

Scheme Booklet registered with ASIC

Firefly Resources Limited (**ASX: FFR; Firefly** or **the Company**) refers to the announcement made yesterday in relation to the proposed merger of Firefly by way of scheme of arrangement under which Gascoyne Resources Limited (ASX: GCY) (**Gascoyne**) will acquire all of the issued shares in Firefly in consideration for the issue of 0.34 fully paid ordinary shares in Gascoyne for each Firefly share (**Scheme**), and the orders made by the Supreme Court of Western Australia (**Court**) that Firefly convene and hold a general meeting of Firefly shareholders to consider and vote on the Scheme (**Scheme Meeting**) and approving the distribution of an explanatory statement providing information about the Scheme and notice of Scheme Meeting (**Scheme Booklet**) to Firefly shareholders.

In conjunction with the Scheme, Firefly is also proposing to undertake a demerger of certain copper-gold and lithium assets which will be transferred to a newly incorporated entity, Firetail Resources Limited (**Firetail**) by way of a capital reduction and in-specie distribution of 1 fully paid ordinary share in Firetail for approximately every 11.91 Firefly shares (**Demerger**). Firefly will also convene a general meeting of Firefly shareholders to consider, and if thought fit, approve the capital reduction and in-specie distribution (**Demerger Meeting**).

The Scheme Meeting will be held at 2.00pm (WST) on Thursday, 21 October 2021 at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008. The Demerger Meeting will be held immediately after the Scheme Meeting at 2.30pm (WST) at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008.

Firefly shareholders will also be able to attend both the Scheme Meeting and Demerger Meeting online via an online platform provided by Firefly's share registry, Automic Group.

Scheme Booklet

Firefly confirms that the Scheme Booklet has today been registered with the Australian Securities and Investments Commission (**ASIC**). A copy of the Scheme Booklet is attached and will be made available online at www.fireflyresources.com.au and on Firefly's announcement page on www.asx.com.au.

In accordance with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021* (Cth) allowing (amongst other things) the convening of meetings using electronic notices of meeting, Firefly will not be dispatching physical copies of the Scheme Booklet, the Notice of Scheme Meeting or the Notice of Demerger Meeting. The Notice of Scheme Meeting is annexed to the Scheme Booklet at Annexure D and the Notice of Demerger Meeting (including an explanatory statement) is annexed to the Scheme Booklet at Annexure E.

A copy of the proxy forms for the Scheme Meeting and the Demerger Meeting is also attached.

Further details on where the Scheme Booklet can be viewed and downloaded, along with details of how to access the online platform for the Scheme Meeting and Demerger Meeting will be dispatched to shareholders on Thursday, 9 September 2021.

The Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme.

Independent Expert's Conclusion and Directors' Recommendation

The Scheme Booklet includes an Independent Expert's Report from BDO Corporate Finance (WA) Pty Ltd (**Independent Expert**) which concludes that the Scheme is fair and reasonable and hence in the best interests of Firefly shareholders, in the absence of a superior proposal. The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet.

The Board of Firefly have unanimously recommended that, in the absence of a superior proposal and on the basis that the Independent Expert maintains its opinion that the Scheme is fair and reasonable and therefore in the best interests of shareholders, Firefly Shareholders vote in favour of the Scheme.

Attending the Scheme Meeting and Demerger Meeting

The Board has made the decision that it will also hold a physical and electronic hybrid meeting. The physical meeting will be held with the appropriate social distancing measures in place to comply with the Federal and State Governments' current restrictions for physical gatherings. Firefly will strictly comply with applicable limitations on indoor gatherings in force. If you attend the Scheme Meeting or Demerger Meeting in-person, you will be required to adhere to COVID-19 protocols in place at that time.

As the situation regarding the management of COVID-19 continues to evolve, Firefly shareholders are encouraged to monitor Firefly's website and ASX announcements for any further updates in relation to the arrangements for the Scheme Meeting and Demerger Meeting.

All registered Firefly shareholders as at 4.00pm (WST) on Tuesday, 19 October 2021 will be entitled to attend and vote at the Scheme Meeting and the Demerger Meeting. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting and Demerger Meeting.

Firefly shareholders may also attend the Scheme Meeting and/or the Demerger Meeting through an online platform provided by Firefly's share registry, Automic Group.

If the requisite majorities of Firefly shareholders approve the Scheme at the Scheme Meeting, and all other conditions precedent to the Scheme except approval of the Supreme Court of Western Australia (**Court**) are satisfied or waived (if capable of waiver), Firefly will apply to the Court for orders approving the Scheme.

Further Information

Firefly Shareholders are encouraged to seek independent financial, legal, accounting, taxation and/or other professional advice before making any voting or investment decision in relation to your Firefly shares.

Shareholders with any questions in relation to the Scheme or Demerger should contact either of the Firefly Joint Company Secretaries, Steven Wood, on +618 9322 7600 and Natalie Teo, on +618 6389 2688 or by email at sw@grangeconsulting.com.au or natalie.teo@anthonyho.com.au between 9.00am and 5.00pm (WST).

Authorised by the Board of Directors– Firefly Resources Ltd



FIREFLY RESOURCES LIMITED

Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition of all of your fully paid ordinary shares in Firefly Resources Limited (ACN 118 522 124) by Gascoyne Resources Limited (ACN 139 522 900)

Your Directors unanimously recommend that you

VOTE IN FAVOUR

of the Scheme, in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to what you should do, you should consult your legal, financial or other professional adviser immediately.



Legal Advisor



Azure Capital

Financial Advisor

Important Information

This Scheme Booklet contains important information

The purpose of this Scheme Booklet is to explain the terms of the Scheme, the manner in which the Scheme will be considered and implemented (subject to satisfaction or waiver of the Scheme Conditions), and to provide such information as is prescribed or otherwise material for Firefly Shareholders when deciding whether or not to vote in favour of the Scheme. This document includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Scheme.

This Scheme Booklet also contains information regarding the proposed demerger of certain assets and lithium rights owned by Firefly Resources Limited (**Firefly**), certain Firefly Subsidiaries, Gascoyne Resources Limited (**Gascoyne**) and certain Subsidiaries of Gascoyne, and the transfer of those assets to Firetail Resources Limited (ACN 651 057 822), an unlisted public company (**Demerger**). The Scheme is **not** conditional on the Demerger occurring. The proposed Demerger will be conducted by way of capital reduction and in-specie distribution of New Firetail Shares to eligible Firefly Shareholders, and is therefore subject to approval from Firefly Shareholders as required under the Corporations Act and the ASX Listing Rules.

Accordingly, you should read this document in its entirety before making a decision on whether or not to vote in favour of the Scheme or the Demerger.

Investment decisions

This Scheme Booklet is for Firefly Shareholders collectively and does not take into account an individual's investment objectives, financial situation, taxation position or other particular needs.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme, Firefly Shares, New Gascoyne Shares or New Firetail Shares. If you are in any doubt about what you should do, you should seek independent legal, financial or other professional advice before making any investment decision in relation to the Scheme.

Responsibility for information

The information concerning the Firefly Group contained in this Scheme Booklet, including financial information and information as to the views and recommendations of the Firefly Directors, has been provided by Firefly and is the responsibility of Firefly. Neither Gascoyne, its Subsidiaries, nor any directors, officers, employees or advisors of those entities assume any

responsibility for the accuracy or completeness of that information.

The Gascoyne Information has been provided by Gascoyne and is the responsibility of Gascoyne. Neither Firefly, its Subsidiaries, nor any directors, officers, employees or advisors of those entities assume any responsibility for the accuracy or completeness of the Gascoyne Information.

BDO Corporate Finance (WA) Pty Ltd has prepared the Independent Expert's Report set out in Annexure A of this Scheme Booklet and takes responsibility for that report. To the maximum extent permitted by law, none of Firefly, Gascoyne, their Related Entities or the directors, officers, employees or advisors of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report and disclaim any liability in this regard.

SRK Consulting (Australasia) Pty Ltd has prepared and is responsible for the Independent Technical Report contained in Appendix 3 of the Independent Expert's Report. To the maximum extent permitted by law, none of Firefly, Gascoyne, their Related Entities or the directors, officers, employees or advisors of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Technical Report and disclaim any liability in this regard.

Role of ASIC, ASX, and the Court

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and lodged with, and registered by, ASIC under section 412(6) of the Corporations Act. Firefly has requested ASIC provides statements, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides those statements, they will be produced to the Court on the Second Court Date.

A copy of this Scheme Booklet has been lodged with the ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

The Court is not responsible for the contents of this Scheme Booklet and, the fact that under section 411(1) of the Corporations Act the Court ordered on 6 September 2021 that a meeting of Firefly Shareholders be convened by Firefly to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme (or Demerger) or as to how Firefly Shareholders should vote (on this

matter, Firefly Shareholders must reach their own decision); and

- (b) has prepared, or is responsible for, the content of this Scheme Booklet.

Forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. The statements contained in this Scheme Booklet about the advantages and disadvantages expected to result from the Scheme and Demerger are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Firefly, Gascoyne, the Combined Group and/or Firetail to be materially different from future results, performance or achievements expressed or implied by such statements. Further, the forward-looking statements in this Scheme Booklet relating to the performance of the Combined Group and Firetail are not based on historical facts, but rather reflect the current views and expectations of Firefly and Gascoyne concerning future events and circumstances.

The operations and financial performance of Firefly, Gascoyne, the Combined Group and Firetail, and the change of a Firefly Shareholder's ownership of Firefly Shares, New Gascoyne Shares and New Firetail Shares are subject to various risks that are summarised in section 9 of this Scheme Booklet and that may be beyond the control of Firefly, Gascoyne, the Combined Group and Firetail.

As a result, Firefly's actual results of operations and earnings and those of Gascoyne, the Combined Group and Firetail following implementation of the Scheme and Demerger, as well as the actual advantages and disadvantages of the Scheme and Demerger, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet reflect views only as of the date of this Scheme Booklet. None of Firefly, Gascoyne, their Related Entities or their respective directors, officers, employees or advisors or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur, and you are cautioned not to place undue reliance on such forward-looking statements.

All written and oral forward-looking statements attributable to Firefly or Gascoyne or any person acting on their behalf are qualified by this cautionary statement. Subject to any continuing obligations under the ASX Listing Rules or the

Corporations Act, neither Firefly nor Gascoyne give any undertaking to update or revise any such statements after the date of this Scheme Booklet to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

New Zealand Shareholders

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand Regulatory Authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). In offering New Gascoyne Shares under the Scheme in New Zealand, Gascoyne is relying on an exemption contained in the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law. New Zealand investors should seek their own advice and satisfy themselves as to the Australian and New Zealand tax implications of participating in the Scheme.

Ineligible Foreign Shareholders

This Scheme Booklet has been prepared having regard to Australian disclosure requirements. Other countries may have different legislative and regulatory requirements.

Neither this Scheme Booklet nor the Scheme or Demerger proposals constitute, or are intended to constitute, an offer of securities in any place in which or to any person to whom, the making of such an offer would not be lawful under the laws of any jurisdiction outside Australia and its external territories and New Zealand. Firefly Shareholders who are not residents of Australia and its external territories or New Zealand should refer to sections 5.7 and 5.8 (in respect of the Scheme) and Annexure E (in respect of the Demerger) for further information.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

Privacy and personal information

Firefly and Gascoyne will need to collect personal information to implement the Scheme and Demerger. This information may include the name, contact details and details of security holdings of Firefly Shareholders, together with the contact details of individuals appointed to act as proxy, attorney or corporate representative by a Firefly Shareholder at the meeting of Firefly Shareholders to approve the Scheme (**Scheme Meeting**) or the meeting of Firefly Shareholders to approve the Demerger (**Demerger Meeting**). The primary purpose for collecting this personal information is to assist Firefly and Gascoyne to conduct the Scheme Meeting and the Demerger Meeting and implement the Scheme and Demerger. The collection of some of this information is authorised by the Corporations Act.

Firefly Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact the Firefly's share registry (Automic Group) or Gascoyne's share registry (Advanced Share Registry) if they wish to exercise those rights.

The information may be disclosed to print and mail service providers and to Firefly, Gascoyne, Firetail and their respective advisers and agents to the extent necessary to effect the Scheme and/or Demerger. If the information outlined above is not collected, Firefly may be hindered in, or prevented from, conducting the Scheme Meeting and/or the Demerger Meeting effectively or at all.

Firefly Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting or Demerger Meeting should inform that individual of the matters outlined above. Persons are entitled under section 173 of the Corporations Act to inspect and copy the Firefly Share Register. The Firefly Share Register contains personal information about Firefly Shareholders.

Defined terms

Capitalised terms and certain other terms used in this Scheme Booklet are defined in the Glossary in section 14 of this Scheme Booklet.

The Independent Expert's Report set out in Annexure A has its own defined terms and those terms are sometimes different to the defined terms in the Glossary.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the calculations set out in this Scheme Booklet and any discrepancies in any table between totals and sums of amounts listed in that

table or to previously published figures are due to rounding.

Diagrams, charts, maps, graphs and tables

Any charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale.

Currency

All references in this Scheme Booklet to "\$", "AUD" or "dollar" are references to Australian currency unless otherwise indicated.

Implied value

All references in this Scheme Booklet to the value or implied value of Scheme Consideration should not be taken as an indication that Scheme Shareholders will receive cash. The implied value of the Scheme Consideration is not fixed. Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive New Gascoyne Shares as consideration for their Firefly Shares under the Scheme. Consequently, the implied value of the Scheme Consideration will depend on the price at which Gascoyne Shares trade on the ASX after issue of the New Gascoyne Shares under the Scheme. There can be no guarantee of that price. This also applies to Ineligible Foreign Shareholders whose Scheme Consideration will be remitted to the Sale Agent through the Sale Facility. Any cash remitted to Ineligible Foreign Shareholders under the Scheme will depend on the market price of Gascoyne Shares at the time of sale by the Sale Agent. Please refer to section 9 for a non-exhaustive list of potential risk factors in relation to the Scheme (including potential risk factors relevant to the Combined Group).

References to time

All references in this document to time relate to the time in Perth, Western Australia, unless otherwise specified. All times and dates relating to the implementation of the Scheme and/or Demerger referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from government agencies.

Date of this document

This document is dated 8 September 2021.

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Letter from the Chairman of Firefly Resources Limited

Dear Firefly Shareholder,

On behalf of the Firefly Board, I am pleased to present you with this Scheme Booklet, which contains information about the proposed acquisition of Firefly Resources Limited (**Firefly**) by Gascoyne Resources Limited (**Gascoyne**).

On 16 June 2021, Firefly announced that it had entered into a Scheme Implementation Deed with Gascoyne under which Gascoyne proposes to acquire all of the fully paid ordinary shares in Firefly through a scheme of arrangement (**Scheme**). If the Scheme is approved, Firefly Shares will be exchanged by Gascoyne at a ratio of 0.34 New Gascoyne Shares for every 1 Firefly Share held and result in existing Firefly Shareholders¹ having an interest in the Combined Group of approximately 32.4%, meaning that Firefly Shareholders will retain their exposure to Firefly's flagship Yalgoo Gold Project (**Yalgoo**).²

The merger of Firefly and Gascoyne will combine two gold companies with complementary assets in the Murchison region of Western Australia, unlocking a number of synergies by leveraging Gascoyne's gold mining expertise and available processing infrastructure at its Dalgara Gold Project (**Dalgara**) for the benefit of Firefly's highly prospective suite of assets, including its Yalgoo Gold Project. The merger will also unlock access to ~1,200km² (excluding 1,050km² pending tenements)³ of highly prospective Yalgoo and Dalgara greenstone belts under single ownership, significantly enhancing the exploration upside potential with over 100 high quality targets.

Your Directors believe that the Scheme is in the best interests of Firefly Shareholders and unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders.⁴

The key reasons for your Directors' recommendation of the Scheme are set out in section 1 of this Scheme Booklet, but are summarised as follows:

- the proximity of Gascoyne's Dalgara processing infrastructure, situated within haulage distance from the Yalgoo Gold Project, and the consequent synergy benefits of Firefly's and Gascoyne's assets;
- the time and funding requirements for Firefly to establish the Yalgoo Gold Project as a standalone mining operation. The Combined Group can accelerate and de-risk the development strategy of Yalgoo by utilising Gascoyne's processing infrastructure and operational expertise;

¹ Only Scheme Shareholders who are not Ineligible Foreign Shareholders will receive New Gascoyne Shares under the terms of the Scheme. See sections 5.7 and 5.8.

² Assuming all remaining "in-the-money" Firefly Options that have not been cancelled are exercised and converted into Gascoyne Shares and assuming a pre-determined black-scholes valuation for "out-of-the-money" Firefly Options - please refer to section 5.9 for further information.

³ Gascoyne has ~500km² and Firefly has ~700km² for a total tenement area of ~1,200km² in the region. The 1,050km² pending area has been pegged by Firefly and will be additional to the ~1,200km² assuming the Firefly pending tenement applications covering an area of ~1,050km² are granted. The pending tenement applications which are listed in Schedule 5 of the Demerger Notice of Meeting set out in Annexure E of this Scheme Booklet.

⁴ Firefly Shareholders should note that each of the Firefly Directors hold Firefly Options and Firefly Performance Rights and therefore have an interest in the outcome of the Scheme. Please refer to sections 13.10 and 13.11 for further information regarding the interests of Firefly Directors in Firefly Options and Firefly Performance Rights. The Directors' direct and indirect interests, including security holdings, payments and benefits conditional on the outcome of the Scheme and other interests are set out in sections 5.9, 5.10, 6.10, 13.8 and 13.9 of this Scheme Booklet.

- the advantages to Firefly from gaining immediate access to Gascoyne's processing facilities to enable development of the Yalgoo Gold Project;
- the Merger immediately transforms Firefly Shareholders from having an interest in a gold exploration company to having an approximate 32.4%⁵ interest in a significant ASX-listed gold producer, whilst retaining meaningful exposure to the ongoing exploration potential of the Yalgoo Gold Project;
- the operational and financial advantages to Firefly Shareholders associated with being part of a larger company with higher levels of liquidity;
- a significantly larger exploration asset base providing scope for further discovery, including existing advanced exploration opportunities at Yalgoo of 100+ gold targets, that includes 30 targets at untested historical workings with recorded gold production; and
- the Scheme Consideration (excluding the value of Firetail, assuming the Demerger is implemented) offers immediate value realisation for Firefly Shareholders.

In conjunction with the Scheme, Firefly and Gascoyne intend to implement a demerger (**Demerger**) of certain assets and lithium rights in the Paterson, Murchison and Forrestania regions of Western Australia which will be transferred to a newly incorporated energy-metals focused exploration company known as Firetail Resources Limited (**Firetail**). On 8 July 2021, Firefly announced that it had entered into a binding Demerger Implementation Deed and various sale agreements and mineral rights agreements with Gascoyne in relation to the proposed Demerger. As noted in that announcement, the Demerger will be conducted by way of a capital reduction and in-specie distribution under which each Firefly Shareholder (other than Ineligible Foreign Shareholders) will receive 1 fully paid ordinary share in Firetail (**New Firetail Shares**) for every approximate 11.91⁶ Firefly Shares held on the Demerger Record Date. Your Directors unanimously recommend that you vote in favour of the Demerger, for the reasons set out in Annexure E. Further information regarding the Demerger (including the assets to be included in the Demerger) is set out in the Notice of Demerger Meeting in Annexure E of this Scheme Booklet.

It is important to note that the Scheme and the Demerger are separate transactions and are **not** inter-conditional, meaning that even if the Scheme is not approved by the Requisite Majority of Firefly Shareholders or the Court, the Demerger may still be implemented (subject to satisfaction or waiver of the Demerger Conditions). Similarly, it is possible that the Scheme is implemented but the Demerger does not proceed.⁷

While the Firefly Directors consider that the Scheme and the Demerger are each in the best interests of the Firefly Shareholders, the Firefly Directors believe that there is potentially greater advantage to Firefly Shareholders as a result of the Scheme, as the implementation of the Scheme will allow the Combined Group to focus on the development of Gascoyne's Dalgaranga Gold Project and Firefly's Yalgoo Gold Project. Firefly has been primarily focussed on the development of its Yalgoo Gold Project, and the proposed Scheme will allow Firefly to leverage the processing infrastructure at the Dalgaranga Gold Project (which is within close haulage distance of the Yalgoo Gold Project).

As such, the Firefly Directors determined that the Scheme and Demerger should not be inter-conditional transactions, to ensure that if the Demerger is not approved by Firefly Shareholders or is otherwise not implemented, the Scheme may still proceed.

⁵ Assuming all remaining "in-the-money" Firefly Options that have not been cancelled are exercised and converted into Gascoyne Shares and assuming a pre-determined black-scholes valuation for "out-of-the-money" Firefly Options - please refer to section 5.9 for further information.

⁶ Note that the exchange ratio may be revised depending on the number of Firefly Options which are exercised prior to the Scheme Record Date. See section 5.9 for further information regarding the Firefly Options.

⁷ The Demerger Implementation Deed is subject to a number of conditions precedent which must be satisfied or waived in order for the Demerger to be implemented (including approval by Firefly Shareholders). Note however that if the Scheme Implementation Deed is terminated, the Demerger Implementation will terminate unless otherwise agreed between the parties to the Demerger Implementation Deed. Please refer to Annexure E for more information regarding the conditions of the Demerger and the circumstances in which the Demerger Implementation Deed may be terminated.

Each Firefly Director intends to vote the Firefly Shares that they own or control at the time of the Scheme Meeting and Demerger Meeting in favour of the Scheme Resolution and Demerger Resolution, and will direct any Firefly proxies placed at their discretion in favour of the Scheme and the Demerger. The Independent Expert has concluded that the Scheme is fair and reasonable, and therefore in the best interests of Firefly Shareholders in the absence of a Superior Proposal. The full Independent Expert's Report (including the Independent Technical Specialist Report (**Independent Technical Report**) prepared by the Technical Expert) is set out in Annexure A.

As announced on 16 June 2021, Firefly's three largest shareholders (which currently hold a combined interest in Firefly of approximately 16.96%)⁸ also intend to vote their respective Firefly Shares they hold or control in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders. Shareholders should note that the Firefly Directors each hold Firefly Performance Rights and Firefly Options⁹ and therefore have an interest in the outcome of the Scheme. Please refer to sections 5.9 and 5.10 for further information regarding the treatment of Firefly Options and Firefly Performance Rights under the Scheme.

While your Directors consider that there is a compelling rationale for the Scheme, you should note that there are some possible disadvantages and risks relating to the Scheme which are set out in sections 2 and 9 of this Scheme Booklet. I encourage you to read this Scheme Booklet (including the Independent Expert's Report) carefully in full and, if required, to seek your own legal, financial or other professional advice. In particular, Firefly Shareholders should note the following potential disadvantages of the Scheme:

- you may disagree with the conclusion of the Independent Expert and the recommendation of your Firefly Directors;
- your percentage interest in the Combined Group will be less than your current interest in Firefly;
- you may consider that there is potential for a Superior Proposal to emerge for Firefly in the future;
- the exact value of the Scheme Consideration upon implementation of the Scheme is not certain; and
- the tax consequences of the Scheme may not suit your current financial position.

The Scheme Meeting to approve the Scheme will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 on 21 October 2021 at 2.00pm (Perth time). The Demerger Meeting to approve the capital reduction and in-specie distribution will be held immediately after the Scheme Meeting on 21 October 2021 at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008.

Firefly Shareholders who have elected to receive communications electronically will receive an email where they can download the Scheme Booklet and lodge their proxy vote only. The Scheme Booklet will also be available for download from www.fireflyresources.com.au.

Your vote is important. I strongly encourage you to vote either by attending the Scheme Meeting and Demerger Meeting in person or by completing and returning the accompanying proxy forms so that they are received at the address shown on each proxy form by no later than 2.00pm (Perth time) on 19 October 2021.

⁸ Firefly's three largest shareholders have each entered into a binding Voting Deed Poll in favour of Gascoyne in respect of the Scheme under which they have agreed to vote their Firefly Shares in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders. Firefly's ASX Announcement dated 16 June 2021 ("Gascoyne and Firefly agree to Merge") incorrectly stated the number of Firefly Shares held by Mr Robert Jewson as 18,147,017. The correct number of Firefly Shares held by Mr Robert Jewson is 17,647,017 (representing approximately 5.72%).

⁹ Mr Ashley Pattison is the only Firefly Director who does not hold Firefly Options. Please refer to sections 13.10 and 13.11 for further information regarding the Firefly Directors' interests in Firefly Options and Firefly Performance Rights.

If you wish for the Scheme and/or the Demerger to proceed, it is important that you vote in favour of the Scheme and/or the Demerger, as applicable.

If you require any further information or have questions in relation to the Scheme or Demerger, please contact Ms Natalie Teo (Joint Company Secretary) on +618 6389 2688 or Mr Steven Wood (Joint Company Secretary) on +618 9322 7600 Monday to Friday between 9.00am and 5.00pm (Perth time), or visit www.fireflyresources.com.au.

Yours sincerely,

Mr Michael Edwards
Chairman and Non-Executive Director
Firefly Resources Limited

Important dates and times for the Scheme and Demerger

Key events and the expected timing in relation to the approval and implementation of the Scheme and Demerger are set out below.

Latest time and date for lodgement of completed proxy forms for the Scheme Meeting	2.00pm (Perth time) on 19 October 2021
Latest time and date for lodgement of completed proxy forms for the Demerger Meeting	2.00pm (Perth time) on 19 October 2021
Time and date for determining eligibility of Firefly Shareholders to attend and vote at the Scheme Meeting	4.00pm (Perth time) on 19 October 2021
Time and date for determining eligibility of Firefly Shareholders to attend and vote at the Demerger Meeting	4.00pm (Perth time) on 19 October 2021
Scheme Meeting to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008	2.00pm (Perth time) on 21 October 2021
Demerger Meeting to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 (immediately after the Scheme Meeting)	Immediately after the Scheme Meeting on 21 October 2021
Second Court Date for approval of the Scheme	1 November 2021
Effective date of the Scheme and last day of trading of Firefly Shares on ASX (Effective Date)	1 November 2021
Suspension of trading of Firefly Shares on ASX	Close of trading on 1 November 2021
Record date for determining entitlements to the Scheme Consideration (Scheme Record Date)	7.00pm (Perth time) on 3 November 2021
Effective date for the issue of New Firetail Shares to Firefly Shareholders (in-specie distribution under Demerger) (Demerger Effective Date)	4 November 2021
Record date for determining entitlements to the New Firetail Shares under the Demerger (Demerger Record Date)	7.00pm (Perth time) on 9 November 2021
Implementation date for the issue of Scheme Consideration to Firefly Shareholders (Implementation Date) ¹⁰ Implementation date for the issue of New Firetail Shares to Eligible Firefly Shareholders (Demerger Implementation Date) ¹¹	10 November 2021
Termination of official quotation of Firefly Shares on ASX	5.00pm (Perth time) on 10 November 2021 (or as otherwise determined by ASX)

The above dates and times are indicative only and, amongst other things, are subject to the time at which each Scheme Condition (in respect of the Scheme) and Demerger Condition (in respect of the Demerger) is satisfied and the dates on which all necessary Court and regulatory approvals are

¹⁰ Other than Ineligible Foreign Shareholders, who will receive the Net Sale Proceeds following implementation of the Scheme. See sections 5.7 and 5.8 for further information.

¹¹ Ineligible Foreign Shareholders will receive the proceeds of the sale of their New Firetail Shares after deducting any applicable brokerage, stamp duty and other taxes and charges. See Annexure E for further information.

obtained. Firefly has the right to vary any or all of these dates and times, subject to the approval of such variation by the ASX, the Court and Gascoyne, where required.

Any variation to the above dates and times will be announced to the ASX (and accordingly, details of any variations will be available on the ASX's website at www.asx.com.au) and will be published on Firefly's website at www.fireflyresources.com.au.

Overview of this document

What is the proposal?

Gascoyne has made a proposal to acquire all of the Firefly Shares by way of the Scheme.

Gascoyne and Firefly have agreed to implement the Scheme proposal under a procedure set out in the Corporations Act called a scheme of arrangement. This is a Court-supervised process under which Firefly Shareholders have the opportunity to vote for or against the proposed Scheme, and if the Scheme is approved by the Court the Scheme becomes binding on Firefly and the Firefly Shareholders.

In conjunction with the Scheme, Firefly and Gascoyne intend to implement the Demerger of certain assets and lithium rights in the Paterson, Murchison and Forrestania regions of Western Australia which will be transferred to Firetail. If the Demerger is implemented, Firefly Shareholders (other than Ineligible Foreign Shareholders) will receive 1 New Firetail Share for approximately every 11.91¹² Firefly Shares they hold on the Demerger Record Date.

This Scheme Booklet primarily relates to the Scheme. The Notice of Demerger Meeting attached at Annexure E sets out further information regarding the proposed Demerger, including the assets and lithium rights to be transferred to Firetail. As noted above, the Scheme and the Demerger are separate transactions and are **not** inter-conditional, meaning that even if the Scheme is not approved by the Requisite Majority of Firefly Shareholders or the Court, the Demerger may still proceed. Note however that if the Scheme Implementation Deed is terminated, the Demerger Implementation Deed will terminate unless otherwise agreed by the parties to the Demerger Implementation Deed.

Given that the Scheme and Demerger are not inter-conditional but are both subject to conditions precedent (including Firefly Shareholder approval), there are four possible outcomes:

- both the Scheme and the Demerger proceed;
- the Scheme proceeds but the Demerger does not proceed;
- the Demerger proceeds but the Scheme does not proceed; or
- neither the Scheme nor the Demerger proceed.

If the Scheme is approved by Firefly Shareholders and by the Court, subject to satisfaction or waiver of the Scheme Conditions:

- Gascoyne will acquire all of the Firefly Shares in exchange for the Scheme Consideration (being 0.34 New Gascoyne Shares for every 1 Firefly Share held on the Scheme Record Date), and Firefly will become a wholly-owned Subsidiary of Gascoyne;
- all existing Firefly Options on issue that have not already been exercised will be cancelled pursuant to the Option Cancellation Deeds in exchange for the Option Consideration; and
- all existing Firefly Performance Rights will convert into Firefly Shares prior to the Scheme Record Date, so that the Firefly Shares issued on vesting of the Firefly Performance Rights will be exchanged for New Gascoyne Shares under the Scheme.

If the Scheme is not approved, the Merger will not proceed and Firefly will continue to operate as a standalone entity listed on the ASX.

¹² Note that the exchange ratio may be revised depending on the number of Firefly Options which are exercised prior to the Scheme Record Date. See section 5.9 for further information regarding the Firefly Options.

What is this document for?

The Scheme is subject to the approval of Firefly Shareholders. This Scheme Booklet contains information relevant to the decision of Firefly Shareholders as to whether to vote for or against the Scheme. The Notice of Demerger Meeting in Annexure E of this Scheme Booklet also contains important information about the proposed Demerger, including the advantages, disadvantages and risks relating to the Demerger.

Why should you vote?

As a Firefly Shareholder, you have a say in whether the Scheme and Demerger are implemented or not – **this is your opportunity to play a role in deciding the future of the company in which you have a stake.**

Is the Scheme in the best interests of Firefly Shareholders?

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Firefly Shareholders.

The Firefly Directors unanimously recommend that, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that the Scheme is fair and reasonable and therefore in the best interests of Firefly Shareholders, Firefly Shareholders vote in favour of the Scheme.¹³

The Firefly Directors also unanimously recommend that Firefly Shareholders vote in favour of the Demerger at the Demerger Meeting.

Before making a decision about the Scheme, Firefly Shareholders should read this Scheme Booklet in its entirety and if you are in doubt about what action you should take, contact your professional adviser. For further details regarding the recommendation of the Firefly Directors, please refer to section 1 of this Scheme Booklet.

What you should do next:

Step 1: Read this document in full

You should read and carefully consider the information included in this Scheme Booklet in full to help you make an informed decision as to how to vote in relation to the Scheme and Demerger.

If you require any further information or have questions in relation to this document, the Scheme or Demerger, please contact Ms Natalie Teo (Joint Company Secretary) on +618 6389 2688 or Mr Steven Wood (Joint Company Secretary) on +618 9322 7600 Monday to Friday between 9.00am and 5.00pm (Perth time), or visit www.fireflyresources.com.au.

If you have any doubt as to what action you should take, please contact your financial, legal, taxation or other professional adviser immediately.

Step 2: Vote on the Scheme and Demerger

As a Firefly Shareholder, it is your right to vote on whether the Scheme and Demerger should be approved, and therefore, whether the Scheme and Demerger should proceed. If you wish for the Scheme and Demerger to proceed, it is important that you vote in favour of the Scheme (at the Scheme Meeting) and Demerger (at the Demerger Meeting).

The Scheme Meeting will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 at 2.00pm (Perth time) on 21 October 2021. The Demerger Meeting to consider the

¹³ Firefly Shareholders should note that each of the Firefly Directors hold Firefly Options and Firefly Performance Rights and therefore have an interest in the outcome of the Scheme. Please refer to sections 13.10 and 13.11 for further information regarding the interests of Firefly Directors in Firefly Options and Firefly Performance Rights.

Demerger will be held immediately after the Scheme Meeting at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 on 21 October 2021. Firefly Shareholders will also be able to attend the Scheme Meeting and Demerger Meeting virtually via an online platform. Details of how Firefly Shareholders can attend the Scheme Meeting and/or Demerger Meeting virtually are set out in below.

You can vote in person at the Demerger Meeting or the Scheme Meeting by returning validly completed proxy voting forms by no later than 2.00pm on 19 October 2021. Note that a separate proxy form will be required for the Scheme Meeting and the Demerger Meeting. Full details of how to vote are set out in pages 9 to 12 of this document.

For further information

If you have any questions after reading this document, please call Ms Natalie Teo (Joint Company Secretary) on +618 6389 2688 or Mr Steven Wood (Joint Company Secretary) on +618 9322 7600, Monday to Friday between 9.00am and 5.00pm (Perth time).

Meeting details and how to vote

Voting on Scheme

For the Scheme to be implemented, it is necessary that the Requisite Majority of Firefly Shareholders vote in favour of the Scheme.

To pass the resolution approving the Scheme, votes in favour of the Scheme must be cast by:

- more than 50% in number of Firefly Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution by Firefly Shareholders.

To pass the resolution approving the Demerger, votes in favour of the Demerger must be cast by more than 50% of the total number of votes cast on the Demerger Resolution by Firefly Shareholders.

Voting at the Scheme Meeting and Demerger Meeting will be by poll rather than by show of hands.

The Notice of Scheme Meeting is set out in Annexure D and the Notice of Demerger Meeting is set out in Annexure E

Entitlement to vote

If you are registered as a Firefly Shareholder on the Firefly Share Register as at **4.00pm (Perth Time) on 19 October 2021** you will be entitled to attend the Scheme Meeting and the Demerger Meeting and vote on the resolution to approve the Scheme and the resolutions to approve the Demerger. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting and Demerger Meeting.

Gascoyne participation in Scheme Meeting and Demerger Meeting

Gascoyne does not hold any Firefly Shares as registered holder and therefore will not participate in voting in relation to the Scheme Meeting or Demerger Meeting.

How to vote

Means	Voting instructions
In Person or online	If you wish to vote in person, you may attend the Scheme Meeting commencing at 2.00pm (Perth Time) on 21 October 2021 at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008. All persons entitled to vote must register their attendance by disclosing their name at the point of entry to the Scheme Meeting and/or the Demerger Meeting. You (or your proxy, corporate representative or attorney) may also attend the Scheme Meeting and/or the Demerger Meeting through an online platform. To attend the meetings electronically: (a) go to https://investor.automic.com.au/#/home; and (b) login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting. Firefly Shareholders and their proxies will be able to vote on the resolution directly through the online platform at any time between the commencement of the Scheme Meeting and/or the Demerger Meeting and the closure of voting as announced by the chair during the Scheme Meeting and/or the Demerger Meeting.
By Proxy	You may vote by proxy by completing and returning the personalised proxy form that is provided with this Scheme Booklet. The completed and duly executed proxy form for the Scheme Meeting and Demerger Meeting (and if the proxy form is executed by an attorney, a certified copy of the power of attorney) must be received by Automic Group (Firefly’s share registry) by no later than 2.00pm (Perth Time) on 19 October 2021. Note that a separate proxy form is required for the Scheme Meeting and the Demerger Meeting. A completed proxy form must be returned to Automic Group by posting it in the reply prepaid envelope provided (for use in Australia) or by delivering or faxing your proxy form to the address or fax number set out on page 12 of this Scheme Booklet. Firefly Shareholders who have returned a proxy form may still attend the Scheme Meeting and/or the Demerger Meeting in person and revoke the proxy and vote at the Scheme Meeting and/or the Demerger Meeting. A proxy need not be a Firefly Shareholder. A proxy may be an individual or a representative of a body corporate. If you are entitled to cast two or more votes, you may appoint two proxies. You may specify the proportion or the number of votes that each proxy is appointed to exercise. If numbers or proportions of votes are not specified, each proxy may exercise half of the votes you are entitled to cast. Fractions of votes will be disregarded.
By Power of Attorney	Your vote may be cast by a duly authorised attorney. An attorney need not be a Firefly Shareholder. Firefly Shareholders intending to vote at the Scheme Meeting and/or the Demerger Meeting by providing a power of attorney should provide a certified copy of the power of attorney to Automic Group by no later than 2.00pm (Perth Time) on 19 October 2021. Note that a separate power of attorney is required for the Scheme Meeting and the Demerger Meeting. The power of attorney must be delivered by posting it in the reply prepaid envelope provided (for use in Australia) or by delivering or faxing it to the address or fax number provided on page 12 of this Scheme Booklet. Alternatively, the attorney may bring a certified copy of the power of attorney to the Scheme Meeting and/or the Demerger Meeting.
By Corporate Representative	A Firefly Shareholder that is a body corporate may appoint an individual to act as its representative at the Scheme Meeting and/or the Demerger Meeting. To vote by corporate representative at the Scheme Meeting and/or the Demerger Meeting, a corporate Firefly Shareholder should obtain an “Appointment of

	Corporate Representative" form from Automic Group and complete that form in accordance with its instructions. Corporate representative appointment forms should be provided to Automic Group by no later than 2.00pm (Perth Time) on 19 October 2021, or alternatively brought to the Scheme Meeting and/or the Demerger Meeting. Note that a separate corporate representative appointment form is required for the Scheme Meeting and the Demerger Meeting.

Address for return of voting forms

Firefly Shareholders should mail or fax their proxy forms, power of attorney forms to Automic Group (Firefly's share registry) at the following address or fax number:

By Mail: Automic Pty Ltd
GPO Box 5193
Sydney NSW 2001

Online <https://investor.automic.com.au/#/loginsah>

Fax: 02 8583 3040 (within Australia)
+61 2 8583 3040 (outside Australia)

Proxy forms, power of attorney forms and corporate representative forms must be received by **2.00pm (Perth Time) on 19 October 2021**.

Questions about this Scheme Booklet

Firefly Shareholders with any questions in relation to the Scheme or Demerger should call Ms Natalie Teo (Joint Company Secretary) on +618 6389 2688 or Mr Steven Wood (Joint Company Secretary) on +618 9322 7600 between 9.00am and 5.00pm, Monday to Friday, or consult their legal, financial or other professional adviser.

1. Key reasons to vote in favour of the Scheme

This section summarises the key reasons why the Firefly Directors recommend that Firefly Shareholders vote in favour of the Scheme.

This section should be read in conjunction with sections 2, 3 and 9, which describe the disadvantages and risks associated with the Scheme, implications if the Scheme does not proceed and risk factors associated with an investment in New Gascoyne Shares.

1.1 The Firefly Directors unanimously recommend that Firefly Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal

Before agreeing to implement the Scheme in accordance with the Scheme Implementation Deed, the Firefly Directors considered the following reasons to vote in favour of the Scheme:

- the Scheme immediately transforms Firefly Shareholders from having an interest in a gold exploration company to having an approximate 32.4%¹⁴ interest in an established ASX-listed gold producer, whilst retaining meaningful exposure to the ongoing exploration potential at Firefly's Yalgoo Gold Project;
- the Scheme presents a strategic opportunity to consolidate Firefly's Yalgoo Melville Mineral Resource, which is situated within close haulage distance from Gascoyne's Dalgaranga processing plant, with Gascoyne's Dalgaranga Mineral Resource of approximately 649koz, and will provide:
 - an opportunity to optimise Gascoyne's Dalgaranga mine schedule, given the presence of higher-grade ore at Yalgoo which will serve as valuable blending material at Dalgaranga in the future; and
 - significant potential for mine life extensions at Dalgaranga through the integration of Yalgoo ore, with enhanced potential to unlock the full value of the existing combined Mineral Resources at Dalgaranga and Yalgoo of 845koz;
- the Combined Group can accelerate and de-risk the development strategy of the Yalgoo Gold Project by utilising Gascoyne's established low-cost processing infrastructure and operational expertise, which provides an immediate and significant increase in the potential value of Firefly's Mineral Resource estimate;
- the Combined Group will have a significantly larger exploration asset base providing broader opportunity and scope within the Murchison region for additional discoveries;
- Firefly will have access to Gascoyne's strong equity capital markets profile whereby the Combined Group would include high-quality, domestic and offshore institutional investors;
- Firefly Shareholders will retain exposure to the value and upside of the copper-gold and lithium exploration assets as part of the Demerger into Firetail (assuming that the Demerger is approved by the Requisite Majority of Firefly Shareholders and all Demerger Conditions are satisfied);
- as a shareholder of the Combined Group, Firefly Shareholders can expect to benefit from increased levels of trading liquidity, broader sell-side research coverage,

¹⁴ Assuming all remaining "in-the-money" Firefly Options that have not been cancelled are exercised and converted into Gascoyne Shares and assuming a pre-determined black-scholes valuation for "out-of-the-money" Firefly Options - please refer to section 5.9 for further information.

enhanced market position and potential future inclusion in relevant ASX and gold indices;

- the Independent Expert has concluded that the Scheme is fair and reasonable to Firefly Shareholders, and therefore in the best interests of Firefly Shareholders;
- no Superior Proposal has emerged as at the date of this Scheme Booklet; and
- the Combined Group will be led by a strengthened Board and the existing Gascoyne management team with the addition of Mr Simon Lawson (who will join the Board of Gascoyne as a Non-Executive Director), comprising knowledge and experience of both Gascoyne and Firefly.

The Firefly Directors consider that the reasons to vote in favour of the Scheme outweigh the potential disadvantages and reasons to vote against the Scheme. Your Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders, all Firefly Shareholders vote in favour of the Scheme.

Furthermore, as announced by Firefly on the ASX on 16 June 2021, the Firefly Directors and Firefly's three largest shareholders (which currently hold a combined interest in Firefly of approximately 16.96%),¹⁵ together representing a combined voting interest of approximately 24.00% (as at the date of this Scheme Booklet), intend to vote their respective Firefly Shares they hold or control in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders.

The decision of the Firefly Directors to recommend the Scheme follows an assessment of strategic options for Firefly in regard to various corporate, asset and financial options available to Firefly to enhance value for Firefly Shareholders. The Firefly Directors consider that the Scheme will deliver greater benefits to Firefly Shareholders than any other alternative currently available, including Firefly continuing as a standalone entity.

Each Firefly Director presently intends to vote in favour of the Scheme in respect of the Firefly Shares they own or control.

1.2 The Scheme Consideration represents a premium of 28.9% to the closing price on the Last Practicable Date

The Scheme Consideration of 0.34 New Gascoyne Shares for every 1 Firefly Share held implies a value of approximately \$0.145 per Firefly Share (based on the 5 day VWAP on the ASX of Gascoyne Shares up to and including 10 June 2021¹⁶) (**Implied Offer Value**), as compared to:

- the closing price on the ASX of Firefly Shares on 10 June 2021 of \$0.100, representing a premium of 45.0%;
- 5 day VWAP on the ASX of Firefly Shares up to and including 10 June 2021 of \$0.110, representing a premium of 31.5%; and

¹⁵ Firefly's three largest shareholders have each entered into a binding Voting Deed Poll in favour of Gascoyne in respect of the Scheme under which they have agreed to vote their Firefly Shares in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders. Firefly's ASX Announcement dated 16 June 2021 ("Gascoyne and Firefly agree to Merge") incorrectly stated the number of Firefly Shares held by Mr Robert Jewson as 18,147,017. The correct number of Firefly Shares held by Mr Robert Jewson is 17,647,017 (representing approximately 5.72%).

¹⁶ 10 June 2021 was the last day Gascoyne Shares traded on the ASX prior to the Announcement Date (noting that Gascoyne went into trading halt on 11 June 2021).

- the 30 day VWAP on the ASX of Firefly Shares up to and including 10 June 2021 of \$0.111, representing a premium of 30.7%.

On the Last Practicable Date, the closing price of Gascoyne Shares on the ASX was \$0.320 and the closing price of Firefly Shares on the ASX was \$0.113, such that the Scheme Consideration represents a premium of 28.9% to the closing price of Firefly Shares at that date. The implied value of the Scheme Consideration will continue to fluctuate depending upon the price at which Gascoyne Shares trade on the ASX.

1.3 The Merger creates a company with operational diversity and flexibility with additional optimisation opportunities

The Merger of Firefly and Gascoyne consolidates Gascoyne as an established ASX-listed gold producer with a diversified portfolio of gold production and development assets as well as a growing suite of exploration assets providing further potential upside. The Combined Group becomes a dominant landholder in the Murchison Region of Western Australia, a region with a long history of successful gold production and exploration.

Focused on continuing to grow as an established mid-tier ASX-listed gold producer, Gascoyne's corporate strategy is to leverage the existing Dalgaranga operations to deliver growth through exploration, development, and regional consolidation. Through these growth strategies, Gascoyne aims to extend mine life, increase annual gold production and expand existing Mineral Resource and Ore Reserves.

Gascoyne's current operational plan forecasts annual gold production of 70-80koz between FY22 to FY24¹⁷, but with the integration of high-grade ore from the complementary Yalgoo Gold Project, the Combined Group will be able to leverage existing processing infrastructure at Dalgaranga. Access to the Dalgaranga processing infrastructure is expected to provide further opportunities to grow and extend Firefly's Mineral Resources and the Combined Group's exploration portfolio.

Consolidating the Yalgoo Gold Project, which is situated within 70km of Gascoyne's Dalgaranga operations, the Combined Group consolidates the near surface higher grade Mineral Resource at Yalgoo unlocking significant potential for mine life extensions at Dalgaranga into an enlarged Mineral Resource of 845koz and improved gold grade. The Combined Group will allow Firefly to optimise Gascoyne's existing mine schedule, given the presence of higher-grade ore at Yalgoo, which will serve as valuable blending material at Dalgaranga in the future.

The Merger is expected to create value for shareholders of the Combined Group by providing the opportunity to:

- as set about above, diversify production at Gascoyne's Dalgaranga Gold Project via the potential to source material from Firefly's Yalgoo Gold Project (subject to mining studies and approvals) for processing at the Dalgaranga plant. The diversification of feed ore enhances operating flexibility and reduces Gascoyne's risk profile as it is currently a single source operation;
- optimise the Dalgaranga mine schedule given the presence of higher-grade, near surface ore at Yalgoo Gold Project, specifically the Melville Deposit (subject to mining studies and approvals), which will serve as valuable blending material at Dalgaranga in the future;
- extend Gascoyne's existing mine plan with the inclusion of additional ore from the Yalgoo Gold Project (subject to mining studies and approvals);

¹⁷ Refer to Gascoyne's ASX Announcement, 'Updated Guidance for FY21 and New FY22 Guidance' dated 4 June 2021.

- utilise strong cash flow from the Combined Group to support the discovery and delineation of future production sources; and
- undertake advanced exploration opportunities at Yalgoo of 100+ gold targets including 30 targets at untested historical working with gold production.

The combination of the Yalgoo Gold Project and Gascoyne's Dalgaranga Gold Project gives the Combined Group the opportunity to leverage its increased scale to drive operational efficiencies and pursue further value-accretive growth opportunities.

The Firefly Directors believe that the Combined Group will also benefit from an improved risk profile resulting from the increased breadth of the asset portfolio with greater operational efficiencies.

1.4 Significant shareholding in an established gold producer whilst retaining exposure to Yalgoo Gold Project

Firefly Shareholders will collectively hold approximately 32.4%¹⁸ of the Combined Group immediately following the successful implementation of the Scheme.

While the successful completion of the Scheme provides existing Firefly Shareholder's with immediate transition from gold explorer to gold producer, as a shareholder in the Combined Group, Firefly Shareholders will retain meaningful exposure to ongoing exploration success at the Yalgoo Gold Project. In addition, the Combined Group will be able to accelerate and de-risk the potential future development of the Yalgoo Gold Project by utilising Gascoyne's established infrastructure and operational expertise.

Furthermore, existing Firefly Shareholders will also maintain their exposure to the copper-gold and lithium exploration assets in the Paterson, Murchison and Forrestania regions following implementation of the Demerger through their approximate 90.1% shareholding in the new entity, Firetail.

1.5 The Combined Group will have increased market presence, greater liquidity and enhanced financial strength enabling it to better develop its existing projects

If the Scheme proceeds, Firefly Shareholders will benefit by receiving shares in the Combined Group that are expected to be substantially more liquid than Firefly Shares on a standalone basis.

Based on the closing price of Firefly Shares and Gascoyne Shares on the Last Practicable Date, the Combined Group will have a pro forma market capitalisation of approximately \$132 million. The exact market capitalisation of the Combined Group following implementation of the Scheme may be higher or lower than this number, depending on the price at which Gascoyne Shares trade on the ASX after the Implementation Date.

The Combined Group's increased asset suite, larger resource base and increased market capitalisation is expected to raise the profile of the Combined Group in capital markets and widen the range of potential investors for the Combined Group. This, in turn, is expected to result in increased coverage of the Combined Group's operations by analysts and enhance the liquidity of shares in the Combined Group.

The Merger will leverage Gascoyne's processing infrastructure and operations in the region. This will strengthen the financial position of the Combined Group and allow Firefly Shareholders to realise significant capital expenditure synergies by leveraging Gascoyne's ~\$100 million processing facilities and rapidly integrating Firefly's Yalgoo Gold Project into Gascoyne's Dalgaranga mine plan.

¹⁸ Assuming all remaining "in-the-money" Firefly Options that have not been cancelled are exercised and converted into Gascoyne Shares and assuming a pre-determined black-scholes valuation for "out-of-the-money" Firefly Options - please refer to section 5.9 for further information.

Following the Scheme there will be a significant combined pipeline of exploration and development opportunities. The Combined Group through the combination of Yalgoo and Dalgara tenements will have access to a total land package of ~1,200km² (excluding 1,050km² pending tenements applications) of highly prospective greenstone belts, with strong cash flows expected to support the discovery and delineation of potential future production sources.

1.6 The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Firefly Shareholders

BDO Corporate Finance (WA) Pty Ltd, as Independent Expert, has considered the terms of the Scheme and has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Firefly Shareholders.

The Scheme is considered reasonable by the Independent Expert because the position of Firefly Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. In addition, the Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Firefly Shareholders for the reasons set out in the Independent Expert's Report, including:

- the Scheme is fair;
- the Scheme provides Firefly Shareholders with exposure to a producing mine whilst retaining an interest in the exploration potential of the Yalgoo Gold Project;
- the Combined Entity will have a larger market presence, which may result in improved liquidity and increased ability to raise capital;
- the Merger creates a group with a stronger balance sheet and access to Gascoyne's cash reserves;
- Firefly Shareholders gain exposure to a more diversified suite of assets;
- there will be no individual controlling shareholder in the Combined Entity, which is unlikely to deter a bidder from making a takeover offer in the future;
- the increased experience of the board of directors of the Combined Group; and
- the Scheme Consideration offers Firefly Shareholders a premium to the last traded price of a Firefly Share prior to the announcement of the Scheme.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The Firefly Directors recommend that Firefly Shareholders read the Independent Expert's Report in full.

1.7 No Superior Proposal has emerged as at the date of this Scheme Booklet

In deciding to recommend the Scheme, the Firefly Directors were cognisant of other potential alternatives to the Merger which remain open for Firefly to consider if the Merger does not proceed. However, in exploring alternatives, no Superior Proposals have emerged. It therefore remains the view of the Firefly Directors that it is unlikely that a Superior Proposal will transpire. As at the date of this Scheme Booklet, the Firefly Directors are not aware of any Superior Proposal.

1.8 Scheme Shareholders may be eligible for CGT rollover relief

If the Scheme is implemented, Scheme Shareholders may benefit from Australian CGT rollover relief, provided they qualify. Notwithstanding, you are urged to seek professional taxation advice in relation to your own personal circumstances.

For further detail regarding the general Australian tax consequences of the Scheme, please refer to section 10 of this Scheme Booklet. Taxation laws in Australia are complex and you are encouraged to read section 10 carefully and seek independent professional advice about your individual circumstances.

2. Reasons why you may choose to vote against the Scheme

This section summarises the potential disadvantages and risks to Firefly Shareholders if the Scheme becomes Effective and the Merger occurs. The Firefly Directors consider that these disadvantages are outweighed by the advantages of the Scheme (as set out in section 1), and that the Scheme is in the best interests of Firefly Shareholders.

Further details of the following potential disadvantages and risks, and other potential risks are set out in section 9.

2.1 You may disagree with the conclusion of the Independent Expert and the recommendation of your Firefly Directors

Notwithstanding the unanimous recommendation by the Firefly Directors, and the conclusion reached by the Independent Expert that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Firefly Shareholders, you may believe that the Scheme is not in your best interests or believe that the Scheme Consideration is inadequate.

2.2 Your percentage interest in the Combined Group will be less than your current interest in Firefly

Although the Merger is expected to provide additional value through the combination of the two businesses, given the proportional shareholding of Firefly Shareholders in the Combined Group (approximately 32.4%)¹⁹, the larger portion of this value will flow to current Gascoyne Shareholders. The risk profile of the Combined Group will be different to Firefly's which you may consider to be disadvantageous to you relative to the risk profile of the current Firefly business

The risk profile and risk of investment for Firefly Shareholders will change and you may consider the risk profile and risk of investment of the Combined Group, which includes risks relating to both the Gascoyne business and the Firefly business, to be a disadvantage relative to that of Firefly as a standalone entity.

The operations and financial performance of Firefly, Gascoyne and the Combined Group, and the change of a Firefly Shareholder's ownership of Firefly Shares and New Gascoyne Shares, are subject to various risks that are summarised in section 9 of this Scheme Booklet. Those risks may be beyond the control of Firefly, Gascoyne and/or the Combined Group.

2.3 You may consider that there is the potential for a Superior Proposal to emerge for Firefly in the foreseeable future

You may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future. The implementation of the Merger would mean that Firefly Shareholders would not be able to obtain the benefit of any such Superior Proposal. However, since the Announcement Date and up to the date of this Scheme Booklet, no Superior Proposal has been received, nor are the Firefly Directors aware of any such intention of a party to make such a proposal.

2.4 The exact value of the Scheme Consideration upon implementation of the Scheme is not certain

The exact value of the Scheme Consideration that would be realised by individual Firefly Shareholders upon implementation of the Scheme is not certain, as it will depend on the price at which the New Gascoyne Shares trade on the ASX.

¹⁹ Assuming all remaining "in-the-money" Firefly Options that have not been cancelled are exercised and converted into Gascoyne Shares and assuming a pre-determined black-scholes valuation for "out-of-the-money" Firefly Options - please refer to section 5.9 for further information.

The Scheme Consideration is fixed at a ratio of 0.34 New Gascoyne Shares for every 1 Firefly Share held on the Scheme Record Date. This exposes Firefly Shareholders to the risk that the effective value they receive for their Firefly Shares may move adversely from the market value of the Scheme Consideration on the date of the Scheme Meeting. Alternatively, if there is an increase in the relative price of Gascoyne Shares then the effective value they receive for their Firefly Shares may move favourably from the market value of the Scheme Consideration on the date of the Scheme Meeting.

In addition, the Sale Agent will be issued the New Gascoyne Shares that would otherwise be issued to Ineligible Foreign Shareholders and will sell them as soon as reasonably practicable after the Implementation Date (refer to sections 5.7 to 5.8). Although the quantum of these sales is expected to be limited, it is possible that such sales may exert downward pressure on the Combined Group's share price during the applicable period.

2.5 The tax consequences of the Scheme may not suit your current financial position

If the Scheme is implemented, you may incur a tax liability on the transfer of your Firefly Shares. Please refer to section 10 for further information for an overview of the tax implications under Australian law.

All Firefly Shareholders are strongly advised to seek independent professional tax advice about their particular circumstances including, for foreign tax resident Firefly Shareholders, the foreign tax consequences.

3. Implications if the Scheme is not implemented

This section outlines potential implications for Firefly and Firefly Shareholders if the Scheme is not implemented.

3.1 You will not receive the Scheme Consideration

Each Firefly Shareholder will retain their Firefly Shares and will not receive any New Gascoyne Shares (or Net Sale Proceeds, for Ineligible Foreign Shareholders).

3.2 Firefly will remain listed on ASX and continue to operate as a standalone entity

If the Scheme is not implemented, Firefly will remain listed on the ASX and will continue to run its business in the same manner in which it is currently operating. Firefly Shareholders will therefore continue to be exposed to the risks and benefits of owning Firefly Shares, including many of the risks set out in section 9.

3.3 Transaction costs will be incurred

If the Scheme is not implemented, Firefly's transaction costs of approximately \$1.06 million will be borne by Firefly. Depending on the circumstances for the Scheme not proceeding, Firefly may also be liable to pay Gascoyne a break fee of \$500,000 (excluding GST) (**Break Fee**). Further information regarding the Break Fee and the circumstances in which it is payable by Firefly is set out in section 12.5.

4. Frequently asked questions

This section provides brief answers to questions you may have in relation to the Scheme and the Demerger but must be read in conjunction with the more detailed information in this Scheme Booklet.

