GASCOYNE RESOURCES LIMITED

27th October 2011

Australian Securities Exchange Limited

Via Electronic Lodgement

SIGNIFICANT GOLD INTERSECTION FROM TORINO DISCOVERY AT GLENBURGH

HIGHLIGHTS:

Results received from extensional RC drilling from the Torino prospect, in the South West target area of the Glenburgh project. A significant broad intersection returned:

- **43m @ 2.3 g/t gold from 66m,**
- **Including 16m @ 3.8 g/t gold from 77m in VRC571**

The Torino Prospect remains open to the east

Gascoyne Resources Limited is pleased to announce that follow up RC drilling at Torino has intersected a broad gold mineralised zone east along strike from the discovery holes announced by the company on the 18th of August 2011. The Torino prospect, in the South West Target area at the Company's 100% owned Glenburgh Gold project in Western Australia is located around 4km south west from the Company's current 520,000 ounce gold resource.

The first six RC holes drilled into the Torino prospect confirmed the significance of the gold mineralised system, with five of the first six RC holes intersecting significant mineralisation as reported on the 18th of August 2011. A further two RC holes have been completed with VRC571 intersecting **43m @ 2.3g/t gold from 66m including 16m @ 3.8g/t gold from 77m.** This intersection lies some 50m east of VRC503 (18m @ 2.1 g/t gold) and indicates an increase in grade and thickness of the Torino mineralisation towards the east - there is no RC drilling east of this point and the prospect remains open. See Table 1 for details on the significant intersection and Table 2 for drill collar data.

Gascoyne's Chairman Graham Riley said: "This result reinforces our view that the new Torino discovery will add materially to the gold resource inventory at Glenburgh. The grades and widths at this early stage of drilling at Torino are pleasing and highlight the potential significance of the broader South West Target Zone, where we believe there is good potential for the discovery of more gold prospects like Torino, through follow up of the recent aircore anomalies (announced on the 12th October 2011)".

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

Hole	From (m)	To (m)	Interval (m)	Au Grade g/t
VRC571	**66**	**109**	**43**	**2.3**
inc	**77**	**93**	**16**	**3.8**

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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
VRC570	406966	7188641	7500	8675	330	156	-60	155	180	Torino
VRC571	406976	7188619	7500	8650	330	114	-60	155	180	Torino

Forward Program:

Drilling has just been completed at Glenburgh and at the Harrier prospect at Basset Bore. Further Exploration program includes

- Interpretation of drill results from the recent program upon receipt of final assays.
- Planning for follow up RC drilling at the Torino Prospect.
- Planning RC drilling to test the down dip, down plunge and strike extensions of the known gold deposits at Glenburgh, in particular down plunge of the high grade "shoot" at Zone 126.
- Planning RC 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

