

24<sup>th</sup> January 2011

Australian Stock Exchange Limited  
Via Electronic Lodgement

## **RC DRILLING EXTENDS THE SHELBY DEPOSIT**

Gascoyne Resources Limited (ASX - GCY) is pleased to announce that the four metre composite sampling results from the recent RC drilling at the Glenburgh gold project have been received. A total of 2,145 metres of shallow, broad spaced reverse circulation drilling in 39 holes was completed and has successfully extended the Shelby Deposit a further 300m to the east and a broad zone of anomalous gold has been intersected along strike from the Hurricane Deposit (see Figure One).

Results from the initial four metre composite sampling include:

- 4m @ 1.6 g/t Au in VRC443 from 32m
- 4m @ 1.2 g/t Au in VRC447 from 44m within a zone of 12m @ 0.5 g/t Au from 44m
- 4m @ 0.9 g/t Au in VRC 442 from 56m to the end of hole
- 4m @ 0.9 g/t Au in VRC440 from 36m
- 28m @ 0.3g/t Au in VRC449 from surface

### SHELBY DEPOSIT

Drilling to the east of the Shelby Deposit has intersected shallow mineralisation with the initial four metre composite sampling intersecting up to 4m @ 1.6 g/t Au from 32 metres in hole VRC443, 12m @ 0.5 g/t Au including 4m @ 1.2 g/t Au from 44m in hole VRC447, 4m @ 0.9 g/t Au from 36m in VRC 440 and 4m @ 0.9 g/t Au from 56m to the end of hole in VRC442.

The deposit is still open to the east with additional drilling planned to test the continuation of the Shelby trend a further 1200m to the east, towards the Hurricane Deposit. See Figure Two.

### HURRICANE EAST

Four shallow RC holes were drilled between the Hurricane and Zone 102 Deposits before the inclement weather cut short the 2010 field program. All of the holes intersected broad zones of anomalous gold including 28m @ 0.3 g/t Au from surface in VRC449. (See Figure Two)



This broad low grade halo is an important characteristic of a number of the deposits within the Glenburgh gold project, including Icon, Apollo and Zone 102 where it surrounds the “higher grade” zones.

See Table One for significant results and Figure Two for the location of significant intersections. Table Two contains drill hole collar data for all holes completed.

Individual 1m samples were collected during the drilling program and stored on site. Those 1m samples that correspond with the significant and anomalous composite sample results will be submitted for analysis within the next two weeks.

<b>TABLE ONE: Significant Intersections from Recent RC drilling at Glenburgh</b>					
<b>Location</b>	<b>Hole Number</b>	<b>From</b>	<b>To</b>	<b>Interval</b>	<b>Grade g/t Au</b>
Area 1	VRC433	40	44	4	0.5
Shelby East	VRC440	36	40	4	0.9
	VRC442	56	60 (EOH)	4	0.9
	VRC443	28	36	8	0.9
	inc	32	36	4	1.6
	VRC444	44	48	4	0.5
	VRC447	44	56	12	0.5
	inc	44	48	4	1.2
Hurricane East	VRC449	0	28	28	0.3
	VRC450	32	44	12	0.2
	VRC451	40	48	8	0.4
	VRC452	4	28	24	0.2

**FORWARD PROGRAM:**

Review of historical and new data has highlighted a number of new targets (additional to those untested from the 2010 program that was cut short by inclement weather) that require drill testing early in the 2011 field season. An RC drilling contractor has been appointed to undertake the program and mobilisation will commence late in February, to allow for the 1<sup>st</sup> of March start date.

The initial drilling program, due to commence with RC drilling in early March, includes approximately 5000m of RC drilling, 10,000 metres of RAB drilling and approximately 1,000 Auger sample locations. A detailed breakdown of this exploration program for the next three to six months is being developed and will be released as soon as possible.

Around 60% of the proposed drill area has had heritage surveys completed and all government approvals completed. Approvals are underway for the remaining areas.

