GASCOYNE RESOURCES LIMITED

ACN: 139 522 900

2nd June 2011
Australian Stock Exchange Limited
Via Electronic Lodgement

STRONG GOLD INTERSECTIONS EXTEND EASTERN GLENBURGH DEPOSITS

HIGHLIGHTS:

- Drilling at each of the north eastern deposits intersects high grade extensions to the known gold mineralisation. RC drilling intersections include:
  - **15m @ 5.6 g/t Au from 87m to the end of the hole, including 4m @ 11.3 g/t from 88m in VRC491**
  - **7m @ 1.9 g/t Au from 102m in VRC 490** within 26m @ 0.84g/t Au from 94m,
  - 6m @ 1.5 g/t Au from 102m in VRC480,
  - 2m @ 2.2 g/t Au from 76m in VRC 480,
- Next 5,000 – 8,000m RC program is planned for June after results from the recent program assessed.

Gascoyne Resources Limited is pleased to announce that the RC drilling at the north eastern gold deposits at the Company's 100% owned Glenburgh Gold project in Western Australia has intersected significant widths and grades of gold mineralisation. Assay results from all but 4 of the 46 holes of the recently completed 2011 RC drilling program have now been received. Positive early results from the western deposits were released to ASX on 14 April and 23 May, including 32m @ 2.4 g/t Au as an extension to the Icon deposit. The drilling at the north eastern deposits has continued to highlight the potential to add to the current 360,000 ounce resource at the Glenburgh project.

Zone 126 Deposit:

Drilling outside the limits of the current resource has intersected **15m @ 5.6 g/t Au** from 87m to the end of the hole in VRC491. This hole was drilled to test the down plunge extensions of the Zone 126 gold deposit, where previous drilling had intersected 12m @ 8.14 g/t Au and 13m @ 5.91 g/t.

The down plunge extensions to the deposit remain open and untested.

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Zone 102 Deposit:

At the Zone 102 deposit, the additional drilling intersected 7m @ 1.9 g/t Au. This drilling was designed to test the down dip potential of the deposit.

The down dip and down plunge potential of Zone 102 remains open.

Hurricane Deposit:

Extensional drilling has intersected three narrow zones of mineralisation including 6m @ 1.5 g/t Au from 102m, 3m @ 0.8g/t Au from 114m and 2m @ 2.2 g/t Au from 76m in VRC480.

The deposit remains open along strike and down dip.

A list of the significant intersections received from the north-eastern deposits at Glenburgh (holes VRC480 to 495) is contained in Table 1 and the hole locations and details are in Table 2.

These new intersections along with the high grade shallow mineralisation announced in April and May, has confirmed the company's belief that the Glenburgh area has only been partially tested by the historical drilling. Considerable potential remains around the deposits with the recent drilling only testing the shallow potential. As a result, the deposits still remain open down dip, down plunge and still require additional drilling along strike to close off the mineralisation.

Now that the initial stage of extensional drilling has been completed around the deposits, the resource estimate will be updated with the resulting resource model used in the current scoping study.

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Forward Program:

Given the success of stage one of the RC drill program, stage two of the RC drill program is currently being planned.

The drilling will test the down dip and down plunge extensions of the known deposits and continuing to test the zone between Apollo and Icon.

Diamond drilling is also being planned to collect metallurgical and geotechnical samples to allow further studies on the project.

Further results and information will be provided as they become available.

On behalf of the Board of
Gascoyne Resources Ltd

Michael Dunbar
Managing Director

Information in this announcement relating to mineral resources and exploration results 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 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.

The drilling was conducted using RC drilling with samples being collected at one metre intervals and a riffle split subsample of approximately 2-4 kg was sent to Genalysis Laboratory Services Pty Ltd in Perth Western Australia. The sample was fully pulverized and analysed for gold using a 50 gram lead collection fire assay digest and an atomic absorption spectrometry finish to a 0.01ppm Au detection limit. Full analytical quality assurance – quality control (QA/QC) is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicate, repeats, blanks and grind size analysis.

The spatial location of the samples is derived using surveyed local grid co-ordinates, GPS collar survey pickups, and Reflex single shot downhole surveys taken every 30m down hole.

