



19th May 2011

Australian Stock Exchange Limited
Via Electronic Lodgement

NEW TENEMENTS GRANTED

Gascoyne Resources Limited is pleased to announce that three new tenements in the Gascoyne region of Western Australia have been granted. (See Figure One)

Details of the tenements and a summary of the forward work program for each of the tenements is summarised below:

Glenburgh South (E09/1764):

This tenement covers an area of approximately 250 km² (83 graticular blocks), and covers the south westerly extension of the shear zone that hosts the Glenburgh mineralisation (Inferred resources of 7.2Mt @ 1.6 g/t Au for 360,000oz). See Figure Two

Historical geochemistry has highlighted a number of targets within the new tenement that have not been adequately followed up.

Additional surface geochemistry is planned to better define the anomalies identified by historical exploration. This will include infill stream sediment sampling, soil and auger sampling and if justified, RAB drilling of the targets.

Bassit Bore tenements (E09/1750, 1751):

These two tenements surround the company's existing tenement (E09/1088) and collectively cover an area of approximately 400 km² (or 130 graticular blocks). See Figure Three

A number of targets have already been identified on the tenements including a mineralised quartz vein system where rock chip samples of up to **36.97 g/t Au** have been reported on the adjoining (excised) tenement (by Redhill Resources Corp. on the 23rd November 2010). Gascoyne has undertaken limited rock chip sampling of the quartz vein that extends approximately 350m onto E09/1751 with results of up to 7.8g/t Au recorded as announced in the 2010 Annual Report.

Regionally significant stream sediment anomalies have historically been reported on the new tenements, but limited follow up has been completed to evaluate the anomalies.



GASCOYNE RESOURCES LIMITED



ACN: 139 522 900

In the short term, soil sampling and further rock chip sampling is planned to cover the mineralised quartz vein system, aimed at providing a drill target for later in the year. Additionally, infill stream sediment sampling is planned to better define the historical anomalies identified in the mid 1990's.

*On behalf of the Board of
Gascoyne Resources Ltd*

Mike Dunbar
Managing Director

Information in this announcement relating to mineral resources and exploration results is based on data compiled by Gascoyne's Managing Director Mr Mike 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.



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BACKGROUND ON GASCOYNE RESOURCES

Gascoyne Resources Limited was listed on the ASX in December 2009 following the amalgamation of the gold assets of Helix Resources Limited and Giralia Resources NL in the Gascoyne Region and a capital raising.

Gascoyne Resources is endowed with

- The Glenburgh Project that has an inferred resource estimate of: 7.2Mt @ 1.6g/t Au for 360,000oz gold from several prospects within a 20km long shear zone.
- Untested soil geochemical anomalies and number of mineralised quartz veins at Bassit Bore ready to be drilled.
- Advanced exploration projects at Mt James and at Bustler Well.

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 and to explore for additional gold resources on the exploration properties. Success in these activities could lead to the development of a gold project based on the Glenburgh gold deposits.

