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Australian Securities Exchange Limited

Via Electronic Lodgement

POSITIVE DEVELOPMENT STUDY - GLENBURGH GOLD PROJECT

HIGHLIGHTS:

Preliminary Feasibility Study concludes that the Glenburgh Gold Project can support viable project:

- **Mining Inventory 4.9Mt @ 2.0g/t gold for 316,000 oz over 4+ years**
- **Life of mine revenue of \$448 million**
- **Pre Tax Operating Surplus of \$163 million**
- **Cash Operating Costs (C1) of \$909/oz**
- **All in Sustaining Costs of \$991/oz**
- **Capital Costs of \$60.4 million**
- **Working Capital (pre-production) of \$10 million**
- **Underground Mine Development (yr 3) \$15 million**
- **Sustaining Capital of \$13.2 million**
- **Annual throughput 1.2Mtpa, producing 73,000ozpa**

Gascoyne Resources Limited is pleased to report positive preliminary findings from the 12 month Feasibility Study completed for the proposed development of the Company's 100% owned Glenburgh Gold Project in Western Australia. The Studies base case was revised following the recent substantial fall in gold price to contemplate a life of mine feed grade of ~2.0 g/t gold and concluded that the project can support a viable development under a range of scenarios.

The Study was completed by a number of independent consultants and investigated several options, based around a carbon in leach (CIL) treatment facility, processing approximately 1.2mtpa. The project includes a number of conceptual mill feed sources including eleven open pits at Glenburgh, a high grade open pit at the Egerton project (currently under option) and an underground development at the Zone 126 deposit at Glenburgh.



From these mill feed sources, a total mining inventory of **4.9Mt @ 2.0 g/t gold for 316,000 ounces** of gold was estimated. It should be noted that while ~70% of the mining inventory is in the Measured or Indicated Resource category (and could be converted into a Probable Reserve), 30% of the material in the mine plan is classified as Inferred and hence can't be converted into a reserve. As a result a reserve has not been calculated for the project and the financial assessments provided are preliminary in nature. There is no guarantee that future drilling will result in the conversion of the Inferred Resource to Indicated allowing a reserve to be calculated.

Figure One: Oblique view of the Glenburgh conceptual pits

Table 1 - Key Project Statistics

Mineral Resources	Tonnage	Grade	Ounces
Measured (Egerton)*	32,100	9.5 g/t	9,800
Indicated (Egerton + Glenburgh)*	6.95Mt	1.75 g/t	390,000
Inferred (Egerton + Glenburgh)*	14.2Mt	1.35 g/t	620,000
Total Resources	21.2Mt	1.5 g/t	1.02Moz
MINING INVENTORY			
Measured Resource (Egerton)	50,000	6.6g/t	10,000
Indicated Resource (Egerton + Glenburgh)	3.01Mt	2.1g/t	202,000
Inferred Resource (Egerton + Glenburgh)	1.86Mt	1.7g/t	101,000
Total Mining Inventory **	4.92Mt	2.0g/t	316,000oz
CAPITAL COSTS (A\$)			Life of Mine
Fixed Plant and Establishment			\$60.4M
Pre-Production Working Capital			\$10M
Initial Underground Development (year 3)			\$15M
Total Sustaining Capital			\$13.2M
PRODUCTION SUMMARY			
Life of Mine			4+ years
Strip Ratio (open cut)			8.1:1
Processing Rate			1.2 Mtpa
Average Recovery			94.5%
Gold Production			299,000 oz
Operating Cost /t (inc royalties, processing & Admin)			\$29.20
PROJECT ECONOMICS			
Base Case gold price (US\$)			\$1,350
Exchange Rate (US\$:A\$)			90c
Revenue (A\$)			\$448M
C1 Cash Costs per ounce ¹			\$913
All In Sustaining Costs per ounce ²			\$994
Operating Cash Surplus (A\$)			\$162.1M

Notes: 1 C1 Cash costs include all open cut mining costs (ie there has been no capitalisation of cutbacks or open cut waste mining costs), underground production mining costs (excluding waste development costs), all processing, site administration, travel and accommodation costs, selling costs, grade control, fixed monthly mining costs, ongoing rehabilitation but excludes state royalties

