

16th December 2011

Australian Securities Exchange Limited
Via Electronic Lodgement

PROMISING RESULTS FROM BASSIT BORE

HIGHLIGHTS

- Promising gold- copper intersections returned from first pass RC drilling of the Harrier Prospect at the Bassit Bore project. Results include:
 - o **4m @ 2.1 g/t gold, 0.8% copper and 10.8 g/t silver**
 - o **8m @ 0.4 g/t gold**
 - o **2m @ 0.7 g/t gold, 0.6% copper and 8.1 g/t silver**
- Encouraging gold soil sampling anomalies returned from Bassit Bore prospects, Harrier and Jim's Patch
 - o **Samples up to 1550 ppb gold**

Gascoyne Resources Limited is pleased to announce RC drilling gold intersections and results from soil and rock-chip sampling from the Company's 100% owned Bassit Bore project, located 120 km north of Gascoyne's flagship 520,000 ounce gold resource at Glenburgh in Western Australia (Figure 1).

Harrier

The results are from the first RC holes to be drilled at the Harrier prospect. This initial drilling targeted a quartz vein which outcrops intermittently over 500m and returned rock chip values up to 73g/t gold. A total of 11 RC holes were drilled for 790m. Better results include **4m @ 2.1 g/t gold, 0.8% copper and 10.8 g/t silver from 68m in HRC006 and 8m @ 0.4 g/t gold from 12m in HRC010**. Gold – copper and silver mineralisation is associated with a steeply southwest dipping quartz vein hosted in Proterozoic aged granite. A programme of soil sampling and rock-chip sampling was undertaken in the wider Harrier area. Results from this sampling highlight anomalous gold trends east and south-east of the Harrier quartz vein (Figure: 3). Soil values up to 1550ppb (1.5 g/t) gold were returned and anomalous rock chip samples associated with quartz veining assayed up to 0.9 g/t gold and 0.5% copper; of note was the presence of high tellurium (Te) values in the samples with assays up to **417ppm Te** – elevated tellurium is a feature of some major gold deposits. The soil sampling anomalies remain open especially to the southeast – further soil sampling is proposed to extend coverage in the wider Harrier area and define further drill targets for 2012.

Jim's Patch

A program of soil sampling at Jim's Patch has extended the soil anomaly further to the northwest from the original soil sampling grid (Figure 2). Results warrant RAB followed up and further more extensive soil sampling which will be conducted during the 2012 field season





New Vein Discovery

The Company has noted with interest the announcements by Venus Metals Corporation Ltd (ASX-VMC) of the discovery and recent commencement of drill testing of a quartz vein ("Bassit Vein") parallel and ~400m west of the Harrier vein. VMC has reported rock chip values to 421 g/t gold from the Bassit vein, which may extend into Gascoyne's tenements, highlighting the potential for further vein discoveries.

Forward Program

The main focus for the company during 2012 will remain the Feasibility Study and ongoing exploration at the Glenburgh Project; however additional geochemical programs on the other Gascoyne projects will also be completed.

A summary of the planned exploration for 2012 field season includes:

Glenburgh

- Follow up RC drilling at the Torino Prospect.
- Follow up RC and diamond drilling at the high grade plunging "shoot" at Zone 126.
- Additional RC drilling to test the down dip, down plunge and strike extensions of the known gold deposits at Glenburgh.
- Exploration RC drilling at the South Western target zone, to define additional targets along strike from the Torino prospect.
- An update to the resource estimate

Bassit Bore

- Follow up drilling at Harrier and other veins
- Additional follow up geochemical and regional geochemical sampling

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 and four acid digest with OES finish for 33 elements. 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 0.1g/t cutoff and allowance for up to 4m of internal waste. Some +0.1g/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.
- At the Bassit Bore Project, a number of gold bearing quartz veins have been discovered at the Harrier prospect with rock chip samples up to 73g/t gold. RC drilling of one of these veins has intersected promising gold copper and silver mineralisation. A number of other quartz veins are yet to be tested.

