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Australian Securities Exchange Limited
Via Electronic Lodgement

DALGARANGA GOLD PROJECT ACQUISITION

HIGHLIGHTS

- Gascoyne to acquire an 80% interest in the advanced Dalgaranga gold project
- 382,300 ounces of gold resources in JORC Measured and Indicated categories
- No significant exploration in last 12 years
- High grade drill results yet to be followed up including 22m @ 6g/t gold and 7m @ 10.8g/t gold
- High potential for discovery and resource growth within large 850km² tenement package
- Acquisition fits Gascoyne's growth strategy, and provides a second near-term production opportunity in addition to Company's 700,000 ounce Glenburgh project.

Gascoyne Resources Limited is pleased to announce that it has entered into a binding agreement to purchase the Dalgaranga gold project and surrounding exploration tenements from private tenement holders (vendors). Dalgaranga is located 70km NW of Mt Magnet in the Murchison region of Western Australia, and contains JORC gold resources of:

7.5 Mt @ 1.58 g/t gold for 382,000 ounces in the Measured and Indicated categories (Table 1)

There has been very limited recent exploration conducted at Dalgaranga, and Gascoyne has identified excellent potential for resource growth, including a number of prospects with significant high grade gold intersections including; **22m @ 6g/t gold and 6m @ 10.2 g/t gold and 7m @ 10.8 g/t gold** that have not been followed up and are yet to be included in the resource base.

Gascoyne will acquire an 80% interest in the Dalgaranga project by issuing a total of 7 million Gascoyne shares and payment of \$150,000 cash upon formal documentation. Gascoyne may move to 100% ownership of the project at development should the vendors elect to exchange their 20% interest for a 2% NSR royalty.

Gascoyne's Chairman Graham Riley commented

"This is a significant acquisition by the Company that fits our exploration model of seeking large tenement holdings with known free milling gold and the potential to host +1M oz deposits, where there has been little exploration using modern techniques.

Both Glenburgh and Dalgaranga independently hold this potential, and together already boast a JORC compliant resource in excess of 1.08M oz.

At the 100% owned Glenburgh project, where the Company is completing a 40,000 metre drill program, this approach has already resulted in an increased and fast growing resource of over 500,000 oz during the past year, and highlights the growth potential this strategy can deliver.

Whilst Glenburgh is more advanced and retains priority, preparations for a significant exploration program at Dalgaranga have already commenced, requiring the compilation of all historical data, (including the mapping of various high grade intersections which have yet to be followed up), and the recalculation of the existing gold resource.

The acquisition of Dalgaranga represents an important step in the execution of the Company's growth strategy, and I look forward to the commencement of the exploration programme in the coming weeks."



Dalgaranga Project Overview

The Dalgaranga project is located approximately 70km by road NW of Mt Magnet in the Murchison gold mining region of Western Australia (Figure 1) and covers the majority of the Dalgaranga greenstone belt. After discovery in the early 1990's, the project was developed and from 1996 to 2000 Equigold NL in JV with Western Reefs NL produced 229,000 oz's of gold from primarily the Gilbeys deposit (4.4Mt @ 1.5 g/t gold) with reported cash costs of less than \$350/oz. A small amount of gold was also mined from gold-rich laterites at the Golden Wings-Vickers areas.

The Gilbeys deposit occurs within a broad (100-200m wide) shear zone that trends NE for over 2km. Gold mineralisation is associated with quartz - pyrite - carbonate veins within a sheared porphyry-shale package. Strong weathering/oxidation occurs up to 100m below surface. Mineralisation dips 45 to 60 degrees to the NW and is highly predictable down dip. The Gilbeys pit has been mined down at its deepest point to the 295m RL level - approximately 130m below surface. Considerable gold mineralisation lies directly below the base of the pit which could be readily accessed through modest pit cut-backs.

There has been very limited exploration conducted in the Dalgaranga Greenstone Belt in the last 12 or more years since mining ceased. Historic prospects nearby the Gilbeys deposit (Figure 2) show excellent potential for discovery and resource growth. At the **Golden Wings** and **Vickers** prospect a number of significant high grade gold intersections occur below partly mined gold rich laterites. Results include **22m @ 6g/t gold** (including 6m @ 19g/t gold) and **6m @ 10.2 g/t gold**, however these results have not been followed up and are not included in the current resource. Additionally directly along strike of the Gilbeys open pit, the **Gilbeys North** prospect contains intersections up to **7m @ 10.8 g/t gold** that have not been followed up and are yet to be included in the resource.