2 All in Sustaining Costs include all of the C1 costs plus state royalties, establishment costs for satellite deposits, tailings dam lifts, demobilisation of the mining fleet, a closure rehabilitation allowance as well as underground waste development but excludes one off capital items such as initial underground establishment in year 3 and initial project capital

** Discrepancies due to rounding

* Egerton Resource reported at 2.0g/t cutoff. Glenburgh Resources reported at 0.5g/t cutoff, see tables 3 & 4 for details

The preliminary Feasibility Study has been managed and compiled by Gascoyne Resources, with input from a number of key external consultants including:

Drilling, assay collection and compilation:	Gascoyne Resources
Resource Modelling:	RungePincockMinarco
Geotechnical Logging and Assessment:	Dempers and Seymour
Glenburgh Mining Studies:	Kenmore Mine Consulting
Egerton Mining Studies:	Gascoyne Resources
Metallurgical Test work:	ALS AMMTEC
Metallurgical Interpretation and design:	Ashburton Hall Metallurgical Consulting
Processing Cost Estimate:	Ashburton Hall Metallurgical Consulting
Flowsheet Design:	GR Engineering
Ground Water:	Rockwater
Tailings Storage Design:	Coffey Mining
Environmental:	Keith Lindbeck & Associates
Soil Geochemical Assessment:	Soil Water Group
Financial Modelling & Milling Schedules:	Gascoyne Resources

A summary of the key aspects of the study is provided below:

Resource and Exploration:

The current Glenburgh JORC resource estimate was completed by RungePincockMinarco, an independent global resource consultancy in April of 2013. The resource estimate totalled 21.1Mt @ 1.5g/t gold for 1.0Moz (at a 0.5g/t cutoff) and included a higher grade core of 12.3Mt @ 2.0g/t gold for 791,000oz of gold (using a 1.0g/t cutoff).

A number of higher grade zones were identified that have potential to support a high grade underground development, in particular 523,000t @ 6.3g/t gold for 107,000 oz at Zone 126.

The resource that the current study is based upon EXCLUDES all of the drilling completed during 2013, which includes shallow intersections of **17m @ 4.2g/t gold** and **14m @ 4.1g/t gold** from the Shelby deposit, **15m @ 1.6 g/t gold** at Zone 126, **9m @ 2.0g/t gold** from the Hurricane deposit, **9m @ 2.5 g/t gold** and **3m @ 11.2 g/t gold** from Tuxedo and 13m @ 1.1 g/t gold from the South West Area.

In addition to the “near mine” drilling significant exploration potential remains throughout the project.

Mining Studies:

The Glenburgh resource models were, interrogated by Kenmore Mine Consulting, who completed pit optimisations at a range of price and costs assumptions, which resulted in pit optimisations based upon a A\$1400 gold price being selected to guide the open cut mine designs. The open cut mining inventory includes an assumed 10% dilution and mining ore loss of 5%. The Glenburgh open cut inventory is 4.3Mt @ 1.6g/t gold.

In addition to the open cut optimisations and resulting mine designs, a conceptual underground development has also been designed for the high grade zones below the Zone 126 open pit. An underground mine design has been completed that results in an underground mining inventory of 426,000t @ 4.6 g/t. This adds significantly to the overall project mining inventory, in the final two years of processing.

The total mineral inventory for Glenburgh (open pit and underground) is 4.74Mt @ 1.9g/t gold.

The Egerton design and schedule has been completed by Gascoyne and resulted in a high grade mining inventory of 175,000t @ 4.6g/t gold, which will be trucked to Glenburgh early in the schedule to add ounces to year one of the production schedule.

Metallurgy:

The study included a substantial metallurgical testwork program, which was managed by Ashburton Hall Metallurgical Consulting. The testwork identified a number of differences between the deposits. The metallurgical recoveries can be split into 4 separate domains (Glenburgh East, Glenburgh Central, Zone 126 underground and Egerton. Each domain varies in the expected metallurgical recovery and reagent consumption. The metallurgical recoveries range from 93.2% in the central zone to 97.3% for the high grade Zone 126 underground deposit. The life of mine average recovery is 94.5%.

