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Australian Securities Exchange Limited
Via Electronic Lodgement

GLENBURGH GOLD RESOURCE INCREASES TO 1.04 Moz

- **Global Resource Exceeds Expectations With Increase by 47% to 1,040,000 oz Gold**
- **305% Increase in Indicated Resources to 419,000 Oz**
- **Resource Tonnage Increased by 56 % to 27.1 Mt**

Gascoyne Resources Limited is pleased to announce the updated resource estimate for the Company's 100% owned Glenburgh Gold project in the Gascoyne province of Western Australia (see Figure 1), incorporating all the results received to date from the 2012 drill program.

The combined Indicated and Inferred Resource now stands at

27.1 Mt @ 1.2 g/t gold for 1,040,000 oz of gold

The resource modelling and estimation has been completed by Runge Limited, an external and independent global resource consultancy.

Highlights from this significant resource upgrade include:

- 305% increase in the Indicated Resource to category of **10.1 Mt @ 1.3 g/t gold for 419,000 oz**
- **Indicated resource will underpin the well advanced Feasibility Study**
- 47 % increase in total resource
- 56 % increase in global resource tonnes over previous estimate
- Higher grade "core" of the resources contains **11.8Mt @ 1.8g/t gold for 675,000 oz** (at a 1g/t cutoff)

Table 1: Glenburgh Deposits
September 2012 Mineral Resource Estimate (0.5g/t Au Cut-off)

Type	Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Transitional	0.7	1.0	23,500	1.3	1.1	47,100	2.1	1.1	71,000
Fresh	9.3	1.3	395,100	15.6	1.1	570,100	25.0	1.2	965,000
Total	10.1	1.3	418,700	17.0	1.1	617,200	27.1	1.2	1,040,000

Note: Discrepancies in totals are a result of rounding



Details of the resource methodology are as follows:

- Block models were created. Ordinary Kriging (OK) grade interpolation was used for the estimate, constrained by resource outlines based on mineralisation envelopes prepared using a nominal 0.3g/t Au cut-off grade and a minimum down hole length of 3m.
- The block dimensions used in the model were 25m EW by 5m NS by 12.5m vertical with sub-cells of 6.25m by 1.25m by 3.125m.
- Statistical analysis of the resource composites determined a variable high grade top cut that was applied. The top cuts that were used were lower than previously applied, which resulted in a slight decrease in resource grade.
- The resource was classified as Indicated and Inferred Mineral Resource. The Indicated portion of the resource was defined where the drill spacing was 50m by 25m or less (predominantly 25m by 12.5m) and continuity of mineralisation was robust. The Inferred Resource included those areas of the resource where sampling was 50m by 50m or greater.

It has to be noted that the Glenburgh deposits (see Figure 2) outcrop at surface and 82% (or 847,000 ounces) of the resource is contained in top 200m. Recent deeper drilling in particular at the Zone 126, Icon and Apollo deposits has shown that mineralisation remains open to greater depths with significant potential for further resource increases at depth. Importantly, a number of additional geochemical anomalies have been identified that have potential, with further exploration, to lead to additional discoveries.

Modelling has identified a number of zones which plunge, similar to the high grade shoot at Zone 126. These zones remain open down plunge and represent significant exploration targets, which will be tested during future exploration programs.

Gascoyne's Managing Director Michael Dunbar commented "This is yet another significant achievement by the Company's exploration team. To turn a project from 203,000 ounces into a one million plus ounce system in the last 2 years is an outstanding effort. This represents an increase of over 400% in global resource and more importantly, 419,000 ounces of the resource are now classified as Indicated, of which 93% (or 390,000) are within 150m of surface, which will underpin the project's development.

Even with this increase, the potential of the Glenburgh Field is yet to be fully realised, this is only the beginning for the project, there is a lot more of the system still to be tested, so the ultimate size of the system is still unknown, which puts Gascoyne in a great position for future growth".