Questions about the Scheme	
What is the Scheme?	The Scheme is a proposed acquisition by Gascoyne of Firefly to be implemented by way of scheme of arrangement under Part 5.1 of the Corporations Act between Firefly and Firefly Shareholders on the Scheme Record Date (Scheme Shareholders) under which the Firefly Shares held by Scheme Shareholders will be transferred to Gascoyne in consideration for issuance by Gascoyne of the Scheme Consideration. <i>Refer to sections 5 and 11 for further information.</i>
What is the Scheme Consideration?	If the Scheme becomes Effective, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive 0.34 New Gascoyne Shares for every 1 Firefly Share they hold on the Scheme Record Date.
What value does the Scheme imply for my Firefly Shares?	Based on the 5 day VWAP of Gascoyne's Shares up to and including 10 June 2021²⁰ of \$0.427 per Gascoyne Share, Scheme Shareholders will receive an upfront implied value of \$0.145 per Firefly Share. The implied value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in Gascoyne's Share price. <i>Refer to section 7.13(a) for the most recent price history of Gascoyne.</i>
What is the effect of the Scheme?	If the Scheme is approved by the Requisite Majority of Firefly Shareholders and the Court: • all Firefly Shares will be transferred to Gascoyne; • in exchange, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive New Gascoyne Shares irrespective of whether they voted for or against the Scheme; • Ineligible Foreign Shareholders will receive the Net Sale Proceeds instead of New Gascoyne Shares as their Scheme Consideration irrespective of whether they voted for or against the Scheme; and • Firefly will become a wholly-owned Subsidiary of Gascoyne and will be delisted from the ASX. <i>Refer to sections 5.1 and 5.7 for further information.</i>
What does the Independent Expert say about the Scheme?	The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Firefly Shareholders. <i>The Independent Expert's Report is set out in Annexure A to this Scheme Booklet and you are encouraged to read it in full.</i>
What do the Firefly Directors recommend?	The Firefly Directors unanimously recommend that, in the absence of a Superior Proposal, Firefly Shareholders vote in favour of the Scheme. Each Firefly Director who holds or controls Firefly Shares intends to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders.²¹ <i>Refer to section 1 for further information on the reasons for the Firefly Directors' recommendation.</i>

²⁰ 10 June 2021 was the last day Gascoyne Shares traded on the ASX prior to the Announcement Date (noting that Gascoyne went into trading halt on 11 June 2021).

²¹ Firefly Shareholders should note that each of the Firefly Directors hold Firefly Options and Firefly Performance Rights and therefore have an interest in the outcome of the Scheme. Please refer to sections 13.10 and 13.11 for further information regarding the interests of Firefly Directors in Firefly Options and Firefly Performance Rights.

Who is entitled to participate in the Scheme?	Firefly Shareholders (other than an Excluded Shareholder) recorded on the Firefly Share Register as at 7.00pm (Perth time) on 3 November 2021 (being the Scheme Record Date) are entitled to participate in the Scheme (Scheme Shareholders). If the Scheme is approved and implemented, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive New Gascoyne Shares as their Scheme Consideration. <i>Refer to section 5.2 for further information.</i>
What if I am an Ineligible Foreign Shareholder?	Ineligible Foreign Shareholders will not receive New Gascoyne Shares, but will instead receive cash proceeds from the sale of the New Gascoyne Shares they would have otherwise received had they not been an Ineligible Foreign Shareholder, after their proportional share of brokerage and other costs are deducted from the proceeds of New Gascoyne Shares sold under the Sale Facility. <i>Refer to sections 5.7 and 5.8 for further information.</i>
Who is Gascoyne?	Gascoyne Resources Limited (ASX:GCY) is an ASX-listed based gold mining and exploration company based in Western Australia. Gascoyne's flagship asset is the Dalgaranga Gold Project (Dalgaranga) located approximately 65km from Mt Magnet in Western Australia. Gascoyne commenced gold production at Dalgaranga in May 2018 and operates one of the lowest cash cost gold processing plants for its size in Australia. Gascoyne owns the Glenburgh Gold Project, an advanced exploration project, located in the Gascoyne region of Western Australia. In addition, Gascoyne holds a number of regional gold exploration assets in Western Australia including the Mt Egerton and Mumbakine Well projects. <i>Refer to section 7 for further information.</i>
Why has the transaction been structured as a scheme of arrangement?	Effecting the transaction by way of a scheme of arrangement is believed to be the most efficient structure to implement the Merger. It also reflects the co-operative nature of the Merger. <i>Refer to sections 1 and 2 for the key reasons to vote in favour of the Scheme and the reasons why you may choose to vote against the Scheme respectively.</i>
What voting majority is required to approve the Scheme?	For the Scheme to be approved by Firefly Shareholders, votes in favour of the Scheme must be received from: • a majority in number (more than 50%) of Firefly Shareholders present and voting at the Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate Firefly Shareholders, by corporate representative); and • Firefly Shareholders who together hold at least 75% of the total number of votes cast on the Scheme Resolution.
When will I receive my Scheme Consideration?	If the Scheme becomes Effective, New Gascoyne Shares will be issued on the Implementation Date, which is expected to be 10 November 2021. Ineligible Foreign Shareholders will receive the Net Sale Proceeds as soon as practicable after the Implementation Date. <i>Refer to sections 5.2 and 5.8 for further information.</i>
Will I have to pay brokerage fees or stamp duty under the Scheme?	Scheme Shareholders will not be required to pay brokerage or stamp duty on the transfer of their Firefly Shares. Brokerage fees will however be incurred by Ineligible Foreign Shareholders whose attributable New Gascoyne Shares will be issued to and sold by the Sale Agent, and the Net Sale Proceeds remitted to them. <i>Refer to section 5.8 for further information.</i>

Can I sell my Firefly Shares now?	Firefly Shareholders may sell their Firefly Shares at the prevailing market price, on-market at any time before the close of trading on ASX on the Effective Date, which is expected to be 4.00pm on 1 November 2021. If Firefly Shareholders sell all of their Firefly Shares before the Effective Date of the Scheme (the last day of trading in Firefly Shares before suspension) they will not receive the Scheme Consideration or New Firetail Shares under the Demerger. <i>Refer to the Scheme of Arrangement set out in Annexure B of this Scheme Booklet for further information.</i>
When can I start trading my New Gascoyne Shares on ASX?	Normal trading on the ASX of New Gascoyne Shares is expected to commence on 12 November 2021.
What happens to Firefly Options?	It is a Scheme Condition that, prior to the Implementation Date, Firefly and Gascoyne must cause all outstanding Firefly Options to be exercised in accordance with their terms by no later than the Business Day before the Scheme Record Date, or to the extent the Firefly Options are not exercised before the Scheme Record Date, be cancelled under an Option Cancellation Deed by no later than the Implementation Date. A Firefly Optionholder who wishes to cancel their Firefly Options in exchange for new Gascoyne Shares must enter into an Option Cancellation Deed with Gascoyne, which sets out the terms of the cancellation of those Firefly Options. Under the Scheme Implementation Deed, Gascoyne and Firefly have agreed that all Firefly Options which are cancelled rather than exercised will be exchanged for new Gascoyne Shares. The number of new Gascoyne Shares to be issued in exchange for Firefly Options will depend on the value attributed to those Firefly Options. The Scheme Consideration implies an offer price of \$0.145 based on the 5 day VWAP of Gascoyne Shares up to 10 June 2021.²² Therefore, the Firefly Options which have an exercise price of more than \$0.145 are considered "out-of-the-money". Gascoyne and Firefly have agreed that all out-of-the-money Firefly Options (with an exercise price greater than \$0.145) are valued using the Black-Scholes valuation method and all in-the-money Firefly Options (with an exercise price of less than \$0.145) are valued based on their intrinsic value. These valuation methods were used to calculate the number of new Firefly Shares that would be issued for each tranche of Firefly Options. The number of new Gascoyne Shares to be issued was then calculated based on the exchange ratio of 0.34 New Gascoyne Shares for every 1 Firefly Share. Therefore, in exchange for cancelling their Firefly Options, Gascoyne will issue to each Firefly Optionholder (who has not otherwise exercised their Firefly Options) with new Gascoyne Shares, as would have a Black-Scholes Value equivalent (for out-of-the-money Firefly Options) or an Intrinsic Value equivalent (for in-the-money Firefly Options) (Option Consideration). The value of the Firefly Options for the purpose of determining the Option Consideration was calculated as at the date of signing the Scheme Implementation Deed and is therefore fixed and not subject to change. Please see Annexure G for details of the Option Consideration. The Firefly Directors each hold in-the-money Firefly Options and intend to enter into an Option Cancellation Deed for the cancellation of their Firefly Options. In the event that any remaining in-the-money Firefly Options are not exercised, Firefly will use its best endeavours to procure that those Firefly Optionholders enter into an Option Cancellation Deed with Firefly and Gascoyne for the cancellation of their Firefly Options.

²² 10 June 2021 was the last day Gascoyne Shares traded on the ASX prior to the Announcement Date (noting that Gascoyne went into trading halt on 11 June 2021).

	<i>Refer to section 5.9 for further information regarding treatment of the Firefly Options.</i>
What happens to Firefly Performance Rights?	Firefly has a total of 34,233,328 Firefly Performance Rights on issue. Firefly has confirmed and Gascoyne has acknowledged that: • Firefly will accelerate the vesting of, or waiving of any vesting conditions or vesting periods applying to, the Firefly Performance Rights; and • Firefly will issue or procure the issue or transfer of such number of Firefly Shares as required by the terms of the Firefly Performance Rights before the Scheme Record Date, so that the holders of Firefly Performance rights can participate in the Scheme and receive the Scheme Consideration. <i>Refer to section 5.10 for further information.</i>
Will the Scheme be a taxable transaction for Australian tax purposes?	Section 10 provides a description of the general Australian tax consequences of the Scheme for certain Scheme Shareholders. You should consult with your own tax adviser regarding the consequences of disposing of Firefly Shares under the Scheme, in light of current tax laws and your particular personal circumstances. <i>Refer to section 10 for further information.</i>
What are the benefits of Gascoyne acquiring Firefly to form the Combined Group?	The benefits of combining Firefly and Gascoyne to form the Combined Group include potential synergies at both a corporate and operational level. At a corporate level, those synergies are expected to result from the elimination of duplicated corporate and administrative costs. After implementation of the Scheme, the Combined Group will focus on the continued operation of the existing Dalgaranga Gold Project and associated development and integration of the Yalgoo Gold Project into the Dalgaranga mine plan. As such, at an operational level, the Combined Group will offer strategic capital expenditure synergies through Firefly's Yalgoo Gold Project being within haulage distance of Gascoyne's Dalgaranga processing facility. Firefly will achieve immediate value realisation at an attractive premium, and an immediate and significant increase in the potential value of Firefly's resources, particularly by integrating Yalgoo's near surface higher grade deposits via the ability to access Gascoyne's processing facilities. Additionally, the Merger will unlock access to ~1,200km² (excluding 1,050km² pending tenements) of highly prospective Yalgoo and Dalgaranga greenstone belts for the Combined Group. Firefly Shareholders will receive a significant shareholding in an established gold producer, whilst maintaining meaningful exposure to the ongoing exploration potential at Yalgoo. Firefly Shareholders will hold a significant pro forma shareholding of approximately 32.4%²³ in the Combined Group. Implementation of the Scheme: • provides Firefly with an immediate transition from an explorer to gold producer whilst retaining meaningful exposure to ongoing exploration success at the Yalgoo Gold Project; and • enables the Combined Group to accelerate and de-risk the potential future development of the Yalgoo Gold Project, leveraging Gascoyne's low cost Dalgaranga processing facility. Firefly Shareholders can also expect to receive exposure to an improved market rating and enhanced liquidity of the Combined Group, broader research coverage, enhanced scale and market positioning and potential future inclusion in relevant gold and ASX indices.

²³ Assuming all remaining "in-the-money" Firefly Options that have not been cancelled are exercised and converted into Gascoyne Shares and assuming a pre-determined black-scholes valuation for "out-of-the-money" Firefly Options - please refer to section 5.9 for further information.

	<i>Refer to section 1 for the reasons why the Firefly Directors recommend that you vote in favour of the Scheme and section 8 for a profile of the Combined Group.</i>
Is the Scheme conditional on Firefly Shareholders approving the Demerger?	No. The Scheme will become Effective and be implemented if the Scheme is approved by the Requisite Majority of Firefly Shareholders and the Court, even if the Demerger is not approved by Firefly Shareholders at the Demerger Meeting. Likewise, the Demerger will be implemented if it is approved by the Requisite Majority of Firefly Shareholders, even if the Scheme is not implemented. However, if the Scheme Implementation Deed is terminated, the Demerger Implementation Deed will also terminate at the same time, unless the parties to the Demerger Implementation Deed have otherwise agreed. The Demerger Meeting will be held immediately after the Scheme Meeting on 21 October 2021.
What will be the strategy of the Combined Group?	If the Scheme is implemented it is intended that the business of Firefly will be integrated into Gascoyne's existing business and will be continued substantially in the same manner as it is presently being conducted. The Combined Group will continue to review all aspects of the assets and operations to identify ways to maximise value for all shareholders. The Merger will allow the two companies to realise the strong synergies that exist between their neighbouring gold projects. The potential synergies primarily relate to the adjacent and consecutive development of these projects within Gascoyne's operating plan, significantly reducing infrastructure capital costs and increasing the likelihood of development of all projects in the Dalgara/Yalgoo area. <i>Refer to sections 7 and 8 for further information.</i>
What will the Combined Group be called?	The Combined Group will operate under the name of 'Gascoyne Resources Limited' and Firefly will be a wholly-owned Subsidiary of Gascoyne. <i>Refer to section 8 for further information.</i>
Who will be the Chairman of the Combined Group?	George Bauk will be the Chairman of the Combined Group. <i>Refer to section 7.11(c) for further information.</i>
Who will be on the Combined Group Board?	Following the implementation of the Scheme, Gascoyne will continue to be led by Managing Director and CEO, Richard Hay and Chairman, George Bauk. Firefly Managing Director and CEO, Simon Lawson will join the Combined Group Board as a Non-Executive Director. Rowan Johnston and Hansjoerg Plaggemars will also remain on the Board of the Combined Group. <i>Refer to section 7.11(c) for further information.</i>
Are there expected to be any changes to staffing as a result of the Merger?	Apart from Simon Lawson (who will join the Board of the Combined Group as a Non-Executive Director), Firefly only has one other full-time employee. Gascoyne has indicated that this employee may join the Combined Group. <i>Refer to section 7.11(c) for further information.</i>
What will the dividend policy of the Combined Group be?	The Gascoyne Board may from time to time resolve to pay dividends to Gascoyne Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment. <i>Refer to section 7.11(e) for further information.</i>
What is the timetable for the Scheme?	If Firefly Shareholders approve the Scheme and Court approval is obtained, the Merger is expected to be implemented on 10 November 2021. This is based on the current scheduled timetable of key dates as set out in this Scheme Booklet, which is subject to possible change. <i>Refer to the important dates and times on page 6 of this Scheme Booklet for further information.</i>

What are the Scheme Conditions?	The Scheme Conditions that have not already been satisfied as at the date of this Scheme Booklet are described in sections 11.2 and 12.1. The Scheme will only be implemented if, amongst other things: • the Requisite Majority of Firefly Shareholders approve the Scheme; • the Court approves the Scheme; and • the remainder of the Scheme Conditions are satisfied or waived. At the date of this Scheme Booklet the Firefly Directors are not aware of any Scheme Condition that is likely to prevent the Scheme becoming Effective and the Merger progressing. <i>Refer to sections 11.2 and 12.1 for further information.</i>
What happens if one or more of the Scheme Conditions are not satisfied or waived?	The Scheme will not be implemented, and Firefly and Gascoyne will continue as separate entities, with each company bearing its own costs incurred as a result of the transaction. Depending on the circumstances for the Scheme Condition not being satisfied, Firefly may also be liable to pay a Break Fee of \$500,000 (excluding GST) to Gascoyne. <i>Refer to section 3 for further information regarding the implications if the Scheme is not implemented. See also section 12.1 for a summary of the outstanding Scheme Conditions and section 12.5 for a summary of the circumstances in which the Break Fee may be payable.</i>
Under what scenarios can Firefly or Gascoyne terminate the Scheme?	The Scheme Implementation Deed sets out the circumstances in which Firefly or Gascoyne can terminate the Scheme Implementation Deed (and therefore terminate the Scheme). These include the Scheme not being approved by the Requisite Majority of Firefly Shareholders and if the remainder of the Scheme Conditions are not satisfied by the relevant time. <i>Refer to section 12.6 for further information.</i>
What happens if the Scheme is not approved?	If the Scheme is not approved, the Scheme will not proceed and Firefly will continue to operate as a standalone entity, listed on the ASX. However, if the Scheme is not approved but the Demerger is approved, Firefly and Gascoyne will proceed to implement the Demerger. If neither the Scheme nor the Demerger are approved by the Requisite Majority of Firefly Shareholders, then Firefly will continue to operate on a "business as usual" basis. <i>Refer to section 3 for further information.</i>
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 at 2.00pm on 21 October 2021. You (or your proxy, corporate representative or attorney) may also attend the Scheme Meeting through an online platform. To attend the Scheme Meeting online: - go to https://investor.automic.com.au/#/home; and - login with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting. Firefly Shareholders and their proxies will be able to vote on the Scheme Resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announced by the chair during the Scheme Meeting. <i>Refer to the Notice of Scheme Meeting set out in Annexure D of this Scheme Booklet for further information.</i>
Who is entitled to vote on the Scheme?	Firefly Shareholders who are recorded as members on the Firefly Share Register as at 4.00pm (Perth Time) on 19 October 2021 are entitled to vote at the Scheme Meeting. <i>Refer to the meeting details and how to vote section on page 9 onwards of this Scheme Booklet for further information.</i>

Is voting compulsory?	Voting is not compulsory. However, your vote is important in deciding whether the Scheme and the Demerger are approved. Firefly Shareholders are strongly encouraged to vote. Firefly Shareholders who cannot attend the Scheme Meeting or the Demerger Meeting may complete and return the personalised proxy form (enclosed with this Scheme Booklet) or alternatively appoint a representative or a power of attorney. <i>Refer to the meeting details and how to vote section on page 9 onwards of this Scheme Booklet for further information.</i>
How do I vote?	Details of how to vote are set out on pages 9 onwards of this Scheme Booklet and are also included in the Notice of Scheme Meeting set out in Annexure D of this Scheme Booklet and the Notice of Demerger Meeting set out in Annexure E of this Scheme Booklet. <i>Refer to the meeting details and how to vote section on page 9 onwards of this Scheme Booklet for further information.</i>
Questions about the Demerger	
What is the Demerger?	In conjunction with the Scheme, the Firefly Group and Gascoyne have entered into a binding Demerger Implementation Deed and various sale agreements and mineral rights agreements pursuant to which the two companies (and certain Subsidiaries of the two companies) will undertake a demerger of certain assets and lithium rights which will be acquired by Firetail. Firetail is currently an unlisted public company which intends to seek a listing on the ASX at a later point. A detailed overview of the assets included in the Demerger transaction is set out in the Notice of Demerger Meeting in Annexure E of this Scheme Booklet.
What is the structure of the Demerger?	The Demerger will be effected by way of a capital reduction and in-specie distribution to Firefly Shareholders under which each Firefly Shareholder (other than Ineligible Foreign Shareholders) will receive 1 New Firetail Share for every approximate 11.91²⁴ Firefly Shares held on the Demerger Record Date. As the Demerger will involve a capital reduction, the Demerger must be approved by the Requisite Majority of Firefly Shareholders.
What is a capital reduction in relation to the Demerger?	A capital reduction is a return of capital and is a necessary step in the Demerger. The capital reduction involves a return of capital for your Firefly Shares and in exchange, Firefly will make an in-specie distribution to Firefly Shareholders (other than Ineligible Foreign Shareholders) of 1 New Firetail Share for every approximate 11.91¹⁵ Firefly Shares held on the Demerger Record Date. Ineligible Foreign Shareholders will receive the sale proceeds of the New Firetail Shares they would otherwise have been entitled to less any applicable brokerage, stamp duty and other taxes. Firefly Shareholders should note that the number of New Firetail Shares to be received under the in-specie distribution may change depending on how many Firefly Options are exercised between the date of this Scheme Booklet and the Second Court Hearing. If all Firefly Options are exercised (being in-the-money Firefly Options and out-of-the-money Firefly Options) and the Firefly Performance Rights vest on a 1 for 1 basis,²⁵ the ratio will be 1 New Firetail Share for every 12.47 Firefly Shares. This is the theoretical maximum amount an individual Firefly Shareholder's interest in Firetail could be diluted to if the exchange ratio of Firefly Shares to New Firetail Shares is adjusted. This will not result in a change in the overall aggregate ownership of Firetail following implementation of the Demerger as Firefly Shareholders will continue to hold 90.1% of Firetail Shares in aggregate regardless of whether the exchange ratio is adjusted.

²⁴ Note that that the exchange ratio may be revised depending on the number of Firefly Options which are exercised prior to the Scheme Record Date. See section 5.9 for further information regarding the Firefly Options.

²⁵ As set out in section 5.10 of the Scheme booklet, Firefly has been granted waiver from ASX Listing Rule 6.23.3 to amend the terms of the Performance Rights so that those Performance Rights will vest on a 1 for 1 basis upon the vesting date.

	<i>Refer to Annexure E for further information.</i>
What is the timetable of the Demerger?	If the Demerger is approved by the Requisite Majority of Firefly Shareholders, the Demerger will become effective on 4 November 2021 and the in-specie distribution of New Firetail Shares will be made to Firefly Shareholders on 10 November 2021.
What voting majority is required to approve the Demerger?	For the Demerger to be approved by Firefly Shareholders, votes in favour of the Demerger Resolution must be cast by more than 50% of the total number of votes cast on the Demerger Resolution by Firefly Shareholders.
What are the Demerger Conditions?	The Demerger Conditions that have not already been satisfied are described in the Notice of Demerger Meeting in Annexure E. The Demerger will only be implemented if, amongst other things: - the Requisite Majority of Firefly Shareholders approve the Demerger; and - the remainder of the Demerger Conditions are satisfied or waived.
What are the key terms of the proposed Demerger?	The Demerger will involve the transfer of certain assets and lithium rights from Firefly, certain Firefly Subsidiaries, Gascoyne and certain Gascoyne Subsidiaries, which will be transferred to Firetail. Under the terms of the proposed Demerger: - Firefly Operations Pty Ltd (a wholly-owned Subsidiary of Firefly) will transfer the Paterson Copper-Gold Project to Firetail; - Firefly or Firehawk Gold Pty Ltd (a wholly-owned Subsidiary of Firefly) will transfer the Forrestania Gold Project to Firetail; - Firefly will transfer the M59/358 Project to Firetail (excluding rights to gold, which will remain with Firefly); - Firefly and Yalgoo Exploration Pty Ltd (a wholly-owned Subsidiary of Firefly) will grant the Yalgoo Lithium Rights to Firetail; - Lightning Bug Resources Pty Ltd (a wholly-owned Subsidiary of Firefly) will grant the Lightning Bug Lithium Rights to Firetail; and - Gascoyne or a Subsidiary of Gascoyne will grant the Dalgaranga Lithium Rights over certain wholly owned exploration tenements to Firetail. <i>Refer to Annexure E for further information on the proposed Demerger, including the terms of the Demerger Implementation Deed, associated sale agreements and mineral rights agreements and the assets being transferred to Firetail.</i>
What happens if one or more of the Demerger Conditions are not satisfied or waived?	The Demerger will not be implemented, and Firefly and Gascoyne will continue to hold the assets which are proposed to be transferred to Firetail under the Demerger, and you will not receive New Firetail Shares.
Who is entitled to participate in the Demerger?	Each holder of Firefly Shares recorded in the Firefly Share Register as at the Demerger Record Date is entitled to participate in the Demerger. If the Demerger is approved and implemented, Eligible Firefly Shareholders will receive New Firetail Shares by way of an in-specie distribution. <i>Refer to Annexure E for further information.</i>
What if I am an Ineligible Foreign Shareholder?	New Firetail Shares will not be issued to Ineligible Foreign Shareholders under the Demerger. Firefly must appoint a nominee to sell those Firetail Shares and pay the proceeds to the Ineligible Foreign Shareholder, less any applicable brokerage, stamp duty and other transaction costs. <i>Refer to Annexure E for further information.</i>

When will I receive New Firetail Shares?	If the Demerger is implemented, New Firetail Shares will be issued on the Demerger Implementation Date, which is expected to be 10 November 2021. Ineligible Foreign Shareholders will receive the proceeds of the sale of the Firetail Shares as soon as practicable after the Demerger Implementation Date.
When and where will the Demerger Meeting be held?	The Demerger Meeting will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 immediately after the Scheme Meeting (which will be held at 2.00pm on 21 October 2021). You (or your proxy, corporate representative or attorney) may also attend the Demerger Meeting through an online platform. To attend the Demerger Meeting online: (c) go to https://investor.automic.com.au/#/home; and (d) login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting. Firefly Shareholders and their proxies will be able to vote on the Demerger Resolution directly through the online platform at any time between the commencement of the Demerger Meeting and the closure of voting as announced by the chair during the Demerger Meeting. <i>Refer to the Notice of Demerger Meeting set out in Annexure E of this Scheme Booklet for further information.</i>
Who is entitled to vote on the Demerger?	Firefly Shareholders who are recorded as members on the Firefly Share Register as at 4.00pm (Perth Time) on 19 October 2021 are entitled to vote at the Scheme Meeting. <i>Refer to the meeting details and how to vote section on page 9 onwards of this Scheme Booklet for further information.</i>

5. Overview of the Scheme

5.1 Summary of the proposed Scheme

A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another. The Scheme is the mechanism by which Firefly Shareholders may approve the Merger.

If implemented, the Scheme will have the following effect:

- (a) all Firefly Shares will be transferred from Scheme Shareholders to Gascoyne in return for the Scheme Consideration;
- (b) Firefly will become a wholly-owned Subsidiary of Gascoyne, and Firefly will be de-listed from the ASX;
- (c) Scheme Shareholders (other than Ineligible Foreign Shareholders) will become shareholders in Gascoyne;
- (d) Ineligible Foreign Shareholders will receive the Net Sale Proceeds of the sale of the New Gascoyne Shares that would otherwise be issued to them; and
- (e) the strategic direction for the development of Firefly's existing projects will be determined by the post-Scheme Gascoyne Board.

Implementation of the Scheme is subject to the Scheme Conditions being satisfied, including the condition that the Scheme may only be implemented if Firefly Shareholders vote in favour of the Scheme at the Scheme Meeting. A summary of the Scheme Conditions which have not already been satisfied and the steps necessary to implement the Scheme appears in section 11.2.

5.2 Scheme Consideration

If the Scheme becomes Effective, each Scheme Shareholder (other than Ineligible Foreign Shareholders), will receive 0.34 New Gascoyne Shares for every 1 Firefly Share they hold as at 7.00 pm (Perth time) on the Scheme Record Date. The Scheme Consideration of New Gascoyne Shares will be issued by Gascoyne on the Implementation Date, which is expected to be 10 November 2021.

Ineligible Foreign Shareholders will not be issued with New Gascoyne Shares. Instead, the New Gascoyne Shares that would otherwise have been issued to them will be issued to the Sale Agent on their behalf and they will be sold on the ASX. The proceeds of the sale of these New Gascoyne Shares less brokerage and other costs, taxes and charges will then be paid to the Ineligible Foreign Shareholders following implementation of the Scheme.

Further details of the Scheme Consideration for Ineligible Foreign Shareholders are set out in sections 5.7 and 5.8.

5.3 Scheme Meeting

On 6 September 2021, the Court ordered that the Scheme Meeting be convened in accordance with the Notice of Scheme Meeting.

The Scheme Meeting will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 at 2.00pm on 21 October 2021.

You (or your proxy, corporate representative or attorney) may also attend the Scheme Meeting through an online platform. To attend the Scheme Meeting online:

- (a) go to <https://investor.automic.com.au/#/home>; and
- (b) login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.

Firefly Shareholders and their proxies will be able to vote on the Scheme Resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announced by the chair during the Scheme Meeting.

The fact that the Court has ordered that the Scheme Meeting be convened is not an endorsement of, or expression of opinion on, the Scheme by the Court and is no indication that the Court has a view as to the merits of the Scheme or as to how Firefly Shareholders should vote at the Scheme Meeting. On these matters, Firefly Shareholders must make their own decision.

5.4 Unanimous recommendation of the Firefly Directors

The Firefly Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert maintaining its conclusion that the Scheme is fair and reasonable and therefore in the best interests of Firefly Shareholders, Firefly Shareholders vote in favour of the Scheme at the Scheme Meeting.²⁶

The Firefly Directors believe that the reasons for Firefly Shareholders to vote in favour of the Scheme outweigh the potential disadvantages and reasons to vote against the Scheme. Each Firefly Director who holds Firefly Shares or on whose behalf Firefly Shares are held at the time of the Scheme Meeting intends, in the absence of a Superior Proposal, to vote in favour of the Scheme (subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders).

In making their recommendation and determining how to vote on the Scheme, the Firefly Directors have considered:

- (a) the advantages and disadvantages of the Scheme, as summarised in section 1 and section 2, respectively;
- (b) the implications of the Scheme not being approved, as summarised in section 3;
- (c) the opinion of the Independent Expert that the Scheme is fair and reasonable to Firefly Shareholders and therefore in the best interests of Firefly Shareholders (refer to section 5.5); and
- (d) the alternative arrangements to the Scheme that might have otherwise been available to Firefly.

5.5 Independent Expert’s conclusion

Firefly commissioned the Independent Expert, BDO Corporate Finance (WA) Pty Ltd, to prepare a report on whether the Scheme is in the best interests of Firefly Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable to Firefly Shareholders.

The Independent Expert has concluded that the Scheme is therefore in the best interests of Firefly Shareholders.

²⁶ Firefly Shareholders should note that each of the Firefly Directors hold Firefly Options and Firefly Performance Rights and therefore have an interest in the outcome of the Scheme. Please refer to sections 13.10 and 13.11 for further information regarding the interests of Firefly Directors in Firefly Options and Firefly Performance Rights.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The Firefly Directors recommend that Firefly Shareholders read the Independent Expert's Report in full.

5.6 Tax consequences of the Scheme and trading and holding New Gascoyne Shares for Australian and foreign resident Scheme Shareholders

A general guide to the Australian tax consequences for the Scheme for certain Scheme Shareholders who are Australian or foreign tax residents is set out in section 10. This guide is not intended to provide specific tax advice in respect of the individual circumstances of any Firefly Shareholder. Accordingly, Firefly Shareholders should seek their own independent professional tax advice.

5.7 Ineligible Foreign Shareholders

Gascoyne is not obliged to issue New Gascoyne Shares as consideration to any foreign holder (being a Firefly Shareholder whose address in the Firefly Share Register is in a jurisdiction other than Australia or its external territories or New Zealand), unless Gascoyne is satisfied that the laws of a particular foreign holder's country of residence (as shown in the Firefly Share Register) would permit the issue and allotment of New Gascoyne Shares to that foreign holder, either unconditionally or after compliance with conditions which Gascoyne in its sole discretion regards as acceptable and not unduly onerous.

The New Gascoyne Shares that would have been issued to these Ineligible Foreign Shareholders will be issued to the Sale Agent on the Implementation Date and dealt with in the manner described in section 5.8.

This Scheme Booklet does not constitute an offer of Gascoyne Shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the New Gascoyne Shares may not be offered or sold, in any country outside Australia and its external territories and New Zealand.

Firefly Shareholders whose address is shown on the Firefly Share Register as outside of the aforementioned jurisdictions should refer to the "Important Information" section of this Scheme Booklet.

5.8 Sale Agent

As indicated in section 5.7, Ineligible Foreign Shareholders will not receive New Gascoyne Shares under the Scheme. Instead, the New Gascoyne Shares that would otherwise have been issued to them will be issued to the Sale Agent (or to a nominee of the Sale Agent) on the Implementation Date.

Gascoyne must procure that as soon as reasonably practicable, and in any event no more than 15 Business Days after the Implementation Date, the Sale Agent, in consultation with Gascoyne, sells or procures the sale of the New Gascoyne Shares issued to the Sale Agent (in relation to Ineligible Foreign Shareholders) and remits to Firefly the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Net Sale Proceeds**).

After receiving the Net Sale Proceeds, Firefly will promptly pay to the Ineligible Foreign Shareholders their proportion of the Net Sale Proceeds. The proportion of Net Sale Proceeds to be issued to each Ineligible Foreign Shareholder will be the Net Sale Proceeds which represents the percentage of New Gascoyne Shares that the Ineligible Foreign Shareholder would have been issued as a proportion of all New Gascoyne Shares that would otherwise have been issued to all Ineligible Foreign Shareholders.

Firefly will pay (or procure the payment of) the Net Sale Proceeds to each Ineligible Foreign Shareholder in a manner that it determines appropriate (in its sole direction), by either:

- (a) if an Ineligible Foreign Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Firefly Registry to receive dividend payments from Firefly via electronic funds transfer to its nominated bank account, payment to that bank account in Australian currency;
- (b) electronic funds transfer in Australian currency to a bank account nominated by the Ineligible Foreign Shareholder by an appropriate authority; or
- (c) dispatching a cheque for the relevant amount in Australian currency by prepaid post to their Registered Address (as at the Scheme Record Date) in the name of the Ineligible Foreign Shareholder (and if they are joint holders, in the names of each joint holder).

Under the Scheme, each Ineligible Foreign Shareholder appoints Firefly as its agent to receive any financial services guide or other notice that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act or other applicable law. Copies of any document Firefly receives from the Sale Agent as agent for the Ineligible Foreign Shareholders can be obtained by contacting one of Firefly's Joint Company Secretaries.

Firefly, Gascoyne and the Sale Agent give no assurance as to the price that will be achieved for the sale of New Gascoyne Shares described above. The Net Sale Proceeds that each Ineligible Foreign Shareholder receives may be more or less than the current market value of Gascoyne Shares after deducting any applicable brokerage and other costs. Further details about the Sale Facility are set out below.

Ineligible Foreign Shareholders are not required to make an election to participate in the Sale Facility.

Further details regarding the Sale Facility are as follows:

- (a) Gascoyne has appointed Cannacord Genuity (Australia) Limited as the Sale Agent (who holds an Australian Financial Services Licence);
- (b) the market price of Gascoyne Shares is subject to change from time to time. Up-to-date information on the market price of Gascoyne Shares is available from www.asx.com.au (using the code "GCY");
- (c) all New Gascoyne Shares attributable to Ineligible Foreign Shareholders will be issued to the Sale Agent, who will pool those New Gascoyne Shares and sell them on market (in one transaction or a number of transactions). All of the proceeds of those sales will be pooled and then (after deduction of brokerage and other costs) the Net Sale Proceeds will be divided by the total number of New Gascoyne Shares issued to the Sale Agent. The resultant amount will be paid to each Ineligible Foreign Shareholder in respect of each New Gascoyne Share to which they would otherwise have been entitled; and
- (d) therefore, the amount of the Net Sale Proceeds received by Ineligible Foreign Shareholders may be less than the actual proceeds received by the Sale Agent (or the nominee of the Sale Agent) for that person's New Gascoyne Shares.

5.9 Treatment of Firefly Options

Under the Firefly Employee Incentive Plan, the Firefly Directors (excluding Mr Ashley Pattison), and certain officers and employees of Firefly have been issued with unquoted

options over Firefly Shares (**Firefly Options**). As at the date of this Scheme Booklet, Firefly has a total of 26,699,999 Firefly Options on issue.

The Firefly Options were issued in eight separate tranches with each tranche being subject to varying exercise prices and expiry dates. Each Firefly Option, when exercised, entitles the holder to be issued with 1 Firefly Share.

It is a Scheme Condition that, prior to the Implementation Date, all outstanding Firefly Options must be either:

- exercised by the Business Day before the Scheme Record Date (currently expected to be 3 November 2021), or to the extent the Firefly Options are not exercised before the Scheme Record Date; or
- be cancelled in accordance with an Option Cancellation Deed between the Firefly Optionholder, Firefly and Gascoyne (by no later than the Implementation Date).

Under the Scheme Implementation Deed, Gascoyne and Firefly have agreed that all Firefly Options which are cancelled rather than exercised will be exchanged for new Gascoyne Shares. The number of new Gascoyne Shares to be issued in exchange for Firefly Options will depend on the value attributed to those Firefly Options. The Scheme Consideration implies an offer price of \$0.145 based on the 5 day VWAP of Gascoyne Shares up to 10 June 2021.²⁷ Therefore, the Firefly Options which have an exercise price of more than \$0.145 are considered "out-of-the-money".

Gascoyne and Firefly have agreed that all out-of-the-money Firefly Options (with an exercise price greater than \$0.145) are valued using the Black-Scholes valuation method and all in-the-money Firefly Options (with an exercise price of less than \$0.145) are valued based on their intrinsic value. These valuation methods were used to calculate the number of new Firefly Shares that would be issued for each tranche of Firefly Options. The number of new Gascoyne Shares to be issued was then calculated based on the exchange ratio of 0.34 New Gascoyne Shares for every 1 Firefly Share.

Therefore under the terms of the Option Cancellation Deeds, Gascoyne will issue to Firefly Optionholders such number of new Gascoyne Shares as would have a Black-Scholes Value equivalent (for out-of-the-money Firefly Options) or an Intrinsic Value equivalent (for in-the-money Firefly Options), as determined in Schedule 6 of the Scheme Implementation Deed (**Option Consideration**) which is extracted at Annexure G. The value attributed to the Firefly Options for the purpose of calculating the Option Consideration was calculated as at the date of the Scheme Implementation Deed (being 15 June 2021) and is therefore fixed and not subject to change. Please refer to Annexure G which sets out the number of new Gascoyne Shares to be issued to Firefly Optionholders who have agreed to cancel their Firefly Options under an Option Cancellation Deed. In the event that any remaining in-the-money Firefly Options are not exercised, Firefly will use its best endeavours to procure that those Firefly Optionholders enter into an Option Cancellation Deed with Firefly and Gascoyne for the cancellation of their Firefly Options.

It is assumed that all 16,399,999 unquoted Firefly Options, out-of-the-money, will be subject to Option Cancellation Deeds and will be exchanged for the Option Consideration set out in Annexure G). An extract of the table from Schedule 6 of the Scheme Implementation Deed showing the out-of-the-money Firefly Options only is set out below:

²⁷ 10 June 2021 was the last day Gascoyne Shares traded on the ASX prior to the Announcement Date (noting that Gascoyne went into trading halt on 11 June 2021).

Firefly Options	Exercise Price	Equivalent Firefly Shares at \$0.145 Offer Price	Equivalent Gascoyne Shares at \$0.145 Offer Price
399,999	\$0.58	21,821	7,420
16,000,000	\$0.23	4,245,706	1,443,541
16,399,999	N/A	4,267,527	1,450,961

The Firefly Directors each hold in-the-money Firefly Options and intend to enter into an Option Cancellation Deed for the cancellation of all of their Firefly Options. The Option Consideration to be issued to the Firefly Directors upon cancellation of their Firefly Options is set out in the table below.

Firefly Director	Number of Firefly Options held	Equivalent Firefly Shares at \$0.145 Offer Price	Equivalent Gascoyne Shares at \$0.145 Offer Price
Mr Michael Edwards (Non-Executive Chairman) ²⁸	1,000,000 ¹	241,379	82,070
Mr Simon Lawson (Managing Director)	2,000,000 ²	482,759	164,140
Mr Geoffrey Jones (Non-Executive Director)	1,000,000 ³	241,379	82,070
Mr Ashley Pattison (Non-Executive Director)	Nil	N/A	N/A

1. Includes 500,000 unlisted Firefly Options exercisable at \$0.10 each on or before 31 December 2021 and 500,000 unlisted Firefly Options exercisable at \$0.12 each on or before 31 December 2022.
2. Includes 1,000,000 unlisted Firefly Options exercisable at \$0.10 each on or before 31 December 2021 and 1,000,000 unlisted Firefly Options exercisable at \$0.12 each on or before 31 December 2022.
3. Includes 500,000 unlisted Firefly Options exercisable at \$0.10 each on or before 31 December 2021 and 500,000 unlisted Firefly Options exercisable at \$0.12 each on or before 31 December 2022.

Firefly has been granted a waiver from the ASX in respect of ASX Listing Rule 6.23.2 to cancel the Firefly Options the subject of Option Cancellation Deeds for consideration (being the issue of Gascoyne Shares). See section 13.16 for further information.

See also section 13.10 for further information regarding the Firefly Options held by the Directors and officers of Firefly.

5.10 Treatment of Firefly Performance Rights

As at the date of this Scheme Booklet, Firefly has a total of 34,233,328 unquoted performance rights on issue (**Firefly Performance Rights**). Under the Firefly Employee Incentive Plan, certain employees and consultants of Firefly have been issued with Firefly Performance Rights. A total of 1,166,666 Firefly Performance Rights have been issued under the

²⁸ The Firefly Options are held by a related entity of the Director.

Employee Incentive Plan. A further 10,066,664 standalone Firefly Performance Rights have been issued to the Firefly Directors.

Firefly has also issued 22,999,998 Firefly Performance Rights to certain nominees of Aurum Minerals Pty Ltd (**Aurum**) as part of the consideration for the acquisition of the Yalgoo Gold Project. The issue of these Firefly Performance Rights to Aurum nominees was approved by Firefly Shareholders at the general meeting held on 30 July 2020.

The Firefly Performance Rights were issued in five separate tranches with each tranche being subject to certain vesting conditions and expiry dates. Subject to the vesting conditions being satisfied, a Firefly Performance Right entitles the holder to be issued with 1 Firefly Share, except where there is a change of control (as explained below).

To ensure that there are no equity interests in Firefly when the Scheme is implemented, Firefly has confirmed and Gascoyne has acknowledged under the terms of the Scheme Implementation Deed that:

- Firefly will accelerate the vesting of, or waiving of any vesting conditions or vesting periods applying to, the Firefly Performance Rights; and
- Firefly will issue or procure the issue or transfer of such number of Firefly Shares as required by the terms of the Firefly Performance Rights before the Scheme Record Date, so that the holders of Firefly Performance Rights can participate in the Scheme and receive the Scheme Consideration,

(the **Performance Rights Proposal**).

Under the terms of the Firefly Performance Rights, all outstanding Firefly Performance Rights that have not otherwise vested will automatically vest and convert to Firefly Shares on the occurrence of certain change of control events, including a court granting orders approving a scheme of arrangement involving the amalgamation of two or more companies. Accordingly under the current terms, the Firefly Performance Rights will automatically vest and convert to Firefly Shares upon the Court granting orders approving the Scheme on the Second Court Date (**Vesting Date**). The terms and conditions of the Firefly Performance Rights state that, in the event the Firefly Performance Rights vest on a prescribed change of control event, the number of Firefly Shares to be issued will be equal to the lesser of 1 Firefly Share per Firefly Performance Right and 10% of the total Firefly Shares on issue in Firefly at that time (**10% Cap**).

Therefore, assuming that the Court approves the Scheme at the Second Court Hearing, only 30,833,953 Firefly Performance Rights would vest and be converted into Firefly Shares on the Vesting Date,²⁹ which would be distributed pro rata to each Firefly Performance Right Holder. The balance of Firefly Performance Rights (being 3,399,375) will remain on issue, held by the relevant Firefly Performance Right Holder.

Firefly has been granted a waiver from the ASX in respect of ASX Listing Rule 6.23.3 to vary the terms of the Firefly Performance Rights to remove the 10% Cap, so that on the Vesting Date, the Firefly Performance Rights will convert on a 1 for 1 basis and each Firefly Performance Right Holder will receive 1 Firefly Share for every 1 Firefly Performance Right held (**Proposed PR Amendment**).

The Proposed PR Amendment will allow all Firefly Performance Rights to be converted to Firefly Shares, meaning that at the Implementation Date (and subject to the exercise or cancellation of Firefly Options on issue) only fully paid ordinary shares will be on issue in Firefly. See section 13.16 for further information.

²⁹ Assuming that no Firefly Options are exercised after the date of this Scheme Booklet.

See also section 13.11 for further information regarding the Firefly Performance Rights held by the Directors and officers of Firefly.

5.11 Fractional entitlements

If, pursuant to the Scheme, a Scheme Shareholder becomes entitled to a fraction of a New Gascoyne Share, the number of New Gascoyne Shares issued (or, in the case of Ineligible Foreign Shareholders, the number of New Gascoyne Shares the Sale Agent will receive for sale on their behalf) will be rounded up to the nearest whole number of New Gascoyne Shares as applicable.

5.12 Warning against Firefly Share splitting

If Gascoyne reasonably believes that a Firefly Shareholder has been a party to the splitting or division of a shareholding in an attempt to obtain an advantage in relation to the rounding referred to in section 5.11, then Gascoyne reserves the right to round the entitlement of such holdings so as to provide only the number of New Gascoyne Shares that would have been received but for the splitting or division.

5.13 Warranties given by Scheme Shareholders

If the Scheme is implemented, each Scheme Shareholder is deemed to have warranted to Firefly and Gascoyne on the Implementation Date, and appointed and authorised Firefly as its attorney and agent to warrant to Gascoyne, on the Implementation Date, that:

- all their Firefly Shares (including any rights and entitlements attaching to those shares) transferred to Gascoyne under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Firefly Shares to Gascoyne together with any rights and entitlements attaching to those shares; and
- they have no existing right to be issued any Firefly Shares, Firefly options, Firefly performance rights, Firefly convertible notes, or any other Firefly securities, other than the right to be issued Firefly Shares upon the exercise of Firefly Options and conversion of Firefly Performance Rights (as appropriate). Firefly undertakes that it will provide such warranty to Gascoyne as agent and attorney of each Scheme Shareholder.

5.14 If the Scheme does not proceed

If the Scheme does not proceed, Firefly Shareholders will continue to hold Firefly Shares and will not receive the Scheme Consideration. In the absence of any Superior Proposal to the Scheme, Firefly will continue as a standalone entity listed on the ASX. Firefly Shareholders will be exposed to the risks relating to Firefly's business set out in section 6.14. Firefly Shareholders may, in addition to the normal risks it faces, be exposed to the additional risks as described in section 9.3.

The Firefly Directors are of the opinion that, if the Scheme does not proceed, the price of a Firefly Share on the ASX is likely to fall.

Depending on the reasons why the Scheme does not proceed, Firefly may be liable to pay a Break Fee to Gascoyne. The Break Fee is not payable if the Scheme does not proceed merely because the Requisite Majority of Firefly Shareholders do not vote in favour of the Scheme. Further information in relation to the Break Fee is set out in section 12.5. Firefly will also be liable to pay certain transaction costs in relation to the Scheme, regardless of whether or not the Scheme is implemented.

6. Profile of Firefly

This section of the Scheme Booklet contains information in relation to Firefly as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

6.1 Introduction

Firefly Resources Limited (ASX: FFR) (formerly known as Marindi Metals Limited and Brumby Resources Limited) is an ASX-listed company which was formed on 24 February 2006 and was subsequently admitted to the official list of the ASX on 14 December 2006. Firefly is a gold focussed exploration company with a portfolio of emerging projects located in some of Western Australia's premier mining and exploration jurisdictions, and has an overriding focus on identifying geological opportunity and exploring for gold in Western Australia.

Further information can be found at www.fireflyresources.com.au and in the Independent Expert's Report.

6.2 Overview of Firefly's operations

(a) Yalgoo Gold Project

In 2020, Firefly acquired a 100% interest in the Yalgoo Gold Project, located 110km west of Ramelius Resources Limited's (ASX: RMS) 6Moz Mt Magnet operations in the Murchison region of Western Australia. The acquisition delivered a significant gold resource inventory and highly prospective tenement holding in a Tier-1 mining district.

The acquisition was consistent with Firefly's growth strategy as it provided potential to rapidly advance the delivery of a maiden JORC 2012-compliant Mineral Resources in a world-class mining district with exceptional "near-mine" exploration upside and development potential within 150km of five operating gold mills.

The Yalgoo Gold Project covers approximately 750km² of historic goldfield, lying between the Mt Magnet gold mine owned by Ramelius Resources Limited (ASX: RMS) and Silver Lake Resources Limited's (ASX: SLR) Deflector copper-gold mine and within close haulage distance of Gascoyne's Dalgara processing plant.

In December 2020, Firefly acquired the City of Melbourne Gold Mine located within the Yalgoo Gold Project (Mining Lease M59/57) which further consolidated Firefly's strategic position at Yalgoo. The City of Melbourne Gold Mine is currently operating as a small-scale underground operation employing hand-held mining methods and extracting high-grade gold from a consistent quartz "reef" narrow-vein gold system. See the ASX announcement dated 16 December 2020 for further information.

As announced to the ASX on 31 March 2021, Firefly also acquired two prospecting licences within the central portion of the Yalgoo tenements from a private prospector (P59/2088 and P59/2089), securing its strategic additions to its landholding at the Yalgoo Gold Project. The leases were acquired for a single cash payment of \$50,000.

(i) Melville Deposit

The Yalgoo Gold Project includes the advanced Melville Deposit, which hosts a JORC 2012 Mineral Resource of 4.20Mt grading 1.45g/t Au for 196,388oz of contained gold (0.7g/t cut-off) (**Melville Deposit**) which commences from surface and remains open in all directions (indicated and inferred).³⁰

³⁰ See ASX Announcement dated 17 March 2021 ("Maiden 196,000oz JORC 2012 - Revised Announcement") accessible via the ASX announcements platform (**17 March 2021 Announcement**). The Competent Person (as that term is defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the Mineral Resource for the Melville Deposit at Yalgoo in the 17 March 2021 Announcement was Mr Simon Lawson, Managing Director of Firefly. See section 13.23(a).

Mineralisation within the Melville Deposit is hosted within a completely unmined steeply-dipping “stacked-lode” system, with both laterite at surface and broad, shallow supergene-enriched zones supporting its amenability to potential open pit mining. It sits within 800 metres of known strike, with mineralisation remaining open in all directions.

Firefly has identified numerous other nearby targets including the Don Bradman gold prospect, the Lady Lydia South prospect and the Brilliant gold trend.

The Melville tenement package also includes 600km² of highly prospective tenure covering the majority of the historic Yalgoo goldfield, as well as significant coverage of the regional-scale Yalgoo-Singleton greenstone belt.

During technical review of the project, Firefly defined a 1km-wide north-south 28km-long shear zone corridor in which the majority of the existing gold occurrences at the Yalgoo Gold Project are situated. The extent of the corridor is most evident where the gold occurrences are overlaid on the 1st vertical derivative (1VD) magnetics geophysical images, highlighting the underlying stratigraphy due to the excellent contrast in magnetic BIF horizons to less magnetic mafic packages.

In February 2021, Firefly began the first phase of a 30,000m reverse circulation (RC) drilling program. Drilling has been undertaken in four phases across seven prospects to support the preparation of JORC 2012-compliant Mineral Resource Estimate.³¹ The second phase of drilling commenced in March 2021 with resource drilling at the Don Bradman Gold Prospect and extensional drilling at the Applecross Gold Prospect (north of Melville).

In March 2021, Firefly launched a close-spaced grade control program to follow up the broad, shallow mineralisation observed in the deeper resource-focused drilling. In April 2021, the drilling confirmed the presence of an extensive blanket of shallow grade mineralisation extending over hundreds of metres both along and across strike above the primary Mineral Resource (see Firefly's ASX announcement dated 21 April 2021).

(ii) **Holland acquisition**

On 11 August 2020, Firefly successfully acquired a strategic tenement package containing additional untested historical high-grade gold mines in the Yalgoo goldfield (**Holland Acquisition**).

The Holland Acquisition covers 4.5km² of folded greenstone bedrock stratigraphy containing at least four historical high-grade gold mines (shafts) and a number of alluvial gold “patches” thought to be derived from the weathering of the related outcropping mineralisation structures. During due diligence conducted on the acquisition, Firefly was able to validate the presence of both hard-rock and alluvial gold.

The acquisition included two Mining Leases, and three Prospecting Leases located immediately along-strike from the two main mineralised trends at Yalgoo, namely the Brilliant or “Northwest” and the Melville or “North” trends, as well as the folded inflection point between the two trends which may represent a regional-scale gold target in itself.

In addition to the strategically located tenements, the Holland Acquisition included a significant amount of mining and processing equipment and

³¹ See ASX Announcement dated 24 February 2021 (“Firefly commences 30,000m drilling campaign”).

infrastructure, including a fully operational 25-30tph gold process plant “washplant”, a Caterpillar 950F front-end loader and a Mercedes Benz dump-truck, production water-bore, water storage and pumping equipment, several generators, a covered workshop and sea-containers and a full “off-grid” 3-person accommodation facility.

For further details, see Firefly's ASX announcement dated 11 August 2020.

(b) Paterson Copper-Gold Project

The Paterson Copper-Gold Project comprises several tenements covering ~1,000km² of the highly prospective Paterson Province in north-western Western Australia, which boasts a number of large-scale mining operations including Newcrest's (ASX: NCM) world-class 28Moz Telfer gold-copper mine and Metal X's (ASX: MLX) Nifty copper mine. The main focus in establishing these applications was to secure favourable geological position over existing copper-gold prospects around the historical Kintyre mine, particularly the Wanderer copper-gold-molybdenum prospect.

An integration of available historical geophysical datasets has created a large high-resolution geophysical data package over the primary tenement application containing the Wanderer prospect. This modern dataset illustrates significant structural information, strongly supports Firefly's geological model for potential intrusive copper-gold sources for Wanderer and multiple nearby prospects and has led to the development of several other high-priority drill targets across the application area.

On 23 September 2020, Firefly announced that it had successfully negotiated and signed heritage agreements with both the Martu and Nyangumarta People as the traditional owners across five existing tenements in the Paterson Province. Firefly commenced negotiations with the traditional owners in 2018. Following the completion of this process, the Western Australian Department of Mines, Infrastructure, Resources and Safety (**DMIRS**) granted the tenements to Firefly.

Firefly has identified the Wanderer Copper-Gold Prospect – located in its Central Tenements project area, as its key advanced prospect and initial “walk-up” drill target.

(c) Forrestania Gold Project

The 100%-owned Forrestania Gold Project is located approximately 380km east of Perth in Western Australia. The Forrestania Gold Project includes the Gemcutter Prospect, the Crossroads Prospect and the Kit Kat Prospect.

Firefly's tenure comprises over 1,000km² of tenements focussed on the Southern Forrestania Greenstone Belt, a 100km long, north-to-south package of variously metamorphosed mafic/ultramafic/volcano-sedimentary rocks that host the historic 1Moz Bounty gold deposit, the operating Flying Fox and Spotted Quoll nickel mines, and the more recently discovered Earl Grey lithium deposit. Firefly's portfolio includes historical high-grade gold mines with mineralised rock dumps and geophysical extensions to proven high-grade gold structures.

Firefly completed two gold-focussed RC drilling programs across three of its high-priority gold prospects in the latter part of 2019. These programs delivered two gold discoveries at the Gemcutter and the Crossroads Gold Prospects, while also defining the lithological and structural setting of the Kit Kat Gold Prospect.

As announced to the ASX on 17 March 2021, Firefly and its wholly owned Subsidiary Firehawk Gold Pty Ltd (ACN 646 423 707) have entered into a binding terms sheet with Forrestania Resources Limited (ACN 647 899 698) (formerly known as Forrestania Resources Pty Ltd) (**Forrestania Resources**) for the proposed sale of its

Forrestania Gold Project under which Forrestania Resources has the option to acquire a 100% interest in the project, subject to completion of due diligence, an ASX listing via either an IPO or an agreement with an ASX-listed entity (**RTO entity**) as well as other standard regulatory approvals and third-party consents (**Forrestania BTS**). The consideration is the issue of shares in either the IPO or RTO entity to the value of \$1.25 million at completion, in addition to \$50,000 in cash. A further milestone payment of \$500,000 in the form of shares in either the IPO or RTO entity is also payable on the definition of a JORC 2012 Mineral Resource of at least 250,000oz of gold at over 2g/t Au, and the grant of a 1.0% net smelter return royalty over all minerals produced from the relevant tenements. On 20 August 2021, Forrestania Resources exercised its option to acquire the Forrestania Gold Project (via the acquisition of 100% of the shares in Firehawk Gold Pty Ltd). Under the terms of the Demerger Implementation Deed, Firefly must pay or otherwise transfer to Firetail all cash consideration, entitlements to the royalty and all shares received as part of the consideration under the Forrestania BTS to Firetail (including assigning all of Firefly's rights under the agreement to Firetail). Please refer to the ASX announcement of 17 March 2021 for a summary of the agreement terms with Forrestania Resources and to Annexure E for further information.

6.3 Tribute Agreement between Yalgoo Exploration and Yalgoo Lithex

On 2 September 2020, Yalgoo Exploration Pty Ltd (a wholly-owned subsidiary of Firefly) (**Yalgoo Exploration**) and Yalgoo Lithex Pty Ltd (**Tributor**) entered into a Tribute Mining Agreement under which Yalgoo Exploration agreed to grant the Tributor an exclusive the right to conduct certain exploration activities for laterite minerals on tenement E59/2077 in the Melville area, to a depth of 12m below the surface (**Tribute Agreement**). As consideration, the Tributor must pay Yalgoo Exploration a royalty of 10% of net profit made on the disposal of any laterite minerals mined, extracted or otherwise recovered from the area, calculated in accordance with a prescribed formula.

Yalgoo Exploration has a right to terminate the agreement in certain circumstances, including a right to terminate for convenience on 60 days' notice. If the agreement is terminated in these circumstances, Yalgoo Exploration must pay a "Compensation Sum" to the Tributor which will be calculated in accordance with an agreed formula. The Compensation Sum is payable at the election of Yalgoo Exploration in cash or Firefly Shares or a combination of cash and Firefly Shares. If Yalgoo Exploration elects to pay the Compensation Sum in Firefly Shares, the price per Share will be calculated based on the 30 day VWAP for Firefly Shares prior to the date of termination.

The parties to the Tribute Agreement and Gascoyne have entered into a deed of variation to vary the Tribute Agreement (**Tribute Agreement Variation Deed**) which is conditional on the satisfaction or waiver of all Scheme Conditions. The Tribute Agreement Variation Deed varies the Tribute Agreement by amending the definition of "Shares" in the Tribute Agreement so that it means fully paid ordinary shares in the issued capital of Gascoyne which rank equally with all other fully paid ordinary Gascoyne shares ("Gascoyne Shares"), such that the Compensation Sum (if payable) must be paid in either cash or new Gascoyne Shares rather than new Firefly Shares. As at the date of this Scheme Booklet, no decision has been made by Firefly or Gascoyne as to whether the Tribute Agreement will be terminated for convenience after implementation of the Scheme.

