



July 21, 2014
Australian Securities Exchange Limited
Via Electronic Lodgement

SHALLOW DRILLING INTERSECTS UP TO 33.8 g/t GOLD AT THE EGERTON GOLD PROJECT

Gascoyne's first drill programme at the Egerton Gold Project has intersected shallow high gold grades in step-out RC holes at the Gaffney's Find prospect, highlights include:

- **12m @ 12.0 g/t gold from 28m, including 4m @ 33.8 g/t gold**
- **4m @ 8.9g/t gold from 8m**
- **6m @ 6.8 g/t gold from 44m to EOH**

Initial wide spaced RC drilling targeting a major soil anomaly at the Mako prospect has discovered significant gold mineralisation including:

- **8m @ 2.1 g/t gold from 40m**

Gascoyne Resources Limited is pleased to announce that initial 4 metre composite assay results have been received from the recently completed RC drill programme at the Egerton Gold Project (option to acquire 100% interest, see ASX announcement May 29 2013) in the Eastern Gascoyne region of Western Australia. The drilling has intersected significant shallow gold mineralisation at both the Gaffney's Find and Mako prospects (see Figure 1, 2, 3 & 4).

Gaffney's Find

At Gaffney's Find the shallow drilling (50m deep RC holes) targeted strike extensions of historic high grade drill intersections such as 4m @ 72.3 g/t gold and 5m @ 15.9 g/t gold. The most significant high grade composite results were returned from the most north easterly line of drilling and include:

- **12m @ 12.0 g/t gold from 28m in MERC018, including 4m @ 33.8 g/t gold**

Other high grade intersections from Gaffney's Find include:

- **6m @ 6.8 g/t gold from 44m in MERC014, including 4m @ 9.9g/t gold**
- **4m @ 8.9 g/t gold from 8m in MERC012**

This shallow high grade mineralisation is related to quartz limonite veining in greywacke sediments and shales and remains open at depth and along strike to the north east (Figure 3).

Mako

Two wide spaced shallow lines of 50m deep RC holes, approximately 250m apart were completed at the Mako prospect area targeting a an extensive historic soil anomaly (Figure 4).



Best composite results returned are from the most eastern line:

- **8m @ 2.1 g/t gold** from 40m, including **4m @ 3.5 g/t gold** in MEAC005

The gold mineralisation is associated with quartz – pyrite veins hosted in dolerite and greywacke sediments. Only a small part of the + 1km long soil anomaly has been tested by drilling with mineralisation intersected in this drill programme remaining open at depth and along strike to the east and west.

The geological setting of the Mako prospect is similar to the high grade Hibernian deposit, which hosts 23,800 oz at 6.4 g/t gold and is located approximately 3.5km along strike to the west (see Figure 4 and Background on Gascoyne Resources).

During the geological logging, a number of zones of visual alteration were identified at both the Gaffney' Find and Mako prospects. These zones were sampled as single metre samples in addition to the routine 4 metre composite samples reported herein. The single metre samples have already been submitted to the laboratory for analysis in Perth. Most of the zones of visual alteration correlate with the high grades described above. Results of these single metre samples are expected within a week.

See Table 1 for full list of significant intersections and table 2 for drill hole details

Forward Programme:

The first priority is to receive and compile the results from the single metre samples.

After all results are received and compiled, additional drilling will be planned at Gaffney's Find and Mako as well as along the 8km Hibernian shear zone which hosts the high grade Hibernian Gold Deposit. This drilling is likely to be a combination of infill drilling (between and along the current drill lines) as well as extensional drilling along strike along the mineralised trends and at depth.

