

**CORPORATE DETAILS**

**Directors**

**Graham Riley**  
*Non-Executive Chairman*

**Gordon Dunbar**  
*Managing Director*

**John den Dryver**  
*Non-Executive Director*

**Assets**

Cash \$4.8M

Glenburgh Gold (100%)  
203,000 oz Au

**Company Information:**

ASX Codes GCY

Shares 61.15M

Options - Unlisted 2.2M  
(25 cents expiring Nov 2011)

Share Price .....10.5 cents

Market Capitalisation

\$6.4 Million

**Contact Details:**

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## Highlights

### TECHNICAL

- Grant of the Mt James and Bustler Well exploration licences.
- Applications made for three additional exploration licences, one at Glenburgh and two at Bassit Bore.
- High priority drill targets at Glenburgh marked out.
- Bassit Bore soil and steam sediment targets confirmed and drilling planned.

### CORPORATE

- In-Specie Distribution of 30.6M shares held by Helix Resources Limited and Giralia Resources NL to their respective shareholders was completed.

## REVIEW OF OPERATIONS

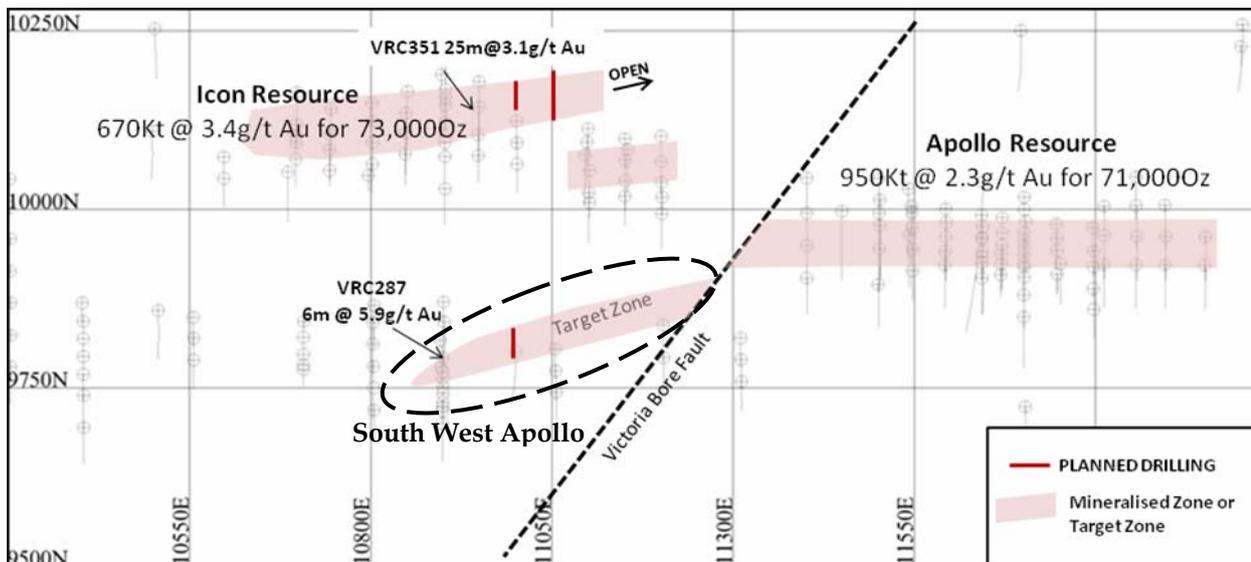
### GLENBURGH

#### RC Drilling Program

A 10 hole drilling program totalling approximately 1250m has been planned for 3 locations within the Glenburgh gold mineralised system where the current gold resources are open. At each of these locations there is the potential to add significant ounces of gold to the resource base.

- 5 holes on two lines spaced 50m apart are planned at North East Icon to cover 100m along strike from a hole VRC351 that intersected 25m @ 3.1 g/t in the 2008 drilling program.
- 3 holes are planned 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 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.



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

Applications for ground disturbing approval and additional Aboriginal Heritage Clearances have been lodged in respect to this drilling. It is anticipated that the drilling will be conducted during May this year.

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.

### **Exploration Licence Application**

An application for an exploration licence, ELA09/1764, was lodged during the quarter to cover an area south and west of Glenburgh. When granted it is planned to undertake detailed and infill stream sediment sampling ahead of soil sampling across anomalous drainages.

