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Australian Securities Exchange Limited
Via Electronic Lodgement

SOUTH WEST TARGET DRILLING INTERSECTS HIGH GOLD GRADES UP TO 35.7g/t AT GLENBURGH

HIGHLIGHTS:

- Ongoing RC drilling in the South West target area of the Glenburgh project continues to highlight the gold potential of the area.
 - **Intersections from the first RC holes into a new prospect 1.5km from the recent Torino discovery include grades up to 35.7 g/t Au**
 - **5m @ 9.9 g/t Au from 77m, in VRC506, including 2m @ 22g/t Au from 77m.**
 - **The quartz vein system that host the high grade mineralisation can be traced for approximately 500 metres along strike**
- Results from another RC hole at the Torino Prospect have been received, with two zones of mineralisation, including 4m @ 1.9 g/t Au from 34m and 3m @ 1.6 g/t Au from 47m in VRC505 intersected.
- Two Drill Rigs on site at Glenburgh.

Gascoyne Resources Limited is pleased to announce that ongoing RC drilling has discovered a high grade quartz vein gold system in the South West target area at the Company's 100% owned Glenburgh Gold project in Western Australia.

The first three RC holes drilled into a new prospect within the south west target zone (around 1.5km from the recently announced Torino discovery) have intersected a high grade quartz vein mineralised system including grades up to 35.7 g/t gold. This is an important discovery as it is hosted in a different geological setting that is significantly higher grade than the rest of the inferred resources which currently total 13.8Mt @ 1.2 g/t Au from 520,000 ounces.

Importantly the high grade system remains under tested with the completed drilling located on 200m spaced lines. Shallow air core drilling is underway and will infill this area to 100m line spacing. The zone is completely open to the south west with the next RAB line around 600 metres away.

Two of the first three RC holes in the area intersected the mineralised quartz vein, while one failed to reach the target depth. A further RC hole tested the northern anomalous trend in the south west target zone. See Table 1 for all the significant intersection and Table 2 for drill collar data.



Gascoyne's Chairman Graham Riley said: "The high grade nature of the new quartz vein system is an important discovery for the company, as it highlights that within the Glenburgh area; there are high grade styles of mineralisation that have the potential to add significant gold resources to the project. The fact that the vein can be traced for an extended distance also adds to the potential of the system. Additional RC and Air core drilling is underway in and around the Torino prospect and the high grade quartz vein in the south west target zone to better define these new discovery's, with the aim to define an initial resource for the South Western area as soon as possible."

Table 1: Intersections from the RC Drilling in the South West Target Zone

Hole	From	To	Interval	Au Grade				Comments
Torino Prospect								
VRC505	34	38	4	1.9				
	47	50	3	1.6				
South West Target Zone Exploration Drilling								
VRC506	76	77	1	0.4	8m @ 6.3 g/t Au to EOH	5m @ 9.9g/t Au	2m @ 22.1g/t	
	77	78	1	8.6				
	78	79	1	35.7				
	79	80	1	2.1				
	80	81	1	2.1				
	81	82	1	1.0				
	82	83	1	0.4				
	83	84	1	0.3				
VRC507								NSI
VRC508								FRT
VRC509	7	11	4	0.8				
Inc.	7	9	2	1.4				

NSI - No significant intersection, FRT - Failed to reach target, EOH - End of hole

Table 2: RC Drill Hole Locations and Details

Hole Number	MGA Easting	MGA Northing	Local Easting	Local Northing	RL	Depth	Dip	MGA Azimuth	Local Azimuth	Prospect
VRC505	406823	7188592	7350	8690	330	150	-60	155	180	Torino
VRC506	405275	7187770	5600	8590	330	84	-60	155	180	SW Exploration
VRC507	405440	7187890	5800	8630	330	84	-60	155	180	SW Exploration
VRC508	405336	7188117	5800	8880	330	84	-60	155	180	SW Exploration
VRC509	405645	7187923	6000	8575	330	66	-60	155	180	SW Exploration