6.4 Directors of Firefly

The directors of Firefly as at the date of this Scheme Booklet are as follows:

Name and position	Biography
Mr Michael Edwards Non-Executive	Mr Edwards is a geologist and economist with over 20 years' experience in senior management in both the private and public

Name and position	Biography
Chairman and Director	sector. He spent three years with Barclays Australia in their Corporate Finance department and then eight years as an Exploration and Mine Geologist with companies including Gold Mines of Australia, Eagle Mining and International Mineral Resources. He has worked as a consulting geologist across a range of commodities, predominantly in Australia and Africa, and as a corporate advisor, and has been involved in numerous ASX listings and reverse takeovers across a range of commodities and industries. Mr Edwards holds a Bachelor of Business majoring in Economics and Finance from Curtin University of Technology and a Bachelor of Science in Geology from the University of Western Australia. Mr Edwards is also a non-executive director of ASX-listed companies De.mem Limited (ASX: DEM), Norwood Systems Limited (ASX: NOR) and Serpentine Technologies Limited (ASX: S3R) and is the Non-Executive Chairman of Barra Resources Limited (ASX: BAR).
Mr Simon Lawson Managing Director	Mr Lawson has a Master of Science in Geology from Auckland University and more than 15 years of exploration, production and management experience in gold and base metals. He has previously held senior geology roles at major Australian gold producer Northern Star Resources Limited, where as Chief Geologist – Paulsens and then group Principal Mine Geologist, he was a founding member of the team which took the company from junior explorer to a major multi-mine producer, today valued at over \$10 billion. Mr Lawson specialises in resource asset identification and renovation and rejuvenation of current and historic gold mines. Mr Lawson has built and led teams that contributed more than 3 million ounces and in excess of 15 years mine life to several high-profile mining operations across a number of highly successful gold producers.
Mr Ashley Pattison Non-Executive Director	Mr Pattison has over 20 years' experience in the resources sector from both a corporate finance and operational perspective. A qualified chartered accountant, he has extensive experience in operations, finance, strategy and corporate finance. Having lived and worked in several countries, he has gained substantial exposure to exploration and producing operations in Australia and South America. Mr Pattison has been the Managing Director of a number of listed and private mining companies over the past 10 years and also CEO of a listed mining services company. More recently, Mr Pattison was the founder of PC Gold Pty Ltd (a private equity vehicle with an advanced open pit gold asset in the NT), Aurum Minerals Pty Ltd (acquired by Firefly Resources Limited) and Maroon Gold Pty Ltd (a private equity vehicle that consolidated

Name and position	Biography
	a number of gold assets in the Charters Towers region of Queensland and commenced production in 2019). Mr Pattison is currently the Executive Chairman of PC Gold Pty Ltd and Managing Director of Tristar Nominees Pty Ltd, a consulting business to resource companies.
Mr Geoffrey Jones Non-Executive Director	Mr Jones is a Fellow of Engineers Australia, with a Bachelor of Engineering (Civil) degree. He has over 30 years' experience covering the areas of construction, engineering, mineral processing and project development. Mr Jones has been responsible for the preparation of feasibility studies for gold and base metals projects and has completed numerous project evaluations and due diligence reviews and has managed the successful development of projects both domestically and overseas. He spent over six years (1994-2001) with Resolute Limited where, as Group Project Engineer, he was responsible for the development of its mining projects in Australia, Ghana and Tanzania. On leaving Resolute Limited he commenced the operation of his own project management and engineering consultancy, JMG Projects Pty Ltd, servicing the mining industry. In this capacity Mr Jones has completed works on gold and base metal projects for Australian and overseas based mining groups. Mr Jones is currently Managing Director of GR Engineering Services Limited (ASX: GNG) and a Non-Executive Director of Ausgold Limited (ASX: AUC).

6.5 Financial information

The following information has been extracted from the audited financial statements of Firefly for the financial years ended 30 June 2020 and 30 June 2019, and in respect of the 2021 financial year, Firefly's interim financial statements for the half year ended 31 December 2020.

The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between 31 December 2020 and the date of this Scheme Booklet, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Firefly Directors, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial

years, other than as otherwise disclosed in the 31 December 2020 financial statements and subsequent filings on the ASX.

Copies of Firefly's audited financial statement for the financial year ended 30 June 2020 and the interim financial statements for the half year ended 31 December 2020 are available on the Firefly website (www.fireflyresources.com.au). Copies will also be provided by Firefly, free of charge, to any Firefly Shareholder who requests it before the Scheme Meeting.

(a) Statement of financial position

Set out below is Firefly's statement of financial position as at 31 December 2020, 30 June 2020, and 30 June 2019.

Consolidated Statement of Financial Position	Reviewed as at 31 Dec 20 \$	Audited as at 30-Jun-20 \$	Audited as at 30-Jun-19 \$
CURRENT ASSETS			
Cash and cash equivalents	6,285,554	929,513	239,044
Trade and other receivables	65,128	23,179	61
Prepayments	29,425	38,517	41,920
TOTAL CURRENT ASSETS	6,380,107	991,209	281,025
NON-CURRENT ASSETS			
Other assets	11,250	11,250	11,250
Trade and other receivables	93,356	76,489	76,489
Property, plant and equipment	159,498	51,518	98,238
Exploration and evaluation expenditure	3,434,106	95,000	4,738,719
Right-of-use assets	88,521	76,099	-
TOTAL NON-CURRENT ASSETS	3,786,731	310,356	4,924,696
TOTAL ASSETS	10,166,838	1,301,565	5,205,721
CURRENT LIABILITIES			
Trade and other payables	213,047	185,829	150,251
Provisions	8,195	13,632	28,468
Lease liabilities	66,890	73,498	-
TOTAL CURRENT LIABILITIES	288,132	272,959	178,719
NON-CURRENT LIABILITIES			
Lease liabilities	21,988	4,088	-
TOTAL NON-CURRENT LIABILITIES	21,988	4,088	-
TOTAL LIABILITIES	310,120	277,047	178,719
NET ASSETS	9,856,718	1,024,518	5,027,002
EQUITY			
Issued capital	52,064,500	40,945,737	38,416,267
Reserves	4,470,717	2,860,292	2,286,079
Accumulated losses	(46,678,499)	(42,781,511)	(35,675,344)
TOTAL EQUITY	9,856,718	1,024,518	5,027,002

(b) Statement of comprehensive income

Set out below is Firefly's statement of comprehensive income for the period ended 31 December 2020, 30 June 2020 and 30 June 2019.

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-20 \$	Audited for the year ended 30-Jun-20 \$	Audited for the year ended 30-Jun-19 \$
Income	139,834	74,499	611,415
Exploration and evaluation expenses written off	(1,571,784)	(5,633,539)	(2,943,325)
Corporate and administration expenses	(2,465,038)	(1,547,127)	(1,273,048)
Loss before income tax	(3,896,988)	(7,106,167)	(3,604,958)
Income tax	-	-	-
Loss for the year from continuing operations	(3,896,988)	(7,106,167)	(3,604,958)
Other comprehensive income	-	-	-
Total comprehensive loss for the year, net of tax	(3,896,988)	(7,106,167)	(3,604,958)

(c) Statement cash flows

Set out below is Firefly's statement of cash flows for the period ended 31 December 2020, 30 June 2020 and 30 June 2019.

Consolidated Statement of Cash Flows	Reviewed for the half year ended 31-Dec-20 \$	Audited for the year ended 30-Jun-20 \$	Audited for the year ended 30-Jun-19 \$
Cash flows from operating activities			
Cash receipts in the course of operations	-	-	-
Cash payments in the course of operations	(2,388,444)	(1,844,138)	(4,784,241)
Interest received	1,743	2,511	2,892
Other income (government grants, JV cash calls, refund of rates)	244,434	35,811	1,467,994
Net cash (used in) operating activities	(2,142,267)	(1,805,816)	(3,313,355)
Cash flows from investing activities			
Proceeds from sale of fixed assets	-	57,750	-
Payments for exploration and evaluation assets	(451,933)	-	(75,000)
Payments for property, plant and equipment	(139,640)	(13,032)	(13,716)
Payments for security bonds	-	-	(57,389)
Release of security bonds	-	-	27,871
Cash held by subsidiaries at acquisition date	3,427	-	-
Net cash provided by/ (used in) investing activities	(588,146)	44,718	(118,234)
Cash flows from financing activities			
Repayment of lease liabilities	(47,469)	(77,903)	-
Net proceeds from issue of share capital	8,133,923	2,229,470	1,399,047
Net proceeds from issue of convertible notes	-	300,000	-
Net cash provided by financing activities	8,086,454	2,451,567	1,399,047
Net increase/ (decrease) in cash and cash equivalents	5,356,041	690,469	(2,032,542)
Cash and cash equivalents at the beginning of the year/ period	929,513	239,044	2,271,586

Consolidated Statement of Cash Flows	Reviewed for the half year ended 31-Dec-20 \$	Audited for the year ended 30-Jun-20 \$	Audited for the year ended 30-Jun-19 \$
Cash and cash equivalents at the end of the year/ period	6,285,554	929,513	239,044

6.6 Material changes to the financial position of Firefly since 31 December 2020

The Firefly Interim Financial Report for the half year ended 31 December 2020 was released to the ASX on 15 March 2021. To the knowledge of the Firefly Directors, the financial position of Firefly has not materially changed since 31 December 2020, as reported in Firefly's Interim Report for that period, other than:

- (a) the demerger of Firefly's Oakover Manganese Project via a standalone manganese-focused company called Firebird Metals Limited (**Firebird Metals**). Firebird Metals undertook an initial public offer (**IPO**) of its securities to facilitate an ASX listing in conjunction with the demerger and was subsequently admitted to the official list of the ASX on 18 March 2021. Firefly received \$500,000 in cash from Firebird Metals from the IPO proceeds as partial reimbursement for historical development expenditure incurred on the Oakover Project and eligible Firefly shareholders registered at record date received an in-specie distribution of Firebird Metals' shares (see Firefly's ASX announcements dated 18 December 2020, 19 January 2021, 27 January 2021, 1 March 2021 and 16 March 2021 for full details of the Oakover Project and the demerger);
- (b) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by Firefly; and
- (c) in accordance with generally known market conditions.

An electronic copy of Firefly's Interim Financial Report for the half year ended 31 December 2020 is available on the ASX's website (www.asx.com.au) under ASX code "FFR" or on Firefly's website (www.fireflyresources.com.au).

6.7 Forecast Financial Information

Firefly has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Firefly has concluded that, as at the date of the Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

6.8 Firefly's issued securities

As at the date of this Scheme Booklet, Firefly has the following securities on issue:

- (a) 308,339,530 Firefly Shares;
- (b) 26,699,999 unquoted Firefly Options with various exercises prices and expiry dates; and
- (c) 34,233,328 unquoted Firefly Performance Rights, with various vesting conditions and expiry dates.

In accordance with the ASX Listing Rule 6.23.3 Waiver, all of the Firefly Performance Rights will convert into Firefly Shares prior to the Scheme Record Date upon the Court approving the Scheme, which will result in an increase in the number of Firefly Shares on issue. The

number of Firefly Shares on issue may also increase if any Firefly Options are exercised following the date of this Scheme Booklet.

See sections 5.9 and 5.10 for details of the treatment of the Firefly Options and the Firefly Performance Rights (respectively) under the Scheme.

6.9 Substantial Firefly Shareholders

Based on information lodged with the ASX or known to Firefly, the substantial shareholders (5% or more) of Firefly Shares as at 7 September 2021, being the last practicable trading day prior to the date of this Scheme Booklet, are as follows:

Substantial Firefly Shareholder	Number of Firefly Shares held	Voting Power
Gascoyne Resources Limited	52,294,671 ³²	16.96%
Deutsche Balaton AG trading as Sparta AG, and the persons listed in the Form 604 lodged with the ASX on 26 August 2021 (together, the Sparta AG Group)	19,749,642	6.41%
Tolga Kumova	19,647,654	6.37%
Robert Jewson	17,647,017	5.72%

6.10 Interests of Firefly Directors and Gascoyne Directors in Firefly Securities

As at the date of this Scheme Booklet, the Firefly Directors have Relevant Interests in the following Firefly Securities as at the date of this Scheme Booklet.

Firefly Director	Firefly Shares	Firefly Options ¹	Firefly Performance Rights ¹
Mr Michael Edwards (Non-Executive Chairman)	4,366,667 ³³	1,000,000	2,066,666
Mr Simon Lawson (Managing Director)	4,107,141	2,000,000	6,666,666
Mr Ashley Pattison (Non-Executive Director)	11,527,655 ³⁴	Nil	3,320,994
Mr Geoffrey Jones (Non-Executive Director)	1,116,459 ³⁵	1,000,000	666,666

³² Not the registered holder. Gascoyne acquired a Relevant Interest in these Firefly Shares as a result of Firefly's three largest shareholders entering into binding Voting Deed Polls in favour of Gascoyne.

³³ The Shares are held by a related entity of the Director.

³⁴ The Shares are held by a related entity of the Director.

³⁵ The Shares are held by a related entity of the Director.

Firefly Director	Firefly Shares	Firefly Options ¹	Firefly Performance Rights ¹
Total	21,117,922	4,000,000	12,720,992

Notes:

1. See sections 5.9 and 5.10 for details of the treatment of the Firefly Options and the Firefly Performance Rights (respectively) under the Scheme.

As at the date of this Scheme Booklet, no Gascoyne Director has a Relevant Interest in any Firefly Securities.

6.11 Firefly Share trading history

On the Last Practicable Date, the closing price of Firefly Shares on the ASX was \$0.113.

During the 3 month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of Firefly Shares on the ASX were, respectively, \$0.120 on 26 August 2021 and \$0.100 on 10 June 2021.

Set out below is the volume weighted average price (**VWAP**) of Firefly Shares for various periods up to and including the Last Practicable Date:

	10 days	20 days	30 days	90 days
VWAP	\$0.1157	\$0.1158	\$0.1167	\$0.1142

6.12 Firefly announcements and reports

As a disclosing entity, Firefly is subject to the periodic and continuous disclosure and reporting requirements of the Corporations Act and ASX Listing Rules. Specifically, as a listed company, Firefly is subject to the ASX Listing Rules which require continuous disclosure of any information Firefly has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Firefly announcements are available on its website (www.fireflyresources.com.au) as well as the ASX website (www.asx.com.au). Further announcements concerning developments at Firefly may be made and placed on these websites after the date of this Scheme Booklet.

In addition, Firefly is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to Firefly may be obtained from, or inspected at an ASIC office.

Firefly will provide an electronic copy of each of the following documents, free of charge, to anyone who asks for them before the Scheme is approved by the Court. The following documents can also be obtained from the ASX website (www.asx.com.au) or from the Firefly website (www.fireflyresources.com.au):

- the Interim Financial Report of Firefly for the half year ended 31 December 2020 (being the financial report most recently lodged with ASIC by Firefly before lodgement of a copy of this Scheme Booklet with ASIC for registration);
- the Annual Financial Report of Firefly for the year ended 30 June 2020 (being the annual financial report most recently lodged with ASIC by Firefly before lodgement of a copy of this Scheme Booklet with ASIC for registration); and

- (c) any continuous disclosure announcements made by Firefly after the date of the lodgement of the annual report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC for registration.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

The following table lists all announcements made by Firefly to the ASX since 31 December 2020 (being the date of the Interim Financial Report referred to in paragraph (a) above) to the Last Practicable Date.

Date	Announcement
7 September 2021	Court Orders Convening of Scheme Meeting
31 August 2021	Company, Projects and Corporate Update
26 August 2021	Change in substantial holding
4 August 2021	Becoming a substantial holder
30 July 2021	Application for quotation of securities - FFR
30 July 2021	Exercise of Options and Cleansing Statement
29 July 2021	Quarterly Cashflow Report
29 July 2021	Quarterly Activities Report
8 July 2021	Gascoyne & Firefly Execute Demerger Documents
8 July 2021	Firefly Demerger Implementation Deed Signed
23 June 2021	Regional rock-chip sampling delivers more high-grade gold
18 June 2021	Becoming a substantial holder from GCY
16 June 2021	GCY: Audio Recording of Merger Joint Teleconference
16 June 2021	Presentation - Merger of Gascoyne and Firefly
16 June 2021	Scheme Implementation Deed
16 June 2021	Gascoyne and Firefly Agree to Merge
11 June 2021	Trading Halt
4 June 2021	Regional exploration enhances widespread gold potential
28 May 2021	Constitution
26 May 2021	Shallow high-grade gold highlights growth outlook at Yalgoo
27 April 2021	Quarterly Cashflow Report
27 April 2021	Quarterly Activities Report
23 April 2021	Lapse of Unlisted Securities
21 April 2021	Outstanding high-grade results from grade control drilling
16 April 2021	Change of Director's Interest Notices x 2
16 April 2021	Expiry of Unlisted Options
9 April 2021	Strong results from surface grade control drilling
1 April 2021	FRB: Completion of Unmarketable Parcels Sales Process
31 March 2021	Firefly further consolidates strategic footprint at Yalgoo
24 March 2021	Change of Director's Interest Notices x 4
23 March 2021	Appendix 2A and Cleansing Statement
17 March 2021	Maiden 196,000oz JORC 2012 Resource - Revised Announcement

17 March 2021	Firefly to sell non-core Forrestania Gold Project in WA
17 March 2021	Maiden 196,000oz JORC 2012 Resource at Yalgoo Gold Project
16 March 2021	Firefly completes demerger of Firebird Metals Ltd
15 March 2021	Half Yearly Report and Accounts
5 March 2021	Appendix 2A
4 March 2021	Appendix 3A.5 - Notification of return of capital
1 March 2021	Firebird Metals receives conditional ASX listing approval
24 February 2021	Firefly commences 30,000m drilling campaign
23 February 2021	Supplementary Prospectus - Firebird Metals Limited
18 February 2021	Results of Meeting
17 February 2021	Company Presentation - RIU Explorers Conference
16 February 2021	\$5.5m Firebird Metals IPO closes early oversubscribed
10 February 2021	Appendix 3A.5 - Notification of return of capital - Revised
28 January 2021	Firefly drilling highlights scale at Yalgoo Gold Project
28 January 2021	Prospectus - Firebird Metals Limited
27 January 2021	Lodgement of Firebird Metals Ltd IPO Prospectus
27 January 2021	Change of Director's Interest Notice
22 January 2021	Quarterly Cashflow Report
22 January 2021	Quarterly Activities Report
19 January 2021	Appendix 3A.5 - Notification of return of capital
19 January 2021	Short Form Prospectus
19 January 2021	Letter to Shareholders
19 January 2021	Notice of General Meeting/Proxy Form

6.13 Intentions of Firefly Directors regarding Firefly business, operations and employees on implementation of the Scheme

Following implementation of the Scheme, Firefly will become a wholly-owned Subsidiary of Gascoyne and Mr Simon Lawson will join the Board of Gascoyne as a Non-Executive Director. Mr Lawson's employment with Firefly will terminate on 1 November 2021. Apart from Simon Lawson, Firefly has one other employee who Gascoyne has indicated may join the Combined Group. Given Firefly will become a wholly-owned Subsidiary of Gascoyne, the Firefly Directors refer you to section 7.11 which sets out the intentions of Gascoyne in relation to the Combined Group following implementation of the Scheme.

6.14 Risk factors

Risk factors relating to Firefly and its business are discussed in section 9.

6.15 Material events since 30 June 2020

Within the knowledge of the Firefly Directors and other than as disclosed in this Scheme Booklet including section 6.6 and the audited consolidated financial statements contained in section 6.5, there has not been any other material change in the financial position of Firefly since 30 June 2020.

7. Profile of Gascoyne

7.1 Overview of Gascoyne

This section of the Scheme Booklet contains information in relation to Gascoyne as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

(a) Introduction to Gascoyne

Gascoyne is a gold mining and exploration company that was listed on the ASX in December 2009. Gascoyne holds assets and exploration tenements in the Gascoyne and Murchison regions of Western Australia.

Current projects include gold production and exploration at the Dalgaranga Gold Project and gold exploration at the Glenburgh and Mt Egerton Gold Projects. The Gascoyne group comprises Gascoyne, its wholly owned subsidiary GNT Resources Pty Ltd (**GNT Resources**) (which operates the Dalgaranga Gold Project) and several non-operating wholly owned subsidiaries (which hold ancillary assets, namely mining tenements).

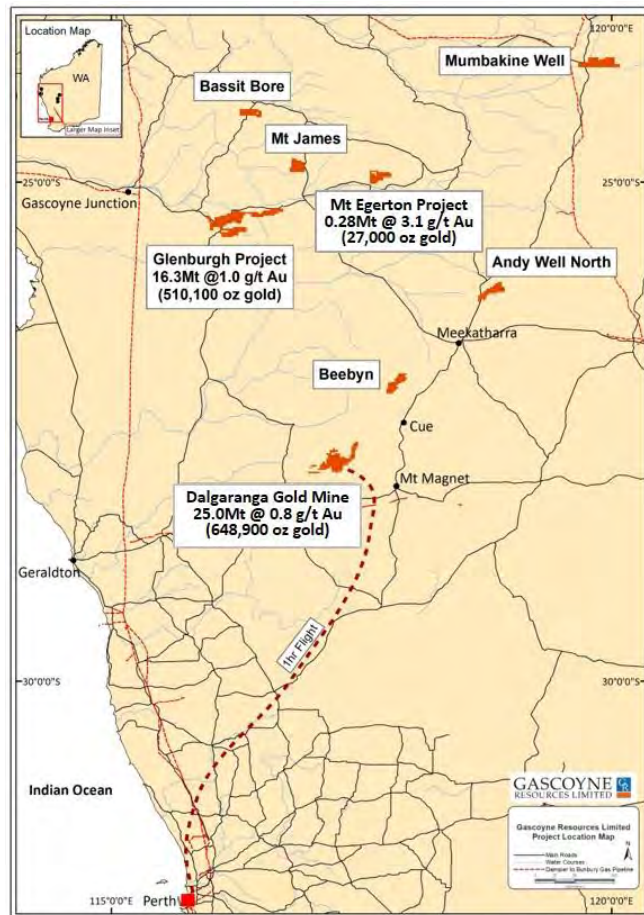


Figure 7.1: Gascoyne Project Location map

(b) Overview of Gascoyne's operations and material exploration projects

(i) Dalgaranga Gold Project

The Dalgaranga Gold Project, with a tenement area of around 500km², is located approximately 65km by road northwest of Mount Magnet in the

Murchison region of Western Australia and covers the majority of the Dalgaranga Greenstone Belt.

The Dalgaranga Gold Project, which is currently producing gold, consists of a fully established mine and carbon-in-leach processing facility (processing capacity of greater than 2.5 million tonnes per annum), camp and airstrip. Commissioning and the first gold pour were completed in May 2018. Between the first gold pour and the end of June 2021, over 210,000 ounces of gold have been produced by Gascoyne from the Dalgaranga Gold Project.

The Dalgaranga Gold Project has a measured, indicated and inferred Mineral Resource Estimate of 25.0Mt @ 0.8 g/t Au for 648,900 ounces of gold from several deposits. The project has proved and probable Ore Reserves of 13.5Mt @ 0.8 g/t Au for 339,000 ounces of gold. Mineral Resource Estimate and Ore Reserve have been determined as at 31 March 2021.

(ii) **Glenburgh Gold Project**

The Glenburgh Gold Project is an advanced exploration project located in the Southern Gascoyne region of Western Australia and is approximately 250km east of Carnarvon. The project consists of a gold mineralised shear system hosted in interpreted remnants of Archean terrain in a Proterozoic mobile belt in a similar setting to the Tropicana Gold Mine.

The Glenburgh Gold Project is viewed as an organic growth project opportunity in a district that Gascoyne believes has been historically underexplored. The Glenburgh Gold Project has a measured, indicated and inferred Mineral Resource Estimate of 16.3Mt @ 1.0 g/t Au for 510,100 ounces of gold from several deposits as at 31 March 2021.

(iii) **Mt Egerton Gold Project**

The Mt Egerton project consists of 2 granted mining leases and 3 exploration licences covering approximately 200km² of the Lower Proterozoic Egerton inlier in the Gascoyne Region of Western Australia.

The project includes the high-grade Hibernian deposit. The deposit lies on a granted mining lease M52/343 where previous drilling by a number of companies have intersected numerous high grade gold zones associated with quartz veining in shallow south-west plunging shoots. The Hibernian deposit has a measured and indicated Mineral Resource Estimate of 0.3Mt @ 3.1g/t Au for 27,000 oz.

Due to the high-grade nature of the Hibernian deposit there is potential to truck ore from Mt Egerton to a potential future processing plant at Glenburgh.

(c) **Material contracts**

(i) **Investec Debt Facility and Hedging Agreements**

Gascoyne entered into a \$40 million amortising debt facility with Investec Bank, plc (**Financier**) on 13 August 2020. Key terms of the \$40 million secured debt facility (**Finance Facility**) are:

Overview	A\$40 million facility that was available for a single drawdown. The Finance Facility was drawn in full on 20 October 2020.

Term	3 years (unless repaid earlier).
Repayment	Balance drawn is repaid in quarterly instalments with the first repayment made on 31 December 2020.
Interest and fees	Australian Bank Bill Swap Bid Rate plus a margin of 5.25% per annum. Fees are standard for a facility of this nature.
Hedging	On a rolling 18-month basis during the term, at least 40% of gold production is to be hedged.
Cash sweep	On a quarterly basis, 20% of surplus cash flow available for debt service less the financing costs for the quarter, is to be swept and applied to reduce the outstanding debt balance (such payments are in addition to scheduled principal repayments). This 20% sweep increases to 30% if there is a failure to meet minimum performance targets relating to production and costs associated with the project for two consecutive quarters.
Mandatory prepayment	If certain levels are not met in respect of the financial covenants and ratios, a lock up event will occur. On the occurrence of a lock up event, Gascoyne must make a mandatory prepayment up to an amount to ensure that on re-calculation of the financial covenant or ratio, the relevant levels are met.
Security and guarantees	The Financier has senior security over the assets of the Gascoyne group, subject to agreed carve-outs that are customary for a facility of this nature. Each member of the Gascoyne group is a guarantor under the Finance Facility.
Events of default and review events	The Finance Facility contains events of default which are customary for a facility of this nature. From the drawdown date, it will be a review event if a person acquires voting power in excess of 35% of Gascoyne or Gascoyne fails to meet certain minimum performance targets. If a review event occurs, the Finance Facility may be restructured or cancelled with the outstanding balance, together with all accrued interest due and payable within 90 days.

Representations, warranties and undertakings	The Finance Facility contains certain representations and undertakings that are customary for a facility of this nature and having regard to the nature of the Gascoyne group, and its business. The Company specifically notes: • Gascoyne must maintain a minimum available cash balance of \$10 million at all times (inclusive of an amount of \$7.5 million in a designated proceeds account). • Financial covenants and ratios customary for a facility of this nature are to be complied with on a quarterly basis. • Gascoyne is prevented from making distributions to its shareholders unless (amongst other things) the principal outstanding is less than \$25 million, the debt service reserve account and proceeds account meet minimum cash balance requirements and the financial covenants are met.

On 31 March 2021, Gascoyne made a voluntary prepayment of A\$14.6 million in order to reduce the debt balance and to reduce the remaining term of the Finance Facility to 30 June 2022 based on the then remaining scheduled quarterly repayments. Following this voluntary prepayment, Gascoyne is no longer obligated to hedge a minimum of 40% of production beyond 30 June 2022 and the minimum cash balance required to be maintained by Gascoyne at all times was reduced from \$10 million to \$5 million.

As at the date of this Scheme Booklet, the face value of the debt owing to the Financier was A\$14.0 million.

(ii) **NRW Mining Contract**

On 13 December 2017, GNT Resources entered into a contract with NRW Pty Ltd (**NRW**) under which NRW performs certain open pit mining and ancillary services for GNT Resources (**NRW Mining Contract**).

The term of the NRW Mining Contract is the known mining period in the 2020 life of mine plan at the Dalgaranga Gold Project. The then life of mine plan in 2020 forecast a mining period through to March 2024 (see ASX release dated 31 July 2020 titled "Updated Life of Mine Production Target and Ore Reserve").

Either party may terminate the NRW Mining Contract if the other party is in default and fails to remedy the default within the prescribed period, however, GNT Resources is unable to terminate the NRW Mining Contract for convenience.

Under the terms of an agreement entered into with NRW as part of the October 2020 recapitalisation of Gascoyne, a pre-voluntary administration obligation with a face value of \$13.7 million is to be settled through payments made by Gascoyne on a quarterly basis. The payments commence from the quarter ending 31 March 2021 and the amount to be paid is determined using a matrix of actual Gascoyne gold production for the quarter and the realised gold price received by Gascoyne. Gascoyne made the first of the quarterly payments in April 2021.

(iii) **Zenith PPA**

On 7 December 2017, GNT Resources entered into a power purchase agreement with Zenith Pacific (**DGA**) Pty Ltd (**Zenith**) to build, own and operate a 15MW gas-fired power station for the Dalgaranga Gold Project (**PPA**).

Under the terms of the PPA, Zenith has constructed a power station to service the power needs of the Dalgaranga Gold Project.

The PPA has an initial 6 year term, with GNT Resources having the option to extend this for a further 4 years.

Each month during the supply period, GNT Resources pays Zenith certain charges that are adjusted annually.

GNT Resources may terminate the PPA without cause by giving Zenith a minimum of 3 months' written notice. If GNT Resources terminates without cause and does not purchase the power plant (see below), GNT Resources is liable to pay to Zenith a termination payment, a demobilisation payment and all break costs incurred by Zenith under the PPA (up to a maximum aggregate break cost cap of \$500,000). Either party may terminate the PPA if the other party is in default and fails to remedy the default within the prescribed period.

GNT Resources may elect to purchase all of the assets constituting the power plant where GNT Resources gives notice of early termination of the PPA, where GNT Resources becomes entitled to terminate the PPA due to a default by Zenith, where the PPA is terminated due to an event of force majeure or at the expiry of the term.

(iv) **LNG Supply**

On 29 January 2018, GNT Resources entered into a long term LNG supply agreement with EVOL LNG (**EVOL**) to power the 15MW gas-fired power station for the Dalgaranga Gold Project, owned by Zenith.

Under the terms of the LNG supply agreement, EVOL is supplying the +1.0 million litre storage facility and the vaporisation equipment required for the power station. The LNG supply agreement has an initial 6 year supply term, with GNT Resources having the option to extend the supply term for a further 2 years.

Semi-monthly during the supply period, GNT Resources pays EVOL certain charges (some of which may be adjusted quarterly). Gascoyne has guaranteed the due performance of GNT Resources of the payment obligations under this agreement.

During the supply period, GNT Resources may provide EVOL with a minimum of 6 months' written notice to terminate before the end of the supply period if GNT Resources ceases mining and mineral processing activities. If this occurs an early termination charge is payable. Either party may terminate the LNG supply agreement if the other party is in default and fails to remedy the default within the prescribed period.

(v) **Solution Supply Agreement**

On 15 May 2018, GNT Resources entered into an exclusive solution supply agreement with Australian Gold Reagents Pty Ltd (**AGR**) for the supply of sodium cyanide solution for use at the Dalgaranga Gold Project.

The solution supply agreement has a 5 year term. GNT Resources may obtain sodium cyanide solution from other sources if AGR is unable to deliver, interrupts, curtails or suspends supply of sodium cyanide solution so that the volume of the storage facilities

falls below the minimum volume and is expected to remain below for a period exceeding 5 days.

GNT pays AGR a delivered rate per dry metric tonne of sodium cyanide solution (adjusted quarterly).

Either party may terminate the solution supply agreement if the other party is in default and fails to remedy the default within the prescribed period.

(vi) **Gold Price Hedging**

Gascoyne has gold price hedging arrangements in place in respect of its gold production. Gascoyne has a balance remaining as at 30 June 2021 of 44,782 ounces at a weighted average price of A\$2,528/oz.

7.2 2021 Mineral Resource and Ore Reserve, operational and exploration summary

(a) Financial year 2021 overview

Full year production for FY2021 totalled 77,278 ounces at an All-in Sustaining Cost (**AISC**) of \$1,308/oz, within updated guidance of 76,000-78,000 ounces at an AISC of between \$1,275-\$1,325/oz (as released to the ASX on 4 June 2021 titled "Updated Guidance for FY21 and New FY22 Guidance"). All-in Cost (**AIC**) for FY2021 was \$2,064/oz. For further details, refer to Gascoyne's quarterly activities report released to the ASX on 23 July 2021.

(b) Open Pit Mining

A total of 3.164 million tonnes of ore at 0.95 g/t containing 96,927 ounces were mined for FY2021. Ore was primarily sourced from the Gilbey's pit for the entire financial year, however, a small quantity of ore was sourced from the now completed Golden Wings pit in the first two months of FY2021. During the year, the Golden Wings pit was converted to an in-pit tails storage facility and the previous tails storage facility located to the west of the Gilbey's pit was decommissioned.

Total mined material movement for FY2021 was 8.7M bank cubic metres (**BCM**) comprising 1.2M BCM of ore and 7.5M BCM of waste. The bulk of the ore mined for FY2021 was from Stage 1 of the Gilbey's Main Zone (**GMZ**) and the bulk of waste mined was to access Stage 2 GMZ ore. Stage 2 GMZ ore is expected to underpin ore supply for FY2022. For further details, refer to Gascoyne's quarterly activities report released to the ASX on 23 July 2021.

(c) Processing Plant

The processing plant performed consistently above nameplate capacity of 2.5 million tonnes per annum (**MTPA**) with 2.635 million tonnes milled for FY2021. Cash processing costs for FY2021 remained low at an average of \$12.60 per tonne milled. For further details, refer to Gascoyne's quarterly activities report released to ASX on 23 July 2021.

(d) Exploration

On 4 February 2021, Gascoyne announced on the ASX a doubling of its FY2021 exploration budget from \$3.0 million to \$6.3 million aimed at growing Gascoyne's existing Mineral Resources and Ore Reserves. The re-invigoration of exploration programmes follows a number of years of limited exploration expenditure at Dalgaranga, Glenburgh and other exploration tenements including Mumbakine Well and Beebyn.

For FY2021, \$5.0 million was spent on exploration, predominantly at and around the Dalgara Gold Project. Approximately 65,000 metres of exploration drilling were carried out in FY2021. Drilling was initially focussed on exploration and resource definition at the Gilbey's pit, Sly Fox pit and the Plymouth deposit (located between Gilbey's and Sly Fox), before commencing regional exploration to the northwest of the Gilbey's pit.

On 17 February 2021, Gascoyne announced on the ASX early exploration success at the Tanqueray East deposit located within 5km of the process plant, including an intersection of 9m @ 7.0 g/t Au from 138m (including 3m @ 15.4 g/t Au). Further exploration results from Tanqueray East and Tanqueray West were announced on the ASX on 9 June 2021. Additionally, assays are pending from over 10,000m of aircore drilled over a 6km section of the eastern end of the 25km Greencock structure.

These early exploration successes indicate the strong potential to grow the existing Mineral Resources at Dalgara through a sustained programme of targeted exploration activities.

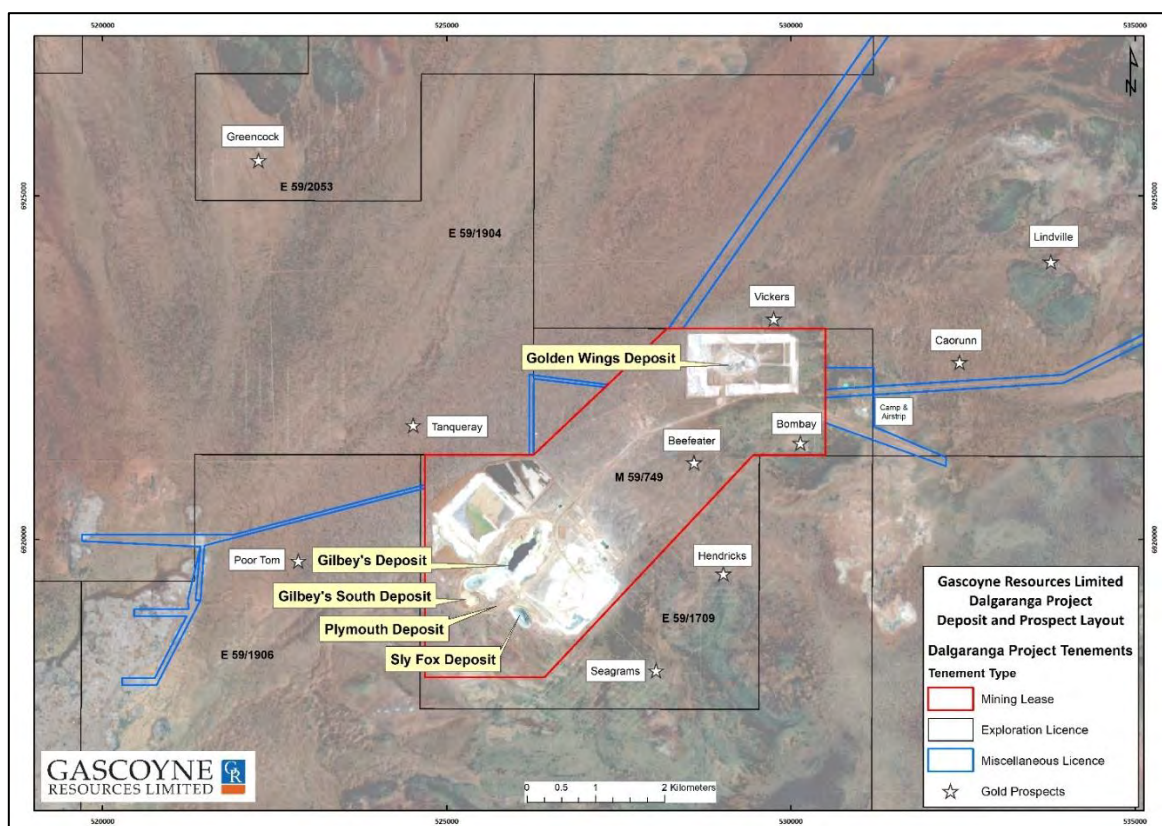


Figure 7.2: Dalgara Gold Project – Deposit Location map

Further information on the exploration programmes being undertaken by Gascoyne, including those at the Glenburgh, Mt Egerton (Hibernian Deposit) and Mumbakine is contained in Gascoyne's quarterly activities report released to the ASX on 23 July 2021.

(e) Mineral Resources

On 31 May 2021, Gascoyne released on the ASX its annual updated Mineral Resource Estimate and Ore Reserve. Total Mineral Resources for the Gascoyne group as at 31 March 2021 were 41.6Mt at 0.9g/t for 1,186,000 contained ounces of gold.

DALGARANGA ¹ (as at 31 March 2021)			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)

Measured	1.38	0.7	30.6
Indicated	20.04	0.8	533.1
Indicated + Measured	21.43	0.8	563.8
Inferred	3.56	0.7	85.1
TOTAL	24.99	0.8	648.9
GLENBURGH			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Indicated	13.50	1.0	430.7
Inferred	2.80	0.9	79.4
TOTAL	16.30	1.0	510.1
MT EGERTON – HIBERNIAN			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Indicated	0.23	3.4	25
Inferred	0.04	1.5	2
TOTAL	0.28	3.1	27
GRAND TOTAL			
	41.6	0.9	1,186

Table 7.2.1: Gascoyne Group Mineral Resources

- 1) Dalgara mineral resources include surface stockpiles and gold in circuit.

The Mineral Resource Estimate has been constrained within optimised pit shells based on a gold price of A\$2,800/oz.

(f) **Ore Reserves**

The Gascoyne group has determined Ore Reserves only for the operating Dalgara Gold Project. Ore Reserves as at 31 March 2021 are shown in the following table:

Classification	Oxidation state	COG (g/t Au)	Mt	Au g/t	Au koz
Proved	Oxide	0.30	0.002	1.1	0.1
	Transition	0.30	0.62	0.7	13.5
	Fresh	0.30	0.45	0.8	10.0
	Stockpiles	0.30	1.84	0.4	24.4
	Gold In circuit				1.7
	SUBTOTAL		2.91	0.5	49.8
Probable	Oxide	0.30	0.36	0.9	9.0

	Transition	0.30	0.36	0.9	9.2
	Fresh	0.30	9.90	0.9	271.0
	SUBTOTAL		10.62	0.8	289.2
Total			13.53	0.8	339.0

Table 7.2.2: Gascoyne Group Ore Reserves

Ore Reserves have been estimated using a gold price of A\$2,100/oz. Further details on the modifying factors and other key assumptions supporting the Mineral Resource Estimates and Ore Reserve are contained in the ASX release dated 31 May 2021.

7.3 Overview of Gascoyne's exploration and mining tenements

Details of Gascoyne's exploration and mining tenements are set out in Table 2.1 of the of the Independent Technical Report.

7.4 Board and senior management

(a) Board of Directors

Name and position	Biography
George Bauk Non-Executive Chairman	Mr Bauk is an experienced company director with over 14 years' experience as a listed company director in Australia with the resources industry in both production and exploration with assets in Western Australia, Australia and internationally. He is an experienced executive, with 30 years' experience in the resources industry. Mr Bauk holds a Bachelor of Business (Accounting and Finance) from Edith Cowan University, is a Fellow of the CPA and has an MBA from the University of New England. Mr Bauk has held global operational and corporate roles with WMC Resources and Western Metals. Mr Bauk has a strong background in strategic management, business planning, building teams, finance and capital/debt raising, and experience with a variety of commodities in particular rare earths, gold and industrial minerals. Mr Bauk is currently Non-Executive Chairman of Lithium Australia NL (ASX:LIT), Non-Executive Chairman of BlackEarth Minerals NL (ASX:BEM), Executive Chairman of Valor Resources Limited (ASX:VAL) and Executive Director of PVW Resources Limited (ASX:PVW).
Richard Hay Managing Director & CEO	Mr Hay is a highly experienced mining executive with 30 years of operational experience in gold mining. Mr Hay holds a Master of Science degree from Otago University, New Zealand (Geology). He joined Gascoyne in a newly created role of Executive General Manager in January 2019 with the remit to work on the turn-around of the operations and profitability of Dalgaranga before assuming the role of CEO.

Name and position	Biography
	Mr Hay has overseen the operational turnaround of the Dalgaranga mine. Prior to joining Gascoyne, Mr Hay was Mine General Manager of Evolution Mining Limited's (ASX:EVN) Mt Carlton gold operation in North Queensland from 2015 to 2018. Mr Hay has previously held the role of Managing Director of gold developer Dampier Gold Limited. Prior to this, Mr Hay had a successful 14 year career with Barrick Gold, which included 4 years as Mine General Manager at the Darlot Gold Mine in WA and 2 years as General Manager-Shared Services for 4 gold operations in WA.
Rowan Johnston Non-Executive Director	Mr Johnston is a mining engineer (graduating from the West Australian School of Mines) with significant experience as an Executive and Non-Executive Director. He has previously been the Managing Director of Excelsior Gold Limited. Mr Johnston was also the acting Chief Executive Officer and Executive Director of Operations for Mutiny Gold Limited prior to its takeover by Doray Minerals Limited and an Executive Director of Integra Mining Limited prior to its merger with Silver Lake Resources Limited. Mr Johnston has worked and studied in the mining (primarily gold) industry for 40 years throughout Australia and overseas and has experience working for owners, consultants and contractors. He has worked through several feasibility studies, start-ups, constructions, expansions and mergers. Mr Johnston is currently a non-executive director of gold development company Bardoc Gold Limited (ASX:BDC).
Hansjoerg Plaggemars Non-Executive Director	Mr Plaggemars is a seasoned finance professional taking over also operational roles in special situations through his consultancy firm. His experience includes structured debt finance, equity capital markets including capital increases and decreases, RTOs, restructurings and insolvencies. After being trained by KPMG, he has worked for over 14 years as CFO in various industries including software, retail, prefabricated housing and e-commerce. In 2014 he joined Deutsche Balaton AG, a German investment company, and since 2017, after having left Deutsche Balaton AG, has set-up his own consultancy firm, Value Consult. Hansjoerg currently sits on a number of boards as non-executive director or supervisory member. He holds a degree in Business Administration from the University of Bamberg. Mr Plaggemars is currently a non-executive director of ASX-listed companies Wiluna Mining Corporation (ASX:WMC), PNX Metals Limited (ASX:PNX), Altech Chemicals Limited (ASX:ATC), Azure Minerals Limited (ASX:AZS), South Harz Potash Limited (ASX:SHP) and Kin Mining NL (ASX:KIN).

Name and position	Biography
	In addition to the above ASX-listed companies, Mr Plaggemars is also a non-executive director on a number of other companies listed on international securities exchanges.

(b) **Corporate governance**

The Gascoyne Board is responsible for the corporate governance of Gascoyne.

Details of Gascoyne's key policies and principles and the charters for the Gascoyne Board and each of its committees are available on Gascoyne's website (www.gascoyneresources.com.au).

The main policies and principles adopted by Gascoyne are summarised below.

(i) **Gascoyne Board and Senior Executive Evaluation**

The Gascoyne Board considers the ongoing development and improvement of its own performance as critical input to effective governance. The Gascoyne Board will undertake an annual evaluation of its effectiveness as a whole. The Chairman will review the individual performance of each Gascoyne Board member annually.

The Chairman's performance is evaluated by the Gascoyne Board annually. All senior executives of Gascoyne are subject to an annual performance evaluation. Each year, senior executives establish a set of performance targets with their superior. These targets are aligned to overall business goals and requirements of the position.

(ii) **Selection of External Auditor**

When required, the Gascoyne Board recommends an appropriate external audit firm for appointment to Gascoyne Shareholders. The recommended auditor will be considered and appointed, if Gascoyne Shareholders so decide, at a general meeting of Gascoyne Shareholders. If approved by Gascoyne Shareholders, the appointment will be formally documented in writing.

The external auditor is required to rotate its audit partners so that no partner of the external auditor is in a position of responsibility in relation to Gascoyne's accounts for a year of more than 5 consecutive years. Further, once rotated off Gascoyne's accounts, no partner of the external auditor may assume any responsibility in relation to Gascoyne's accounts for a period of 5 consecutive years.

Gascoyne's current auditor is Grant Thornton Audit Pty Ltd.

(iii) **Selection and Appointment of New Gascoyne Directors**

Candidates for Gascoyne Board positions will be considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, compatibility within Gascoyne's scope of activities, and intellectual and physical ability to undertake Gascoyne Board duties and responsibilities. If directors have been initially appointed by the full Gascoyne Board, they will need to be re-elected by Gascoyne Shareholders at the next general meeting.

(iv) **Risk Management**

Risk recognition and management are viewed by Gascoyne as integral to Gascoyne's objectives of creating and maintaining shareholder value and the successful advancement of Gascoyne's business activities.

There are a range of risks that have the potential to have an adverse impact on Gascoyne's business. The Gascoyne Group has developed a framework for a risk management and internal compliance which covers organisational, financial and operational aspects of the Gascoyne Group's affairs.

Management reports to the Gascoyne Board annually in relation to the key business risks, the control system in place to manage such risks and how effective the risk management system is operating. The Gascoyne Board is responsible for deciding the nature and extent of the risks it is prepared to take to meet its objectives. The Gascoyne Group regularly considers its risks and its Risk Management Plan.

(v) Matters for Approval by the Gascoyne Board

The Gascoyne Board has adopted a list of matters required to be brought before the Gascoyne Board for approval. This provides an important means of dividing responsibility between the Gascoyne Board and management, assisting those affected by corporate decisions to better understand the respective accountabilities and contributions of the Gascoyne Board and the senior executives.

(vi) Gascoyne Board Charter

The Gascoyne Board Charter provides an overview of the Gascoyne Board's structure, composition and responsibilities, and the relationship and interaction between the Gascoyne Board, the Gascoyne Board committees and management.

Under the Gascoyne Board Charter, the Gascoyne Board's responsibilities include:

- overseeing the Gascoyne Group, including its control and accountability systems;
- providing input into and final approval of management's development of corporate strategy and performance objectives;
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance;
- monitoring senior executives' performance and implementation strategy;
- ensuring appropriate resources are available to senior executives;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestures; and
- approving and monitoring financial and other reporting.

Subject to the Chairman's approval, the Gascoyne Directors, at Gascoyne's expense, may obtain independent professional advice on issues arising in the course of their duties.

While the Gascoyne Board retains ultimate responsibility for the strategy and performance of Gascoyne, the day to day operation of Gascoyne is conducted by, or under the supervision of, the Managing Director as directed by the Gascoyne Board.

(vii) Gascoyne Board Committees

The Gascoyne Board may from time to time establish committees to assist in performing its responsibilities. The Gascoyne Board has established the following committees:

- Audit and Risk Committee; and
- Remuneration Committee.

Other committees may be established by the Gascoyne Board as and when required.

(viii) **Audit and Risk Committee**

The Audit and Risk Committee's key responsibilities are to oversee Gascoyne's:

- policies and procedures;
- processes for the identification and management of risk;
- financial controls and systems;
- financial reporting processes;
- processes for monitoring compliance with legislation and regulation; and
- relationship with the external auditor and the external audit function generally.

Under its charter, the Audit and Risk Committee will comprise all Gascoyne Directors.

(ix) **Remuneration Committee**

The Gascoyne Board has established a separate Remuneration Committee to consider the remuneration of Gascoyne Directors and senior executives. The purpose of the Remuneration Committee is to assist the Gascoyne Board in fulfilling its corporate governance responsibilities. The functions of the Remuneration Committee generally include review of:

- Gascoyne Board performance;
- the remuneration framework for non-executive Gascoyne Directors;
- the remuneration and incentive framework, including any proposed equity incentive awards for the Managing Director and senior executives; and
- recommendations on remuneration and incentive awards for the Managing Director and senior executives.

The Remuneration Committee must comprise only non-executive Gascoyne Directors. The Committee will benchmark remuneration of non-executive Gascoyne Directors.

The Remuneration Committee is currently comprised of all Non-Executive Directors.

(x) **Continuous Disclosure Policy**

Gascoyne is required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, Gascoyne is required to immediately advise the ASX of any

information concerning Gascoyne that a reasonable person would expect to have a material effect on the price or value of the Gascoyne Shares.

Gascoyne has adopted a Continuous Disclosure Policy which reinforces Gascoyne's commitment to its continuous disclosure obligations and describes the processes in place that enable Gascoyne to provide Gascoyne Shareholders with timely disclosure in accordance with those obligations. Information will be communicated to Gascoyne Shareholders through the lodgement of all relevant financial and other information with the ASX, and copies of Gascoyne's announcements to the ASX will be available on Gascoyne's website.

(xi) **Shareholder Communication Policy**

Gascoyne aims to ensure that Gascoyne Shareholders are informed of all major developments affecting Gascoyne. Gascoyne Shareholders may request copies of Gascoyne's annual report, half-yearly financial statements and quarterly reports. Gascoyne also encourages full participation of Gascoyne Shareholders at general meetings of Gascoyne.

In addition, Gascoyne regularly updates its website (<https://www.gascoyneresources.com.au/>) with information relevant to shareholders and investors generally.

(xii) **Securities Dealing Policy**

Gascoyne recognises that Gascoyne Directors, officers and employees may hold securities in Gascoyne.

Gascoyne has adopted a Securities Dealing Policy that is intended to explain the types of conduct in relation to dealings in securities that are prohibited by law and establish procedures for the buying and selling of securities to ensure that public confidence is maintained in the reputation of Gascoyne, the Gascoyne Directors and employees and in the trading of Gascoyne's Shares.

Gascoyne acknowledges that the Corporations Act prohibits persons who are in the possession of price sensitive information from dealing in securities, procuring that another person deals in the securities or communicates the information to others who might deal in the securities. Gascoyne recognises that the central test of what constitutes price sensitive information is information concerning a company that a reasonable person would expect to have a material effect on the price or value of securities in the company.

The policy provides that Gascoyne Directors, executives and other employees are generally not allowed to deal in securities of Gascoyne ("closed period") as a matter of course in the following periods:

- from the last day of each quarter to the release of quarterly results; and
- while there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.

The policy also provides that Gascoyne Directors, executives and other employees must not communicate price sensitive information to a person who may deal in securities of Gascoyne.

It is the responsibility of the individual Gascoyne Director, officer or employee to ensure that any trading by the Gascoyne Director, officer or employee complies with the Corporations Act, the ASX Listing Rules and Gascoyne's policies.

A breach of this policy may lead to disciplinary action. It may also be a breach of the law.

(xiii) **Code of Conduct**

The Gascoyne Board, management and employees of Gascoyne are committed to implementing Gascoyne's core principles and values as stated in its Code of Conduct when dealing with each other and with customers, suppliers, competitors and the wider community.

Gascoyne is dedicated to delivering the best performance possible for investors and employees using its resources. Gascoyne aspires to operate openly, with the highest level of honesty, fairness and integrity and observe the rule and spirit of the legal and regulatory environment in which Gascoyne operates. In maintaining its corporate social responsibility, and its commitment to being a good corporate citizen, Gascoyne will conduct its business ethically and according to its values, encourage community initiatives, consider the environment and ensure a safe workplace.

(xiv) **Diversity Policy**

Gascoyne recognises that a diverse and talented workforce is a competitive advantage and that Gascoyne's success is the result of the quality and skills of our people. As such, the Gascoyne Board has adopted a policy to approach decisions of recruitment, development, promotion and remuneration on the basis of qualification and principles merit and fairness.

(xv) **Whistleblower Policy**

Gascoyne is committed to promoting and supporting a culture of corporate compliance and ethical behaviour. Gascoyne has adopted a Whistleblower Policy which encourages directors, officers, employees, consultants and contractors to raise any concerns and report instances of illegal, unethical or damaging behaviour without fear.

The Whistleblower Policy establishes the mechanisms and procedures for directors, officers, employees, consultants and contractors to report unethical, illegal or damaging conduct (or other forms of reportable conduct as identified in the Whistleblower Policy) in a manner which protects the whistleblower and gathers the necessary information for Gascoyne to investigate such reports and act appropriately

(c) **Director's interests in Gascoyne Shares**

As at the date of this Scheme Booklet, the interests of Gascoyne Directors in Gascoyne securities are set out in the table below:

Gascoyne Director	Type of security	Number of securities
George Bauk	N/A	Nil
Richard Hay	Ordinary Shares	700,000
Rowan Johnston	N/A	Nil
Hansjoerg Plaggemars	N/A	Nil

(d) **Director's interests in Firefly Shares**

As at the date of this Scheme Booklet, no Gascoyne Director has a Relevant Interest in any Firefly Shares.

(e) **Senior Executive Team**

Name and position	Biography
Richard Hay Managing Director & CEO	See Biography in Board of Directors above in section 7.4.
David Coyne Chief Financial Officer & Company Secretary	Mr Coyne has over 25 years' experience in the mining, and engineering and construction industries, both within Australia and internationally. Prior to joining Gascoyne, Mr Coyne held senior executive positions with Australia listed companies Macmahon Holdings Limited, VDM Group Limited, Peninsula Energy Limited and with unlisted global manganese miner Consolidated Minerals. Over the past 15 years, Mr Coyne has been directly involved in a number of equity and debt raising transactions and has been the project director on a company-wide systems implementation project. Mr Coyne remains as a Non-Executive Director of Peninsula Energy Limited and has previously served on the Board of listed iron ore miner, BC Iron Limited, where he also held the role of Chairman of the Audit and Risk Committee.
David Baumgartel Executive General Manager Operations & Development	Mr Baumgartel has over 15 years' experience in the mining industry with 13 of those years being with Barrick Gold. He has worked as a General Manager internationally in mining for 9 years. He has run both open pit and underground mines in the Philippines (Runruno Gold Mine), Zambia (Lumwana Copper Mine), Saudi Arabia (Jabal Sayid Copper Mine) and Western Australia (Darlot Gold Mine). Mr Baumgartel was responsible for the start-up and commissioning of the underground and process plant at the Jabal Sayid Mine. Mr Baumgartel is a CPA with strong commercial acumen having also previously worked as a Commercial Manager, in Business Improvement and as the Vice President of Supply Chain for Barrick Gold.
Julian Goldsworthy Chief Geologist	Mr Goldsworthy has over 26 years of mineral exploration experience primarily with Newcrest Mining (and its predecessor Newmont Australia). He led and conducted successful exploration programs for gold in Australia and South America. Julian was Exploration Manager for Giralia Resources NL from 2007 until the takeover of Giralia by Atlas Iron Ltd in 2011. At Giralia, Julian was responsible for the discovery of over 400 million tonnes of direct shipping

Name and position	Biography
	iron ore (DSO) in the Pilbara and Mid West regions of Western Australia.
Tejal Magan Head of Finance	Ms Magan is a Chartered Accountant with over 10 years' experience in the mining, oil and gas and construction industries, within Australian and internationally listed companies. Prior to joining Gascoyne, Ms Magan held senior finance positions within ASX-listed ship builder Austal Limited and global iron ore producer Cliffs Natural Resources. Ms Magan has led global corporate and treasury functions and she has been instrumental in stabilising and transforming finance teams in challenging environments.

7.5 Interests in Firefly Shares and benefits

(a) Gascoyne interests in Firefly Shares

As at the date of this Scheme Booklet, other than as set out below and in section 7.4(d), neither Gascoyne nor any Gascoyne Director holds a Relevant Interest in Firefly Shares or any other Firefly security.

Gascoyne has a Relevant Interest in 16.96% of Firefly Shares as a result of Firefly's three largest shareholders (being the other Substantial Firefly Shareholders) entering into binding Voting Deed Polls with Gascoyne.

(b) No dealings in Firefly Shares in the previous four months

Except for the consideration to be provided under the Scheme, neither Gascoyne nor any of its Associates has provided, or agreed to provide, consideration for Firefly Shares under any purchase or agreement to purchase during the four months ending on the day immediately before the date of this Scheme Booklet.

(c) No pre-Scheme benefits

During the period of four months before the date of this Scheme Booklet, neither Gascoyne nor any of its Associates gave, or offered to give, or agreed to give, a benefit to another person which was likely to induce the other person or an Associate of the other person to:

- (a) vote in favour of the Scheme; or
- (b) dispose of Firefly Shares,

and which is not offered to all Firefly Shareholders.

7.6 Gascoyne's corporate structure

The following entities are all of the Subsidiaries of Gascoyne:

Name	Place of incorporation	Ownership interest (%)
Gascoyne Resources (WA) Pty Ltd	Australia	100
Dalgaranga Operations Pty Ltd	Australia	100
GNT Resources Pty Ltd	Australia	100
Egerton Exploration Pty Ltd	Australia	100
Dalgaranga Exploration Pty Ltd	Australia	100
Gascoyne (Ops Management) Pty Ltd	Australia	100
Dalgaranga Joint Ventures	Unincorporated, but principal place of business in Perth, Western Australia.	80

Gascoyne is party to two contractual joint ventures to undertake mineral exploration on tenements that form part of Dalgaranga. The joint venture entities are classified as subsidiaries of the Group in accordance with AASB 10 Consolidated Financial Statements.

The Dalgaranga Joint Ventures' activities include the exploration of the joint venture tenements for minerals and if successful, to develop and mine minerals within the joint venture tenements. Under the terms of the agreements Gascoyne is required to free carry the vendors' participating interest in the joint ventures by sole funding the joint venture costs until the earlier of, the completion of a bankable feasibility study, a decision to commence mining operations, or an election by the non-controlling joint venture partner to convert their respective 20% participation interest to a 2% net smelter return royalty. If an election is made to convert the 20% participation interest to a net smelter royalty, the Gascoyne Group's ownership interest in the respective joint ventures' net assets will increase to 100%.

7.7 Gascoyne's issued securities

As at the date of this Scheme Booklet, Gascoyne's has the following securities on issue:

Type of security	Number on issue
Gascoyne Shares	250,858,128
Gascoyne Unlisted Options	107,000
Gascoyne Performance Rights Class A	200,000
Gascoyne Performance Rights Class B	200,000

(a) Gascoyne Shares

On the assumptions that:

- (a) the Scheme becomes Effective; and
- (b) no other Firefly Shares or Gascoyne Shares are issued,

Gascoyne will have approximately 371,254,141 Gascoyne Shares on issue following the Scheme being implemented.