Mining & Milling Schedules:

Upon completion of the Glenburgh mining study, Kenmore Mine Consulting completed a number of conceptual mine schedules (for both open cut and underground). The aim of the schedules was to complete the mining in the most productive manner possible, while allowing selective ore blending strategies. The selected schedule allows for two excavators mining the open pits for approximately two years, then one excavator for the next year, while the underground is developed and mined in two years commencing in month 27 of the schedule. This strategy allows for a selective processing schedule, bringing forward the highest grade possible for the first two years to facilitate rapid debt repayment, while allowing blending of the high grade underground material with the lower grade open stockpiles. The mining schedule for Egerton was developed by Gascoyne and assumes one excavator on single shift for a total of 7 months.

The mining schedules have been included into the financial model, and a resulting milling schedule has been developed by Gascoyne. This milling schedule assumes a 1.2Mtpa processing rate and allows for a one month ramp up period.

The resulting milling schedule allows a relatively smooth mill feed grade for the life of the project (see table 2).

Table 2 - Milling Schedule Summary

DESCRIPTION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
TOTAL MILL FEED						
Tonnes	1,150,000	1,200,000	1,200,000	1,200,000	170,000	4.9 Mt
Grade - g/t	2.23	2.21	1.93	1.71	1.47	2.00
Production	78,000	80,000	70,000	63,500	7,700	299,000

Hydrogeology:

As part of the Study, four production water bores were drilled and pump tested. These bores have identified an aquifer that Rockwater conclude will provide sufficient process water for the duration of the projects life. A miscellaneous licence application has been lodged linking the mining lease application to the bore field.

In addition to the production water requirements, a potable water bore has also been constructed and pump tested on the mining lease application. This bore is interpreted by Rockwater to provide sufficient potable water for the accommodation village and the process potable water requirements.

Environmental / Permitting / Native Title:

Level 2, Flora and Fauna base line studies have been completed for the project. These studies concluded that there are no environmental impediments to the development of the project.

The Department of Mines and Petroleum (DMP) have already been briefed on the project and progress to date. The permitting documentation is currently being compiled to allow submission soon after the mining lease is granted.

Native Title negotiations are progressing well and are expected to be finalised in the next few months. This will allow grant of the mining lease, which is a prerequisite for the approvals process within the DMP to begin. The approvals process is normally completed within 3 months.

Processing Facility and Capital Cost:

The metallurgical testwork showed that a relatively simple flowsheet can be adopted for the project. As a result, a number of second hand processing facilities are suitable for the project. While the company is yet to secure an option over a suitable facility, there are a number in Western Australia that are “fit for purpose” and the company is investigating a number of options.

The capital cost of relocating the yet to be identified facility has been used for the study. It has been assumed that the facility has been operating recently and will need a minor to moderate level of refurbishment. The total capital cost is \$70.4M, of which \$10M is pre-production working capital.

In addition to the initial project capital cost, the cost of developing the underground mine has been calculated at \$15M. This includes underground decline development, site establishment, ventilation and a minor amount of ore drive development. These are included as underground capital development costs in year three of the projects life. Commencement of the underground mining has been scheduled to coincide with the reduction in the open cut mining fleet from two excavators to one in month 30 of the mining schedule.

Processing and Sustaining Costs:

The operating costs of the processing plant have been built up by Ashburton Hall Metallurgical Consulting in consultation with GR Engineering. The processing costs, including state royalties, administration selling costs and all associated costs total \$29.20/tonne milled. The project is sensitive to power costs, however a number of power options are available as the project is approximately 80km from the regulated Dampier to Bunbury natural gas pipeline. The study assumed power generation is by trucked LPG.

In addition to the processing and initial capital costs, sustaining capital costs have been estimated. These include the cost of underground waste development, tailings storage upgrades during the life of mine, establishment costs of the satellite pits, rehabilitation as well as the assumed costs of demobilisation of the mining fleet at the end of the project. The total sustaining capital costs have been estimated at \$13.2M over the life of the project.