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

On behalf of the Board of
Gascoyne Resources Ltd



Michael Dunbar
Managing Director

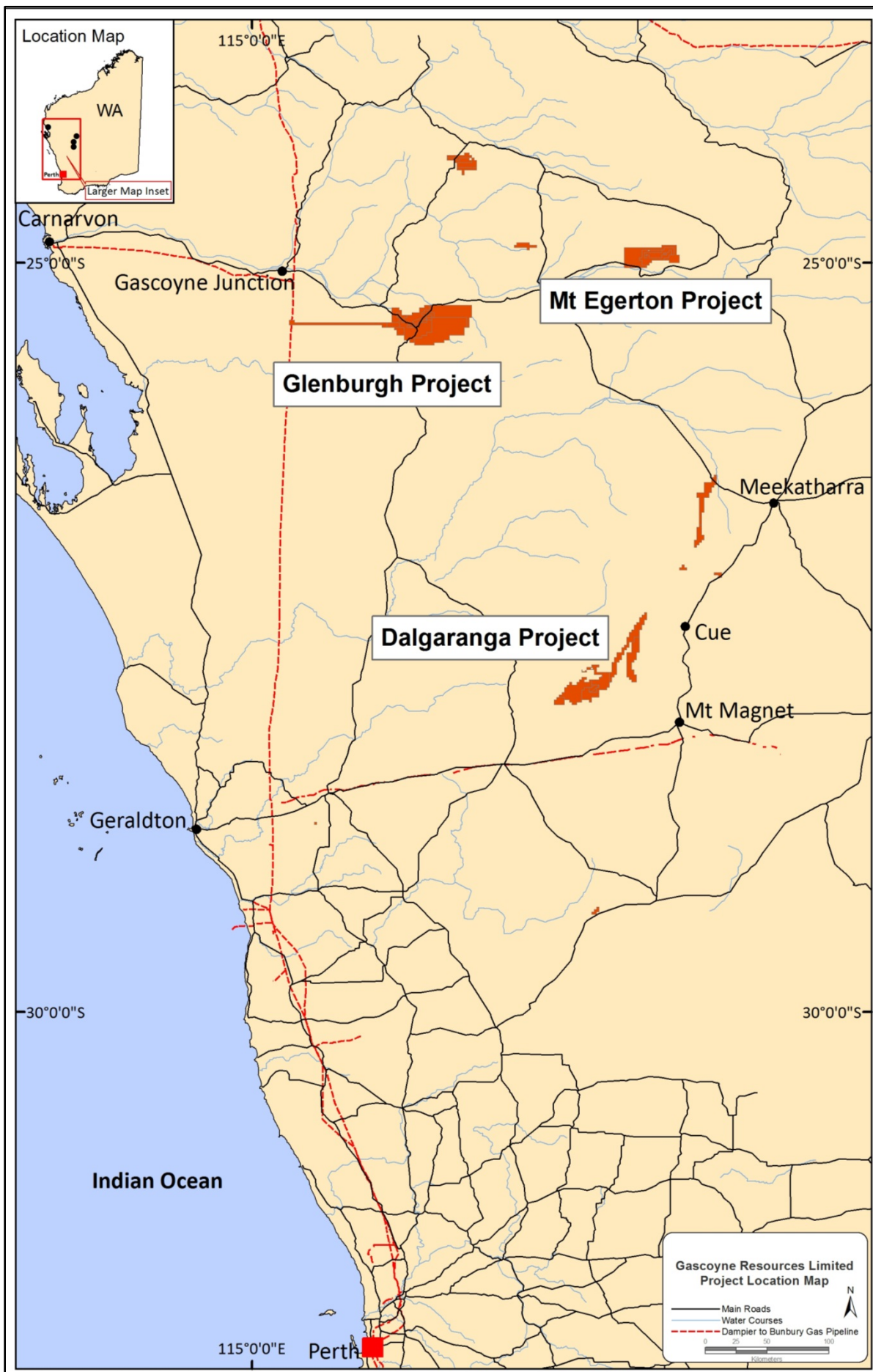
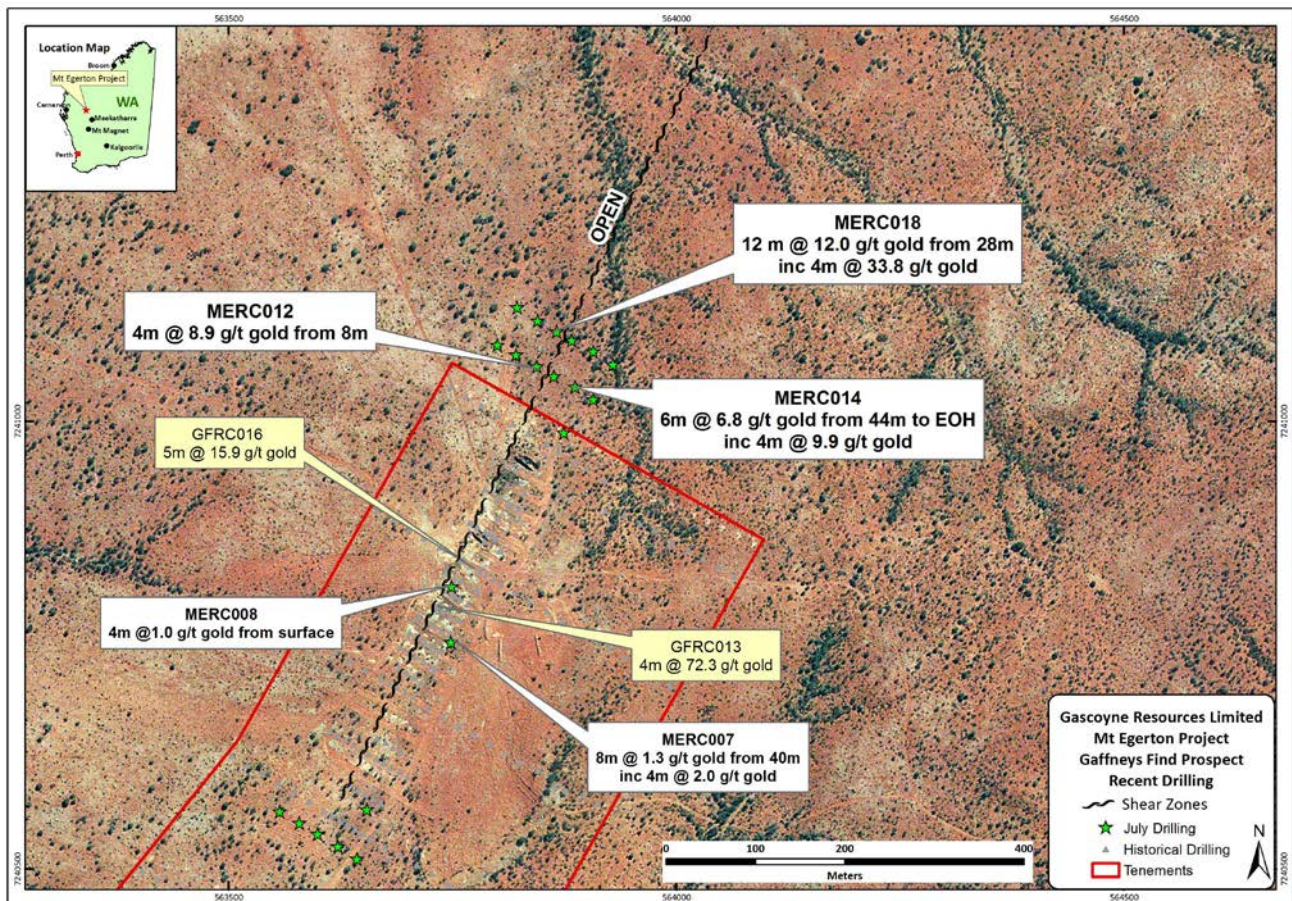
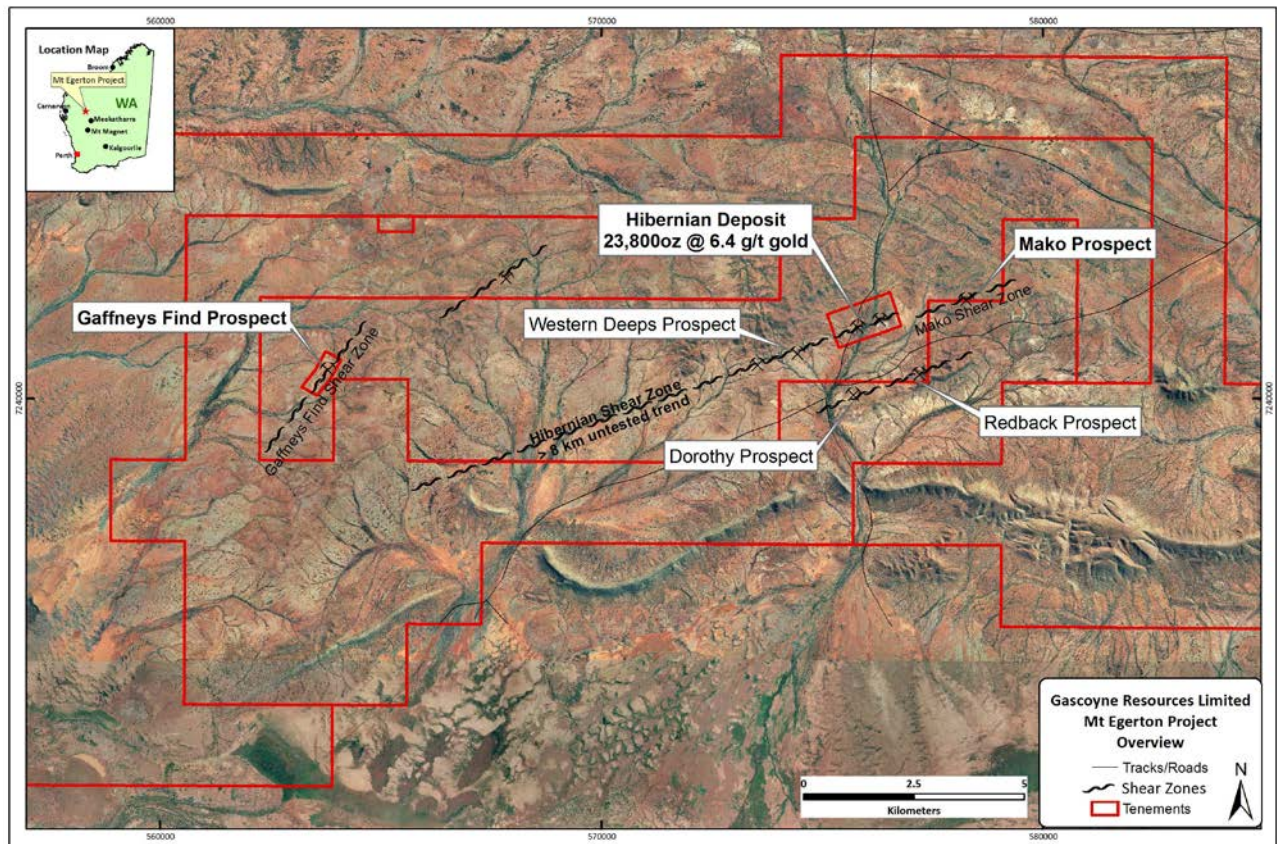


