GASCOYNE RESOURCES LIMITED

ACN: 139 522 900

18th July 2011
Australian Stock Exchange Limited
Via Electronic Lodgement

RC DRILLING RECOMMENCES AT GLENBURGH

Gascoyne Resources Limited is pleased to announce that an 8,000m Reverse Circulation drilling program has commenced at the company's 100% owned Glenburgh gold project in Western Australia. The drilling program is designed to follow up significant results from recently completed RC and aircore drilling, and to target open ended mineralised zones with potential to substantially increase current 360,000 ounce Inferred JORC gold resource.

Initial targets include:

- The South West Target where wide spaced RAB drilling intersected up to **28m @ 1.2 g/t Au**, including **8m @ 3.2g/t Au** (as released 6th June 2011).
- Extensional drilling at the Zone 126 Deposit, where recent RC drilling intersected **15m @ 5.6 g/t Au**, which remains untested along strike and down plunge (as released 2nd June 2011).
- Extensional Resource drilling near the known deposits, including Apollo, Icon and Tuxedo.

Approximately 8,000 metres of RC drilling in 90 holes has been planned. This program is expected to be completed by mid September. The results of this drilling should be received progressively from mid August to mid October.

In addition to the RC drilling, a further ~ 10,000m of Air-core drilling is planned to commence in early September.

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 he was 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.

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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 Gold Project, located approximately 250km east of Carnarvon in Western Australia, has an inferred resource estimate of: 7.2Mt @ 1.6g/t Au for 360,000oz gold from several deposits within a 20km long shear zone. The deposits remain open along strike and down dip, with significant potential to increase the current resource.

- Untested soil geochemical anomalies and number of mineralised quartz veins at the Bassit Bore Project ready to be drilled. These targets include outcropping mineralized quartz veins with rock chip results of up to 36g/t Au, as well as a number of untested soil anomalies.

- 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 to lead to the development of a gold project based on the Glenburgh gold deposits.

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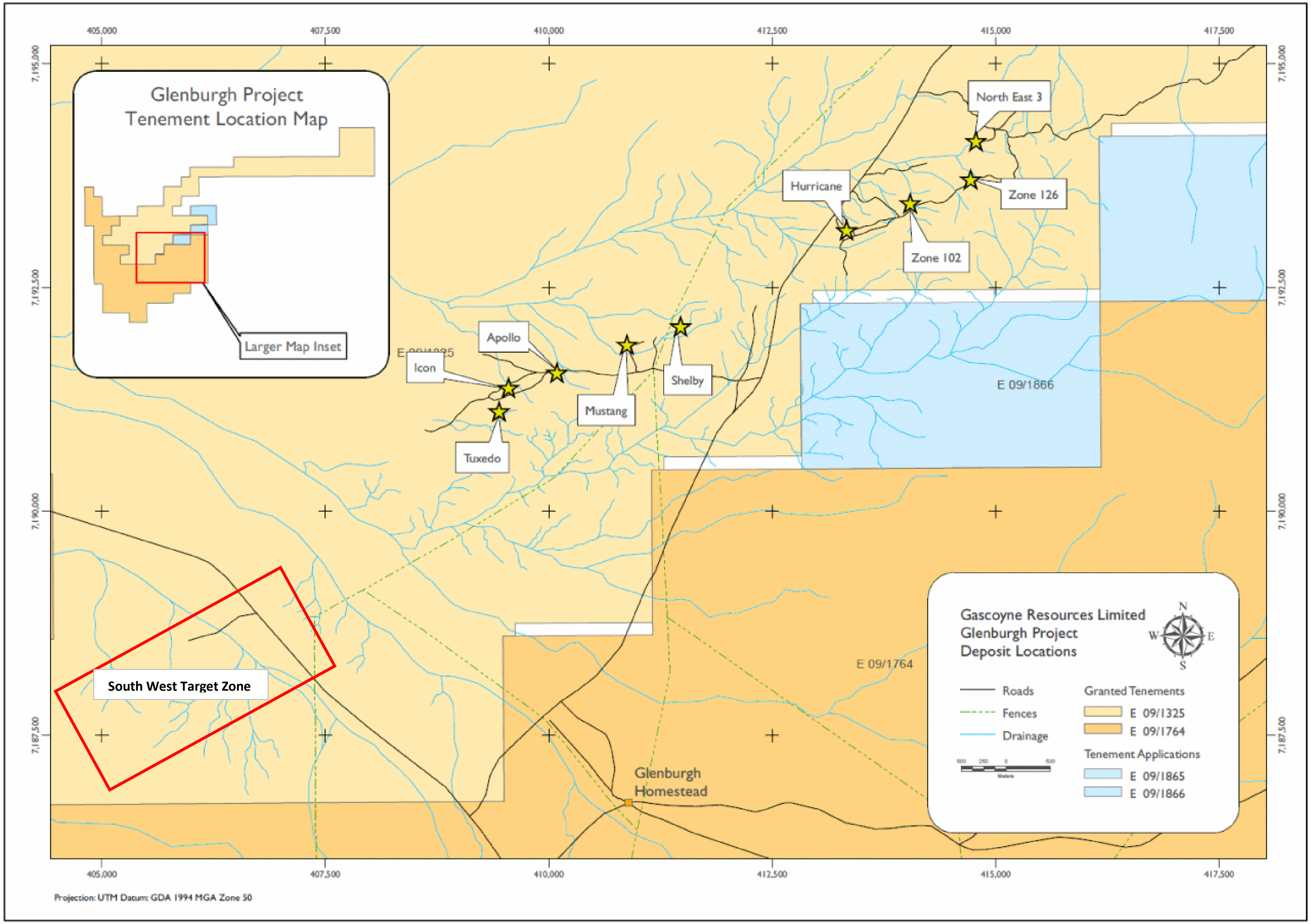

FIGURE ONE: Glenburgh Project, deposit locations and South West Target Zone.