

22nd October 2010

Australian Stock Exchange Limited
Via Electronic Lodgement

SIGNIFICANT GOLD RESOURCE INCREASE EXPECTED

As outlined in the September 2010 quarterly report, Gascoyne Resources Limited has commenced a resource review and re estimation of the Glenburgh gold project's Inferred resource that currently stands at 2.4Mt at 2.6g/t Au for 203,000 contained ounces at a 1g/t cut off.

Since the last resource was completed in January 2009, there has been an increase of approximately 70% in the gold price, from around \$US800/oz, to the current price of approximately \$US1350.

The revised estimate will include the results of the drilling completed in August 2010, which extended the Icon and Zone 102 deposits by over 100m and 50m respectively. Additionally, at the current gold price it is anticipated that a lower, but yet to be determined, cut off grade will be applied. This will add gold mineralisation into the resource that was excluded from the previous estimate.

The net effect of these factors is expected to significantly increase the resource tonnage and the contained ounces within the inferred resource at the Glenburgh gold project.

The resource estimate is being managed "in house" by Mr Michael Dunbar who has extensive experience in resource estimation. He will draw on external consultants as required and the resource will be audited by the external resource consultants.

It is anticipated that the revised resource estimate will be completed in the second half of November.

FORWARD PROGRAM:

November is expected to be a busy period, with a number of activities to be undertaken prior to the field season coming to an end in early December. These include

- The resource estimation is expected to be completed by the end of November
- RC drilling of the priority targets is expected to commence in early November
- Shallow Geochemical drilling is planned and will commence in early November
- RAB / Aircore drilling on a number of regional targets is planned to commence upon completion of the RC drilling.



Gordon Dunbar
Managing Director

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