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

*On behalf of the Board of  
Gascoyne Resources Ltd*

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 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 cone split subsample of approximately 2-4 kg was collected and stored. A composite sample of four meters was spear sampled and sent to Genalysis Laboratory Services Pty Ltd in Perth Western Australia for analysis. The sample was pulverized and analysis 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, as the holes were <65m deep down hole surveys were not conducted.*

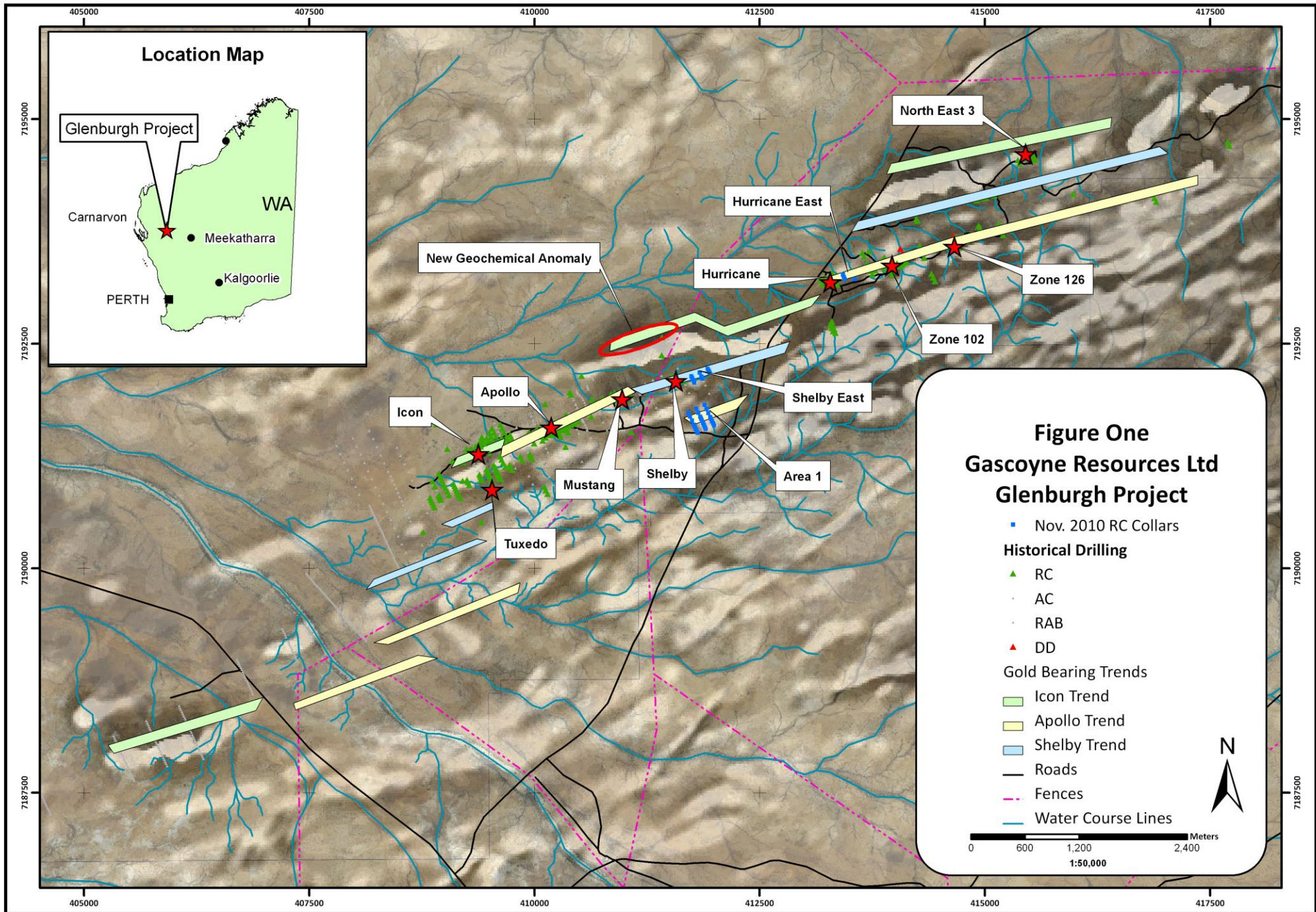
*Intersections have been reported using a 0.25g/t cutoff and allowance for up to 4m of internal waste. Some >0.25g/t intersections have not been reported if they are single sample intersections or are not considered to be significant due to their isolated position compared to other intersections.*

