

23rd August 2011

Australian Securities Exchange Limited
Via Electronic Lodgement

GLENBURGH GOLD RESOURCE INCREASED TO 520,000 Oz

INFERRED RESOURCE INCREASED BY 45 % to 520,000 Oz Au.

RESOURCE TONNAGE INCREASED BY 90% to 13.8Mt

**SIGNIFICANT POTENTIAL FOR FURTHER RESOURCE GROWTH
IDENTIFIED, INCLUDING NEW TORINO DISCOVERY, WHICH IS NOT
INCLUDED IN THIS RESOURCE UPDATE.**

Gascoyne Resources Limited is pleased to announce that the re estimation of the Company's 100% owned Glenburgh resource has been completed, incorporating results of Stage 1 drilling completed in May-June 2011. The Inferred Mineral Resource now stands at

13.8 Mt @ 1.2 g/t Au for 520,000 oz of contained gold at a 0.5g/t cutoff.

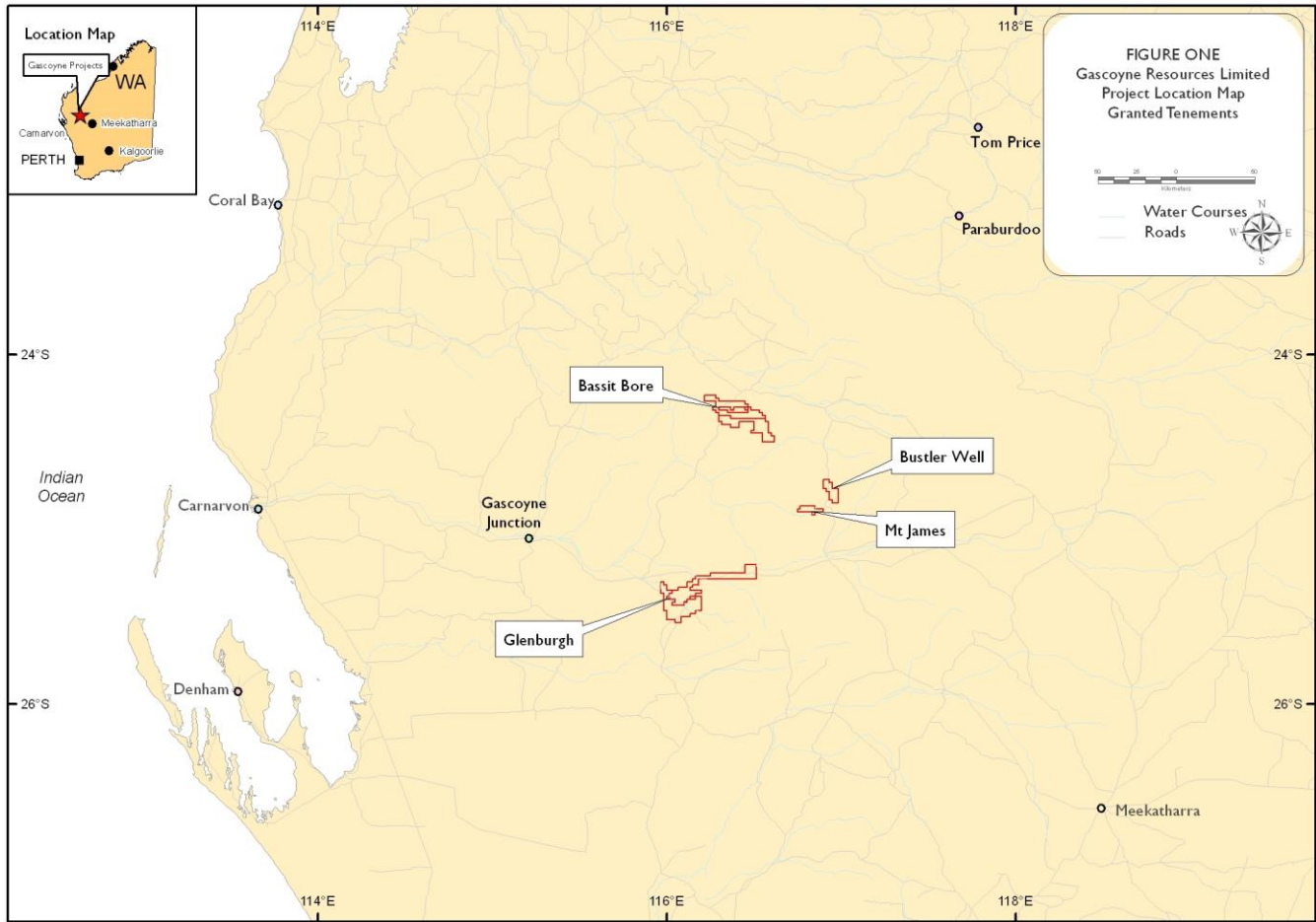
This equates to an increase in gold resource ounces of 45% and an increase of 90% in resource tonnage over the last resource estimate, which was completed in November 2010.