### **BASSIT BORE**

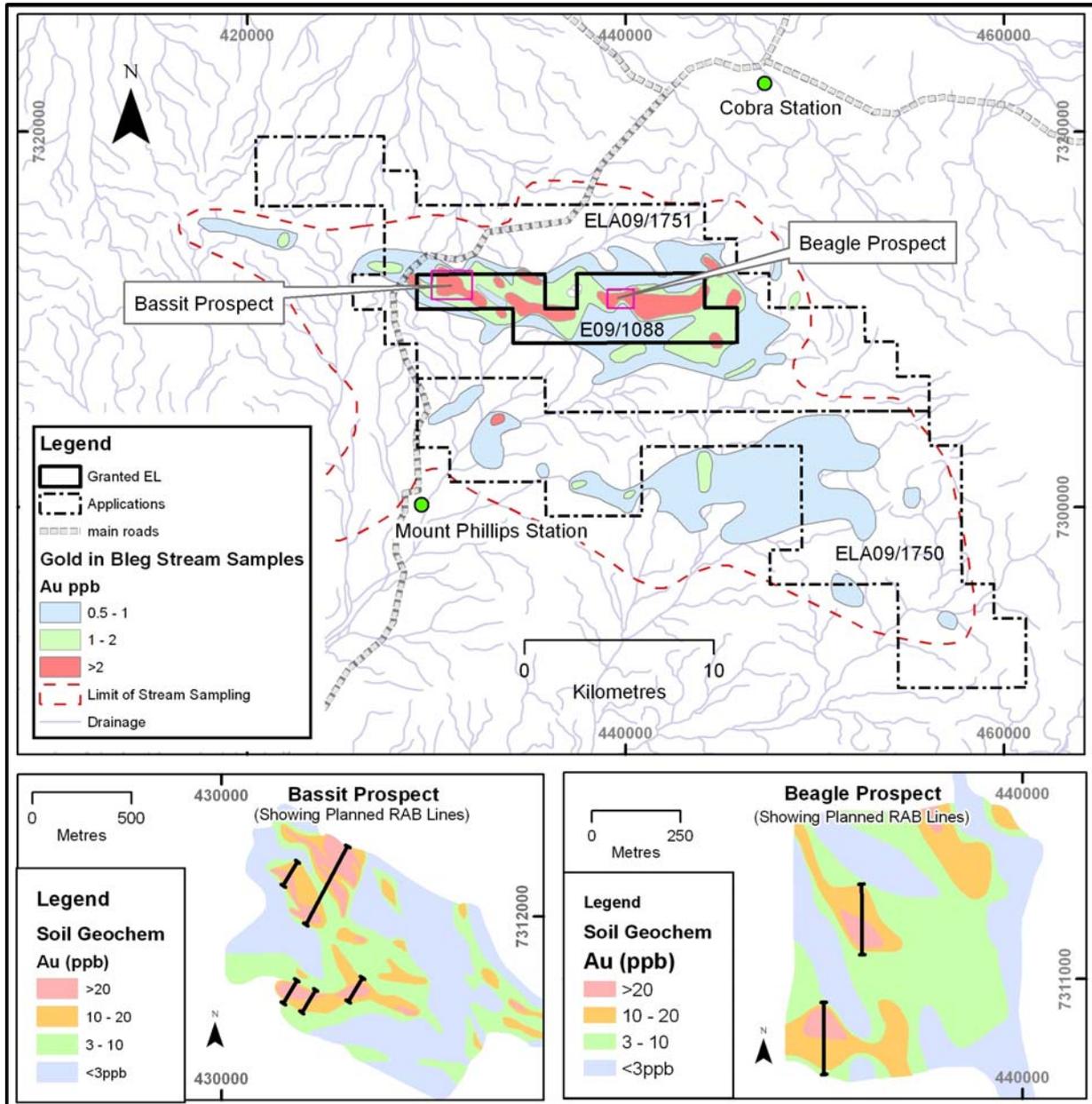
#### **RAB Drilling Program**

Following an assessment of the stream sediment and soil geochemistry conducted in the Bassit Bore area during the 1990's, a site visit was conducted to locate and validate the historical exploration. The soil sampling sites were located and as a result a RAB drilling program of approximately 4000m has been planned. This drilling will 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.

Applications for ground disturbing approval and Aboriginal Heritage Clearances have been lodged in respect to this drilling. It is anticipated that the drilling will be conducted during May this year subject to receiving the necessary clearances.

#### **Exploration Licence Applications**

Applications for two exploration licences, ELA09/1750 & 51, were lodged during the quarter to surround the existing exploration licence, E09/1088 (see Figure 2). The area applied for extends to the south east and north west of the Bassit Bore licence to cover land with enhanced and anomalous gold in stream sediment identified by previous explorers in the area. Detailed and infill stream sediment sampling ahead of soil sampling across anomalous drainages is planned to be undertaken when the tenements are granted.