Forward Program:

The study has identified a number of key areas that need to be refined prior to development. The main areas which need to be finalised are identifying and securing a suitable second hand processing facility and including the infill drilling into a resource update. Inclusion of the already completed 2013 drilling program is expected to lead to an increase in the resource base, but more importantly conversion of a significant portion of the in pit Inferred Resource to Indicated. This is expected to allow an Ore Reserve to be calculated for the project. Also on the critical path for the development of the project is finalising the native title negotiations. This will allow the grant of the mining lease, which is a prerequisite for the permitting of the 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

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 owns three gold projects which combined have **1.7 million ounces of contained gold**:

GLENBURGH (100% GCY):

The Glenburgh Project in the Gascoyne region of Western Australia, has an Indicated and Inferred resource of: 21.1 Mt @ 1.5g/t Au for 1.0 million oz gold from several prospects within a 20km long shear zone (see Table 3)

Following a positive Scoping Study completed in late 2011, the Company has commenced a Feasibility Study on the project. The study has included approximately 40,000m of resource drilling, metallurgical drilling and testwork, geotechnical, hydro geological and environmental assessments. Resource and mining studies as well as engineering studies and evaluations are well advanced.

**Table 3: Glenburgh Deposits
April 2013 Mineral Resource Estimate (0.5g/t Au Cut-off)**

Type	Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces	Tonnes Mt	Au g/t	Au Ounces
Transitional	0.5	1.4	22,000	1.4	1.2	53,000	1.9	1.2	80,000
Fresh	6.4	1.8	360,000	12.8	1.4	561,000	19.2	1.5	920,000
Total	6.9	1.7	382,000	14.2	1.3	613,500	21.1	1.5	1,000,000

Note: Discrepancies in totals are a result of rounding

EGERTON (SECURED UNDER OPTION)

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 70km 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 resource of **12.9 Mt @ 1.7g/t Au for 686,900 ounces** of contained gold.(see table 5).

Significant exploration potential also remains outside the known resource with exploration drill results of 22m @ 6g/t gold (including 6m @ 19g/t gold) and 6m @ 10.2 g/t gold and 7m @ 10.8 g/t gold that has not been adequately followed up and is yet to be included in a resource. Initial drilling by Gascoyne in May 2013 returned 16m @ 8.7g/t and 13m @ 2.2 g/t gold from the Golden Wings prospect interpreted to be associated with a high grade east-west trending zone of gold mineralisation.

Table 5: Dalgaranga 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	685,300
Golden Wings Laterite	0.039	0.8	1,000				-	-	-	0.04	0.8	1,000
Vickers Laterite	0.016	1.2	600				-	-	-	0.02	1.2	600
Total	0.06	1.1	1,600	4.7	1.6	240,200	8.2	1.7	445,200	12.95	1.7	686,900

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

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. The Glenburgh Feasibility Study is near completion. Follow up drilling at the Golden Wings prospect at Dalgaranga commenced in early June 2013. The Company has a 15 month option on the Egerton project.

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

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 current resources are classified as Measured, Indicated and Inferred. Within the mining inventory approximately 70% of the material is in either Measured or Indicated and could be converted to an ore reserve, however 30% of the mining inventory is currently classified as Inferred, hence can't be converted into a reserve. As a result, an ore reserve for the project has not been calculated. It is uncertain if additional exploration will allow conversion of the Inferred resource to a higher level of confidence resource (Indicated or Measured) and hence if a reserve could be determined for the project.

The financial analysis in the study is conceptual in nature and should not be used as an investment guide.

This release has been prepared by Gascoyne Resources Limited and contains forecasts and forward looking statements. Such forecasts, projections and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied.

Unless stated otherwise, all dollar (\$) figures mentioned in this release are expressed as Australian dollars (\$)

The laterite resources quoted for the Dalgaranga project have 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. The Gilbeys resource was released on the 1st August 2013, under the JORC 2012 code. Resources quoted for the Glenburgh Project have been estimated for Gascoyne Resources Limited by RungePincockMinarco Limited, an international and independent resource consultancy.