Gascoyne Resources' immediate primary focus is to continue the evaluation of the Glenburgh gold deposits to delineate meaningful increases in the resource base, to identify and test additional targets in the Glenburgh mineralised system and to explore for additional gold resources on nearby 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

Table 1: Significant Intersections from Harrier RC Drilling

Hole	From	To	Interval	Au Grade g/t	Ag Grade g/t	Cu Grade %
Harrier						
HRC005	17	19	2	0.6	1.2	0.8
	18	21	3	0.4	1.3	0.6
	18	20	2	0.5	1.4	0.9
HRC006	68	72	4	2.1	10.8	0.8
	67	73	6	1.3	7.9	0.6
	69	73	4	1.9	11.2	0.8
HRC007	13	15	2	0.7	8.1	0.6
	39	40	1	0.5	0.6	NSA
	45	46	1	NSA	1.5	0.2
	47	48	1	0.2	4.6	0.5
HRC008	56	57	1	NSA	1.2	0.2
HRC009	13	14	1	NSA	1.4	NSA
	22	25	3	NSA	0.8	0.3
	27	29	2	NSA	1.7	NSA
HRC010	12	20	8	0.4	NSA	NSA

NSA denotes: No Significant Assays

Table 2: Harrier RC Drill Collar Details

Hole_ID	MGA Grid		Elevation	Depth metres	Prospect	Dip	MGA
	Easting	Northing					Azimuth
HRC001	445979	7311107	330	61	Harrier	-60	55
HRC002	445970	7311100	330	91	Harrier	-60	55
HRC003	446007	7311072	330	49	Harrier	-60	55
HRC004	445991	7311059	330	97	Harrier	-60	55
HRC005	446039	7311030	330	42	Harrier	-60	55
HRC006	446014	7311015	330	85	Harrier	-60	55
HRC007	446066	7310983	330	61	Harrier	-60	55
HRC008	446059	7310976	330	109	Harrier	-60	55
HRC009	446087	7310946	330	97	Harrier	-60	55
HRC010	446170	7310884	330	49	Harrier	-60	55
HRC011	445972	7311162	330	49	Harrier	-60	55