**Figure 2: Bassit Bore Surface Geochemistry and planned drill lines**

## BUSTLER WELL

Exploration licence E52/2348 was granted on 8 March 2010.

This licence covers historical pits and diggings that were RC drilled in the late 1980's with the following results being reported from the drilling, (refer to Gascoyne Resources Limited Prospectus dated 26 October 2009). The location of the pits, access tracks and drill holes have been picked up in GDA coordinates during a site visit made in the quarter.

Table 1: Historical drill results from Bustler Well

Drill Hole No	From (m)	To (m)	Length (m)	Gold g/t
BR01	20	21	1	37.3
BR02	10	12	2	9.1
BR03	17	20	3	7.6
BR15	46	49	3	7.2
BR15	71	73	2	4.3

The gold mineralisation identified in the workings and in the drilling is open to the south east.

Stream sediment sampling from the early 1990's identified anomalous gold values in streams around 2km to the south east and along strike from the historical pits and drilling with a maximum value of 1.9ppb gold downstream from this area. Detailed stream sediment sampling and follow up soil sampling program will be undertaken during the next quarter with the aim to provide new drill targets.

## MT JAMES

Exploration licence E52/2343 was granted on 8 March 2010.

No field work, other than a familiarisation field visit, was undertaken during the quarter.

## CORPORATE

### In-Specie Distribution

At General Meetings held on Monday 8 February 2010 shareholders of both Helix Resources Limited and Giralia Resources NL approved the in-specie distribution of 16,000,100 shares (in the case of Helix) and 14,600,000 shares (in the case of Giralia) to their respective shareholders as proposed in the Gascoyne Resources Limited Prospectus dated 26 October 2009.

As a result of this distribution the number of Gascoyne shareholders has increased from approximately 600 to 6000, (at the beginning of March 2010), of which approximately 5000 held less than marketable parcels. The Directors are considering various strategies to reduce the number of unmarketable parcels.

## **Appointment of General Manager**

Mr Michael Dunbar has been appointed as General Manager of the company. He is a geologist with over 15 years experience in exploration, resource delineation and project development for gold, copper and nickel projects within Australia and overseas. Michael has been involved in the evaluation and resource development of a number of deposits including Exco Resource's Cloncurry Copper project (over 50Mt resource base) and the White Dam gold project, Albidon Limited's Munali Nickel project, Mirabela Nickel's Santa Rita deposit as well as the discovery, delineation and development of the +2million ounce Thunderbox gold deposit and the Waterloo Nickel project for LionOre (now Norilsk).

His initial role for Gascoyne will be the evaluation and resource delineation of the Glenburgh gold deposits, managing the exploration on the other properties and evaluating new opportunities.

## **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.

Name of entity

**GASCOYNE RESOURCES LIMITED**

ABN

**57 139 522 900**

Quarter ended ("current quarter")

**31 March 2010**

*Consolidated statement of cash flows*

	Current quarter \$A'000	Year to date 5 months \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(105)	(105)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	57	67
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
<b>Net Operating Cash Flows</b>	<b>(72)</b>	<b>(123)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets		
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		
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(72)</b>	<b>(123)</b>

1.13	Total operating and investing cash flows (brought forward)	(72)	(123)
	<b>Cash flows related to financing activities</b>		
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)
	<b>Net financing cash flows</b>	-	4,880
	<b>Net increase (decrease) in cash held</b>	(72)	4,757
1.20	Cash at beginning of quarter/year to date	4,829	-
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	4,757	4,757

*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	34
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25

Explanation necessary for an understanding of the transactions

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*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

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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	590
4.2 Development	
<b>Total</b>	<b>590</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	1,757	1,829
5.2 Deposits at call	3,000	3,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>4,757</b>	<b>4,829</b>

*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	E09/1079	Partial relinquishment	100%	100%
6.2	Interests in mining tenements acquired or increased	E52/2343	Granted	100%	100%
		E52/2348	Granted	100%	100%
		ELA09/1750	Application	0%	100%
		ELA09/1751	Application	0%	100%
		ELA09/1764	Application	0%	100%

*Issued and quoted securities at end of current quarter*

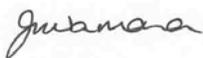
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	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> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	61,149,600	53,126,898		
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs		26,102,298		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <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 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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 4).

2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 15 April 2010

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.