

29th May 2013

Australian Securities Exchange Limited

Via Electronic Lodgement

HIGH GRADE EGERTON GOLD PROJECT SECURED UNDER OPTION

HIGHLIGHTS

- Gascoyne secures option to purchase 100% interest in the Egerton gold project
- Project includes high grade Hibernian gold deposit on granted Mining Lease
 - Hibernian resource 24,000 ounces @ 6.4 g/t gold
- High potential for discovery and resource growth within large tenement package
- Potential to truck high grade ore from Egerton to Gascoyne's flagship Glenburgh project

Gascoyne Resources Limited is pleased to announce that its wholly owned subsidiary Egerton Exploration Pty Ltd has entered into an exclusive option to purchase agreement with Exterra Resources Ltd for the Egerton gold project. The Egerton project consists of two granted mining leases and two granted exploration licences covering approximately 180km² of the Lower Proterozoic Egerton inlier in the Gascoyne Region of Western Australia (Figure 1).

The project includes the high grade Hibernian deposit which contains a resource of **116,400 tonnes @ 6.4 g/t gold for 24,000 ounces** in the Measured, Indicated and Inferred JORC categories (Table 1). The deposit lies on a granted mining lease and previous drilling includes high grade intercepts, **2m @ 147.0 g/t gold, 5m @ 96.7 g/t gold** and **5m @ 96.7 g/t gold** associated with quartz veining in shallow south-west plunging shoots. The Hibernian deposit has only been drill tested to 70m below surface and there is strong potential to expand the current JORC Resource with drilling testing deeper extensions to known shoots and targeting new shoot positions.

Due to the high grade nature of the Hibernian deposit there is potential to truck ore from Egerton to the company's near term development project at Glenburgh, currently in a feasibility study. The economic viability of trucking ore from Egerton to Glenburgh will be evaluated during the option period.

Twelve kilometres west of the Hibernian resource the Gaffney's Find prospect lies on another granted mining lease where a number of shallow historic workings lie on a north east trending shear zone extending over 4km, with drill intercepts including **4m @ 72.3 g/t gold** and **5m @ 15.9 g/t gold** (Figure 2). Elsewhere within the project there are a number of prospects aligned along the 8km long poorly tested Hibernian shear including the Hibernian West and Western Deeps prospects (Figure 2).



Under the agreement Egerton Exploration Pty Ltd will pay option fees to Exterra totalling \$200,000 for a 15 month exclusive option period to fully evaluate the project. If Egerton decides to exercise its option it will acquire a 100% interest (subject to minor pre-existing royalties) in the project by issuing Gascoyne shares to Exterra to the 5 day VWAP value of \$800,000 plus 500,000 Gascoyne options, exercisable at 25c within a 3 year term.

Table 1: Hibernian Deposit
Mineral Resource Estimate (2.0 g/t Au Cut-off)

JORC Classification	Tonnes	Au g/t	Au Ounces
Measured Resource	32,100	9.5	9,801
Indicated Resource	46,400	5.3	7,841
Inferred Resource	37,800	5.1	6,169
Total	116,400	6.4	23,811

*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 Egerton project have been sourced from Exterra Resources reports, prospectus and other publicly available reports and in particular the "Hibernian Gold Deposit Resource Report" by Finore Pty Ltd 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. The resource was announced to the ASX by NGM Resources Ltd on 9 August 2005.

