GASCOYNE RESOURCES LIMITED

ACN: 139 522 900

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Via Electronic Lodgement

HIGH GOLD INTERSECTIONS FROM THE FIRST DIAMOND DRILL HOLE AT ZONE 126 - GLENBURGH

HIGHLIGHTS:

Outstanding gold intersections received from the first diamond drill hole (GBD011) at the **Zone 126 deposit** within the Glenburgh gold project.

Intersections include:

- **2m @ 41.6 g/t gold from 265m metres downhole,**
- **4m @ 15.2 g/t gold from 295.45 metres downhole,**
- **10m @ 2.4 g/t gold from 277 metres downhole ,**

Drilling has confirmed the open-ended west plunging high grade gold shoot

Two drill rigs (one diamond and one RC) are continuing the 40,000 metre drill program

Gascoyne Resources Limited is pleased to announce initial results from diamond drilling at the Zone 126 deposit within the Company's 100% owned Glenburgh Gold project in Western Australia.

The first diamond drill hole at the Zone 126 deposit has intersected significant gold mineralisation, and has extended the known high grade shoot approximately a further 70 metres down dip and 110 metres down plunge of the previously reported RC drill intersections that included 20m @ 11.1g/t gold, 28m @ 5.0 g/t gold and 14m @ 8.9 g/t gold.

Diamond hole GBD011, intersected a number of high grade zones, including **2m @ 41.6 g/t gold** from 265m, 10m @ 2.4 g/t from 277, **4m @ 15.2g/t gold** from 295.45m and a lower grade zone of 12.1m @ 0.92 g/t gold from 318.55 to EOH (at 330.65m). See table one and two for intersection details and drill hole information.

Results from the second diamond hole completed (GBD012) are expected to be received in the next few days.

A further 7 diamond holes have been drilled to test the mineralisation at Zone 126. These additional holes have been completed and the core dispatched to Genalysis Laboratories in Perth for core cutting and analysis. Results from these holes are expected to be received in three to four weeks.

The diamond drill rig is still on site, and once the current large diameter metallurgical core holes for the current feasibility study are completed, additional drilling will be undertaken to test the depth extensions to the mineralisation at Zone 126.

RC drilling is continuing with the results from the first 9 holes which were drilled at the Torino Prospect, expected to be received within the next week to ten days.

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Table 1: Significant new intersections from Diamond Drilling at Zone 126

Hole	From (m)	To (m)	Interval (m)	Au Grade g/t
GBD011	250	254	4	1.3
	265	**267**	**2**	**41.6**
	277	**287**	**10**	**2.4**
	295.45	**299.45**	**4**	**15.2**
	318.55	330.65 (EOH)	12.1	0.92

Note: The results from the RC pre collars are yet to be received.

Table 2: Diamond Drill Hole Locations and Details

Hole Number	MGA Easting	MGA Northing	Local Easting	Local Northing	RL	Depth	Precollar depth	Dip	MGA Azimuth	Local Azimuth	Prospect
GBD010 *	414537	7193728	16505	10130	330	330	160	-60	155	180	Zone 126
GBD011	414560	7193739	16530	10130	330	330.6	177	-60	155	180	Zone 126
GBD012	414585	7193745	16555	10125	330	330.95	165	-60	155	180	Zone 126
GBD013*	414640	7193732	16600	10090	330	249.6	177	-60	155	180	Zone 126
GBD014*	414618	7193732	16580	10100	330	270.6	171	-60	155	180	Zone 126
GBD015*	414548	7193706	16505	10105	330	270.85	177	-60	155	180	Zone 126
GBD016*	414558	7193683	16505	10080	330	228.5	177	-60	155	180	Zone 126
GBD017*	414518	7193698	16475	10110	330	231.6	177	-60	155	180	Zone 126
GBD018*	414531	7193670	16475	10080	330	264.85	177	-60	155	180	Zone 126

- * Diamond holes completed and dispatched for core cutting and analysis. Results expected in 3-4 weeks. Results have only been received for GBD011, results for GBD012 are expected in the next few days.