(b) Gascoyne Shares

On implementation of the Scheme, the Scheme Shareholders will hold approximately 32.4% of the Combined Group and current Gascoyne Shareholders will hold approximately 67.6% of the Combined Group on a fully diluted basis.³⁶

7.8 Gascoyne employee incentive plan

On 24 November 2016, Gascoyne shareholders approved an employee share option plan (the **2016 Plan**) which provided for the granting of Gascoyne Options as incentive based remuneration to eligible participants. As at the date of this Scheme Booklet, Gascoyne has the following unquoted Gascoyne Options on issue under the 2016 Plan:

Number	Exercise Price	Expiry Date
107,000	\$7.40	7 October 2021

In late 2020, Gascoyne adopted a new employee equity incentive plan (the **2020 Plan**) which provides the granting of Gascoyne securities as incentive based remuneration to eligible participants. As at the date of this Scheme Booklet, Gascoyne has the following unquoted Gascoyne Performance Rights on issue under the 2020 Plan:

Class	Number	Vesting Date
Performance Rights A	200,000	1 July 2022
Performance Rights B	200,000	1 January 2023

The 2020 Plan was approved by Gascoyne shareholders at its annual general meeting held on 18 December 2020.

7.9 Substantial Gascoyne Shareholders

The substantial shareholders (5% or more) of Gascoyne Shares as at 7 September 2021, being the last practicable trading day prior to the date of this Scheme Booklet, are as follows:

³⁶ Assuming all remaining "in-the-money" Firefly Options that have not been cancelled are exercised and converted into Gascoyne Shares and assuming a pre-determined black-scholes valuation for "out-of-the-money" Firefly Options - please refer to section 5.9 for further information.

Substantial Gascoyne Shareholder	Number of Gascoyne Shares held	Voting Power
Deutsche Balaton AG trading as Sparta AG, and the persons listed in the Form 604 lodged with the ASX on 18 June 2021 (together, the Sparta AG Group)	55,461,463	22.11%
NRW Holdings Limited	36,935,762	14.72%
First Sentier Investors Holdings Pty Ltd	25,174,140	10.04%

The shareholdings listed in this section are as disclosed to Gascoyne by shareholders in substantial holding notices. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to Gascoyne, or in respect of which the relevant announcement is not available on the ASX's website (www.asx.com.au) is not included above.

7.10 Historical financial information

(a) Overview

This section 7.10 contains the following historical financial information of Gascoyne:

- (A) historical income statements for the years ended 30 June 2019, 30 June 2020 and the half-year ended 31 December 2020 (**Gascoyne Historical Income Statements**);
- (B) historical statements of financial position as at 30 June 2019, 30 June 2020 and 31 December 2020 (**Gascoyne Historical Statements of Financial Position**); and
- (C) historical statements of cash flows for the years ended 30 June 2019, 30 June 2020 and the half-year ended 31 December 2020 (**Gascoyne Historical Statements of Cash Flows**).

(together, **the Gascoyne Historical Financial Information**).

All amounts disclosed in this section 7.10 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand dollars. Any discrepancies between totals and sums of components in tables and figures contained in this section 7.10 are due to rounding.

(b) Basis of preparation of the Gascoyne Historical Financial Information

The Financial Information presented in this section 7.10(b) has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the AASB and the Corporations Act.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

During the period between 31 December 2020 and the date of this Scheme Booklet, other than disclosed in this Scheme Booklet, no other events or transactions of a material or unusual nature have arisen that, in the opinion of the directors of Gascoyne, would significantly impact the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

(c) **Gascoyne Historical Financial Statements**

Set out below are the Gascoyne Historical Income Statements for the years ended 30 June 2019, 30 June 2020 and the half-year ended 31 December 2020:

	Reviewed for the half-year ended 31 Dec 20 \$'000	Audited for the year ended 30 Jun 20 \$'000	Audited for the year ended 30 Jun 19 \$'000
Revenue	109,637	171,489	95,777
Cost of sales	(73,208)	(149,940)	(119,676)
Gross profit	36,429	21,549	(23,899)
Other income	2,190	3	1,168
Impairment loss	-	-	(33,494)
Other expenses	(7,331)	(12,873)	(8,137)
Operating profit/(loss)	31,288	8,679	(64,362)
Finance income	1	15	189
Finance costs	(2,015)	(6,556)	(38,040)
Profit/(loss) before tax	29,274	2,138	(102,213)
Income tax (expense)/benefit	(2,440)	(149)	(4,892)
Profit/(loss) for the half-year	26,834	1,989	(107,105)
Total other comprehensive income	-	-	-
Total comprehensive income/(loss) for the half-year	26,834	1,989	(107,105)
Profit/(loss) for the half-year attributable to:			
Owners of the Company	26,834	1,989	(107,105)
Non-controlling interests	-	-	-
	26,834	1,989	(107,105)
Total comprehensive profit/(loss) for the half-year attributable to:			
Owners of the Company	26,834	1,989	(107,105)
Non-controlling interests	-	-	-
	26,834	1,989	(107,105)
Profit/(loss) per share			
Basic (cents per share)	19.6	0.2	(18.6)
Diluted (cents per share)	19.6	0.2	(18.6)

Set out below are the Gascoyne Historical Statements of Financial Position as at 30 June 2019, 30 June 2020 and 31 December 2020:

	Reviewed for the half-year ended 31 Dec 20 \$'000	Audited for the year ended 30 Jun 20 \$'000	Audited for the year ended 30 Jun 19 \$'000
Assets			
Current assets			
Cash and cash equivalents	37,302	5,640	16,729
Trade and other receivables	6,894	5,571	3,793
Inventories	12,555	15,255	8,139.00
Other financial assets	-	633	633
Total current assets	56,751	27,099	29,294
Non-current assets			
Property, plant and equipment	193,863	179,747	167,598
Exploration and evaluation	31,615	30,114	28,971.00
Other financial assets	423	380	379.00
Total non-current assets	225,901	210,241	196,948
Total assets	282,652	237,340	226,242
Liabilities			
Current liabilities			
Trade and other payables	10,490	43,608	32,956
Borrowings and lease liabilities	16,755	71,532	71,938
Provisions	2,647	2,958	2,052
Other financial liabilities	2,776	24,995	30,326
Total current liabilities	32,668	143,093	137,272
Non-current liabilities			
Borrowings and lease liabilities	35,513	10,678	9,335
Provisions	25,737	26,200	23,882
Other financial liabilities	9,918	-	-
Total non-current liabilities	71,168	36,878	33,217
Total liabilities	103,836	179,971	170,489
Net assets	178,816	57,369	55,753
Equity			
Share capital	266,196	171,583	171,931
Non-controlling interests	1,219	1,125	1,129.00
Reserves	767	861	882
Retained earnings/(Accumulated losses)	(89,366)	(116,200)	(118,189)
Total equity	178,816	57,369	55,753

Set out below are the Gascoyne Historical Statements of Cash Flows for the years ended 30 June 2019, 30 June 2020 and the half-year ended 31 December 2020:

	Reviewed for the half-year ended 31 Dec 20 \$'000	Audited for the year ended 30 Jun 20 \$'000	Audited for the year ended 30 Jun 19 \$'000
Cash flows from operating activities			
Receipts from customers	109,637	171,489	95,777
Payments to suppliers and employees	(70,510)	(119,742)	(85,965)
Other revenue received	2	3	1,163
Finance charges paid	-	(146)	(123)
Interest received	1	14	189
Interest paid	(1,845)	(695)	(2,754)
Income tax refund - research and development	-	-	264
Net cash flows from/(used in) operating activities	37,285	50,923	8,551
Cash flows from investing activities			
Payments for exploration and evaluation	(872)	(1,147)	(2,579)
Payments for property, plant and equipment	(1,384)	(382)	(5,036)
Payments for mine properties	(34,512)	(44,381)	(62,752)
Proceeds from the sale of pre-production inventories	-	-	4,239
Transfer from/(to) security deposits	(43)	-	(170)
Net cash flows used in investing activities	(36,811)	(45,910)	(66,298)
Cash flows from financing activities			
Proceeds from issue of shares	85,243	-	48,662
Share issue costs	(8,133)	(497)	(3,683)
Proceeds from borrowings and lease liabilities	40,000	-	10,352
Repayment of borrowings and lease liabilities	(84,871)	(15,605)	(4,916)
Payments for borrowings transactions costs	(1,051)	-	(1,084)
Net cash flows from financing activities	31,188	(16,102)	49,331
Net decrease in cash and cash equivalents	31,662	(11,089)	(8,416)
Effects of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents at the start of the period	5,640	16,729	25,145
Cash and cash equivalents at the end of the period	37,302	5,640	16,729

(d) **Management commentary on the Gascoyne Historical Financial Information**

Commentary on Gascoyne Historical Financial Information is outlined below. More information is available from Gascoyne's annual financial statements for the years ended 30 June 2019, 30 June 2020 and Gascoyne's interim financial statements for the half-year ended 31 December 2020.

(i) **Commentary on Gascoyne Historical Financial Information for the financial year ended 30 June 2019**

On 2 June 2019, the Directors of Gascoyne resolved to place Gascoyne into Voluntary Administration.

During the 2019 financial year, the Dalgara Gold Project operations focused on ramping up production in the first half of the year after commencing mining in March 2018 and commissioning the processing plant in May 2018. The second half of the financial year did not see the expected improvements in Ore Reserve model reconciliation from ore

zones peripheral to the Gilbey's Main Zone (**GMZ**) and consequently gold production was significantly lower than originally anticipated.

Gold sales revenue of \$95.8 million was generated from the sale of 48,075oz at an average gold price of A\$1,991, post commencement of commercial production.

The net consolidated loss of Gascoyne for the financial year was \$107.1 million. The net loss included an impairment loss of \$33.5 million, and a financial liability of \$30.3 million arising from early termination of the gold hedge agreement in place with National Australia Bank and Commonwealth Bank of Australia (**Original Banks**).

As at 30 June 2019 Gascoyne had a working capital deficit of \$108.0 million as a result of the reclassification of the borrowings from non-current to current, the working capital facility provided by NRW Holdings Limited, and the termination of the gold forward contracts following the voluntary appointment of Administrators on 2 June 2019.

(ii) **Commentary on Gascoyne Historical Financial Information for the financial year ended 30 June 2020**

For the majority of the 2020 financial year, Gascoyne remained subject to Voluntary Administration. On 25 June 2020, Gascoyne creditors approved the entry into a Deed of Company Arrangement (**DOCA**).

The 2020 financial year was one of a successful operational turn-around with Gascoyne producing in excess of 73,000oz of gold.

Gascoyne generated a net consolidated profit of \$2.0 million for the year. The significant turnaround from 30 June 2019 was primarily driven by investment to expose a significant length of the Gilbey's Main Zone thereby securing access to a sustainable quantity of high-grade ore, the increased gold spot price, no impairment loss, and improved process plant recoveries and efficiencies.

Gascoyne's free cashflow generation continued to improve throughout the year as a result of the improved operating performance as well as an increasing gold spot price. Gascoyne generated cash from operations of \$50.9 million for the year offset by investing activities of \$45.9 million, resulting in free cashflow generation of \$5.0 million for the year. Investing activities during the financial year were primarily for expenditure on the Stage 1 cutback in the Gilbey's pit.

(iii) **Commentary on Gascoyne Historical Financial Information for the financial half-year ended 31 December 2020**

During the half-year ended 31 December 2020, Gascoyne satisfied ASX reinstatement conditions following effectuation of the DOCA on 20 October 2020 and trading in Gascoyne's shares recommenced on 21 October 2020.

During the half-year Gascoyne entered into agreements for a \$125 million recapitalisation package, following shareholder approval, comprising:

- Fully underwritten placement and entitlements offer to raise approximately \$85.2 million comprising a:
 - o \$35.0 million placement;
 - o \$50.2 million accelerated institutional and retail entitlement offer; and

- \$40.0 million amortising debt facility with Investec Bank plc (**Investec**).

Gascoyne drew down the full amount under the \$40.0 million Investec debt facility and used the proceeds to partly repay amounts owing to the Original Banks. Part of the proceeds from the capital raising were used to retire the balance of the remaining amounts owed to the Original Banks, repay \$7.0 million to NRW Holdings Limited and provide the cash funding to the creditors trust established in accordance with the DOCA. Gascoyne also completed a 1 for 20 issued capital consolidation during the period.

The net consolidated profit after tax of Gascoyne for the half-year was \$26.8 million. The significant turnaround from 2019 full year results was driven by a range of factors including higher ounces of gold produced and subsequently sold at a higher average realised gold price, and a higher proportion of mining costs capitalised to deferred waste during the December 2020 half.

A requirement under the debt facility with Investec is to partially protect against adverse movements in the gold price by hedging, on a rolling 18-month basis, a minimum of 40% of forecast gold sales. Following draw down of proceeds under the debt facility and effectuation of the DOCA, Gascoyne entered into initial forward sale agreements with Investec for approximately 46,000oz (being 40% of forecast production and gold sales over the 18-month period commencing on 1 November 2020) at \$2,667 per ounce.

Additional hedging has been undertaken by Gascoyne since the initial forward sale contracts were executed. Refer to section 7.1(c)(vi) for further information on Gascoyne's current hedging position.

Gascoyne generated cash from operations of \$37.3 million for the half-year offset by investing activities of \$36.8 million, resulting in free cashflow generation of \$0.5 million for the half-year. Cash flow generated from operations during the period is net of the cash payment of \$10.6 million to settle pre-Voluntary Administration trade creditors and also includes the cash payment to part settle the amount owed to NRW. Gascoyne also paid legal fees of approximately \$2.4 million during the half year to successfully defend the action brought by Habrok (Dalgaranga) Pty Ltd.

7.11 Intentions of Gascoyne and the Combined Group

This section 7.11 outlines Gascoyne's current intentions in relation to Firefly and the Combined Group, including in relation to:

- the continuation of the business of Firefly;
- any major changes to be made to the business of Firefly; and
- the future employment of the present employees of Firefly.

(a) Overview

This section sets out the intentions in relation to Gascoyne and the Combined Group, assuming the Scheme is implemented. The statements set out in this section are formed on the basis of publicly available information as at the date of the Scheme Booklet as well as information made available in the course of due diligence carried out by Firefly on the business of Gascoyne.

The statements set out in this section are statements of current intention only, which may change as new information becomes available, as circumstances change or as the Combined Group further develops its strategic focus and outlook.

(b) Operations of the Combined Group

If the Scheme is implemented and subject to the matters set out below, it is intended that the business of Firefly will be integrated into Gascoyne's existing business and the Yalgoo Gold Project (**Yalgoo**) will be continued substantially in the same manner as it is presently being conducted.

The Combined Group will continue to review all aspects of the assets and operations to identify ways to maximise value for all shareholders. The key projects of the Combined Group are described in section 8.1.

The merger will allow the two companies to realise the strong synergies that exist between two neighbouring gold projects.

The potential synergies primarily relate to the opportunity to diversify production at the Dalgaranga Gold Project via the potential to source material from a number of the Yalgoo deposits (subject to mining studies and approvals), such as the Melville deposit, for processing at the Dalgaranga plant. This is expected to create operational flexibility and reduce the risk associated with a single source operation as well as the reduction in infrastructure capital investment to develop the Yalgoo deposits. The Combined Group will undertake further exploration and studies, to build up the feasibility of the Firefly Yalgoo project deposits as the basis of a second mining centre.

The Combined Group will have the opportunity to enhance and extend Dalgaranga's existing mine plan given the presence of higher-grade shallow (at surface) mineral resources at deposits such as Melville.

Gascoyne's immediate focus following implementation of the Scheme will be on the near-term development of the higher-grade, from surface, Melville deposit within the Yalgoo project and to conduct further delineation drilling on deposits such as Don Bradman and Applecross. In particular, Gascoyne's intentions include:

(i) Melville Deposit

- Undertake the activities required to submit a mining license application, a Mining Proposal and a Mine Closure Plan; and
- undertake the technical and economic studies required to determine the extent of the existing Mineral Resource Estimate that can be included within an Ore Reserve;

(ii) Don Bradman, Applecross and Brilliant Deposits

- Undertaking exploration drilling to better determine the extent of mineralisation; and
- assessing the results from exploration drilling with a view to declaring a mineral resource.

Amongst the other deposits within the Yalgoo project, Gascoyne's intention is to undertake a review and prioritise the deposits with the Dalgaranga deposits for integration into the development pipeline of the Combined Group and undertake further exploration and delineation drilling.

The near-term development strategy is intended to occur over a 12-24 month timeline following implementation of the Scheme. Gascoyne cautions that the anticipated timeline for development remains subject to the usual risks applicable to exploration and development activities. Refer to section 9 for a summary of the key risks

applicable to an investment in the Combined Group, including exploration and development risks.

The potential increase in scale of the Combined Group's operations in the Dalgaranga-Yalgoo area may support further value unlocking opportunities for the Combined Group. These opportunities may include the ability for the Combined Group to approach future regional consolidation opportunities from an improved market position that leverages the Combined Group's infrastructure and increased scale in the area.

The current strategic plan is to sustain and grow the current operating outlook for the Combined Group by leveraging the current mining operations and processing infrastructure at the Dalgaranga Gold Project. Further development studies on Gascoyne's and Firefly's projects and a review of the optimal integrated mine plan for the Combined Group will be conducted, with the intention of maximising cash flow and shareholder returns.

Investors are cautioned however that as with any statements of intention, intervening events and new circumstances have the potential to affect strategic plans and the Gascoyne Board reserves the right to adjust its plans to respond to such events and circumstances.

(c) Directors, management and employees

Following the implementation of the Scheme, Gascoyne will continue to be led by Managing Director and CEO, Richard Hay and Chairman, George Bauk. Firefly Managing Director and CEO, Simon Lawson will join the Board as a non-executive Director.

Shareholders of the Combined Group will benefit from the continued involvement of Simon Lawson that will maintain a continued and comprehensive knowledge based on the Yalgoo Gold Project. Gascoyne has also indicated that an additional employee of Firefly may join the Combined Group, further enhancing the knowledge of the Yalgoo Gold Project for the Combined Group.

(d) Corporate matters in relation to Firefly

Following implementation of the Scheme, it is intended that:

- Firefly be removed from the official list of the ASX; and
- as Firefly and its controlled entities will be wholly owned subsidiaries of Gascoyne, the Firefly Board will be reconstituted so that they comprise persons nominated by the Board of Gascoyne.

(e) Dividend policy

The Combined Group Board will review the amount of any future dividends to be paid to shareholders having regard to the Combined Group's profits, its financial position and the Board's assessment of the capital required to grow the Combined Group's business.

(f) Delisting

If the Scheme is implemented, Gascoyne will procure that Firefly applies to the ASX to be removed from the official list of the ASX after implementation of the Scheme.

7.12 Rights and liabilities attaching to the New Gascoyne Shares and other material provisions of the Gascoyne Constitution

(a) Introduction

The rights and liabilities attaching to ownership of New Gascoyne Shares arise from a combination of the Gascoyne Constitution, statute, the ASX Listing Rules and general law. A summary of the significant rights, liabilities and obligations attaching to the New Gascoyne Shares and a description of other material provisions of the Gascoyne Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Gascoyne Shareholders.

Full details of the rights and liabilities attaching to Gascoyne Shares (including the New Gascoyne Shares) are set out in the Gascoyne Constitution, a copy of which is available for inspection at Gascoyne's registered office during normal business hours.

(b) General meetings

Each Gascoyne Shareholder is entitled to receive notice of, attend and vote at general meetings of Gascoyne and to receive all notices, accounts and other documents required to be sent to Gascoyne Shareholders under the Gascoyne Constitution, Corporations Act and the ASX Listing Rules.

Gascoyne Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Gascoyne. Gascoyne Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Gascoyne Constitution.

(c) Voting rights

At a general meeting of Gascoyne, every Gascoyne Shareholder present in person or by proxy, representative or attorney has 1 vote on a show of hands and, on a poll, 1 vote for each Gascoyne Share held (with adjusted voting rights for partly paid shares). If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote, in addition to any deliberative vote.

(d) Dividends

The Gascoyne Board may from time to time resolve to pay dividends to Gascoyne Shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.

(e) Winding up

If Gascoyne is wound up, then subject to any rights or restrictions attached to a class of Gascoyne Shares, any surplus must be divided amongst Gascoyne's members in proportion to the number of Gascoyne Shares held by them. The amount unpaid on Gascoyne Shares held by a member is to be deducted from the amount that would otherwise be distributed to that member.

(f) Transfer of Gascoyne Shares

Generally, Gascoyne Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules. The Gascoyne Board may decline to register a transfer of Gascoyne Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

(g) Issue of further Gascoyne Shares

The issue of any further Gascoyne Shares is under the control of the Gascoyne Board. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Gascoyne Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Gascoyne Share or class of shares), the Gascoyne Board may issue Gascoyne Shares as it shall, in its absolute discretion, determine.

(h) Variation of class rights

At present, Gascoyne's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- (i) with the consent in writing of the holders of 75% of the issued shares included in that class; or
- (ii) by a special resolution passed at a separate meeting of the holders of those shares.

In either case, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.

(i) Alteration of Gascoyne Constitution

In accordance with the Corporations Act, the Gascoyne Constitution can only be amended by a special resolution passed by at least three quarters of Gascoyne Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(j) Non-marketable parcels

In accordance with the ASX Listing Rules, the Gascoyne Board may sell Gascoyne Shares that constitute less than a marketable parcel by following the procedures set out in the Gascoyne Constitution.

(k) Proportional takeover provisions

The Gascoyne Constitution contains provisions requiring Gascoyne Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless renewed by Gascoyne Shareholders passing a special resolution by the third anniversary of either the date those rules were adopted or the date those rules were last renewed.

(l) Directors – appointment and removal

Under the Gascoyne Constitution, the Gascoyne Board is comprised of a minimum of 3 directors and a maximum of 5 directors, unless the Gascoyne Shareholders pass a resolution varying that number at a general meeting. Directors are elected or re-elected at annual general meetings of Gascoyne.

No Gascoyne Director (excluding a managing director) may hold office without re-election beyond the third annual general meeting following the meeting at which the Gascoyne Director was last elected or re-elected. The Gascoyne Board may also appoint any eligible person to be a Gascoyne Director either to fill a casual vacancy on the Gascoyne Board or as an addition to the existing Gascoyne Directors, who will then hold office until the conclusion of the next annual general meeting of Gascoyne following their appointment.

(m) Directors – voting

Questions arising at a meeting of the Gascoyne Board must be decided by a majority of votes of the Gascoyne Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting has a casting vote in addition to his or her deliberative vote, unless there are only 2 Gascoyne Directors present or entitled to vote in which case the chairperson of the meeting does not have a second or casting vote and the proposed resolution is taken as lost.

(n) Directors – remuneration

Under the Gascoyne Constitution, the Gascoyne Board may decide the remuneration from Gascoyne to which each Gascoyne Director is entitled for their services as a Gascoyne Director. However, the total aggregate amount provided to all non-executive Gascoyne Directors for their services as directors must not exceed, in any financial year, the amount fixed by Gascoyne in general meeting.

The remuneration of a Gascoyne Director (who is not a managing director or an executive director) must not include a commission on, or a percentage of, profits or operating revenue. The current maximum aggregate sum of non-executive Director remuneration is set \$450,000 per annum. Any change to that maximum aggregate amount needs to be approved by Gascoyne Shareholders.

Gascoyne Directors may be paid for all travelling and other expenses they incur in attending to Gascoyne's affairs, including attending and returning from general meetings of Gascoyne or meetings of the Gascoyne Board or of committees of the Gascoyne Board. Any Gascoyne Director who performs extra services or makes any special exertions for the benefit of Gascoyne, which, in the opinion of the Gascoyne Board, are outside the scope of ordinary duties of a director, may be remunerated for the services (as determined by the Gascoyne Board) out of the funds of Gascoyne. These amounts will not form part of the maximum aggregate sum of nonexecutive Gascoyne Director remuneration.

(o) Powers and duties of Directors

The business and affairs of Gascoyne are to be managed by or under the direction of the Gascoyne Board, which (in addition to the powers and authorities conferred on it by the Gascoyne Constitution) may exercise all powers and do all things that are within Gascoyne's power and the powers that are not required by law or by the Gascoyne Constitution to be exercised by Gascoyne in a general meeting.

(p) Preference shares

Gascoyne may issue preference shares including preference shares which are, or at the option of Gascoyne or holder are, liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Gascoyne Constitution unless other rights have been approved by special resolution of Gascoyne.

(q) Indemnities

Gascoyne, to the extent permitted by law, indemnifies each Gascoyne Director and executive officer of Gascoyne on a full indemnity basis against all losses, liability, costs, charges and expenses incurred by that person as an officer of Gascoyne or of a related body corporate.

7.13 Additional Information

(a) Recent Gascoyne share price performance

Gascoyne Shares are listed and quoted for trading under ASX code "GCY".

The closing price of Gascoyne Shares on the ASX on 10 June 2021, being the last trading day prior to the announcement of the Scheme, was \$0.370.

The closing price of Gascoyne Shares on the ASX on 7 September 2021, the Last Practicable Date (being the date before the date of this Scheme Booklet), was \$0.320.

During the three months ended on the Last Practicable Date:

- the highest recorded daily closing price for Gascoyne Shares on the ASX was \$0.410 on 8 June 2021; and

- the lowest recorded daily closing price for Gascoyne Shares on the ASX was \$0.300 on 21 June 2021, 28 June 2021 and 30 June 2021.

The following chart shows the daily closing price of Gascoyne Shares on the ASX since its reinstatement to trading on the ASX on 21 October 2020.



(b) Non-binding indicative proposal from Rivet Group

As announced to the ASX on 24 August 2021, Gascoyne received an unsolicited, non-binding and indicative proposal (**NBIP**) from the Rivet Group for Gascoyne to acquire the gold rights at Rivet's 100% owned Snake Well Gold Project. The Snake Well Gold Project is located approximately 50km northwest of Yalgoo in Western Australia. The Rivet Group is an Australian provider of specialised transport and logistics, equipment hire and maintenance, contract mining and aviation services.

The NBIP was highly conditional, including a condition that Gascoyne not proceed with the Scheme Implementation Deed with Firefly. Following prompt review of the NBIP, the Gascoyne Board unanimously determined that the NBIP was not a superior proposal to the merger with Firefly and in making its determination, the Gascoyne Board received advice from its external advisors, took into account the commercial terms of the NBIP and undertook a preliminary assessment of the technical risks associated with the Snake Well Gold Project.

(c) Publicly available information about Gascoyne

Gascoyne is a listed disclosing entity for the purpose of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Specifically, as a company listed on the ASX, Gascoyne is subject to the ASX Listing Rules which require (subject to some exceptions) continuous disclosure of any information that Gascoyne has that a reasonable person would expect to have a material effect on the price or value of Gascoyne Shares.

Pursuant to the Corporations Act and the ASX Listing Rules, Gascoyne is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a statement and report from the Gascoyne Directors and an audit or review report respectively.

Copies of each of these documents and ASX notifications can be obtained free of charge on the Gascoyne website (www.gascoyneresources.com.au) or by visiting the ASX website (www.asx.com.au).

In addition, Gascoyne is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Gascoyne may be obtained from an ASIC office. Information is also available on Gascoyne's website (www.gascoyneresources.com.au).

A list of announcements made by Gascoyne to the ASX from the time- that Gascoyne and Firefly had entered into the Scheme Implementation Deed on 15 June 2021 to the Last Practicable Date is below:

Date	Announcement
7 September 2021	Court Orders Convening of Scheme Meeting
6 September 2021	Presentation at AMEC Investor Day
2 September 2021	High-Grade Resource Extension Results at Glenburgh
24 August 2021	Non-Binding Indicative Proposal from Rivet Group
28 July 2021	Sly Fox Delivers High Grade Results at Depth
23 July 2021	June Quarter Teleconference Audio Recording
23 July 2021	June 2021 Quarterly Activities Report
23 July 2021	June 2021 Appendix 5B Report
22 July 2021	June Quarter Conference Call Details
08 July 2021	Firefly Demerger Implementation Deed Signed
01 July 2021	Initial Director's Interest Notice
30 June 2021	Director Appointment/Resignation
23 June 2021	Change in substantial holding from MUFG
22 June 2021	Change in substantial holding from CBA
22/ June 2021	Change in substantial holding
22 June 2021	Change in substantial holding
18 June 2021	Becoming a substantial holder for FFR
16 June 2021	Audio Recording of Merger Joint Teleconference
16 June 2021	Proposed issue of securities - GCY
16 June 2021	Gascoyne and Firefly Merger Presentation
16 June 2021	Gascoyne and Firefly Agree to Merger
16 June 2021	Scheme Implementation Deed

Gascoyne's recent announcements are available from the ASX's website (www.asx.com.au). Further announcements concerning Gascoyne will continue to be made available on this website after the date of this Scheme Booklet.

(d) Material events

Except as disclosed elsewhere in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Gascoyne Directors, at the date of this Scheme Booklet which has not previously been disclosed to Firefly Shareholders.

8. Overview of the Combined Group

8.1 Overview of the Combined Group

If the Scheme is implemented, the Merger will combine two gold companies with complementary assets in the Murchison region of Western Australia to create a leading, regional scale gold production and development business.

The Merger is expected to unlock significant value for Gascoyne and Firefly shareholders by integrating the Yalgoo Gold Project's (**Yalgoo**) near surface higher grade deposits into the Dalgaranga production plan and provide opportunities to substantially extend and optimise the existing Dalgaranga mining schedule.

The Combined Group will have a diversified portfolio of gold exploration, development and production projects, with a combined Mineral Resources of 1.38Moz, Ore Reserves of 0.34Moz and significant exploration upside across a consolidated Dalgaranga-Yalgoo tenement package of approximately 1,200km² (excluding approximately 2,000km² across Glenburgh and Mt Egerton).

Following implementation of the Scheme, the Combined Group will have the following suite of operations/projects:

(a) Dalgaranga Gold Operation

Gascoyne's Dalgaranga Gold Operation is located in Western Australia's Murchison region, approximately 65km from Mount Magnet. Dalgaranga has established processing infrastructure (~\$100 million of sunk capital), including a 2.5Mtpa processing plant, camp, administration office and airstrip.

The Dalgaranga Gold Operation spans approximately 500km² of contiguous landholding, which comprises a current Mineral Resource Estimate of 25.0Mt @ 0.8 g/t Au for 648,900oz and Ore Reserves of 13.5Mt @ 0.8 g/t Au for 339,000oz.

The Dalgaranga Gold Project, which is currently producing gold, consists of a fully established mine and carbon-in-leach processing facility (processing capacity of greater than 2.5Mtpa), camp and airstrip. Commissioning and the first gold pour were completed in May 2018. Between the first gold pour and the end of June 2021, over 210,000 ounces of gold have been produced by Gascoyne from the Dalgaranga Gold Project.

(b) Yalgoo Gold Project

Firefly's Yalgoo Gold Project (**Yalgoo**) is less than 110km by road from the Dalgaranga processing plant. The Yalgoo project area comprises over 800km² of contiguous landholding with the primary focus being the Melville Gold Deposit.

In March 2021, Firefly announced the maiden JORC 2012-compliant Mineral Resource Estimate at the Melville Deposit of 4.20Mt @ 1.45g/t gold for 196,388oz (0.7g/t cut-off) (indicated and inferred). The current Melville Deposit remains open at depth and along strike, with a 28km regional shear zone largely untested providing significant potential for further exploration upside.

In addition to the Melville Deposit, Yalgoo has a number of advanced exploration opportunities including 100+ gold targets and 30 targets at untested historical workings with recorded gold production. In particular, Firefly has identified eight advanced gold prospects namely, Applecross, Don Bradman, City of Melbourne, Crescent, Brilliant, Prince George, Lady Lydia and Enchanted.

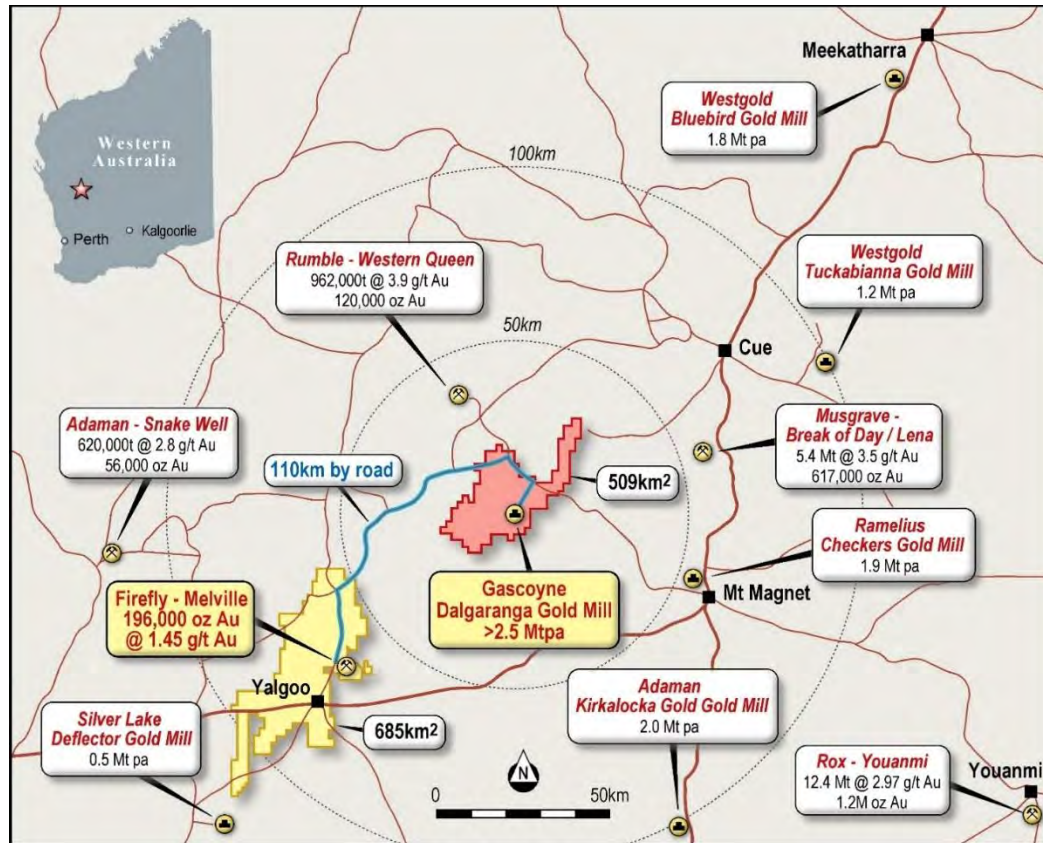


Figure 8.1: Project location map (current as at 28 July 2021)

(c) **Glenburgh-Mt Egerton Gold Project**

Gascoyne's Glenburgh-Mt Egerton Gold Project ("Glenburgh") is located 300km north of Dalgara and is host to a Mineral Resource of 16.3Mt @ 1.0g/t for 510koz. Glenburgh has granted Mining Leases and significant pre-feasibility level study work has been conducted. Exploration and resource definition drilling recently recommenced at Glenburgh in the June 2021 quarter.

(d) **Other Projects and Tenements**

The Combined Group will also have the prospective Mumbakine Well and Beebyn projects which provide further regional exploration upside.

Details of the Combined Group's other prospects and tenements are set out in the Independent Technical Report in Annexure A (see Appendix 3 of the Independent Expert's Report).

8.2 Strategic Rationale for the Merger and Potential Synergies

The strategic consolidation of regional Mineral Resources and integration of Yalgoo's higher-grade ore into the Dalgara production plan, provides significant opportunities to substantially extend and optimise the existing Dalgara mining schedule, ultimately improving project economics.

Firefly's Melville gold deposit contains a shallow, from surface, Mineral Resource Estimate of 4.20Mt @ 1.45g/t gold for 196,388oz (0.7g/t Au cut-off) (indicated and inferred) and is located less than 110km by road from Dalgara. Ore feed from Yalgoo can be integrated into the Dalgara mine plan quickly and efficiently, with approximately 80% of the Melville Mineral Resource Estimate in the Indicated category (0.89Mt @ 1.47g/t for 156,800oz with a 0.7g/t Au cut-off) that can, subject to further studies be included in an Ore Reserve.

The presence of higher-grade ore at Yalgoo will serve as valuable blending material, enabling the Combined Group to optimise the Dalgaranga mine schedule from a cost, production and cashflow perspective.

Strong cash flow from the Combined Group is expected to support the discovery and delineation of future production sources across the combined asset portfolio. The combination of Yalgoo and Dalgaranga tenements unlocks access to ~1,200km² of highly prospective greenstone belts.

Advanced exploration opportunities at Yalgoo complemented with broader exploration and development potential at Gascoyne's Glenburgh – Mt Egerton project and other regional projects such as Beebyn and Mumbakine Well, provide significant future exploration and development upside.

In addition to having a larger production profile, expanded mineral resource base and a number of prospective exploration projects, the Combined Group will also benefit from an enhanced market profile. Consequently, shareholders of the Combined Group can expect to benefit from increased levels of trading liquidity, broader sell-side research coverage, enhanced market positioning and potential future inclusion in relevant ASX and gold indices.

8.3 Share capital and other securities of the Combined Group

On the assumptions that:

- (i) the Scheme becomes Effective;
- (ii) no other Firefly Shares or Gascoyne Shares are issued;
- (iii) no other Firefly Options or Gascoyne Options are issued; and
- (iv) no other Gascoyne Performance Rights are issued,

the Combined Group will have approximately 371.3 million Gascoyne Shares, 107,000 unlisted Gascoyne Options and 400,000 Performance Rights on issue following implementation of the Scheme.

Type of security	Number on issue
Gascoyne Shares	371,254,141
Gascoyne Unlisted Options	107,000
Gascoyne Performance Rights Class A	200,000
Gascoyne Performance Rights Class B	200,000

If the Scheme becomes Effective, approximately 120,396,013 New Gascoyne Shares will be issued as Scheme Consideration. The New Gascoyne Shares to be issued as Scheme Consideration will represent approximately 32.4%³⁷ of the total number of Gascoyne Shares on issue in the Combined Group following implementation of the Scheme.

³⁷ Assuming all remaining "in-the-money" Firefly Options that have not been cancelled are exercised and converted into Gascoyne Shares and assuming a pre-determined black-scholes valuation for "out-of-the-money" Firefly Options - please refer to section 5.9 for further information.

All outstanding Firefly Options are intended to be exercised or cancelled prior to the Scheme implementation date. Subject to the terms and conditions of each Option Cancellation Deed, each Firefly Optionholder will receive Gascoyne Shares in consideration for cancellation of their Firefly Options.

On the basis of the above, the substantial holders (5% or more) of Gascoyne Shares in the Combined Group upon implementation of the Scheme, is expected to be as follows:

Substantial Shareholder in the Combined Group	Number of Gascoyne Shares held	Voting Power in Combined Group
Deutsche Balaton AG *	61,031,315	16.4%
NRW Holdings Limited	36,935,762	9.9%
First Sentier Investors Holdings Pty Limited	25,174,140	6.8%

* The holding of Deutsche Balaton AG represents the combination of their pre-merger holding in Gascoyne and Firefly, adjusted for the conversion of their existing Firefly Shares to new Gascoyne Shares.

8.4 Financial prospects of the Combined Group

Gascoyne and Firefly have considered whether forecast financial statements (including any internally created valuation models) can and should be included in the Scheme Booklet in respect of the Combined Group. In particular, Gascoyne and Firefly have considered whether there is a reasonable basis for the preparation and disclosure in the Scheme Booklet of reliable and useful forecast financial statements in this regard. Gascoyne and Firefly have concluded that forecast financial statements for the Combined Group cannot be provided in the Scheme Booklet as they do not have a reasonable basis for such forecasts as required by applicable law, regulations and practice, and therefore the forecasts would not be meaningful or material to Firefly Shareholders.

Firefly Shareholders should refer to the Independent Expert's Report contained in Annexure A for the Independent Expert's conclusions regarding valuations of Gascoyne and Firefly.

Following completion of the Merger, the Combined Group Board will determine the optimal financing for, and the amounts to be made available for, the activities of the Combined Group. The Combined Group Board will consider the best way forward for ensuring that adequate capital is available to maintain appropriate levels of production and exploration.

8.5 Combined Group pro forma historical information

The Combined Group pro forma historical financial information provided in this Scheme Booklet comprises a pro forma consolidated unaudited Statement of Financial Position as at 31 December 2020 which is based on:

- (b) Gascoyne's reviewed consolidated Statement of Financial Position as at 31 December 2020; and
- (c) Firefly's reviewed consolidated Statement of Financial Position as at 31 December 2020.

The pro forma historical financial information is provided for illustrative purposes and is prepared on the assumption that the Scheme had been implemented on 31 December 2020 and Firefly becomes a wholly owned subsidiary of Gascoyne.

The Combined Group pro forma historical financial information has been prepared by the management of Gascoyne with input from the management of Firefly. The information is based on Gascoyne and Firefly's reviewed financial statements as at 31 December 2020. The pro forma historical financial information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards and in accordance with Gascoyne's accounting policies, as set out in Gascoyne's annual report for the financial year ended 30 June 2020.

The Combined Group pro forma historical financial information is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. In particular, it does not include the notes to and forming part of the financial statements of Gascoyne and Firefly. The information provided in this section is presented on a pro forma basis only and, as a result, it is likely that this information will differ from the actual financial information of the Combined Group.

Acquisition accounting

Australian Accounting Standards require the Merger to be accounted for as an in-substance acquisition, with Gascoyne deemed to be the acquirer. The pro forma Merger has been accounted for as an asset acquisition.

The value of the consideration for the acquisition of the Firefly Shares under the Scheme will be measured based upon the value of the Gascoyne Shares at close of trading on the Implementation Date. For the purposes of the Combined Group pro forma historical financial information, a value of \$0.427 per New Gascoyne Share has been assumed, being the 5-day VWAP of Gascoyne Shares as of 10 June 2021³⁸. Consequently, the value of the purchase consideration for accounting purposes may differ from the amount assumed in the Combined Group pro forma historical financial information due to future changes in the market price of Gascoyne Shares.

³⁸ 10 June 2021 was the last day Gascoyne Shares traded on the ASX prior to the Announcement Date (noting that Gascoyne went into trading halt on 11 June 2021).

Combined Group pro forma Consolidated Statement of Financial Position – 31 December 2020

AS AT 31 DECEMBER 2020 (REVIEWED STATEMENTS)	Historical Consolidated Statement of Financial Position GASCOYNE \$'000	Historical Consolidated Statement of Financial Position FIREFLY \$'000	Pro forma Adjustments and Material Subsequent Events	NOTES	Pro Forma Consolidated Statement of Financial Position COMBINED \$'000
Assets					
Current assets					
Cash and cash equivalents	37,302	6,286	(22,237)	a , d	21,351
Trade and other receivables	6,894	95	-		6,989
Inventories	12,555	-	-		12,555
Other financial assets	-	-	-		-
Total current assets	56,751	6,380	(22,237)		40,895
Non-current assets					
Inventories	-	11	-		11
Trade and other receivables	-	93	-		93
Property, plant and equipment	193,863	248	(77,500)	d	116,611
Exploration and evaluation	31,615	3,434	45,945	a , c , e , f	80,994
Other financial assets	423	-	644	b	1,067
Total non-current assets	225,901	3,787	(30,911)		198,777
Total assets	282,652	10,167	(53,148)		239,671
Liabilities					
Current liabilities					
Trade and other payables	10,490	213	4,400	b	15,103
Borrowings and lease liabilities	16,755	67	-		16,822
Provisions	2,647	8	-		2,655
Other financial liabilities	2,776	-	-		2,776
Total current liabilities	32,668	288	4,400		37,356
Non-current liabilities					
Borrowings and lease liabilities	35,513	22	(21,600)	d	13,934
Provisions	25,737	-	-		25,737
Other financial liabilities	9,918	-	-		9,918
Total non-current liabilities	71,168	22	(21,600)		49,589
Total liabilities	103,836	310	(17,200)		86,945
Net assets	178,816	9,857	(35,948)		152,726
Equity					
Share capital	266,196	52,065	(655)	a , b , f	317,605
Non-controlling interests	1,219	-	-		1,219
Reserves	767	4,471	(4,471)	f	767
Retained earnings/(Accumulated losses)	(89,366)	(46,678)	(30,822)	e , f	(166,866)
Total equity	178,816	9,857	(35,948)		152,726

Notes to pro-forma Consolidated Statement of Financial Position

(a) **Accounting entries arising from the Transaction, in accordance with the Scheme Implementation Deed**

This pro forma Consolidated Statement of Financial Position reflects the acquisition of Firefly by Gascoyne in accordance with the Scheme Implementation Deed. For the

purposes of preparing the pro forma historical financial information, the transaction has been accounted for as an asset acquisition. For the purpose of the pro forma historical financial information, the transaction has been measured with reference to the estimated fair value of the Scheme Consideration.

The total fair value of the estimated consideration has been calculated at \$51.409 million and is recognised as additional contributed equity. Assumptions regarding the capital structure and purchase consideration are set out in (1) below. Assumptions regarding the fair value of the net assets acquired are set out in (2) below.

- (1) On 16 June 2021, Gascoyne and Firefly entered into a Scheme Implementation Deed pursuant to which Gascoyne will acquire all of the Firefly shares by way of a scheme of arrangement under the Corporations Act. Under the Scheme, 0.34 New Gascoyne Shares will be exchanged for every 1 Firefly Share.

It is assumed that the existing 16,399,999 unlisted Firefly Options, out-of-the-money, and 4,000,000 in-the-money Firefly Options held by Mr Michael Edwards, Mr Simon Lawson and Mr Geoffrey Jones (being all of the Firefly Directors who hold Firefly Options) will be cancelled under Option Cancellation Deeds and exchanged for an amount of Gascoyne Shares as determined in Schedule 6 of the Scheme Implementation Deed (and set out in Annexure G). It is assumed that the remaining in-the-money Firefly Options (6,300,000 Firefly Options for \$0.644 million cash proceeds) will be exercised before the Scheme Record Date. Cash from Firefly Options exercised between the 31 December 2020 and the date of this Scheme Booklet have been accounted for in the proforma adjustments. An extract of the table from Schedule 6 of the Scheme Implementation Deed showing the out-of-the-money Firefly Options only is set out below:

Firefly Options	Exercise Price	Equivalent Firefly Shares at \$0.145 Offer Price	Equivalent Gascoyne Shares at \$0.145 Offer Price
399,999	\$0.58	21,821	7,420
16,000,000	\$0.23	4,245,706	1,443,541
16,399,999		4,267,527	1,450,961

For the purposes of the pro forma historical financial information, the fair value on the acquisition date of the Gascoyne consideration, is estimated to be approximately \$51.409 million as set out below. This is based on Gascoyne's 5-day VWAP to 10 June 2021 (the last trading price of Gascoyne Shares before the Scheme Implementation Deed was signed and announced).

The calculation assumes that the 34,233,328 Firefly Performance Rights will vest into Firefly Shares and will convert into Gascoyne Shares as agreed under the Scheme Implementation Deed.

Pro forma fair value of the deemed consideration

	Number

Number of Firefly Shares on issue as at the date of this Scheme Booklet	308,339,530
Number of Firefly Shares to be issued to Firefly Optionholders assumed to exercise their options	6,300,000
Number of Firefly Shares to be issued on vesting Performance Rights	34,233,328
Total Number of Firefly Shares	348,872,858
Exchange ratio (New Gascoyne Shares to Firefly Shares)	0.34
Number of Gascoyne Shares to be issued to Firefly Shareholders	118,616,772
Number of Gascoyne Shares to be issued to Firefly Optionholders assumed to elect to cancel their Firefly Options	1,779,241
Number of Gascoyne Shares that will be issued under the Scheme	120,396,013
Gascoyne share price 5-day VWAP 10 June 2021	\$0.427
Pro forma fair value consideration	\$51,409,098

** Assumes 16,399,999 out of the money Firefly Options will be cancelled with Firefly Optionholders receiving 1,450,961 Gascoyne Shares in accordance with the Scheme. In addition, the current Firefly Directors have indicated they intend to cancel their in the money options (4,000,000 options) which will result in a further 328,280 Gascoyne Shares being issued in accordance with the Scheme.*

- (2) The actual measurement date of the deemed consideration will occur on the acquisition date which is generally taken to be the date the Scheme is implemented. Consequently, the fair value of the consideration transferred will differ from the amount assumed in the pro forma historical financial information due to any further changes in the market price of Gascoyne Shares or in the number of Firefly securities on issue and outstanding.

In accounting for the asset acquisition, the total cost of the acquisition will be allocated over the identifiable assets and liabilities acquired, on the basis of their relative fair values at the acquisition date. The estimated total cost of the acquisition has been allocated to the net assets as follows:

	\$'000
Pro forma total fair value of consideration	
- GCY shares to be issued	51,409
- Transaction costs	4,400
- Cash to Firetail	1,500
Total pro forma consideration and costs	55,809
Estimated FV of the net assets acquired:	
Exploration and evaluation assets	50,886
Net other assets and liabilities	4,923
Total net assets	55,809

The acquisition accounting for the net assets acquired has been determined on a provisional basis. The preliminary estimate of the fair values of the assets and liabilities of Firefly is summarised below:

- For the purposes of preparing the pro forma historical financial information it is assumed that other than exploration and evaluation assets and cash and cash equivalents, that all other assets and liabilities in the historical consolidated statement of financial position of Firefly as at 31 December 2020 have a fair value equivalent to their carrying value.
- The value of exploration and evaluation expenditure is estimated at \$50.886 million being the difference between the consideration paid and the other net assets of Firefly as at 31 December 2020. This has resulted in a pro forma fair value uplift of \$47.452 million on exploration and evaluation expenditure over the Firefly 31 December 2020 carrying value of \$3.434 million.
- The value of cash and cash equivalents has been reduced by \$1.500 million being the maximum amount of cash agreed to be paid by Firefly to Firetail in accordance with the Demerger Implementation Deed.
- It is assumed that Firefly will join the Gascoyne tax consolidated group. For the purposes of the pro forma historical financial information it is assumed that the accounting fair value uplift in net assets will be matched by at least an equivalent increase in tax base of the assets and liabilities. Accordingly, no additional deferred tax is recognised as a pro-forma adjustment.

(d) Transaction costs

This adjustment recognises an accrual for the estimated transaction costs of \$4.400 million (which includes a preliminary pro forma estimate of stamp duty and advisors' costs) relating to the Transaction. The basis of the pro forma historical financial information is an asset acquisition, these costs have therefore been added to the estimated Scheme Consideration to determine the total cost of the acquisition.

(e) Investment in Firetail

This adjustment recognises the estimated value of the Gascoyne investment of \$0.644 million in Firetail, the entity holding the demerged Firefly assets and acquired Dalgaranga Lithium Rights in accordance with the Demerger Implementation Deed.

(f) Repayment of Gascoyne debt subsequent to 31 December 2020

This adjustment recognises the material transactions by Gascoyne in March and June 2021, being a \$14.6 million voluntary debt repayment and two quarterly scheduled debt repayments of \$3.5 million each.

(g) Impairment of Gascoyne's non-current assets

This adjustment recognises an expected non-cash impairment expense of \$77.500 million (pre-tax) for the Dalgaranga Gold Project, being the mid-point of the range disclosed in the "Updated Guidance for FY21 and New FY22 Guidance" announcement released to the ASX on 4 June 2021.

(h) Elimination of Firefly pre-acquisition equity on consolidation

This consolidation adjustment eliminates Firefly's pre-acquisition equity, reserves and accumulated losses at 31 December 2020.

(i) **Transactions not included in the pro forma adjustments**

After completion of the Scheme, Firefly and its 100% owned Subsidiaries are expected to join the Gascoyne tax consolidation group. A detailed analysis of the consequences of joining the Gascoyne tax consolidated group will be undertaken following the implementation of the Scheme. No deferred tax asset has been recognised for the Firefly tax losses in the pro forma historical information.

Since the date of the pro forma consolidated statement of financial position Gascoyne has continued to generate operating cash flows, repay debt as scheduled, and Firefly has incurred costs in relation to this transaction. Additionally, both Gascoyne and Firefly have continued to invest in exploration and incur corporate overheads. These activities will impact the future pro forma consolidated financial position.

9. Potential risk factors

9.1 Overview

Under the Scheme, Firefly Shareholders (other than Ineligible Foreign Shareholders) will acquire New Gascoyne Shares and consequently there will be a change to their overall investment risk profile. This section outlines a number of the risks that may affect the performance of the Combined Group and the value of its shares. These risks include:

- risks relating to the Combined Group;
- risks to Firefly Shareholders if the Scheme does not proceed;
- general risks that are common to the existing Firefly and Gascoyne businesses; and
- risks affecting the general economy and stock market.

The outline of risks in this section 9 is a summary only and should not be considered exhaustive. No assurances or guarantees are given in relation to the future performance of, profitability of, or payment of dividends by Firefly, Gascoyne or the Combined Group.

9.2 Specific risks of the Combined Group

The following risks have been identified as being key risks specific to an investment in the Combined Group. These risks have the potential to have a significant adverse impact on the Combined Group and may affect the Combined Group's financial position, prospects and price of its listed securities.

COVID-19 and associated market risk

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, the gold price and foreign exchange rates (including the USD / AUD exchange rate).

To date, the COVID-19 pandemic has not had any material impact on either of Gascoyne's or Firefly's operations, however, any infections on site could result in the Combined Group's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Combined Group's operations, as well as adverse implications on the Combined Group's future cash flows, profitability and financial condition. Gascoyne considers that unless required to shut-down operations as a result of a government intervention, any isolated incidents of COVID-19 on site may be managed and operated around to minimise any potential disruption to operations.

Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Combined Group's operations and are likely to be beyond the control of the Combined Group. The Combined Group's ability to freely move people and equipment to and from its operating or exploration projects may be the subject of delays or cost increases. The effects of COVID-19 on the Combined Group's Share price may also impede the ability to raise capital or require the Combined Group to issue capital at a discount, which may in turn cause dilution to Shareholders.

Gascoyne has management plans in place to assist in its management of the risks posed by COVID-19. Aspects of this management plan include COVID testing of fly-in fly-out workers during periods of COVID lockdowns in Western Australia, room isolation policy on site at Dalgarranga in the event that an individual is unwell or presents with COVID symptoms, extended site rosters (when necessary) and access to industry bodies that provide guidance on the management of COVID risks for remote mining operations. Over the past 18 months, Gascoyne has successfully implemented its management plans on a number of occasions.

Production and cost estimates

The Combined Group's ability to achieve its production expectations and/or meet operating and capital expenditure estimates on a timely basis cannot be assured.

The operations and assets of the Combined Group, as with any other mining operations, are subject to a number of uncertainties, including in relation to ore tonnes, grade, metallurgical recovery, actual realised values and grades of stockpiles (which are also estimated), ground conditions, operational environment, funding for development, regulatory changes, weather (including flooding in the event of heavy rainfall), accidents, difficulties in operating plan and equipment and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment.

Costs of production for the Combined Group may be affected by a variety of factors, including changing waste-to-ore ratios, geotechnical issues, unforeseen difficulties associated with power supply, water supply and infrastructure, ore grade, metallurgy, labour costs, changes to applicable laws and regulations, general inflationary pressures and currency exchange rates. Unforeseen production cost increases could result in the Combined Group not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Combined Group's operational or financial performance. Failure of the Combined Group to achieve production or cost estimates could have an adverse impact on the Combined Group's future cash flows, profitability, results of operations and financial condition.

Mining Risk and Ore Reserve and Mineral Resource Estimates

When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. Each orebody is unique. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted.

Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation of samples from drilling, which even at close drill hole spacing, represent a very small sample of the entire orebody. Ore Reserve and Mineral Resource estimates are therefore expressions of judgement based on knowledge, experience and industry practice. Though the estimates may be accurate global approximations of gold content, localised grade variability may exist, which could result in short term deviations from production expectations. Gascoyne's operations have previously experienced reconciliation to Ore Reserve and Mineral Resource models significantly below expectations which has impacted the ore tonnes available for milling, the milled grades and resultant recovered ounces.

Over the past 12 to 18 months Gascoyne has allocated internal and external resources to improve reconciliation to Ore Reserves and Mineral Resources, and has achieved improved levels of reconciliation between actual ore mined and Ore Reserve and Mineral Resource models over the past 12 months. There is no guarantee that recently achieved levels of improvement can be maintained over the remaining life of mine at Dalgaranga or that these levels of performance can be achieved at Yalgoo. Failure to maintain the levels of improved reconciliation to Ore Reserves and Mineral Resources could result in lower returns from the Combined Group's operations than expected or could result in the operations not being economically viable. This could impact the Combined Group's financial performance and position.

Projected rates of gold production are, in part dependent upon progression of mining in accordance with plans and mining equipment productivity. Should mining productivity rates be less than estimated by the Combined Group, there is a risk that the rate of gold production over a given time period will be lower than projected by the Combined Group. This would have the impact of extending the remaining life of mine time period and would likely cause an increase in projected expenditure. While the Combined Group may be able to mitigate

some or all of the effects or lower than projected rates of mining productivity through the mobilisation of additional mining equipment, there remains a risk that it is unable to do so or that the additional cost incurred to mobilise additional mining equipment adversely impacts the profitability of the Combined Group.

Geotechnical risk – ground movement

Geotechnical risk arises from the movement of the ground during and following mining activity. This may result in temporary or permanent access to a mine being restricted or cut off. The loss of access may have a significant impact on the economics of the ore body or delay the delivery of ore to the processing plant. Furthermore, significant additional costs may result from designing and constructing alternative access to open pits or mining locations, or by requiring remediation of mining locations, which will also impact the economics of the mining operation, potentially making the mine uneconomic. Assessment of the extent and magnitude of ground movements that could take place or that have taken place within the mine and surrounding areas will be evaluated by the Combined Group.

Process plant performance

Rates of gold production are impacted by a number of factors including the grade of ore delivered to the process plant and the percentage of gold recovered from ore processed in the plant. This risk partly mitigated by metallurgical testing of ore samples prior to mining and processing. As part of its technical due diligence, Gascoyne completed preliminary metallurgical test-work on a small number of samples obtained from the Melville deposit at Yalgoo. The extent of test-work undertaken is preliminary in nature, however confirmed the recovery rates from the samples are expected to be generally consistent with recovery rates for Dalgara ore. More extensive metallurgical testwork is required before a decision to mine at Melville is made.

Failure to achieve estimated rates of gold recovery in the process plant could result in lower returns than expected from the Combined Group's operations or could result in the operations not being economically viable. This could impact the Combined Group's financial performance and position.