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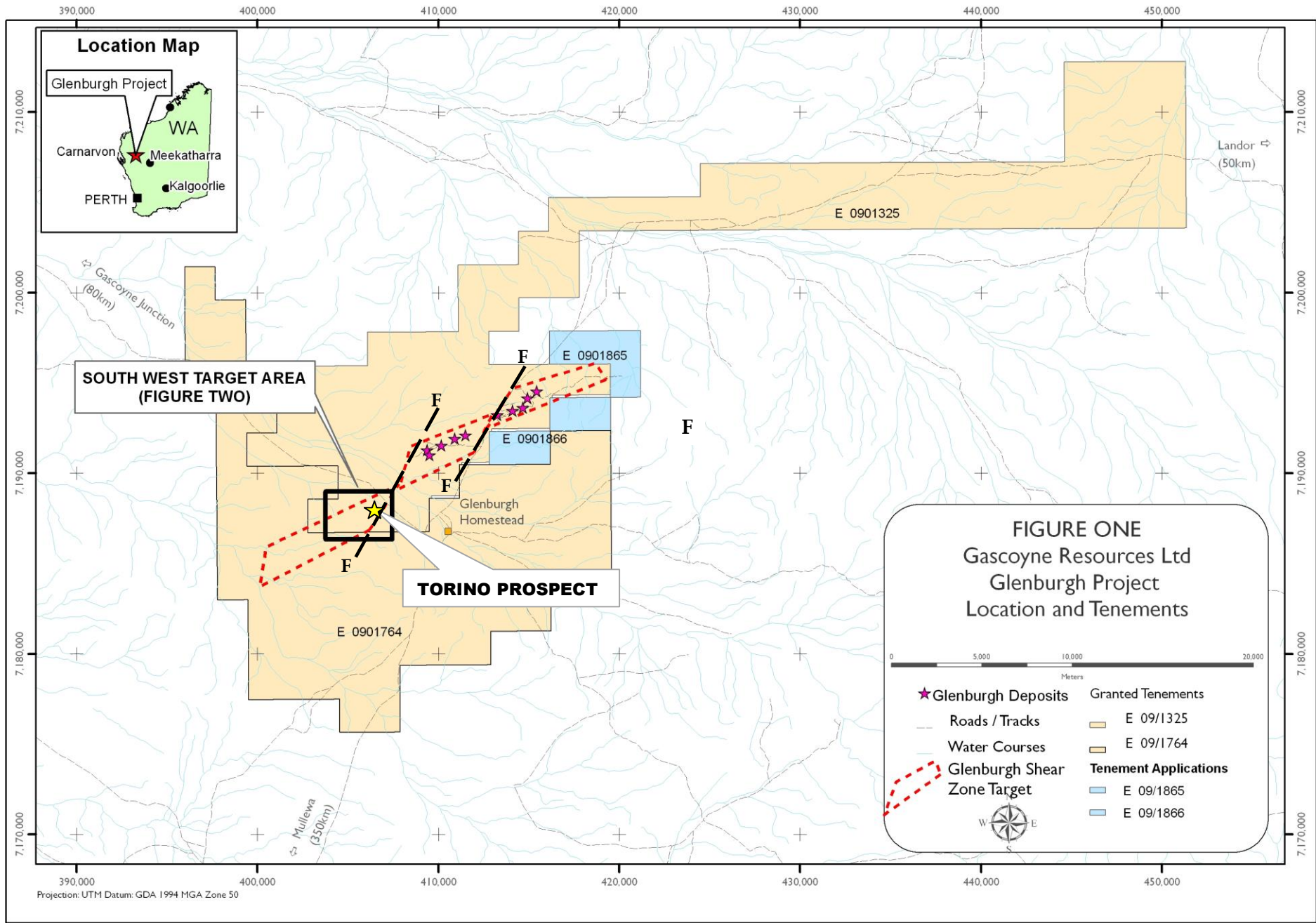