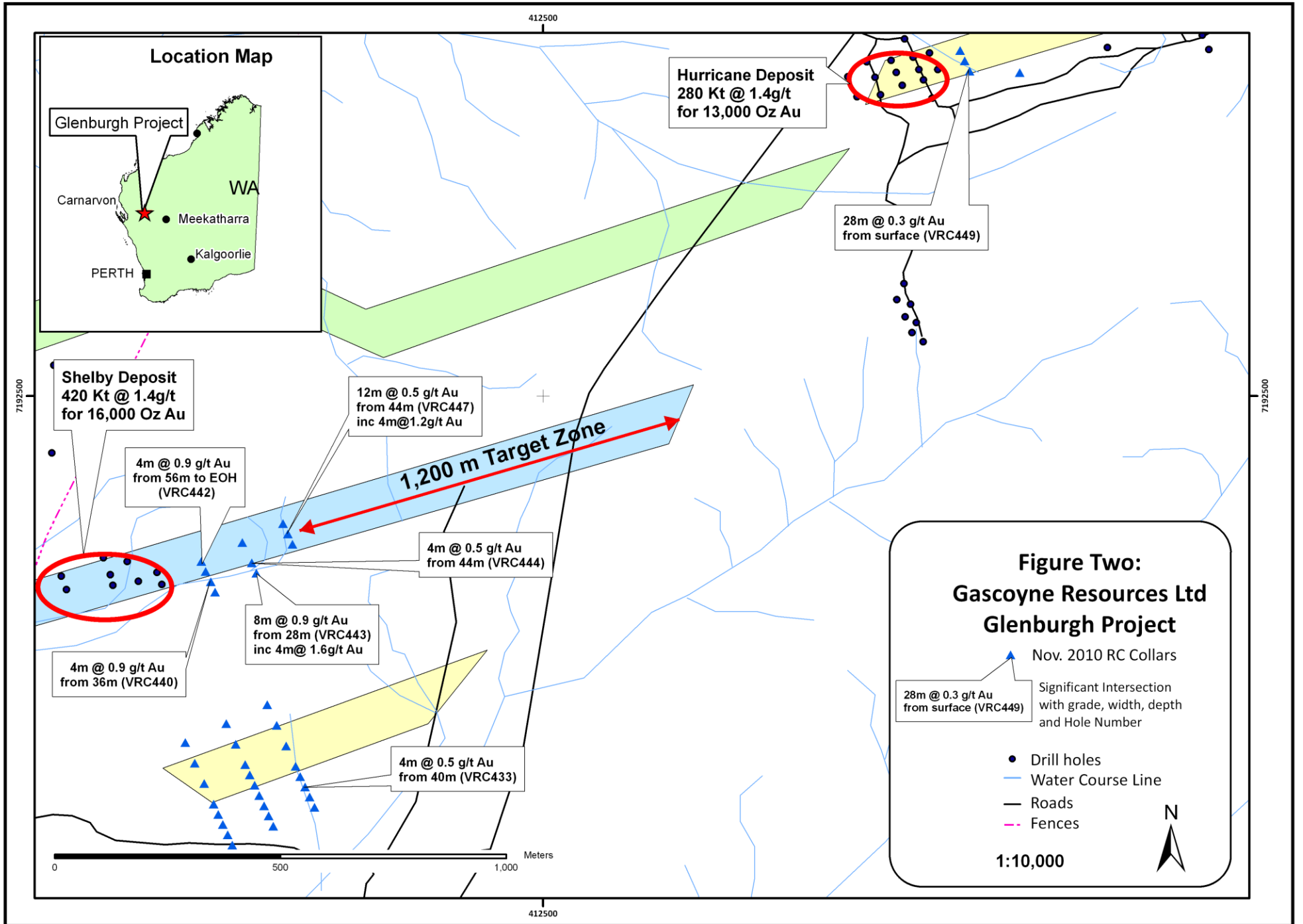
*True widths have not been determined as the level of detail needed to calculate accurate true widths is not yet available, as a result down hole widths have been reported, however true widths are not expected to significantly change from the down hole widths.*

