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Australian Securities Exchange Limited
Via Electronic Lodgement

DRILLING CONFIRMS NEW GOLD DISCOVERY AT GLENBURGH

HIGHLIGHTS:

- RC drilling at the Torino prospect, in the South West target area of the Glenburgh project, has confirmed the gold potential of the area. Intersections from the first six RC holes into the Torino Prospect include:
 - o **18m @ 2.1 g/t Au from 66m to EOH, including 7m @ 3.1 g/t from 74m in VRC503**
 - o **17m @ 0.7 g/t Au from 39m, including 2m @ 2.4g/t Au from 46m and 3m @ 1.0 g/t Au from 39m in VRC504**
 - o **18m @ 0.6 g/t Au from 126m to EOH including 8m @ 1.0g/t Au from 130m in VRC504**
 - o **18m @ 0.6 g/t Au from 34m, including 10m @ 0.94 g/t Au in VRC501,**
 - o **14m @ 0.5g/t Au from 32m in VRC 502**
 - o **68m @ 0.3g/t Au from 33m in VRC500**
- Two rigs are in operation at Glenburgh, with RC drilling testing both the new South West target area, and extensions to the existing JORC gold resources, and Air-core drilling along strike from Torino infilling between the current 200m spaced RAB drill lines.

Gascoyne Resources Limited is pleased to announce that RC drilling has confirmed the discovery of a significant new gold system at the Torino prospect, in the South West target area at the Company's 100% owned Glenburgh Gold project in Western Australia. Encouraging RAB drilling results were announced on the 6th and 29th of June 2011 from the South West target area, which is located around 4 km from the Company's current 360,000 ounce gold resource.

The first six RC holes drilled into the Torino prospect have confirmed the significance of the gold mineralised system, with five of the first six RC holes intersecting significant mineralisation as highlighted above. The drill intersections such as **18m @ 2.1g/t Au** from 66m in VRC503 and **68m @ 0.3g/t Au** in VRC500 indicate the potential size of the mineralised system and that higher grade sections are contained within it. See Table 2 for all the significant intersection and Table 3 for drill collar data.



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Gascoyne's Managing Director Michael Dunbar, said: "The importance of these intersections at the Torino prospect shouldn't be underestimated, with not only some high grades and significant widths of mineralisation identified in these early holes, but also very broad low grade mineralisation that highlight that the area has all the hallmarks of large mineralised system. The new discovery is only 4km from the Company's current gold resource at Glenburgh and the mineralisation at the South West target zone has been traced for over 3,000m with only limited RAB drilling completed to date. Additional RC and Aircore drilling is underway in the around the Torino prospect to better define the new zones of mineralisation, with the aim to define an initial resource for the South Western area by the end of 2011."

Table 1: Significant Intersections from the RC Drilling at the Torino Prospect

Hole	From	To	Interval	Au Grade	Comments
VRC499	0	3	3	0.2	
VRC499	14	21	7	0.1	
VRC499	35	40	5	0.3	
VRC499	59	67	8	0.1	
VRC500	33	101	68	0.3	
inc	54	58	4	0.8	
VRC501	34	52	18	0.6	
inc	41	51	10	0.94	
inc	45	51	6	1.1	
VRC502	32	46	14	0.5	
inc	32	35	3	1.0	
inc	41	45	4	0.6	
VRC502	67	69	2	0.9	
VRC502	77	84	7	0.4	EOH
VRC503	42	45	3	0.4	
VRC503	66	84	18	2.1	EOH
inc	66	69	3	2.5	
inc	74	81	7	3.1	
VRC504	39	56	17	0.7	
inc	39	42	3	1.0	
inc	46	48	2	2.4	
VRC504	67	84	17	0.3	
VRC504	126	144	18	0.6	EOH
inc	130	138	8	1.0	

Table 2: RC Drill Hole Locations and Details

Hole Number	MGA Easting	MGA Northing	Local Easting	Local Northing	RL	Depth	Dip	MGA Azimuth	Local Azimuth	Prospect
VRC499	406855	7188577	7400	8650	330	84	-60	155	180	Torino
VRC500	406860	7188631	7400	8710	330	180	-60	155	180	Torino
VRC501	406850	7188533	7350	8625	330	54	-60	155	180	Torino
VRC502	406840	7188556	7350	8650	330	84	-60	155	180	Torino
VRC503	406931	7188598	7450	8650	330	84	-60	155	180	Torino
VRC504	406914	7188634	7450	8675	330	144	-60	155	180	Torino

Forward Program:

Drilling is ongoing at the project with two drill rigs currently on site. The program includes

- Follow up RC drilling at the Torino Prospect.
- RC drilling of a further 4,000m to test the down dip, down plunge and strike extensions of the known gold deposits at Glenburgh.
- Air core drilling at the South Western target zone, to define additional targets along strike from the Torino prospect.
- An update to the resource estimate.
- Completion of the Scoping Study for the Glenburgh Gold Project.

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

*On behalf of the Board of
Gascoyne Resources Ltd*



Graham Riley
Chairman

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 0.1g/t cutoff and allowance for up to 4m of internal waste. Some +0.1g/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

- 100% of the Glenburgh Project in Western Australia, which has an inferred resource of: 7.2Mt @ 1.6g/t Au for 360,000oz gold from several prospects within a 20km long shear zone. Considerable resource growth potential exists around the deposits as well as at regional targets that have had limited exploration over the last 15 years.
- 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