Figure One: Gascoyne Resources Glenburgh Project Location Map

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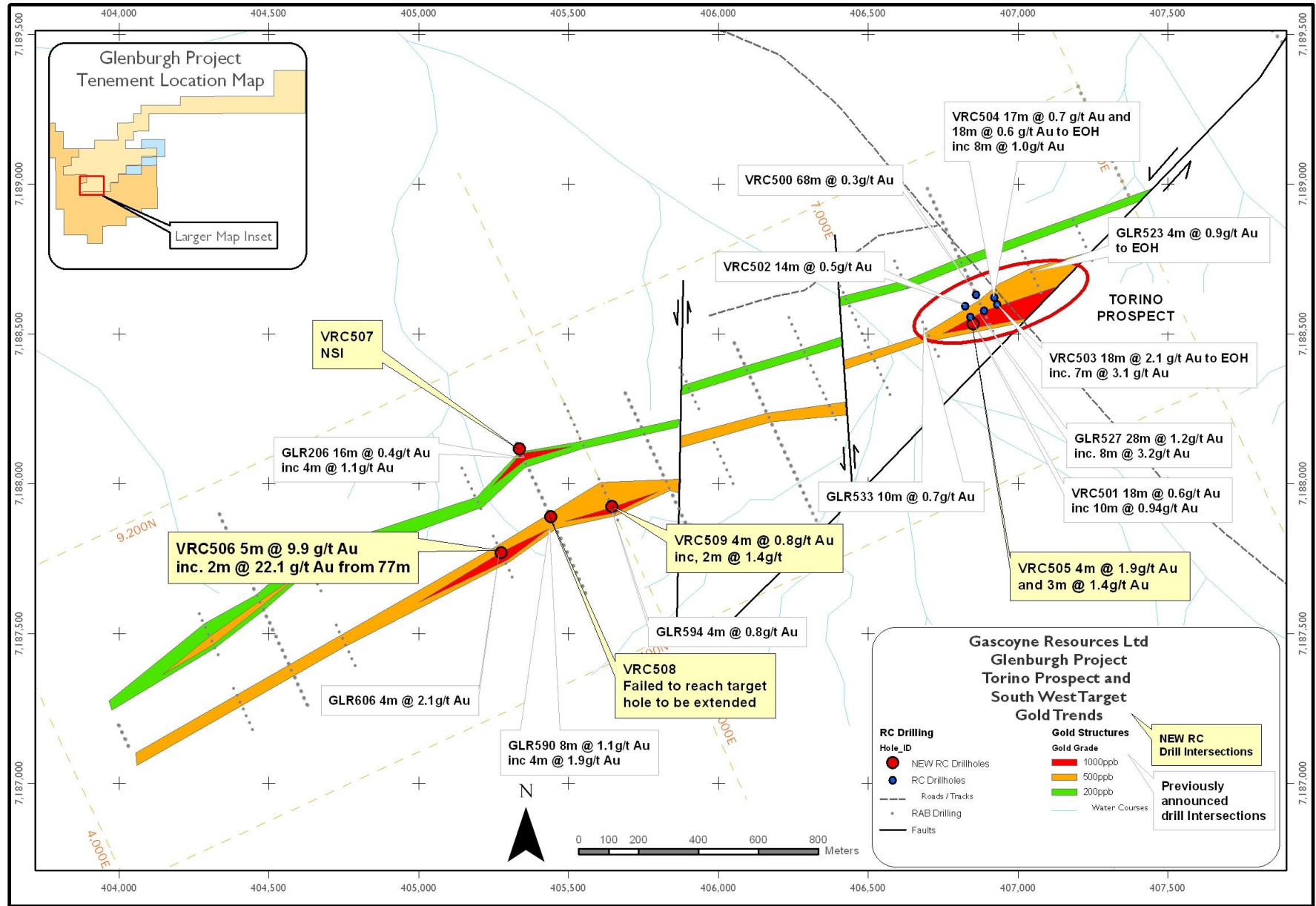


Figure Two: South West Target Zone - Drill hole location plan

Forward Program:

Drilling is ongoing at the project with two drill rigs currently on site. The program includes

- Follow up RC drilling at the Torino Prospect.
- RC drilling of a further 3,000m to test the down dip, down plunge and strike extensions of the known gold deposits at Glenburgh.
- Air core drilling at the South Western target zone, to define additional targets along strike from the Torino prospect and regional targets.
- Completion of the Scoping Study for the Glenburgh Gold Project.

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

*On behalf of the Board of
Gascoyne Resources Ltd*



Michael 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 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 drilling was conducted using RC drilling with samples being collected at one metre intervals and a riffle split subsample of approximately 2-4 kg was sent to Genalysis Laboratory Services Pty Ltd in Perth Western Australia. The sample was fully pulverized and analysed for gold using a 50 gram lead collection fire assay digest and an atomic absorption spectrometry finish to a 0.01ppm Au detection limit. Full analytical quality assurance – quality control (QA/QC) is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicate, repeats, blanks and grind size analysis.

The spatial location of the samples is derived using surveyed local grid co-ordinates, GPS collar survey pickups, and Reflex single shot downhole surveys taken every 30m down hole.

Intersections have been reported using a 0.5g/t cutoff and allowance for up to 4m of internal waste. Some +0.5g/t intersections have not been reported if they are single metre intersections or are not considered to be significant due to their isolated position compared to other intersections.

True widths have not been determined as the level of detail needed to calculate accurate true widths is not yet available, as a result down hole widths have been reported, however true widths are not expected to significantly change from the down hole widths.

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 of Western Australia.

Gascoyne Resources is endowed with

- 100% of the Glenburgh Project in Western Australia, which has an inferred resource of: 13.8 Mt @ 1.2g/t Au for 520,000oz gold from several prospects within a 20km long shear zone. Considerable resource growth potential exists around the deposits as well as at regional targets that have had limited exploration over the last 15 years.
- Advanced exploration projects at Mt James where drilling has outlined a +1 g/t Au mineralisation over at least 2.5km strike within a 300m thick package of sheared mafic amphibolites and BIFs: and at Bustler Well where previous RC drilling returned narrow high grade intersections including 1m @ 37.4g/t Au, 2m @ 9.08 g/t Au and 3m @ 7.62 g/t Au from a 150m long quartz-shear lode.
- Untested soil geochemical anomalies at Bassit Bore ready to be drilled and rock chip results of up to 73g/t Au.

Gascoyne Resources' immediate primary 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 is expected to lead to the development of a gold project based on the Glenburgh gold deposits.

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