

19th March 2013

Australian Securities Exchange Limited
Via Electronic Lodgement

EXPLORATION AND FEASIBILITY UPDATE

GLENBURGH PROJECT:

- **Exploration Update**
 - o 5,000 m RC drill program has commenced at Glenburgh. Extensional targets include under-drilled areas that fall within conceptual pit designs at several key deposits;
 - Zone 102 Deposit
 - Icon Deposit
 - Torino Deposit
 - Tuxedo Deposit
 - o Exploration drilling will provide a first pass test of exciting new high order soil geochemical targets over 5km strike North East of Zone 126, and infill soil sampling is also underway.
- **Feasibility Update**
 - o Most Feasibility elements well advanced, with metallurgy, geotechnical, hydrogeology, tailings storage design work completed, and process engineering and environmental work nearing completion.
 - o Pit optimisations and mine design has identified areas for improvement, with drilling underway to test these areas, along with resource re-modelling.
 - o Capital costs estimate for processing facility \$ 67.6M; a decrease of ~\$10 M from the original estimate.
 - o Feasibility completion now expected in April – May.

OTHER PROJECTS UPDATE:

- **Dalgaranga Project**
 - o 2,500m RC and 6,000m Aircore drill program has been planned, with commencement expected in April
- **Higginsville Project**
 - o A 4 week geochemical drilling program has been completed. Testing areas under shallow transported cover.

Gascoyne Resources Limited (“**Gascoyne**” or the “**Company**”) is pleased to update investors on its recent exploration and feasibility activities on its 100% owned Glenburgh gold project in the Gascoyne region of Western Australia, the 80% owned Dalgaranga gold project in the Murchison region of Western Australia and its 100% owned Higginsville project in the South Eastern goldfields of Western Australia.

Glenburgh Gold Project:

Exploration Update:

Following the successful 2012 regional surface sampling program to the north east of the Zone 126 deposit (151,000 oz of contained gold); additional activities are underway to test the potential of this 5km extension to





the known mineralisation at Glenburgh. This regional exploration includes additional infill soil sampling and RC drilling (~2,000m) of a number of the well-defined high grade soil anomalies.

Extensional RC drilling is also underway, with an initial ~ 3,000m program aimed at resource growth around several deposits that remain open along strike, in some cases within current open pit designs. The initial targets include the zone 102 deposit, where the resource remains open to the east at surface, between the Apollo and Icon deposits in the central area (which hosts ~ 670,000oz of contained gold), Torino/South West target area, where shallow drilling has identified zones of mineralisation that remain untested along strike and the Tuxedo Deposit, where shallow high grade mineralisation remains undrilled along strike.

It is expected that this extensional drilling will be completed within three weeks and the first results due in April.

Feasibility Update:

The Glenburgh Feasibility is well advanced, with a number of major components now complete or nearing completion (see table 1). Of particular note from GR Engineering's work to date on process engineering is a reduction in the expected capital cost for the processing facility. Original estimates suggested a cost of around \$77 million for the facility, however after refining the project's requirements, the capital estimate has been reduced to approximately \$67.6 million (including ~\$8.1M for engineering and \$3.0M for first fills, insurance, spares and commissioning). This equates to an improvement of around \$10 million.

Initial open cut mine designs have also been undertaken and have identified a number of key areas that need to be refined. Several of these areas are currently being drill tested (as mentioned above). The results will be incorporated into the resource models, and through the optimisations and mine designs within the next 6 weeks.

Remodelling of the key deposits within the resource is also underway. In particular a number of high grade zones within the overall broad low grade envelope are being evaluated and will advance the potential for high grade underground extraction of portions of the resource, in particular Zone 126.

Table 1: Progress of the Glenburgh Study

Activity	Responsibility	Progress
Metallurgy	AH Metallurgical / Ammttec	Complete
Geotechnical	Dempers & Seymour Pty Ltd	Complete
Hydro Geology	Rock Water	Complete
Tailings Storage Design	Coffey Mining	Complete
Process Engineering	GR Engineering	Nearing Completion
Environmental	Keith Lindbeck & Associates	Nearing Completion
Mining	Kenmore Consulting	First designs underway
Resource	RungePincockMinarco	Remodelling of high grade zones within broad lower grade halo is underway

The revised timeframe for completion of the study is late April to mid-May.

