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MAJOR EXTENSIONS TO HIGH GRADE GOLD SHOOT AT ZONE 126 - GLENBURGH

HIGHLIGHTS:

More outstanding gold intersections received from diamond drill holes at the **Zone 126 deposit** within the Glenburgh gold project

The results from a further four diamond drill holes confirm a significant extension to mineralisation at the Zone 126 deposit,

New intersections include:

- **6m @ 6.9 g/t gold**
- **13m @ 5.7 g/t gold**
- **2.5m @ 27 g/t gold**
- **8m @ 6.1 g/t gold, including 4m @ 11.6 g/t gold**

Drilling continues to confirm the open-ended high grade gold shoot, resulting in a major reinterpretation of the geometry and extension to the size of the deposit

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

Assay results have been received from a further 4 diamond core holes targeting extensions to the high grade mineralisation at the Zone 126 deposit. Drilling continues to extend the mineralisation both along strike, down plunge and down section which has resulted in **a major reinterpretation of the geometry and size of the deposit** (see Figure 2: Zone 126 Deposit Long Section).

Better intersections returned include **6m @ 6.9 g/t gold from 284.5m in GBD010, 13m @ 5.7 g/t gold from 196m and 2.5m @ 27 g/t gold from 222.5m in GBD014, 8m @ 6.1 g/t gold from 178m including 4m @ 11.6 g/t gold in GBD016 and 4m @ 11.7 g/t gold from the precollar of diamond hole GBD013.**

The drilling has resulted in the interpreted plunge of the deposit shallowing significantly to approximately 40 degrees and indicates the deposit is widening at depth, with the strike of the deposit now over 200 metres. This is expected to significantly increase the ounces per vertical contained, which is a key input into any underground evaluation of a gold deposit.

See table one and two for intersection details and drill hole information. Results from a further 3 diamond drill holes from Zone 126 are pending and will be announced when available.

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



Given the deposit geometry and the potential for shallow high grade zones along strike, the RC drill program has been reprioritised with drilling of the shallow extensions of the Zone 102 and 126 deposits expected to commence later this week.

Gascoyne's Chairman, Mr Graham Riley said

"The significance of these results should not be underestimated. With the grades and thicknesses of Zone 126 being so consistent and the deposit widening at depth, the potential for this high grade shoot to underpin a profitable underground operation is high. With the known shallow open pittable resources and now the potential for a substantial underground development there is potential for the Glenburgh project to support a 100,000 ounce per annum gold operation. We anticipate another significant upgrade to our 700,000 ounce gold resource base at the completion of this drill phase."

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



Table 1: Significant Recent Intersections from Diamond Drilling at Zone 126

Hole	From (m)	To (m)	Interval (m)	Au Grade g/t
GBD010	244.5	249.5	5	2.4
	284.5	290.5	6	6.9
	310	317	7	3.1
GBD011*	265	267	2	41.6
	277	287	10	2.4
	295.45	299.45	4	15.2
GBD012*	231	233	2	2.9
	281	282	1	4.2
	287	301	14	5.9
	inc		6	12.2
	308	309	1	1.2
	322	323.65	1.65	7.0
GBD013 #	160	172	12	4.1
	inc		4	11.7
GBD014	185	190	5	1.2
	196	209	13	5.7
	222.5	225	2.5	27.0
	244	248	4	5.6
	253	257	4	1.1
GBD015	SNR			
GBD016	178	186	8	6.1
	inc		4	11.6
GBD017	176	179	3	5.3
	inc		1	11.3
GBD018	SNR			

Notes:

