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Australian Securities Exchange Limited
Via Electronic Lodgement

INFILL AND EXTENSIONAL DRILLING EXCEEDS EXPECTATIONS AT ICON AND APOLLO

HIGHLIGHTS:

- Infill drilling at Apollo exceeds expectations with significantly higher grades than predicted by the resource model. Better intersections include:
 - **7m @ 5.6 g/t gold**
 - **31m @ 3.8 g/t gold**
 - **19m @ 2.0 g/t gold from 1m**
 - **21m @ 2.4 g/t gold**
 - **3m @ 10.1g/t gold**
- First extensional drill results from the Icon Deposit intersected wide high grade mineralisation including 28m @ 3.0 g/t gold (including 4m @ 17.3g/t gold) and 8m @ 6.3 g/t gold.
- Strong response to non renounceable rights issue. Shareholders are reminded that the rights issue will close at 5pm (WST) on Wednesday the 9th of May

Gascoyne Resources Limited is pleased to announce the first infill and extensional RC and diamond drilling results from the Apollo and Icon deposits at the 100% owned Glenburgh gold project have been received and have exceeded expectations.

Assay results have for around half of the infill drilling program at the Apollo deposit (2.2Mt @ 1.5g/t for 103,000 contained gold ounces) have been received with the intersections exceeding the grades predicted by the February 2012 resource model. These results include near surface high grade zones including **31m @ 3.8 g/t gold** (including **18m @ 6.2g/t gold**) from 43m down hole in VRC622, **19m @ 2.0g/t gold** from 1m and **18m @ 1.4 g/t gold** from 82m down hole in VRC623, **21m @ 2.4g/t gold** from 80m down hole in VRC627 and **3m @ 10.1 g/t gold** from 70m down hole in VRC628. (see table one for significant intersections, and table two for hole collar details). The infill drilling program was designed to allow upgrade of the Apollo resource to JORC Indicated status, to permit estimation of an Ore Reserve for the Feasibility Study.

Results from an extensional diamond hole completed underneath the Icon deposit (which contains 6.4Mt @ 1.1g/t gold for 217,000 ounces gold) has intersected very significant results including **8m @ 6.3 g/t gold** and **28m @ 3.0 g/t gold** from 92 and 116 metres down hole respectively from the pre-collar to the diamond core hole.

This result is particularly encouraging as the intersections lie beneath the current resource and remain open down dip. With these broad and higher grade intervals, there is high potential for the resource to continue to greater depths.



RC and diamond drilling is continuing, with the rigs undertaking further infill and extensional drilling in the Icon, Apollo, Zone 102 and 126 deposit areas. Samples from a further 50 holes are either with the laboratory in Perth or in transit.

The next batch of results is expected in around 10 days.

Corporate

Shareholders are reminded that the non renounceable rights issue closes on Wednesday the 9th of May. If any holders have not received their copy of the prospectus or acceptance form, they should contact the company on (+61) 08 9481 3434.

Forward Program

In total around 40,000 metres of drilling is planned for the current field season. With the drilling progressing faster than expected, the first stage of the program should be completed in around two months.

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 New Intersections (>0.5 g/t gold) from Extensional and Infill Drilling at Torino, Icon and Apollo

.Hole	From (m)	To (m)	Interval (m)	Au Grade g/t
VRC616	97	107	10	1.6
VRC618 *	33	36	3	1.3
	42	50	8	1.7
	70	73	3	2.6
	83	84	1	1.2
	91	109	18	2.6
	Inc.		7	5.0
VRC619	34	35	1	8.8
	71	72	1	1.3
	76	81	5	1.3
	96	101	5	3.1
	106	113	7	5.6
	118	135	17	0.6
VRC621	16	24	8	1.9
VRC622	18	25	7	1.8
	43	74	31	3.8
	Inc.		18	6.2
VRC623	1	20	19	2.0
	Inc.		2	14.3
	76	78	2	5.6
	82	101	18	1.4
VRC624	12	14	2	2.8
	55	64	9	0.6
	84	85	1	4.8
	91	97	6	0.8
	125	126	1	1.2
VRC625	64	66	2	3.2
	143	149	6	1.1
VRC626	2	3	1	0.9
VRC627	31	35	4	3.4
	39	40	1	1.1
	62	64	2	0.7
	70	72	2	3.1
	80	101	21	2.4
	108	126	18	1.0
VRC628	60	62	2	0.9
	70	73	3	10.1
	135	139	4	0.5
	145	146	1	0.7
	156	157	1	1.1
GBD019 [#]	140	148	8	0.5
GBD020 [#]	124	128	4	0.9
GBD021 [#]	92	100	8	6.3
	116	144	28	3.0
	Inc.		4	17.3