Dependence on regulatory and stakeholder approvals

To execute its existing mine plan, Gascoyne is periodically subject to approvals from regulators and local stakeholders (including indigenous communities and representative bodies). Similarly, to open up new areas for mining such as the Melville deposit at Yalgoo, Gascoyne will also require regulator and stakeholder approvals for items including, but not limited to, mine designs, rehabilitation conditions and road haulage of ore to Dalgara.

Whilst Gascoyne is experienced in the application for, and adherence to, such approval requests and granted permits, there can be no guarantee that Gascoyne can obtain requisite approvals at all or that the approvals can be obtained in the timeframes that Gascoyne reasonably expects. There is also no guarantee that any conditions or provisions attached to any permits or licences obtained by Gascoyne will be consistent with the basis sought by Gascoyne or that approvals or permits/licences do not impose conditions that have a material adverse economic effect on the plans or projections made by Gascoyne.

Commodity Prices and exchange rates

The value of the Combined Group's assets and the economic viability of its operations may be affected by fluctuations in commodity prices and exchange rates.

These prices can fluctuate rapidly and widely and are affected by numerous factors beyond the control of the Combined Group. These factors include world demand for precious and other metals, forward selling by producers, and production cost levels in major metal-producing regions. Other factors include expectations regarding inflation, the financial impact

of movements in interest rates, gold price forward curves, global economic trends, confidence and conditions, and domestic and international fiscal, monetary and regulatory policy settings.

These factors can affect the value of the Combined Group's assets and the supply and demand characteristics of gold and may have an adverse effect on the viability of the Combined Group's exploration, development and production activities, its ability to fund those activities and the value of its assets.

Production from the Combined Group's mineral properties is dependent upon the Australian gold price being sufficient to make these properties economic.

Operational Risk

The Combined Group's mining, exploration and development activities will be subject to numerous operational risks, many of which are beyond the Combined Group's control. The Combined Group's operations and maintaining mining productivity rates may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of consumables, spare parts, plant and equipment, external services failure (such including energy and water supply), shortages of operating personnel during periods of high demand in the mining industry, industrial disputes and action, difficulties in commissioning and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements.

Hazards incidental to the mining, exploration and development of mineral properties such as unusual or unexpected geological formations may be encountered by the Combined Group. Industrial and environmental accidents could lead to substantial claims against the Combined Group for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations.

The Combined Group will endeavour to take appropriate action to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on the Combined Group's performance and the value of its assets.

Compliance with Finance Facility Terms

Under the terms of its debt facility, Gascoyne is subject to certain undertakings and financial covenants. The ability to continue to comply with the debt facility undertakings and financial covenants will be dependent on a number of factors including, but not limited to, adverse movements in interest rates, the price received for gold sold by the Combined Group, the rate of gold production, the cost of production and the Combined Group's financial performance. While the Combined Group anticipates that it can comply with the undertakings and financial covenants, there can be no guarantee that it will be able to do so. If there is a breach of such undertakings and financial undertakings, the Combined Group may be required to repay the debt. Breaches of certain financial undertakings may also restrict the Combined Group from making distributions to its shareholders and/or deploying funds to its operating and exploration assets.

Future capital requirements

The Combined Group may require further financing to continue to operate in the future if, for example, it fails to meet its mining schedule or there is otherwise a material departure from Gascoyne's stated production or cost guidance. Any additional equity financing that the Combined Group may undertake in the future may dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operational activities.

There can be no assurance that the Combined Group will be able to obtain additional financing when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to the Combined Group. This may have an adverse effect on the Combined Group's financial position and prospects.

Dependence on external contractors

Gascoyne has outsourced substantial parts of its mining activities pursuant to services contracts with third party contractors. Such contractors may not be available to perform services for the Combined Group, when required, or may only be willing to do so on terms that are not acceptable to the Combined Group. Once in contract, performance may be constrained or hampered by capacity constraints, mobilisation issues, plant, equipment and staff shortages, labour disputes, managerial failure and default or insolvency. Contractors may not comply with provisions in respect of quality, safety, environmental compliance and timeliness, which may be difficult to control. If a contractor underperforms or is terminated, the Combined Group may not be able to find a suitable replacement on satisfactory terms within time or at all. These circumstances could have a material adverse effect on the Combined Group's production and operations.

Potential Mergers and Acquisitions

As part of its business strategy, the Combined Group may make acquisitions or divestments of, or significant investments in, companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions or divestments of companies, products, technologies or resource projects.

9.3 Risks to Firefly Shareholders if the Scheme does not proceed

Firefly Shareholders should be aware that if the Scheme does not proceed, Firefly Shareholders will retain their Firefly Shares and will not receive any form of Scheme Consideration. Firefly Shareholders may, in addition to the normal risks it faces, be exposed to the other implications as described in section 3.

If the Scheme does not proceed, and no Superior Proposal for Firefly is received, the Firefly Directors will consider a number of alternative strategies for the operation and ownership of Firefly assets, as well as other growth initiatives. These alternatives would take time to implement.

If the Scheme is not implemented, then in order for Firefly to develop or enhance its project portfolio, it would need to raise additional funds, which may include an equity issue. There can be no assurance that such funding will be available on satisfactory terms, or at all.

If the Scheme does not proceed, Firefly will continue to operate its current businesses as a standalone entity. Each Firefly Shareholder will retain their Firefly Shares and will not receive any New Gascoyne Shares. Firefly will still incur a relative proportion of the transaction and other costs of the Merger. In those circumstances, it is likely that Firefly's management would seek to continue to progress activities on the Firefly's projects and continue to maximise value for Firefly Shareholders. Firefly Shares may trade below their current market price (or the value attributed by the Independent Expert) if the Merger is not implemented. This may occur if, for example, investors consider that Firefly's growth prospects are lower in the absence of the Merger.

9.4 General risks common to an investment in Firefly, Gascoyne and the Combined Group

The operating and financial performance of Firefly, Gascoyne and the Combined Group is (or will be) influenced by the general business and economic variables that impact upon all entities listed on a stock exchange including changes in business and economic factors, such

as interest rates, exchange rates, inflation, changes in national demographics, changes in governmental policy and changes to accounting or reporting standards.

The price at which Firefly Shares and Gascoyne Shares will trade on the ASX can be affected by a range of external factors over which neither Firefly, nor Gascoyne, have any control.

Exploration and development

There can be no assurance that any exploration or development activity in regard to the Combined Group's properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.

The success of the Combined Group depends on the delineation of economically mineable reserves and resources, access to required development capital, the price of mineral commodities, securing and maintaining title to the Combined Group's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration, development and mining activities. Even if an apparently viable resource is identified, there is no certainty that it can be economically exploited.

Mineral exploration, development and mining/extraction may be hampered by circumstances beyond the control of the Combined Group.

Exploration risks

Exploration is a high-risk activity that requires large amounts of expenditure over extended periods of time. The Combined Group's exploration activities would be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

Operational and technical risks

The operations of the Combined Group may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades and/or resources in exploration and mining, operational and technical difficulties encountered in mining and extraction, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical or recovery problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Mine development

Possible future development of a mining operation at any of the Combined Group's projects would be dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Combined Group commenced production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations,

flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Combined Group would achieve commercial viability through the development or mining of its projects and treatment of ore.

Commodity price fluctuations

In the event of exploration and development success, any future revenue derived through any future sales of valuable minerals exposes the potential income of the Combined Group to commodity price risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Combined Group. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

Environmental risks

The operations and activities of the Combined Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Combined Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, if there are environmental rehabilitation conditions attaching to the mining tenements of the Combined Group, failure to meet such conditions could lead to forfeiture of these tenements.

Tenure risks

The Combined Group cannot guarantee additional applications for tenements made by the Combined Group will ultimately be granted, in whole or in part. Further the Combined Group cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all.

Native title and Aboriginal Heritage risks

It is possible that there may be areas over which legitimate common law native title rights of Aboriginal Australians exist in relation to the tenements that the Combined Group has, or may acquire, an interest in. Where native title exists, the ability of the Combined Group to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

It is possible that there will exist on the Combined Group's Australian mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the relevant legislation, or areas subject to the *Native Title Act 1993* (Cth) in Australia. The existence of Aboriginal heritage and cultural sites within the tenements may lead to restrictions on the areas that the Combined Group will be able to explore and mine.

Joint venture partners and contractors

The Combined Group would rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders. The Combined Group would also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed and the Combined Group could be adversely affected by changes to such relationships or difficulties in forming new ones.

Key personnel

Firefly and Gascoyne are reliant on a number of key senior management staff. Loss of such personnel may have an adverse impact on performance. However, this risk is mitigated by the fact that the gold sector is international in nature and has a significant depth of suitably qualified alternative personnel. Notwithstanding this, there may be periods of time where a particular position remains vacant while a suitable replacement is identified and appointed.

Litigation risks

The Combined Group is exposed to possible litigation risks including contractual disputes and employee claims. Further, the Combined Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven may impact adversely on the Combined Group's operations, financial performance and financial position.

Equity market conditions

Securities listed on the stock market, and in particular securities of gold producing companies, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

Changes in government policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Combined Group, and consequent returns to investors. The activities of the Combined Group will be subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

Future capital requirements

It is likely that the Combined Group would require future funding to explore and progress their projects or additional projects that the Combined Group may identify. There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Combined Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations which may adversely affect the business and financial condition of the Combined Group and its performance.

Regulatory risks

The Combined Group's mining and development activities would be subject to extensive laws and regulations relating to numerous matters including taxation, employee relations, health and worker safety, waste disposal, protection of the environment and other matters. The Combined Group would require permits from regulatory authorities to authorise the Combined Group's operations.

Obtaining necessary permits can be a time-consuming process and there is a risk that Combined Group would not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Combined Group from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Combined Group's activities or forfeiture of one or more of its tenements.

Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Combined Group.

9.5 Scheme implementation specific risks

The following risks have been identified as being key risks specific to an investment in the Combined Group. These risks have the potential to have a significant adverse impact on the Combined Group and may affect the Combined Group's financial position, prospects and price of its listed securities.

Integration risk

The long-term success of the Combined Group will depend, amongst other things, on the success of management in integrating the respective businesses and the strength of management of the Combined Group. There is no guarantee that the businesses of the Combined Group will be able to be integrated successfully within a reasonable period of time. There are risks that any integration of the businesses of Firefly and Gascoyne may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

Any failure by the Combined Group to ensure implementation costs remain below those anticipated may have a material adverse effect on the financial performance and position, and prospects, of the Combined Group.

Change in risk profile and risks of investment in the Combined Group

If the Merger is implemented, there will be a change in the risk profile to which Firefly Shareholders are exposed. Firefly Shareholders are currently exposed to various risks as a result of their investment in Firefly. If the Scheme is approved, Firefly will become a wholly-owned Subsidiary of Gascoyne and Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive New Gascoyne Shares.

As a consequence, Firefly Shareholders will be exposed to risk factors relating to Gascoyne, and to certain additional risks relating to the Combined Group and the integration of the two companies. In many cases, those risks are different from or additional to those currently faced by Firefly Shareholders. The change in risk profile may be seen to be a disadvantage by some Firefly Shareholders.

Satisfaction or waiver of conditions precedent

Completion of the Scheme is subject to a number of conditions precedent. There can be no certainty, nor can Firefly provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of conditions precedent to the Scheme which are outside the control of Firefly, including, but not limited to, approval of the Scheme by the Requisite Majority of Firefly Shareholders and required regulatory and third party approvals and consents (refer to section 11.2).

If for any reason the conditions to the Scheme Conditions are not satisfied or waived (where applicable) and the Scheme is not completed, the market price of Firefly Shares may be adversely affected.

Termination rights

Firefly and Gascoyne each have the right to terminate the Scheme Implementation Deed in the circumstances described in section 12.6 of this Scheme Booklet. As such, there is no certainty that the Scheme Implementation Deed will not be terminated before the Scheme is implemented.

If the Scheme Implementation Deed is terminated, Firefly can provide no assurances that another party would be willing to offer the same or greater price for Firefly Shares than that which is offered under the Scheme Implementation Deed and the Scheme.

Issue of New Gascoyne Shares

If the Scheme is implemented, a significant number of New Gascoyne Shares will be available for trading in the public market. The increase in the number of Gascoyne Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market price of Gascoyne Shares.

The exact value of the Scheme Consideration is not certain

Under the terms of the Merger, Scheme Shareholders will receive 0.34 New Gascoyne Shares for every 1 Firefly Share they hold at the Scheme Record Date.³⁹ The exact value of this Scheme Consideration that would be realised by individual Firefly Shareholders will be dependent on the price at which the New Gascoyne Shares trade on the ASX after the Implementation Date.

In addition, the Sale Agent (and/or a nominee of the Sale Agent) will be issued New Gascoyne Shares attributable to Ineligible Foreign Shareholders and will sell them on market as soon as reasonably practicable after the Implementation Date. It is possible that such sales may exert downward pressure on the Combined Group's share price during the applicable period. In any event, there is no guarantee regarding the prices that will be realised by the Sale Agent or the future market price of the New Gascoyne Shares. Future market prices may be either above or below current or historical market prices.

Transaction and other costs

Transaction and other costs incurred (or which are expected to be incurred) in relation to the successful implementation of the Merger are currently estimated at approximately \$4.400 million (exclusive of GST) (see section 13.24(d) for further details), comprising adviser, legal, accounting, expert fees, and various other costs, but excluding stamp duty.

³⁹ Other than Ineligible Foreign Shareholders, who will receive the Net Sale Proceeds as their Scheme Consideration. See sections 5.7 and 5.8 for further information.

Contract risk

The Scheme may be deemed under contracts to which Firefly or Gascoyne or their Subsidiaries are a party, to result in a change of share ownership event in respect of Firefly or Gascoyne that allows the counterparty to review or terminate the contract as a result of the change or the issue of shares by Gascoyne, upon implementation of the Scheme. If the counterparty to any such contract were to validly seek to renegotiate or terminate the contract on that basis, this may have a material adverse effect on the financial performance of the Combined Group, depending on the relevant contracts.

Accounting risk

In accounting for the Merger, the Combined Group will need to perform a fair value assessment of all Firefly's assets, liabilities and contingent liabilities. The Combined Group will also be subject to the usual business risk that there may be changes in accounting policies which have an adverse impact on the Combined Group.

A Superior Proposal for Firefly may yet emerge

It is possible that a Superior Proposal for Firefly, which is more attractive for Firefly Shareholders than the Merger, may materialise in the future. The implementation of the Merger would mean that Firefly Shareholders would not obtain the benefit of any such proposal.

The Firefly Board is not currently aware of any such proposal and notes that since Firefly and Gascoyne announced the Merger, there has been a significant period of time and ample opportunity for an alternative proposal for Firefly which provides a different outcome for Firefly Shareholders to emerge.

Since the Announcement Date, no alternative proposal has emerged and the Firefly Directors have decided that the Merger is the best option available at the date of this Scheme Booklet. In addition, shareholders in the Combined Group will still have an opportunity to realise a full premium in the event of any future change of control transaction for the Combined Group.

Tax consequences for Scheme Shareholders

If the Merger proceeds, there may be tax consequences for Scheme Shareholders which may include tax payable on any gain on the disposal of Firefly Shares. However, Scheme Shareholders should seek their own professional advice regarding the individual tax consequences applicable to them. Refer to section 10 for a summary of potential taxation implications.

Rights, obligations and Break Fee under Scheme Implementation Deed

Under the Scheme Implementation Deed entered into between Firefly and Gascoyne, a Break Fee of \$500,000 (excluding GST) may become payable by one party to the other in certain circumstances. The Scheme Implementation Deed also sets out various other rights and obligations of Firefly and Gascoyne in relation to the Merger.

Other risks

Additional risks and uncertainties not currently known to Firefly or Gascoyne may also have a material adverse effect on Firefly or Gascoyne's business and that of the Combined Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks to Firefly, Gascoyne or the Combined Group.

10. Australian tax implications

The following section contains a general overview of the Australian income tax including Capital Gains Tax (**CGT**), Goods and Services Tax (**GST**) and stamp duty (**Duty**) implications for certain Australian and foreign resident Firefly Shareholders of the proposed Scheme.

INCOME TAX

10.1 Introduction

The following is a general summary of the Australian income tax consequences of the proposed Scheme for a Scheme Shareholder.

This tax summary is based on Australian tax law and relevant regulations, rulings or judicial or administrative interpretations of such tax laws as at the date of this Scheme Booklet. It is general in nature and is not intended to be an authoritative or complete statement of the tax laws applicable to the personal circumstances of any Scheme Shareholder. It does not constitute tax advice and should not be relied upon in any way. Scheme Shareholders are advised to seek their own independent professional tax advice in relation to their own particular circumstances.

The tax comments set out below are relevant only to those Scheme Shareholders who hold their Firefly Shares on capital account as CGT assets and does not address the Australian income tax consequences for Scheme Shareholders who:

- acquired their Firefly Shares before 20 September 1985;
- hold their Firefly Shares as revenue assets, for example with a profit-making intention (e.g. speculative shares) or as trading stock in a share trading business;
- hold their Firefly Shares pursuant to an employee share, option or rights plan of Firefly;
- have a functional currency for Australian tax purposes other than an Australian functional currency or are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (**ITAA 1997**) in relation to gains and losses on their Firefly Shares;
- are subject to the Investment Manager Regime under Subdivision 842-I of the ITAA 1997 in respect of their Firefly Shares;
- may be subject to special tax rules, such as partnerships, tax exempt organisations, insurance companies or dealers in securities; or
- are temporary residents of Australia or who have changed their tax residency while holding their Firefly Shares or are non-residents of Australia who hold their Firefly Shares in carrying on a business at or through a permanent establishment in Australia.

Scheme Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law. These comments below relate to Australian income tax law only.

10.2 Australian Tax Resident Scheme Shareholders

This section applies to Scheme Shareholders who are residents of Australia for income tax purposes. If the Scheme is implemented, Gascoyne will acquire all the Firefly Shares from Scheme Shareholders. Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive the Scheme Consideration at the exchange ratio of 0.34 New Gascoyne Shares for every 1 Firefly Share on the Effective Date.

(a) Calculation of Capital Gain or Loss

In the absence of CGT roll-over relief (discussed at 10.3 below), the disposal of Firefly Shares to Gascoyne under the Scheme will give rise to a CGT event A1 for Scheme Shareholders. Scheme Shareholders will either:

- make a capital gain if the Scheme Consideration (i.e. market value of New Gascoyne Shares) received by the Scheme Shareholders on the exchange of their Firefly Shares is greater than the cost base of their Firefly Shares; or
- make a capital loss if the Scheme Consideration (i.e. market value of New Gascoyne Shares) received by Scheme Shareholders on the exchange of their Firefly Shares is less than the reduced cost base of their Firefly Shares.

Capital losses can only be offset against capital gains derived in the same income year or later income years. Specific loss recoupment rules apply to companies which must be satisfied if those carry forward tax losses are to be used in future years. Scheme Shareholders should seek their own tax advice in relation to the operation of these rules.

(b) Cost Base and Reduced Cost Base of Firefly Shares

The calculation of cost base and reduced cost base will be different for each Scheme Shareholder depending upon their individual circumstances. The calculation of cost base will generally include the amount paid, and the market value of any property given to acquire the Firefly Shares, plus certain incidental costs of acquisition and disposal (eg. brokerage fees and stamp duty) that are not otherwise deductible to the Scheme Shareholder. The reduced cost base of the Firefly Shares of a Scheme Shareholder will be similarly determined.

(c) Capital Proceeds

The capital proceeds for the disposal of the Firefly Shares of a Scheme Shareholder will be the Scheme Consideration. The amount of the capital proceeds should be the market value of the New Gascoyne Shares received by a Scheme Shareholder under the Scheme on the Implementation Date.

(d) CGT Discount

Individuals, complying superannuation entities or trustees that have held their Firefly Shares for at least 12 months before the Implementation Date may be entitled to benefit from the CGT discount to reduce the amount of any capital gain (after application of capital losses) from the disposal of their Firefly Shares by:

- 50% in the case of individuals and trusts (for trustees, the ultimate availability of the discount for the beneficiaries of a trust will depend on the particular circumstances of the beneficiaries); or
- 33 $\frac{1}{3}$ % for complying superannuation entities.

The CGT discount will not be available to a Scheme Shareholder that is a company.

10.3 Availability of CGT Scrip for Scrip Roll-Over Relief

A Scheme Shareholder who disposes of their Firefly Shares in exchange for New Gascoyne Shares, and who would otherwise make a capital gain in respect of the disposal of their Firefly Shares, may be eligible to choose to obtain CGT scrip for scrip roll-over relief under Subdivision 124-M of the ITAA 1997.

CGT scrip for scrip roll-over relief under Subdivision 124-M of the ITAA 1997 should generally be available where the following relevant requirements are satisfied:

- a Scheme Shareholder exchanges a share (original interest) in a company (target) for a share (replacement interest) in another company;
- the exchange is in consequence of a single arrangement;
- the arrangement must result in:
 - o a company (acquiring entity) that is not a member of a wholly-owned group becoming the owner of 80% or more of the voting shares in the original entity; or
 - o a company (also an acquiring entity) that is a member of such a group increasing the percentage of voting shares that it owns in the original entity, and that company or members of the group becoming the owner of 80% or more of those shares;
- the arrangement must allow for the participation of all owners of voting interests in the original entity and on substantially the same terms;
- the replacement interest must be shares in the acquiring entity if it is not a member of a wholly-owned group or shares in the ultimate holding company of a wholly-owned group;
- the original interest holder must choose to obtain roll-over relief;
- where the exchanging entities do not deal with each other at arm's length and neither is widely held, or where the original interest holder, original entity and replacement entity were all members of the same "linked group" just before the arrangement, the replacement interest must confer the same rights and obligations as the original interest; and
- where a foreign resident is an original interest holder, roll-over relief is only available if, just after the replacement interest is acquired, the replacement interest is taxable Australian property as defined in Division 855 of the ITAA 1997.

Other requirements for roll-over relief may apply if neither the exchanging nor acquiring entity have 300 shareholders just before the arrangement started. Please note, a concentration test can apply to treat the exchanging or acquiring entity as if it did not have at least 300 shareholders if, broadly, up to 20 individuals (together with their associates, as defined in section 318 of the *Income Tax Assessment Act 1936 (ITAA 1936)*) own between them, directly or indirectly, at least 75% of the relevant company's voting, dividend or capital rights.

Firefly Shareholders should note that Firefly intends to apply for a class ruling from the ATO on the applicability of the CGT scrip for scrip roll-over relief. Firefly Shareholders should refer to the class ruling once it is published on www.ato.gov.au.

(a) Choosing Scrip for Scrip Roll-Over Relief

Scheme Shareholders who make a capital gain on disposal of their Firefly Shares under the Scheme may choose to apply scrip for scrip roll-over relief. If scrip for scrip roll-over relief is available and chosen by a Scheme Shareholder, the capital gain that would otherwise arise will be disregarded. Further, Gascoyne will not make a choice under section 124-795(4) of the ITAA 1997 to deny scrip for scrip roll-over relief.

A Scheme Shareholder will evidence their choice of having chosen scrip for scrip roll-over relief by the way they prepare their income tax return (i.e. by excluding the disregarded capital gain from assessable income) for the income year in which the Implementation Date occurs. There is no need to lodge a separate notice with the ATO.

(b) Implications of Choosing Scrip for Scrip Roll-Over Relief

Where a Scheme Shareholder has chosen scrip for scrip roll-over relief:

- a capital gain that the Scheme Shareholder makes from the disposal of their Firefly Shares under the Scheme should be disregarded and deferred until a subsequent taxable event occurs in respect of their New Gascoyne Shares;
- the first element of the cost base of the New Gascoyne Shares received as Scheme Consideration by the Scheme Shareholder should be equal to the cost base of their original Firefly Shares; and
- the New Gascoyne Shares will be taken to be acquired at the time their Firefly Shares were originally acquired, for the purpose of any subsequent disposal of the New Gascoyne Shares and the application of the CGT discount.

The benefit of choosing scrip for scrip roll-over relief will depend upon the individual circumstances of each Scheme Shareholder who should obtain independent professional tax advice confirming the availability of CGT scrip for scrip roll-over relief.

(c) Not Choosing Scrip for Scrip Roll-Over or Relief Not Available

CGT scrip for scrip roll-over relief is not available if:

- a Scheme Shareholder would otherwise realise a capital loss on the disposal of their Firefly Shares;
- any capital gain a Scheme Shareholder makes would be disregarded (except because of a roll-over);
- another rollover could have been chosen (such as a roll-over for disposal of assets to a wholly-owned company or a business restructure roll-over); or
- Gascoyne makes a choice for no roll-over to apply under subsection 124-795(4) of the ITAA 1997 and the Scheme Shareholder is notified of that choice in writing by Firefly or Gascoyne before the exchange.

Where scrip for scrip roll-over relief is not available or not chosen in relation to a Scheme Shareholder's disposal of Firefly Shares under the Scheme:

- the capital gain or capital loss from the disposal of the Scheme Shareholder's Firefly Shares will be taken into account in calculating the Scheme Shareholder's net capital gain for the income year in which the Implementation Date occurs; and
- the first element of the cost base of each New Gascoyne Shares (i.e. the Scheme Consideration) received should be an amount equal to the market value of the Firefly Shares given in respect of acquiring the New Gascoyne Shares, determined on the Implementation Date.

The acquisition date of the New Gascoyne Shares will be the Implementation Date. This date will be relevant for any future application of the CGT discount with respect to CGT events occurring in respect of the New Gascoyne Shares.

10.4 Foreign Resident Scheme Shareholders

For a Firefly Shareholder that is a foreign tax resident, or the trustee of a foreign tax resident trust for CGT purposes and has not used their Firefly Shares at any time in carrying on a business at or through a permanent establishment in Australia, the disposal of their Firefly Shares will generally only be subject to CGT if their Firefly Shares are characterised as indirect Australian real property interests.

Firefly Shares may be treated as indirect Australian real property interests if both of the following requirements are satisfied:

- (a) the Firefly Shareholder, together with its associates (as defined in section 318 of the ITAA 1936), held a combined interest of 10% or more in Firefly at the time of disposal or for a 12-month period within two years preceding the disposal; and
- (b) more than 50% of the value of Firefly's assets is attributed to direct or indirect interests in Australian real property, which is defined to include Australian mining and exploration leases and licences.

Where both the above requirements are satisfied, non-resident Firefly Shareholders may be subject to CGT on the disposal of their Firefly Shares and be required to report the CGT outcome in an Australian income tax return. CGT scrip for scrip roll-over relief may be available for non-residents if their New Gascoyne Shares are "taxable Australian property" as defined within Division 855 of the ITAA 1997.

Firefly Shareholders who are non-residents for Australian tax purposes should seek their own independent tax advice as to the tax implications of the Scheme, including in their country of residence.

10.5 Foreign Resident CGT Withholding Rules

Australia's foreign resident capital gains withholding tax regime applies to transactions involving the acquisition of certain indirect interests in Australian real property from relevant foreign residents. A 'relevant foreign resident' for these purposes is any Scheme Shareholder who:

- (a) Gascoyne knows or reasonably believes their Firefly Shares constitute an 'indirect Australian real property interest' (refer to above); and
- (b) either:
 - (i) Gascoyne:
 - (a) knows is a foreign resident;
 - (b) reasonably believes is a foreign resident; or
 - (c) does not reasonably believe is an Australian resident, and either has an address outside Australia or Gascoyne is authorised to provide a financial benefit relating to the transaction to a place outside Australia; or
 - (ii) has a connection outside Australia of a kind specified in the regulations.

The withholding tax rate is 12.5%.

If Gascoyne (as the purchaser of Firefly Shares under the Scheme) considers or reasonably believes a Scheme Shareholder to be a 'relevant foreign resident', that Scheme Shareholder will be provided (either together with this Scheme Booklet or separately) a Relevant Foreign Declaration Form.

If, for whatever reason, a Scheme Shareholder believes that it is a relevant foreign resident but does not receive a Relevant Foreign Declaration Form, the Scheme Shareholder should contact the Firefly Share Registry to request a Relevant Foreign Declaration Form.

In the Relevant Foreign Declaration Form, a Scheme Shareholder may provide Gascoyne with a declaration that:

- the registered holder of the relevant Firefly Shares is an Australian tax resident (residency declaration); or
- the registered holder of the relevant Firefly Shares, together with its associates has not held an interest of 10% or more in Firefly at the Implementation Date or for a 12-month period during the last 24 months preceding the Implementation Date (interest declaration).

If a Scheme Shareholder receives a Relevant Foreign Declaration Form it should read it in full and follow the instructions provided on the form.

Unless a signed Relevant Foreign Resident Declaration Form regarding residency or interest, or Variation Notice granted by the Commissioner of Taxation is provided to Gascoyne for these Scheme Shareholders, Gascoyne may withhold and pay to the Commissioner of Taxation a withholding amount of 12.5% from the Scheme Consideration.

Scheme Shareholders who have an amount withheld should generally be entitled to a credit for the amount withheld upon lodging an Australian income tax return. If you are unsure about whether a credit for the withholding tax may be claimed or how to lodge an Australian income tax return, Firefly recommends you seek independent professional tax advice in this regard.

These provisions will continue to operate even if a foreign resident Scheme Shareholder can access rollover relief in respect of any capital gain. If this occurs, the foreign resident Scheme Shareholder would need to engage with the Commissioner of Taxation and obtain a Variation Notice (referred to above).

Scheme Shareholders should seek their own independent professional tax advice as to the implications of the foreign resident capital gains withholding tax rules and the making of a residency declaration or an interest declaration.

OTHER TAXES

Duty

Scheme Shareholders should not be liable to Duty in relation to the disposal of their Firefly Shares to Gascoyne under the Scheme.

Goods and Services Tax

Scheme Shareholders should not be liable for GST in respect of a disposal of their Firefly Shares to Gascoyne under the Scheme.

Scheme Shareholders may be charged GST on costs that relate to the Scheme such as adviser fees relating to their participation in the Scheme. Scheme Shareholders that are registered for GST may be entitled to input tax credits or reduced input tax credits for such

costs but should seek independent professional tax advice in relation to their individual circumstances.

11. Implementing the Scheme

This section provides an overview of the Scheme Conditions, the Scheme Meeting, and other steps required to implement the Scheme.

11.1 Actions already undertaken by Firefly and Gascoyne

Firefly and Gascoyne entered into the Scheme Implementation Deed on 15 June 2021 in which they agreed (among other things) their respective obligations in implementing the Scheme. The key terms of the Scheme Implementation Deed not otherwise addressed in this section, are summarised in section 12. A full copy of the Scheme Implementation Deed was released on the ASX on 16 June 2021 and is available on Firefly's website (www.fireflyresources.com.au). Since signing the Scheme Implementation Deed, Firefly and Gascoyne have undertaken the following activities to progress the implementation of the Scheme.

(a) Appointment of Independent Expert

Firefly commissioned the Independent Expert, BDO Corporate Finance (WA) Pty Ltd, to prepare a report on whether the Scheme is in the best interests of Firefly Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and therefore in the best interests of Firefly Shareholders.

The Independent Expert's Report is set out in Annexure A of this Scheme Booklet.

(b) Execution of Deed Poll by Gascoyne

On 1 September 2021, Gascoyne executed the Deed Poll in favour of each Scheme Shareholder, pursuant to which Gascoyne covenants to perform its obligations under the Scheme Implementation Deed and the Scheme. The key obligation of Gascoyne under the Scheme is to issue the Scheme Consideration to each Scheme Shareholder, subject to satisfaction of the Scheme Conditions.

The Deed Poll may be relied upon by a Scheme Shareholder, despite the fact that they are not a party to it, and each Scheme Shareholder appoints Firefly as its agent to enforce their rights under the Deed Poll against Gascoyne.

The Deed Poll is governed by the laws of Western Australia.

A copy of the Deed Poll is set out in full at Annexure C of this Scheme Booklet.

(c) Execution of Option Cancellation Deeds

Each Firefly Director intends to enter into an Option Cancellation Deed with Gascoyne and Firefly for the cancellation of their Firefly Options.

Under the Option Cancellation Deeds, a Firefly Optionholder agrees to the cancellation of its Firefly Options in exchange for Gascoyne issuing new Gascoyne Shares to them, being a number of Gascoyne Shares as would have a Black-Scholes Value equivalent (for out-of-the-money Firefly Options) or an Intrinsic Value equivalent (for in-the-money Firefly Options). See section 5.9 and Annexure G for further information on the Option Consideration.

Firefly has obtained a waiver from ASX of the requirements of the ASX Listing Rule 6.23.2 to permit the Firefly Options to be cancelled for consideration without requiring

Firefly Shareholder approval to be obtained. Refer to sections 5.9 and 13.16 for further details.

(d) Lodgement of draft Scheme Booklet with ASIC

On 16 August 2021, Firefly lodged a draft of this Scheme Booklet with ASIC pursuant to section 411(2)(b) of the Corporations Act. On 8 September 2021, ASIC registered the Scheme Booklet for the purposes of section 412(6) of the Corporations Act.

Firefly has requested ASIC provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing.

Firefly has also lodged a copy of this Scheme Booklet with the ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

(e) First Court Hearing and Scheme Meeting

On 6 September 2021, the Supreme Court of Western Australia ordered Firefly to convene a meeting of Firefly Shareholders to consider and vote on the Scheme. The Scheme Meeting to consider the Scheme will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 on 21 October 2021. The Scheme Meeting will commence at 2.00pm (Perth time).

For the Scheme to proceed, the Scheme Resolution must be passed at the Scheme Meeting. Details of how to vote at the Scheme Meeting are set out at the beginning of this Scheme Booklet in the section entitled "Meeting details and how to vote".

A copy of the Notice of Scheme Meeting is set out in Annexure D of this Scheme Booklet.

The fact that under section 411(1) of the Corporations Act the Court ordered on 6 September 2021 that a meeting of Firefly Shareholders be convened by Firefly to consider and vote on the Scheme and has approved the Scheme Booklet does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Scheme or as to how Firefly Shareholders should vote (on this matter, Firefly Shareholders must reach their own decision); and
- (ii) has prepared, or is responsible for, the content of this Scheme Booklet.

11.2 Scheme Conditions

Implementation of the Scheme is subject to satisfaction of the applicable Scheme Conditions. The Scheme Conditions are set out in clause 3.1 of the Scheme Implementation Deed.

Certain Scheme Conditions set out in the Scheme and the Scheme Implementation Deed have already been satisfied. The Scheme Conditions that remain outstanding as at the date of this Scheme Booklet are set out in the table below.

For the Scheme to be implemented, each Scheme Condition must be satisfied by the due date (if any) fixed for its satisfaction as set out in the table below (or otherwise waived to the extent it is capable of waiver).

As at the date of this Scheme Booklet, Firefly is not aware of any circumstances that would

cause the Scheme Conditions to not be satisfied. Firefly Shareholders will receive an update on the status of the Scheme Conditions at the Scheme Meeting.

Firefly will also announce to the ASX any relevant matter that affects the Scheme or the likelihood of a Scheme Condition being satisfied or not being satisfied, in accordance with Firefly's continuous disclosure obligations. These details will be published on the ASX's website (www.asx.com.au) and will also appear on Firefly's website (www.fireflyresources.com.au).

Scheme Condition	
1.	Regulatory Approvals Before 5.00pm on the Business Day before the Second Court Date: (a) ASIC and ASX: ASIC and ASX issue or provide all relief, waivers, confirmations, exemptions, consents or approvals, and do all other acts necessary, or which Firefly and Gascoyne agree are desirable, to implement the Scheme and such relief, waivers, confirmations, exemptions, consents, approvals or other acts (as the case may be) remain in full force and effect in all respects and have not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date; and (b) other: any other approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency, to implement the Scheme are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects, and have not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date.
2.	Firefly Shareholder Approval Firefly Shareholders (other than Excluded Shareholders) approve the Scheme at the Scheme Meeting by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.
3.	Court approval The Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act.
4.	Restraints Between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date: (a) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or other material legal restraint or prohibition; (b) no action or investigation is announced, commenced or threatened by any Government Agency; and (c) no application is made to any Government Agency, in consequence of, or in connection with, the Scheme which: (d) restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the Transaction or the rights of Gascoyne in respect of Firefly or the Firefly Shares to be acquired under the Scheme; or

Scheme Condition	
	(e) requires the divestiture by Gascoyne of any Firefly Shares or the divestiture of any assets of the Gascoyne Group or the Firefly Group, unless such order, injunction decision, decree, action, investigation or application has been disposed of to the satisfaction of Gascoyne in its absolute discretion, or is otherwise no longer effective or enforceable, by 8.00am on the Second Court Date.
5.	Cancellation of Firefly Options Before 8:00am on the Second Court Date each holder of Firefly Options has either: (a) exercised the Firefly Options held by them, in accordance with their terms; or (b) entered into an Option Cancellation Deed, so that all Firefly Options will either have lapsed, be exercised or cancelled in accordance with clause 4.6 of the Scheme Implementation Deed.
6.	Tribute Agreement Before 8:00am on the Second Court Date: (a) the Tributor has not purported to dispose of any right under the Tribute Agreement or to create (or permit the creation of) any TA Security Interest over its rights under the Tribute Agreement; (b) Firefly (or any member of the Firefly Group) has not disposed of the Tribute Tenement; (c) Firefly (or any member of the Firefly Group) has not disposed of any right under the Tribute Agreement, or created or permitted the creation of a TA Security Interest over its rights under the Tribute Agreement; and (d) Firefly (or any member of the Firefly Group) has not provided any consent in accordance with clause 17.2(a) of the Tribute Agreement, unless Gascoyne provides its prior written consent, at its sole discretion, and the Tribute Agreement Variation Deed is executed.
7.	No Firefly Prescribed Occurrence No Firefly Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
8.	No Firefly Regulated Event No Firefly Regulated Event occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
9.	No Firefly Material Adverse Change No Firefly Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to Gascoyne, between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
10.	No Gascoyne Prescribed Occurrence No Gascoyne Prescribed Occurrence occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
11.	No Gascoyne Regulated Events No Gascoyne Regulated Event occurs between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

Scheme Condition	
12.	No Gascoyne Material Adverse Change No Gascoyne Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to Firefly, between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
13.	New Gascoyne Shares The New Gascoyne Shares to be issued pursuant to the Scheme are approved for official quotation by ASX by 8.00am on the Second Court Date (provided that any such approval may be subject to the customary conditions) and that approval remains in full force and effect in all respects (subject to those customary conditions), and has not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date.
14.	No Firefly breach Firefly is not in breach, in any material respect, of its obligations under clause 5 of the Scheme Implementation Deed or any of its other obligations under the Scheme Implementation Deed at 5.00pm on the Business Day before the Scheme Meeting and at 8.00am on the Second Court Date.
15.	No Gascoyne breach Gascoyne is not in breach, in any material respect, of its obligations under clause 5 of the Scheme Implementation Deed or any of its other obligations under the Scheme Implementation Deed at 5.00pm on the Business Day before the Scheme Meeting and at 8.00am on the Second Court Date.
16.	Firefly's representations and warranties The Firefly Representations and Warranties that are qualified as to materiality are true and correct in all respects, and the Firefly Representations and Warranties that are not so qualified are true and correct in all respects, in each case as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent any such representation or warranty expressly relates to an earlier date.
17.	Gascoyne's representations and warranties The Gascoyne Representations and Warranties that are qualified as to materiality are true and correct in all respects, and the Gascoyne Representations and Warranties that are not so qualified are true and correct in all respects, in each case as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent any such representation or warranty expressly relates to an earlier date.
18.	Firefly continuous disclosure Between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date, Gascoyne does not become aware of any matter, event, action or circumstance: (a) that is materially adverse in relation to a Firefly Group member; (b) in respect of which Firefly has not complied with its disclosure obligations under ASX Listing Rule 3.1 at any time; and (c) that was not previously Fairly Disclosed to Gascoyne.
19.	Gascoyne continuous disclosure

Scheme Condition	
	Between (and including) the date of the Scheme Implementation Deed and 8.00am on the Second Court Date, Firefly does not become aware of any matter, event, action or circumstance: (a) that is materially adverse in relation to a Gascoyne Group Member; (b) in respect of which Gascoyne has not complied with its disclosure obligations under ASX Listing Rule 3.1 at any time; and (c) that was not previously Fairly Disclosed to Firefly.
20.	Financier approval Before the First Court Date, the parties to the Gascoyne SFA provide written consent to Gascoyne to proceed with the Scheme and that consent remains in full force and effect as at 8:00am on the Second Court Date.

11.3 Court approval

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective, the Scheme (with or without modification) must be approved by an order of the Court. If the Scheme is approved at the Scheme Meeting, Firefly intends to apply to the Court for the necessary orders to give effect to the Scheme.

The Court may refuse to grant the orders referred to above even if the Scheme is approved by the Requisite Majority of Firefly Shareholders.

Each Firefly Shareholder has the right to appear at Court at the hearing of the application by Firefly for orders approving the Scheme. Any Firefly Shareholder who wishes to object to the Scheme at that Court hearing or make a complaint to ASIC about the Scheme should note that the Court hearing for approval of the Scheme is expected to be held on 1 November 2021. The Court has an overriding discretion regarding whether or not to approve the Scheme, even if the Scheme is approved by the Requisite Majority of Firefly Shareholders at the Scheme Meeting.

11.4 Scheme Meeting

The Scheme Meeting to consider the Scheme is scheduled to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 on 21 October 2021. The Scheme Meeting will commence at 2.00pm (Perth time).

The Court has ordered that Firefly convene the Scheme Meeting for the purposes of the Firefly Shareholders voting on the Scheme. The order of the Court to convene the Scheme Meeting is not, and should not be treated as, an endorsement by the Court of (or any other expression of opinion by the Court on) the Scheme.

For the Scheme to be implemented, it is necessary that the Requisite Majority of Firefly Shareholders vote in favour of passing the resolution to approve the Scheme at the Scheme Meeting.

To pass the Scheme Resolution, votes in favour of the Scheme must be cast by:

- (a) more than 50% in number of Firefly Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- (b) at least 75% of the total number of votes cast on the Scheme Resolution by Firefly Shareholders.

Voting is not compulsory. However, the Firefly Directors unanimously recommend that Firefly Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders.⁴⁰

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majority of Firefly Shareholders and the Court. If this occurs, your Firefly Shares will be transferred to Gascoyne and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

11.5 Demerger Meeting

The Scheme Meeting to consider the Demerger is scheduled to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 on 21 October 2021. The Demerger Meeting will commence immediately after the Scheme Meeting which is scheduled to commence at 2.00pm (Perth time).

The Firefly Directors unanimously recommend that Firefly Shareholders vote in favour of the Demerger at the Demerger Meeting.

You should be aware that even if you do not vote, or vote against the Demerger, the Demerger may still be implemented if it is approved by the Requisite Majority of Firefly Shareholders.

11.6 Steps after approval of the Scheme by Firefly Shareholders at the Scheme Meeting but before the Second Court Date

If the Requisite Majority of Firefly Shareholders approve the Scheme at the Scheme Meeting, Firefly will, as soon as possible after the Scheme Meeting is held, announce the results of the Firefly Shareholders' vote to the ASX and will publish the results on Firefly's website (www.fireflyresources.com.au).

11.7 Steps after Court approval at the Second Court Hearing

Firefly and Gascoyne have agreed that, if the Court makes orders approving the Scheme, Firefly and Gascoyne will take or procure the taking of the steps required for the Scheme to proceed, including:

(a) Scheme Record Date

Firefly Shareholders will be entitled to receive the Scheme Consideration under the Scheme if they are registered as holders of Firefly Shares at 7.00pm (Perth time) on the Scheme Record Date. The Scheme Record Date is expected to be 3 November 2021.

Dealings on or prior to the Scheme Record Date

For the purposes of determining which Firefly Shareholders are eligible to participate in the Scheme, dealings in Firefly Shares will be recognised only if:

- (i) in the case of dealings of the type to be effected using CHESSE, the transferee is registered on the Firefly Share Register as the holder of the relevant Firefly Shares before the Scheme Record Date; and

⁴⁰ Firefly Shareholders should note that each of the Firefly Directors hold Firefly Options and Firefly Performance Rights and therefore have an interest in the outcome of the Scheme. Please refer to sections 13.10 and 13.11 for further information regarding the interests of Firefly Directors in Firefly Options and Firefly Performance Rights.

- (ii) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received by the Firefly Share Registry before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purposes of determining entitlements under the Scheme, Firefly will not accept for registration or recognise any transfer or transmission applications in respect of Firefly Shares received after the Scheme Record Date.

Dealings after the Scheme Record Date

For the purpose of determining entitlements to the Scheme Consideration, Firefly must maintain the Firefly Share Register in its form as at the Scheme Record Date until the Scheme Consideration has been paid to the Scheme Shareholders. The Firefly Share Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- (i) all statements of holding for Firefly Shares (other than statements of holding in favour of Gascoyne) will cease to have effect as documents relating to title in respect of such Firefly Shares; and
- (ii) each entry on the Firefly Share Register (other than entries on the Firefly Share Register in respect of Gascoyne) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Firefly Shares relating to that entry.

(b) Effective Date

If the Court approves the Scheme, Firefly will (pursuant to section 411(10) of the Corporations Act) lodge with ASIC the office copy of the Court order approving the Scheme. Firefly intends to lodge the office copy of the Court order with ASIC on the Effective Date, which is expected to be 1 November 2021.

If the Scheme Conditions are satisfied or waived, the Scheme will legally come into effect on the Effective Date.

If a Scheme has not become Effective on or before the End Date, or such later date as Firefly and Gascoyne agree in writing, the Scheme will lapse and be of no further force or effect.

(c) Suspension of trading of Firefly Shares

Firefly will apply to the ASX for suspension of trading of Firefly Shares on the ASX and it is expected that the suspension will commence with effect from the close of trading on the date the Scheme becomes Effective, being 4.00pm on 1 November 2021.

(d) Transfer of Firefly Shares

If the Scheme becomes Effective, on the Implementation Date:

- (i) all Firefly Shares held by Scheme Shareholders will be transferred to Gascoyne without any further action required by Scheme Shareholders;
- (ii) Firefly will enter the name of Gascoyne into the Firefly Share Register in respect of the Firefly Shares; and

- (iii) Firefly will then become a wholly-owned Subsidiary of Gascoyne and the Firefly Board will be reconstituted so that it comprises persons nominated by the Gascoyne Board.

(e) Issue of New Gascoyne Shares

If the Scheme becomes Effective, on the Implementation Date the New Gascoyne Shares to which Scheme Shareholders are entitled under the Scheme will be issued to Scheme Shareholders (other than Ineligible Foreign Shareholders).

A summary of the rights attaching to New Gascoyne Shares is set out in section 13.5.

It is expected that:

- (i) all Firefly Shareholders who receive New Gascoyne Shares will have their names entered on the Gascoyne Share Register on the Implementation Date;
- (ii) holding statements for each Scheme Shareholders' entitlements to New Gascoyne Shares will be sent to the Registered Address of each Scheme Shareholder whose New Gascoyne Shares are held on Gascoyne's register by no later than 5 Business Days after the Implementation Date; and
- (iii) New Gascoyne Shares will commence normal trading on the ASX from 12 November 2021.

Any sale of New Gascoyne Shares before receipt of a holding statement is at the risk of the holder of those securities. To the extent permitted by law, Firefly, Gascoyne and Advanced Share Registry disclaim all liability, whether in negligence or otherwise, to persons who sell their New Gascoyne Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by Firefly, Gascoyne, Advanced Share Registry, a broker or otherwise.

For further information regarding the New Gascoyne Shares to be issued, refer to section 13.5.

(f) De-listing of Firefly

After the Implementation Date, Firefly will apply for termination of the official quotation of Firefly Shares and have itself removed from the official list of the ASX.

(g) Payments to Ineligible Foreign Shareholders

New Gascoyne Shares to which the Ineligible Foreign Shareholders would otherwise be entitled will be sold by the Sale Agent as soon as practicable and the proceeds of the sale (less certain transaction costs including brokerage and stamp duty) will be promptly remitted back to the relevant Ineligible Foreign Shareholders.

For more information refer to sections 5.7 and 5.8.

12. Key terms of the Scheme Implementation Deed

Firefly and Gascoyne entered into the Scheme Implementation Deed on 15 June 2021. The Scheme Implementation Deed sets out the obligations of Firefly and Gascoyne in relation to the Scheme.

The Firefly Directors consider that the Scheme Implementation Deed was entered into on arm's length commercial terms having regard to the fact that Firefly undertook an assessment of any alternative strategic options available to it. In making the above statement, the Firefly Directors note that Firefly Shareholders are being given the opportunity to consider and vote on whether the Merger is implemented at the Scheme Meeting.

This section sets out a summary of the key terms and conditions of the Scheme Implementation Deed that are not otherwise addressed in this Scheme Booklet.

12.1 Scheme Conditions under the Scheme Implementation Deed

The Scheme is subject to the fulfilment or, in certain cases, waiver of the Scheme Conditions. Refer to section 11.2 for further details.

12.2 No shop restriction

The Scheme Implementation Deed includes exclusivity arrangements which apply from the date of the Scheme Implementation Deed until the earlier of the End Date (being 15 December 2021), the date the Scheme becomes Effective or termination of the Scheme Implementation Deed (**Exclusivity Period**).

During the Exclusivity Period, Firefly must ensure that it nor any of its Related Bodies Corporate or representatives directly or indirectly:

- (a) solicit, invite, encourage or initiate any inquiry, expression of interest, offer proposal or other communication by any other person which would reasonably be expected to encourage or lead the making of, an actual, proposed or potential Firefly Competing Proposal; or
- (b) communicate an intention to do any of those things set out above.

There are equivalent restrictions on Gascoyne.

12.3 No talk restriction

During the Exclusivity Period, Firefly must not, and must procure that each representative and member of its related bodies corporate does not:

- (a) facilitate, participate in or continue any negotiations, discussions or other communications with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Firefly Competing Proposal;
- (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Firefly Competing Proposal;
- (c) disclose or otherwise provide or make available any non-public information about the business or affairs of the Firefly Group to a Third Party (other than a Government Agency that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which would reasonably be expected to encourage or lead to the formulation, receipt or announcement of, an actual,

proposed or potential Firefly Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the Firefly Group) whether by that Third Party or another person; or

- (d) communicate to any person an intention to do anything referred to above.

These restrictions are subject to a standard fiduciary exception. There are equivalent restrictions and exceptions on Gascoyne.

12.4 Matching rights

During the Exclusivity Period, Firefly:

- (a) must not, and must procure that each member of the Firefly Group do not, enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which one or more of a Third Party, Firefly or any member of the Firefly Group proposes or propose to undertake or give effect to an actual, proposed or potential Firefly Competing Proposal; and
- (b) must procure that none of its directors change their recommendation in favour of the Scheme, publicly recommend an actual, proposed or potential Firefly Competing Proposal (or recommend against the Transaction) or make any public statement to the effect that they may do so at a future point,

unless:

- (c) the Firefly Board acting in good faith and in order to satisfy what the Firefly Board Members consider to be their statutory or fiduciary duties (having received written legal advice from its external legal advisers) determines that the Firefly Competing Proposal is a, or would be or would be reasonably likely to be an actual, proposed or potential, Superior Proposal;
- (d) Firefly has provided Gascoyne with the material terms and conditions of the actual, proposed or potential Firefly Competing Proposal (including price and form of consideration, conditions precedent, proposed deal protection arrangements and timetable) (in each case, to the extent known) and the identity of the Third Party making the actual, proposed or potential Firefly Competing Proposal;
- (e) Firefly has given Gascoyne at least 5 Business Days to provide a matching or superior proposal to the terms of the Firefly Competing Proposal; and
- (f) Gascoyne has not announced or otherwise formally proposed to Firefly a matching or superior proposal to the terms of the actual, proposed or potential Firefly Competing Proposal by the expiry of the 5 Business Day period.

If, within 5 Business Days, Gascoyne proposes or announces a new proposal (including amendments to the Scheme) that matches or is superior to the Firefly Competing Proposal (**Bidder Counterproposal**), the Firefly Board must consider the Bidder Counterproposal.

If the Firefly Board, acting reasonably and in good faith, determines that the Bidder Counterproposal would provide an equivalent or superior outcome for Firefly Shareholders as a whole (other than Excluded Shareholders) compared with the Firefly Competing Proposal, then Firefly and Gascoyne must use their best endeavours to agree the amendments to the Scheme Implementation Deed, the Scheme and the Deed Poll (as applicable) that are reasonably necessary to reflect the Bidder Counterproposal and to implement the Bidder Counterproposal as soon as reasonably practicable.

12.5 Break fee

Firefly has agreed to pay Gascoyne a Break Fee of \$500,000 (excluding GST) as compensation for costs and expenses in certain circumstances. The Break Fee will be payable by Firefly if:

- (a) **Change of recommendation:** during the Exclusivity Period, any member of the Firefly Board fails to recommend or withdraws or adversely qualifies their support of the Scheme or his or her recommendation that Firefly Shareholders (other than Excluded Shareholders) vote in favour of the Scheme, unless the Independent Expert concludes in the Independent Expert's Report (or any later report) that the Scheme is not in the best interests of Firefly Shareholders;
- (b) **Recommendation of a Firefly Competing Proposal:** during the Exclusivity Period, any member of the Firefly Board accepts or votes in favour, or otherwise endorses (including support by way of accepting or voting, or stating an intention to accept or vote) a Firefly Competing Proposal announced during the Exclusivity Period;
- (c) **Completion of a Firefly Competing Proposal:** a Firefly Competing Proposal is announced and, within 12 months of such announcement, a Third Party (or any Associate of a Third Party):
 - (i) completes a Firefly Competing Proposal;
 - (ii) enters into an agreement, arrangement or understanding with Firefly, with another member of the Firefly Group or any of their respective directors which is a Firefly Completion Proposal; or
 - (iii) acquires (either alone or in aggregate) a Relevant Interest in more than 20% of the Firefly Shares or otherwise acquires (either alone or in aggregate) Control of Firefly;
- (d) **Termination by Gascoyne:** Gascoyne terminates the Scheme Implementation Deed as a result of one or more of the following (and in each case, only where the Transaction does not complete):
 - (i) Firefly materially breaching the Scheme Implementation Deed;
 - (ii) a Firefly Material Adverse Change, Firefly Prescribed Occurrence or Firefly Regulated Event; or
 - (iii) Gascoyne terminates the Scheme Implementation Deed at any time prior to 8.00am of the Second Court Date for breach of a Firefly Representation and Warranty, where Gascoyne has given notice of the breach to Firefly, and Firefly has not remedied the breach within the earlier of 5 Business Days or 5.00pm on the Business Day before the Second Court Date.
- (e) **Independent Expert's conclusion:** the Independent Expert's report (or additional report) concludes that the Scheme is not in the best interests of Firefly Shareholders, where that conclusion is due wholly or partly to the existence, announcement or publication of a Firefly Competing Proposal, irrespective of whether or not any Firefly Board Members change, withdraw, modify or qualify their recommendation in favour of the Scheme or support or endorse a Firefly Competing Proposal;
- (f) **Breach of matching right provisions:** Firefly is in breach of the matching right provisions in clause 11.4 of the Scheme Implementation Deed; or

- (g) **Failure to obtain Court approval:** the Court fails to approve the terms of the Scheme as a result of a material non-compliance by Firefly with its obligations under the Scheme Implementation Deed, but only where the Requisite Majority of Firefly Shareholders have approved the Scheme.

Under the Scheme Implementation Deed, Gascoyne is required to pay Firefly a Break Fee of \$500,000 (excluding GST) in the following circumstances:

- (a) Gascoyne announces a transaction or proposed transaction which is a Gascoyne Competing Proposal and is publicly recommended, promoted or otherwise endorsed by the Gascoyne Board or by any of the directors comprising the Gascoyne Board on the basis that the Merger does not proceed;
- (b) Firefly has terminated the Scheme Implementation Deed due to certain defaults by Gascoyne, and the Merger does not complete; or
- (c) the Court fails to approve the Scheme for which approval of the Require Majority of Firefly Shareholders has been obtained as a result of a material non-compliance by Gascoyne of any of its obligations under the Scheme Implementation Deed.

12.6 Termination

This section sets out the circumstances in which the Scheme Implementation Deed (and hence, the Scheme) may be terminated.

Firefly and Gascoyne termination rights

Either Gascoyne or Firefly may terminate the Scheme Implementation Deed if:

- (a) at any time before 8.00am on the Second Court Date, the other party is in material breach of the Scheme Implementation Deed (other than a breach of representation and warranty) and the breach is not remedied to the reasonable satisfaction of the non-breaching party within 5 Business Days of giving notice of the breach;
- (b) at any time before 8.00am on the Second Court Date, the Court or another Government Agency has taken any action permanently restraining or otherwise prohibiting or preventing the Scheme, or has refused to do anything necessary to permit the Scheme from being implemented by the End Date, and the action or refusal cannot be appealed or reviewed, or there are no realistic prospects of an appeal or review succeeding by the End Date;
- (c) an event occurs which would, does, or will prevent any of the Scheme Conditions being satisfied or if any of the Scheme Conditions will not or is not otherwise satisfied by the earlier of the time for satisfaction and the End Date, and the party is otherwise entitled to terminate the Scheme Implementation Deed after Gascoyne and Firefly have complied with the procedure in clause 3.4 of the Scheme Implementation Deed (provided the party terminating is not in breach of an obligation to satisfy the Condition Precedent or the Condition Precedent is for the sole benefit of that party);
- (d) the Scheme has not become Effective or will not become Effective on or before the End Date; or
- (e) Firefly Shareholders have not agreed to the Scheme at the Scheme Meeting by the Requisite Majority.

Gascoyne termination rights

In addition to the circumstances set out above, Gascoyne may terminate the Scheme Implementation Deed at any time prior to 8.00am on the Second Court Date if:

- (a) there is a Firefly Material Adverse Change, Firefly Prescribed Occurrence or Firefly Regulated Event;
- (b) any Firefly Board member:
 - (i) fails to recommend the Scheme;
 - (ii) withdraws, adversely change, adversely modifies or adversely qualifies their support of the Scheme or their recommendation that Firefly Shareholders vote in favour of the Scheme; or
 - (iii) or makes a public statement indicating that they no longer recommend the Merger or recommends, supports or endorses another transaction (including a Firefly Competing Proposal but excluding a statement that no action should be taken by Firefly Shareholders pending assessment of a Firefly Competing Proposal or completion of the matching right process outlined in section 12.4 above),

except where it is required or requested by a court or Government Agency to abstain or withdraw from making a recommendation that Firefly Shareholders (other than Excluded Shareholders) vote in favour of the Scheme; or
- (c) in any circumstances, Firefly enters into a legally binding agreement, arrangement or understanding in relation to the undertaking or giving effect to any actual, proposed, or potential Firefly Competing Proposal.

