GASCOYNE RESOURCES LIMITED

57 139 522 900

August 27, 2014

Australian Securities Exchange Limited
Via Electronic Lodgement

EGERTON GOLD PROJECT OPTION EXTENSION

Gascoyne Resources Limited ("Gascoyne" or the "Company") is pleased to advise that it has reached agreement with Exterra Resources Limited to extend the exclusive option period for the acquisition of the Egerton Gold Project to December 19th 2014. The option to aquire 100% of the project was due to expire on August 28th 2014. This extension will allow the Company further time to fully assess the recent high grade shallow gold intersections from initial drilling at the Gaffney's Find and Mako prospects including;

- 8m @ 11.4 g/t gold from 31m, including 4m @ 21.2 g/t gold
- 4m @ 9.0g/t gold from 44m, including 1m @ 31.6 g/t gold
- 2m @ 13.7 g/t gold from 9m

(as announced to the ASX on the 21st July and August 1st 2014).

Under the amended agreement Egerton Exploration Pty Ltd (Gascoyne's wholly owned subsidiary) will pay a further option fee of $50,000 which will be deducted from the final exercise price, which will now comprise Gascoyne shares to the 5 day VWAP value of $750,000 (with 67% of the shares escrowed for 6 months) plus 500,000 Gascoyne options, exercisable at 25c within a 3 year term.

For further information please refer to the Company's website or contact the Company directly.

On behalf of the board of
Gascoyne Resources Limited

Michael Dunbar

Managing Director

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