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

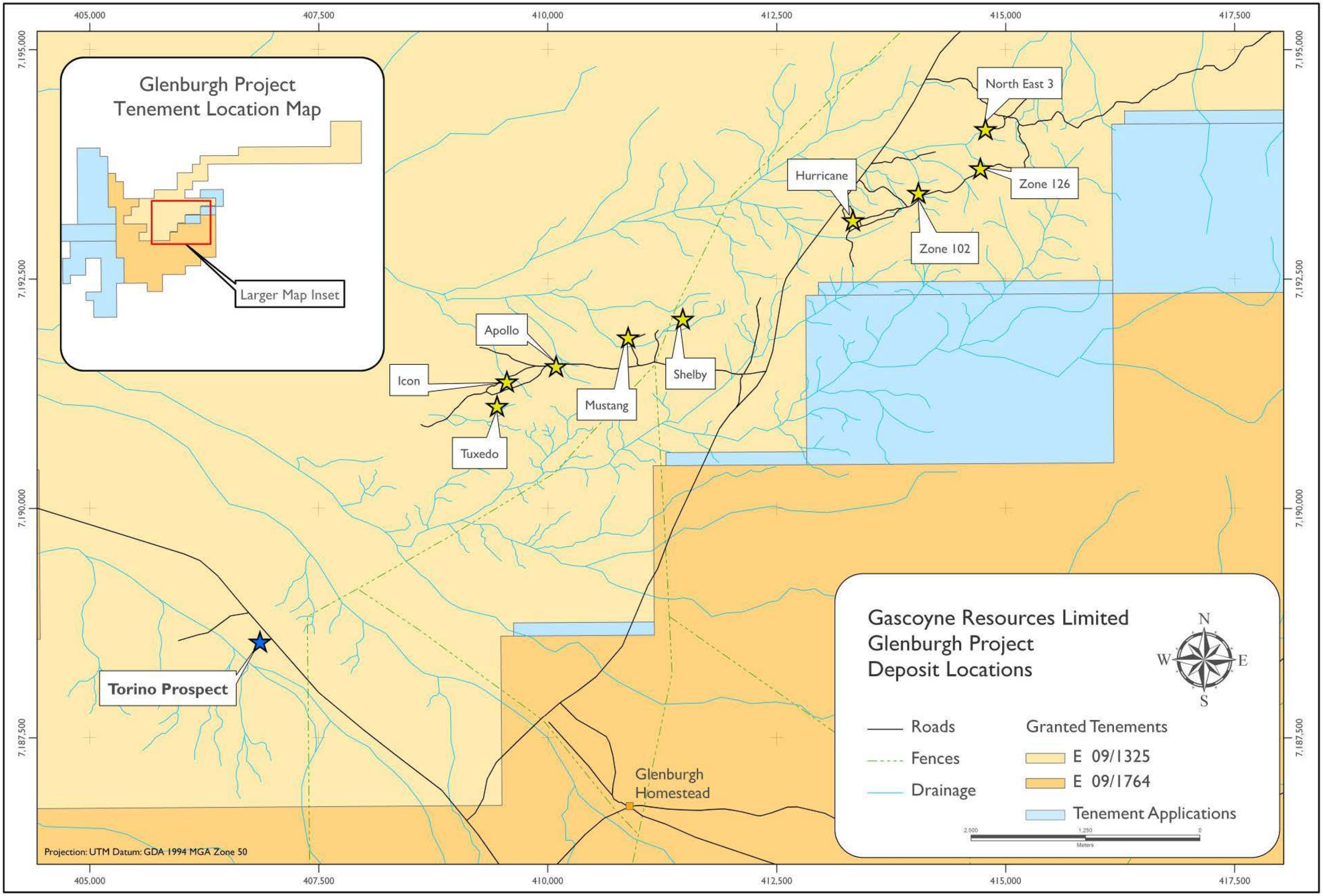

Figure One: Glenburgh Project – Prospect Locations

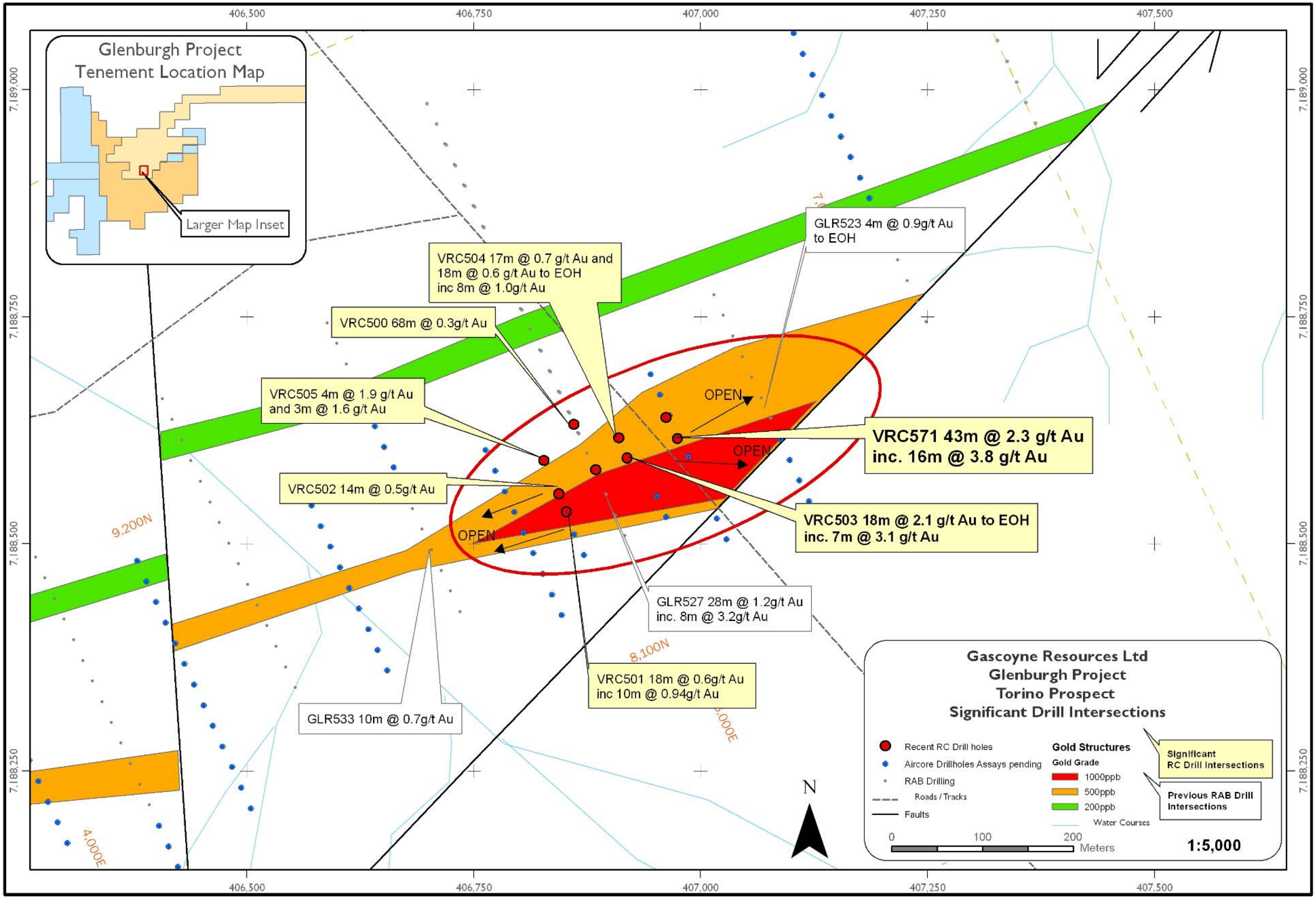

Figure Two: Torino Prospect Drill Intersections

GASCOYNE RESOURCES LIMITED

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