Forward Program

The final 10,000 metres of the 2012 drill program (largely shallow exploration drilling) is underway, with completion expected to take around 4 weeks.

The Feasibility Study is well advanced with the following activities scheduled for the coming months:

- Environmental baseline study completion by mid October
- Mining studies (Pit optimisation, Pit and dump design, mining schedules)
- Mining reserve calculation
- Tailings storage facility design
- Process plant design
- Capital and operating cost estimates

The study is on track, with completion expected in early 2013.

*On behalf of the Board of
Gascoyne Resources Ltd*



Michael Dunbar
Managing Director

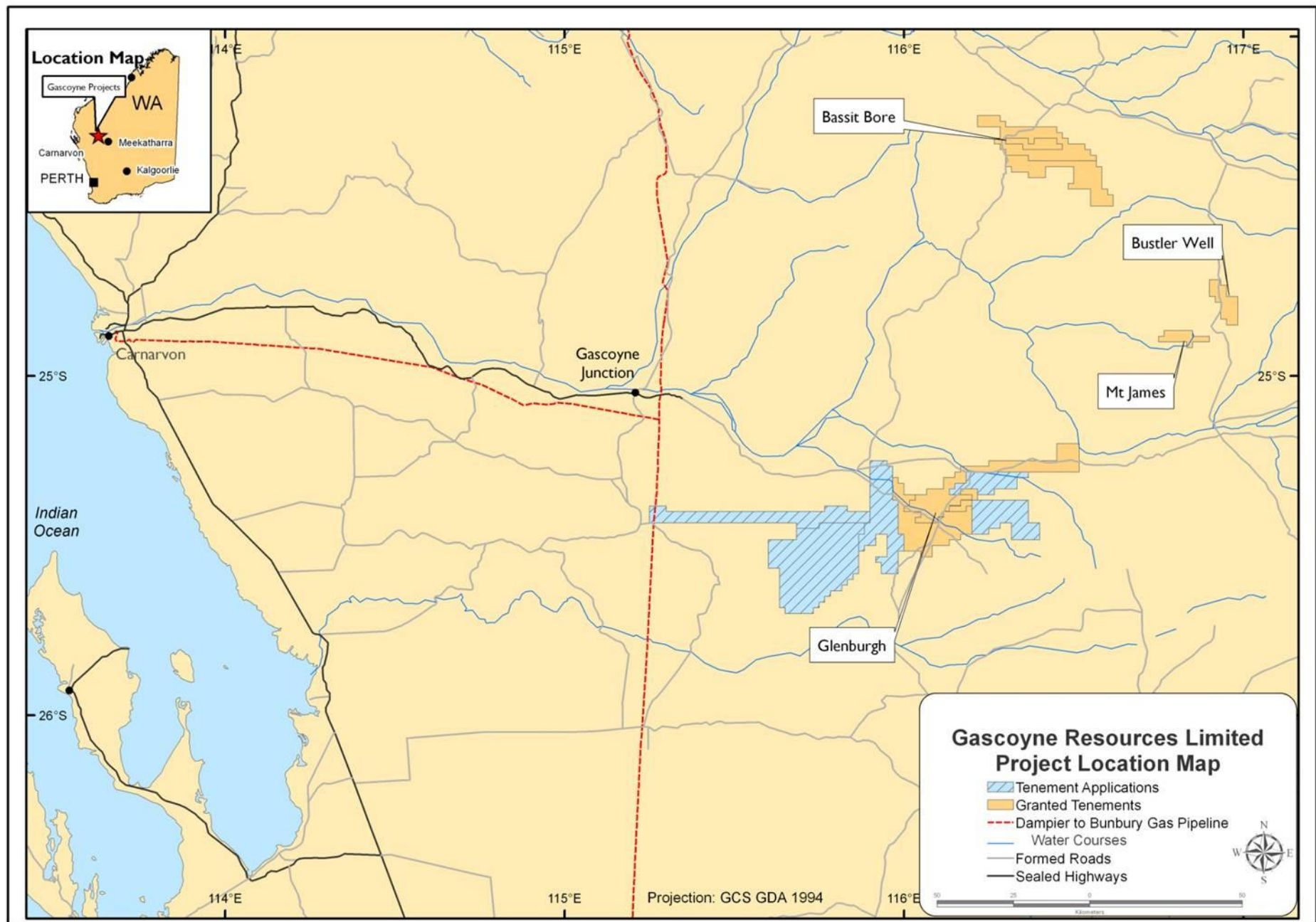


Figure 1: Gascoyne Region – Gascoyne Resources Project Locations

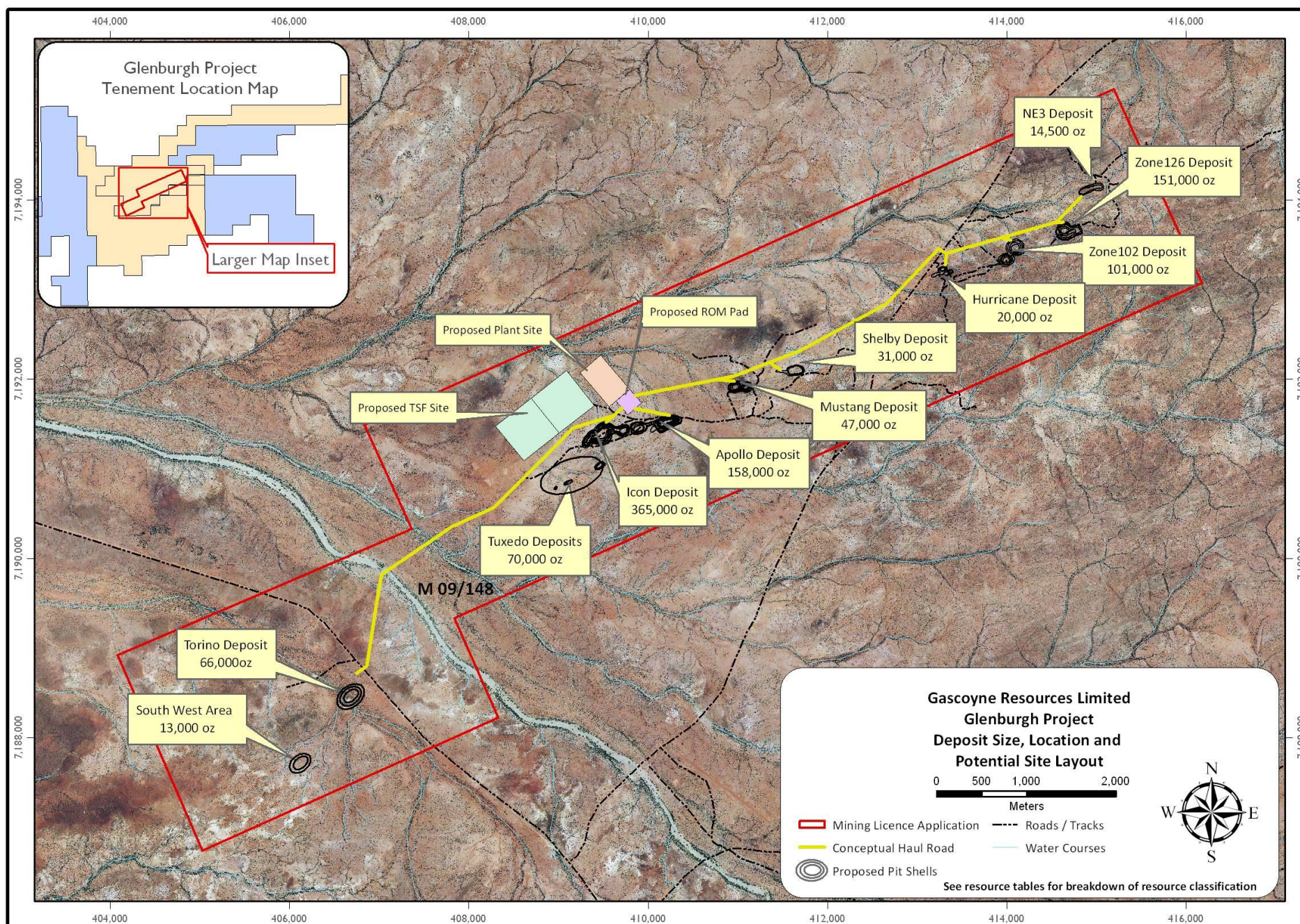


Figure 2: Plan showing Deposit Location, Resources and Conceptual Site-Layout

Table 2: Glenburgh Deposits - Area Summary
September 2012 Mineral Resource Estimate (0.5g/t Au Cut-off)

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	5.5	1.0	176,900	5.2	1.1	187,900	10.7	1.1	364,800
Apollo	1.6	1.6	82,900	2.2	1.1	75,100	3.8	1.3	158,000
Tuxedo	0.9	0.9	26,000	1.5	0.9	44,100	2.4	0.9	70,100
Mustang				1.5	1.0	47,000	1.5	1.0	47,000
Shelby				1.0	1.0	30,700	1.0	1.0	30,700
Hurricane				0.6	1.0	20,200	0.6	1.0	20,200
Zone 102	1.4	1.5	68,500	0.8	1.2	32,600	2.2	1.4	101,100
Zone 126	0.7	3.0	64,300	1.7	1.6	86,800	2.4	2.0	151,100
NE3				0.5	0.9	14,400	0.5	0.9	14,400
Torino				1.6	1.3	65,700	1.6	1.3	65,700
SW Area				0.4	1.1	12,800	0.4	1.1	12,800
Total	10.1	1.3	419,000	17.0	1.1	617,000	27.1	1.2	1,040,000