*Results announced previously

Gold intersection in RC pre collar – drill core assays pending

SNR Denotes assay pending

Table 2: Diamond Drill Hole Locations and Details Zone 126

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 – results pending

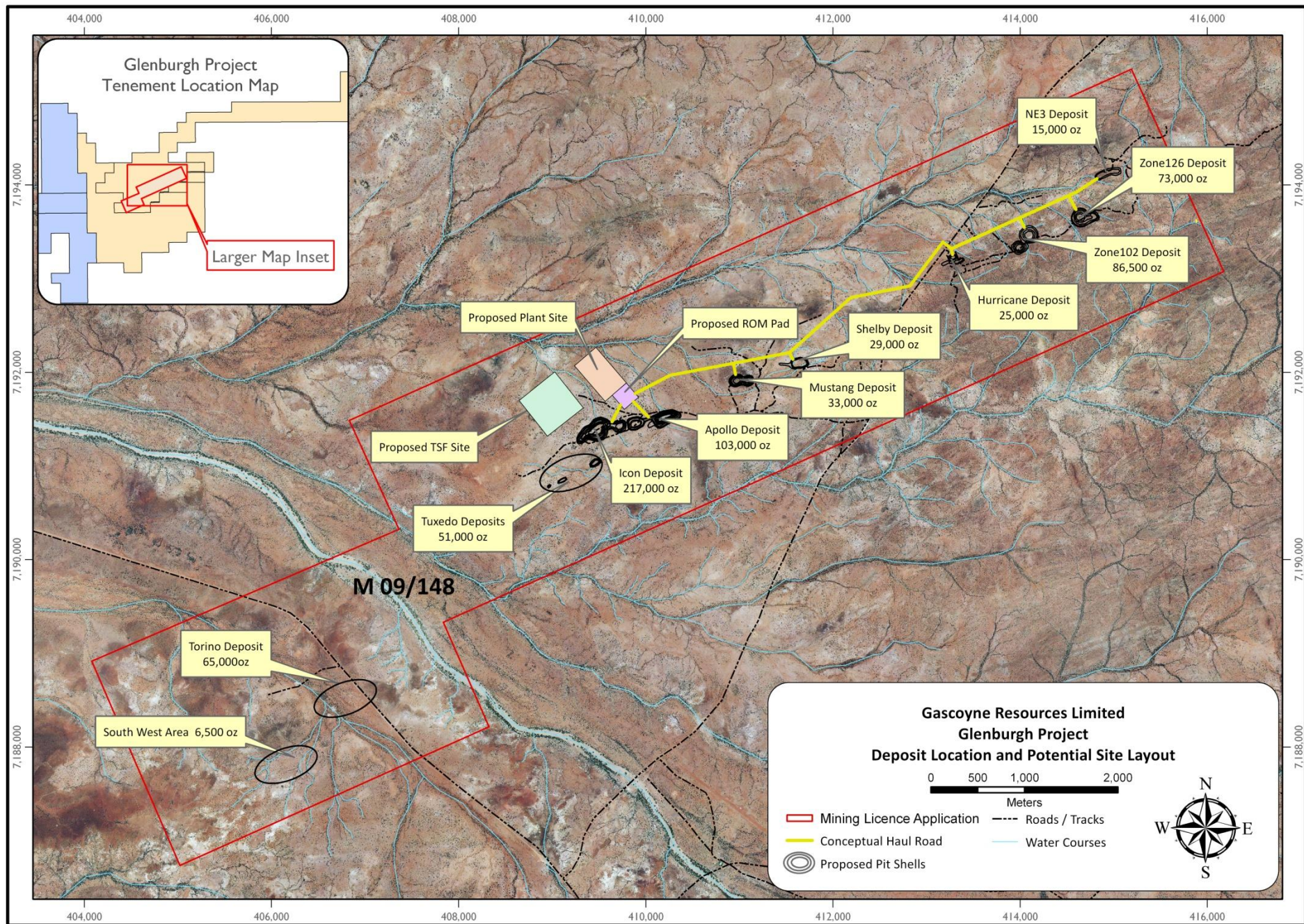