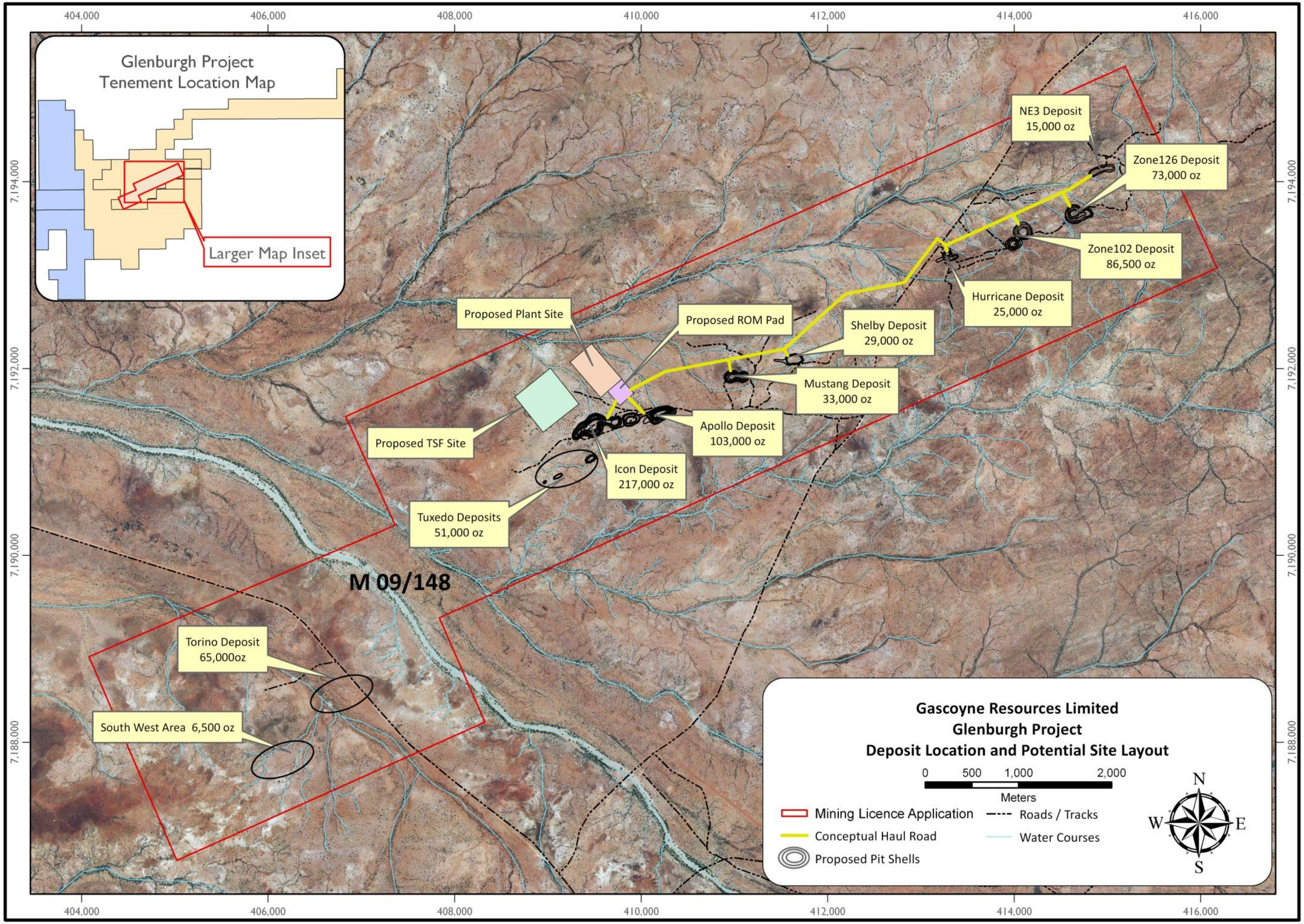

Figure One: Gascoyne Resources Glenburgh Project Deposit Overview Map

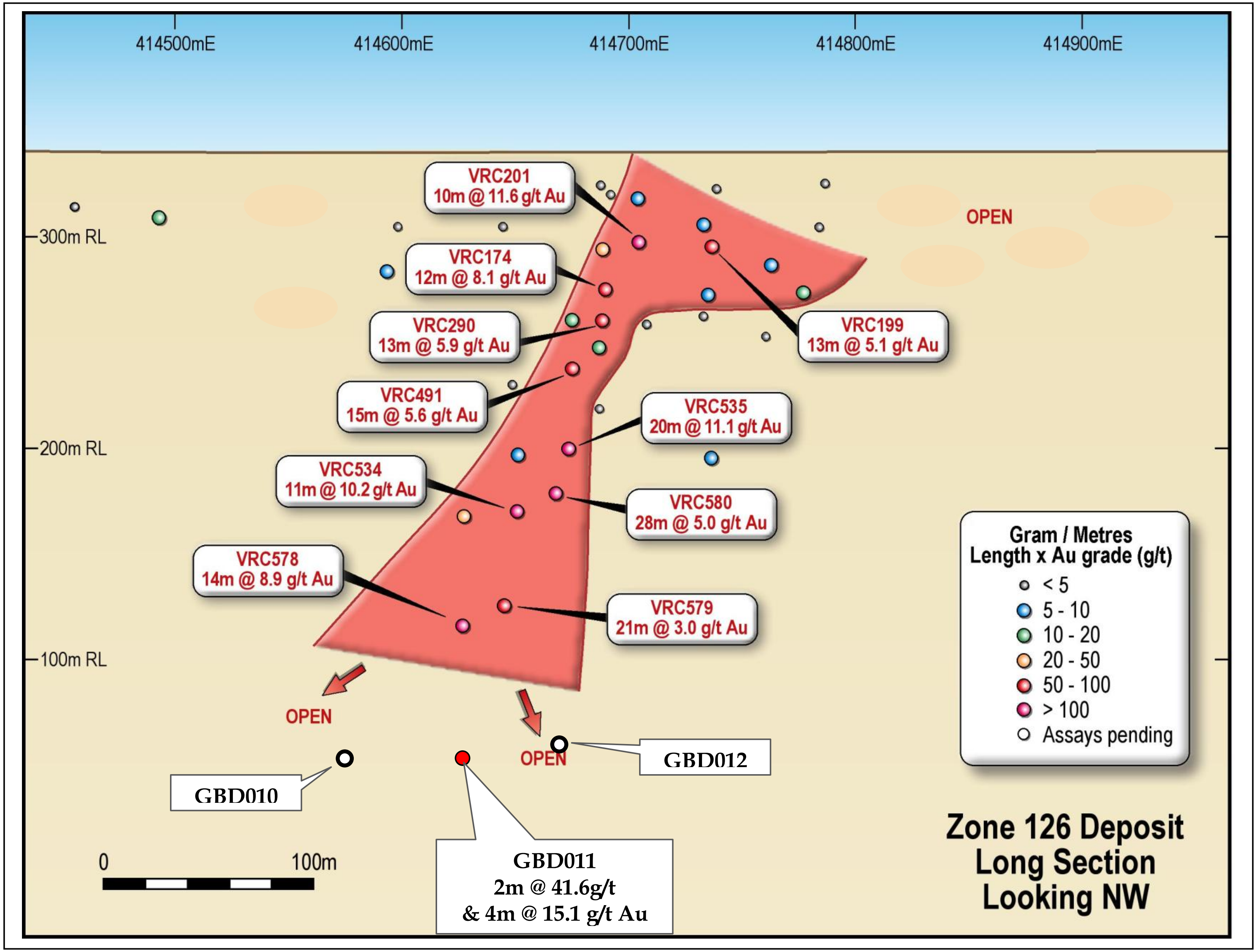

Figure Two: Zone 126 Long Section - Looking NW

Forward Program

In total around 40,000 metres of drilling is planned for the current field season.

In addition to the priority targets outlined in the text above, the following activities are planned.

- Additional RC drilling to test the down dip, down plunge and strike extensions of all the known gold deposits at Glenburgh.
- Exploration RC drilling at the South Western target zone, to define additional targets along strike from the Torino deposit.
- Infill RC drilling to allow resource conversion from Inferred to Indicated to underpin the current Feasibility Study
- Exploration drilling of a number of priority geochemical anomalies.
- Detailed infill geochemical sampling of historical soil anomalies

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 NQ Diamond drilling with samples being collected at between 0.45 and 1.0 metre intervals. The whole core was then transported to Genalysis Laboratory Services Pty Ltd in Perth Western Australia, where it was cut and half the core was sampled. 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, laboratory duplicates, 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 Indicated and Inferred resource of: 17.4 Mt @ 1.3g/t Au for 703,000oz gold (the Indicated portion is 1.6Mt @ 2.0 g/t Au for 103,500 ounces of 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. (See table 3 for full details on resource breakdown)