Note: Discrepancies in totals are a result of rounding

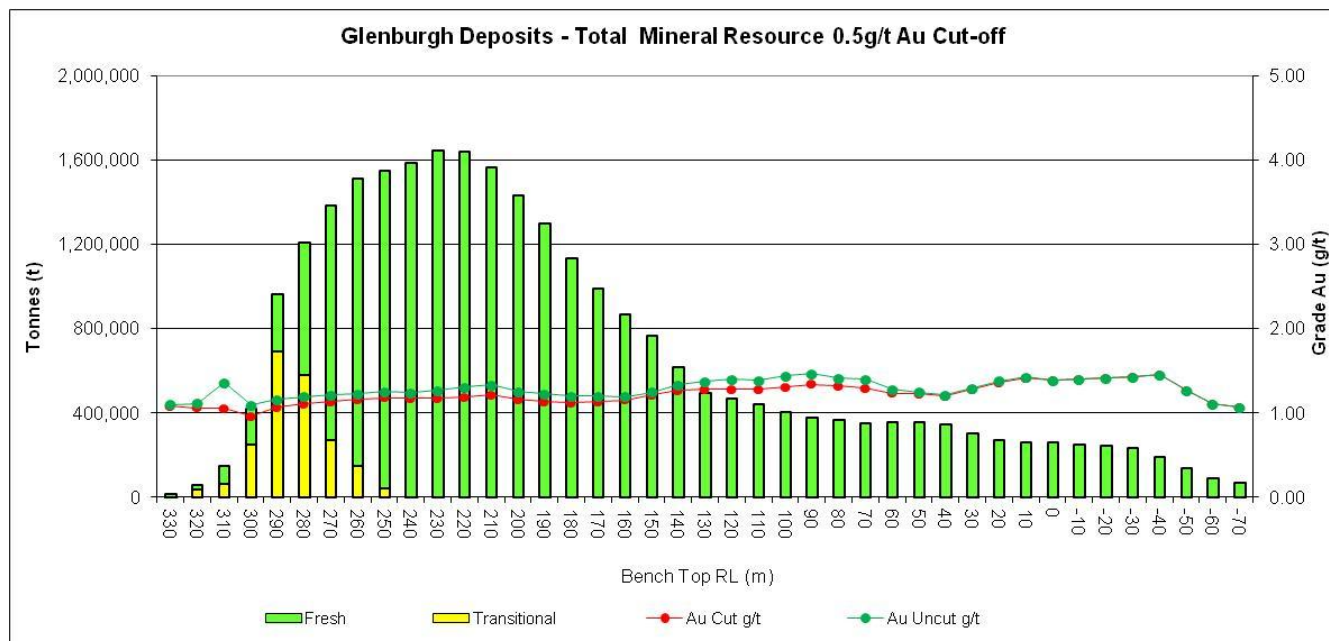


Figure 3: Resource per 10m bench, showing grade and material type

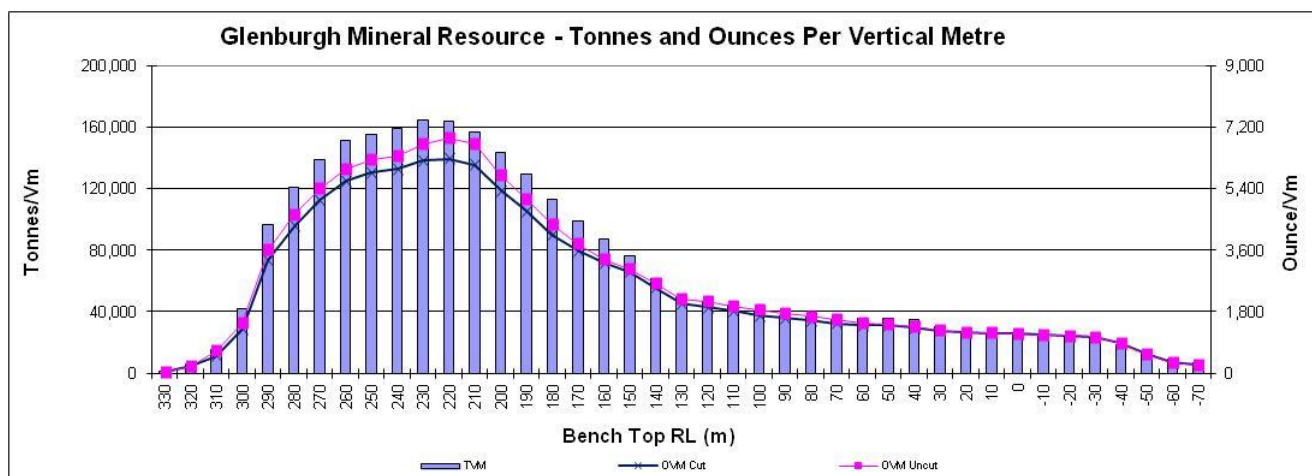


Figure 4: Resource Tonnes and Ounces per vertical metre

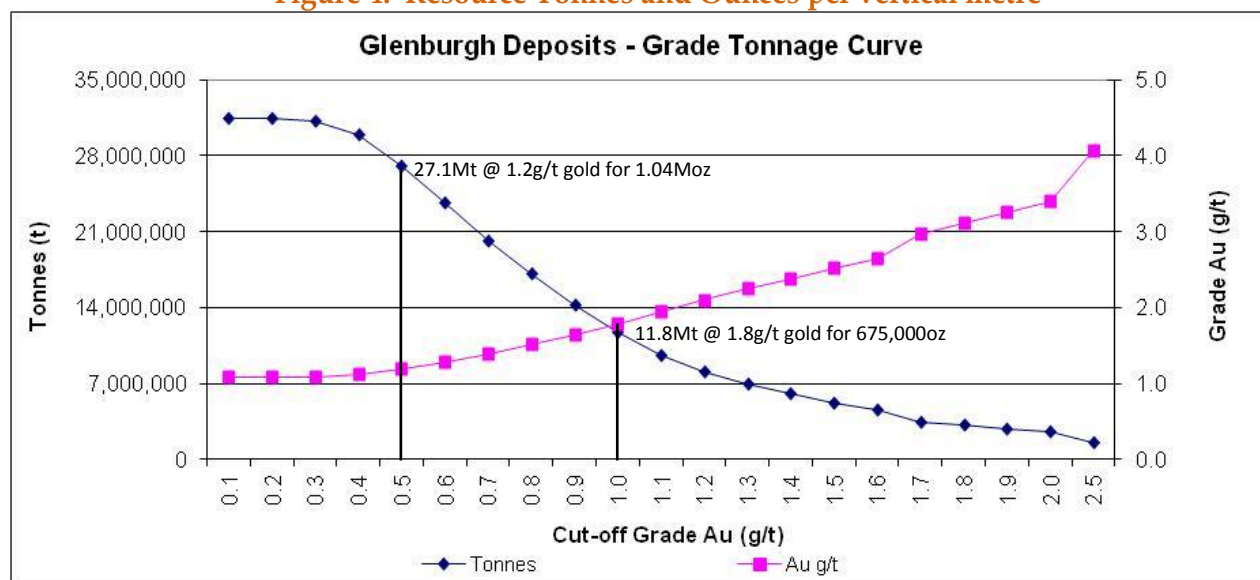


Figure 5: Tonnage Grade Curve - September 2012 Glenburgh Resource

Background on Gascoyne Resources

Gascoyne Resources Limited was listed on the ASX in December 2009 and is focused on exploration and development of a number of gold projects in Western Australia.

The company owns two main gold projects which combined contain over **1.4 million ounces of contained gold**:

GLENBURGH (100% GCY):

The Glenburgh Project in the Gascoyne region of Western Australia, has an Indicated and Inferred resource of: 27.1 Mt @ 1.2g/t Au for 1,040,000oz gold from several prospects within a 20km long shear zone (see Table 2)