The resources quoted for the Egerton project have been sourced from Exterra Resources reports, prospectus and other publicly available reports and in particular the "Hibernian Gold Deposit Resource Report" by Finore Pty Ltd which have undergone a number of peer reviews by qualified consultants, that conclude that the resources comply with the JORC code and suitable for public reporting. The resource was announced to the ASX by NGM Resources Ltd on 9 August 2005

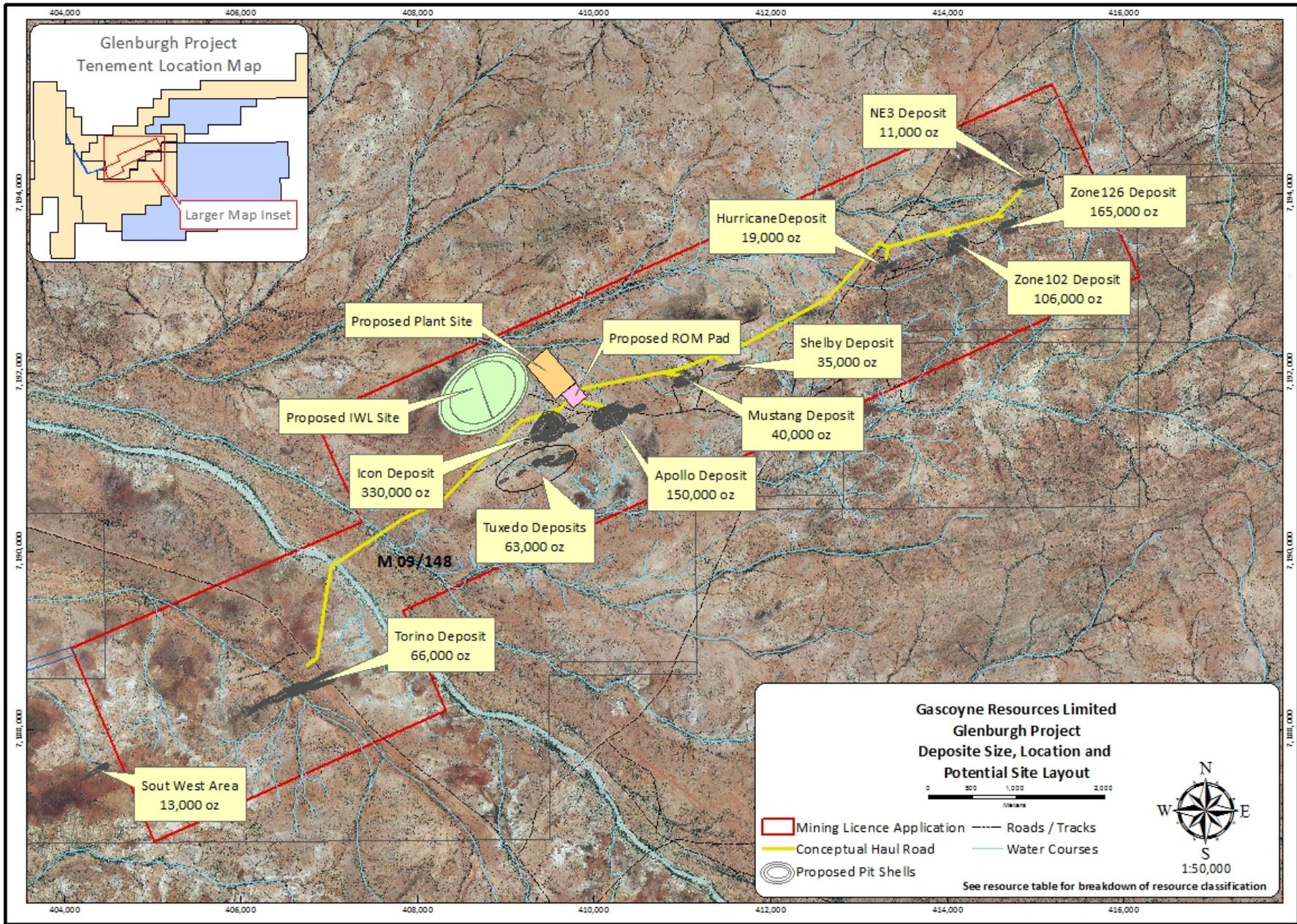


Figure One: Glenburgh Project - Proposed Site Layout