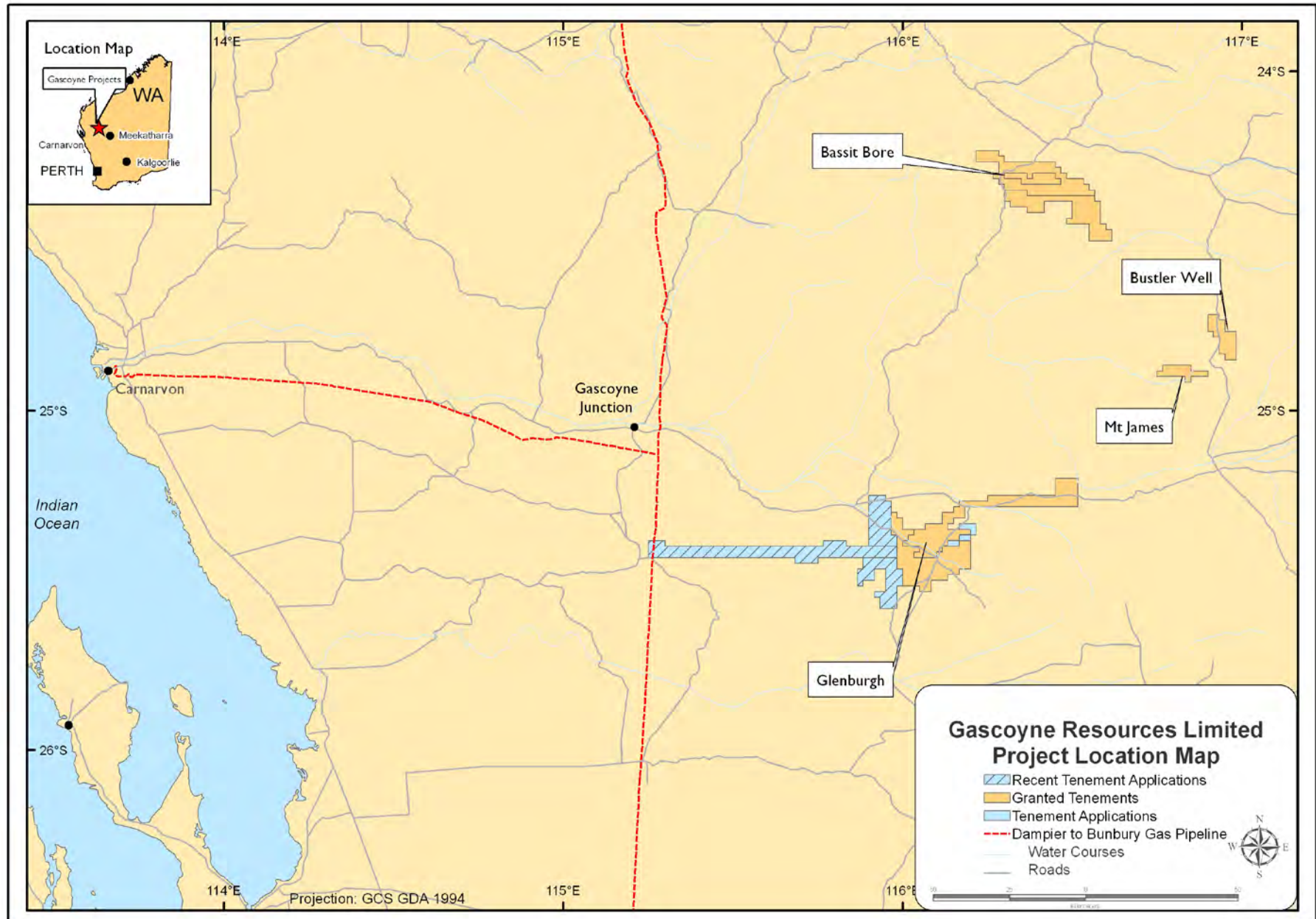


Fig 1: Gascoyne Region – Gascoyne Resources Project Locations

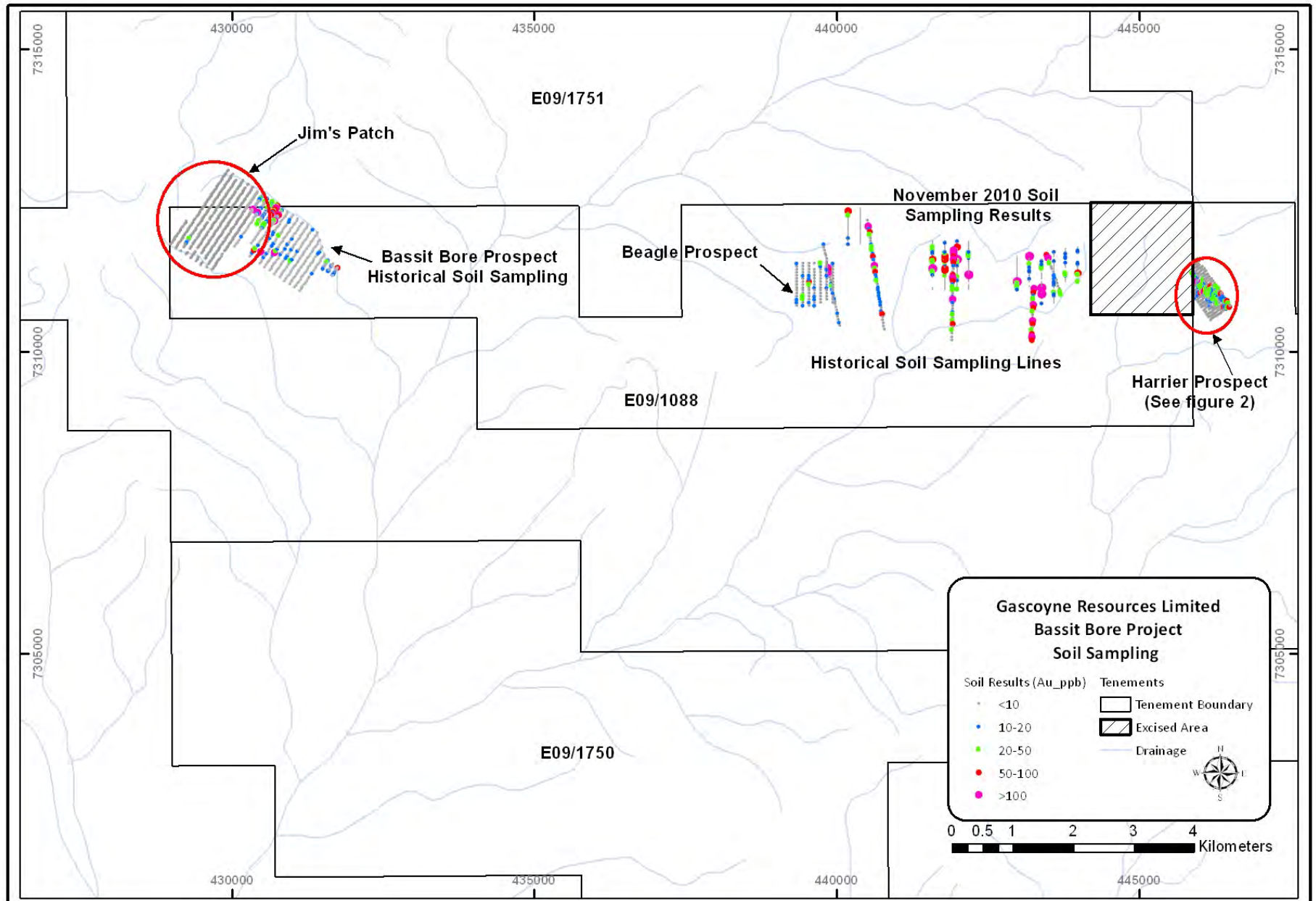