Intersections have been reported using a 0.5g/t cutoff and allowance for up to 4m of internal waste. Some +0.5g/t intersections have not been reported if they are single metre intersections or are not considered to be significant due to their isolated position compared to other intersections.

True widths have not been determined as the level of detail needed to calculate accurate true widths is not yet available, as a result down hole widths have been reported, however true widths are not expected to significantly change from the down hole widths.

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 of Western Australia.

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.

- 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.

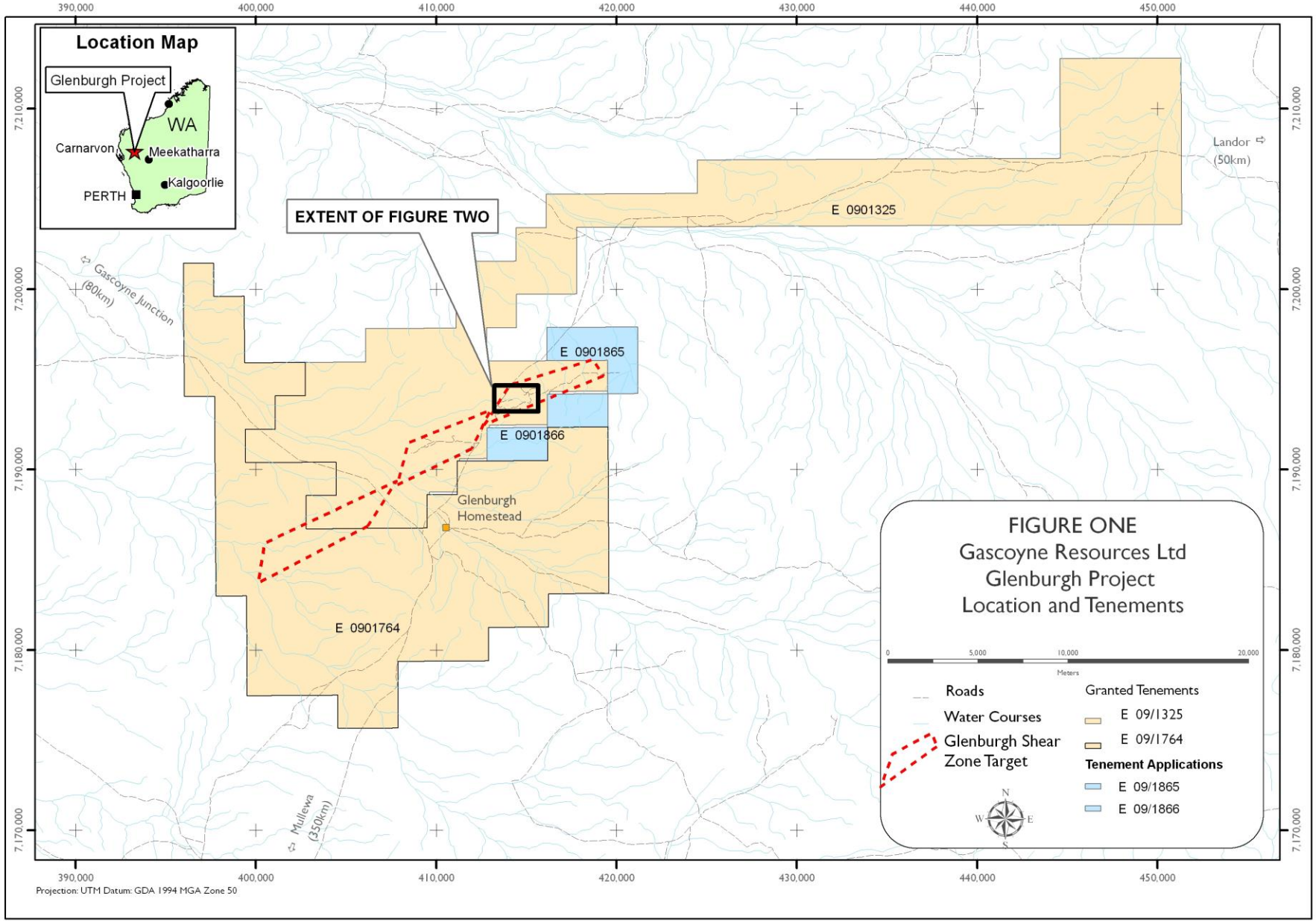
Further information is available at www.gascoyneresources.com.au

