

20th May 2013
Australian Securities Exchange Limited
Via Electronic Lodgement

HIGH GRADE GOLD IN INITIAL DALGARANGA DRILLING

HIGHLIGHTS:

- RC drilling has intersected high gold grades at the Golden Wings Prospect at the Dalgaranga Project:
 - o **36m @ 7.7 g/t gold from 36 m down hole,**
 - **including 8m @ 29.1 g/t gold**
- **This area is outside the current 380Koz gold resource at Dalgaranga**
- RC drilling at the nearby Gilbeys Deposit also intersected significant grades and widths of gold mineralisation. Intersections include:
 - o **13m @ 2.0 g/t gold including 3m @ 4.2 g/t gold**
 - o **6m @ 1.8 g/t gold**
 - o **33m @ 0.9 g/t gold**
- Follow up drilling is scheduled to commence on the project in late May.

Gascoyne Resources Limited is pleased to announce high grade gold intersections from the company's first exploration drilling program at the Golden Wings prospect at the newly acquired 80% owned Dalgaranga gold project in the Murchison region of Western Australia (see figure 1).

An initial 12 hole RC drill program has recently been completed at Dalgaranga and assay results have now been received for all the holes. A total of 8 RC holes were drilled around the known Gilbeys resource area and 4 RC holes at the Golden Wings prospect, where historical drilling identified significant mineralisation (See figure 2 and 3). This RC drilling is the first exploration in the area for around 12 years.

The drilling has identified a significant shallow and high grade zone of gold mineralisation at the Golden Wings prospect, which is outside the known resource. Four metre RC composite sample results include:

36m @ 7.7g/t gold from 36m, including 8m at 29.1 g/t from 56m

Historical intersections at Golden Wings included 22m @ 6.0 g/t gold, 9m @ 4.8g/t gold, and 6m @ 10.2g/t gold. These high grade results have never been included into a resource estimate. The new high grade intersections, along with the historic intersections confirm Gascoyne's interpretation of a high grade east-west trending zone of mineralisation at the prospect (Figure 3).



Follow up drilling at Golden Wings is planned and scheduled to commence in late May, once the current Glenburgh drill program has been completed.

The Gilbeys RC drilling, has also intersected significant mineralisation, including **13m @ 2.0 g/t gold** (DRC003), **6m @ 1.8 g/t gold** and 33m @ 0.9 g/t gold (DRC005), **16m @ 1.2 g/t gold** including 4m @ 2.5 g/t gold (DRC006) and 32m @ 0.8g/t gold (DRC008). (See table 1 & 2)

This drilling confirms that the mineralisation extends below the current Measured and Indicated JORC Resource of 7.5Mt @ 1.6 g/t gold for 380,000 oz of contained gold (See table 4). There is significant potential to grow the resource with additional exploration. These new result will now be incorporated into the resource estimate update which is in progress.

Forward Program

A further drill program has been planned and will include approximately 2,500m of shallow RC / aircore drilling at the Gilbeys pit and approximately 2,000m of aircore drilling around the Golden Wings prospect to continue to scope out and extend the shallow high grade mineralisation

The drilling program is scheduled to commence in the last week of May, once drilling is completed at Glenburgh.

Further results from the ongoing exploration activities at Glenburgh and Dalgaranga will be provided as they become available.

On behalf of the Board of
Gascoyne Resources Ltd



Michael Dunbar
Managing Director

Table 1: Significant Intersections (>0.5 g/t gold) from Recent RC Drilling at Dalgaranga

Hole ID	From (m)	To (m)	Interval (m)	Au Grade g/t	Comments
Gilbeys					
DRC002	119	122	3	1.7	
	131	132	1	0.7	
DRC003	16	20	4 *	2.2	
	162	175	13	2	
including	162	165	3	4.2	
DRC004	121	123	2	0.7	
	160	161	1	0.8	
	166	167	1	0.6	
	171	172	1	0.8	
	177	184	7	0.5	
	196	197	1	2.9	
DRC005	162	168	6	1.8	
	179	212	33	0.9	
including	179	186	7	1.3	
and	203	207	4	1.5	
	220	221	1	0.5	
	225	226	1	0.5	
	236	237	1	0.9	
DRC006	111	127	16	1.2	
including	116	120	4	2.5	
	142	149	7	0.5	
DRC007	48	52	4 *	0.6	
	149	153	4	1.2	
	160	161	1	0.8	
	184	187	3	0.5	
	196	197	1	2.6	
DRC008	117	118	1	0.5	
DRC008	160	192	32	0.8	
including	160	166	6	1.3	
and	172	175	3	1.5	
	201	202	1	0.9	
Golden Wings					
DRC009	127	128	1	0.5	
	179	180	1	0.5	EOH
DRC011	48	52	4 *	1.9	
	60	68	8 *	1.7	
DRC012	36	72	36 *	7.7	
including	56	64	8 *	29.1	