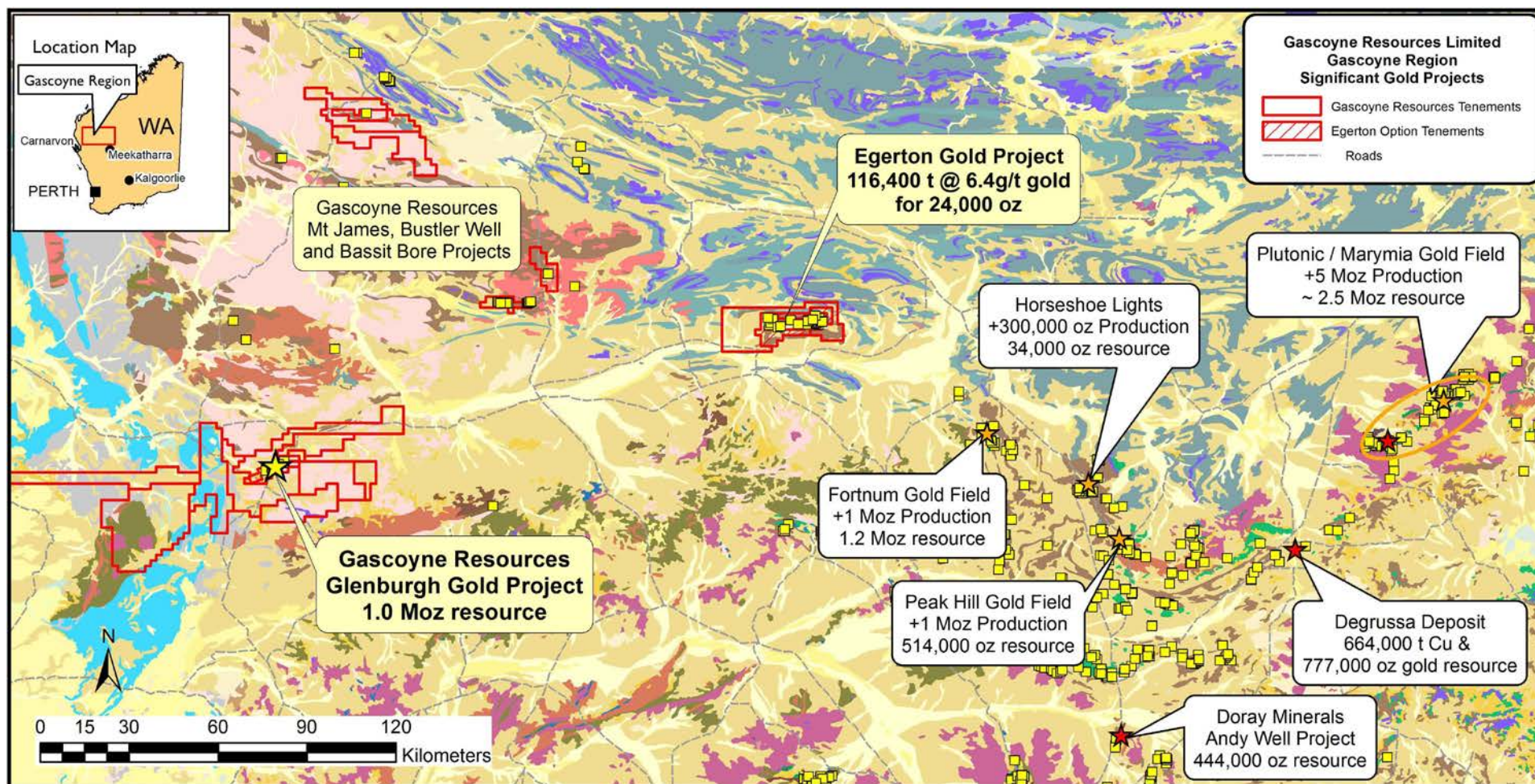


Figure 1: Location of Egerton Gold Project

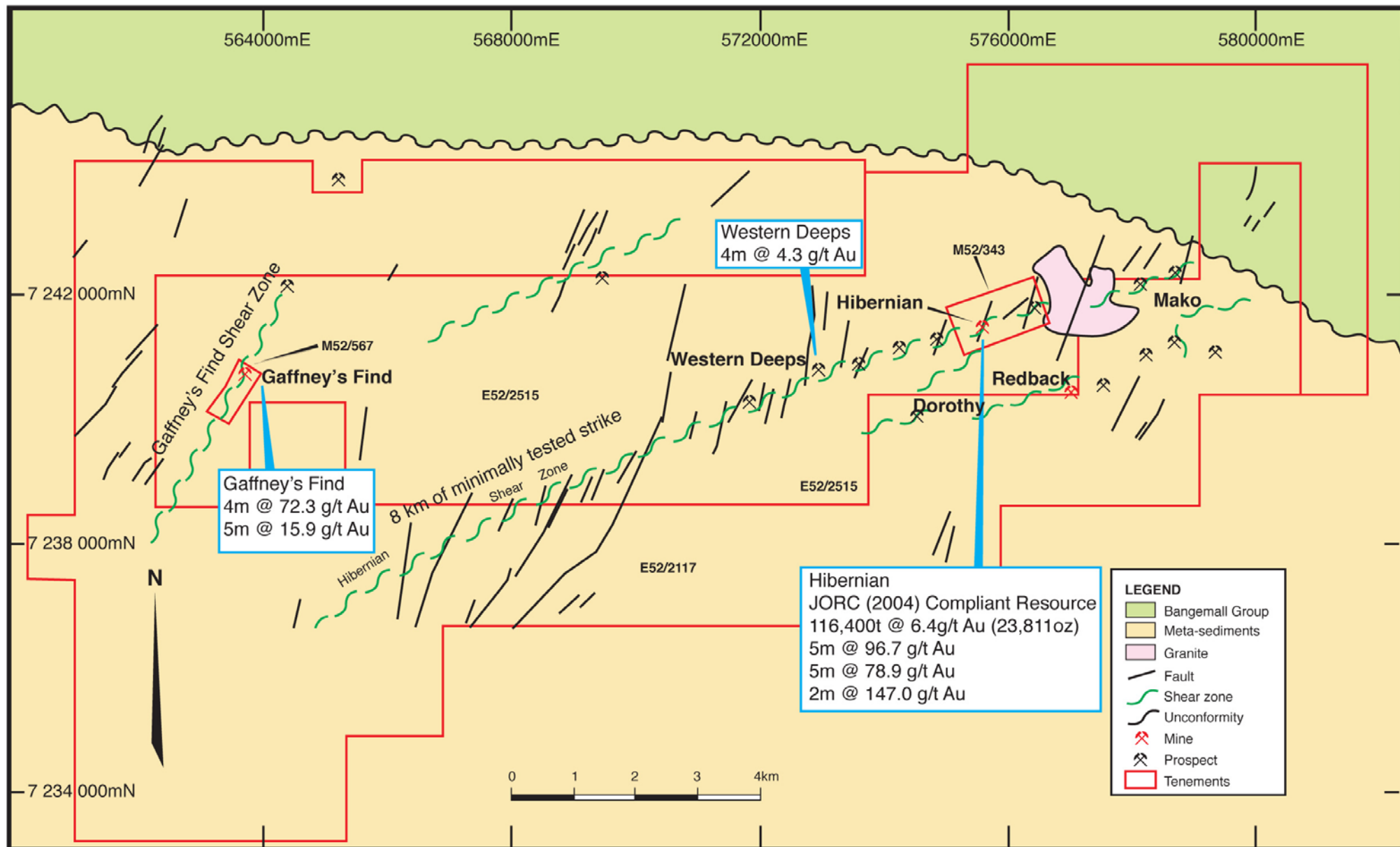


Figure 2: Plan showing Egerton Tenements and Prospect-Deposit Locations

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 2: 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 potential 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 has not been adequately followed up and is yet to be included in a resource. Initial drilling by Gascoyne in May 2013 returned 36m @ 7.7 g/t gold from the Golden Wings prospect interpreted to be associated with a high grade east-west trending zone of gold mineralisation.

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

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. Follow up drilling at the Golden Wings prospect at Dalgaranga will also be undertaken in late May early June 2013.

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