Firefly termination rights

In addition to the circumstances set out above, Firefly may terminate the Scheme Implementation Deed at any time prior to 8.00am on the Second Court Date if:

- (a) any Gascoyne Board Member makes a public statement indicating that they recommend or support a Gascoyne Competing Proposal;
- (b) there is a Gascoyne Material Adverse Change, Gascoyne Prescribed Occurrence, or Gascoyne Regulated Event;
- (c) the Firefly Board or a majority of the Firefly Board has changed, withdrawn, modified or qualified its recommendation as permitted under the fiduciary carve-out in clause 5.6 of the Scheme Implementation Deed and Firefly is required to pay the Break Fee as a result; or
- (d) Gascoyne enters into a legally binding agreement, arrangement or understanding in relation to the undertaking or giving effect to any actual, proposed or potential Gascoyne Competing Proposal.

12.7 Amendments to the Scheme Implementation Deed

The Scheme Implementation Deed may only be varied by document signed by or on behalf of each Firefly and Gascoyne.

12.8 Representations and warranties

Each of Firefly and Gascoyne have given representations, warranties and covenants to the other that are considered to be standard warranties for an agreement of this kind. The

representations, warranties and covenants given by each of Firefly and Gascoyne are set out in full at Schedules 2 and 3 of the Scheme Implementation Deed.

13. Additional information

13.1 Introduction

This section 13 sets out additional information required to be disclosed to Firefly Shareholders pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to Firefly Shareholders.

13.2 Interests of Firefly Directors in Firefly and Gascoyne

As at the date of registration of this Scheme Booklet with ASIC:

- (a) the Firefly Directors held interests in marketable securities of Firefly as set out in section 6.10; and
- (b) no Firefly Director (or person on behalf of a Firefly Director) holds an interest in marketable securities of Gascoyne.

The Firefly Directors have not acquired or disposed of a Relevant Interest in Firefly Shares in the four-month period ending on the date immediately before the date of this Scheme Booklet.

Firefly Directors who are Firefly Shareholders will be entitled to receive New Gascoyne Shares in accordance with the terms of the Scheme.

13.3 Interests of Gascoyne Directors in Gascoyne and Firefly

As at the date of registration of this Scheme Booklet with ASIC:

- (a) the Gascoyne Directors held interests in marketable securities of Gascoyne as set out in section 7.4(c); and
- (b) no Gascoyne Director holds an interest in marketable securities of Firefly (as set out in sections 6.10 and 7.4(d)).

Other than as described above, no Gascoyne Director has acquired or disposed of a Relevant Interest in any Gascoyne Shares in the four-month period ending on the date immediately before the date of this Scheme Booklet.

13.4 Interests of Gascoyne and Firefly

As at the date of this Scheme Booklet, neither Firefly nor any of its Associates has a Relevant Interest in any Gascoyne Shares or any other marketable securities of Gascoyne.

As at the date of this Scheme Booklet, Gascoyne holds a Relevant Interest in 52,294,671 Firefly Shares and has a voting power (as defined in the Corporations Act) of approximately 16.96%. Gascoyne is not the registered holder of these Firefly Shares, but rather it acquired a Relevant Interest in these Firefly Shares through entry into binding Voting Deed Polls by Firefly's three largest shareholders in favour of Gascoyne.

Except as set out above, during the four months before the date of this document, neither Gascoyne nor any Associate of Gascoyne has:

- (a) provided, or agreed to provide, consideration for any Firefly Shares; or
- (b) given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to vote in favour of the Scheme or dispose of Firefly Shares which benefit is not offered to all Firefly Shareholders under the Scheme.

13.5 Rights attaching to New Gascoyne Shares

If the Scheme becomes Effective, each Scheme Shareholder (other than Ineligible Foreign Shareholders), will receive 0.34 New Gascoyne Shares for every 1 Firefly Share they hold as at 7.00pm (Perth time) on the Scheme Record Date.

The New Gascoyne Shares issued as Scheme Consideration will be fully paid and, from the date of their issue, will rank equally with existing Gascoyne Shares.

A summary of the principal rights attaching to Gascoyne Shares and other material provisions of the Gascoyne Constitution is included at section 7.12.

Full details of the rights attaching to Gascoyne Shares are set out in Gascoyne's company Constitution, a copy of which is available for inspection at the Gascoyne's registered office during normal business hours.

Quotation is not guaranteed or automatic on such application, but quotation is expected in the ordinary course as Gascoyne is already admitted to the official list of the ASX and shares of the same class as those to be issued as the consideration under the Scheme have been granted official quotation by the ASX.

It is expected that normal trading of New Gascoyne Shares on the ASX will commence on 12 November 2021. It is the responsibility of each Firefly Shareholder to determine their entitlement to New Gascoyne Shares under the Scheme before trading those shares to avoid the risk of selling shares that they do not own.

13.6 Benefits to Firefly Directors and officers in connection with retirement from office

Other than as set out in section 13.8, there are no other current proposals for any payments or other benefits to be made or given to a director, secretary or executive officer of Firefly or any Related Body Corporate of Firefly as compensation for the loss of, or as consideration for or in connection with his or her retirement from office in Firefly or any Related Body Corporate of Firefly as a result of the Scheme.

13.7 Remuneration of Firefly Directors

The directors of Firefly are entitled to be paid fees for their services as directors of Firefly and have been paid the following fees in the past two financial years (inclusive of superannuation entitlements):

Firefly Director ⁴¹	FY2020	FY2021 ⁴²
Mr Michael Edwards (Non-Executive Chairman) ⁴³	\$48,901 ⁴⁴	\$102,167 ⁴⁵
Mr Simon Lawson (Managing Director) ⁴⁶	\$301,576 ⁴⁷	\$284,750
Mr Geoffrey Jones (Non-Executive Director)	\$55,445 ⁴⁸	\$40,515
Mr John Hutton (Non-Executive Director) ⁴⁹	\$65,245 ⁵⁰	\$12,775
Mr Ashley Pattison (Non-Executive Director) ⁵¹	N/A	\$30,618

13.8 Disclosure of payments and benefits to Firefly Directors and officers conditional on the outcome of the Scheme

On implementation of the Scheme, Gascoyne intends to appoint Mr Simon Lawson as a Non-Executive Director. From the appointment date, Mr Simon Lawson will be paid a Non-Executive Directors' fee of \$120,000 inclusive of statutory superannuation per annum. Mr Lawson will cease to be Managing Director of Firefly with effect on 1 November 2021 (being the date that his employment contract expires). Other than Mr Simon Lawson, no Firefly Director, secretary or executive officer of Firefly (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from Gascoyne or Firefly which is conditional on, or is related to, the Scheme other than in their capacity as a Firefly Shareholder, a Firefly Optionholder, or a Firefly Performance Right Holder.

See sections 13.10 and 13.11 more information on the benefits to be received by each Firefly Optionholder or Firefly Performance Right Holders.

13.9 Interests of Firefly Directors in contracts with Gascoyne

An associate of Mr Ashley Pattison holds an indirect shareholding interest⁵² in Yalgoo Lithex Pty Ltd, the Contributor under the Tribute Agreement referred to section 6.3. As noted in that section, Yalgoo Exploration (a wholly-owned Subsidiary of Firefly) entered into the Tribute Agreement with the Contributor under which Yalgoo Exploration agreed to grant the Contributor an exclusive right to conduct certain exploration activities for laterite minerals on tenement E59/2077 in the Melville area, to a depth of 12m below the surface. Yalgoo Exploration,

⁴¹ Includes any former Firefly Directors who received directors' fees in the previous two financial years.

⁴² Unaudited figures provided for FY2021. As such, these figures are subject to audit.

⁴³ Appointed 10 October 2019.

⁴⁴ Includes Firefly Options valued at \$28,747.

⁴⁵ Includes Firefly Shares valued at \$50,000. As such, these figures are subject to audit.

⁴⁶ Appointed 1 May 2018.

⁴⁷ Includes Firefly Options valued at \$53,168.

⁴⁸ Includes Firefly Options valued at \$28,747.

⁴⁹ Resigned 4 September 2020.

⁵⁰ Includes Firefly Options valued at \$28,747.

⁵¹ Appointed on 4 September 2020.

⁵² An associate of Mr Pattison holds a shareholding in a private entity, Tristar Nominees Pty.Ltd. (ACN 129 667 965) (Tristar Nominees). Tristar Nominees holds 2,619,566 (approximately 14%) of the fully paid ordinary shares in Yalgoo Lithex Pty Ltd.

Gascoyne and the Tributor have entered into the Tribute Agreement Variation Deed under which Tributor will be issued with new Gascoyne Shares or cash, in the event that the agreement is terminated and Yalgoo Exploration becomes liable to pay the Compensation Sum (see section 6.3).

Except as set out above and elsewhere in this Scheme Booklet, no Firefly Director has any interest in any contract entered into by Gascoyne.

13.10 Cancellation of Firefly Options held by Directors and officers of Firefly

As noted in sections 5.9 and 6.8, as at the date of this Scheme Booklet Firefly has a total of 26,699,999 unquoted Firefly Options on issue.

The Firefly Directors hold a total of 4,000,000 Firefly Options which, if exercised will convert to 4,000,000 Firefly Shares. Additionally, Ms Natalie Teo (Joint Company Secretary) holds 200,000 Firefly Options which if exercised will convert to 200,000 Firefly Shares.⁵³

The Firefly Directors each hold in-the-money Firefly Options and intend to enter into an Option Cancellation Deed with Firefly and Gascoyne for the cancellation of their Firefly Options. The number of Firefly Options held by each of the Firefly Directors, and the Option Consideration to be issued to those Firefly Directors, is set out in section 5.9 of this Scheme Booklet.

13.11 Automatic vesting of Firefly Performance Rights held by Directors and officers of Firefly

As noted in sections 5.10 and 6.8, as at the date of this Scheme Booklet Firefly has a total of 34,233,328 unquoted Firefly Performance Rights on issue which will automatically vest upon the Court approving the Scheme at the Second Court Hearing. To ensure that there are no equity interests in Firefly when the Scheme is implemented, Firefly and Gascoyne have also agreed under the terms of the Scheme Implementation Deed that Firefly will issue such number of Firefly Shares as required under the terms of those Firefly Performance Rights before the Scheme Record Date. As noted in section 5.10, Firefly intends to amend the terms of issue for the Firefly Performance Rights to remove the 10% Cap such that they convert on a 1 for 1 basis upon the Court approving the Scheme.

The Firefly Directors hold a total of 12,720,992 Firefly Performance Rights which will vest and therefore convert to 12,720,992 Firefly Shares (as set out in the table below). Additionally, Mr Steven Wood (Joint Company Secretary) and Ms Natalie Teo (Joint Company Secretary) each hold 200,000 Firefly Performance Rights which will convert to a total of 400,000 Firefly Shares on the Vesting Date.

⁵³ Includes 100,000 unlisted Firefly Options exercisable at \$0.10 each on or before 31 December 2021 and 100,000 unlisted Firefly Options exercisable at \$0.12 each on or before 31 December 2022.

Firefly Director	Number of Firefly Performance Rights held	Number of Firefly Shares to be issued upon vesting of Firefly Performance Rights
Mr Michael Edwards (Non-Executive Chairman) ⁵⁴	2,066,666	2,066,666
Mr Simon Lawson (Managing Director)	6,666,666	6,666,666
Mr Geoffrey Jones (Non-Executive Director)	666,666	666,666
Mr Ashley Pattison (Non-Executive Director) ⁵⁵	3,320,994	3,320,994

13.12 Disclosure of interests

Except as disclosed below or elsewhere in this Scheme Booklet, no:

- (a) Firefly Director or proposed director of Firefly;
- (b) Gascoyne Director or proposed director of Gascoyne;
- (c) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet; or
- (d) promoter or underwriter of Gascoyne or the Combined Group,

(together “**Interested Persons**”) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

- (e) the formation or promotion of Gascoyne or the Combined Group;
- (f) property acquired or proposed to be acquired by Gascoyne in connection with the formation or promotion of Gascoyne or the Combined Group or the offer of New Gascoyne Shares under the Scheme; or
- (g) the offer of New Gascoyne Shares under the Scheme.

13.13 Disclosure of fees and other benefits

Except as disclosed elsewhere in this Scheme Booklet, neither Gascoyne nor Firefly has paid, or agreed to pay any fees, or provided or agreed to provide any benefit to:

- (a) a director or proposed director of Gascoyne to induce them to become or qualify as a director of Gascoyne; or
- (b) any Interested Person for services provided by that person in connection with:
 - (i) the formation or promotion of Gascoyne or the Combined Group; or
 - (ii) the offer of New Gascoyne Shares under the Scheme.

⁵⁴ The Firefly Performance Rights are held by a related entity of the Director.

⁵⁵ A number of the Firefly Performance Rights are held by a related entity of the Director.

13.14 Creditors of Firefly

The Scheme, if implemented, will not affect the interests of creditors of Firefly.

Firefly has paid and is paying all its creditors within normal terms of trade. It is solvent and is trading in an ordinary commercial manner.

13.15 Right to inspect and obtain copies of the Firefly Share Register

A Firefly Shareholder has the right to inspect the Firefly Share Register, which contains the name and address of each Firefly Shareholder and certain other prescribed details relating to Firefly Shares, without charge. A Firefly Shareholder also has the right to request a copy of the register, upon payment of a fee (if any) up to a prescribed amount.

13.16 Regulatory conditions and relief

ASX Listing Rule 6.23.2 provides that the cancellation of options for consideration requires the approval of shareholders. Firefly has been granted a waiver of ASX Listing Rule 6.23.2 to permit the Firefly Options to be cancelled without requiring the approval of Firefly Shareholders (**ASX Listing Rule 6.23.2 Waiver**). It is a condition of the ASX Listing Rule 6.23.2 Waiver that:

- the Requisite Majority of Firefly Shareholders approve the Scheme at the Scheme Meeting;
- the Court approves the Scheme and a copy of the orders approving the Scheme for the purposes of section 411(4)(b) of the Corporations Act are lodged with ASIC such that the Scheme becomes Effective; and
- full details of the cancellation of the Firefly Options and the consideration payable for their cancellation are set out to the ASX's satisfaction in this Scheme Booklet.

ASX Listing Rule 6.23.3 provides that a change to the terms of options which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise cannot be made. Firefly has also been granted a waiver of ASX Listing Rule 6.23.3 to amend the terms of the Firefly Performance Rights so that the Firefly Performance Rights will be converted on a 1 for 1 basis upon the Court approving the Scheme at the Second Court Hearing (**ASX Listing Rule 6.23.3 Waiver**). It is a condition of the ASX Listing Rule 6.23.3 Waiver that:

- the Requisite Majority of Firefly Shareholders approve the Scheme at the Scheme Meeting;
- the Court approves the Scheme and a copy of the orders approving the Scheme for the purposes of section 411(4)(b) of the Corporations Act are lodged with ASIC such that the Scheme becomes Effective; and
- full details of the new terms and proposed treatment of the Firefly Performance Rights are set out to ASX's satisfaction in this Scheme Booklet.

Refer to sections 5.9, 11.1(c) and 13.10 for further information on the proposed treatment of Firefly Options and section 5.10 for further information on the treatment of Firefly Performance Rights.

13.17 No administrator

It is not proposed that any person be appointed to manage or administer the Scheme.

13.18 No relevant restrictions in the constitution of Firefly

There are no restrictions on the right to transfer Firefly Shares in Firefly's constitution.

13.19 No unacceptable circumstances

The Firefly Directors do not believe that the Scheme involves any circumstances in relation to the affairs of any member of Firefly that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

13.20 Firefly Shareholders in jurisdictions outside Australia and New Zealand

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements that may be different to those applicable in other jurisdictions. This Scheme Booklet and the Scheme do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Any Firefly Shareholder whose address as shown in the Firefly Share Register at 7.00pm (Perth time) on the Scheme Record Date is outside of Australia or its external territories or New Zealand will be an Ineligible Foreign Shareholder for the purposes of the Scheme, other than a Firefly Shareholder in respect of whom Gascoyne is satisfied that the laws of that holder's country of residence (as shown in the Firefly Share Register) would permit the issue and allotment of New Gascoyne Shares, either unconditionally or after compliance with conditions which Gascoyne in its sole discretion regards as acceptable and not unduly onerous.

Gascoyne will not issue New Gascoyne Shares to an Ineligible Foreign Shareholder. If you are an Ineligible Foreign Shareholder, you should refer to section 5.7 for further information.

13.21 Privacy and personal information

Firefly and Gascoyne, their respective share registries and investor relations advisers may collect personal information about you in the process of implementing the Scheme. The personal information may include the names, contact details and details of the security holdings of Firefly Shareholders, and the names of individuals appointed by Firefly Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting and Demerger Meeting.

The personal information is collected for the primary purpose of implementing the Scheme (in respect of the Scheme Meeting) and Demerger (in respect of the Demerger Meeting). The personal information may be disclosed to Firefly's Share Registry and Gascoyne's Share Registry and investor relations advisers, to securities brokers and to print and mail service providers.

Firefly Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact Automic Group if they wish to request access to that personal information.

Firefly Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting or Demerger Meeting should inform that individual of the matters outlined above.

13.22 Supplementary information

Firefly will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the date of the Scheme Meeting:

- (a) a material statement in this Scheme Booklet that is false or misleading;

- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter arising that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

The form of the supplementary document and whether a copy will be sent to each Firefly Shareholder will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be made available on Firefly's website (www.fireflyresources.com.au). Any such supplementary document will also be released to the ASX and accordingly will be available from the ASX's website (www.asx.com.au).

13.23 Compliance Statements

(a) Firefly Compliance Statement

The information in this Scheme Booklet contains references to Firefly's Mineral Resource estimate which has been extracted from the ASX announcement titled "Maiden 196,000oz JORC 2012 - Revised Announcement" dated 17 March 2021 (**March 2021 Announcement**).

The above report is available on Firefly's ASX announcements platform.

The Competent Person (as that term is defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the Mineral Resource for the Melville Deposit at Yalgoo in the March 2021 Announcement was Mr Simon Lawson, Managing Director of Firefly.

Firefly confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of estimates of Mineral Resources, Firefly confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. In addition, Firefly confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

(b) Gascoyne Compliance Statement

The information in this Scheme Booklet contains references to Gascoyne's:

- (i) Mineral Resource and Ore Reserve estimates have been extracted from the ASX announcement titled "2021 Mineral Resource and Ore Reserve Statements" dated 31 May 2021 (**May Announcement**); and
- (ii) production targets and forecast financial information have been extracted from the ASX announcement titled "FY21 and FY22 Guidance Update" dated 4 June 2021.

The above reports are available on Gascoyne's ASX announcements platform.

The Competent Persons (as that term is defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the:

- (i) Mineral Resources for the Gilbey's, Gilbey's South, Plymouth and Sly Fox deposits at Dalgara as reported in the May Announcement were Mr Michael Job and Mr Michael Millad;
- (ii) Ore Reserves for the Gilbey's, Gilbey's South, Plymouth and Sly Fox deposits as reported in the May Announcement was Mr Neil Rauert;
- (iii) Mineral Resources for the Glenburgh Project as reported in the May Announcement was Mr Brian Fitzpatrick; and
- (iv) Mineral Resources for the Hibernian Deposit at the Mt Egerton Project was Mr Brian Fitzpatrick.

Gascoyne confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of estimates of Mineral Resources or Ore Reserves, Gascoyne confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. In addition, Gascoyne confirms that the form and context in which the competent persons' findings are presented have not been materially modified.

13.24 Advisers and experts

(a) Roles of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

Name	Role	Estimate of Fees (ex. GST)
BDO Corporate Finance (WA) Pty Ltd	Independent Expert	\$65,000
SRK Consulting (Australasia) Pty Ltd	Technical Expert	\$80,000
HWL Ebsworth Lawyers (HWLE)	Legal advisor to Firefly	\$350,000
Herbert Smith Freehills (HSF)	Legal adviser to Gascoyne	\$325,000
Azure Capital Pty Ltd	Firefly's financial adviser	\$440,000
Canaccord Genuity (Australia) Limited	Gascoyne's financial adviser	\$400,000
Automic Group	Firefly's share registry	\$70,000
Advanced Share Registry Investor Services	Gascoyne's share registry	\$15,000
BDO Corporate Tax (WA) Pty Ltd	Tax adviser to Gascoyne and the Combined Group	\$48,000

Name	Role	Estimate of Fees (ex. GST)
BDO Corporate Tax (WA) Pty Ltd	Tax adviser to Firefly	\$55,000

(b) Consents of advisers and experts

BDO Corporate Finance (WA) Pty Ltd has given its consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it appears in Annexure A of this Scheme Booklet and has not withdrawn that consent before the date of this Scheme Booklet.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than the Independent Expert's Report. The interests of BDO Corporate Finance (WA) Pty Ltd in its capacity as Independent Expert are disclosed in the Independent Expert's Report.

SRK Consulting (Australasia) Pty Ltd has given its consent to the inclusion in the Independent Expert's Report in this Scheme Booklet of technical information relating to Firefly and Gascoyne in the form and context in which the information appears and has not withdrawn that consent before the date of this Scheme Booklet.

Gascoyne has given its consent to the inclusion of the Gascoyne Information in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Each person named in section 13.24(a) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet in the capacity indicated next to their name.

(c) Disclaimers of responsibility

Each person named in section 13.24(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet:

- (i) has not authorised or caused the issue of this Scheme Booklet or the making of the offer of New Gascoyne Shares under the Scheme;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than a statement included in this Scheme Booklet with the written consent of that person as stated in section 13.24(b); and
- (iii) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any statements in or omissions from any part of this Scheme Booklet, other than a reference to its name and any statement or report that has been included in this Scheme Booklet with the consent of that person.

(d) Fees

Each person named in section 13.24(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging. The estimated fees payable to these parties are set out in section 13.24(a).

13.25 Effects of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from the figures set out in this Scheme Booklet.

13.26 Data in charts, graphs and tables

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date. Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

13.27 Firefly litigation

So far as the Firefly Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Firefly (or any other member of the Firefly Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of Firefly or the Firefly Group.

13.28 Gascoyne litigation

So far as the Gascoyne Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Gascoyne (or any other member of the Gascoyne Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of Gascoyne or the Gascoyne Group.

13.29 No other material information

Other than as set out in this Scheme Booklet, including the Annexures to this Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme or a decision by a Firefly Shareholder whether or not to vote in favour of the Scheme, being information that is within the knowledge of any Firefly Directors or directors of a Related Body Corporate of Firefly and which has not previously been disclosed to Firefly Shareholders.

14. Glossary of defined terms

The following defined terms used throughout this Scheme Booklet have the meaning set out below unless the context otherwise requires.

Term	Meaning
A\$ or \$	The lawful currency of Australia.
AASB	The Australian Accounting Standards Board, being the Australian Regulatory Authority responsible for developing and issuing accounting standards applicable to Australian entities and the “care and maintenance” of the body of standards as set out in the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
AASB Standards	The Australian Accounting Standards issued by the AASB.
Advanced Share Registry	Advanced Share Registry Ltd (ACN 127 175 946), the share registry for Gascoyne.
Annexure	An annexure of this Scheme Booklet.
Announcement Date	16 June 2021, being the date of announcement of the Merger.
ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning given to it in section 12 of the Corporations Act as if subsection 12(1) of the Corporations Act included a reference to the Scheme Implementation Deed and Firefly or Gascoyne (as applicable) was the designated body.
ASX	ASX Limited (ABN 98 008 624 691).
ASX Listing Rules	The listing rules of ASX.
ASX Settlement Rules	The settlement rules of ASX Settlement Pty Ltd (ACN 008 504 532).
ATO	Australian Taxation Office.
Automic Group	Automic Pty Ltd (ACN 152 260 814), the share registry for Firefly.
Black-Scholes Value	In relation to a Firefly Option, means the value of the Firefly Option determined by the Black-Scholes formula as more particularised in Annexure G.
Break Fee	\$500,000 (excluding GST).
Business Day	A day that is not a Saturday, Sunday or public holiday or bank holiday in Perth, Western Australia.
CGT	Capital Gains Tax, as defined in the <i>Income Tax Assessment Act 1997</i> (Cth).
Combined Group	The corporate group comprising Gascoyne and its Subsidiaries, including the Firefly Group, if the Scheme is implemented.
Combined Group Board	The board of directors of Gascoyne, after the implementation of the Scheme.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).

Term	Meaning
Corporations Regulations	The <i>Corporations Regulations 2001</i> (Cth).
Court	The Supreme Court of Western Australia, or such other court of competent jurisdiction as agreed in writing by Gascoyne and Firefly.
Deed Poll	The deed poll dated 1 September 2021 executed by Gascoyne whereby, among other things, Gascoyne covenants to carry out its obligations under the Scheme, as set out in Annexure C.
Demerger	The demerger of certain Firefly Group and Gascoyne assets to be implemented pursuant to the Demerger Implementation Deed and various sale agreements and mineral rights agreements, under which: (a) Firefly Operations Pty Ltd (a wholly-owned Subsidiary of Firefly) will transfer the Paterson Copper-Gold Project to Firetail; (b) Firehawk Gold Pty Ltd (a wholly-owned Subsidiary of Firefly) or Firefly will transfer the Forrestania Gold Project to Firetail; (c) Firefly will transfer the M59/358 Project to Firetail (excluding rights to gold, which will be retained by Firefly); (d) Firefly and Yalgoo Exploration Pty Ltd (a wholly-owned Subsidiary of Firefly) will grant the Yalgoo Lithium Rights to Firetail; (e) Lightning Bug Resources Pty Ltd (a wholly-owned Subsidiary of Firefly) will grant the Lightning Bug Lithium Rights to Firetail; and (f) Gascoyne or a Subsidiary of Gascoyne will grant the Dalgaranga Lithium Rights to Firetail.
Demerger Conditions	The conditions precedent in clause 3.1 of the Demerger Implementation Deed.
Demerger Effective Date	The "Demerger Effective Date" as contemplated in Schedule 1 of the Demerger Implementation Deed, expected to be 4 November 2021.
Demerger Implementation Date	Has the same meaning as the term "Implementation Date" under the Demerger Implementation Deed.
Demerger Implementation Deed	The Demerger Implementation Deed dated 7 July 2021 between Firefly, certain Subsidiaries of Firefly, and Gascoyne which records the terms of the Demerger.
Demerger Meeting	The meeting of Firefly Shareholders to be held immediately after the Scheme Meeting (which is scheduled to commence at 2.00pm (Perth time)) at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 on 21 October 2021 to consider and vote on the Demerger. The notice convening the Demerger Meeting is set out in Annexure E.
Demerger Record Date	The record date for determining entitlements to the New Firetail Shares under the Demerger as contemplated in Schedule 1 of the Demerger Implementation Deed, expected to be 9 November 2021.
Demerger Resolution	The resolutions of Firefly Shareholders: (a) to approve the sale of the Demerger Assets (as defined in Annexure E) for the purposes of ASX Listing Rule 11.4 and for all other purposes; and

Term	Meaning
	(b) to approve the capital reduction and in-specie distribution for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes, as set out in the Notice of Demerger Meeting in Annexure E.
Effective	When used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	The date on which the Scheme becomes Effective.
Eligible Firefly Shareholder	A holder of Firefly Shares recorded in the Firefly Share Register as at the Demerger Record Date, other than an Ineligible Foreign Shareholder.
End Date	The date that is 6 months from the date of execution of the Scheme Implementation Deed, being 15 December 2021, or such other date as agreed in writing between Gascoyne and Firefly.
Excluded Shareholders	Any Firefly Shareholder who is or becomes under clause 5.3(m) of the Scheme Implementation Deed, a member of the Gascoyne Group or any Firefly Shareholder who holds any Firefly Shares on behalf of, or for the benefit of, any member of the Gascoyne Group and does not hold Firefly Shares on behalf of, or for the benefit of, any other person.
Exclusivity Period	Has the meaning given to it in the Scheme Implementation Deed.
Fairly Disclosed	Has the meaning given to it in the Scheme Implementation Deed.
Financial Advisor	Has the meaning given to it in the Scheme Implementation Deed.
Firefly	Firefly Resources Limited (ACN 118 522 124).
Firefly Board	The board of Firefly Directors as at the date of this Scheme Booklet. Firefly Board Member means a director of Firefly comprising part of the Firefly Board.
Firefly Competing Transaction	Other than the Demerger, any proposal, agreement, arrangement or transaction (or expression of interest thereof), which, if entered into or completed, would mean that a Third Party (either alone or together with any Associate) may: (a) directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the Firefly Shares or of the share capital of any Subsidiary of Firefly; (b) acquire Control of Firefly or any Subsidiary of Firefly; (c) directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire, a legal, beneficial or economic interest in, or control of, all or a substantial part of Firefly's business or assets or the business or assets of the Firefly Group; (d) otherwise directly or indirectly acquire or merge, or be involved in an amalgamation or reconstruction (as those terms are used in section 413(1) of the Corporations Act), with Firefly or a Subsidiary of Firefly; or (e) require Firefly to abandon, or otherwise fail to proceed with, the Transaction, whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital

Term	Meaning
	reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement. For the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Firefly Competing Proposal will constitute a new Firefly Competing Proposal.
Firefly Directors	The directors of Firefly.
Firefly Group	Firefly and its Subsidiaries.
Firefly Material Adverse Change	Has the meaning given to it in the Scheme Implementation Deed.
Firefly Option	An unquoted option to acquire an unissued Firefly Share..
Firefly Optionholder	The holder of a Firefly Option.
Firefly Performance Right	A performance right, being a right to acquire Firefly Shares on satisfaction of specified performance milestones.
Firefly Performance Rights Holder	The person who is registered as being the holder of a Firefly Performance Right.
Firefly Prescribed Occurrence	Has the meaning given to it in the Scheme Implementation Deed.
Firefly Regulated Event	Has the meaning given to it in the Scheme Implementation Deed.
Firefly Representations and Warranties	Has the meaning given to it in the Scheme Implementation Deed.
Firefly Share	A fully paid ordinary share in the capital of Firefly.
Firefly Share Register	The register of holders of Firefly Shares maintained by Automic Group in accordance with the Corporations Act.
Firefly Shareholder	Each person who is registered in the Firefly Share Register from time to time as the holder of a Firefly Share.
Firetail	Firetail Resources Limited (ACN 651 057 822).
Gascoyne	Gascoyne Resources Limited (ACN 139 522 900).
Gascoyne Board	The board of Gascoyne Directors as at the date of this Scheme Booklet.
Gascoyne Competing Proposal	Has the meaning given to it in the Scheme Implementation Deed.
Gascoyne Directors	The directors of Gascoyne.
Gascoyne Group	Gascoyne and its Subsidiaries.

Term	Meaning
Gascoyne Information	The information regarding the Gascoyne Group, and the Combined Group, provided by Gascoyne to Firefly in writing for inclusion in this Scheme Booklet, including: (a) the information contained in section 7; (b) the information contained in section 8 (excluding paragraph 8.1(b)); (c) the information contained in sections 9.2, 9.4 and 9.5 (other than any information which only relates to the Firefly Group or Firefly Shareholders); and (d) the information contained in section 13 regarding the Gascoyne Group or the interests of the Gascoyne Directors or their Associates.
Gascoyne Material Adverse Change	Has the meaning given to it in the Scheme Implementation Deed.
Gascoyne Prescribed Occurrence	Has the meaning given to it in the Scheme Implementation Deed.
Gascoyne Regulated Event	Has the meaning given to it in the Scheme Implementation Deed.
Gascoyne Representations and Warranties	Has the meaning given to it in the Scheme Implementation Deed.
Gascoyne SFA	Has the meaning given to it in the Scheme Implementation Deed.
Gascoyne Share	A fully paid ordinary share in the capital of Gascoyne.
Gascoyne Share Register	The register of Gascoyne Shareholders maintained by Advanced Share Registry.
Gascoyne Shareholder	Each person who is registered in the Gascoyne Share Register from time to time as the holder of a Gascoyne Share.
Government Agency	Has the meaning given to it in the Scheme Implementation Deed.
Implementation Date	The date that is the fifth Business Day after the Scheme Record Date, or such other date agreed after the Scheme Record Date as Gascoyne and Firefly agree in writing.
Independent Expert	BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).
Independent Expert's Report	The report of the Independent Expert in relation to the Scheme as set out in Annexure A of this Scheme Booklet.
Independent Technical Report	The report of the Technical Expert set out in Appendix 3 of the Independent Expert's Report.
Ineligible Foreign Shareholder	In relation to the Scheme, means a Scheme Shareholder whose address shown in the Firefly Share Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, unless Gascoyne determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Gascoyne Shares when the Scheme becomes Effective. In relation to the Demerger, means a Firefly Shareholder who is not recorded in Firefly's Share Register as at the Demerger Record Date as

Term	Meaning
	having a registered address in Australia or New Zealand other than any Firefly Shareholder that Firefly and Firetail have determined is eligible to participate in the in-specie distribution of New Firetail Shares.
Intrinsic Value	In relation to a Firefly Option, means the intrinsic value of the Firefly Options, calculated on the basis that one Firefly Share is valued at \$0.145, as more particularised in Annexure G.
JORC 2012	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition.
Last Practicable Date	7 September 2021, being the date prior to registration of this Scheme Booklet with ASIC.
Merger	The proposed merger of Firefly with Gascoyne on the terms and conditions in the Scheme.
Mineral Resource	Has the meaning given to it in JORC 2012.
Net Sale Proceeds	The sale proceeds of New Gascoyne Shares sold under the Sale Facility by the Sale Agent in respect of Ineligible Foreign Shareholders under the Scheme, less any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges.
New Firetail Shares	The new fully paid ordinary shares in the capital of Firetail to be issued to Firefly Shareholders (other than Ineligible Foreign Shareholders) under the Demerger.
New Gascoyne Shares	The new fully paid ordinary shares in Gascoyne to be issued to Scheme Shareholders (other than Ineligible Foreign Shareholders) under the Scheme.
Option Cancellation Deeds	The deed between Firefly, a Firefly Optionholder and Gascoyne pursuant to which the Firefly Optionholder agrees to cancel all of their Firefly Options with effect on the Implementation Date, conditional on the Scheme becoming Effective, for the Option Consideration.
Option Consideration	The number of new Gascoyne Shares to be issued to a Firefly Optionholder as would have a Black-Scholes Value equivalent (for out-of-the-money Firefly Options) or an Intrinsic Value equivalent (for in-the-money Firefly Options), and otherwise in accordance with the Option Cancellation Deeds.
Ore Reserve	Has the meaning given to it in JORC 2012.
Performance Rights Proposal	Has the meaning given to it in section 5.10 of this Scheme Booklet.
Registered Address	In relation to a Firefly Shareholder, the address shown in the Firefly Share Register as at the Scheme Record Date.
Related Body Corporate	Has the meaning given to it in the Corporations Act.
Related Entity	Has the meaning given to it in the Corporations Act.
Related Persons	Has the meaning given to it in the Scheme Implementation Deed.
Relevant Interest	Has meaning given to it in sections 608 and 609 of the Corporations Act.

Term	Meaning
Requisite Majority	In respect of the Scheme, means approval by: (a) more than 50% in number of Firefly Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and (b) at least 75% of the total number of votes cast on the Scheme Resolution by Firefly Shareholders. In respect of the Demerger, means approval by more than 50% of the total number of votes cast on the Demerger Resolution by Firefly Shareholders (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative).
Sale Agent	The person chosen by Gascoyne and Firefly who is appointed to sell the New Gascoyne Shares that are to be issued under clause 5.3(a)(1) of the Scheme.
Sale Facility	The mechanism by which Ineligible Foreign Shareholders under the Scheme will receive the Net Sale Proceeds of any sale of New Gascoyne Shares they would otherwise receive had they not been an Ineligible Foreign Shareholder, as described in section 5.8.
Scheme	The scheme of arrangement under Part 5.1 of the Corporations Act between Firefly and Scheme Shareholders, the form of which is set out in Annexure B, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Gascoyne and Firefly.
Scheme Booklet	This booklet that comprises the explanatory statement in respect of the Scheme to be approved by the Court and despatched to Firefly Shareholders and includes the Annexures to this booklet.
Scheme Conditions	The conditions for implementation of the Scheme as set out in clause 3.1 to the Scheme Implementation Deed as detailed at sections 11.2 and 12.1 of this Scheme Booklet.
Scheme Consideration	0.34 New Gascoyne Shares for every 1 Firefly Share held on the Scheme Record Date to be issued to Scheme Shareholders (other than Ineligible Foreign Shareholders) under the terms of the Scheme in consideration for the transfer to Gascoyne of the Scheme Shares or, in respect of Ineligible Foreign Shareholders, the Net Sale Proceeds equivalent to be paid to Ineligible Foreign Shareholders under the Sale Facility.
Scheme Implementation Deed	The Scheme Implementation Deed dated 15 June 2021 between Firefly and Gascoyne relating to the implementation of the Scheme.
Scheme Meeting	The meeting of Firefly Shareholders to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 at 2.00pm (Perth time) on 21 October 2021 to consider and vote on the Scheme. The notice convening the Scheme Meeting is set out in Annexure D.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date or such other time and date as Firefly and Gascoyne agree in writing.
Scheme Shareholder	A holder of Firefly Shares recorded in the Firefly Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
Scheme Shares	All Firefly Shares held by Scheme Shareholders on the Scheme Record Date.
Scheme Resolution	The resolution to approve the Scheme as set out in the Notice of Scheme

Term	Meaning
	Meeting in Annexure D.
Second Court Date	The date of the Second Court Hearing.
Second Court Hearing	The hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Subsidiary	Has the meaning given to it in the Corporations Act.
Superior Proposal	A bona fide Firefly Competing Proposal of a kind referred to in paragraph (b), (c), (d) or (e) of the definition of "Firefly Competing Proposal" not resulting from a breach by Firefly of any of its obligations under clause 11 of the Scheme Implementation Deed (it being understood that any actions by the Related Persons of Firefly not permitted by clause 11 of the Scheme Implementation Deed will be deemed to be a breach by Firefly), that the Firefly Board, acting in good faith, and after receiving written legal advice from its external legal advisers and written financial advice from its Financial Adviser, determines: (a) is reasonably capable of being valued and completed in a reasonable timeframe; and (b) would, if completed substantially in accordance with its terms, be more favourable to Firefly Shareholders (as a whole) than the Transaction (and, if applicable, than the Transaction as amended or varied following application of the matching right set out in clause 11.4 of the Scheme Implementation Deed), in each case taking into account all terms and conditions and other aspects of the Firefly Competing Proposal (including any timing considerations, any conditions precedent, the identity of the proponent or other matters affecting the probability of the Firefly Competing Proposal being completed) and of the Transaction.
TA Security Interest	Has the meaning given to it in the Scheme Implementation Deed.
Technical Expert	SRK Consulting (Australasia) Pty Ltd (ACN 074 271 720).
Third Party	Has the meaning given to it in the Scheme Implementation Deed.
Transaction	The acquisition of the Scheme Shares by Gascoyne through implementation of the Scheme in accordance with the Scheme Implementation Deed.
Tribute Agreement	The document entitled 'Tribute Agreement' dated 2 September 2020 between Yalgoo Exploration (as Grantor) and the Tributor.
Tribute Agreement Variation Deed	The document entitled 'Deed of Variation' dated 12 August 2021 between Yalgoo Exploration, the Tributor, Firefly and Gascoyne, as described in section 6.3.
Tributor	Yalgoo Lithex Pty Ltd (ACN 623 886 402).
Vesting Date	The time at which the Firefly Performance Rights automatically vest to Firefly Shares in accordance with the terms and conditions of issue and the ASX waiver dated 10 August 2021, being the time at which the Court approves the Scheme following the Second Court Hearing.
Yalgoo Exploration	Yalgoo Exploration Pty Ltd (ACN 166 570 869), a wholly-owned Subsidiary of Firefly.

Corporate Directory

Firefly Resources Limited

Directors

Mr Michael Edwards
Mr Simon Lawson
Mr Geoffrey Jones
Mr Ashley Pattison

Joint Company Secretaries

Ms Natalie Teo
Mr Steven Wood

Registered & Principal Office

'T2', 64 - 68 Hay Street
Subiaco, Western Australia 6008

Solicitors

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth, Western Australia 6000

Auditor

Stantons International
Level 2, 1 Walker Avenue
West Perth, Western Australia 6005

Financial Advisor

Azure Capital Pty Ltd
Level 46, 108 St Georges Terrace
Perth, Western Australia 6000

Share Registry

Automic Pty Ltd
Level 2, 267 St Georges Terrace
Perth, Western Australia 6000

Gascoyne Resources Limited

Directors

Mr George Bauk
Mr Richard Hay
Mr Rowan Johnston
Mr Hansjoerg Plaggemars

Company Secretary

Mr David Coyne

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Annexure A – Independent Expert's Report

FIREFLY RESOURCES LIMITED
Independent Expert's Report

13 August 2021

Financial Services Guide

13 August 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Firefly Resources Limited ('Firefly') to provide an independent expert's report on the proposed scheme of arrangement ('the Scheme') with Gascoyne Resources Limited ('Gascoyne'). You are being provided with a copy of our report because you are a shareholder of Firefly and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Scheme Booklet required to be provided to you by Firefly to assist you in deciding on whether or not to approve the Scheme.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$85,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Firefly.

Other Assignments - BDO Corporate Tax (WA) Pty Ltd provided taxation compliance and consulting services to Firefly during 2020 and 2021 for total fees of approximately \$24,500.

BDO Corporate Finance (WA) Pty Ltd provided valuation and advisory services to Gascoyne during 2020 for total fees of approximately \$80,000. BDO Corporate Tax (WA) Pty Ltd provided taxation compliance and consulting services to Gascoyne during 2020 and 2021 for total fees of approximately \$70,000.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Firefly for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary and copyright notice

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13 August 2021

The Directors
Firefly Resources Limited
T2 64-68 Hay Street
Subiaco WA 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 16 June 2021, Firefly Resources Limited ('Firefly' or 'the Company') announced that it had entered into a Scheme Implementation Deed ('SID') with Gascoyne Resources Limited ('Gascoyne'), under which it is proposed that Gascoyne will acquire the entire issued capital of Firefly by way of a scheme of arrangement under the Corporations Act 2001 (Cth) ('**the Scheme**'). Under the terms of the Scheme, each Firefly shareholder will receive 0.34 Gascoyne shares for every one Firefly share that is held at the record date ('Scheme Consideration').

In conjunction with the Scheme, Gascoyne and Firefly propose to also undertake a demerger of their copper gold and lithium exploration assets, into a new company to be named Firetail Resources Limited ('**Firetail**' or '**Demerger Entity**'), which intends to apply to list on the Australian Securities Exchange ('ASX') ('Demerger'). We note that the Demerger is not inter-conditional on the Scheme and our Report does not provide an opinion on the Demerger. On 8 July 2021, Firefly and Gascoyne announced that they had entered into a binding Demerger Implementation Deed ('DID') in relation to the aforementioned Demerger.

Firefly and Gascoyne are both public companies, listed on the ASX. Upon implementation of the Scheme, Firefly will become a wholly owned subsidiary of Gascoyne and Firefly shareholders will receive shares in the enlarged Gascoyne following the Scheme ('**Proposed Merged Entity**').

All currencies are quoted in Australian Dollars unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Firefly have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Scheme is in the best interests of the non-associated shareholders of Firefly ('Shareholders').

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 ('Corporations Act' or 'the Act') and is to be included in the scheme booklet ('**Scheme Booklet**') prepared to assist the Shareholders in their decision whether to approve the Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guides 60 'Schemes of Arrangements' ('RG 60'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. We have considered:

- How the value of Firefly share prior to the Scheme (on a control basis) compares to the value of 0.34 shares in the Proposed Merged Entity;
- The likelihood of an alternative offer being made to Firefly;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- The position of Shareholders should the Scheme not proceed.

Further, we note that the Scheme and the Demerger are not inter-conditional and as such, our opinion in relation to the Scheme does not specifically consider the valuation impact of the Demerger. We have however included this as a consideration for Shareholders in the reasonableness section of our Report.

2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Scheme is fair and reasonable to Shareholders.

Therefore, in the absence of a superior proposal, we conclude that the Scheme is in the best interests of Shareholders.

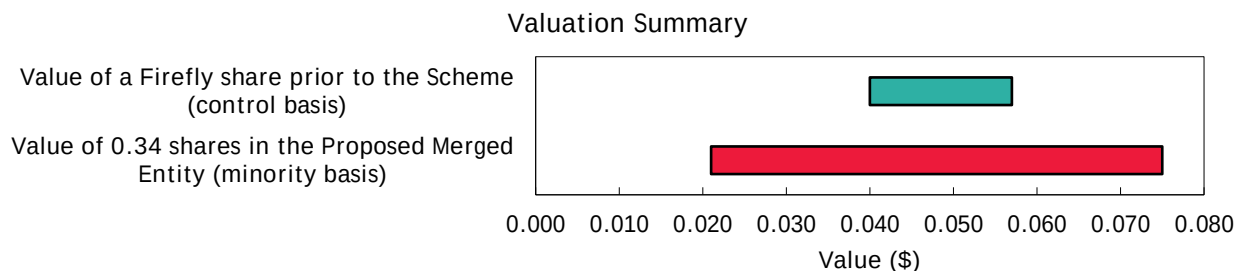
2.4 Fairness

In section 13, we compared the value of a Firefly share prior to the Scheme on a control basis to the value of 0.34 shares in the Proposed Merged Entity to be received by Shareholders as consideration under the Scheme, on a minority interest basis, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of a Firefly share prior to the Scheme (control basis)	11.3	0.040	0.048	0.057
Value of 0.34 shares in the Proposed Merged Entity (minority basis)	12.3	0.021	0.048	0.075

Source: BDO analysis

The valuation ranges are graphically presented below:



The valuation of a share in Firefly prior to the Scheme is within the range of our valuation of 0.34 shares in the Proposed Merged Entity. We note that our assessed low value of a share in Firefly prior to the Scheme (on a control basis) is higher than the minority interest value of 0.34 shares in the Proposed Merged Entity following the implementation of the Scheme, suggesting that following the Scheme Shareholders may be exposed to more downside risk. However, our preferred value prior to the Scheme is equivalent to the value of 0.34 shares in the Proposed Merged Entity following the Scheme. Also, under the high end of our value range, the value of 0.34 shares in the Proposed Merged Entity is higher than the value of a Firefly share prior to the Scheme. As a result, we consider that the Scheme is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 14 of this Report, in terms of both

- advantages and disadvantages of the Scheme; and
- other considerations, including the position of Shareholders if the Scheme does not proceed and the consequences of not approving the Scheme.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.1.1	The Scheme is fair	14.2.1	Dilution of Shareholders' interests and exposure to the Yalgoo Project
14.1.2	Provides Shareholders with exposure to a producing mine whilst retaining an interest in the exploration potential of the Yalgoo Project	14.2.2	Shareholders will be exposed to the risk associated with holding shares in a company with debt

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.1.3	The Proposed Merged Entity will have a larger market presence, which may result in improved liquidity and increased ability to raise capital		
14.1.4	Creates a group with a stronger balance sheet and access to Gascoyne's cash reserves		
14.1.5	Exposure to a more diversified suite of assets		
14.1.6	There will be no individual controlling shareholder in the Proposed Merged Entity, which is unlikely to deter a bidder from making a takeover offer in the future		
14.1.7	Increased experience and broader expertise of the board of directors of the Proposed Merged Entity		
14.1.8	The Scheme Consideration offers Shareholders a premium to the last traded price of a Firefly share prior to the announcement of the Scheme		

Other key matters we have considered include:

Section	Description
14.3	Consequences of not approving the Scheme
14.4	Alternative Proposal
14.5	Tax implications
14.6	Demerger
14.7	Potential synergies

3. Scope of the Report

3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Corporations Act Regulations 2001 ('Regulations') prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act ('Section 411').

An independent expert's report must be obtained by a scheme company if:

- There is one or more common directors; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and set out the reasons for that opinion.

There are no common directors of Firefly and Gascoyne, nor is there any other party to the Scheme that holds 30% or more of the scheme company, being Firefly. Accordingly, there is no requirement for this report pursuant to Section 411. Notwithstanding the fact that there is no legal requirement to engage an independent expert to report on the Scheme, the directors of Firefly have requested that BDO prepare this report as if it were an independent expert's report pursuant to Section 411 and to provide an opinion as to whether the Scheme is fair and reasonable and in the best interests of Shareholders.

The requirement for an independent expert's report is also a condition precedent in the SID, which states that, for the Scheme to proceed, the independent expert must conclude that the Scheme is in the best interests of Shareholders.

3.2 Regulatory guidance

Neither the Act nor the Regulations define the term 'in the best interests of'. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of 'control' transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover bid is 'fair and reasonable'. While there is no definition of 'fair and reasonable', RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, 'in the best interests' must be capable of a broad interpretation to meet the particular

circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a ‘fair and reasonable’ assessment in the case of a takeover. If the expert would conclude that a proposal was ‘fair and reasonable’, if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of ‘in the best interests’ does not imply the best possible outcome for shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being ‘not fair’ the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of a share in Firefly including a premium for control and the value of 0.34 shares in the Proposed Merged Entity on a minority interest basis (fairness - see Section 13 ‘Is the Scheme Fair?’);
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness - see Section 14 ‘Is the Scheme Reasonable?’); and
- A consideration of whether the Scheme is in the best interests of Shareholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 ‘Valuation Services’ (‘APES 225’).

A Valuation Engagement is defined by APES 225 as follows:

‘an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.’

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Scheme and the Demerger

4.1 Scheme

On 16 June 2021, Firefly announced that it had executed a SID with Gascoyne, under which it is proposed that Gascoyne will acquire 100% of the shares in Firefly. Pursuant to the Scheme, shareholders of Firefly will receive 0.34 shares in the Proposed Merged Entity, for every share they hold in Firefly on the Scheme record date.

The Scheme is subject to certain conditions precedent, including the following:

- Firefly shareholders' approval of the Scheme, by the requisite majority of Firefly shareholders (75% of all votes cast by shareholders, and 50% of the number of Firefly shareholders who vote);
- ASX and ASIC relief, waivers, confirmations, exemptions, consents and approvals and all other acts necessary or which Firefly and Gascoyne agree are desirable to implement the Scheme;
- All other regulatory approvals which are necessary, or that the parties agree are desirable to implement the Scheme;
- The independent expert concluding that the Scheme is in the best interests of Shareholders;
- The court approving the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act;
- The lapse, exercise or cancellation (in accordance with the Option Cancellation Deed) of all Firefly options prior to the Second Court Date; and
- No material adverse change, no prescribed occurrence or regulated events in relation to either Firefly or Gascoyne

The complete terms of the Scheme are set out in the SID that was announced on 16 June 2021.

Based on the total number of Firefly shares on issue, the number of Proposed Merged Entity shares to be issued to Firefly shareholders is set out below.

Share structure following the implementation of the Scheme

Number of Firefly shares on issue as at the date of our Report	308,339,530
Number of Firefly shares issued to Firefly Option Holders under the terms of the Scheme*	6,300,000
Number of Firefly shares to be issued on vesting of Firefly Performance Rights**	34,233,328
Total number of Firefly shares	348,872,858
<i>Number of Gascoyne Shares that Firefly shareholders will receive for every share they hold in Firefly</i>	<i>0.34</i>
Number of Proposed Merged Entity shares to be issued to Shareholders	118,616,772
Number of Proposed Merged Entity shares to be issued to Firefly Option Holders***	1,779,241
Total Number of Proposed Merged Entity shares to be issued to Firefly shareholders and Option Holders	120,396,013
<i>Percentage of the Proposed Merged Entity to be held by Firefly Shareholders and Option Holders</i>	<i>32.4%</i>
Number of Gascoyne shares on issue as at the date of our Report	250,858,128
<i>Percentage of the Proposed Merged Entity to be held by Gascoyne Shareholders</i>	<i>67.6%</i>
Total ordinary shares on issue in the Proposed Merged Entity following the implementation of the Scheme	371,254,141

**We have assumed that 6,300,000 in the money Firefly options will be exercised prior to the record date.*

***Under the terms of the Firefly Performance Rights, all outstanding Firefly Performance Rights that have not otherwise vested will automatically vest and convert to Firefly Shares on court approval of the Scheme. Firefly has been granted an ASX waiver to allow all Firefly Performance Rights to be converted to Firefly Shares prior to the implementation of the Scheme. Further information on this waiver can be found in section 5.10 of the Scheme Booklet.*

****We have assumed 16,399,999 out of the money Firefly options will be cancelled, with option holders receiving 1,450,961 shares in Gascoyne, based on a Black-Scholes Value equivalent of their out of the money options. In addition to this, current Firefly directors have indicated they intend to cancel their in the money options (4,000,000 options) which will result in a further 328,280 Gascoyne shares being issued.*

4.2 Demerger

In conjunction with the Scheme, Firefly and Gascoyne have agreed to demerge their copper gold and lithium exploration assets into a new company named Firetail. On 8 July 2021, Firefly and Gascoyne announced that they had entered into a binding DID which requires Firefly Shareholder approval and is subject to other conditions precedent. Under the terms of the DID, the Demerger will be conducted by way of an equal capital reduction in Firefly and an in-specie distribution of shares in Firetail to Firefly shareholders. Under the Demerger, Firefly shareholders will receive approximately one share in Firetail for every 12.05 Firefly shares they hold. Upon completion of the Demerger, existing Firefly and Gascoyne shareholders will have a collective interest of approximate 90.1% and 9.9% in Firetail, respectively.

The Demerger Entity will hold the:

- Paterson Copper Gold Project;
- Forrestania Gold Project;
- Lithium mineral rights over tenements held by Firefly's subsidiary, Lightning Bug Resources Pty Ltd;
- Lithium mineral rights over Yalgoo (except mining lease 59/0358);
- Mining lease 59/0358, comprising the Holland exploration camp and associated infrastructure (gold rights to remain with the Proposed Merged Entity); and
- Lithium mineral rights over certain wholly owned tenements at Dalgarama, excluding Mining Lease 59/749, related various Miscellaneous Licences and any known gold deposits

Collectively referred to as the '**Demerger Assets**'.

It is expected that Firetail will initially be a public unlisted company with the intention to seek ASX listing, following implementation of the Scheme.

We note the Demerger is not inter-conditional on the Scheme (meaning that even if the Scheme is not approved by the Requisite Majority of Firefly Shareholders or the Court, the Demerger may still be implemented. Similarly, it is possible that the Scheme is implemented but the Demerger does not proceed) and our Report does not provide an opinion on the Demerger. As such, our fairness opinion includes the Demerger Assets in the value of a Firefly share prior to the Scheme and the value of 0.34 shares in the Proposed Merged Entity following the implementation of the Scheme.

5. Profile of Firefly

5.1 History

Firefly is an ASX-listed gold exploration company with gold and copper projects located in Western Australia. Firefly's flagship project is the Yalgoo Gold Project ('Yalgoo Project'), located in the Murchison region of Western Australia. The Company also has 100% interest in the Paterson Copper-Gold Project ('Paterson Copper-Gold Project'), located in the Paterson province in northern Western Australia. Firefly was listed on the ASX in 2006 and was previously named Marindi Metals Limited.

The current directors of Firefly are:

- Mr Michael Edwards - Non-Executive Chairman;
- Mr Simon Lawson - Managing Director;
- Mr Ashley Pattison - Non-Executive Director; and
- Mr Geoffrey Jones - Non-Executive Director.

5.2 Yalgoo Project

Firefly's wholly owned Yalgoo Project is located 110 kilometres ('kms') west of Mount Magnet in the Murchison region of Western Australia. The Yalgoo Project covers approximately 800 square kilometres ('km²') and includes the Melville gold deposit ('**Melville Deposit**') in addition to eight other advanced gold prospects, including 'Applecross', 'City of Melbourne', 'Enchanted' and 'Don Bradman'.

Firefly acquired the Yalgoo Project in July 2020, through the acquisition of Aurum Minerals Pty Ltd ('Aurum') and its subsidiary companies. Shortly after, Firefly acquired an additional tenement package in the Yalgoo Goldfield, comprising five tenements, two mining licenses and three prospecting licenses. In December 2020, the Company further expanded its coverage of the area, acquiring the City of Melbourne Gold Mine ('CoM Mine') and the associated mining lease. At the time of acquisition, the CoM Mine had been operating as a small scale underground mine, using hand held mining methods.

Firefly commenced a Maiden drill program at the Yalgoo Project in August 2020, involving 10,000 metres ('m') of reverse circulation ('RC') drilling across the Melville Deposit and some of Firefly's advanced gold prospects. Phase one was designed to validate the historical mineral resource estimate over the Melville Deposit and upgrade it to compliance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - 2012 Edition ('JORC Code'). Results from the phase one program were released in September 2020. Phase two involved a 24-hole RC drill program, conducted in mini campaigns comprising several 2,000-3,000m stages. Results from phase two were released in September, November and December of 2020. The third phase of the drill program was completed at the end of December 2020, with drilling undertaken across the Melville Deposit and Applecross Prospect. Results from phase three were released in January 2021. The Company reported a Maiden JORC Code compliant Mineral Resource Estimate ('MRE') for the Melville Deposit in March 2021.

Following completion of its Maiden drill program, the Company announced that it intended to undertake a second drill campaign, involving 30,000m of RC drilling, aimed at growing its resource base. The drill campaign would be phased and target different prospects within the Yalgoo Project, with the intention of establishing JORC Code compliant Mineral Resource Estimates for seven of its prospects. The Company is currently undertaking the third phase of drilling in its second drill campaign and is expected to start phase four drilling in the third quarter of 2021.

Further information on the Yalgoo Project can be found in the independent technical assessment and valuation report prepared by SRK Consulting (Australasia) Pty Ltd ('SRK') ('**Technical Specialist Report**') in Appendix 3 of our Report.

5.3 Paterson Copper-Gold Project

The Paterson Copper-Gold Project is located in the Paterson Province and comprises several tenements covering approximately 1,000 km². Firefly was granted the tenements by the West Australian Department of Mines Infrastructure Resources and Safety, after the Company finalised heritage agreements with the Traditional Owners in September 2020. During the quarter ended March 2021, the Company worked toward the planning of surface activities over the Paterson Copper-Gold Project, with specific focus on the shallow, high-grade Wanderer Copper-Gold Prospect, including an inaugural drill program as well as on-ground sampling and geophysical targeting work.

Further information on the Paterson Copper-Gold Project can be found in the Technical Specialist Report in Appendix 3 of our Report.

5.4 Recent Corporate Events

5.4.1. Demerger

During March 2021, Firefly completed the demerger of its non-core manganese assets, with its wholly owned subsidiary, Firebird Metals Ltd ('**Firebird Metals**'), completing a \$5.5 million initial public offering ('IPO') and listing on the ASX. Following the receipt of Firefly shareholder and ASX approval, and as outlined in the Firebird Metals prospectus dated 28 January 2021, an in-specie distribution of 25 million Firebird Metals shares were distributed to eligible Firefly shareholders. Firebird Metals commenced trading on the ASX on 18 March 2021. Firefly received a \$500,000 payment from Firebird Metals from the IPO proceeds, as partial reimbursement of historical expenditure.