Note: * Denotes 4m composite samples

Table 2: RC Drill Hole Locations and Details

Hole ID	GDA East	GDA North	RL	Depth	Dip	GDA Azim	Prospect
DRC001	525573	6919329	428	170	-60	135	Gilbeys
DRC002	526340	6920234	428	190	-60	135	Gilbeys
DRC003	526201	6920222	428	191	-60	135	Gilbeys
DRC004	526199	6920151	428	251	-60	135	Gilbeys
DRC005	526151	6920058	428	251	-60	135	Gilbeys
DRC006	525805	6919589	428	180	-60	135	Gilbeys
DRC007	525705	6919565	428	200	-60	135	Gilbeys
DRC008	525615	6919566	428	230	-60	135	Gilbeys
DRC009	528964	6922562	428	180	-60	180	Golden Wings
DRC010	529002	6922549	428	180	-60	180	Golden Wings
DRC011	529118	6922516	428	180	-60	180	Golden Wings
DRC012	529213	6922563	428	180	-60	180	Golden Wings

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 2004 JORC code and are suitable for public reporting. Resources quoted for the Glenburgh Project have been estimated for Gascoyne Resources Limited by RungePincockMinarco Limited Ltd, an international and independent resource consultancy.

The drilling was conducted using RC with samples being collected at one metre and 4m composites intervals and a riffle split subsample of approximately 2-4 kg was sent to MinAnalytical Laboratory Services in Perth. 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 GPS collar survey pickups, and Reflex multi 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.