Figure One: Gascoyne Resources Project Locations in the Gascoyne and Murchison Regions



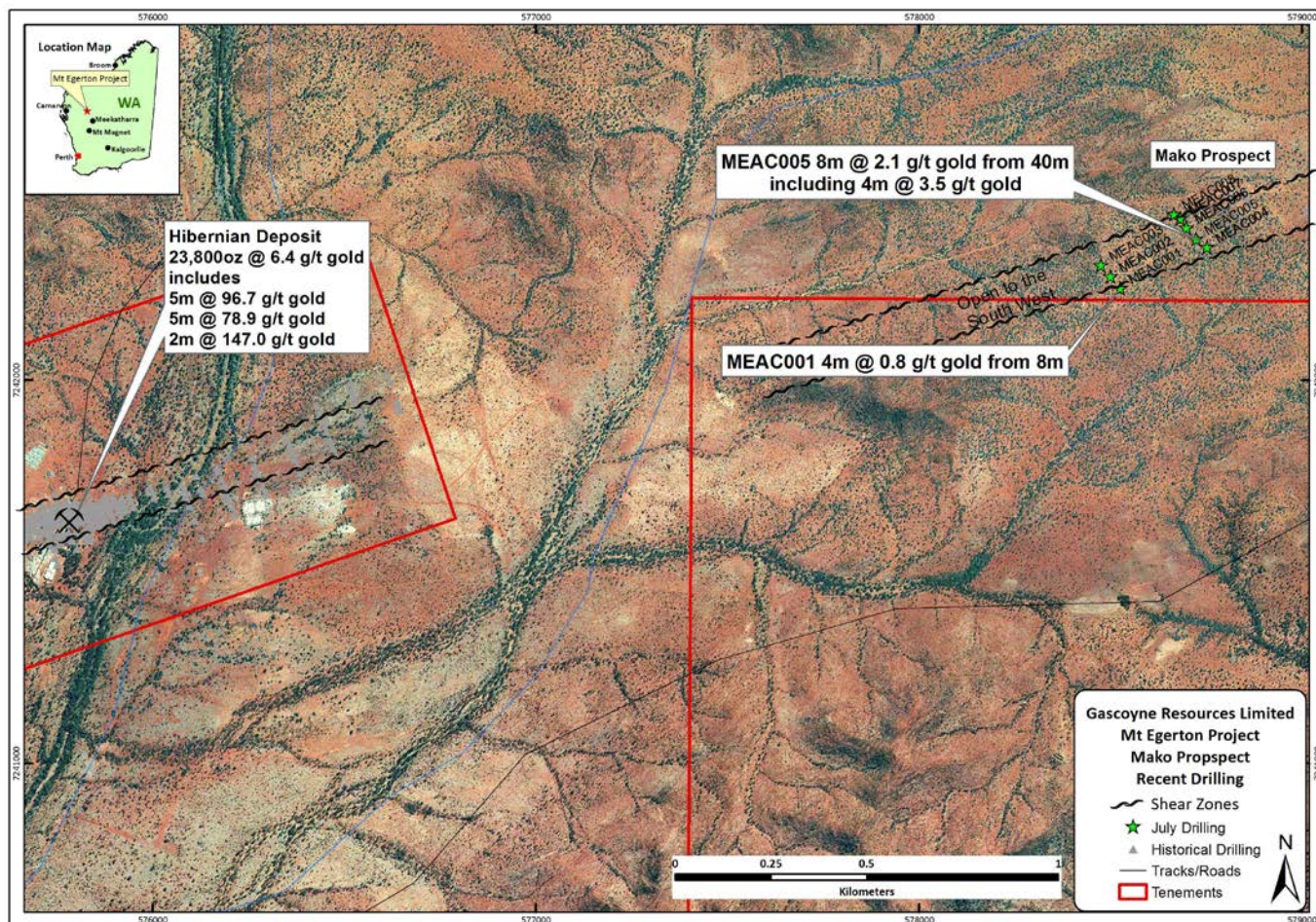


Figure Four: Mako Prospect with July Drilling and Significant Intersections

Table One: Significant 4m Composite Drill Intersections (>0.5g/t Gold) from July Drilling

Hole ID	Prospect	From (m)	To (m)	Interval (m)	Gold Grade g/t	Comments
MERC005	Gaffneys Find	32	36	4	0.5	
MERC006	Gaffneys Find	16	20	4	0.6	
		24	36	12	0.8	
MERC007	Gaffneys Find	40	48	8	1.3	
	incl	40	44	4	2.0	
MERC008	Gaffneys Find	0	4	4	1.0	
MERC012	Gaffneys Find	8	12	4	8.9	
		24	28	4	1.3	
MERC013	Gaffneys Find	32	48	16	0.7	
MERC014	Gaffneys Find	44	50	6	6.8	EOH
	incl	44	48	4	9.9	
MERC018	Gaffneys Find	4	8	4	0.9	
		16	20	4	1.6	
		28	40	12	12.0	
	incl	32	36	4	33.8	
MEAC001	Mako	8	12	4	0.8	
MEAC005	Mako	40	48	8	2.1	
	incl	40	44	4	3.5	

Table Two: RC Drill Hole Collar Details

Hole ID	GDA East	GDA North	RL	Depth	Dip	Azimuth	Prospect
MERC001	563557	7240564	400	53	-60	300	Gaffney's Find
MERC002	563579	7240551	400	53	-60	300	Gaffney's Find
MERC003	563599	7240539	400	50	-60	300	Gaffney's Find
MERC004	563622	7240525	400	50	-60	300	Gaffney's Find
MERC005	563643	7240511	400	50	-60	300	Gaffney's Find