Note: [#] denote 4m composite RC pre collar assay

* Results for VRC618 were reported previously and are included for completeness

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
VRC616	406602	7188479	7100	8700	290	126	-60	155	360	Torino
VRC617	410190	7191502	11625	9925	296	80	-60	155	180	Apollo
VRC618	410179	7191524	11625	9950	296	110	-60	155	180	Apollo
VRC619	410169	7191547	11625	9975	296	140	-60	155	180	Apollo
VRC620	410332	7191551	11775	9910	296	50	-60	155	180	Apollo
VRC621	410322	7191573	11775	9935	296	80	-60	155	180	Apollo
VRC622	410281	7191543	11725	9925	296	80	-60	155	180	Apollo
VRC623	410270	7191566	11725	9950	296	120	-60	155	180	Apollo
VRC624	410260	7191589	11725	9975	296	160	-60	155	180	Apollo
VRC625	410159	7191570	11625	10000	296	160	-60	155	180	Apollo
VRC626	410178	7191468	11600	9900	296	40	-60	155	180	Apollo
VRC627	410124	7191526	11575	9975	296	130	-60	155	180	Apollo
VRC628	410113	7191549	11575	10000	296	160	-60	155	180	Apollo
GBD019	413934	7193473	15850	10150	314	258.10	-60	155	180	Zone 102
GBD020	410906	7191859	12425	9950	297	212.60	-60	155	180	Mustang
GBD021	409462	7191469	10950	10200	297	234.60	-60	155	180	Icon

Note: VRC prefix denotes RC drilling, GBD denotes Diamond drill hole

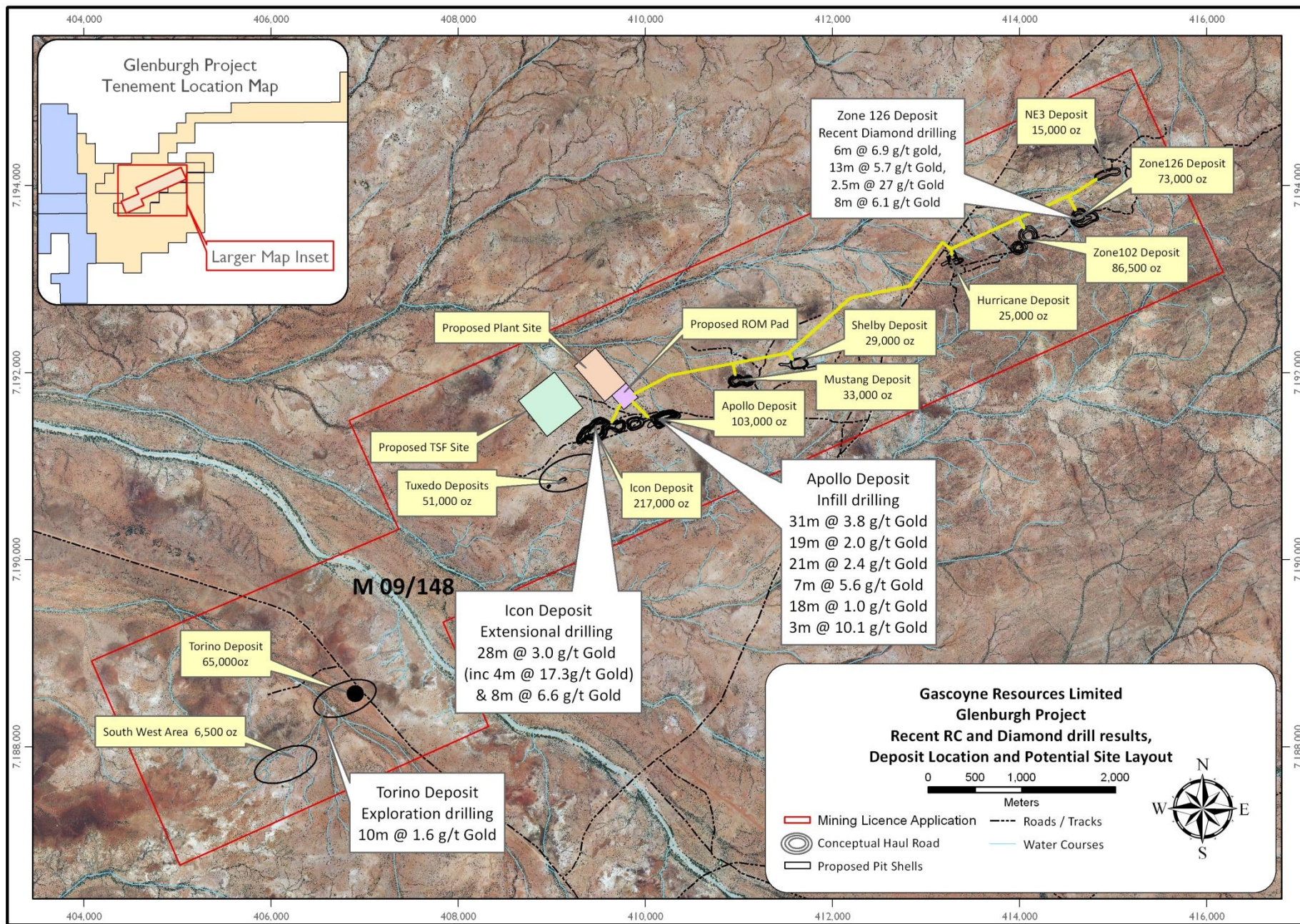


Figure One: Glenburgh Project Deposit Overview and Recent RC Drill Intersections.

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 - Resource Summary (0.5g/t Au Cut-off)

Area	Glenburgh Mineral Resource 2012								
	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

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 MinAnalytical 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.