GASCOYNE RESOURCES LIMITED

ACN: 139 522 900

15th September 2011
Australian Securities Exchange Limited
Via Electronic Lodgement

20 metres @ 11.1g/t gold – BEST INTERSECTION YET AT GLENBURGH

HIGHLIGHTS:

- Outstanding gold intersections from the **Zone 126 Prospect** from RC drilling at the Glenburgh project.
  - **Intersections include:**
  - **20m @ 11.1 g/t gold from 131m in VRC 535 , including 2m @ 31.8g/t gold from 132m and 3m @ 30.5g/t gold from 142m**
  - **17m @ 6.8 g/t gold from 163m in VRC 534, including 6m @ 15.7g/t gold from 171m**
- RC Drilling is continuing at Glenburgh.

Gascoyne Resources Limited is pleased to announce outstanding RC drill intersections from extensional drilling at the Zone 126 prospect at the Company's 100% owned Glenburgh Gold project in Western Australia.

Step out RC drilling at the Zone 126 prospect has intersected significant high grade gold mineralisation including **20m @ 11.1g/t gold** from 131m in VRC535 and **17m @ 6.8 g/t gold** from 163m in VRC534. These are two of the best intersections from the Glenburgh project to date. This high grade zone remains open along strike and down plunge. Further step out drilling is planned and will be undertaken in the coming weeks. While it is expected these intersections would be fall within an open pit, the high grade nature of this zone highlights the potential for the Glenburgh project to host shoots that could sustain an underground mine development after the open pit potential has been exhausted.

The high grade gold intersections at the Zone 126 prospect are associated with distinct quartz – pyrite veining.

These new high grade gold intersections will add to the Glenburgh resource base as they lie outside the current Inferred Resource of 13.8Mt @ 1.2g/t Au from 520,000 oz of gold that was announced on the 23rd of August 2011.

Gascoyne's Chairman Graham Riley said: "The recent trend of high grade gold discoveries at Glenburgh continues, which further enhances the potential of the project. These results highlight the potential for significant additional gold resources beneath current deposits, which are predominantly within 150 metres of surface and are mostly open at depth. We have only just started to uncover the true scale of the Glenburgh gold system"

P.O. Box 1449, West Perth, Western Australia 6872
Level 2 33 Ord Street, West Perth, Western Australia 6005
Telephone +61 8 9481 3434, Facsimile +61 8 9481 0411,
Email: admin@gascoyneresources.com.au, Website: gascoyneresources.com.au

Table 1: Significant Intersections from the RC Drilling at Zone 126

Hole	From (m)	To (m)	Interval (m)	Au Grade g/t	Comments
VRC533	99	102	3	0.8	
and	121	125	4	1.3	
Includes	121	123	2	2.1	
VRC534	**163**	**180**	**17**	**6.8**	**EOH**
includes	**171**	**177**	**6**	**15.7**	
VRC535	**131**	**151**	**20**	**11.1**	
includes	**132**	**134**	**2**	**31.8**	
and	**137**	**138**	**1**	**22.2**	
and	**142**	**145**	**3**	**30.5**	

EOH – End of hole

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
VRC532	414625	7193670	16560	10040	350	126	-60	155	180	Zone 126
VRC533	414616	7193688	16560	10060	350	150	-60	155	180	Zone 126
VRC534	414608	7193706	16560	10080	350	180	-60	155	180	Zone 126
VRC535	414637	7193703	16585	10065	330	168	-60	155	180	Zone 126

