating and investing cash flows (carried forward)	(377)	(500)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(377)	(500)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		5,405
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Share issue costs)		(525)
	Net financing cash flows	-	4,880
	Net increase (decrease) in cash held	(377)	4,380
1.20	Cash at beginning of quarter/year to date	4,757	-
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,380	4,380

Payments to directors of the entity and associates of the directors
Payments to 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	51
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

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

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

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

	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	350
4.2 Development	
4.3 Production	
4.4 Administration	425
Total	775

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	1,380	1,757
5.2 Deposits at call	3,000	3,000
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,380	4,757

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	61,149,600	53,126,898		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	2,200,000	Nil	<i>Exercise price</i> \$0.25	<i>Expiry date</i> 30 November 2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
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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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 21 July 10
Company secretary

Print name: Joneen McNamara

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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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