The Glenburgh Project is located in the Gascoyne area of Western Australia (see Figure 1&2).

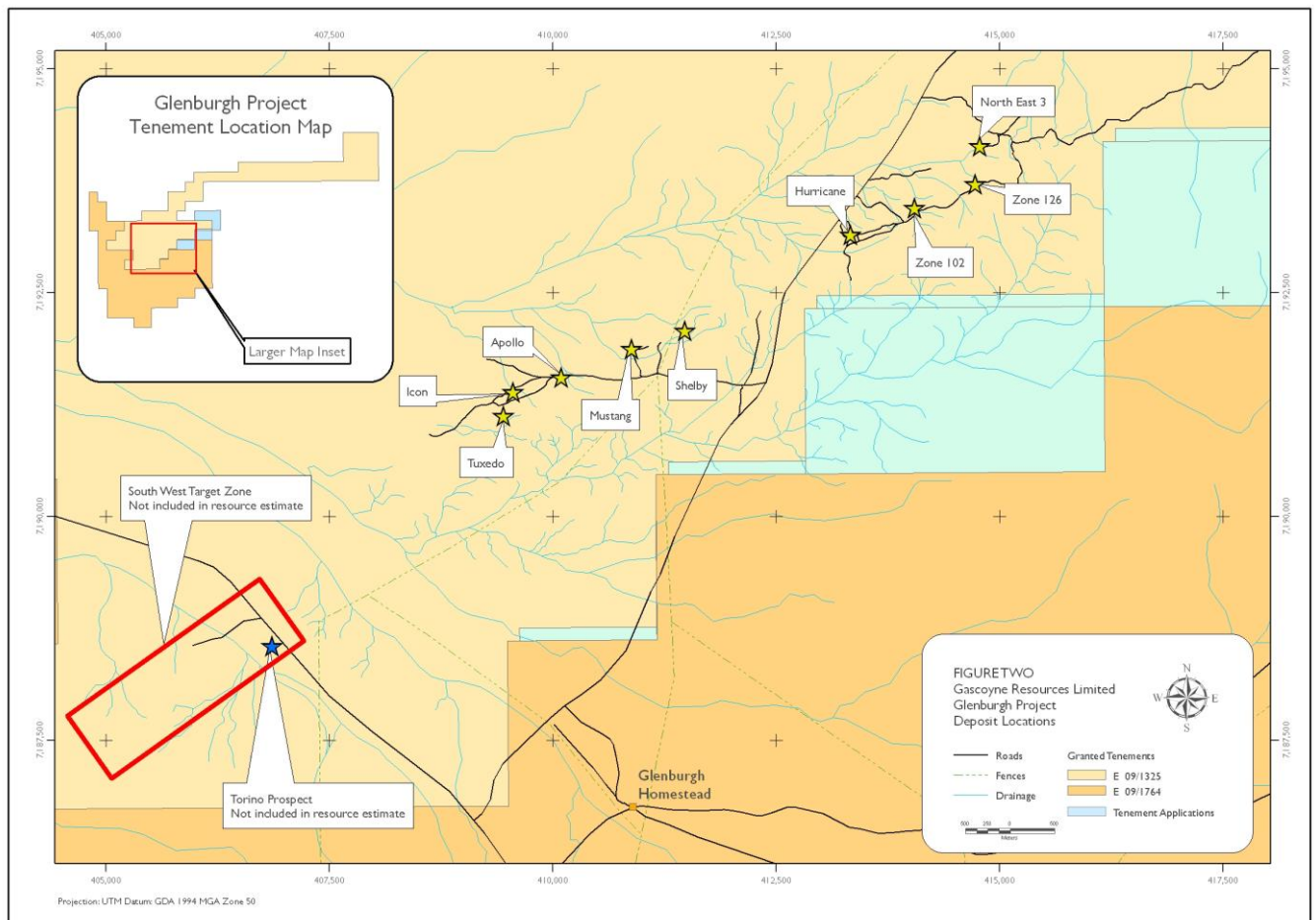
The resource modelling and estimation has been completed in-house by Gascoyne Resource Limited and has been reviewed and audited by Runge Limited, an external and independent global resource consultancy.

