GASCOYNE RESOURCES LIMITED

ACN: 139 522 900

11th May 2012
Australian Securities Exchange Limited
Via Electronic Lodgement

RIGHTS ISSUE CLOSES OVERSUBSCRIBED

The directors of Gascoyne Resources Limited are pleased to announce that the current 1 for 5 non renounceable rights issue seeking to raise $4.6 million has closed significantly oversubscribed from entitlement applications and oversubscriptions.

The directors will now meet to decide how acceptances will be scaled back to the maximum level allowable under the prospectus. Excess application monies will be returned to the shareholders affected as soon as possible.

The company's Chairman Mr Graham Riley commented

"The support shown by the company's shareholders is very pleasing, particularly considering the current turbulent times on financial markets around the world. It underlines both confidence in the management team and the company's main project at Glenburgh, where our 100% owned resource has grown to over 700,000 ounces in the last 18 months and continues to increase.

With the treasury now boosted to around $8.0 million our dedicated team will be fully funded to continue with the aggressive exploration program and feasibility studies, and will be in a position to fully evaluate suitable new projects.

The next phase of exploration has the potential to further significantly increase the value of our flagship project, and increase shareholder wealth accordingly."

Further updates on drilling activities and results will be announced 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.

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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