5.4.2. Sale of Forrestania

In March 2021, the Company announced that it had entered into a binding terms sheet with unlisted resource company Forrestania Resources Pty Ltd ('**Forrestania Resources**') to sell its 100% owned Forrestania Gold Project ('**Forrestania Gold Project**'), located 380km east of Perth, Western Australia.

Firefly's tenure at the Forrestania Gold Project comprised of 1,000km² of tenements focused within the southern Forrestania Greenstone Belt. The Company has undertaken lithium and gold-focused exploration programs across its tenement package over the past two years, however the Company's focus has shifted to the more advanced Yalgoo Gold Project since its acquisition in 2020. The Board determined that the Company's financial and management resources should continue to be focused on progressing the Yalgoo asset while also commencing initial exploration activities at its Paterson Copper-Gold Project.

Under the terms of the agreement, Forrestania Resources was granted an exclusive option period of six months to acquire the Forrestania Gold Project by paying a \$50,000 cash option fee to Firefly ('**Forrestania Option**'). Forrestania Resources can exercise the Forrestania Option and complete the acquisition subject to either meeting or waiving a number of conditions including:

- The satisfactory completion of commercial, legal and technical due diligence;
- Forrestania Resources receiving conditional listing approval to list on the ASX either via an IPO or entering into an agreement with an existing ASX listed entity ('RTO'); and

- Other relevant regulatory and shareholder approvals and third party consents.

The consideration for the acquisition is the issue of \$1.25 million of shares in either the IPO or RTO entity, a \$50,000 cash payment, plus a milestone payment of \$500,000 of shares on definition of a JORC Code compliant Mineral Resource of at least 250,000 ounces of gold at over 2 grams per tonne and the grant of a 1% net smelter return royalty over all minerals produced from the tenement.

5.4.3. Capital Raisings

Firefly announced in June 2020 that it was offering eligible shareholders the opportunity to participate in a non-renounceable Entitlement Offer on the basis of three new shares for every seven shares held at an issue price of \$0.03. The offering was expected to raise approximately \$1.03 million before costs. The entitlement offer formed part of a broader capital raising of \$2.3 million, which included a \$1.3 million share placement, which was raised with the intention to underpin planned exploration programs at the recently acquired Yalgoo Gold Project as well as continued exploration at the Company's existing projects.

In October 2020, Firefly raised a further \$6 million through a share placement. The capital was raised with the intention to accelerate the Company's ongoing drilling and exploration programs at the Yalgoo Gold Project. The share placement comprised of the issue of 40 million fully paid ordinary shares at \$0.15 per share and was undertaken to existing and sophisticated professional investors. Firefly also issued 16 million corporate options to CPS Capital Group Pty Ltd, the lead manager of the share placement, with an exercise price of \$0.25 expiring on 4 June 2022.

5.5 Historical Statement of Financial Position

Statement of Financial Position	Reviewed as at 31 Dec 20 \$	Audited as at 30-Jun-20 \$	Audited as at 30-Jun-19 \$
CURRENT ASSETS			
Cash and cash equivalents	6,285,554	929,513	239,044
Trade and other receivables	65,128	23,179	61
Prepayments	29,425	38,517	41,920
TOTAL CURRENT ASSETS	6,380,107	991,209	281,025
NON-CURRENT ASSETS			
Other assets	11,250	11,250	11,250
Trade and other receivables	93,356	76,489	76,489
Property, plant and equipment	159,498	51,518	98,238
Exploration and evaluation expenditure	3,434,106	95,000	4,738,719
Right-of-use assets	88,521	76,099	-
TOTAL NON-CURRENT ASSETS	3,786,731	310,356	4,924,696
TOTAL ASSETS	10,166,838	1,301,565	5,205,721
CURRENT LIABILITIES			
Trade and other payables	213,047	185,829	150,251
Provisions	8,195	13,632	28,468
Lease liabilities	66,890	73,498	-
TOTAL CURRENT LIABILITIES	288,132	272,959	178,719
NON-CURRENT LIABILITIES			
Lease liabilities	21,988	4,088	-
TOTAL NON-CURRENT LIABILITIES	21,988	4,088	-
TOTAL LIABILITIES	310,120	277,047	178,719
NET ASSETS	9,856,718	1,024,518	5,027,002
EQUITY			
Issued capital	52,064,500	40,945,737	38,416,267
Reserves	4,470,717	2,860,292	2,286,079
Accumulated losses	(46,678,499)	(42,781,511)	(35,675,344)
TOTAL EQUITY	9,856,718	1,024,518	5,027,002

Source: Firefly's audited financial statements for the years ended 30 June 2019 and 30 June 2020 and reviewed financial statements for the half year ended 31 December 2020.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents increased from \$0.9 million as at 30 June 2020 to \$6.3 million as at 31 December 2020. This increase was primarily the result of proceeds from issue of shares and exercise of options totalling \$8.1 million. This was partially offset by cash payments made during the course of business operations of \$2.4 million, the cash payment of \$0.5 million for the acquisition of the Yalgoo Project from Aurum and other payments for property plant and equipment of \$0.1 million.

- Exploration and evaluation expenditure increased to \$3.4 million as at 31 December 2020. The increase was largely the result of the acquisition of the Yalgoo Project from Aurum, however this was partly offset through the write off of capitalised expenditure of approximately \$1.6 million.

5.6 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-20 \$	Audited for the year ended 30-Jun-20 \$	Audited for the year ended 30-Jun-19 \$
Income	139,834	74,499	611,415
Exploration and evaluation expenses written off	(1,571,784)	(5,633,539)	(2,943,325)
Corporate and administration expenses	(2,465,038)	(1,547,127)	(1,273,048)
Loss before income tax	(3,896,988)	(7,106,167)	(3,604,958)
Income tax	-	-	-
Loss for the year from continuing operations	(3,896,988)	(7,106,167)	(3,604,958)
Other comprehensive income	-	-	-
Total comprehensive loss for the year, net of tax	(3,896,988)	(7,106,167)	(3,604,958)

Source: Firefly's audited financial statements for the years ended 30 June 2019 and 30 June 2020 and reviewed financial statements for the half year ended 31 December 2020.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Income of \$0.1 million for the half year ended 31 December 2020 related to government grants paid as a result of COVID-19, sublease income and interest income.
- The Company's accounting policy in relation to capitalised exploration and evaluation expenditure is that costs are written off in the year that they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where the exploration and evaluation has not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. In accordance with this policy, the exploration and evaluation expenses written off for the half year ended 31 December 2020 were \$1.6 million and for the year ended 30 June 2020 it was \$5.6 million.
- Corporate and administrative expenses for the half year ended 31 December 2020 were \$2.5 million. These expense were higher than the corporate costs and administrative expenses for the year ended 30 June 2020 largely as a result of share based payments made during the six months to 31 December 2020, including share based payments to CPS Capital Pty Ltd (the lead manager of the October 2020 placement) totalling \$1.48 million.

5.7 Capital Structure

The share structure of Firefly as at 9 August 2021 is outlined below:

	Number
Total ordinary shares on issue*	308,339,530
Top 20 shareholders	149,637,622
Top 20 shareholders - % of shares on issue	48.53%

Source: Firefly share registry information.

The range of shares held in Firefly as at 9 August 2021 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares
1 - 1,000	569	226,737	0.07%
1,001 - 5,000	805	2,412,714	0.78%
5,001 - 10,000	524	4,114,274	1.33%
10,001 - 100,000	1,185	44,107,658	14.30%
100,001 - and over	298	257,478,147	83.50%
TOTAL	3,381	308,339,530	100.00%

Source: Firefly share registry information.

The ordinary shares held by the most significant shareholders as at 9 August 2021 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares
Mr Tolga Kumova*	19,647,654	6.37%
Mr Robert Jewson*	18,147,017	5.89%
Deutsche Balaton AG trading as Sparta AG	16,381,918	5.31%
Subtotal	54,176,589	17.57%
Others	254,162,941	82.43%
Total ordinary shares on Issue	308,339,530	100.00%

Source: Firefly share registry information.

*We note that three shareholders, including Mr Tolga Kumova and Mr Robert Jewson, have entered into binding voting deeds with Gascoyne in which they have agreed to vote in favour of the Scheme in the absence of a superior proposal and subject to an independent expert opining that the Scheme is in the best interests to shareholders, therefore for the purpose of substantial holder notices for the Scheme, Gascoyne is considered to have a relevant interest in 52,794,671 shares in Firefly.

Firefly unlisted options on issue as at 9 August 2021 are outlined below:

Description	No. of Options	Exercise price (\$)	Expiry Date
Unlisted Options	399,999	0.58	31-Mar-22
Unlisted Options	1,750,000	0.08	30-Sep-22
Unlisted Options	3,250,000	0.11	30-Sep-22
Unlisted Options	2,650,000	0.10	31-Dec-21
Unlisted Options	2,650,000	0.12	31-Dec-22

Description	No. of Options	Exercise price (\$)	Expiry Date
Unlisted Options	16,000,000	0.23	04-Jun-22
Total number of options	26,699,999		
Cash raised if options are exercised	4,992,499		

Source: Firefly share registry information.

We note that Firefly also has 34,233,328 performance rights on issue. The terms of the performance rights are as follows:

Vendor Performance Rights

- Class A - vest upon announcement of a new Resource of greater than 100,000 oz (2.073Mt at 1.5g/t gold and gold equivalent) reported in accordance with the JORC Code on any one or more of the tenements that form the Yalgoo Project.
- Class B - vest upon announcement of a new Resource of greater than 200,000oz (2.073Mt at 1.5g/t gold and gold equivalent) reported in accordance with the JORC Code on any one or more of the tenements that form the Yalgoo Project.
- Class C will vest upon the company mining greater than 50kt from below 12 m from surface with a minimum gold grade of >1.0g/t equivalent on any one or more of the tenements that form the Yalgoo Project.

Director Performance Rights

- Class 2 - vest upon a minimum of 350,000 oz of Inferred, Indicated or Measured Resources at a minimum grade of 0.3g/t gold or gold equivalent reported in accordance with the JORC Code.
- Class 3 - vest upon the volume weighted average market price of the Company's fully paid ordinary shares trading on the ASX over 20 consecutive trading days on which the shares have traded at a price of at least \$0.20.

Employee Performance Rights

- Class 2 - vest upon a minimum of 350,000 oz of Inferred Indicated or Measured Resources at a minimum grade of 0.3g/t gold or gold equivalent reported in accordance with the JORC Code.
- Class 3 - vest upon the volume weighted average market price of the Company's fully paid ordinary shares trading on the ASX over 20 consecutive trading days on which the shares have traded at a price of at least \$0.20.

We note that all outstanding Firefly Performance Rights (that have not otherwise vested) will automatically vest and convert to Firefly Shares on court approval of the Scheme. Firefly has been granted an ASX waiver to allow all Firefly Performance Rights to be converted to Firefly Shares prior to the implementation of the Scheme. Further information on this waiver can be found in section 5.10 of the Scheme Booklet.

6. Profile of Gascoyne

6.1 History

Gascoyne is an ASX listed gold producer with operations located in Western Australia. Gascoyne's flagship asset is the Dalgaranga Gold Project (**'Dalgaranga Project'**) which is located approximately 65km from Mount Magnet. Gascoyne also owns the Glenburgh Gold Project (**'Glenburgh Project'**), an advanced exploration project, located 250km west of Carnarvon in the Gascoyne region of Western Australia. In addition to this, Gascoyne also holds a number of regional gold exploration assets within Australia including the Mt Egerton Gold Project (**'Mt Egerton Project'**) and the Mumbakine Well Gold Project (**'Mumbakine Well Project'**), located 50km south of Newman. Gascoyne was incorporated and listed on the ASX in 2009.

The current directors of Gascoyne are:

- Mr Richard Hay - Managing Director and Chief Executive Officer;
- Mr George Bauk -Non-Executive Chairman;
- Mr Rowan Johnston - Non-Executive Director; and
- Mr Hansjoerg Plaggemars - Non-Executive Director.

6.2 Dalgaranga Project

The Dalgaranga Project is located in the Murchison gold mining region of Western Australia, and covers majority of the Dalgaranga greenstone belt. After discovery in the early 1990's, the project was initially developed and produced 229,000 oz's of gold during its early life. Gascoyne acquired 80% of the Dalgaranga Project in 2013, and the remaining interest in 2017.

Gascoyne completed a bankable feasibility study ('FS') on the Dalgaranga Project in November 2016. The FS highlighted a robust development case for the project based on the development of two open pits feeding a 2.5 million tonnes per annum (**'mtpa'**) carbon-in-leach (**'CIL'**) processing facility resulting in production of approximately 100,000 ounces per annum (**'ozpa'**) for six years. Following completion of the FS, the then current Gascoyne Board approved proceeding the Dalgaranga Project to construction, subject to obtaining suitable finance. A capital raise of \$55 million was completed in March 2017 to commence development on the Dalgaranga Project.

In July 2017, Gascoyne announced that it had entered into an engineering, procurement and construction (**'EPC'**) contract with GR Engineering Services Limited (**'GR Engineering'**) for the design and construction of the processing facility. Following execution of the contract, construction of the processing facility began in August 2017.

In December 2017, Gascoyne secured a syndicated debt facility (**'SFA'**) with the Commonwealth Bank of Australia Limited and National Australia Bank Limited for \$60 million. Gascoyne began drawing down on the SFA at the end of 2017.

In December 2017, Gascoyne also awarded to NRW Holdings Limited (**'NRW'**) a life of mine mining contract for the Dalgaranga Project. The contract was a full mining services contract, including drill and blast and load and haul activities. In February 2018 mobilisation had started and by March 2018, NRW had commenced mining.

During the first twelve months of production there were operational and financial issues, stemming from lower grade ore being delivered to the mill than was forecast under the ore reserve model. As a result cash flows from the operation were significantly lower than forecast. Between August 2018 and May 2019 Gascoyne sought funding in order to continue operations at the Dalgaranga Project.

In May 2019, a revised Mineral Resource model was prepared using a new methodology known as Localised Uniform Conditioning ('LUC'). A revised forecast cash flow model based on the updated resource information from the LUC model indicated that Gascoyne would face significant cash shortfall from operations over the subsequent six months. With a lack of sufficient funding the Board placed Gascoyne into voluntary administration (see section 6.5 below for further details).

While in voluntary administration the Dalgaranga Project continued to operate. During this period technical work was done to optimise the mine and its operations. In October 2019, the Dalgaranga Project was subject to an updated Ore Reserve Estimate, with the Ore Reserve containing 16.9 million tonnes at 0.9 g/t for 502 thousand ounces ('koz') of contained gold (assumed A\$1,800/oz gold price). Over the period of 2019 and 2020 the Dalgaranga Project underwent operational improvements, further detail of which can be found in SRK's Technical Specialist Report.

The Dalgaranga Project currently produces from a single source at the Gilbey's open pit ('Gilbey's'). Gold mineralisation in the Gilbey's area is hosted within folded sequences, with the Gilbey's deposit located on the northern limb of a regional anticline. There has been consistent mining and processing at the Dalgaranga Project for the last five quarters. During the year ended 30 June 2021, 2.64 million tonnes per annum were processed (higher than the nameplate capacity of 2.50 million tonnes per annum). However, SRK advise that it would not be reasonable to assume that throughput in excess of 2.50 million tonnes would be achievable consistently over the life of mine. Gascoyne also undertook drilling activities at a number of regional prospects located within close proximity to the Dalgaranga Plant, including the Sly Fox deposit ('Sly Fox') and Plymouth deposit ('Plymouth').

For additional detail in relation to the historical operations at the Dalgaranga Project, refer to the Technical Specialist Report in Appendix 3 of our Report.

6.3 Glenburgh Project

The Glenburgh Project is a tenement area of 2,000km² located approximately 250km east of Carnarvon in the southern Gascoyne region of Western Australia. The project consists of a gold mineralised shear system hosted in interpreted remnants of Archean terrain in a Proterozoic mobile belt. Included within the tenement holding for the Glenburgh Project is one mining lease as well as a number of exploration licenses.

Gascoyne has previously carried out exploration drilling in the Glenburgh area and intends to commence a review of the previous exploration drilling results and carry out additional exploration drilling as part of its near-term business plan.

In December 2020, Gascoyne announced an updated Mineral Resource estimate for the Glenburgh Project, which in accordance with the JORC Code, is 16.3Mt @ 1.0g/t for 510,100 ounces of contained gold.

6.4 Regional Exploration

Regional exploration includes key hold regional exploration projects in the Murchison and Gascoyne regions of Western Australia including Mt Egerton, Mumbakine Well and Beebyn.

Mt Egerton Project

The Mt Egerton Project consists of two granted mining leases and three exploration licences covering approximately 200km² in the Gascoyne Region of Western Australia.

The Mt Egerton Project includes the Hibernian Deposit, which lies on the granted mining lease, ML52/343. This mining lease has had previous drilling by a number of companies resulting in intersected high-grade gold zones with quartz veining in shallow south-west plunging shoots. So far, the Hibernian Deposit has been drilled to a depth of 70m below surface. There is strong potential to expand this deposit with drill testing deeper extensions to known shoots and potentially targeting new shoot positions.

The Mt Egerton Project also consists of the Gaffney's Find Prospect which is 12km west of the Hibernian Deposit. This deposit occurs where a number of shallow historical workings lie on a north-east trending shear zone, extending over 4km. Elsewhere within the Mt Egerton Project there are a number of prospects aligned along the 8km long Hibernian shear including both the Hibernian West and Western Deeps prospects.

In May 2021, Gascoyne announced a Mineral Resource Estimate for Mt Egerton, which in accordance with the JORC Code, is 0.3MT @ 3.1 g/t for 27,000 ounces of contained gold.

Mumbakine Well Project

The Mumbakine Well Project is located adjacent to Capricorn Metals Limited's Karlawinda project. So far, Gascoyne has completed an aeromagnetic survey at the Mumbakine Well Gold Project. A number of drill targets have been identified and once the review is completed Gascoyne may decide to commence a drilling program.

Beebyn Project

The Beebyn Gold Project ('**Beebyn Project**') is located 45kms north of Cue, a town in the Gascoyne Murchison region of Western Australia. Previous exploration has identified high-grade iron ore and arsenic anomalies that have yet to be followed up and drill tested by Gascoyne.

6.5 Recent Corporate Events

6.5.1. Administration and Recapitalisation

On 2 June 2019, Michael Ryan, Kathryn Warwick and Ian Francis of FTI Consulting were appointed as joint and several Voluntary Administrators ('Administrators') of Gascoyne (including its wholly owned subsidiaries). It was determined by the Administrators, that the best option to preserve value was to continue operations on a 'business as usual' basis rather than putting the mine onto care and maintenance. During this period, the Administrators worked with Gascoyne's secured creditors, employees and key suppliers to stabilise the business and completed technical work necessary to optimise the mine and its operations.

Following a twelve month operational turnaround, in June 2020 the Administrators recommended that Gascoyne's creditors approve a Deed of Company Arrangement ('DOCA') as part of a recapitalisation and relisting plan. Later that month, Gascoyne's creditors passed a resolution approving entry into the DOCA. The recapitalisation process enabled the existing senior secured financiers to be repaid and pre-voluntary administration amounts owing being repaid or settled through a contingent payment program and all pre-

voluntary administration unsecured creditor obligations being settled through a combination of cash and equity.

In August 2020, Gascoyne announced that it had entered into agreements for a \$125 million funding package. The funding package comprised:

- A fully underwritten equity raising (**'Equity Raise'**) comprising:
 - o An institutional placement of 1,400,000,000 new shares in Gascoyne at \$0.025 per share to raise \$35 million (**'Placement'**);
 - o A two-for-one accelerated pro rata non renounceable entitlement offer of 2,009,729,910 new shares to raise approximately \$50 million (**'Entitlement Offer'**);
 - o 480,000,000 shares to NRW Pty Ltd at nil consideration, being the number of shares equal to \$12 million at the issue price of \$0.025 per share (**'NRW Offer'**);
 - o 120,000,000 shares to the Trustee of the Creditors Trust at nil consideration, in accordance with the terms of the DOCA; and
 - o 10,000,000 shares to be issued at nil consideration to Gascoyne CEO, Richard Hay.

All shares under the Equity Raise were issued at a price of \$0.025 per share.

- A \$40 million amortising debt facility (**'Facility'**) with Investec Bank Plc (**'Investec'**), to fund the remaining balance due under the SFA. The main terms of the Facility are:
 - o Three year facility to be repaid in quarterly instalments commencing 31 December 2020;
 - o Variable interest rate based on the BBSY rate plus a margin of 5.25% per annum;
 - o Investec to have senior security over the assets of Gascoyne and certain subsidiaries; and
 - o Requirement to hedge, on a rolling 18 month basis, a minimum of 40% of forecast gold sales.

As part of the recapitalisation process, Gascoyne undertook a consolidation of the Company's existing shares on the basis that every 20 shares were consolidated into one share (**'Consolidation'**).

Following the successful completion of the Equity Raise, Consolidation and finalisation of the Facility agreement, the DOCA was effectuated and control of Gascoyne reverted to its directors and management in October 2020. During October 2020, shares in Gascoyne were reinstated to trading on the ASX.

We note that following the effectuation of the DOCA, Gascoyne entered into an initial forward sales agreement with Investec for approximately 46,000 ounces of gold (being 40% of the forecast production over the 18 month period from 11 November 2020) at \$2,667 per ounce. In order to maintain the rolling 18 month coverage, Gascoyne entered into further hedges during 2020, as the initial hedges were delivered into. As at 30 June 2021 a total of 44,782 ounces is hedged out to September 2022 at an average price of \$2,528 per ounce.

With consistent production from the Dalgaranga Gold Project, Gascoyne announced in March 2021 that it had made voluntary debt prepayment to Investec of \$14.6 million. In making the voluntary contribution, Gascoyne reduced the term of the loan by 12 months with the remaining scheduled quarterly payments forecast to extinguish the debt in full by 30 June 2022. Following the voluntary debt repayment of \$14.6 million, Gascoyne is no longer required to mandatorily hedge a minimum of 40% of production at the existing hedge profile through to September 2022. As at 30 June 2021, the face value of the debt owing to Investec is \$14.0 million.

In June 2021, Gascoyne announced that it expected to record a non-cash impairment expense of approximately \$65 million to \$90 million for the Dalgaranga cash generating unit. The expected

impairment is due to lower gold price assumptions used in the impairment model, an increase in overall mining costs and impacts of Gascoyne's historical accounting policy for the capitalisation of deferred waste. The quantum of the impairment has not been finalised and is subject to review by Gascoyne's auditors and final approval by the directors of Gascoyne.

6.6 Historical Statement of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-20	Audited as at 30-Jun-20	Audited as at 30-Jun-19
	\$'000	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	37,302	5,640	16,729
Inventories	12,555	15,255	8,139
Other financial assets	-	633	633
Other assets	6,894	5,571	3,793
TOTAL CURRENT ASSETS	56,751	27,099	29,294
NON-CURRENT ASSETS			
Mine properties, property, plant and equipment	193,863	179,747	167,598
Exploration and evaluation expenditure	31,615	30,114	28,971
Other financial assets	423	380	379
TOTAL NON-CURRENT ASSETS	225,901	210,241	196,948
TOTAL ASSETS	282,652	237,340	226,242
CURRENT LIABILITIES			
Trade and other payables	10,490	43,608	32,956
Borrowings and lease liabilities	16,755	71,532	71,938
Provisions	2,647	2,958	2,052
Other financial liabilities	2,776	24,995	30,326
TOTAL CURRENT LIABILITIES	32,668	143,093	137,272
NON-CURRENT LIABILITIES			
Borrowings and lease liabilities	35,513	10,678	9,335
Provisions	25,737	26,200	23,882
Other financial liabilities	9,918	-	-
TOTAL NON-CURRENT LIABILITIES	71,168	36,878	33,217
TOTAL LIABILITIES	103,836	179,971	170,489
NET ASSETS	178,816	57,369	55,753
EQUITY			
Share capital	266,196	171,583	171,931
Non-controlling interests	1,219	1,125	1,129
Reserves	767	861	882
Accumulated losses	(89,366)	(116,200)	(118,189)
TOTAL EQUITY	178,816	57,369	55,753

Source: Gascoyne's audited financial statements for the years ended 30 June 2019 and 30 June 2020 and reviewed financial statements for the half year ended 31 December 2020.

We note that Gascoyne's auditor included an emphasis of matter in its audit report for the year ended 30 June 2020 relating to the material uncertainty around Gascoyne's ability to continue as a going concern. This emphasis of matter was on the basis of a working capital deficit of \$116 million as at 30 June 2020. The audit opinion was not modified in respect to this matter.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents increased from \$5.64 million as at 30 June 2020 to \$37.3 million as at 31 December 2020. The increase was the result of receipts from customers of \$109.6 million, proceeds from capital raisings as outlined in section 6.5.1 of \$85.2 million and proceeds from borrowings of \$40.0 million. This was partially offset by borrowings repayments totalling \$83.4 million, payments to suppliers and employees of \$70.5 million and payments for mine properties, property plant and equipment of \$35.9 million.
- Inventories of \$12.6 million as at 31 December 2020 included ore stockpiles, gold in circuit and bullion on hand. Ore stockpiles totalled \$6.4 million and represented material with a grade greater than 0.5g/t Au that, at the time of extraction, was expected to be processed into a saleable form and sold at profit. Gold in circuit totalled \$2.0 million and represented gold in the processing circuit that had not completed the production process and was not in saleable form. Bullion on hand at 31 December 2020 was \$0.9 million.
- Other assets of \$6.9 million as at 31 December 2020 primarily related to tax receivables of \$3.6 million and \$3.2 million of prepayments.
- Mine properties, property, plant and equipment totalled \$193.9 million at 31 December 2020. This largely relates to the capitalised development costs and stripping expenditure at Dalgaranga of \$131.0 million with the bulk of the remainder relating to plant and equipment.
- Exploration and evaluation expenditure was \$31.6 million as at 31 December 2020. This balance reflects exploration expenditure incurred in the search for mineral deposits with economic potential, or to obtain more information about existing mineral deposits and evaluation expenditures incurred to establish the technical and commercial viability of developing identified mineral deposits.
- Current borrowings were \$16.8 million at 31 December 2020. Of this balance, \$13.6 million relates Gascoyne's facility with Investec and \$3.1 million relates to lease liabilities. We note that during the half year ended 31 December 2020, Gascoyne repaid the SFA it had with the Commonwealth Bank of Australia Limited and National Australia Bank Limited in full.
- Current other financial liabilities of \$2.8 million at 31 December 2020 related to amounts payable to NRW under its liability payment arrangement. The liability payment arrangement was entered into during the year ended 30 June 2020, to settle Gascoyne's remaining pre-administration debts with NRW. We note that during the half year ended 31 December 2020 Gascoyne settled the repayment of its pre Administration gold hedging contracts totalling \$25.0 million (reflected in the other financial liabilities balance at 30 June 2020), as part of its recapitalisation.
- Non-current borrowings were \$35.5 million at 31 December 2020. Of this balance, \$22.3 million relates Gascoyne's Facility with Investec and \$13.2 million relates to lease liabilities. We note that during the half year ended 31 December 2020, Gascoyne repaid the SFA it had with the Commonwealth Bank of Australia Limited and National Australia Bank Limited, in full.
- Non-current other financial liabilities of \$9.9 million at 31 December 2020 related to amounts payable to NRW under its liability payment arrangement.

6.7 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half year ended 31-Dec-20 \$'000	Audited for the year ended 30-Jun-20 \$'000	Audited for the year ended 30-Jun-19 \$'000
Revenue	109,637	171,489	95,777
Cost of sales	(73,208)	(149,940)	(119,676)
Gross profit/(loss)	36,429	21,549	(23,899)
Other income	2,190	3	1,168
Impairment loss	-	-	(33,494)
Other expenses	(7,331)	(12,873)	(8,137)
Operating profit/(loss)	31,288	8,679	(64,362)
Finance income	1	15	189
Finance costs	(2,015)	(6,556)	(38,040)
Profit/(loss) before income tax	29,274	2,138	(102,213)
Income tax expense	(2,440)	(149)	(4,892)
Profit/(loss) for the year after income tax	26,834	1,989	(107,105)
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the year, net of tax	26,834	1,989	(107,105)

Source: Gascoyne's audited financial statements for the years ended 30 June 2019 and 30 June 2020 and reviewed financial statements for the half year ended 31 December 2020.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Revenue of \$109.6 million for the half year ended 31 December 2020 relates to gold and silver that Gascoyne has sold in the form of bullion to the Perth Mint and Investec. During the six months to 31 December 2020, 41,429 ounces of gold were sold, which was a significant increase from the prior corresponding period. Revenue growth for the half year to 31 December 2020 was driven by improvements in operational performance and higher realised gold prices.
- Cost of sales for the half year ended 31 December 2020 were \$73.2 million. Cost of sales as a percentage of revenue decreased over the half year to 31 December 2020, due to an increase in the proportion of mining costs capitalised to deferred waste. This was partly offset by a drawdown from the run of mine stockpiles, higher depreciation and an increased royalty expenses as a result of higher revenue.
- Gascoyne recorded an impairment loss of \$33.5 million for the year ended 30 June 2019. This was a result of adverse operational performance at the Dalgaranga Project, with significant negative reconciliation to Mineral Resource Models as well as other indicators of impairment including the market capitalisation of Gascoyne being below its net asset position for most of the year and the company being placed into administration by the Directors on 2 June 2019.
- Other expenses of \$7.3 million for the half year ended 31 December 2020 primarily related to corporate expenses of \$6.9 million. Corporate expenses included human resources costs of \$1.7

million and consultant costs of \$4.6 million. We note these costs were largely related to Administration activities undertaken for the Company.

6.8 Capital Structure

The share structure of Gascoyne as at 21 June 2021 is outlined below:

	Number
Total ordinary shares on issue	250,858,128
Top 20 shareholders	195,680,238
Top 20 shareholders - % of shares on issue	78.00%

Source: Gascoyne share registry information.

The range of shares held in Gascoyne as at 21 June 2021 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	1,200	346,245	0.14%
1,001 - 5,000	697	1,800,483	0.72%
5,001 - 10,000	266	2,126,994	0.85%
10,001 - 100,000	566	19,367,307	7.72%
100,001 - and over	142	227,217,099	90.58%
TOTAL	2,871	250,858,128	100.00%

Source: Gascoyne share registry information.

The ordinary shares held by the most significant shareholders as at 22 June 2021 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Deutsche Balaton AG	55,461,463	22.11%
NRW Holdings Limited	36,935,762	14.72%
First Sentier Investors Holdings Pty Ltd	25,174,140	10.04%
Subtotal	117,571,365	46.87%
Others	133,286,763	53.13%
Total ordinary shares on Issue	250,858,128	100.00%

Source: Gascoyne share registry information.

7. Profile of the Proposed Merged Entity

Upon implementation of the Scheme, the Proposed Merged Entity will represent the combined assets of Firefly and Gascoyne.

7.1 Key assets

The key combined assets of the Proposed Merged Entity will include:

- Gascoyne's interest in the Dalgara Project;
- Firefly's interest in the Yalgoo Project; and
- Other mineral assets and exploration assets held by Firefly and Gascoyne.

7.2 Board of Directors and employees

Following the implementation of the Scheme, the board of directors is intended to be:

- Mr Richard Hay - Managing Director and Chief Executive Officer;
- Mr George Bauk - Non-Executive Chairman;
- Mr Rowan Johnston - Non-Executive Director;
- Mr Hansjoerg Plaggemars - Non-Executive Director; and
- Mr Simon Lawson (Firefly) - Non-Executive Director.

7.3 Capital Structure

Under the Scheme, Shareholders will receive 0.34 shares in the Proposed Merged Entity for every one Firefly share that they hold. Upon implementation of the Scheme, Firefly shareholders and Gascoyne shareholders will hold approximately 32.4% and 67.6% of the total issued capital of the Proposed Merged Entity, respectively.

7.4 Stock exchange listing

Following the implementation of the Scheme, Firefly will become a wholly owned subsidiary of Gascoyne and the Proposed Merged Entity will continue to be listed on the ASX, under Gascoyne's code, GCY.

7.5 Demerger Assets

As outlined in section 2.2 and detailed further in section 4.2, the Demerger and the Scheme are not inter-conditional, and as such, our opinion on the Scheme does not specifically consider the valuation impact of the Demerger. Therefore, the above profile of the Proposed Merged Entity includes the assets of Gascoyne and Firefly prior to the Demerger. However, following the implementation of the Scheme and the Demerger, Shareholders will hold their respective interest in the assets of Gascoyne and Firefly as well as their proportionate holding in the Demerger Assets through their holdings in Firetail.

8. Economic analysis

Overview

The Australian economy contracted by 1.1% over 2020, a smaller decline than was initially anticipated in the wake of the global pandemic.

COVID has led to the largest contraction in global economic activity since the 1930s. Labour markets have been severely disrupted, and inflation has declined. The easing of containment measures in some nations led to a new surge in infections, postponing a fuller and faster economic recovery. The global economic downturn has been concentrated in the services (mainly travel and hospitality) sector, with the manufacturing sector staging a recovery, initially in China, but then in other industrial nations.

The pandemic has had a significant impact on the Australian economy and financial system, along with creating considerable volatility in financial markets. Equity prices experienced sharp declines and the yield on government bonds reached historic lows in March 2020, however both have risen since. Measures taken by the Australian government and the RBA have improved stability in equity and bond markets over recent months.

Globally, financial market conditions have rebounded from the period of dislocation in March 2020, and over the past few months financial conditions have improved and remained accommodative due to the successful development of COVID vaccines, historically low interest rates and asset prices, including housing prices, mostly increasing. The expectation that significant fiscal and monetary stimulus will be provided for an extended period, is supporting sentiment in financial markets.

Government and RBA Policies

The Australian Government introduced a range of stimulus measures in response to the economic impact of COVID, totalling \$507 billion since the beginning of the pandemic.

Support from public policy has cushioned the effects of the health-related activity restrictions on incomes and will shape the recovery of the economy. In aggregate, household disposable income has increased throughout the pandemic, despite the large contraction in economic activity and even as many people lost their jobs or worked fewer hours. The largest contributor to this support has been the \$101 billion JobKeeper program, which is estimated to have supported more than 25% of all workers nationwide.

In mid-March 2020, the Reserve Bank of Australia ('RBA') introduced a comprehensive package of policy measures to support the Australian economy. The RBA announced it would lower the cash rate and reduce the target on the 3-year government bond yield to 0.25%. Subsequently, in November 2020, the RBA further reduced the cash rate and the target on the 3-year government bond yield to 0.10% and announced a program to purchase \$100 billion of government bonds over the next six months.

After its February 2021 meeting, the RBA decided to purchase an additional \$100 billion of government bonds. Following the completion of the second \$100 billion government bond purchase in September, the board will continue to purchase longer-term bonds at a slower rate of \$4 billion a week until mid-November.

Given the outlook for both employment and inflation, the RBA will not increase the cash rate until inflation is sustainably within the 2% to 3% target range, which the RBA does not expect to be met until at least 2024.

In addition, the RBA introduced a three-year Term Funding Facility ('TFF') which was provided for authorised deposit-taking institutions ('ADIs'), such as commercial banks, unlocking access to additional funding, equivalent to approximately 3% of their outstanding credit, at a fixed rate of 0.10% per annum to 30 June 2021. In late June, the final drawdowns were made, with a total of \$188 billion being drawn to support the highly liquid Australian banking system. Given the TFF provides funding for 3 years, it will continue to support low funding costs in Australia until mid-2024.

The 2020-21 Federal Budget provided an additional \$98 billion of response and recovery support in the form of a \$74 billion new JobMaker Plan and \$25 billion in additional temporary and targeted support under the COVID-19 Response Package.

Economic Indicators

According to the RBA's baseline scenario, the Australian economy is expected to grow by approximately 4% over 2022 and 2.5% over 2023. The RBA's August 2021 Statement on Monetary Policy outlined the strong performance of the Australian economy, however it noted that current outbreaks of the virus are interrupting the recovery of GDP. The outlook for investment has improved as household and business balance sheets are generally in good shape. National income is also being supported by strong commodity prices whilst minor depreciations in the exchange rate have supported domestic financial conditions.

Following a quarterly decline in the Consumer Price Index ('CPI') inflation of 1.9% in the June 2020 quarter which resulted in annual deflation of 0.3%, CPI inflation has since rebounded, with the CPI inflation rate at 3.8% for the year to 30 June 2021. The rebound was supported by the rise in automotive fuel prices, as global demand began to recover, growing 8.7% in the March 2021 quarter and the annual excise tax increase of 12.5% on tobacco. Some investors view gold as a hedge against inflation and its appeal increases when there are concerns of rising inflation.

The COVID outbreak has severely affected the labour market. The measured unemployment rate increased by more than 2% over the course of a few months, reaching 7.4% in June 2020, the highest rate in more than two decades. However, since June 2020, the unemployment rate has declined to 4.9% as of June 2021 and remains lower than the pre-pandemic levels of 5.2% in March 2020. There has been a welcome decline in underemployment and labour force participation is nearing record highs. Job vacancies are high, and more firms are reporting shortages of labour, particularly in areas affected by the closure of international borders. The RBA expects the unemployment rate to be around 4.25% at the end of 2022, declining gradually to 4% by the end of 2023.

The Australian dollar depreciated significantly during the height of the market turmoil in March 2020. However, as at August 2021, the Australian dollar has appreciated to above its level prior to the onset of COVID. This appreciation was in line with the currencies of a range of other developed economies against the backdrop of a depreciation of the United States dollar over recent months, as well as an increase in the demand for Australian commodity exports.

Outlook

Despite the recent improvement of financial conditions, uncertainty still remains for the near-term outlook of the Australian economy with the outcome dependent both on the health situation, containment measures and ongoing fiscal and monetary policy support. Slow vaccine rollouts and further outbreaks of the virus and associated restrictions on activity are the key risks to the outlook. While uncertainty exists, the RBA is predicting GDP growth of 4% over 2022 and 2.5% over 2023, based on a significant share of the

Australian population being vaccinated by the end of 2021 and a gradual opening up of the international border from the middle of 2022.

Source: www.rba.gov.au *Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 3 August 2021, 6 July 2021 and prior periods*, www.abs.gov.au *Consumer Price Index March 2021 and prior periods*, Australian Government 2020-21 Budget Overview.

9. Industry analysis

Firefly and Gascoyne both primarily operate in the gold industry. As such, we have presented an industry analysis on the Australian exploration sector, as well as an industry analysis on the gold and gold ore mining industry.

9.1 Exploration Sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the March quarter of 2021 identified positive signs for the exploration sector, with investment and exploration activity growing for a fourth consecutive quarter.

Financing inflows continued to grow in the March 2021 quarter with explorers raising a total of \$2.37 billion in funds. This represents a 7% increase from the December 2020 quarter and a 184% increase from the March 2020 quarter, suggesting that economic confidence within the sector is improving. While the total funds raised increased, there is evidence to suggest that growth was mainly attributed to several large raises within the sector.

During the March 2021 quarter, lithium companies attracted the most funding and gold companies attracted the second largest amount of funding. The funnelling of capital towards battery minerals and clean energy companies is in line with growing Environmental, Social and Governance initiatives and global trends including rising electric vehicle adoption. Investors have certainly appeared to tailor their preference in line with these trends and Australian battery minerals explorers have appeared to capitalise on this opportunity to raise funds for the advancement of their operations.

While lithium attracted the most funds in the March 2021 quarter, gold was the commodity that attracted the most funds over the 2020 calendar year, with the funds raised by gold companies greater than all other commodities combined.

Cash balances also strengthened in the March 2021 quarter, with 80% of companies recording a cash balance of \$1 million or more, the highest BDO has seen since the commencement of the explorer quarterly cash update in 2013.

Over the March 2021 quarter, exploration expenditure decreased by 6%, which may be due to the limited availability of resources, particularly in relation to drilling services and assay testing. This could in turn have an inflationary effect on exploration costs in the subsequent periods.

Investment expenditure (when adjusted for a significant outlier in the December 2020 quarter) appeared to hold relatively steady with an increase of 7%. This was after an adjusted 164% increase since the September quarter of 2020, indicating that companies were more willing to acquire new tenements and equipment.

Source: BDO Explorer Quarterly Cash Update: March 2021.

9.2 Gold

Gold supply (tonnes)	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q1 2021
Mine production	2,940	3,128	3,242	3,334	3,459	3,492	3,554	3,530	3,389	851
Net producer hedging	(45)	(28)	105	13	38	(26)	(13)	6	(52)	(25)
Recycled gold	1,638	1,197	1,132	1,070	1,233	1,111	1,132	1,274	1,283	270
Total supply	4,533	4,297	4,479	4,417	4,730	4,577	4,673	4,810	4,620	1,096

Source: World Gold Council Quarter 1 2021 Statistics, 31 March 2021

Historically, the price of gold is negatively correlated to the prices of other asset classes during times of uncertainty and financial crises. Growing uncertainty on the back of the recent COVID-19 outbreak has caused the price of gold to rally, as investors demand the high liquidity that gold provides. The recent increase in the price of gold has positively impacted the gold industry and will continue to do so if economic uncertainty prevails.

The World Gold Council expects that the interplay between financial uncertainty, lower interest rates, weakening global economic growth and gold price volatility will continue to drive gold demand in the near term.

Key external drivers

Global gold prices have a significant impact on the revenue generated by industry operators. When gold prices are low, gold miners are less likely to commit to projects with lower gold grades and higher production costs. Ultimately, a decline in gold prices reduces the viability of new and existing projects, which hinders industry growth.

The global gold price is denominated in US dollars and therefore, the exchange rate directly affects the returns received by domestic industry operators. A weaker Australian Dollar benefits the domestic industry by boosting Australian dollar denominated returns on gold sales, likely resulting in higher volumes.

Global demand for gold is also inversely related to global economic performance. As gold is regarded as a store of value and is particularly sought-after during periods of economic uncertainty, demand follows a counter cyclical pattern. Strong global GDP growth can therefore have a negative impact on gold demand and the industry. The recent rally in gold prices, which saw it reach a historical high during early August 2020, reflects ongoing easing of global monetary policies, continued geopolitical uncertainty, and the outbreak of COVID-19.

The World Gold Council forecasts gold prices in 2021 to be positive, yet more subdued than the previous year. This may be driven by the recovery of consumer demand relative to 2020 as economic conditions improve. Gold's performance may also be boosted further by a prolonged low interest rate environment which would all but remove the opportunity cost of investing in gold. In addition, the potential for a second wave of COVID-19 remains, which would likely cause a spike in demand for gold as a safe haven asset.

Gold ore mining trends

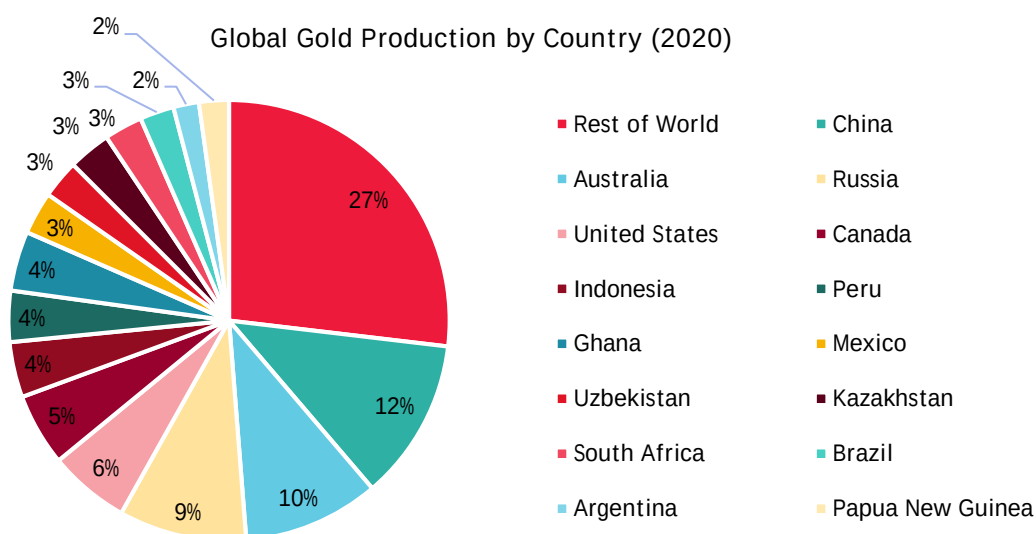
Gold ore mining is a capital intensive and high-cost process, which is becoming increasingly difficult and more expensive as the quality of ore reserves diminishes. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs

are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

Until the late 1980s, South Africa produced approximately half of the total gold ore mined globally. More recently however, the industry has diversified geographically as China and Australia now dominate global gold production. According to the United States Geological Survey ('USGS'), total estimated global gold ore mined for 2020 was approximately 3,287 metric tonnes. The chart below illustrates the estimated global gold production by country for 2019.

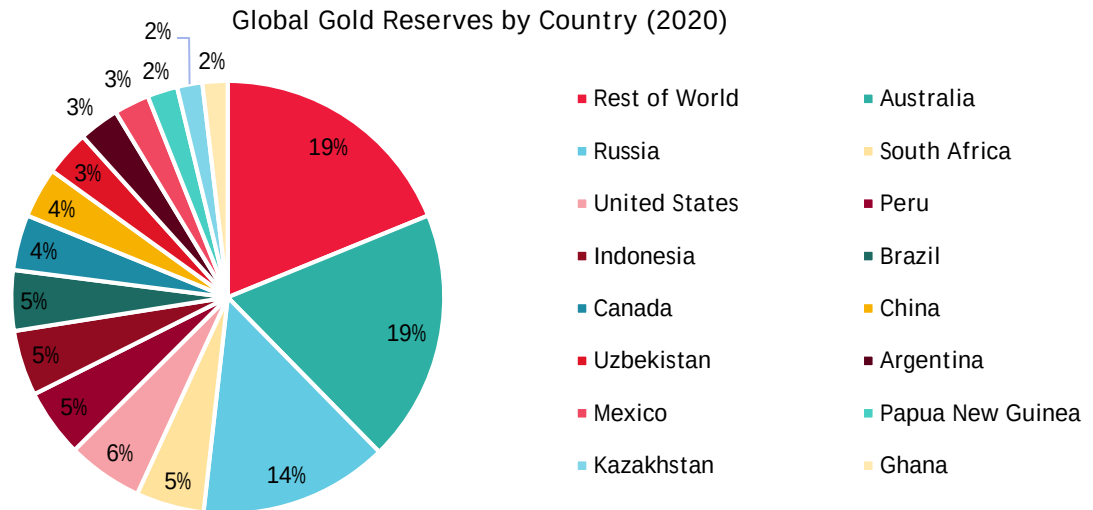
According to the World Gold Council, global gold production fell 4% in 2020 following the effects of COVID-19. The virus led to a number of gold mine closures across the world due to lockdown restrictions imposed by individual countries across the March 2020 quarter. Notably, the production from the world's largest gold producers, including Newmont Corporation, Barrick Gold Corporation, AngloGold Ashanti Limited and Newcrest Mining Limited, had more than halved in the June 2020 quarter to 1.4Moz, down from 2.9Moz in the June 2019 quarter.

The decrease in supply was hardest felt in the Americas region as production fell by 28% in Peru, 18% in Argentina and 15% in Chile. The World Gold Council expects that COVID-19 interruptions to diminish further in 2021, removing a potential headwind to mine production. This is likely to be assisted by a return to growth by the Grasberg mine in Indonesia, the largest producing gold mine in the world, who were responsible for a large fall in mine supply in 2019.



Source: 2021 USGS and BDO analysis

Despite China leading global gold production in 2020, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 38% of global gold reserves.

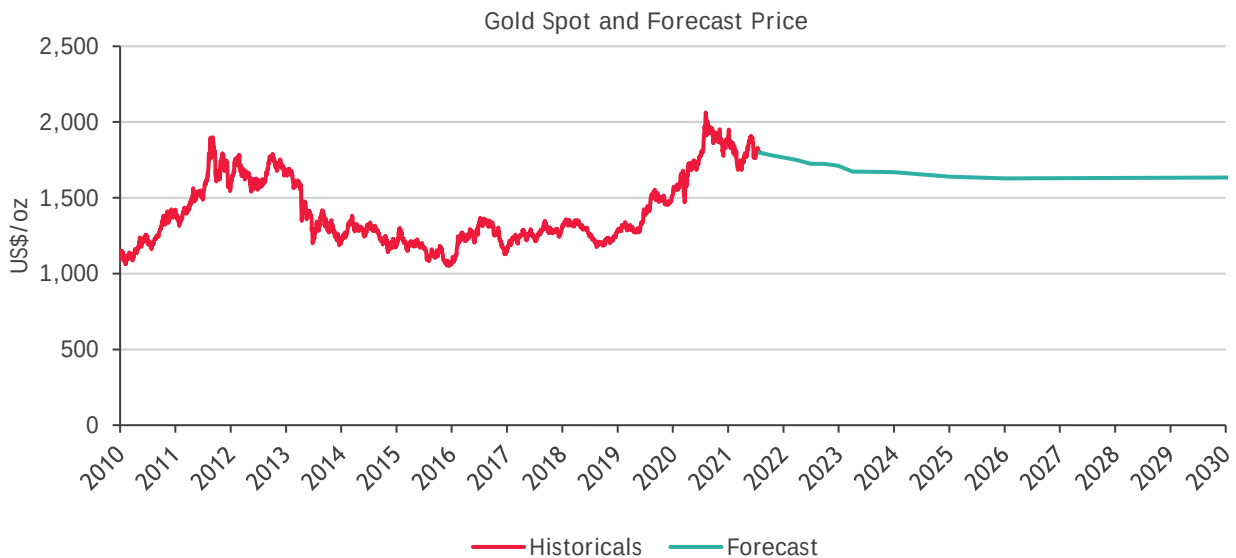


Source: 2021 USGS and BDO analysis.

According to the 2021 USGS, Australia's gold reserves amount to 10,000 tonnes, representing 19% of global reserves and the largest percentage held by any one country. IBISWorld estimates domestic industry revenue will grow by an annualised 0.5% over the five-year period through to 2025-26, reaching approximately \$24.4 billion. However, rising production costs due to lower ore quality and higher transportation costs are anticipated to reduce industry profitability over the period.

Gold prices

The gold spot price since 2010 and forecast prices through to 2030 are depicted in the graph below.



Source: Bloomberg and Consensus Economics

The price of gold reached US\$1,900 on 5 September 2011, largely due to the debt market crisis in Europe and the Standard and Poor's downgrade of the US credit rating. Global stock markets subsequently went into turmoil, which saw investors opt for the stability offered by gold.

The price of gold fluctuated around US\$1,700 during 2012 before entering a steep decline in 2013. The downturn represented the beginning of a correction in the price of gold, which had almost tripled in the two-year period prior to the European crisis in 2011. Improved market sentiment and increased risk appetite from investors saw gold prices continue to decline throughout 2014 and 2015 to US\$1,051 in December 2015.

During 2016, gold prices strengthened, likely as a result of heightened uncertainty surrounding the US Presidential election and the United Kingdom's exit from the EU. The price of gold reached US\$1,363 in late 2016 before stabilising around US\$1,200 to US\$1,300 throughout 2017.

The gold price fluctuated throughout 2018. In January 2018, the gold price strengthened, rising to approximately US\$1,360, spurred on by a weak US dollar. From April 2018 through to August 2018, the price of gold trended downwards. Prices remained flat through August and September of 2018, before increasing in October and November of 2018.

The price of gold declined to US\$1,270 in May 2019, before rallying past US\$1,500 to reach a six year high. Demand for gold was primarily driven by investors looking to avoid US-China trade war uncertainties, while civil unrest in Hong Kong prompted investors to abandon riskier asset classes for safe haven assets. The gold price continued to remain around US\$1,500 throughout October 2019, although it dipped slightly to US\$1,465 in mid-November 2019.

Gold prices have fluctuated significantly throughout 2020. Demand for gold increased in response to the uncertainty created by the global spread of COVID-19, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst the growing uncertainty caused by the crisis. Gold spot prices fell to a yearly low of US\$1,471, before rallying. Throughout May and June 2020, prices remained elevated around US\$1,700.

Through early July 2020, gold prices steadily increased to above the US\$1,800 level, before spiking in late July and early August to exceed US\$2,000. The COVID-19 crisis remains the primary driver of the gold price, as central banks continue to inject trillions of dollars into financial markets and investors further prioritise safe haven assets. Additionally, the availability of cheap money through low global interest rates is further spurring investment in gold. Gold prices reached a record high of approximately US\$2,064 on 6 August 2020, before declining slightly below the US\$2,000 mark through to November 2020. Through to early January 2021, the price of gold increased as a result of further fallout from the US Election, climbing back over US\$1,900 after remaining in the US\$1,800s through most of December 2020.

During March 2021, the price of gold fell below US\$1,700 for the first time in eight months as rising US treasury yields threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. Demand was also weakened by increased consumer confidence in the gradual reopening of global economies as COVID-19 vaccination rates rise. However, gold has since rebounded as global inflation concerns rose and the US dollar weakened.

According to Consensus Economics forecasts, the price of gold is forecast to decline over the medium term but remain high in comparison to historical levels. This medium-term decline is likely on the back of developments in relation to the uptake of COVID-19 vaccinations as well as stability in the United States following the presidential election of Joe Biden. Future price movements are expected to depend on the duration and severity of the crisis, and its impact on government policies globally.

Source: Bloomberg, Consensus Economics, IBISWorld and Reuters

10. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment (such as a Resource Multiple)

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual company's assets and liabilities.

10.1 Value of Firefly prior to the Scheme

In our assessment of the value of a Firefly share prior to the Scheme, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value; and
- QMP as our secondary methodology, as this represents the value that a Shareholder may receive for a share if it were sold on market. The value derived from this methodology reflects a minority interest value.

We have employed the Sum-of-Parts methodology in estimating the fair market value of Firefly by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of Firefly's mineral assets, applying the comparable transactions and geoscientific ratings approach; and
- Value of Firefly's other assets and liabilities, applying the cost approach under the NAV method.

We have chosen these methodologies for the following reasons:

- Firefly's mineral assets do not currently generate any income nor are there any historical profits that could be used to represent future earnings, therefore we do not consider the application of the FME approach to be appropriate;

- Firefly has no foreseeable future net cash inflows on which we would have sufficient reasonable grounds in accordance with Regulatory Guide 170 'Prospective Financial Information' ('RG 170') and Information Sheet 214: Mining and Resources: Forward-looking Statements ('IS 214'), therefore we do not consider the application of the DCF approach to be appropriate;
- As Firefly's mineral assets are currently non-producing, and there is no revenue or cash flows currently generated by the Yalgoo Project, we have commissioned an independent technical specialist to value Firefly's mineral assets prior to the Scheme. Therefore, we consider the Sum-of-Parts approach to be an appropriate methodology to use in assessing the value of a Firefly share prior to the Scheme; and
- We have adopted QMP as our secondary approach. The QMP basis is a relevant methodology to consider because Firefly's shares are listed on the ASX, therefore reflecting the value that a Shareholder will receive for a share sold on the market. This means there is a regulated and observable market where Firefly's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the Company's activities.

Technical Expert

In performing our valuation of Firefly's mineral assets, we have relied on the Technical Specialist Report, which includes an assessment of the market value of Firefly's mineral assets.

SRK's Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('VALMIN Code') and the JORC Code. We are satisfied with the valuation methodologies adopted by SRK, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by SRK are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report contained in Appendix 3.

10.2 Value of the Proposed Merged Entity

In our assessment of the value of the Proposed Merged Entity following the implementation of the Scheme, we have chosen to employ the Sum-of-Parts valuation approach. We have employed the Sum-of-Parts method in estimating the fair market value of the Proposed Merged Entity by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of the Dalgaranga Project (including the planned integration of Firefly's Melville Deposit), applying the DCF methodology;
- Value of the residual resources (Mineral Resources and advanced and early stage exploration assets) of Firefly and Gascoyne not included in the DCF, having reliance on the valuation carried out by an independent technical specialist;
- Value of the other mineral assets of Firefly, having reliance on the valuation carried out by an independent technical specialist;
- Value of the other assets and liabilities of Firefly and Gascoyne, applying the cost approach under the NAV method; and
- Present value of the Proposed Merged Entity's corporate overhead costs to be incurred which is based on historical corporate costs incurred by Firefly and Gascoyne and an analysis of the corporate costs incurred by comparable ASX-listed companies.

We have chosen these methodologies for the following reasons:

- the Dalgaranga Project will be the Proposed Merged Entity's main asset, therefore the core value of the Proposed Merged Entity lies in the future cash flows to be generated from the Dalgaranga Project;
- Cash flows from the Dalgaranga Project have a finite life and these cash flows may vary substantially from year to year, rendering it suitable for a DCF valuation and not a FME valuation;
- The residual resources held by Firefly and Gascoyne, not included in the DCF, are valued using alternative valuation methodologies by an independent technical specialist, as contained in the Technical Specialist Report in Appendix 3;
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. The FME methodology is also not considered appropriate for valuing finite life assets, such as mining assets; and
- We have considered an implied resource multiple as a cross check to our valuation of the Dalgaranga Project.

Technical Expert

In performing our valuation of the Dalgaranga Project using the DCF method, we have relied on the Technical Specialist Report prepared by SRK including SRK's review of the technical project assumptions contained in the cash flow model. Additionally, we have relied on SRK's valuation of the residual resources (Mineral Resources and exploration assets) and exploration portfolio not included in the DCF valuation, which is included in the Technical Specialist Report.

We are satisfied with the valuation methodologies adopted by SRK, which we consider to be in accordance with industry practices and are compliant with the requirements of the VALMIN Code.

The specific valuation methodologies used by SRK are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report contained in Appendix 3.

11. Valuation of Firefly prior to the Scheme

11.1 Sum-of-Parts

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Firefly share on a control basis prior to the Scheme, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration of the following:

- Value of Firefly's mineral assets; and
- Value of Firefly's other assets and liabilities.

Our Sum-of-Parts valuation is set out in the table below:

Valuation of Firefly prior to the Scheme	Ref	Low \$	Preferred \$	High \$
Value of Firefly's mineral assets	11.1.1	8,100,000	10,600,000	12,900,000
Value of Forrestania	11.1.2	1,300,000	1,300,000	1,800,000
Value of Firefly's other assets and liabilities	11.1.3	4,093,059	4,093,059	4,093,059
Transaction costs	11.1.4	(870,000)	(870,000)	(870,000)
Total value of Firefly prior to the Scheme (control)		12,623,059	15,123,059	17,923,059
Number of shares outstanding	11.1.5	314,639,530	314,639,530	314,639,530
Value per share prior to the Scheme (control)		0.040	0.048	0.057

We have assessed the value of a Firefly share prior to the Scheme (on a controlling interest basis) to be in the range of \$0.040 to \$0.057 with a preferred value of \$0.048.