MERC006	563654	7240566	400	50	-60	300	Gaffney's Find
MERC007	563748	7240753	400	50	-60	300	Gaffney's Find
MERC008	563749	7240815	400	50	-60	300	Gaffney's Find
MERC009	563874	7240987	400	50	-60	300	Gaffney's Find
MERC010	563800	7241085	400	50	-60	300	Gaffney's Find
MERC011	563821	7241074	400	50	-60	300	Gaffney's Find
MERC012	563844	7241061	400	50	-60	300	Gaffney's Find
MERC013	563863	7241050	400	50	-60	300	Gaffney's Find
MERC014	563887	7241038	400	50	-60	300	Gaffney's Find
MERC015	563907	7241024	400	50	-60	300	Gaffney's Find
MERC016	563822	7241127	400	50	-60	300	Gaffney's Find
MERC017	563845	7241112	400	50	-60	300	Gaffney's Find
MERC018	563866	7241100	400	50	-60	300	Gaffney's Find
MERC019	563883	7241090	400	50	-60	300	Gaffney's Find
MERC020	563907	7241078	400	50	-60	300	Gaffney's Find
MERC021	563929	7241063	400	50	-60	300	Gaffney's Find
MEAC001	578525	7242240	400	50	-60	140	Mako
MEAC002	578500	7242270	400	50	-60	140	Mako
MEAC003	578475	7242300	400	50	-60	140	Mako
MEAC004	578752	7242346	400	50	-60	140	Mako
MEAC005	578723	7242368	400	50	-60	140	Mako
MEAC006	578698	7242397	400	50	-60	140	Mako
MEAC007	578682	7242421	400	50	-60	140	Mako
MEAC008	578665	7242433	400	50	-60	140	Mako