The increase comes as a result of incorporating additional drilling, revision of the modelling parameters and a lowering of the cutoff grade due to the increases in the gold price since the last resource was completed.

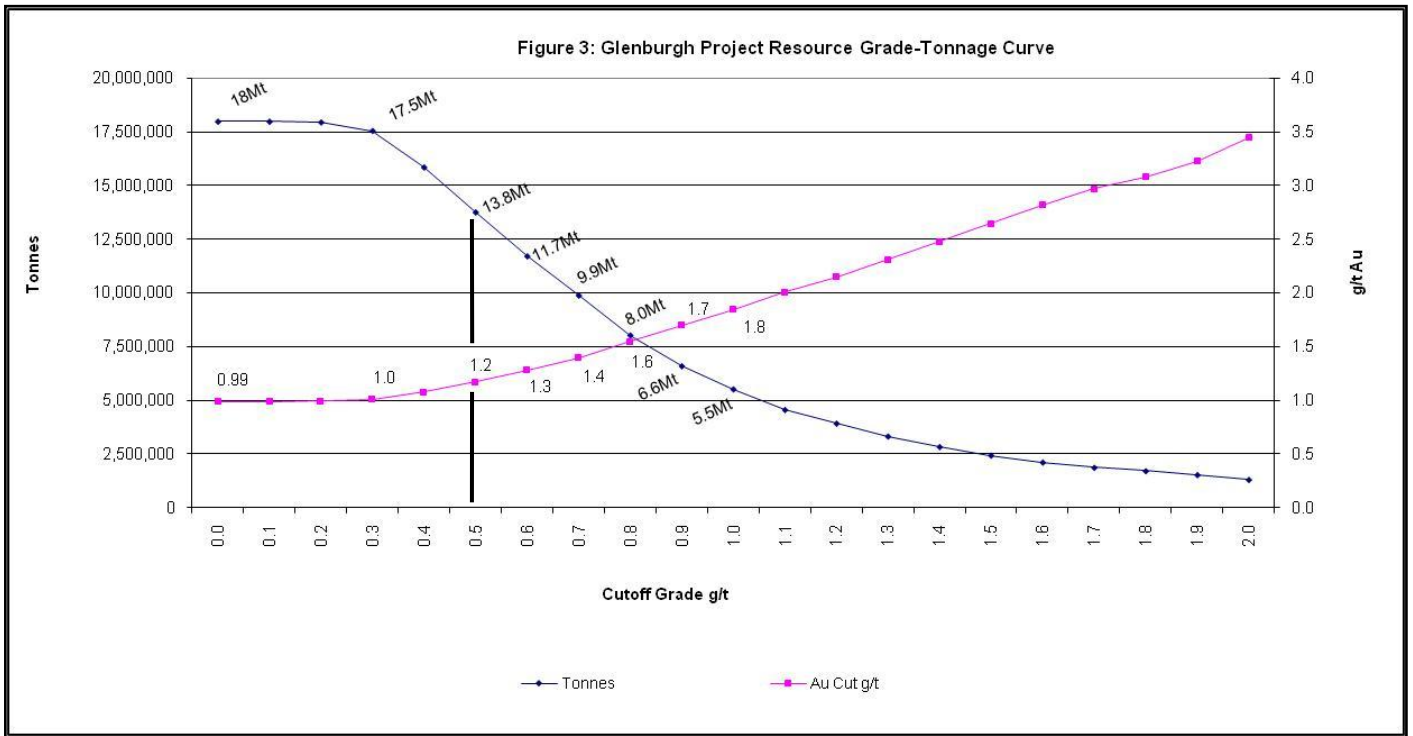
The grade tonnage curve for the Glenburgh Project is included in Figure 3 and tabulated in Table 1.



