

March 26, 2014
Australian Securities Exchange Limited
Via Electronic Lodgement

7,000 METRE DRILLING PROGRAM COMMENCES

Gascoyne Resources Limited is pleased to advise that an ongoing 7,000 metre drill program has commenced at the Company's three advanced gold projects in Western Australia, which contain a total of 1.76 million ounces of gold on granted mining leases (See Figure One).

The initial program involves shallow RC drilling at the high grade Golden Wings deposit at the 80% owned Dalgara gold project in the Murchison region.

This drilling has been designed to test the shallow up-plunge extensions of the known high grade gold mineralisation and to confirm the geological interpretation of a high grade shoot. The Company will then investigate development options and seek to monetise the Golden Wings discovery.

Once the initial RC program has been completed, drilling will then focus on a number of regional exploration targets at Dalgara project followed by exploration at the Mt Egerton project (100% Gascoyne - under option) and the Glenburgh project (100% Gascoyne) which are in the Gascoyne region of Western Australia.

The drilling program is expected to take approximately three months to complete, with the first portion completed in early April, with initial assay results expected in mid-April.

Gascoyne's Chairman Mike Joyce commented;

"The Company's board has resolved to maintain an aggressive exploration drilling and resource growth budget, and the upcoming drilling program is specifically targeted at opportunities with potential to have a material impact. The drilling will be funded from existing cash reserves and a significant reduction in ongoing fixed costs, including voluntary reductions in remuneration, redundancies and new co-tenancy arrangements at Perth office which will result in total savings of over \$300,000 per year, deferring any need for a short term capital raising, and providing a path for steady news flow and forward progress on key projects."

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

On behalf of the Board of
Gascoyne Resources Ltd



Michael Dunbar
Managing Director



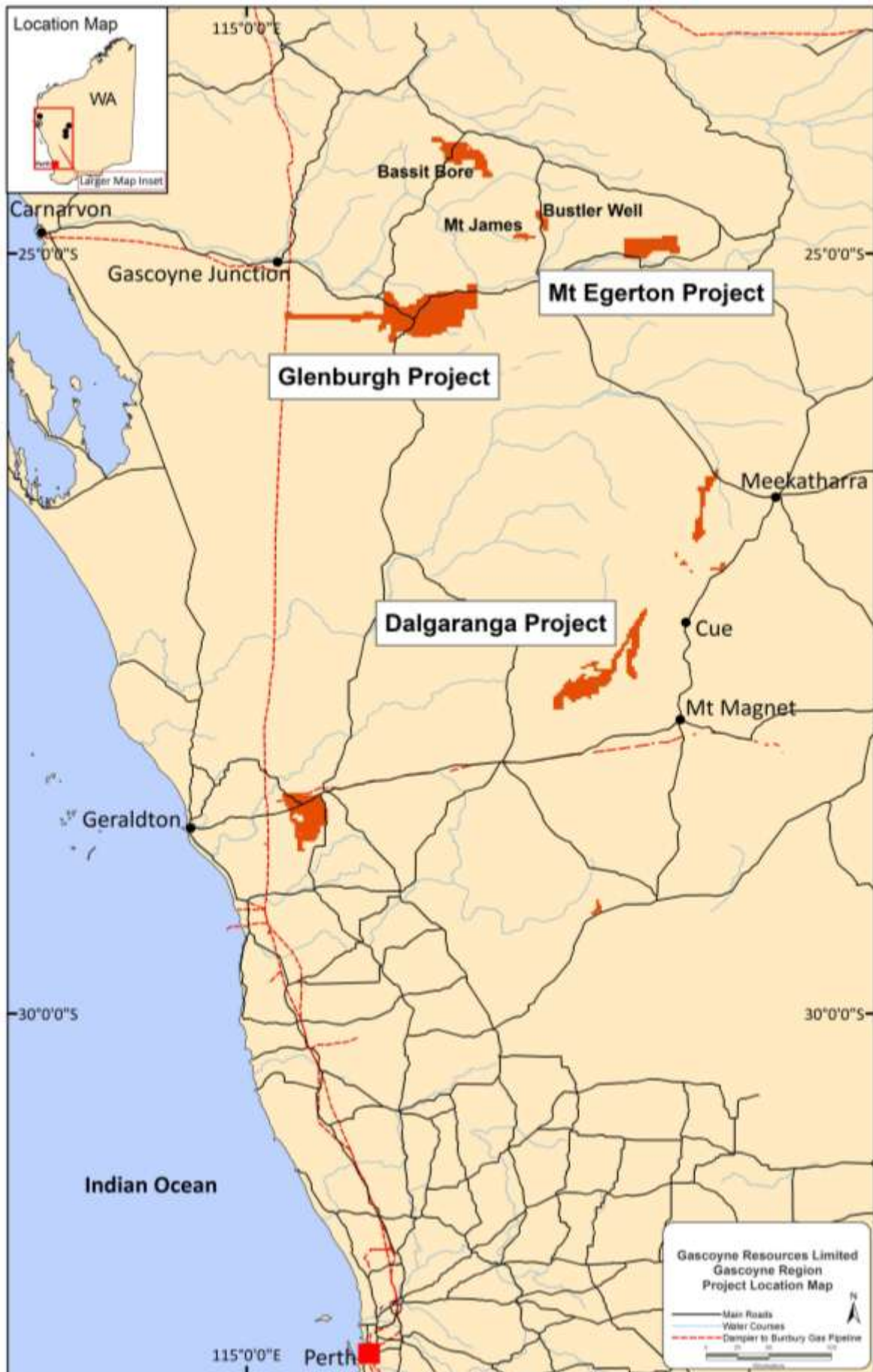


Figure One: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions

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's three gold projects combined have **1.76 million ounces of contained gold on granted Mining Leases**:

