

12TH January 2011

Australian Stock Exchange Limited
Via Electronic Lodgement

GEOCHEMICAL ANOMALY DEFINED ON THE ICON TREND

Results from the recent shallow geochemical drilling at the Glenburgh gold project have outlined a 500m long gold geochemical anomaly with values up to 35 ppb Au, that is broadly co incident with a section of the recently identified Icon trend.

The recent structural re interpretation identified a number of trends that host the gold deposits within the Glenburgh project. One of these trends (the Icon Trend) was identified as a high priority target because of the lack of historical geochemical sampling over the trend and the fact that the trend hosts approximately 30% of the Inferred Resources on the project, within one single deposit - Icon deposit.

As a result, a geochemical drill program was designed to cover this trend and was only partially completed late in the 2010 field season. A total of 310 vacuum holes, or ~25% of the original 1400 hole program was completed prior to the end of the 2010 field season which was cut short by inclement weather and poor drill rig availability.

This first pass geochemical drilling was designed to test the interface between the transported cover and the residual bedrock. Of the drilling completed, the average depth of the transported cover was around 1 – 1.5m. The interface sampling identified an anomalous zone which extends for over 500m with peak results of up to 35 ppb Au. This anomaly is co incident with the structurally interpreted Icon trend and highlights the potential for the Icon trend further to the east, into an area which has yet to be tested.

This anomaly supports the recently completed structural interpretation of the project area, which highlights the potential for the Glenburgh project, as three separate trends have now been identified. Previously it appeared that all the mineralisation was constrained by one structural system.

The potential for the Glenburgh Project to contain significantly more mineralisation than has been discovered to date is considered to be high as a result of recent exploration.



Forward Program

Results of the RC drilling that was completed late in the 2010 field season have been delayed in the laboratory; results are expected to be received in mid January.

The rest of the shallow geochemical drill program will be completed as soon as possible. At this stage, it is expected to commence in March.

In addition to the shallow geochemical drilling, a ~ 5,000m RC and ~ 10,000m RAB drill programs are scheduled to commence in March.

*On behalf of the Board of
Gascoyne Resources Ltd*



Gordon Dunbar
Managing Director

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 a capital raising.

Gascoyne Resources is endowed with

- The Glenburgh Project that has an inferred resource estimate of: 7.2Mt @ 1.6g/t Au for 360,000oz gold from several prospects within a 20km long shear zone.
- Untested soil geochemical anomalies and number of mineralised quartz veins at Bassit Bore ready to be drilled.
- Advanced exploration projects at Mt James and at Bustler Well.

Gascoyne Resources' immediate 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 could lead to the development of a gold project based on the Glenburgh gold deposits.

Information in this announcement relating to mineral resources and exploration results is based on data compiled by Gascoyne's General Manager Mr Mike Dunbar and 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 2004 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.