Projection: GCS GDA 1994



Projection: UTM Datum: GDA 1994 MGA Zone 50

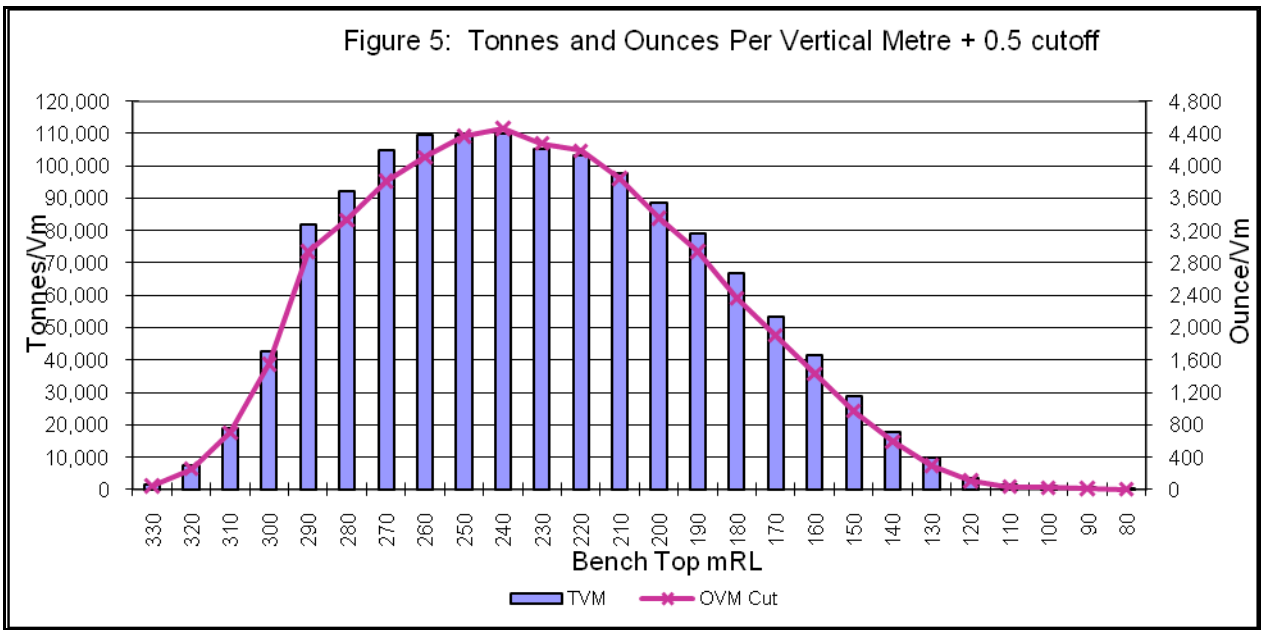
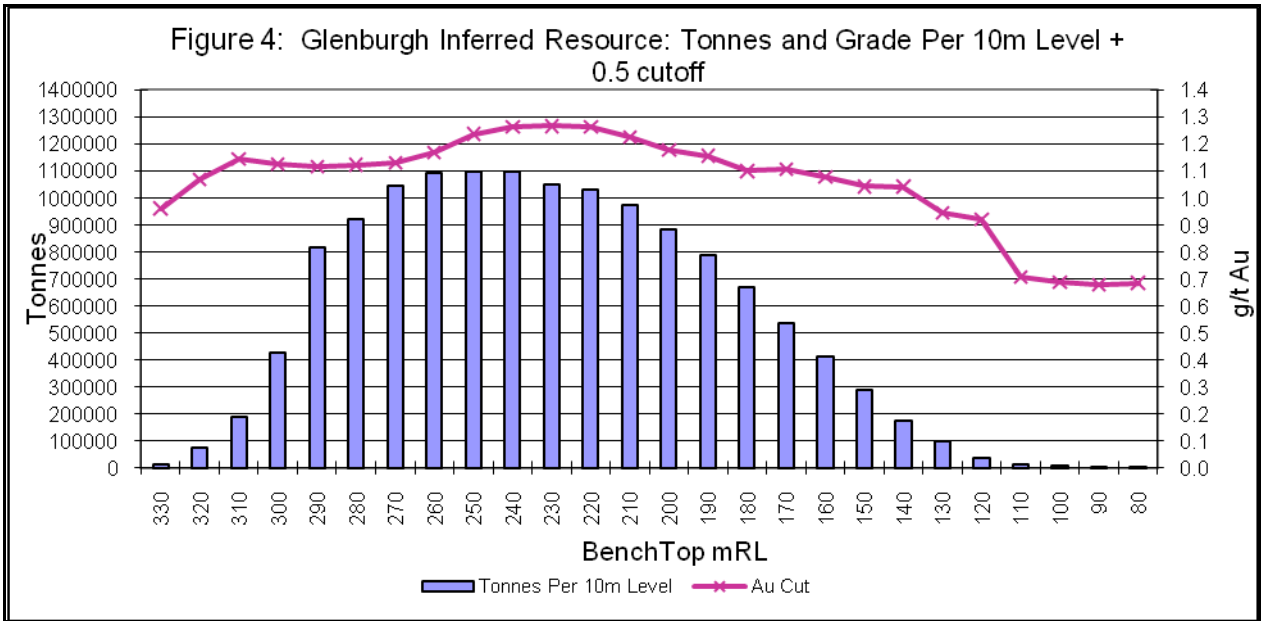