Fig 2: Bassit Bore Project and soil location

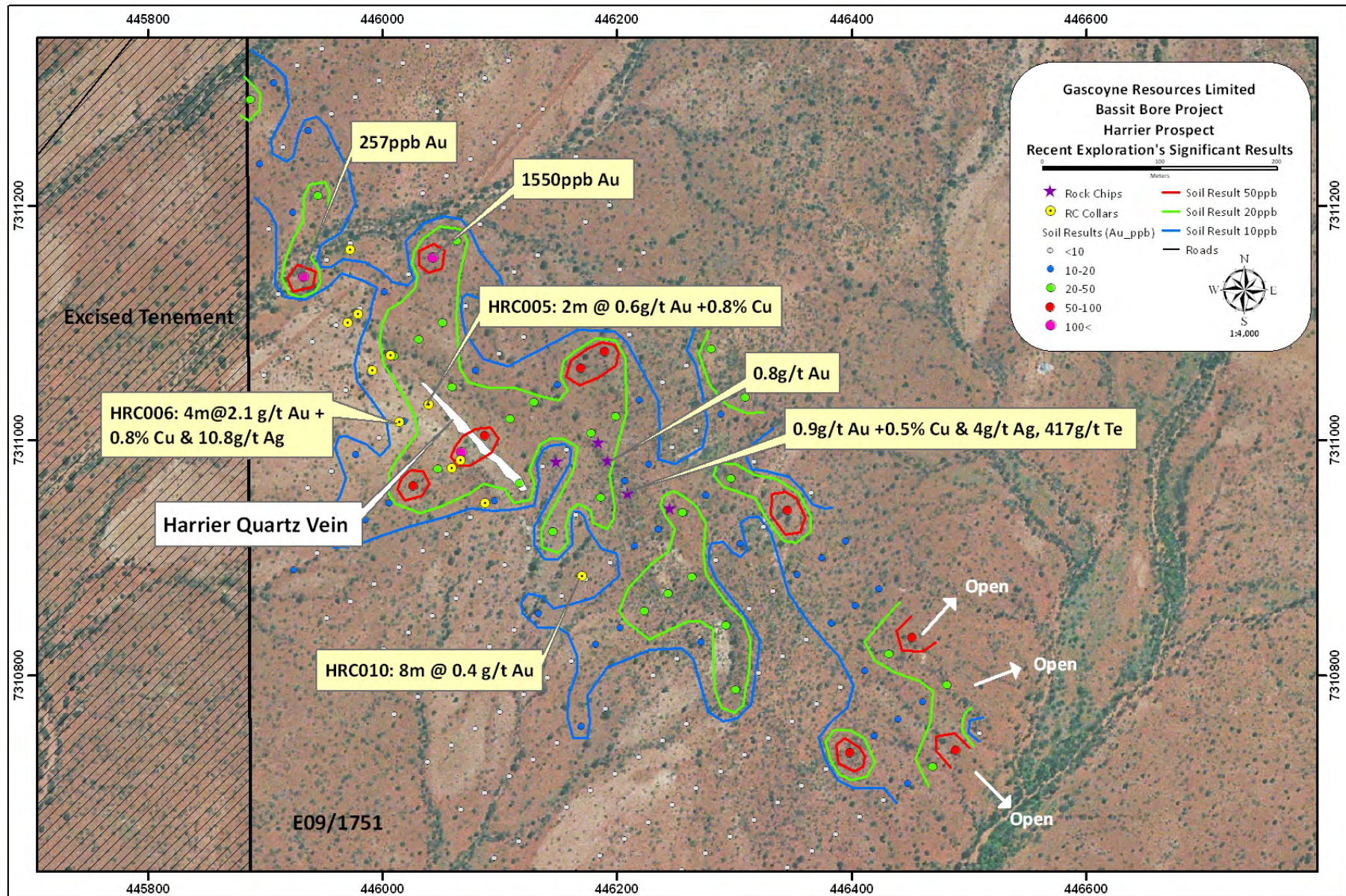


Fig 3: Harrier Prospect