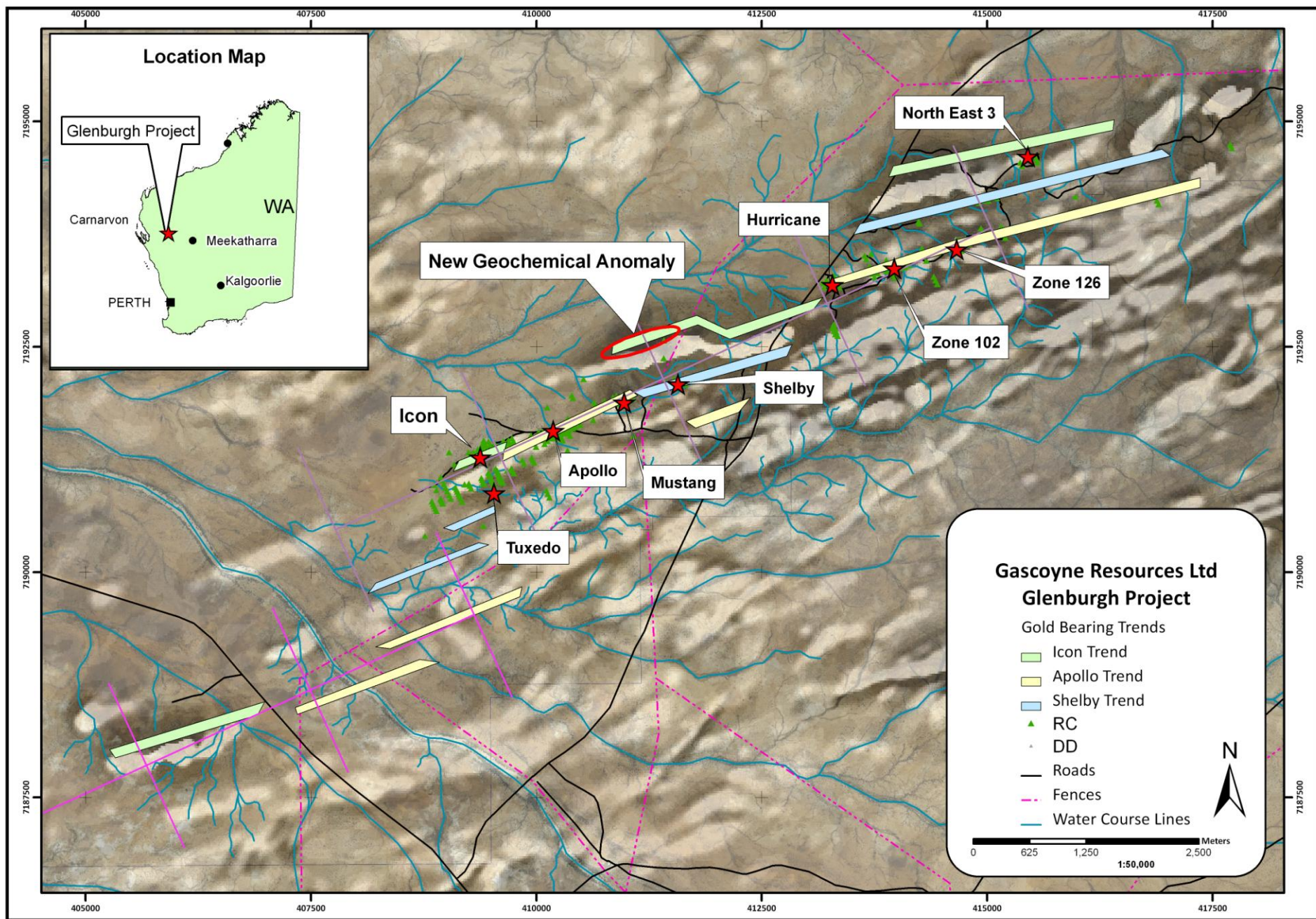


Figure One: Project and Deposit Location Showing Mineralised Trends.

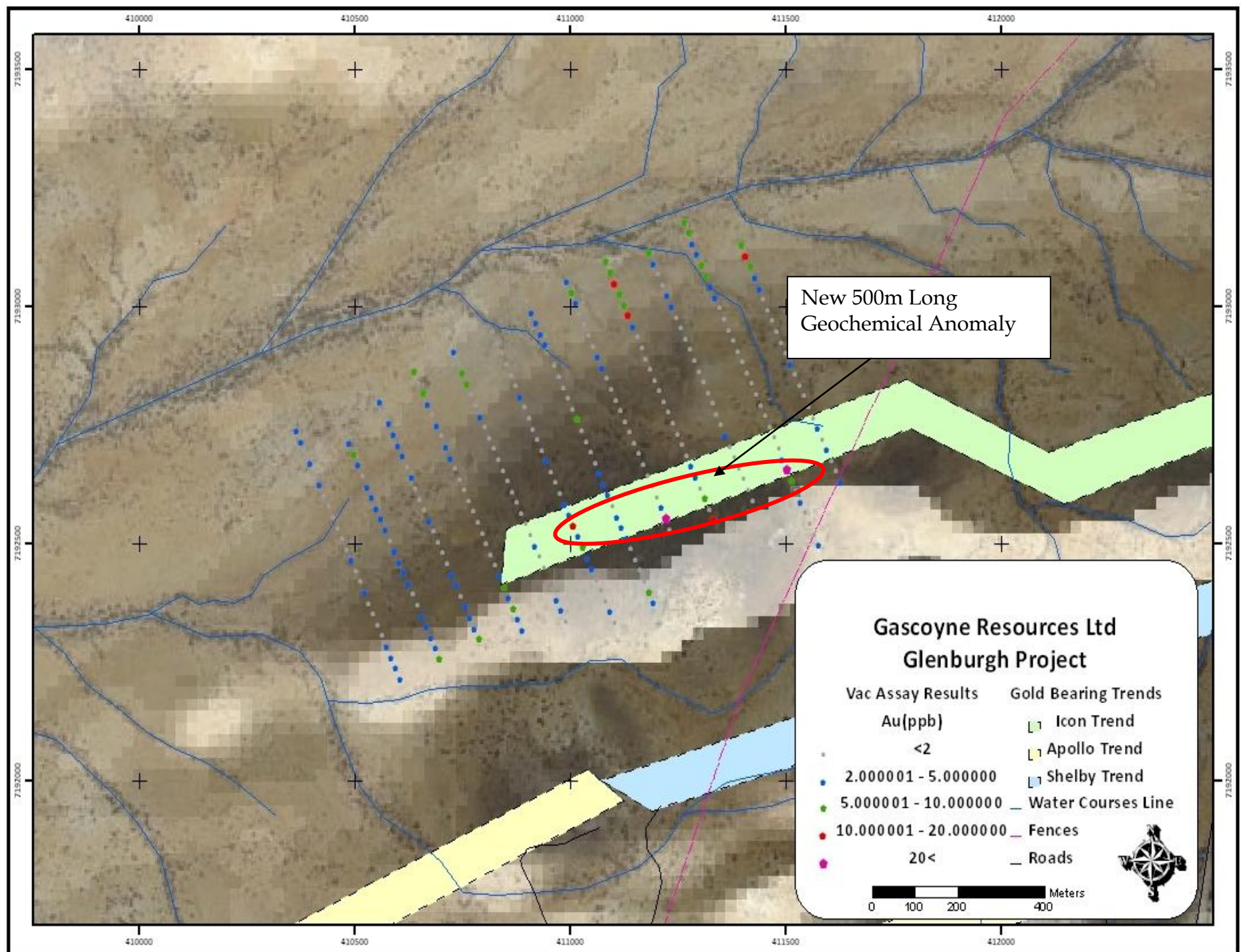


Figure Two: Location of recently defined geochemical anomaly on the Eastern Icon Trend.