It is worth noting that the deposits outcrop at surface and that 98% of the resource is contained in the top 150m, with insufficient drilling at depth to date to allow extension of the resource model to greater depths. As a result, the deposits remain open down dip and down plunge as well as along strike, with significant potential for additional resource growth.

Figure 4 shows the tonnes and grade per ten metre levels and Figure 5 the ounces per vertical metre for the global resource.

Table 2 shows the changes in each of the individual deposits from the previous November 2010 resource model.

For clarity, Figure 6 shows the contribution to the changes in the resource since the November 2010 estimate for a number of factors, including extensional drilling success, classification of the transitional material (and associated densities) and reduction in the cutoff grade.



Note: The surface elevation changes over the deposits, however for the Icon and Apollo deposits the surface is at approximately 300m above sea level.

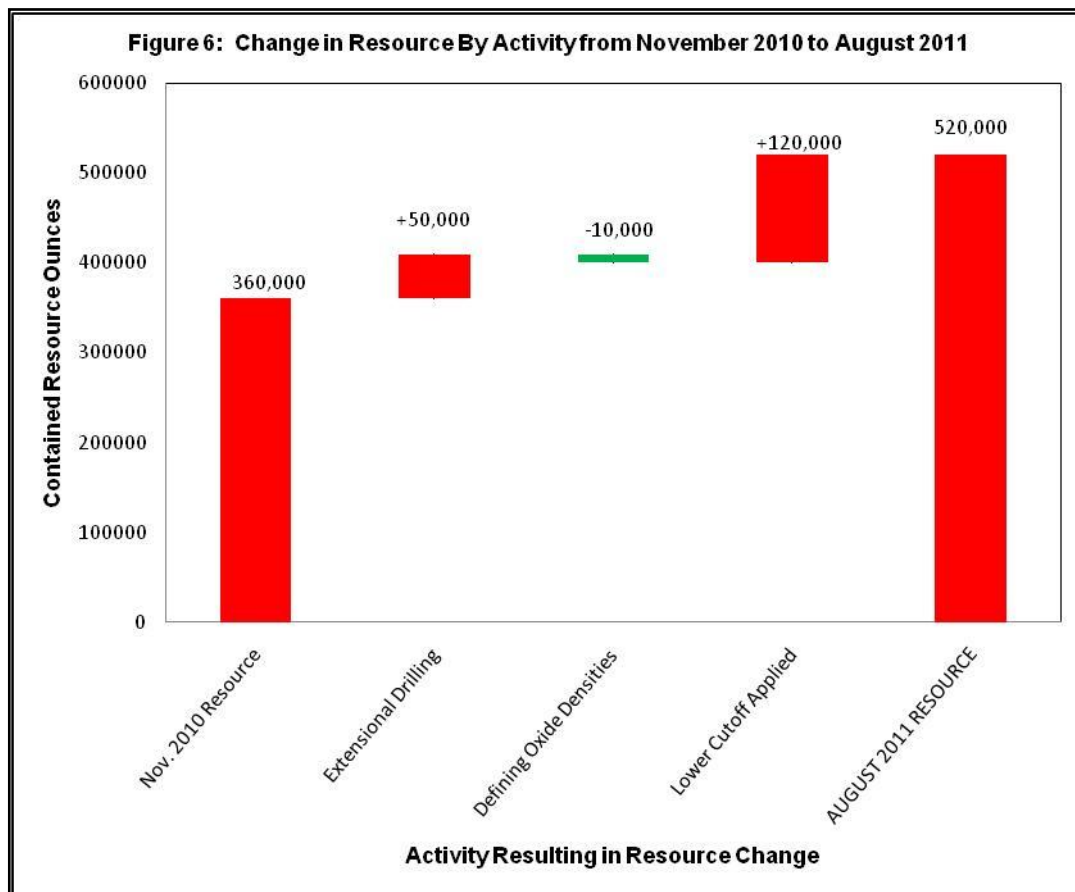
Table 1: Glenburgh Deposit August 2011 Resource Estimate			
Cutoff	Cumulative Mineralisation		
Grade	Tonnes t	Grade	Gold
g/t		g/t	Ounces
0	18,000,000	1.0	570,000
0.1	18,000,000	1.0	570,000
0.2	17,900,000	1.0	570,000
0.3	17,500,000	1.0	570,000
0.4	15,800,000	1.1	550,000
0.5	13,800,000	1.2	520,000
0.6	11,700,000	1.3	480,000
0.7	9,900,000	1.4	440,000
0.8	8,000,000	1.6	400,000
0.9	6,600,000	1.7	360,000
1	5,500,000	1.8	330,000
1.1	4,600,000	2.0	290,000
1.2	3,900,000	2.1	270,000
1.3	3,300,000	2.3	250,000
1.4	2,800,000	2.5	230,000
1.5	2,400,000	2.6	210,000

Note: Discrepancies in totals are as a result of rounding.

Table Two: Glenburgh Project Total Inferred Resource by Individual Deposit Compared to Previous Resource