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 1 & 2)

A preliminary feasibility study on the project has been completed (see announcement 5th of August 2013) that showed a viable project exists, with a production target of 4.9mt @ 2.0g/t for 316,000oz (70% Indicated and 30% Inferred resources) within 12 open pits and one underground operation. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. The study showed attractive "all in" operating costs of under A\$1,000/oz and indicated a strong return with an operating surplus of ~ A\$160M over the 4+ year operation. The study has included approximately 40,000m of resource drilling, metallurgical drilling and testwork, geotechnical, hydro geological and environmental assessments. Importantly the resource and resulting study has not included the drilling completed during 2013, which intersected significant shallow high grade zones at a number of the known deposits.

Table 1: Glenburgh Project by Material Type
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

Table 2: Glenburgh Deposits - Area Summary
April 2013 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	3.5	1.4	160,400	4.1	1.3	168,000	7.6	1.3	328,400
Apollo	1.2	2.1	81,100	1.6	1.3	69,100	2.8	1.6	150,200
Tuxedo	0.6	1.1	21,800	1.2	1.1	41,300	1.8	1.1	63,100
Mustang				1.0	1.2	40,300	1.0	1.2	40,300
Shelby				0.9	1.2	34,600	0.9	1.2	34,600
Hurricane				0.5	1.3	18,500	0.5	1.3	18,500
Zone 102	0.9	1.9	56,500	1.2	1.3	49,100	2.1	1.6	105,600
Zone 126	0.6	3.2	62,200	1.4	2.2	102,700	2.1	2.5	164,900
NE3				0.2	1.5	11,300	0.2	1.5	11,300
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	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

EGERTON (100% GCY - Secured Under Option)

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 3). 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.

Table 3: Egerton Project: Hibernian Deposit Mineral Resource (2.0g/t Au Cut-off)

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

DALGARANGA (80% GCY):

The Dalgaranga project is located approximately 65km 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 contained a remnant JORC Measured, Indicated and Inferred resources of **13.4 Mt @ 1.7g/t Au for 740,900 ounces** of contained gold.(see Table 4).

Significant exploration potential also remains outside the known resource with numerous historical geochemical prospects only partly tested. The Golden Wings deposit is also open along strike and at depth.

Table 4: Dalgaranga Global Mineral Resource Estimate

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Gilbeys⁽¹⁾				4.7	1.6	240,200	8.2	1.7	445,200	12.9	1.7	685,000
Golden Wings⁽²⁾				0.3	4.0	38,000	0.15	3.1	15,000	0.45	3.7	54,000
Golden Wings Laterite	0.04	0.8	1,000							0.04	0.8	1,000
Vickers Laterite	0.02	1.2	600							0.02	1.2	600
Total	0.06	1.1	1,600	5.0	1.7	278,000	8.35	1.7	460,000	13.4	1.7	740,900

Note: Discrepancies in totals are a result of rounding; unless otherwise stated, the above resources are reported at a 0.7 Au g/t cut-off

(1) Gilbeys resource cut-off 1.0 Au g/t

(2) Golden Wings resource cut-off 2.0 Au g/t

Gascoyne is continuing to evaluate the Glenburgh gold deposits to delineate meaningful increases in the resource base and progress project permitting, while also continuing to explore the Dalgaranga project with the view to moving towards a low capital cost development as rapidly as possible. The Company also has a 15 month option on the Egerton project; where the focus is to assess the economic viability of trucking high grade ore to either Glenburgh or to another processing facility for treatment and exploration of the high grade mineralisation within the region.

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

Competent Persons Statement

Information in this announcement relating to JORC 2004 resources at the Glenburgh, Dalgaranga and Egerton projects are 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 current Glenburgh 2004 JORC resource is classified as Indicated and Inferred and as a result, is not sufficiently defined to allow conversion to an ore reserve; the financial analysis in the preliminary Feasibility Study is conceptual in nature and should not be used as a guide for investment. It is uncertain if additional exploration will allow conversion of the Inferred resource to a higher confidence resource (Indicated or Measured) and hence if a reserve could be determined for the project in the future. Production targets referred to in the preliminary Feasibility Study and in this report are conceptual in nature and include areas where there has been insufficient exploration to define an Indicated mineral resource. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The Laterite Dalgaranga Resources estimate has 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. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The Gilbeys and Golden Wings resources have been estimated by Elemental Geology Pty Ltd, an external consultancy, and are reported under the 2012 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (see GCY -ASX announcement 1st August 2013 titled: Dalgaranga Gold Resource Increases 80% to 685,000oz and GCY ASX announcement 1st October 2013 titled: Initial high grade gold resource at Golden Wings). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcements.

The Egerton Resource estimate has been sourced from Exterra Resources annual reports and other publicly available reports which have undergone a number of peer reviews by qualified consultants, who conclude that the resources comply with the JORC code and are suitable for public reporting. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.