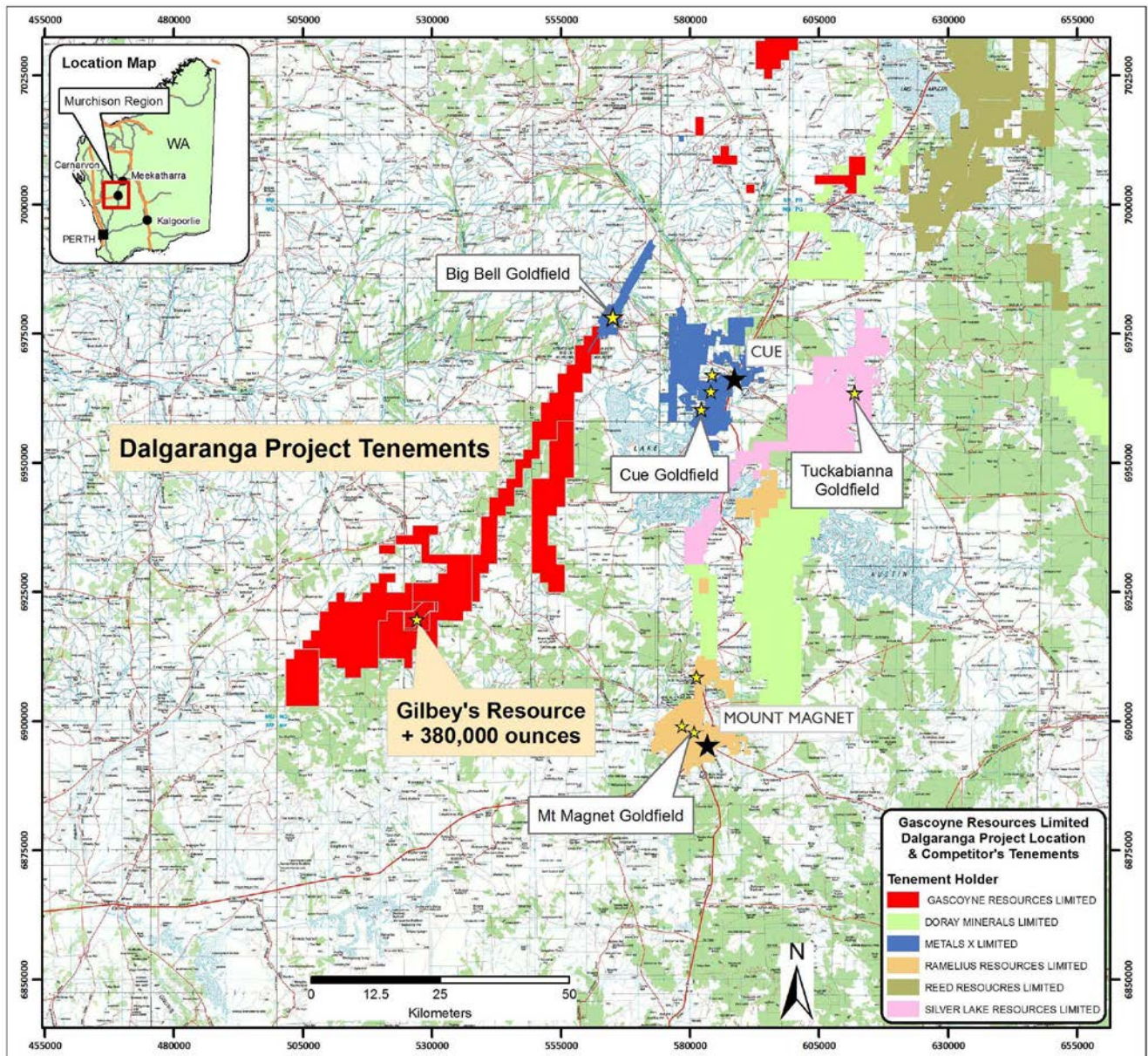


Figure One: Dalgara Project Location.