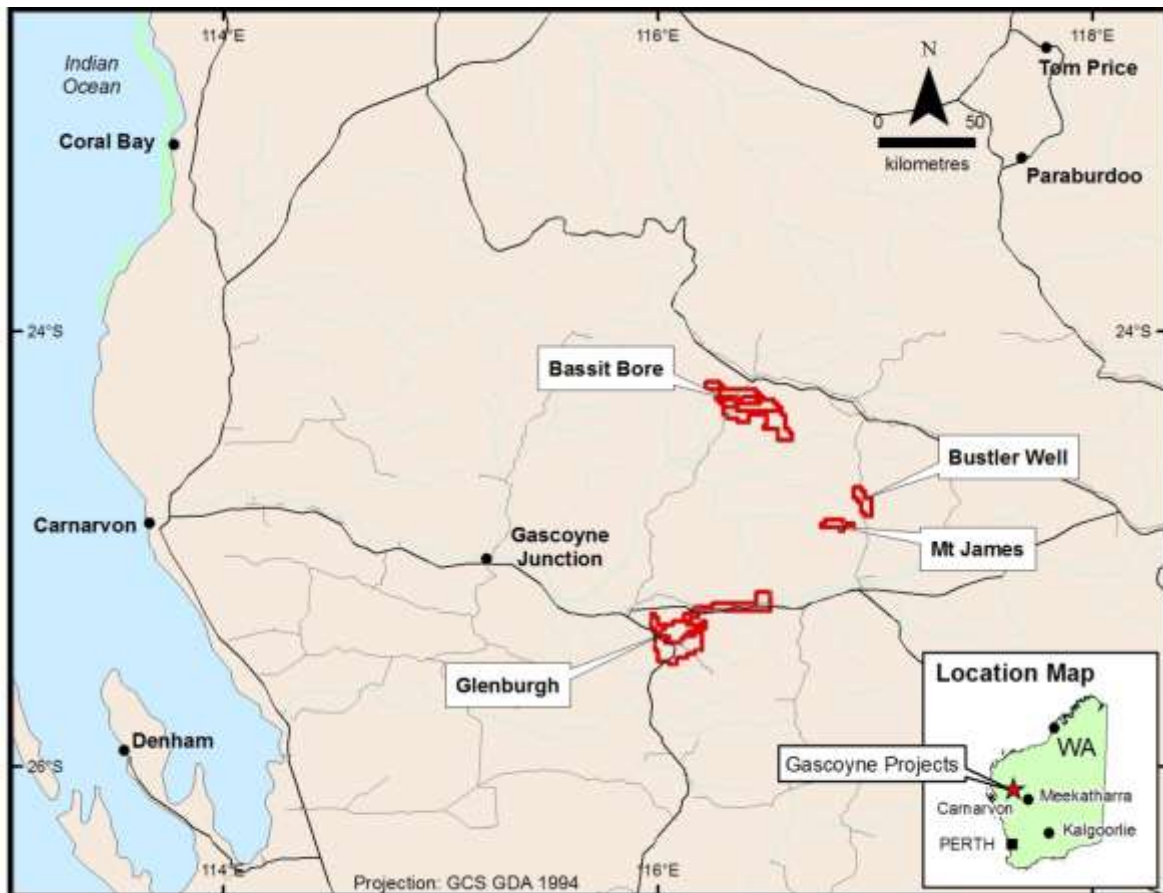


Figure One: Gascoyne Resources Limited – Gascoyne Region Project Locations

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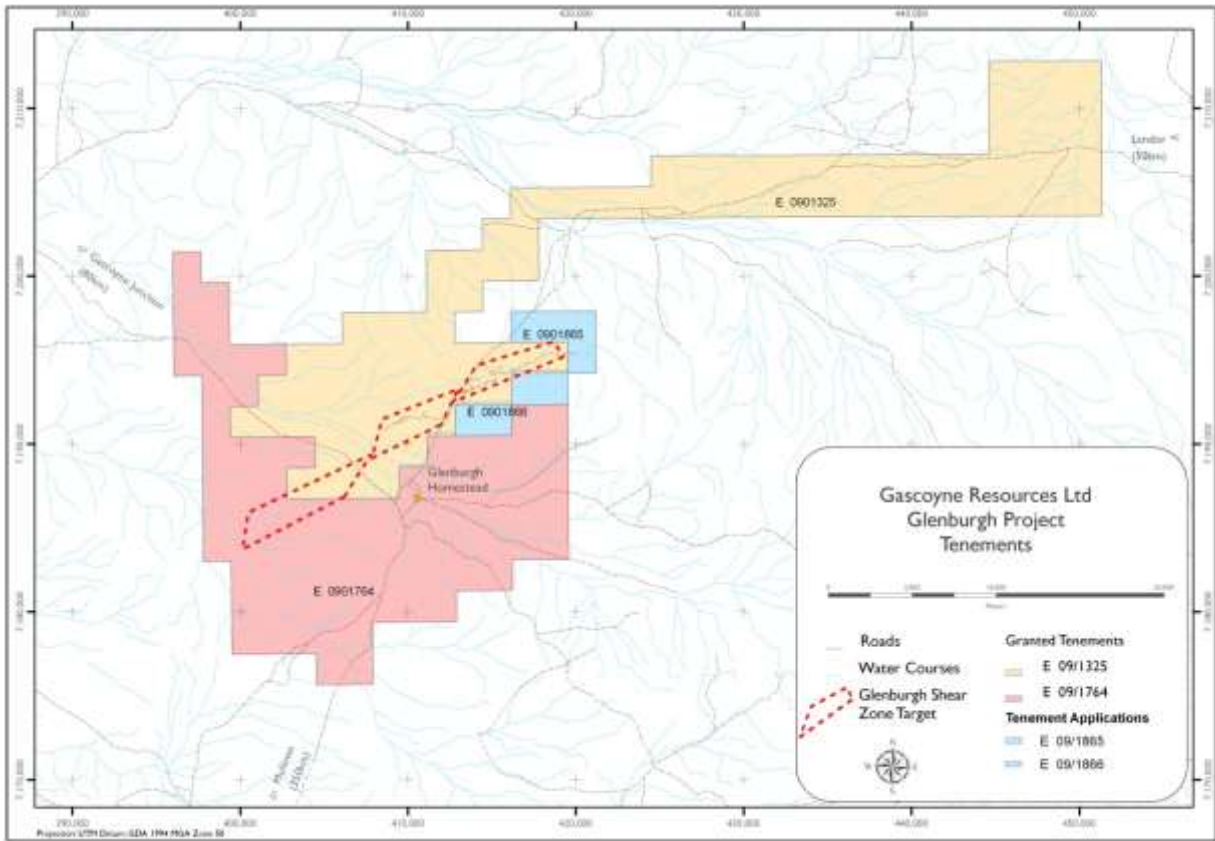