Figure One: Gascoyne Resources Glenburgh Project Deposit Overview Map

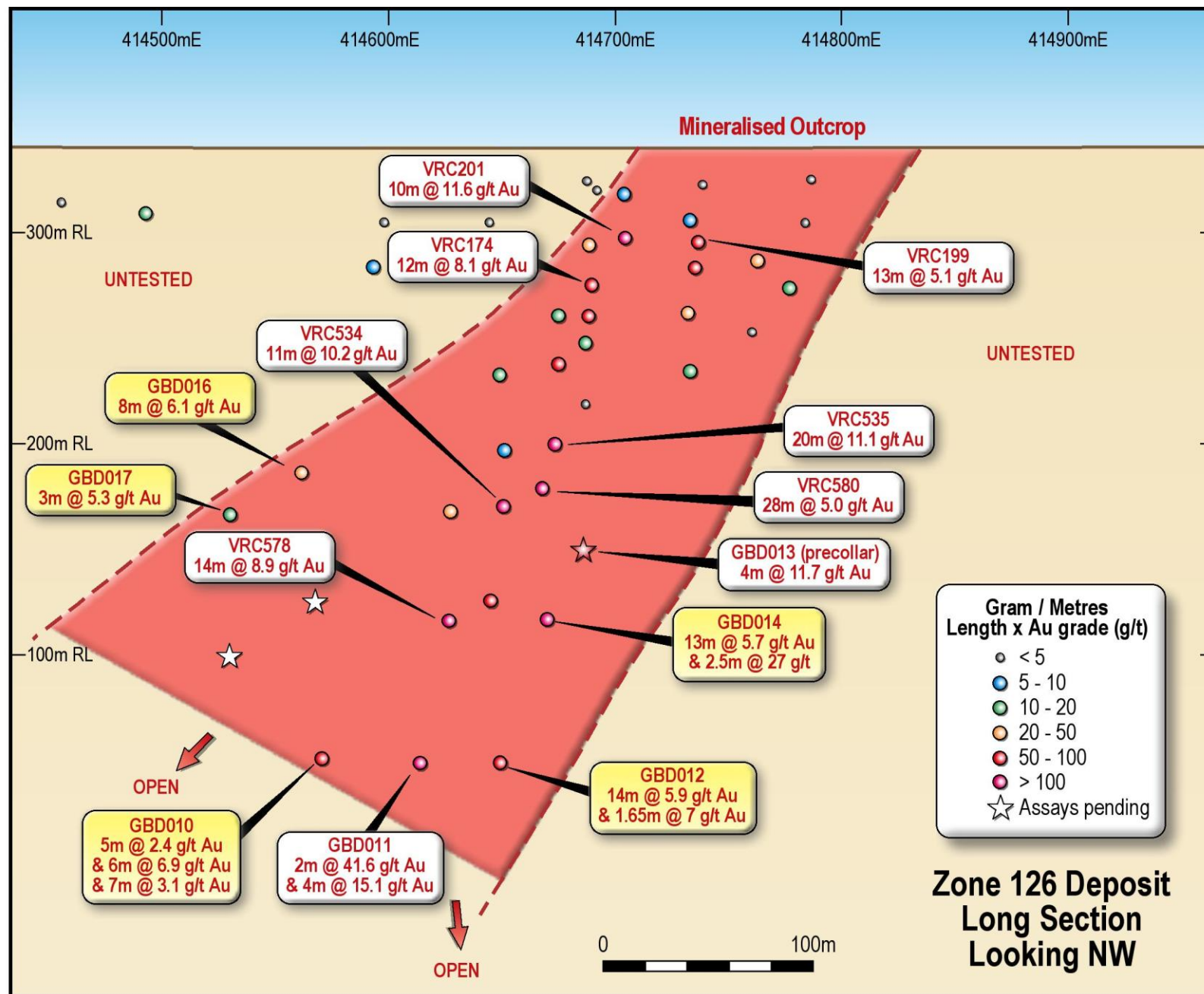


Figure Two: Zone 126 Long Section - Looking NW

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

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.

Table 3: Glenburgh Deposits - Resource 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