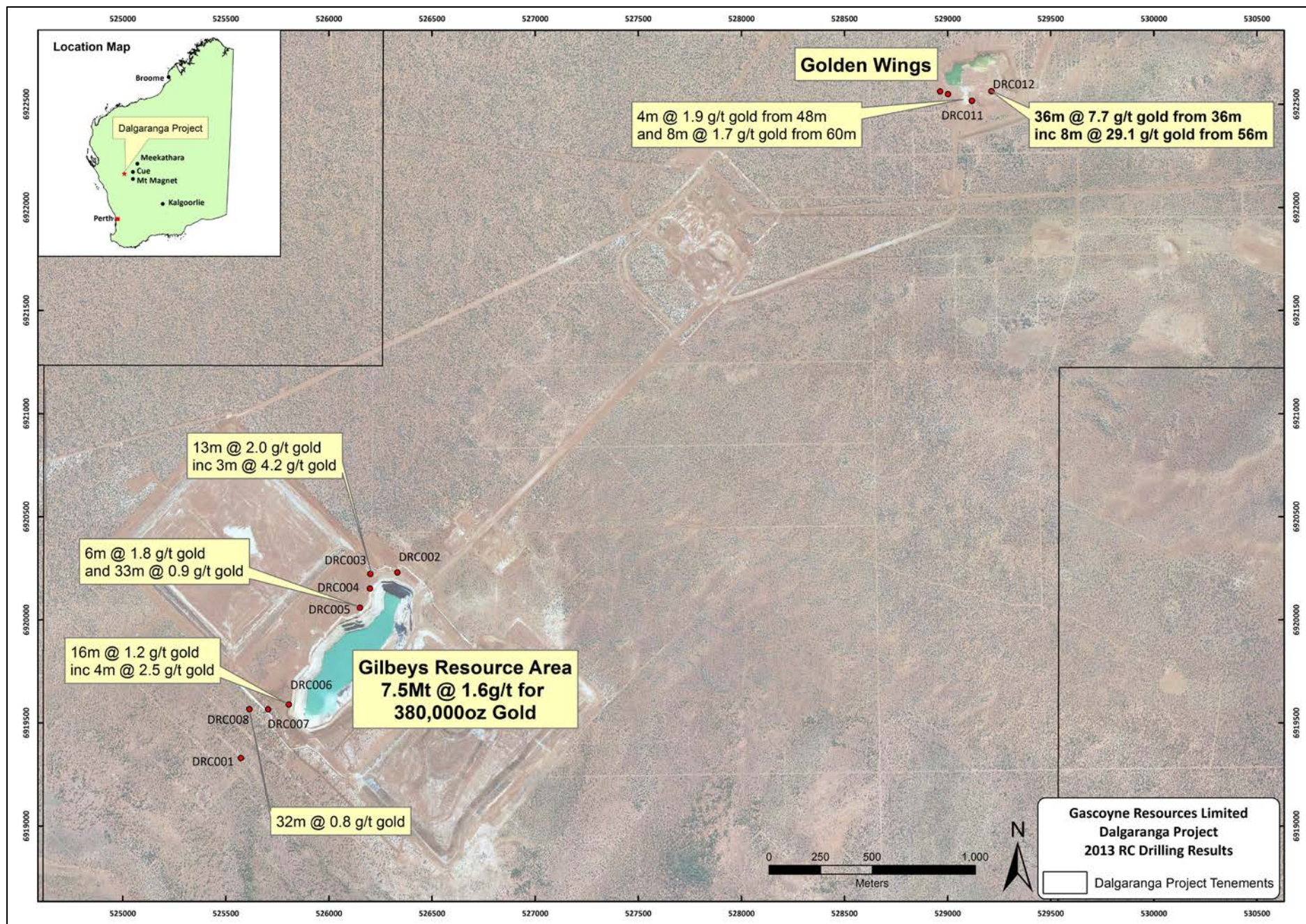


Figure Two: Dalgaranga Project Recent RC Drilling Results

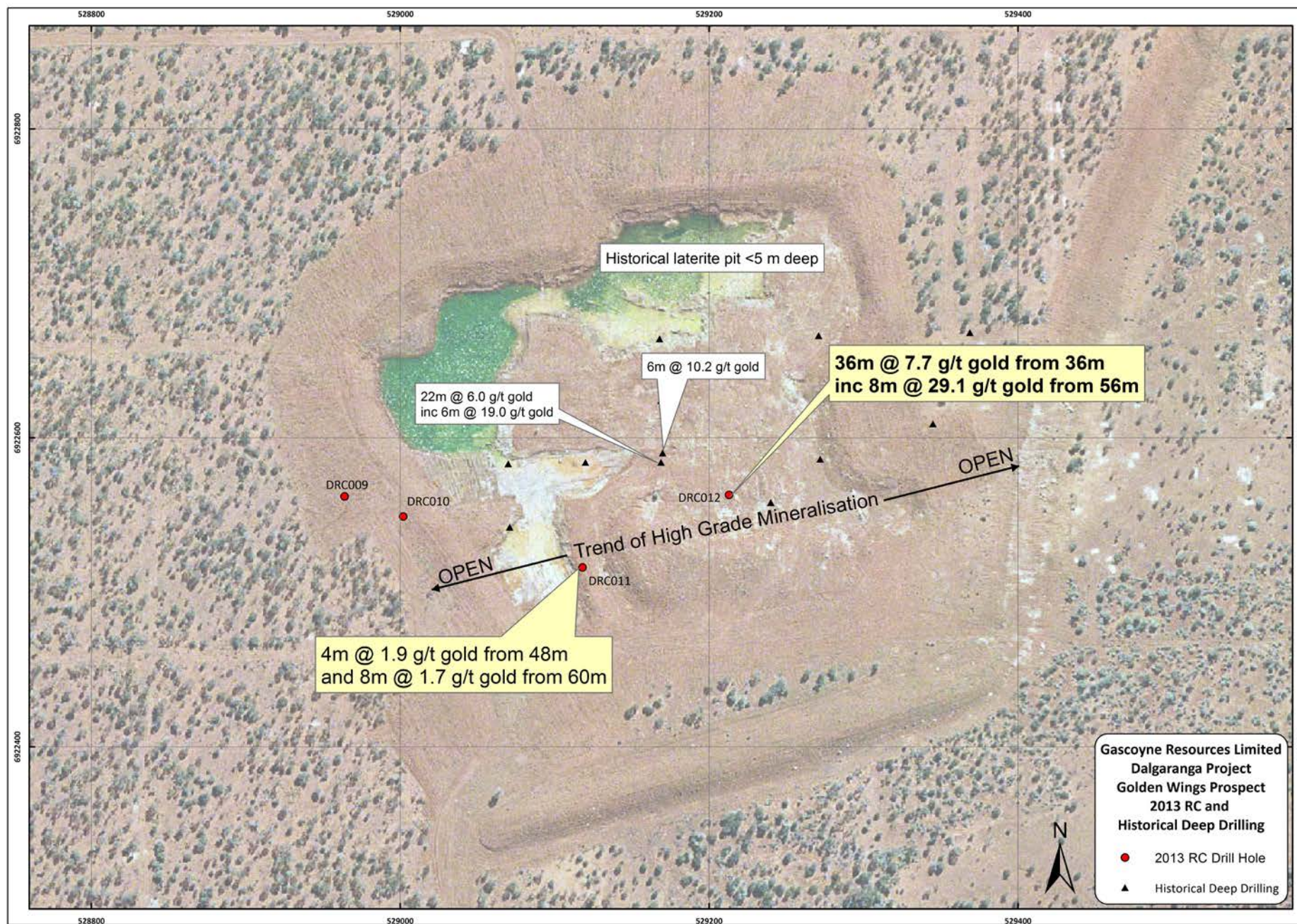


Figure Three: Golden Wings Prospect Recent Drilling Results..

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 **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: 21.1 Mt @ 1.5g/t Au for 1.0 million oz 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 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 well advanced.

Table 3: Glenburgh Deposits
April 2013 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	0.5	1.4	22,000	1.4	1.2	53,000	1.9	1.2	80,000
Fresh	6.4	1.8	360,000	12.8	1.4	561,000	19.2	1.5	920,000
Total	6.9	1.7	382,000	14.2	1.3	613,500	21.1	1.5	1,000,000

Note: Discrepancies in totals are a result of rounding

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.

Table 4: 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

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