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 main 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 3)

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 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 3: 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 4). 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 4: 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 Dalgara 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 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 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 5).

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 5: 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 exploration results for the Egerton project 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 2012 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.

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.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	- The project has been drilled using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond drilling over numerous campaigns by several companies and currently by Gascoyne Resources Ltd. The majority of holes are on a grid either infilling or extending known prospects. The majority of drill holes have a dip of -60° but the azimuth varies. This programme was RC and all holes had a dip of 60°. The azimuth varied between prospects. - Sample procedures followed by historic operators are assumed to be in line with industry standards at the time. Current QAQC protocols include the analysis of field duplicates and the insertion of appropriate commercial standards. . - RC drilling was used to obtain 1m samples from which a 4m composite sample of approximately 3 – 5 kg was also collected. The samples were shipped to a laboratory for analysis via a 25g Aqua Regia digest with reading via a mass spectrometer. Where anomalous results were expected, single metre samples of approximately 3 – 5 kg were collected and also shipped to the laboratory for analysis via a 50g Fire Assay.
<i>Drilling techniques</i>	RC drilling used a nominal 5 ½ inch diameter face sampling hammer.
<i>Drill sample recovery</i>	- RC sample recovery is visually assessed and recorded where significantly reduced. Very little sample loss has been noted. - RC samples were visually checked for recovery, moisture and contamination. A cyclone and splitter were used to provide a uniform sample and these were routinely cleaned. 4m composites were speared to obtain the most representative sample possible. - Sample recoveries are generally high. No significant sample loss has been recorded with a corresponding increase in Au present. No sample bias is anticipated, and no preferential loss/gain of grade material has been noted.
<i>Logging</i>	- Detailed logging exists for most historic holes in the data base. Current RC chips are geologically logged at 1 metre intervals. RC chip trays have been stored for future reference. - RC chip logging included the recording of lithology, oxidation state, colour, alteration and veining. - All current drill holes are logged in full.
<i>Sub-sampling techniques and sample preparation</i>	- No diamond drilling has been completed by Gascoyne Resources on the tenement. Previous companies have conducted diamond drilling; it is unclear whether ½ core or ¼ core was taken. - RC chips were collected as 4m composites using a spear of the drill spoil. Samples were generally dry. 1m RC samples are also spear sampled. - RC samples are dried. If the sample weight is greater than 3kg, the sample is riffle split. It is then pulverised to a grind size where 85% of the sample passes 75 micron. - Field QAQC procedures included the insertion of 4% certified reference 'standards' and 2% field duplicates for RC drilling. - Field duplicates were collected during RC drilling. Further sampling (lab umpire assays) will be conducted if it is considered necessary.
	A sample size of between 3 and 5 kg was collected. This size is considered appropriate and representative of the material being sampled given the width and continuity of the intersections, and the grain size of the material being collected.
<i>Quality of assay data and laboratory tests</i>	All 4m composite RC samples were analysed using a 25g aqua regia digest with an MS finish which is an industry standard for gold analysis. Aqua regia can digest many different mineral types including most oxides, sulphides and carbonates but will not totally digest refractory or silicate minerals. Single metre samples and high grade (>4g/t) samples have been analysed using a 50g