Other Project Exploration:

Dalgaranga Gold Project:

Following the completion of the purchase of 80% of the project (as announced on the 7th of February), a number of high grade targets have been identified for drilling. These include at the Golden Wings prospect, where a historical intersection of 22m @ 6.0g/t remains poorly tested, to the north of the Gilbeys pit, where



shallow drilling intersected up 6m @ 19.7g/t gold from 6m downhole which remains untested along strike and below the Gilbeys pit, where previous drill intersections including 51m @ 2.1g/t, 21m @ 1.9 g/t and 27m @ 1.5 g/t remain open.

An initial drill program of 2,500m of RC and approximately 6,000m of aircore drilling has been planned and is expected to commence in mid-April (as soon as the RC drilling at Glenburgh has been completed). This program is anticipated to take around 3 weeks to complete, with the first results expected in late May.

Higginsville Gold Project:

A four week shallow geochemical drilling program has recently been completed. This was designed to test areas below shallow (~2m) of transported cover along strike from a number of historical gold workings.

Results are expected to be received over the coming weeks and will be used as a guide for additional drilling.

Further results and information will be provided 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.

The resources quoted for the Dalgara 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.

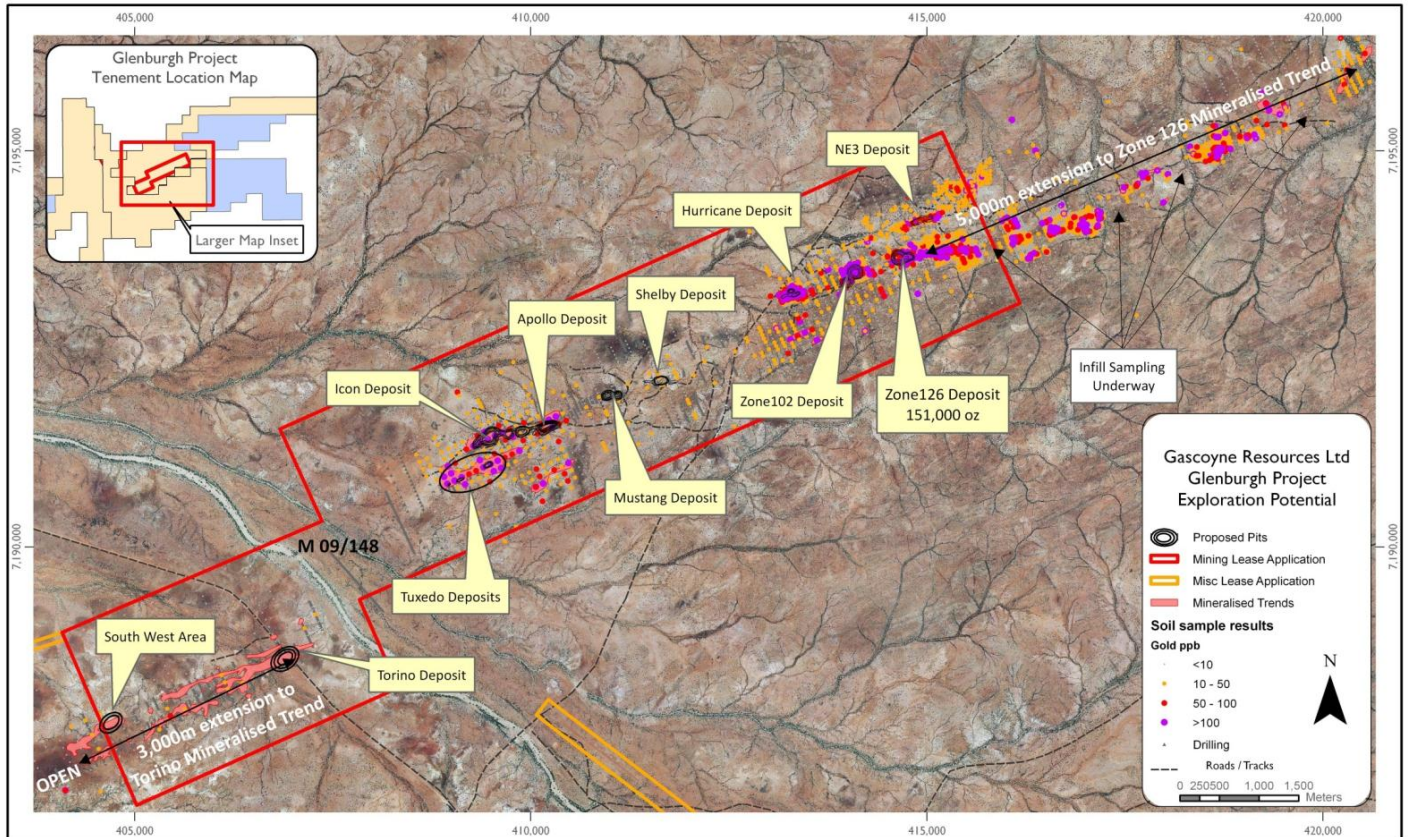


Figure One: Glenburgh Site Layout, highlighting deposits and North East Soil Anomalies