Figure Two: Glenburgh Project Tenements

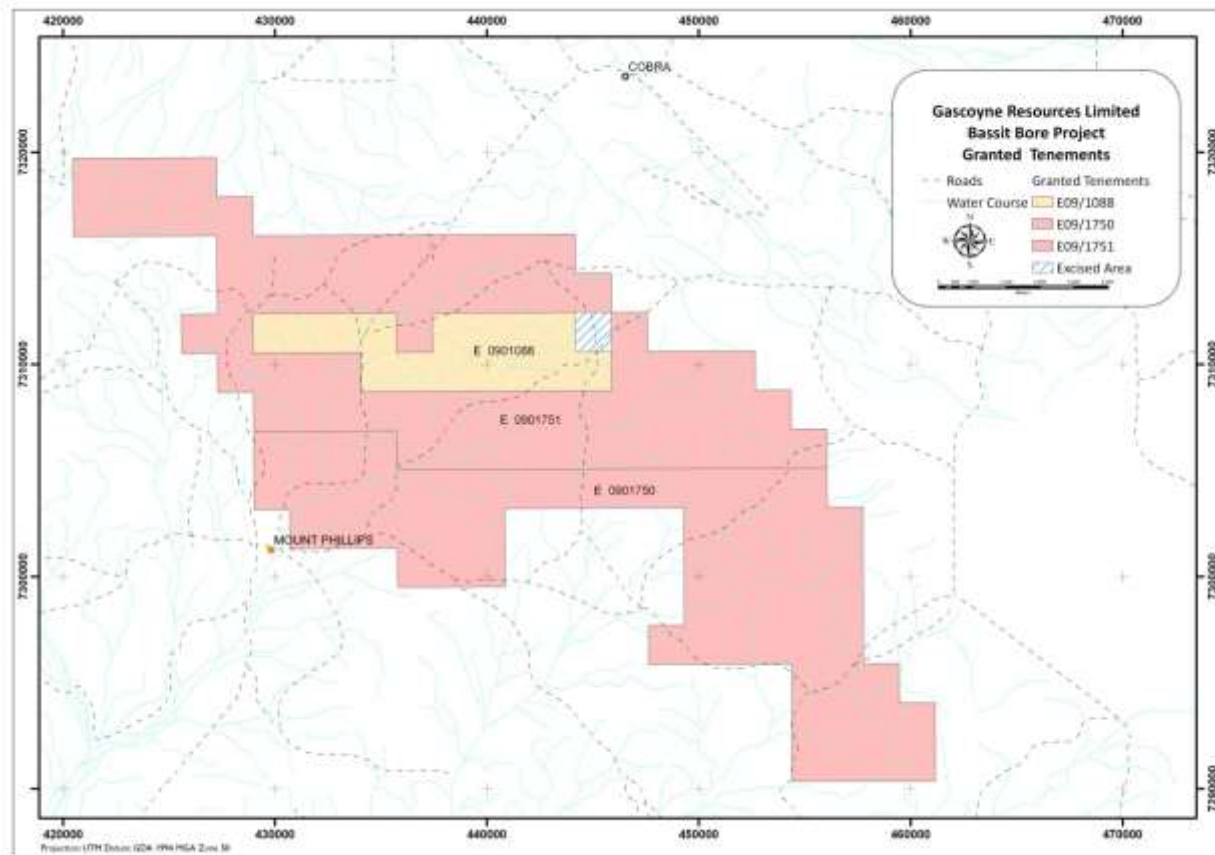


Figure Three: Bassit Bore Project Tenements