- 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.

- At the Bassit Bore Project, a number of gold bearing quartz veins have been discovered at the Harrier prospect with rock chip samples up to 73g/t gold. RC drilling of one of these veins has intersected promising gold copper and silver mineralisation. A number of other quartz veins are yet to be tested.

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 3: Glenburgh Deposits - Area Summary (0.5g/t Au Cut-off)

	Glenburgh Mineral Resource 2012								
Area	Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Icon	0.8	1.3	33,500	5.6	1.0	183,200	**6.4**	**1.1**	**216,700**
Apollo	0.6	2.0	37,600	1.6	1.3	65,200	**2.2**	**1.5**	**102,800**
Tuxedo				1.8	0.9	50,900	**1.8**	**0.9**	**50,900**
Mustang				1.1	0.9	32,700	**1.1**	**0.9**	**32,700**
Shelby				0.9	1.0	29,300	**0.9**	**1.0**	**29,300**
Hurricane				0.6	1.3	24,800	**0.6**	**1.3**	**24,800**
Zone 102				1.5	1.8	86,500	**1.5**	**1.8**	**86,500**
Zone 126	0.2	4.5	32,300	0.8	1.6	40,500	**1.0**	**2.2**	**72,800**
NE3				0.5	0.9	15,000	**0.5**	**0.9**	**15,000**
Torino				1.3	1.5	65,000	**1.3**	**1.5**	**65,000**
SW Area				0.1	3.8	6,200	**0.1**	**3.8**	**6,200**
Total	**1.6**	**2.0**	**103,500**	**15.8**	**1.2**	**600,000**	**17.4**	**1.3**	**703,000**

Note: Discrepancies in totals are a result of rounding