

5th April 2012
Australian Securities Exchange Limited
Via Electronic Lodgement

PLACEMENT AND NON-RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO \$6.7 MILLION

Gascoyne Resources Limited ("**Gascoyne**" or the "**Company**") is pleased to announce an equity capital raising of approximately \$6.7 million (before costs) via a fully subscribed sophisticated and institutional placement ("**Placement**"), and a pro-rata non renounceable rights issue ("**Rights Issue**").

Summary of capital raising:

- A fully subscribed placement of 10 million shares at 21 cents, completed to institutional and sophisticated investors, raising \$2.1 million before costs.
- 1 for 5 pro-rata non- renounceable rights issue at 20 cents per share, to be undertaken, to raise approximately \$4.6 million
- The proceeds from the capital raising will be used to accelerate the exploration and feasibility studies on the Company's 100% owned Glenburgh gold project.
- The Company's directors and management who together hold in excess of 34% of the issued capital of the Company intend to participate in the Rights Issue.

Placement

The Company has secured commitments totalling approximately \$2.1 million (utilising a portion of the Company's 15% capacity under the ASX Listing Rules) via the issue of 10 million fully paid ordinary shares at 21 cents per share. The Placement was undertaken without disclosure to domestic and international institutional and sophisticated investors under Part 6D of the Corporations Act.

Shares issued under the Placement rank equally in all respects with existing shares, and the placees will be entitled to participate in the Rights Issue.

Rights Issue

A 1 for 5 pro-rata non-renounceable rights issue to raise up to approximately \$4.6 million will be offered to Gascoyne's shareholders who are on the Company's share register at the close of business on 20th of April 2012, at a discount to the price of the Placement. Pursuant to the Rights Issue, the Company will issue up to approximately 22.8 million shares at 20 cents per share.

If there is any shortfall in subscriptions under the Rights Issue, the Company reserves the right to place the shortfall shares at their discretion within 3 months of the closing date of the offer.



GASCOYNE RESOURCES LIMITED

ACN: 139 522 900

The prospectus relating to the Rights Issue was lodged with ASIC on 4th April 2012 and, along with an Appendix 3B will be announced shortly after this announcement. Further details on how shareholders can participate in the Rights Issue can be found in the prospectus.

The timetable for the Rights Issue is as follows:

"Ex" date	11 th April 2012
Record date to determine Entitlement	20 th April 2012
Prospectus with Application Form dispatched	24 th April 2012
Offer opens for receipt of Applications	24 th April 2012
Closing date for acceptances	9 th May 2012
Shares quoted on a deferred settlement basis	10 th May 2012
Notify ASX of under subscriptions	11 th May 2012
Allotment and issue of New Shares	16 th May 2012
Dispatch of shareholding statements	16 th May 2012
Trading of New Shares expected to commence	17 th May 2012

This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the ASX Listing Rules and Corporations Act.

Use of Funds

The proceeds of the capital raising will be used to fund the current 40,000 metre drilling program, and completion of the 12 month feasibility study at the company's 100% owned Glenburgh gold project in Western Australia, as well as providing additional working capital.

Following the capital raising, Gascoyne will have approximately 136.6 million fully paid ordinary shares on issue.

Commenting on the capital raising, the Chairman, Graham Riley said "the support shown by the market for our plans for, and the potential of, the Glenburgh gold project is very encouraging. It highlights the Company's belief that the potential for the project and the district in general is yet to be fully understood. This capital raising allows our team to continue the aggressive exploration efforts at Glenburgh which has over the last 18 months resulted in a major increase in the resource base at a very low discovery cost of under \$7.20 per resource ounce".

For further information please refer to the Company's website or contact the Company directly on (08) 9481 3434.

*On behalf of the Board of
Gascoyne Resources Ltd*



Michael Dunbar
Managing Director