Area	November 2010 >0.8g/t Au Cutoff			August 2011 >0.8g/t Au Cutoff			August 2011 >0.5g/t Au Cutoff		
	Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
	T	g/t	Ounces	T	g/t	Ounces	T	g/t	Ounces
Icon	2,480,000	1.4	112,600	3,400,000	1.3	146,000	5,990,000	1.0	200,000
Apollo	1,230,000	2.3	89,800	1,280,000	2.2	92,000	2,170,000	1.6	110,000
Mustang	630,000	1.2	24,300	630,000	1.2	24,000	1,120,000	0.9	34,000
Shelby	420,000	1.4	15,800	460,000	1.2	17,000	1,000,000	0.9	29,000
Hurricane	280,000	1.4	12,600	260,000	1.5	12,000	480,000	1.1	17,000
Zone102	720,000	2.1	49,500	730,000	1.9	45,000	1,020,000	1.5	51,000
Zone126	400,000	1.8	21,800	400,000	2.3	30,000	590,000	1.8	34,000
NE3	290,000	1.2	10,800	280,000	1.2	11,000	420,000	1.0	13,000
Tuxedo	710,000	1.1	27,200	590,000	1.2	23,000	980,000	1.0	32,000
Total	7,200,000	1.6	360,000	8,000,000	1.6	400,000	13,800,000	1.2	520,000

Note: Discrepancies in totals are as a result of rounding.



FORWARD PROGRAM:

The RC and Air core drilling is ongoing with two rigs currently on site, focusing on extensional resource drilling and delineation of the recently discovered Torino Prospect and the exploration of the South West Target Area.

The new resource is now being incorporated into the current scoping study which is expected to be completed in late August.

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 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.

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: 13.8Mt @ 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, including the new Torino discovery in the South West target zone, where first pass RC drilling returned intersections including 18 m @ 2.1g/tAu.
- 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 and high grade rock chip samples at Bassit Bore ready to be drilled.

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