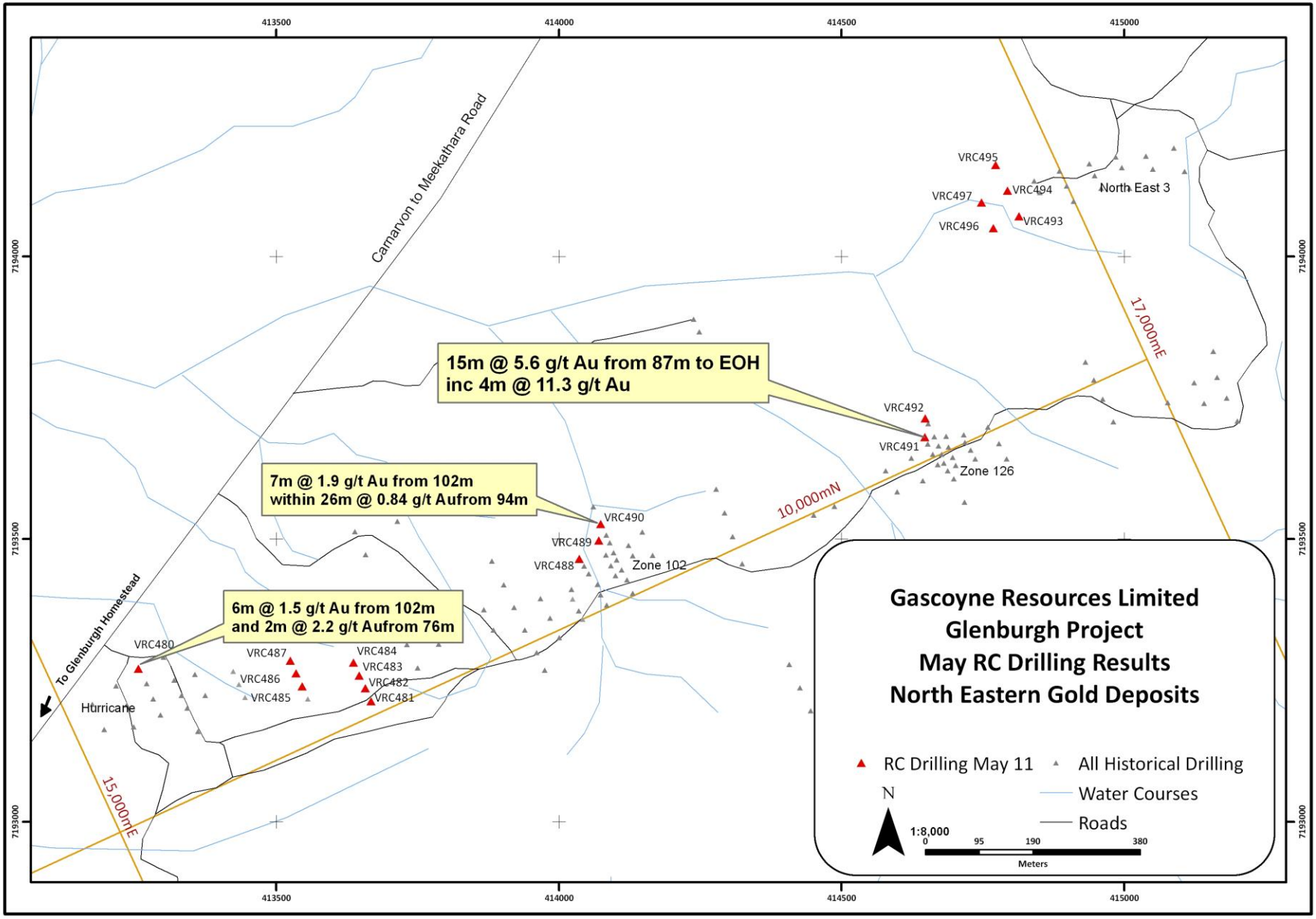
Table 1: Recent Significant RC Drill Intersections Glenburgh north-eastern deposits

