GASCOYNE RESOURCES LIMITED

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Australian Securities Exchange Limited
Via Electronic Lodgement

HIGH PRIORITY GOLD ANOMALIES AT MT EGERTON

- Soil sampling along strike from the high grade Gaffney's Find Prospect (recent drilling intersected **72g/t gold**) has identified high priority drill targets, extending the Gaffney's Find Prospect around 150m further to the north east.
- Additional targets identified at Gaffney's Find North, where a coherent new soil anomaly (~400m long) has been identified.
- Drilling approvals have been received, which will allow drilling early in Q1 2015

Gascoyne Resources Limited is pleased to announce that soil sampling along strike from the high grade Gaffney's Find Prospect has extended the strike length of the known mineralisation to over 500 metres. The recent drilling (as announced in August 2014) intersected shallow very high grade mineralisation **up to 1m @ 72.9 g/t gold within 8m @ 11.4 g/t gold and 4m @ 9.0 g/t gold**. This soil sampling is the first pass test of the north east trending shear zone and has identified an extension of over 150 metres to the known mineralisation at Gaffney's Find (See Figure 1 & 2). The high grade mineralisation has now been traced by drilling and soil sampling for over 500m, has only been tested to a vertical depth of ~ 40 metres and remains open along strike and at depth.

Additionally, further along strike to the north east at Gaffney's Find North another coherent soil anomaly has been discovered which extends for over 400m (see Figure 2). This area is covered with historical surficial alluvial workings; however no modern exploration techniques have been employed in the area and no drilling completed to date. Given the proximity to the high grade Gaffney's Find Prospect, this area is considered to be a high priority target.

All the regulatory approvals required for drill testing of these targets have been received, with drilling expected to be undertaken in the first calendar quarter of 2015.

Forward Programme:
In addition to the priority exploration drilling at the high grade Egerton Project, exploration and resource extensional drilling has been planned at the Glenburgh and Dalgaranga Projects. Additional metallurgical and project activities will also commence in the next few months to determine the optimum development path for each of the projects.

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

On behalf of the Board of
Gascoyne Resources Ltd

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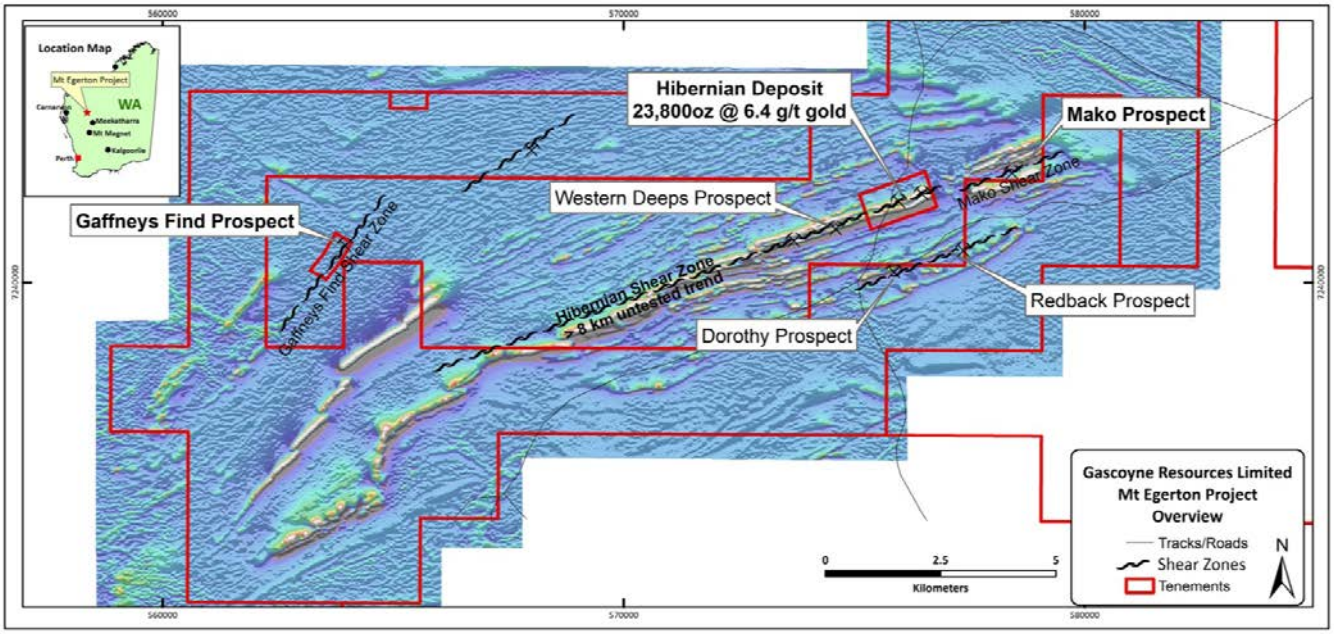