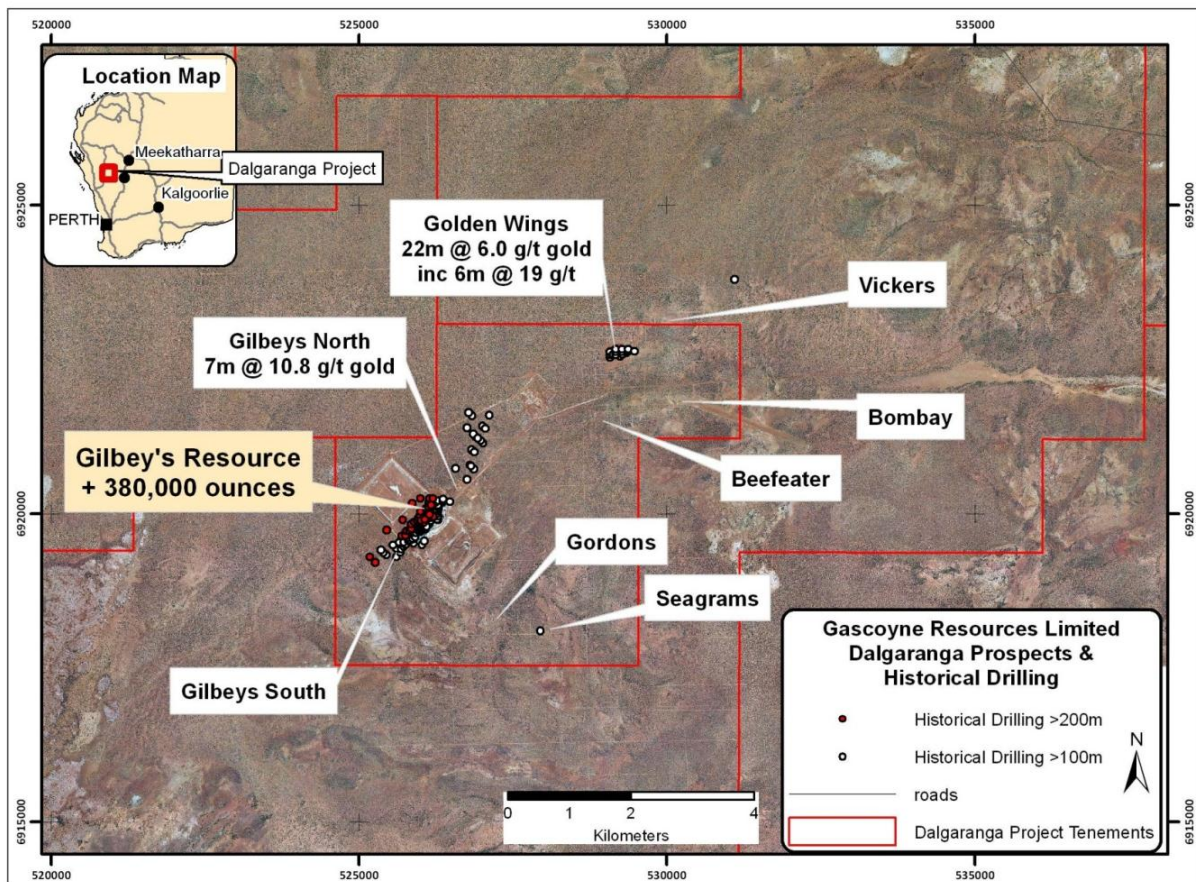


Figure Two: Dalgaranga Prospect Locations and +100m deep historical drilling

Gascoyne Resources Limited - Background

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 contain a combined 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)

The Company has commenced a Feasibility Study on the project. The study has included approximately 40,000m 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 2 months.

Table 2: Glenburgh Deposits October 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	420,000	17.0	1.1	620,000	27.1	1.2	1,040,000

DALGARANGA (80% GCY):

The Dalgara 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 Dalgara 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.

Table 3: Dalgara 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

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