hole	from	to	interval	Au g/t	Comments
VRC480	76	78	2	2.2	
VRC480	**102**	**108**	**6**	**1.5**	
VRC480	114	117	3	0.8	
VRC482	18	21	3	0.8	
VRC488	101	107	6	0.5	
VRC490	94	120	26	0.84	
Inc.	94	97	3	0.8	
and	**102**	**109**	**7**	**1.9**	
and	117	120	3	0.6	
VRC490	126	128	2	1.2	
VRC490	136	138	2	0.8	
VRC491	**87**	**102**	**15**	**5.6**	**To EOH**
Inc.	**88**	**92**	**4**	**11.3**	
VRC492	129	135	6	0.6	
VRC494	82	84	2	0.6	To EOH

Table 2: Drill Hole Locations and Details

Hole Number	GDA 94 co-ords		Local Grid co-ords		RL	Depth (M)	Dip	Azimuth (local)	Azimuth (GDA)	Location
	Easting	Northing	Easting	Northing						
VRC480	413256	7193271	15150	10250	330	480	-60	180	155	Hurricane
VRC481	413668	7193213	15500	10025	330	60	-60	180	155	Hurricane
VRC482	413658	7193236	15500	10050	330	90	-60	180	155	Hurricane
VRC483	413647	7193259	15500	10075	330	102	-60	180	155	Hurricane
VRC484	413637	7193281	15500	10100	330	120	-60	180	155	Hurricane
VRC485	413546	7193239	15400	10100	330	84	-60	180	155	Hurricane
VRC486	413535	7193262	15400	10125	330	102	-60	180	155	Hurricane
VRC487	413525	7193285	15400	10150	330	120	-60	180	155	Hurricane
VRC488	414036	7193465	15940	10100	330	120	-60	180	155	Zone 102
VRC489	414071	7193497	15985	10115	330	102	-60	180	155	Zone 102
VRC490	414074	7193526	16000	10140	330	144	-60	180	155	Zone 102
VRC491	414647	7193680	16585	10040	330	102	-60	180	155	Zone 126
VRC492	414649	7193714	16600	10070	330	144	-60	180	155	Zone 126
VRC493	414814	7194071	16900	10325	330	54	-60	180	155	NE3
VRC494	414793	7194116	16900	10375	330	84	-60	180	155	NE3
VRC495	414773	7194161	16900	10425	330	120	-60	180	155	NE3


Location Map
Glenburgh Project
WA
Carnarvon
Meekatharra
Kalgoorlie
PERTH
EXTENT OF FIGURE TWO
E 0901325
E 0901865
E 0901866
E 0901764
Glenburgh Homestead
Landor (50km)
Gascoyne Junction (80km)
Mullewa (350km)
390,000
400,000
410,000
420,000
430,000
440,000
450,000
7,210,000
7,200,000
7,190,000
7,180,000
7,170,000
FIGURE ONE
Gascoyne Resources Ltd
Glenburgh Project
Location and Tenements
0
5,000
10,000
20,000
Meters
Roads
Water Courses
Glenburgh Shear Zone Target
Granted Tenements
E 09/1325
E 09/1764
Tenement Applications
E 09/1865
E 09/1866
N
W
E
S
Projection: UTM Datum: GDA 1994 MGA Zone 50


413500
414000
414500
415000
7194000
7193500
7193000
Carnarvon to Meekathara Road
To Glenburgh Homestead
15m @ 5.6 g/t Au from 87m to EOH
inc 4m @ 11.3 g/t Au
7m @ 1.9 g/t Au from 102m
within 26m @ 0.84 g/t Aufrom 94m
6m @ 1.5 g/t Au from 102m
and 2m @ 2.2 g/t Aufrom 76m
VRC495
VRC494
VRC497
VRC493
VRC496
North East 3
17,000mE
VRC492
VRC491
Zone 126
10,000mN
VRC490
VRC489
VRC488
Zone 102
VRC480
VRC487
VRC484
VRC483
VRC486
VRC482
VRC485
VRC481
Hurricane
15,000mE
Gascoyne Resources Limited
Glenburgh Project
May RC Drilling Results
North Eastern Gold Deposits
RC Drilling May 11
All Historical Drilling
Water Courses
Roads
N
1:8,000
0
95
190
380
Meters