TABLE TWO: Details of drill hole locations, dips, azimuths and total depths

RC Hole ID	Northing	Easting	RL	TotalDepth	Location	Azimuth	Dip
VRC414	7191506	411812	300	45	AREA 1	155	-60
VRC415	7191528	411802	300	50	AREA 1	155	-60
VRC416	7191551	411791	300	50	AREA 1	155	-60
VRC417	7191574	411781	300	50	AREA 1	155	-60
VRC418	7191596	411770	300	60	AREA 1	155	-60
VRC419	7191642	411749	300	40	AREA 1	155	-60
VRC420	7191687	411728	300	50	AREA 1	155	-60
VRC421	7191733	411707	300	50	AREA 1	155	-60
VRC422	7191547	411903	300	50	AREA 1	155	-60
VRC423	7191570	411892	300	50	AREA 1	155	-60
VRC424	7191593	411882	300	75	AREA 1	155	-60
VRC425	7191616	411871	300	74	AREA 1	155	-60
VRC426	7191638	411861	300	60	AREA 1	155	-60
VRC427	7191661	411851	300	50	AREA 1	155	-60
VRC428	7191684	411840	300	38	AREA 1	155	-60
VRC429	7191729	411819	300	50	AREA 1	155	-60
VRC430	7191775	411798	300	50	AREA 1	155	-60
VRC431	7191589	411994	300	48	AREA 1	155	-60
VRC432	7191612	411983	300	50	AREA 1	155	-60
VRC433	7191635	411973	300	66	AREA 1	155	-60
VRC434	7191657	411962	300	72	AREA 1	155	-60
VRC435	7191680	411952	300	72	AREA 1	155	-60
VRC436	7191725	411931	300	54	AREA 1	155	-60
VRC437	7191771	411910	300	50	AREA 1	155	-60
VRC438	7191816	411889	300	60	AREA 1	155	-60
VRC439	7192066	411774	300	57	SHELBY EAST	155	-60
VRC440	7192089	411764	300	60	SHELBY EAST	155	-60
VRC441	7192112	411753	300	60	SHELBY EAST	155	-60
VRC442	7192134	411743	300	60	SHELBY EAST	155	-60
VRC443	7192108	411865	300	60	SHELBY EAST	155	-60
VRC444	7192131	411855	300	50	SHELBY EAST	155	-60
VRC445	7192176	411834	300	60	SHELBY EAST	155	-60
VRC446	7192172	411945	300	51	SHELBY EAST	155	-60
VRC447	7192195	411935	300	63	SHELBY EAST	155	-60
VRC448	7192218	411924	300	60	SHELBY EAST	155	-60
VRC449	7193220	413445	300	50	HURRICANE EAST	155	-60
VRC450	7193243	413434	300	50	HURRICANE EAST	155	-60
VRC451	7193266	413424	300	50	HURRICANE EAST	155	-60
VRC452	7193217	413556	300	50	HURRICANE EAST	155	-60







## **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.

Further information is available at [www.gascoyneresources.com.au](http://www.gascoyneresources.com.au)