Following a positive Scoping Study completed in late 2011, the Company has commenced a Feasibility Study on the project. The study has included approximately 30,000m of resource drilling, metallurgical drilling and testwork, geotechnical, hydro geological and environmental assessments. Resource and mining studies as well as engineering studies and evaluations are underway with completion expected within the next 5 months.

DALGARANGA (80% GCY):

The Dalgaranga project is located approximately 70km by road NW of Mt Magnet in the Murchison gold mining region of Western Australia 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 produced 229,000 oz's of gold with reported cash costs of less than \$350/oz.

The project contains a remnant JORC Measured and Indicated resource of 7.5 Mt @ 1.6g/t Au for 380,000 ounces of contained gold (see table 3). Given the increase in the gold price since mining operations ceased in 2000, there is significant potential to extract significantly more of the known resource.

Significant exploration also remains outside the known resource with exploration drill results of 22m @ 6g/t gold (including 6m @ 19g/t gold) and 6m @ 10.2 g/t gold and 7m @ 10.8 g/t gold that have not been adequately followed up and are yet to be included in the resource.

Gascoyne Resources' immediate 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.

Further information is available at www.gascoyneresources.com.au

Table 3: Dalgaranga Deposits Mineral Resource (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	1.6	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	1.6	382,300

Note: Discrepancies in totals are a result of rounding

Competent Persons Statement

The information in this Report that relates to Mineral Resources for the Glenburgh Deposits is based on information provided by Mike Dunbar of Gascoyne Resources Ltd, compiled by Shaun Searle of Runge Limited and reviewed by Mr Aaron Green of Runge Limited. Aaron Green of Runge Limited takes overall responsibility for the Glenburgh Mineral Resource Report. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Mr Aaron Green consents to the inclusion of such information in this Report in the form and context in which it appears.

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 are suitable for public reporting.