Criteria	Commentary
	fire assay technique with an AAS finish. - No geophysical tools etc. have been used at Mt Egerton. - Field QAQC procedures include the insertion of both field duplicates and certified reference 'standards'. Assay results have been satisfactory and demonstrate an acceptable level of accuracy and precision. Laboratory QAQC involves the use of internal certified reference standards, blanks, splits and replicates. Analysis of these results also demonstrates an acceptable level of precision and accuracy.
<i>Verification of sampling and assaying</i>	- At least 2 company personnel verify all intersections in drill chips. - No twinned holes have been drilled to date by Gascoyne Resources. - Field data is collected using Field Marshal software on tablet computers. The data is sent to Mitchell River Group for validation and compilation into an SQL database server - No adjustments have been made to assay data apart from values below the detection limit which are assigned a value of negative the detection limit
<i>Location of data points</i>	- At this stage drill collars have been surveyed by hand held GPS to an accuracy of about 3m. The RC drill holes will be picked up by DGPS in the future. - The grid system is MGA_GDA94 Zone 50 - The topographic surface has been set at a nominal value at this stage. It is considered to be of sufficient quality to be valid for this stage of exploration.
<i>Data spacing and distribution</i>	- Initial exploration by Gascoyne Resources is targeting discrete areas that may host mineralisation. Consequently current drilling is not grid based, however drill holes are spaced to achieve 'top to tail' coverage along a drill line. - The mineralised domains at Gaffney's Find may have sufficient continuity in both geology and grade to be considered appropriate for the Mineral Resource and Ore Reserve estimation procedures and classification applied under the 2012 JORC Code. The drilling at Mako is to widely spaced at this stage to be considered appropriate for Mineral Resource estimation. 4m composite samples were collected from RC drill holes. Where anomalous results were expected, the single metre speared samples were collected for subsequent analysis.
<i>Orientation of data in relation to geological structure</i>	- Drilling sections are orientated perpendicular to the strike of the mineralised host rocks at Mt Egerton. This varies between prospects and consequently the azimuth of the drill holes also varies to reflect this. The drilling is angled at -60° which is close to perpendicular to the dip of the stratigraphy. - No orientation based sampling bias has been identified in the data at this point.
<i>Sample security</i>	Chain of custody is managed by Gascoyne Resources. Samples are delivered directly by Gascoyne Resources personnel to the assay laboratory in Perth.
<i>Audits or reviews</i>	Data is validated by Mitchell River Group whilst loading into a SQL database. Any errors within the data are returned to Gascoyne Resources for validation. Historical data validation is an ongoing process

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	- The Mt Egerton project is situated on tenement numbers E52/2117, E52/2515, E52/2866, M52/343 and M52/567. The tenements are currently held by Exterra Resources (excluding E52/2866) and Gascoyne Resources has an option to acquire 100% of the tenement package via expenditure commitments and direct payment. Gascoyne Resources holds 100% of E52/2866. Gascoyne Resources is the operator of the tenement package. - The tenements are in good standing and no known impediments exist.
<i>Exploration done by other parties</i>	The tenement area has been previously explored by numerous companies including Offshore Exploration, Egerton Gold NL and North Gascoyne Mining.
<i>Geology</i>	The rocks of the Egerton inlier contain predominantly metamorphosed clastic sediments; greywacke, sandstone, siltstone, and shale. The sequence also contains basalt, quartzite, conglomerate, BIF, chert, dolomitic carbonate units, and dolerite intrusions. Most of the gold mined historically has come from relatively narrow, shallowly plunging, high-grade quartz veins within the NE and NNE-trending shears or reverse fault zones.
<i>Drill hole Information</i>	Refer to Tables in body of text.
<i>Data aggregation methods</i>	- All reported assays have been length weighted if appropriate. No top cuts have been applied. A nominal 0.1ppm Au lower cut off has been applied, with only intersections >0.5g/t considered significant. - High grade Au intervals lying within broader zones of Au mineralisation are reported as included intervals. In calculating the zones of mineralisation a maximum of 4 metres of internal dilution is allowed. - No metal equivalent values have been used.
<i>Relationship between mineralisation widths and intercept lengths</i>	The mineralised zones at Mt Egerton vary in strike between prospects, but all are relatively steeply dipping but with flat plunges. Drill hole orientation reflects the change in strike of the rocks and consequently the downhole intersections quoted are believed to approximate true width.
<i>Diagrams</i>	Refer to figures within body of text.
<i>Balanced reporting</i>	All results are reported.
<i>Other substantive exploration data</i>	No other significant exploration work had been completed by Gascoyne Resources.
<i>Further work</i>	- Mt Egerton will continue to be drilled to Numerous targets and historic prospects require follow up exploration. - Refer to figures in body of text.