The tenements acquired are unencumbered by rehabilitation liabilities related to past mining activity, and Gascoyne's board considers that the project provides an excellent opportunity for near-term production on a standalone basis, with strong opportunities for resource growth and exploration success. Alternatively, Dalgaranga is within trucking distance of a number of existing or planned processing facilities in the resurgent Murchison Gold district; Mt Magnet (65km), Cue (75km), Mt Magnet South- Kirkalocka (100km) Tuckabianna (95km) and Meekatharra(160km)

Table 1: Dalgaranga Deposits
Mineral Resource Estimate (0.7g/t Au Cut-off)

Deposit	Measured			Indicated			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Gilbeys	0.598	1.4	26,700	6.888	1.6	354,000	7.486	1.58	380,700
Golden Wings Laterite	0.039	0.8	1,000				0.039	0.8	1,000
Vickers Laterite	0.016	1.2	600				0.016	1.2	600
Total	0.653	1.3	28,300	6.888	1.6	354,000	7.541	1.58	382,300

Forward Program

Dalgaranga

- Complete compilation of historic data
- Re estimation of the current resource
- RC drill testing down dip and along strike of the Gilbeys deposit to grow resource
- Exploration/discovery drilling of a number of high potential targets
- Evaluation of development opportunities

Glenburgh

The main focus for the company during 2012 will remain the Feasibility study and ongoing exploration at the Glenburgh Project. The forward program includes:

- Additional drilling to test the down dip, down plunge and strike extensions of 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 and along strike from the Tuxedo deposit.
- RAB and Aircore drilling to test a number of historical geochemical anomalies
- An updated resource estimate for the Glenburgh project.
- Feasibility Study, including metallurgy, geotechnical, mining studies, permitting and financial analysis
- Ongoing environmental baseline studies

Further results and information will be provided as they become available.

*On behalf of the Board of
Gascoyne Resources Ltd*



Michael Dunbar
Managing Director

Competent Persons Statement

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 resources quoted for the Dalgaranga project have been sourced from Equigold NL annual reports, and other publicly available reports which have undergone a number of peer reviews by qualified consultants, that conclude that the resources comply with the JORC code and suitable for public reporting.

Resources quoted for the Glenburgh Project have been estimated for Gascoyne Resources Limited by Runge Pty Ltd, an international and independent resource consultancy.