Figure One: Gascoyne Resources Egerton Project Overview

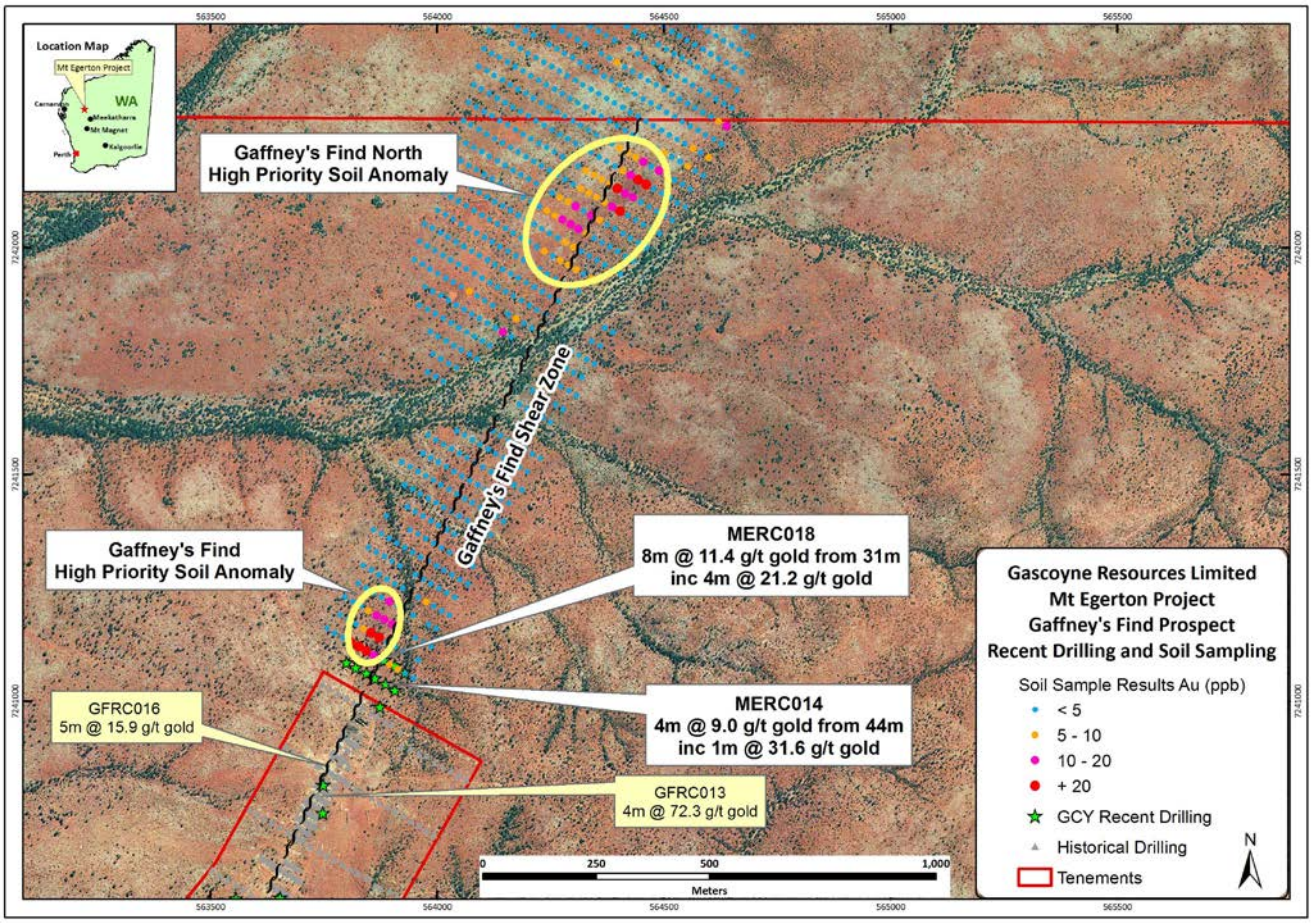

Figure Two: Gaffney's Find Prospect with July RC Drilling and Recent Soil Sample Results

Figure Three: 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 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 a Measured, Indicated and Inferred resource of: **21.3 Mt @ 1.5g/t Au for 1.003 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 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