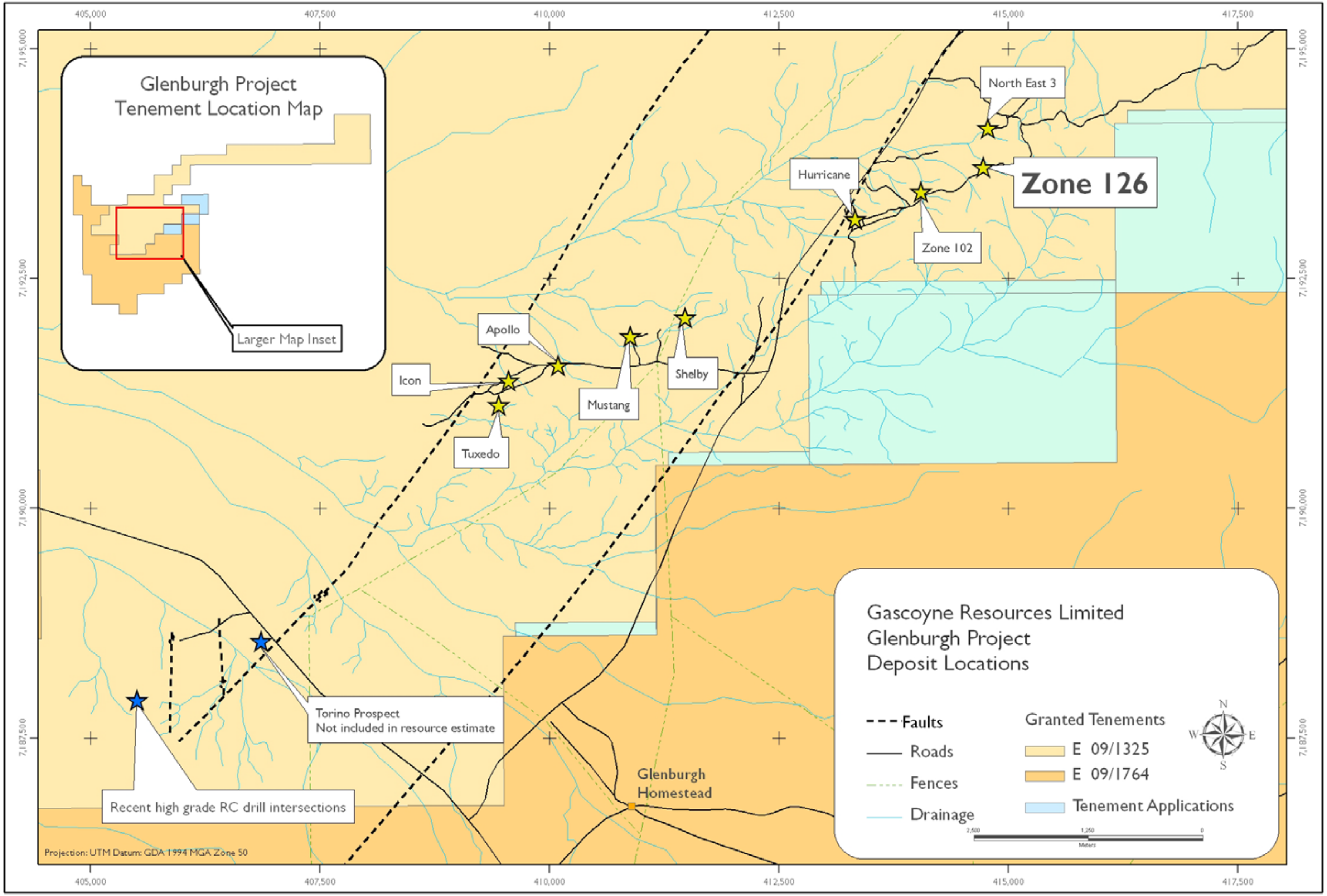

Figure One: Gascoyne Resources Glenburgh Project Deposit Overview Map

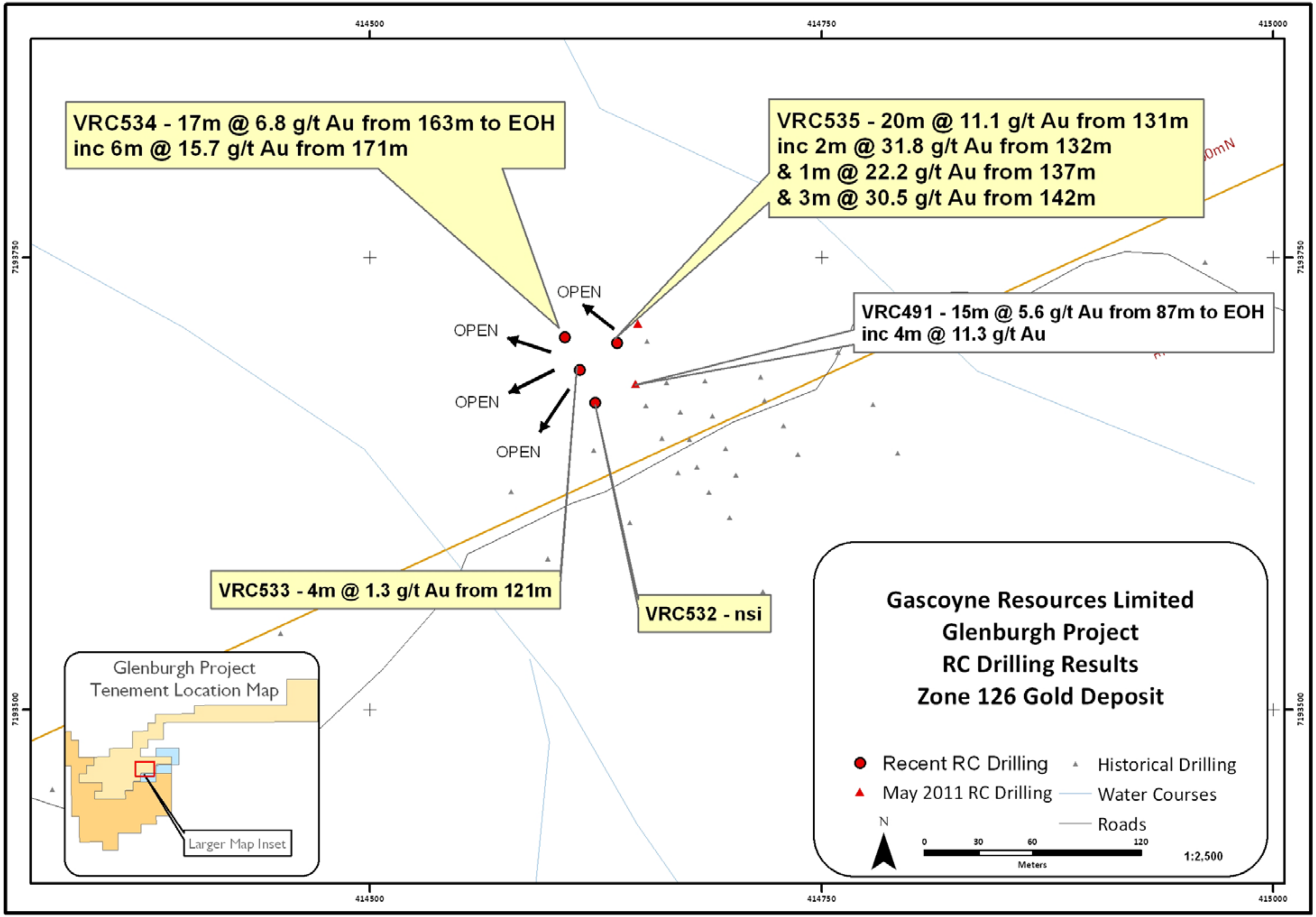

Figure Two: Zone 126 - Drill hole location plan

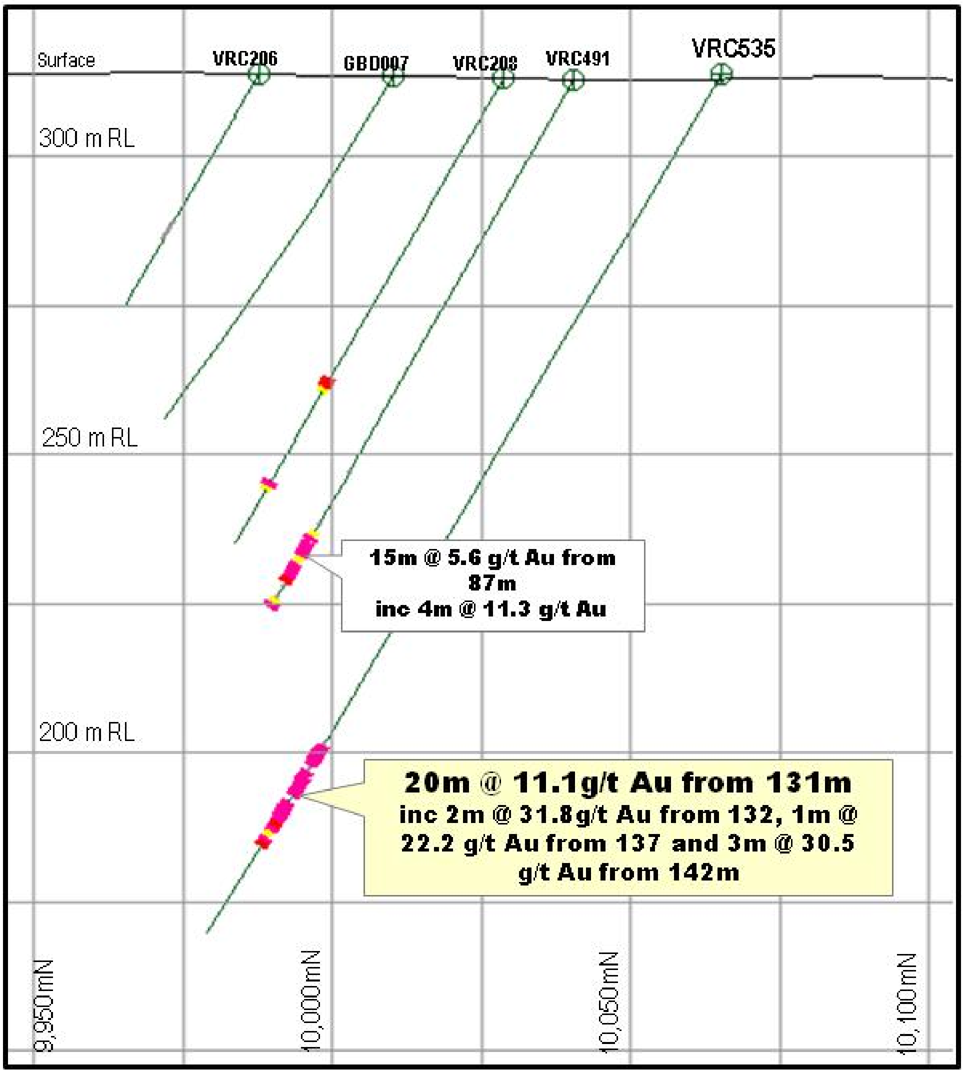

Figure Three: Zone 126 Cross Section 15585mE

Forward Program:

RC Drilling is ongoing at the project. The planned program includes:

- Follow up RC drilling at the Torino Prospect.
- RC drilling of a further 3,000m to test the down dip, down plunge and strike extensions of the known gold deposits at Glenburgh, particularly at Zone 126
- Air core drilling at the South Western target zone, to define additional targets along strike from the Torino prospect and regional targets.
- 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

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

- 100% of the Glenburgh Project in Western Australia, which has an inferred resource of: 13.8 Mt @ 1.2g/t Au for 520,000oz 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 and rock chip results of up to 73g/t Au.

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