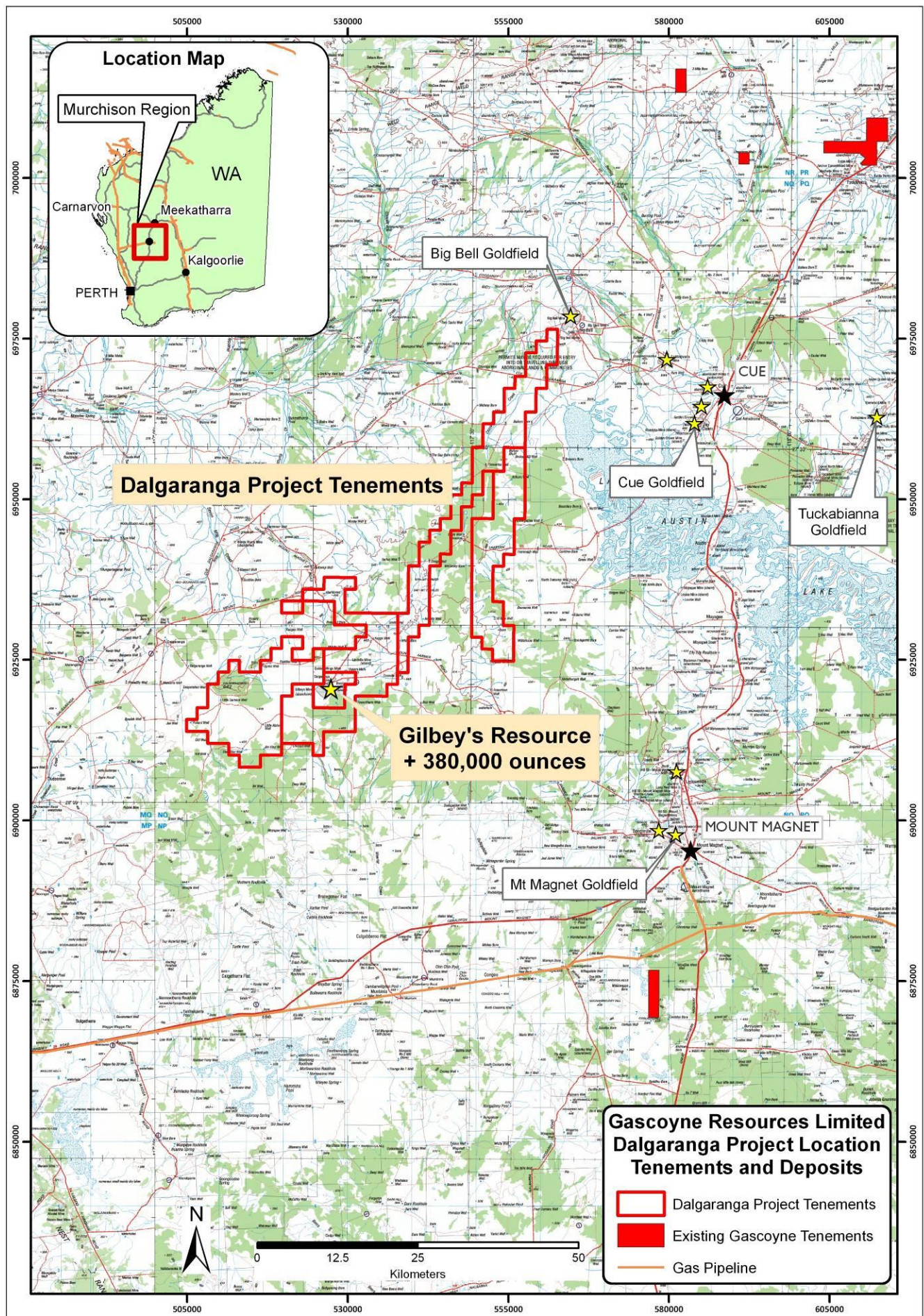


Figure 1: Location of Dalgaranga Gold Project

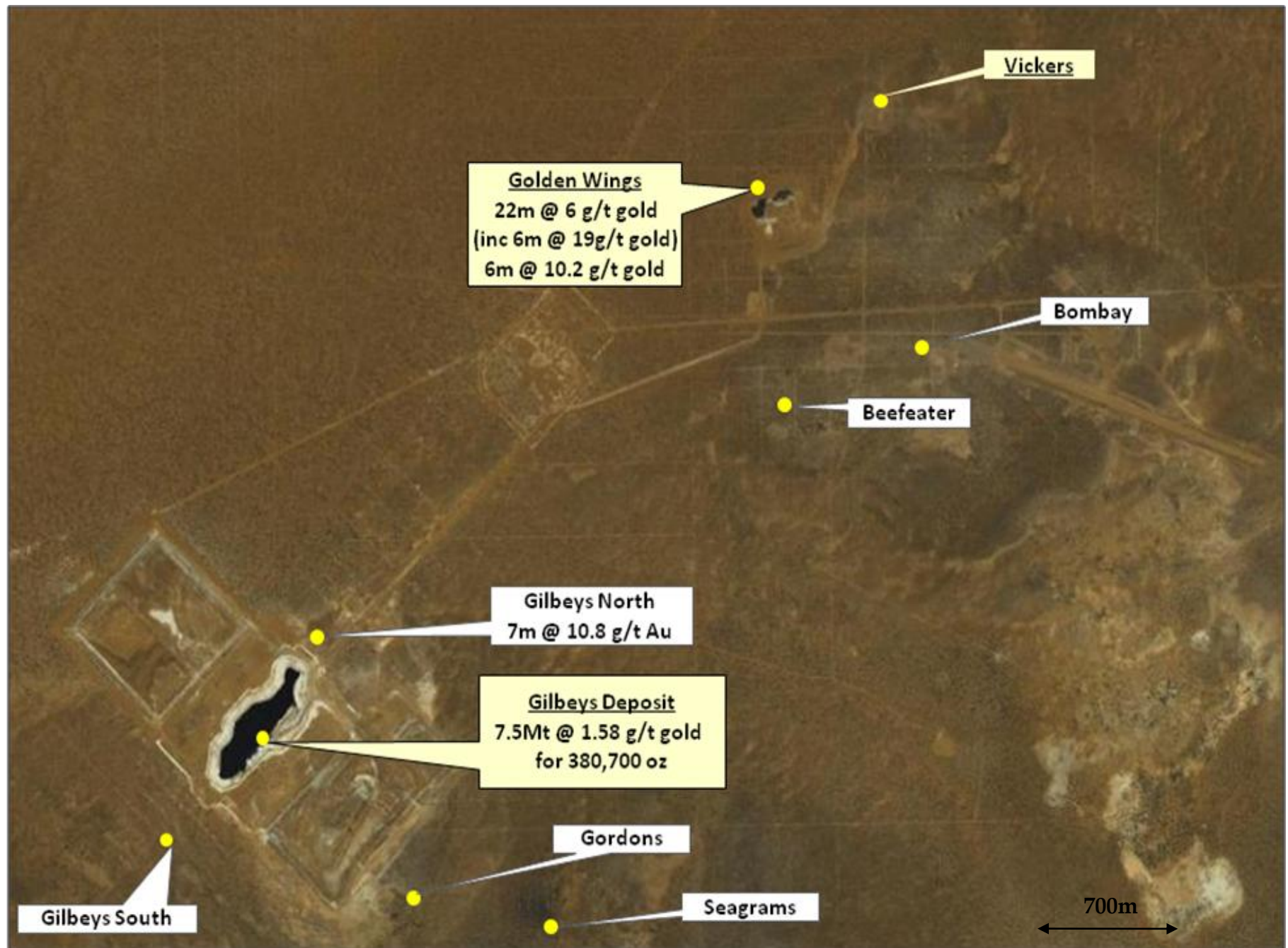


Figure 2: Plan showing Deposit Locations

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 total Indicated and Inferred Resource of: **17.4 Mt @ 1.3g/t Au for 703,000oz 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.
- 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' 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 2: 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