2014 Mineral Resource Estimate (0.5g/t Au Cut-off)

Area	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
Icon	1.7	1.5	82,500	1.7	1.4	77,000	4.1	1.3	168,000	**7.6**	**1.3**	**328,000**
Apollo	0.9	2.4	67,400	0.3	1.3	14,000	1.5	1.4	67,000	**2.7**	**1.7**	**149,000**
Tuxedo				0.7	1.2	29,000	1.2	1.0	37,000	**1.9**	**1.1**	**66,000**
Mustang				0.2	1.3	7,000	1.0	1.1	35,000	**1.1**	**1.2**	**42,000**
Shelby				0.2	1.4	10,000	0.6	1.1	21,000	**0.8**	**1.2**	**32,000**
Hurricane				0.1	1.6	3,000	0.5	1.1	16,000	**0.5**	**1.2**	**19,000**
Zone 102				0.9	1.9	56,000	1.2	1.3	50,000	**2.1**	**1.6**	**106,000**
Zone 126	0.2	4.0	30,500	0.4	2.9	35,000	1.4	2.2	101,000	**2.0**	**2.5**	**166,000**
NE3							0.2	1.5	11,000	**0.2**	**1.5**	**11,000**
Torino							1.6	1.3	64,000	**1.6**	**1.3**	**64,000**
SW Area							0.6	1.0	20,000	**0.6**	**1.0**	**20,000**
Total	**2.9**	**2.0**	**180,500**	**4.6**	**1.6**	**232,000**	**13.9**	**1.3**	**591,000**	**21.3**	**1.5**	**1,003,000**

Note: Discrepancies in totals are a result of rounding

EGERTON (100% GCY)

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 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 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 100% ownership of the high grade 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 new 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.

The Glenburgh Mineral Resources have been estimated by RungePincockMinarco Limited, 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 24th July 2014 titled: High Grade Domains Identified Within Updated Glenburgh Gold Mineral Resource). 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 Glenburgh 2004 JORC resource (released to the ASX on April 29th 2013) which formed the basis for the preliminary Feasibility Study was 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, the resource has now been updated to conform with the JORC 2012 guidelines. This new JORC 2012 resource, reported above, will form the basis for any future studies.

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 and Gaffney's Find prospect historical exploration results have 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
Sampling techniques	• 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 program was limited to the collection of soil samples.
	• 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 during RC drilling. No standards or field duplicates were included as this was a soil sampling program.
	• Approximately 100g of -80 mesh material was collected from a depth of approximately 10cm at each sample site. The samples were shipped to a laboratory for analysis via a 10g Aqua Regia digest with reading via a mass spectrometer for gold and via ICP-OES for the 31 additional elements.
Drilling techniques	• Not Applicable as only soil sampling results are being reported
Drill sample recovery	• Not Applicable as only soil sampling results are being reported
Logging	• No logging was completed on the soil samples
Sub-sampling techniques and sample preparation	• Soil Samples were generally dry and sieved to -80 mesh in the field.
	• All samples are dried at110°C. It is then pulverised to a grind size where 85% of the sample passes 75 micron.
	• No field QAQC procedures are included as this was a soil sampling program
	• Field duplicates were not collected as this was a soil sampling program
	• A sample size of approximately 100 g was collected. This size is considered appropriate and representative of the material being sampled.
Quality of assay data and laboratory tests	• All samples were analysed using a 10g 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. 31 elements in addition to gold were analysed via ICP-OES.
	• No geophysical tools etc. have been used at Mt Egerton.
	• Laboratory QAQC involves the use of internal certified reference standards, blanks, splits and replicates. Analysis of these results demonstrates an acceptable level of precision and accuracy.
Verification of sampling and assaying	• At least 2 company personnel verify all anomalous results
	• Field data is collected on hard copy and entered digitally on return from the field. 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
Location of data points	• The sample location sites have been surveyed by hand held GPS to an accuracy of about 3m.
	• 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.
Data spacing and distribution	• Initial exploration by Gascoyne Resources is targeting broad areas that may host mineralisation. Sampling was completed on a 20m x 40m grid oriented approximately perpendicular to stratigraphy.
	• No compositing has been completed
Orientation of data in relation to geological	• The sample grid was oriented approximately perpendicular to stratigraphy.

Criteria	Commentary
structure	
Sample security	• Chain of custody is managed by Gascoyne Resources. Samples are delivered directly by Gascoyne Resources personnel to the assay laboratory in Perth.
Audits or reviews	• 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
Mineral tenement and land tenure status	• 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 pending transfers for 100% to Gascoyne Resources Limited. 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.
Exploration done by other parties	• The tenement area has been previously explored by numerous companies including Offshore Exploration, Egerton Gold NL and North Gascoyne Mining.
Geology	• 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.
Drill hole Information	• Not Applicable as only soil sampling results are being reported
Data aggregation methods	• Data has not been aggregated
	• No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	• Not Applicable as only soil sampling results are being reported
Diagrams	• Refer to figures within body of text.
Balanced reporting	• All results are reported.
Other substantive exploration data	• No other significant exploration work had been completed by Gascoyne Resources.
Further work	• Mt Egerton will continue to be explored. Numerous targets and historic prospects require follow up exploration.
	• Refer to figures in body of text.