11.1.1. Valuation of Firefly's mineral assets

In performing our valuation of Firefly's mineral assets, we have relied on the Technical Specialist Report prepared by SRK which includes an assessment of the market value of Firefly's Yalgoo Project and other exploration assets.

We instructed SRK to provide an independent market valuation of the mineral assets held by Firefly. SRK considered a number of different valuation methods when valuing the mineral assets of Firefly. SRK applied the comparable transactions approach for valuing the Firefly Resource and the comparable transactions and geoscientific rating approach to value the exploration areas.

The range of values for Firefly's mineral assets as determined by SRK is set out below:

Mineral Assets	Low Value \$ million	Preferred Value \$ million	High Value \$ million
Firefly Resources	7.1	8.9	10.6
Firefly Exploration area	1.0	1.7	2.3
TOTAL (rounded)	8.1	10.6	12.9

Source: Technical Specialist Report prepared by SRK

The table above indicates a range of values between \$8.1 million and \$12.9 million, with a preferred value of \$10.6 million. For further information on SRK's approach and conclusions, refer to the SRK report, which is included as Appendix 3 of our Report.

11.1.2. Value of Forrestania Gold Project

In March 2021, Firefly announced that it had entered into a binding terms sheet with Forrestania Resources to sell its 100% owned Forrestania Gold Project.

For the purposes of our valuation of Firefly prior to the Scheme, we have assumed that the sale of the Forrestania Gold Project will complete, and as such this has been excluded from the value of Firefly's other mineral assets.

The consideration for the acquisition is the issue of \$1.25 million of shares in either the IPO or RTO entity, a \$50,000 cash payment, plus a milestone payment of \$500,000 of shares on definition of a JORC Code compliant Mineral Resource of at least 250,000 ounces of gold at over 2 grams per tonne and the grant of a 1% net smelter return royalty over all minerals produced from the tenement.

Given the milestone payment is based on the occurrence of an uncertain future event, we have only included this payment in our high value of the Forrestania Gold Project. As the likelihood, quantum and timing of the net smelter royalty is uncertain, we have not included this in our value of the Forrestania Gold Project.

Therefore, our valuation of the Forrestania Gold Project is between \$1.30 million and \$1.80 million, with a preferred value of \$1.30 million.

11.1.3. Valuation of Firefly's other assets and liabilities

The other assets and liabilities of Firefly represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Firefly and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Valuation of Firefly's other assets and liabilities	Note	Reviewed as at 31-Dec-20 \$	Adjusted \$
CURRENT ASSETS			
Cash and cash equivalents	a)	6,285,554	4,701,904
Trade and other receivables		65,128	65,128
Prepayments		29,425	29,425
TOTAL CURRENT ASSETS		6,380,107	4,796,457
NON-CURRENT ASSETS			
Other assets		11,250	11,250
Trade and other receivables		93,356	93,356
Property, plant and equipment		159,498	159,498

Valuation of Firefly's other assets and liabilities	Note	Reviewed as at	Adjusted
		31-Dec-20	
		\$	\$
Exploration and evaluation expenditure	b)	3,434,106	-
Right-of-use assets		88,521	88,521
TOTAL NON-CURRENT ASSETS		3,786,731	352,625
TOTAL ASSETS		10,166,838	5,149,082
CURRENT LIABILITIES			
Trade and other payables	c)	213,047	958,950
Provisions		8,195	8,195
Lease liabilities		66,890	66,890
TOTAL CURRENT LIABILITIES		288,132	1,034,035
NON-CURRENT LIABILITIES			
Lease liabilities		21,988	21,988
TOTAL NON-CURRENT LIABILITIES		21,988	21,988
TOTAL LIABILITIES		310,120	1,056,023
NET ASSETS		9,856,718	4,093,059

Source: Firefly's reviewed financial statements for the half year ended 31 December 2020, management accounts as at 30 June 2021 and BDO analysis

We have not undertaken a review of Firefly's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there has not been any other significant change in the net assets of Firefly since 30 June 2021 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at 31 December 2020 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation to Firefly's other assets and liabilities:

Note a): Cash and cash equivalents

Firefly's management have provided us with the bank balance at 30 June 2021, which we have verified against the Company's June Quarterly Cashflow Report and bank statements provided by management. Our adjustments are set out in the table below.

Cash and cash equivalents	\$
Cash and cash equivalents at 31 December 2020	6,285,554
Less: Cash payments during the course of operations	(3,405,736)

Cash and cash equivalents	\$
Add: Payment from Firebird for historical expenses	500,000
Add: Other net cash inflows*	587,086
Adjusted cash and cash equivalents at 30 June 2021	3,966,904
Add: Cash raised from the exercise of in-the-money options in Firefly	735,000
Adjusted cash and cash equivalents	4,701,904

Source: Firefly's reviewed financial statement for the half year ended 31 December 2020 and Firefly's June Quarterly Cash Flow Report and BDO analysis.

*these cash inflows relate to a refund of shire rates, rental income received from a sublease tenant and proceeds from sale of historical data.

Note b): Exploration and evaluation expenditure

We have adjusted the book value of exploration and evaluation expenditure of \$3,434,106 at 31 December 2020 to nil, as it is accounted for in the valuation of Firefly's mineral assets, which has been valued separately in Section 11.1.1.

Note c): Trade and other payables

We have adjusted the trade and other payables balance of approximately \$0.2 million as at 31 December 2020 to approximately \$1.0 million based on management accounts as at 30 June 2021. We have been provided a payables listing at 30 June 2021 which supports this balance, therefore providing us with reasonable grounds for reliance on the unaudited financial information.

11.1.4. Transaction Costs

We have adjusted our valuation of Firefly to reflect the transaction costs that are expected to be incurred by Firefly. The transaction costs to be incurred by Firefly have been estimated to be \$1.06 million as detailed in the Scheme Booklet. We have deducted the amount of transaction costs that have been incurred by Firefly prior to 30 June 2021 as these amounts are reflected in the valuation of Firefly's other assets and liabilities.

11.1.5. Number of shares outstanding

As detailed in Section 5.7, the number of Firefly shares on issue as at the date of our Report is 308,339,530. The number of shares on issue has been adjusted to reflect the in-the-money Firefly options that are assumed to be exercised prior to the record date, resulting in a total of 314,639,530 shares being on issue.

11.2 Quoted Market Prices for Firefly Securities

To provide a comparison to the valuation of Firefly in Section 11.1, we have also assessed the quoted market price for a Firefly share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of a control transaction, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

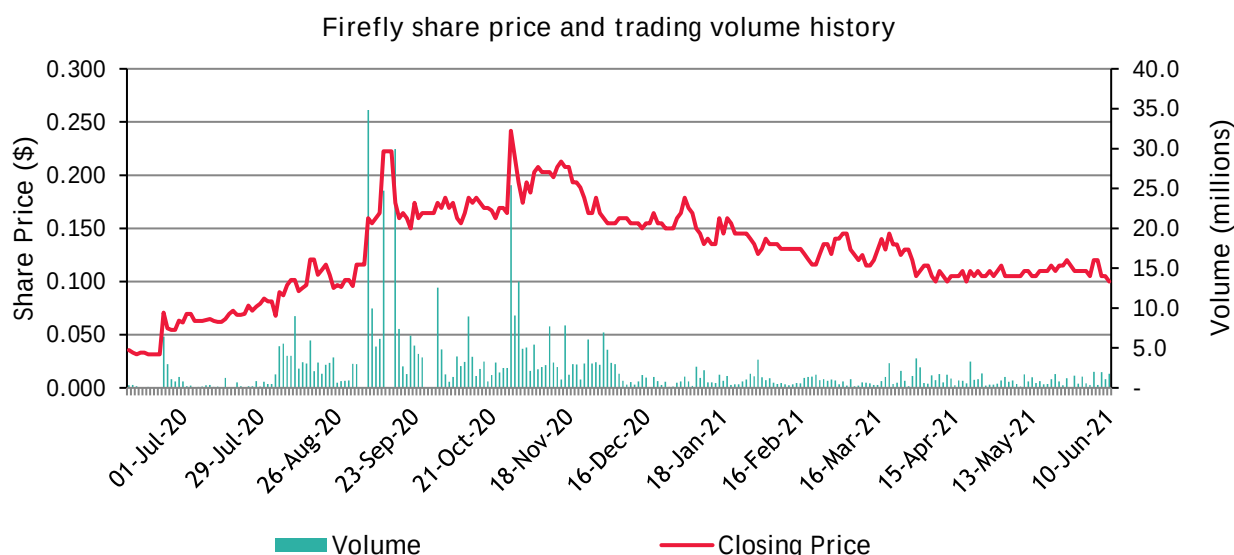
- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Our calculation of the quoted market price of a Firefly share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Firefly share is based on the pricing prior to the announcement of the Scheme. This is because the value of a Firefly share after the announcement may include the effects of any change in value as a result of the Scheme. However, we have considered the value of a Firefly share following the announcement when we have considered reasonableness in Section 14.

The securities of Firefly were placed into a trading halt on 11 June 2021 and information on the Scheme was announced on 16 June 2021. Therefore, the following chart provides a summary of the share price movement over the 12 months to 10 June 2021, which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of Firefly shares from 11 June 2020 to 10 June 2021 has ranged from a low of \$0.032 on various dates in June 2020 to a high of \$0.242 on 28 October 2020. The highest single day of trading over the assessed period was 7 September 2020, when 34,826,723 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
04/06/2021	Regional exploration enhances widespread gold potential	0.120	▲	14.3%	0.105	▼	12.5%
26/05/2021	Shallow high-grade gold highlights growth outlook at Yalgoo	0.120	▲	4.3%	0.110	▼	8.3%
21/04/2021	Outstanding high-grade results from grade control drilling	0.110	▲	10.0%	0.105	▼	4.5%
09/04/2021	Strong results from surface grade control drilling	0.110	▲	10.0%	0.105	▼	4.5%
31/03/2021	Firefly further consolidates strategic footprint at Yalgoo	0.110	▲	4.8%	0.105	▼	4.5%
17/03/2021	Maiden 196,000oz JORC 2012 Resource - Revised Announcement	0.140	▲	7.7%	0.135	▼	3.6%
17/03/2021	Firefly to sell non-core Forrestania Gold Project in WA	0.140	▲	7.7%	0.135	▼	3.6%
17/03/2021	Maiden 196,000oz JORC 2012 Resource at Yalgoo Gold Project	0.140	▲	7.7%	0.135	▼	3.6%
16/03/2021	Firefly completes demerger of Firebird Metals Ltd	0.130	▲	8.3%	0.145	▲	11.5%
01/03/2021	Firebird Metals receives conditional ASX listing approval	0.140	▲	11.1%	0.145	▲	3.6%
24/02/2021	Firefly commences 30,000m drilling campaign	0.135	▲	7%	0.140	▲	3.7%
16/02/2021	\$5.5m Firebird Metals IPO closes early oversubscribed	0.131	►	0%	0.116	▼	11.5%
28/01/2021	Firefly drilling highlights scale at Yalgoo Gold Project	0.140	▼	3%	0.131	▼	6.4%
19/01/2021	Short Form Prospectus	0.160	▲	10%	0.145	▼	9.4%
18/12/2020	Planned Demerger And IPO - Non-Core Oakover Manganese Asset	0.164	▲	6%	0.150	▼	8.5%
16/12/2020	Firefly Acquires High-Grade Historical Gold Mine in Yalgoo	0.155	▲	3%	0.155	►	0.0%
01/12/2020	More standout high-grade intercepts at Melville Gold Deposit	0.160	▼	2%	0.155	▼	3.1%
11/11/2020	More thick shallow gold intercepts at Melville Gold Deposit	0.203	►	0%	0.213	▲	4.9%
28/10/2020	Response to ASX Price and Volume Query	0.242	▲	48%	0.174	▼	28.1%
01/10/2020	\$6m capital raising to accelerate gold drilling at Yalgoo	0.174	▲	6%	0.169	▼	2.9%
28/09/2020	Trading Halt	0.164	►	0%	0.174	▲	6.1%
28/09/2020	Firefly commences second phase of RC drilling at Yalgoo	0.164	►	0%	0.174	▲	6.1%
23/09/2020	Paterson Project - access granted to shallow Cu-Au targets	0.174	▲	16%	0.164	▼	5.7%
16/09/2020	Wide, shallow gold and more high-grade hits at Yalgoo	0.174	▼	22%	0.160	▼	8.0%

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
07/09/2020	Spectacular gold hits from maiden drill program at Yalgoo	0.160	▲	38%	0.164	▲	2.5%
11/08/2020	Firefly enhances Yalgoo Project with strategic acquisition	0.102	►	0%	0.097	▼	4.9%
03/08/2020	Approvals for maiden drill program at Yalgoo Gold Project WA	0.081	►	0%	0.087	▲	7.4%
31/07/2020	Firefly Completes Acquisition of the Yalgoo Gold Project	0.081	▼	4%	0.090	▲	11.1%
30/06/2020	Prospectus	0.063	▲	17%	0.070	▲	11.1%
30/06/2020	Non-Renounceable Entitlement Offer to raise up to \$1.03M	0.063	▲	17%	0.070	▲	11.1%
24/06/2020	Transformational Acquisition of Yalgoo Gold Project, WA	0.071	▲	122%	0.054	▼	23.9%

Source: Bloomberg and BDO analysis

On 4 June 2021, Firefly released the results of initial groundwork performed over previously undrilled and unrecorded assays. On the date of the announcement, the share price increased by 14.3%, to close at \$0.120, before decreasing 12.5% over the subsequent three-day trading period to close at \$0.105.

On 21 April 2021, Firefly released a drilling update for the Melville Deposit, which confirmed the widespread distribution of shallow gold mineralisation overlying the Melville Deposit MRE. On the date of the announcement the share price increased 10.0%, to close at \$0.110, before decreasing by 4.5% over subsequent three-day trading period to close at \$0.105.

On 9 April 2021, Firefly released initial assay results from its extensive grade control drilling program over the Melville Deposit. On the date of the announcement the share price increased 10.0%, to close at \$0.110, before decreasing by 4.5% over the subsequent three-day trading period to close at \$0.105.

On 1 March 2021, Firefly announced that the ASX had provided conditional approval for the listing of Firebird Metals as part of the planned demerger. On the date of the announcement the share price increased 11.5%, to close at \$0.140, before increasing by 3.6% over the subsequent three-day trading period to close at \$0.145.

On 19 January 2021, Firefly released the short form prospectus for Firebird Metals. On the date of the announcement the share price increased 10.0%, to close at \$0.160, before decreasing 9.4% over the subsequent three-day trading period to close at \$0.145.

On 28 October 2020, Firefly released a response to a price query issued by the ASX. In the response, Firefly noted that it was not aware of any information that had not been announced, however Firefly advised that it was currently awaiting assay results from the 10,000m RC drill program at the Yalgoo Project and expected to announce the exploration results in mid-November 2020. On the date of the announcement, the share price increased 48.0%, to close at \$0.242, before decreasing 28.1% over the subsequent three-day trading period to close at \$0.174.

On 23 September 2020, Firefly announced it had negotiated and signed heritage agreements with traditional owners across five existing tenements in the Paterson Province, paving the way for the

commencement of exploration activities for the Paterson Copper-Gold Project. On the date of the announcement the share price increased 16.0%, to close at \$0.174, before decreasing 5.6% over the subsequent three-day trading period to close at \$0.164.

On 16 September 2020, Firefly announced it had received assay results from the maiden RC program at the Yalgoo Project. On the date of the announcement the share price decreased 22.0%, to close at \$0.174, before decreasing a further 8.3% in the subsequent three-day trading period to close at \$0.160.

On 7 September 2020, Firefly announced it had intersected high-grade gold mineralisation at shallow depths from the initial holes drilled as part of its maiden drilling program at the Yalgoo Project. On the date of the announcement the share price increased 38.0%, to close at \$0.160, before increasing a further 2.5% in the subsequent three-day trading period to close at \$0.164.

On 30 June 2020, Firefly announced a non-renounceable entitlement offer to raise up to \$1.03 million to support exploration for the Yalgoo Project. On the date of the announcement the share price increased 17.0%, to close at \$0.063, before increasing a further 11.0% in the subsequent three-day trading period to close at \$0.070.

On 24 June 2020, Firefly announced that it had executed a binding agreement to acquire a 100% interest in the advanced Yalgoo Project, through the acquisition of 100% of the issued capital of Aurum. On the date of the announcement the share price increased 122.0%, to close at \$0.071, before decreasing by 23.9% over the subsequent three-day trading period to close at \$0.054.

To provide further analysis of the market prices for a Firefly share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 10 June 2021.

Share Price per unit	10-Jun-21	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.100				
Volume weighted average price (VWAP)		\$0.111	\$0.111	\$0.114	\$0.118

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any increase in price of Firefly shares that has occurred since the Scheme was announced.

An analysis of the volume of trading in Firefly shares for the twelve months to 10 June 2021 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.100	\$0.115	1,749,659	0.57%
10 Days	\$0.100	\$0.120	11,572,828	3.77%
30 Days	\$0.100	\$0.125	28,208,395	9.18%
60 Days	\$0.100	\$0.150	65,566,312	21.33%
90 Days	\$0.100	\$0.150	88,249,094	28.71%
180 Days	\$0.100	\$0.242	338,973,416	110.29%
1 Year	\$0.032	\$0.242	564,855,136	183.79%

Source: Bloomberg, BDO analysis

This table indicates that Firefly's shares display a high level of liquidity, with 3.77% of Firefly's current issued capital being traded over the ten trading days prior to the announcement of the Scheme. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Firefly, we consider the shares to display a high level of liquidity, on the basis that more than 1% of securities have been traded weekly on average, with 183.79% of Firefly's current issued capital being traded over a twelve-month period, and 110.29% of Firefly's current issued capital being traded in the last 180 trading days.

We have also assessed the trading volumes for Firefly shares on a weekly basis over the twelve months prior to 10 June 2021, being the last full trading day prior to the announcement of the Scheme and found the mean and median weekly trading volume was approximately 3.53% and 1.87% of Firefly's current issued capital respectively. Of the 52 weeks in which our analysis is based on, more than 1% of Firefly's securities had been traded in 43 of those weeks.

Our assessment is that a range of values for Firefly's shares based on market pricing up to 10 June 2021, after disregarding post announcement pricing, is between \$0.100 and \$0.118.

Control Premium

We have reviewed the control premiums on completed transactions, paid by acquirers of gold companies, general mining companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

Gold Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2021	1	5,864.23	2.02
2020	1	2,748.72	10.10
2019	1	219.99	56.41
2018	2	31.26	21.77
2017	2	13.74	41.04
2016	5	19.15	51.38
2015	4	56.22	53.80

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2014	8	123.49	48.94
2013	4	241.86	20.24
2012	6	137.84	57.98
2011	5	1,032.94	41.35

Source: Bloomberg, BDO Analysis

General Mining Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2021	2	2976.25	15.89
2020	6	494.16	33.24
2019	11	153.60	36.27
2018	9	61.53	39.47
2017	5	13.91	35.21
2016	11	66.19	51.54
2015	9	340.82	57.86
2014	15	113.69	41.79
2013	13	134.67	34.94
2012	16	231.26	49.34
2011	20	845.42	33.08

Source: Bloomberg, BDO Analysis

All ASX-Listed Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2021	10	1,486.42	26.47
2020	24	467.30	38.22
2019	43	3,161.18	31.34
2018	42	1,158.48	31.08
2017	29	973.71	37.91
2016	38	788.27	36.82
2015	34	828.14	34.10
2014	45	517.00	37.98
2013	36	138.78	33.37
2012	47	511.85	43.94
2011	63	953.85	35.75

Source: Bloomberg, BDO Analysis

The mean and the median of the entire data sets comprising control transactions from 2011 onwards for gold companies, general mining companies and all ASX-listed companies, are set out below:

Entire Data Set Metrics	Gold Companies		General Mining Companies		All ASX-Listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	452.02	43.42	336.87	40.87	997.93	35.82

Entire Data Set Metrics	Gold Companies		General Mining Companies		All ASX-Listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Median	40.69	41.63	45.11	38.28	126.86	31.51

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium by acquirers of gold companies, general mining companies and all ASX-listed companies is approximately 43.42%, 40.87% and 35.82% respectively. However, in assessing the transactions included in the table, we noted transactions that appear to be extreme outliers.

These outliers included two gold company transactions, 13 general mining company transactions and 33 ASX-listed company transactions, for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 41.63% for gold companies, 38.28% for general mining companies and 31.51% for all ASX-listed companies.

We consider an appropriate control premium to be on the lower end of historical averages as a result of the degree of business risk faced by exploration companies. As Firefly's current operations are in the exploration phase and are therefore high-risk assets, we believe that an acquirer would not be willing to pay a control premium in line with historical averages. Based on the above, we consider an appropriate premium for control to be between 25% and 35%.

Quoted market price including control premium

Applying a control premium to Firefly's quoted market share price results in the following quoted market price value including a premium for control:

	Low \$	Preferred \$	High \$
Quoted market price value	0.100	0.109	0.118
Control premium	25%	30%	35%
Quoted market price valuation including a premium for control	0.125	0.142	0.159

Source: BDO analysis

Therefore, our valuation of a Firefly share based on the quoted market price method and including a premium for control is between \$0.125 and \$0.159, with our preferred value being a midpoint value of \$0.142.

11.3 Assessment of the value of Firefly prior to the Scheme

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
Sum-of-Parts (Section 11.1)	0.040	0.048	0.057
QMP (Section 11.2)	0.125	0.142	0.159

Source: BDO analysis

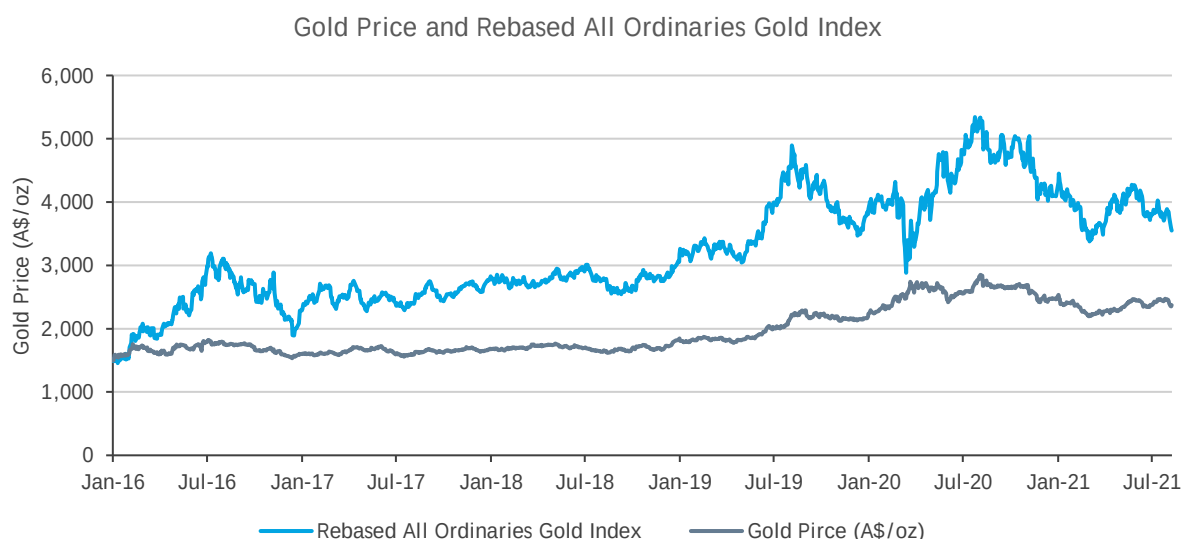
We consider the Sum-of-Parts approach to be the most appropriate methodology to value Firefly as the core value of the Company lies in its Yalgoo Project, which has been independently valued by SRK, an independent technical specialist in accordance with VALMIN.

We note that the value of Firefly derived under the Sum-of-Parts approach is lower than the results derived under the QMP approach for the following reasons:

- QMP may include an element of blue sky value of Firefly's mineral assets. We have commissioned SRK to provide a valuation of Firefly's mineral assets as an independent technical specialist. We have instructed SRK to prepare their Technical Specialist Report in compliance with the VALMIN Code and other industry guidelines, whilst also adhering to guidance provided by ASIC's Regulatory Guides. Market participants are not governed by these industry codes and therefore may be basing their valuations on more optimistic technical and economic assumptions;
- Given the current gold price environment and the strong cash position of gold development and mid-tier mining companies, the market price may partly reflect the possibility of Firefly entering into a control transaction. We note that Firefly is growing its resource base and does not currently have sufficient capital to develop its own processing facility. As such, the QMP value is likely to reflect the market's expectation that a transaction may eventuate. Therefore, the QMP (on a

minority interest basis) through market expectations, could already incorporate a control premium; and

- There has been positive market indicators throughout the year for ASX listed miners and explorers, as evidenced by the BDO Explorer Quarterly Cash Update for the March 2021 quarter which reported continued strong investment and record breaking financing inflows, with exploration companies receiving a total of \$2.7 billion in funds (the highest quarter of financing since 2013). Given the current environment, we note that market prices more broadly are likely to exceed values ascribed by independent technical specialists, as the values are often based on resource multiples observed in historical comparable transactions. Notwithstanding that the multiples on historical transactions used by SRK have been rebased to the commodity price as at the valuation date, it is not uncommon for multiples on transactions to be affected by market sentiment in excess of movements in commodity prices. In particular, for exploration companies, the market sentiment for a commodity may not move closely in line with the price of that commodity. As evidence of this, we note that the All Ordinaries Gold Index has increased by 138% since the start of 2016 to 11 August 2021, being the period over which SRK has assessed comparable transactions, whereas the gold price in Australian dollars has increased by 59% over the same period. To further illustrate this, we have charted the Australian dollar gold price over the period from January 2016, and compared this to a rebased all ordinaries gold index over the same period. Therefore, the divergence between the gold price and the market sentiment for gold companies (proxied by the All Ordinaries Gold Index) over the time period over which SRK compiled its comparable transactions, is likely to be part of the reason for the disparity between the sum-of-parts value and the QMP value.



Source: BDO analysis

Based on the results above we consider the value of a Firefly share prior to the Scheme to be between \$0.040 and \$0.057, with a preferred value of \$0.048.

12. Valuation of the Proposed Merged Entity

12.1 Sum of Parts valuation

We have valued the Proposed Merged Entity using a Sum-of-Parts approach, with our valuation including the:

- Value of the Dalgara Project (including the planned integration of Firefly's Melville Deposit);
- Value of the residual resources of Firefly and Gascoyne not included in the DCF;
- Value of Firefly's other mineral assets;
- Value of the other assets and liabilities of Firefly and Gascoyne not included in the DCF; and
- Present value of forecast corporate costs of the Proposed Merged Entity.

The summary of our Sum-of-Parts valuation is set out in the table below.

Valuation of the Proposed Merged Entity following the Scheme	Ref	Low \$'000s	Preferred \$'000s	High \$'000s
Value of the Dalgara Project	12.1.1	20,000	46,000	70,000
Value of the residual resource	12.1.2	24,900	30,000	35,100
Value of Gascoyne's other mineral assets	12.1.3	-	-	-
Value of Firefly's other exploration assets	12.1.4	1,000	1,700	2,300
Value of Forrestania	11.1.2	1,300	1,300	1,800
Value of Firefly's other assets and liabilities	11.1.3	4,093	4,093	4,093
Value of Gascoyne's other assets and liabilities	12.1.5	19,902	19,902	19,902
Present value of corporate costs of the Proposed Merged Entity	12.1.6	(36,000)	(31,000)	(27,000)
Transaction costs	12.1.7	(3,990)	(3,990)	(3,990)
Total value of the Proposed Merged Entity (control)		31,205	68,005	102,205
Number of shares outstanding	12.1.8	371,254,141	371,254,141	371,254,141
Value per share (\$) (control)		0.084	0.183	0.275
Minority discount	12.1.9	26%	23%	20%
Value per share (\$) (minority interest)		0.062	0.141	0.220
Value per 0.34 shares (\$) (minority interest)		0.021	0.048	0.075

We have assessed the value of a share in the Proposed Merged Entity on a minority interest basis to be in the range of \$0.062 to \$0.220 with a preferred value of \$0.141.

Pursuant to the Scheme, Shareholders will receive 0.34 shares in the Proposed Merged Entity for every Firefly share held. Therefore, we have presented the value of 0.34 shares in the Proposed Merged Entity, with the assessed value being between \$0.021 and \$0.075, with a preferred value of \$0.048.

12.1.1. Value of the Dalgaranga Project

The management of Gascoyne have prepared a detailed forecast cash flow model ('the Model') of its Dalgaranga Project (including the planned integration of Firefly's Melville Deposit). The Model estimates the future cash flows expected from production over the life of mine for the Dalgaranga Project.

We have assessed the reasonableness of the Model and the material assumptions that underpin it. We have made certain adjustments to the Model where it was considered appropriate, to arrive at an adjusted model ('Adjusted Model'). We have adjusted the Model to reflect any changes to technical assumptions as a result of SRK's review, in addition to any changes to the economic and other input assumptions that we consider appropriate as a result of our research.

The Model was prepared based on estimates of the production profile of the Dalgaranga Project, operating costs and capital expenditure. The main assumptions underpinning the Model and Adjusted Model include:

- mining and processing volumes;
- commodity prices;
- operating costs;
- development and sustaining capital expenditure;
- rehabilitation costs;
- foreign exchange rates;
- royalties;
- corporate tax; and
- discount rate.

We undertook the following analysis on the Model:

- analysed the Model to confirm its integrity and mathematical accuracy;
- appointed SRK as technical expert to review, and where required, provide changes to the technical assumptions underpinning the Model;
- conducted independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation, and the discount rate applicable to the future cash flows of the Proposed Merged Entity;
- held discussions with SRK to confirm the reasonableness of the technical inputs underpinning the Model; and
- performed sensitivity analysis on the value of the Dalgaranga Project as a result of flexing key assumptions and inputs.

We have not undertaken a review of the cash flow forecast in accordance with the Standards on Assurance Engagement ASAE 3450 'Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information' and do not express an opinion on the achievability of the forecast. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Model has been based have not been prepared on a reasonable basis.

Appointment of a technical expert

SRK was engaged to prepare a report providing a technical assessment of the assumptions underlying the Model. SRK's assessment involved the review and provision of opinion on the reasonableness of the assumptions adopted in the Model, including but not limited to:

- mining physicals (including volume mined, recovery, and grade);
- mineral resource and reserves included in the Model;
- processing assumptions (including products recovery);
- operating costs (comprising mining, processing and administration costs);
- capital expenditure (development and sustaining capital required);
- royalties;
- rehabilitation; and
- other relevant assumptions.

SRK's Technical Specialist Report is included in Appendix 3.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Model, as it is often the case that some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions

Inflation

Metal prices obtained from our research sources are quoted on a nominal basis. Therefore, we applied inflation to the Model in order to convert the cash flows to nominal terms in the Adjusted Model.

We have adopted an annual inflation rate of 1.5% for the Adjusted Model. This is based on forecast inflation rates as sourced from Bloomberg, whilst also giving consideration to historical inflation rates in Australia.

Foreign Exchange

Metal prices obtained from our research are quoted in nominal USD terms. We have converted the metal prices from USD to AUD at the following forecast exchange rates for their respective calendar year ('CY') periods:

Exchange Rates	CY 21	CY 22	CY 23	CY 24	CY 25	CY 26+
USD:AUD	0.75	0.76	0.77	0.77	0.76	0.76

Source: Bloomberg and BDO analysis

Metal Prices

In forming our view of the forecast gold price, we have had regard to both the historical gold price from Bloomberg as well as consensus analyst views on forecast pricing, as published by Consensus Economics.

We have also reflected Gascoyne's gold hedging program in our Adjusted Model.

Based on our analysis, we have adopted the following nominal forecast gold price over the forecast period for the unhedged portion of Gascoyne's sales:

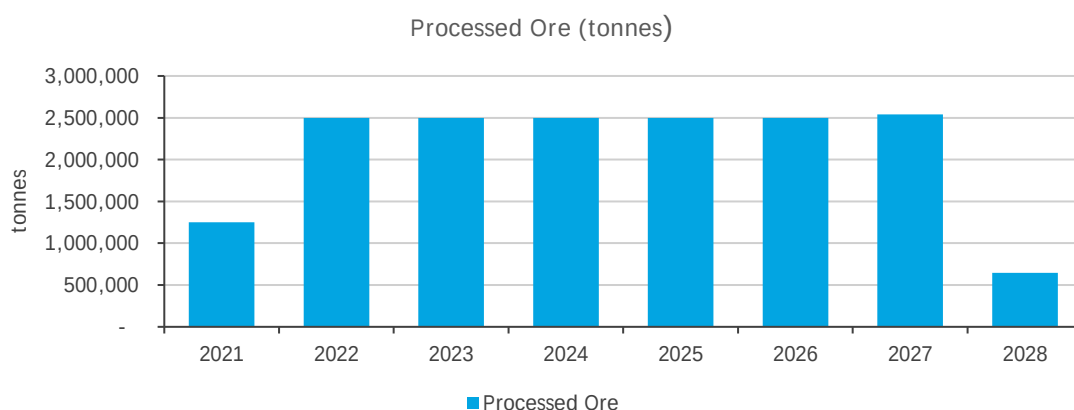
Gold price	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q24 22	Q1 23	Q2 23	CY 23	CY 24	CY 25	CY 26+
Gold (US\$/oz)	1,801	1,793	1,783	1,761	1,760	1,748	1,707	1,699	1,699	1,655	1,640	1,639

Mining physicals

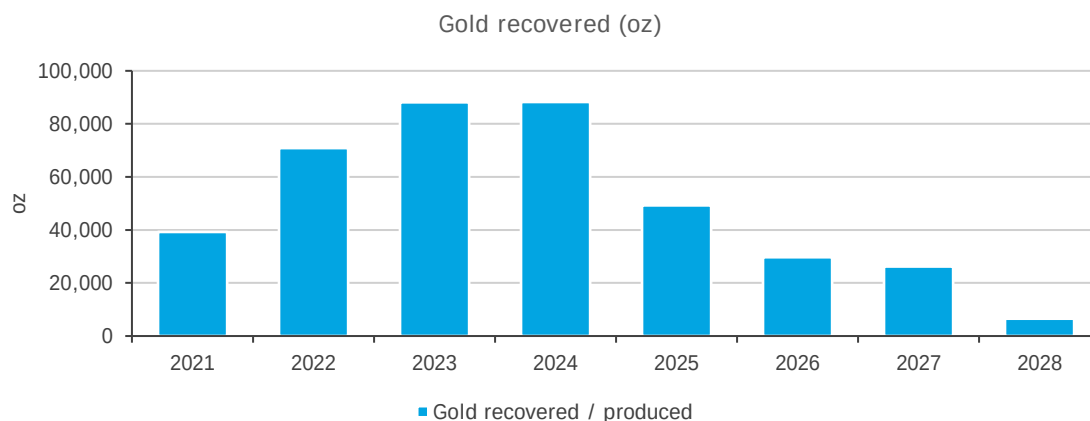
The Dalgara Project is currently producing, with a current remaining production outlook (including integration of the Melville Deposit) of approximately 7 years. The graphs below show the forecast ore to be mined and processed over the production outlook period, for each calendar year assuming a 1 July 2021 valuation date. Therefore, given our valuation date of 1 July 2021, in relation to the charts below, CY2021 represents the six months to 31 December 2021. We note that SRK recommended to limit processing throughput to 2.5Mt per annum, which has been reflected in the Adjusted Model and the processed ore chart below. Further information on SRK's recommendations can be found in Appendix 3 of our Report.



Source: Adjusted Model and BDO analysis



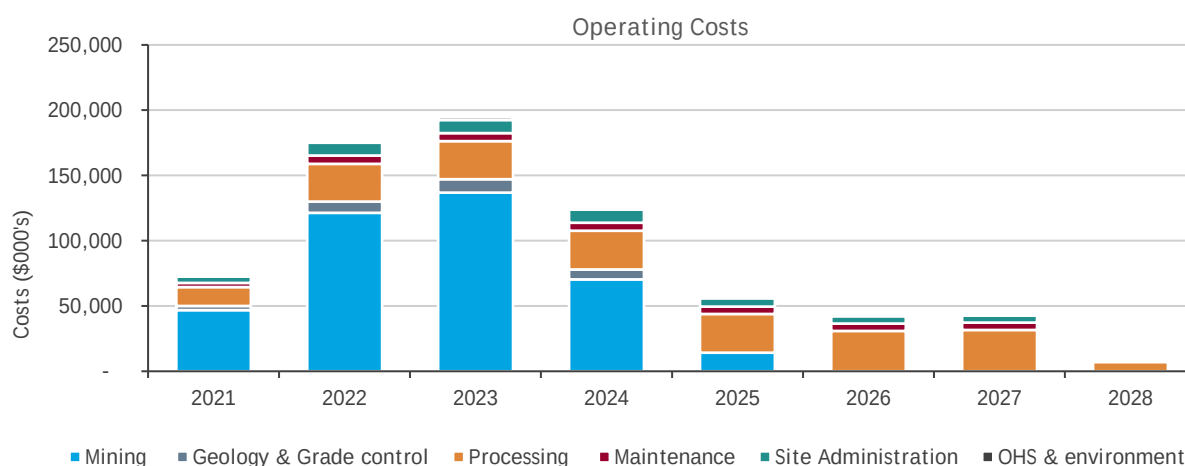
Source: Adjusted Model and BDO analysis



Source: Adjusted Model and BDO analysis

Operating costs

The operating costs included in the Adjusted Model include contractor mining costs, geology and grade control costs, processing costs, maintenance costs, site costs, occupational health and safety costs. In preparing the Adjusted Model, we have applied our inflation assumption of 1.5% per annum to the forecast operating costs. SRK has confirmed the reasonableness of the forecast operating cost assumptions having considered the costs incurred historically and by assessing the forecast per tonne operating costs in the context of their experience with mining projects in Australia. The forecast operating costs for the Dalgara Project are illustrated in the charts below.



Source: Adjusted Model and BDO analysis

Capital expenditure

The capital expenditure requirements for the Dalgaranga Project relate to development and sustaining capital costs. These capital costs total \$6.2 million (on a real basis) over the life of the mine. SRK has confirmed the reasonableness of the forecast capital costs included in the Adjusted Model.

Royalties

Gold metal produced at the Dalgaranga Project is subject to a 2.5% royalty (Western Australian State Government ad valorem royalty). The West Australian State Government royalty is reflected in our Adjusted Model.

We note the Adjusted Model does not reflect any private royalties, as SRK have advised the royalties relate to tenements over exploration areas. Therefore, we would not have reasonable grounds to incorporate any cash flows relating to these royalties into the Adjusted Model. Further details on the royalties can be found in SRK's Technical Specialist Report found in Appendix 3 of our Report.

Taxation

As at 31 December 2020, Gascoyne had approximately \$95.5 million of carried forward tax losses available to utilise against future taxable income. Nothing has come to our attention to suggest that Gascoyne's carried forward tax losses would not be able to be utilised following the implementation of the Scheme. We have not assumed that the tax losses in Firefly will be utilised by the Proposed Merged Entity, because even if these losses could be utilised, the available fraction would be so low that the tax benefit of these losses would not be material. Based on the forecast cash flows included in the Adjusted Model, the Gascoyne losses alone are sufficient to offset forecast profits, therefore the Proposed Merged Entity has an effective tax rate of 0% over the forecast period.

Corporate costs

We have excluded corporate costs from the Adjusted Model, as we have separately assessed an appropriate level of corporate costs for the Proposed Merged Entity in Section 12.1.5.

Mine Closure Costs

The Model includes total mine closure costs of \$8.7 million (in real terms). SRK has recommended a mine closure cost estimate of \$23 million (in real terms). We have reflected SRK's recommended mine closure costs in the Adjusted Model, after applying inflation. We have also removed the salvage value included in the Model, based on SRK's recommendation. Further details on the mine closure costs can be found in SRK's Technical Specialist Report found in Appendix 3 of our Report

Receivables and payables

We have not reflected the receivables and payables balances as 30 June 2021 in the Adjusted Model. We note these balances are considered separately in Gascoyne's other assets and liabilities in Section 12.1.4.

Inventories

We have reflected the inventory on hand including stockpiles, gold in circuit and fuel in the Adjusted Model. We have assumed all inventories are sold or have been used by the end of the forecast period.

Debt repayment

The Model includes principal and interest repayments from the Investec Facility. As at 1 July 2021, the outstanding balance of the Investec Facility is approximately \$14 million. The Adjusted Model forecasts that the Investec Facility will be fully repaid in June 2022.

Discount rate

In our assessment of an appropriate discount rate to apply to the cash flows of the Dalgaranga Project, we consider the most appropriate discount rate to be the Proposed Merged Entity's cost of equity. This is because the Adjusted Model includes debt cash flows, and therefore the cash flows in the Adjusted Model represent cash flows to equity holders.

We have selected a nominal cost of equity in the range of 7.5% to 10.5% per annum to discount the cash flow of the Dalgaranga Project to its present value. We have used a rounded midpoint discount rate of 9.0% in our base case.

In selecting this range of discount rates, we have considered the following:

- the rate of return for comparable ASX listed gold producing companies; and
- the risk profile of the Proposed Merged Entity as compared to the comparable companies identified.

A detailed consideration of how we arrived at our adopted discount rate range is shown in Appendix 4.

Sensitivity analysis

Our valuation of the Dalgaranga Project is sensitive to changes in forecast commodity prices, operating expenditure, capital expenditure and foreign exchange rates. We have therefore included a sensitivity analysis to consider the value of the Dalgaranga Project under various pricing scenarios and in applying:

- a change of +/- 10% to the gold price;
- a change of +/- 10% to operating costs;
- a change of +/- 10% to capital costs;
- a change of +/- 10% to the AUD/USD exchange rate; and
- a discount rate in the range of 7.5% to 10.5%.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of the Dalgaranga Project if our base case assumptions change:

Currency: \$000		Sensitivity Analysis of the value of the Dalgaranga Project		
Percentage change	Gold price (US\$/oz)	Exchange rate (AUD/USD)	Capital costs	Operating costs
-10%	(15,583)	112,056	46,407	106,972
-8%	(4,163)	97,659	46,292	94,744
-6%	7,253	83,876	46,177	82,516
-4%	18,756	70,666	46,062	70,288
-2%	33,914	57,996	45,948	58,061
0%	45,833	45,833	45,833	45,833

Currency: \$000		Sensitivity Analysis of the value of the Dalgaranga Project		
2%	57,657	34,146	45,718	33,605
4%	69,589	19,694	45,603	21,377
6%	81,606	9,256	45,488	9,149
8%	93,548	(750)	45,373	(3,079)
10%	105,452	(10,392)	45,258	(15,307)

Source: Adjusted Model and BDO analysis

Discount Rate					
Discount rate (%)	7.5%	8.5%	9.0%	9.5%	10.5%
Value of the Dalgaranga Project (\$m)	43,230	44,944	45,833	46,743	48,630

Source: Adjusted Model and BDO analysis

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of the Dalgaranga Project to changes in pricing and other assumptions.

Based on the above analysis we consider the value of the Dalgaranga Project to be in the range of \$20 million to \$70 million with a preferred value of \$46 million. Our assessed low and high values are based on +/-4% movements in the gold price and AUD/USD exchange rate. These two key economic inputs drive the forecast Australian Dollar denominated gold price on which the Proposed Merged Entity derives its revenue. Over the past five years, the annualised volatility of the Australian Dollar denominated gold price was approximately 13%. Therefore, given the sensitivity of the value to movements in the gold price and exchange rate and the historical volatility of these inputs, we consider it appropriate to adopt a wide range of values around our preferred position.

12.1.2. Value of the Residual Resource

We have instructed SRK to independently value the residual resource estimate (resources not considered in the Adjusted Model) for the Proposed Merged Entity. SRK used the comparable transaction approach to value the residual resource estimate. The fair market value of the residual resource estimate lies within the range of \$24.9 million to \$35.1 million with a preferred value of \$30.0 million. The breakdown of the values is detailed in the table below.

Mineral Assets	Low Value \$m	Preferred Value \$m	High Value \$m
Indicated residual resources - Gascoyne	22.8	27.3	31.9
Indicated residual resources - Firefly	-	-	-

Mineral Assets	Low Value	Preferred Value	High Value
	\$m	\$m	\$m
Inferred residual resources - Gascoyne	1.8	2.2	2.6
Inferred residual resources - Firefly	0.4	0.5	0.6
TOTAL (rounded)	24.9*	30.0	35.1

Source: Technical Specialist Report prepared by SRK

*Any discrepancy between table values is due to rounding.

For further information on SRK's approach and conclusions, refer to the SRK report, which is included as Appendix 3 of our Report.

12.1.3. Value of Gascoyne's other mineral assets

We have instructed SRK to independently value the other mineral assets of Gascoyne, being its exploration portfolio. SRK has determined the value of the Gascoyne tenure outside of that covered by the mineral resource estimates to not be material to the Scheme, and therefore the value for Gascoyne's other mineral assets is nil. For further information on SRK's conclusions, refer to the SRK report, which is included as Appendix 3 of our Report.

12.1.4. Value of Firefly's other exploration assets

We have instructed SRK to independently value the other mineral assets of Firefly, being its exploration portfolio. SRK used the comparable transaction and geoscientific approach to value the exploration portfolio of Firefly. The fair market value of the other mineral assets lies within the range of \$1.0 million to \$2.3 million with a preferred value of \$1.7 million. For further information on SRK's approach and conclusions, refer to the SRK report, which is included as Appendix 3 of our Report.

12.1.5. Value of Gascoyne's other assets and liabilities

The other assets and liabilities of Gascoyne represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Gascoyne and analysis of these other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Valuation of Gascoyne's other assets and liabilities	Note	Reviewed as at	
		31-Dec-20	Adjusted
		\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	a)	37,302	23,448
Inventories	b)	12,555	935
Other assets		6,894	6,894
TOTAL CURRENT ASSETS		56,751	31,277
NON-CURRENT ASSETS			

Valuation of Gascoyne's other assets and liabilities	Note	Reviewed as at	
		31-Dec-20	
		\$'000	Adjusted \$'000
Mine properties, property, plant and equipment	c)	193,863	-
Exploration and evaluation expenditure	d)	31,615	-
Other financial assets		423	423
TOTAL NON-CURRENT ASSETS		225,901	423
TOTAL ASSETS		282,652	31,700
CURRENT LIABILITIES			
Trade and other payables		10,490	10,490
Borrowings and lease liabilities	e)	16,755	-
Provisions	f)	2,647	1,308
Other financial liabilities	g)	2,776	-
TOTAL CURRENT LIABILITIES		32,668	11,798
NON-CURRENT LIABILITIES			
Borrowings and lease liabilities	e)	35,513	-
Provisions	f)	25,737	-
Other financial liabilities	g)	9,918	-
TOTAL NON-CURRENT LIABILITIES		71,168	-
TOTAL LIABILITIES		103,836	11,798
NET ASSETS		178,816	19,902

Source: Gascoyne's reviewed financial statements for the half year ended 31 December 2020, management accounts as at 30 June 2021 and BDO analysis

We have not undertaken a review of Gascoyne's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there has not been any other significant change in the net assets of Gascoyne since 30 June 2021 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at 31 December 2020 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation of Gascoyne's other assets and liabilities:

Note a): Cash and cash equivalents

Gascoyne's management has provided us with the bank balance at 30 June 2021, which we have verified against the Company's Quarterly Cash flow Report. Our adjustments are set out in the table below.

Cash and cash equivalents	\$'000
Cash and cash equivalents at 31 December 2020	37,302
Add: Receipts from customers	90,189
Less: Payments to suppliers and employees	(47,779)
Less: Payments for mine properties, property, plant and equipment*	(27,656)
Less: Loan repayments	(24,002)
Less: Other net cash outflows	(4,606)
Adjusted cash and cash equivalents	23,448

*Payments for mine properties, property plant and equipment primarily relates to stripping costs at the Dalgaranga Project.

Note b): Inventories

For the purpose of our valuation we have adjusted the inventories balance of approximately \$12.6 million as at 31 December 2020 to \$0.9 million, which is the portion of inventories that relates to gold on hand as at 31 December 2020. We note all other inventories are included in the Adjusted Model and therefore reflected in our value of the Dalgaranga Project.

Note c): Mine properties, property, plant and equipment

We have adjusted the mine properties, property, plant, and equipment balance of approximately \$193.9 million at 31 December 2020 to nil as the portion of the PP&E that are not used for mining activities is not material. The PP&E used for mining related activities is reflected in the value of the Dalgaranga Project and the other mineral assets. SRK have confirmed that there is no material salvage value associated with this plant and equipment.

Note d): Exploration and evaluation assets

We have adjusted the exploration and evaluation assets of approximately \$32 million at 31 December 2020 to nil as these costs are reflected in the value of the Dalgaranga Project and the other mineral assets.

Note e): Borrowings and lease liabilities

We have adjusted the current and non-current borrowings and lease liability balances to nil. The balances relate to Gascoyne's Investec Facility and lease liabilities. As the principal and interest repayments from the Investec Facility are reflected in the Adjusted Model, we have removed this portion of the balance as this is already reflected in our value of the Dalgaranga Project. Similarly, we have also removed the lease liability, as the lease repayments are reflected in the Adjusted Model, and are therefore reflected in our value of the Dalgaranga Project.

Note f): Provisions

We have been provided with management accounts for the period ended 30 June 2021 and note no material changes to the provisions balances since the reviewed position at 31 December 2020. We have therefore relied on the reviewed balance at 31 December 2020.

We have adjusted the current provision balance of approximately \$2.6 million at 31 December 2020 to \$1.3 million, which is the portion of the current provision that does not relate to royalties. We have removed the royalty provision, as royalties are included in the Adjusted Model and therefore reflected in the value of the Dalgaranga Project.

We have adjusted the non-current provisions balance of approximately \$25.7 million at 31 December 2020 to nil as this largely relates to a provision for rehabilitation. The portion of the non-current provisions balance that does not relate to rehabilitation is not material. We have removed the rehabilitation provision, as mine closure costs are included in the Adjusted Model and therefore reflected in the value of the Dalgara Project.

Note g): Other financial liabilities

Other financial liabilities relate to amounts owing under Gascoyne's liability payment arrangement with NRW. We have adjusted the other financial liabilities balance to nil as the repayments to NRW are reflected in the Adjusted Model and therefore included in our value of the Dalgara Project.

12.1.6. Present value of corporate costs of the Proposed Merged Entity

We have removed the corporate costs from the Adjusted Model. These corporate costs consist of all corporate administration costs that cannot be directly attributable to the Dalgara Gold Project.

As part of our analysis, we have considered the corporate costs that Gascoyne has incurred historically. Set out below are the corporate costs incurred by Gascoyne for the half year ended 31 December 2020 and the years ended 30 June 2020 and 30 June 2019. We note that during these periods the company was in a DOCA, and incurred additional corporate costs as part of its recapitalisation. Therefore, the corporate costs for these periods are not reflective of the corporate costs that are likely to be incurred by the Proposed Merged Entity going forward. For comparison purposes we have also presented the historical corporate costs incurred by Firefly. We do not consider these to be a reliable proxy for corporate costs following the implementation of the Scheme because we would expect that the corporate costs involved with running a company with a producing asset would be higher than those incurred by an exploration company.

	Actual half year ended 31-Dec-20	Actual year ended 30-Jun-20	Actual year ended 30-Jun-19
Corporate costs of Gascoyne (\$m)	6.88	11.95	6.50
Corporate costs of Firefly (\$m)	2.47	1.55	1.27

Source: Gascoyne's and Firefly's Annual Report for the years ended 30 June 2019 and 30 June 2020 and Half Year Report for the six months to 31 December 2020

As part of our analysis, we have also considered the corporate costs incurred by ASX-listed companies with a similar size and scale of operations to the Proposed Merged Entity. We have analysed ASX-listed gold mining companies with major projects located within Australia, while considering other company characteristics such as revenue, total assets, number of producing mines and market capitalisation, as proxies for the size and scale of operations.

Our analysis of the corporate costs for the identified ASX-listed companies is set out below. We have not included Gascoyne in the mean and median calculations, but it has been presented for comparison purposes:

Company Name	Commodity	Revenue for the year ended 30-Jun-20 \$m	Market capitalisation as at 30-Jun-21 \$m	Corporate costs for the year ended 30-Jun-20 \$m
Gascoyne Resources Limited	Gold	171.5	75.3	11.9
Dacian Gold Limited	Gold	270.0	236.8	7.8
Red 5 Limited	Gold	200.2	445.8	11.3
Tribune Resources Limited	Gold	180.4	241.4	10.6
Wiluna Mining Corporation	Gold	126.6	146.4	6.0
Pantoro Limited	Gold	82.1	281.7	3.2
Beacon Minerals Limited	Gold	42.8	125.4	2.1*
Mean (excluding Gascoyne)		150.4	246.3	7.8
Median (excluding Gascoyne)		153.5	239.1	7.8

Source: Annual reports, Bloomberg Data and BDO Analysis.

*Note: Beacon Minerals Limited commenced gold production in September 2019.

Based on the above analysis of corporate costs incurred by companies with similar size, scale and nature of operations as the Proposed Merged Entity, we have assessed real corporate costs for the Proposed Merged Entity to be in the range of \$6 million to \$8 million per annum, with a preferred position of \$7 million per annum. Following completion of mining at the Dalgara Project in 2025, we have reduced corporate costs by 50% for the remaining forecast period.

We have applied our assessed forecast inflation rate of 1.5% per annum to the corporate costs over the forecast period and have discounted these cash flows at the Proposed Merged Entity's cost of equity of 9%, as detailed in Appendix 4.

Based on the above analysis, we have assessed the present value of corporate costs to be in the range of \$27 million to \$36 million with a preferred value of \$31 million, which we have input into our Sum-of-Parts valuation of the Proposed Merged Entity.

Refer to Appendix 5 for a list of the comparable companies used in our analysis and a description of each.

12.1.7. Transaction costs

We have adjusted our valuation of the Proposed Merged Entity to reflect the transaction costs that will be incurred in the event the Scheme is implemented. The transaction costs to be incurred by the Proposed Merged Entity have been estimated to be \$4.4 million as detailed in the Scheme Booklet. We have deducted the amount of transaction costs that have been incurred by Firefly and Gascoyne prior to 30 June 2021 as these amounts are reflected in the respective valuations of other assets and liabilities. The total transaction costs include an estimate of the stamp duty liability that is likely to arise following the implementation of the Scheme. We note that the stamp duty payable is an estimate and that the actual amount payable may differ from the amount provided for in the Scheme Booklet. However, we note that our valuation or opinion in relation to the Scheme is not sensitive to changes in the assumptions underpinning the estimate of the stamp duty liability or other transaction costs.

12.1.8. Number of shares outstanding

Following the implementation of the Scheme, the Proposed Merged Entity will have approximately 371.3 million shares on issue (on an undiluted basis) as set out in the table below.

Share structure following the implementation of the Scheme	
Number of Firefly shares on issue as at the date of our Report	308,339,530
Number of Firefly shares issued to Firefly Option Holders under the terms of the Scheme	6,300,000
Number of Firefly shares to be issued on vesting of Firefly Performance Rights	34,233,328
Total number of Firefly shares	348,872,858
<i>Number of Gascoyne Shares that Firefly shareholders will receive for every share they hold in Firefly</i>	<i>0.34</i>
Number of Proposed Merged Entity shares to be issued to Shareholders	118,616,772
Number of Proposed Merged Entity shares to be issued to Firefly Option Holders	1,779,241
Total Number of Proposed Merged Entity shares to be issued to Firefly shareholders and Option Holders	120,396,013
Number of Gascoyne shares on issue as at the date of our Report	250,858,128
Total ordinary shares on issue in the Proposed Merged Entity following the implementation of the Scheme	371,254,141

12.1.9. Minority discount

The value of a Proposed Merged Entity share derived under the Sum-of-Parts approach is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence on the operations and value of that company. However, if the Scheme is approved, Shareholders will be minority holders in the Proposed Merged Entity, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations of that company.

Therefore, we have adjusted our valuation of a Proposed Merged Entity share following the Scheme to reflect the minority interest holding. The minority discount is based on the inverse of the control premium and is calculated using the formula $1 - (1 / (1 + \text{control premium}))$.

Based on our analysis in Section 11.2, we consider an appropriate control premium to be in the range of 25% to 35% with a midpoint of 30%. This assessed control premium range gives rise to a rounded minority discount in the range of 20% to 26%, with a rounded midpoint of 23%.

12.2 Implied Resource Multiple

To provide a cross check for our value of the Dalgara Project on a discounted cash flow basis, we have compared the multiples used by SRK to value the residual resources in the Technical Specialist Report found in Appendix 3 of our Report, to the implied resource multiples determined by our valuation of Dalgara in Section 12.1.1.

A summary of the multiples used by SRK is set out below:

Multiples used by SRK	Low A\$/oz	High A\$/oz
Multiple for Indicated Mineral Resources	50	70

Multiples used by SRK	Low A\$/oz	High A\$/oz
Multiple for Inferred Mineral Resources	20	30

Source: SRK's Technical Specialist Report

The Mineral Resource reflected in the Adjusted Model, as determined by SRK is set out below:

Mineral Resource (oz)	
Measured	30,600
Indicated	689,900
Inferred	97,600
Total Mineral Resource reflected in the Adjusted Model (oz)	818,100

We have calculated an implied resource multiple by dividing the value of the Dalgaranga Project as determined in Section 12.1.1 by the ounces of Mineral Resource reflected in the Adjusted Model, as set out below:

Implied Multiple	Low	Preferred	High
Value of the Dalgaranga Project (\$'000)	20,000	46,000	70,000
Mineral Resource reflected in the Adjusted Model (oz)	818,100	818,100	818,100
Implied Multiple (\$/oz)	24.45	56.23	85.56

Source: SRK's Technical Specialist Report and BDO analysis

Based on our analysis we consider the implied multiple range being approximately \$24 per ounce to \$86 per ounce to be supported by the multiple ranges used by SRK in valuing the residual resource. SRK adopted different valuation ranges for the indicated and inferred Mineral Resource, being \$50- \$70 per ounce and \$20-\$30 per ounce respectively. We note that the Adjusted Model includes Measured, Indicated and Inferred mineral resources. Therefore, we consider the value of the Dalgaranga Project as determined in Section 12.1.1, to be broadly supported by the resource multiples used by SRK in the Technical Specialist Report found in Appendix 3 of our Report.

12.3 Assessment of the value of a share in the Proposed Merged Entity

Based on the Sum-of-Parts approach, we consider the value of a share in the Proposed Merged Entity on a minority interest basis to be in the range of \$0.062 and \$0.220, with a preferred value of \$0.141.

Pursuant to the Scheme, Shareholders will receive 0.34 shares in the Proposed Merged Entity for every Firefly share held. As such, the value that is used for our assessment of whether the Scheme is fair is the value of 0.34 shares in the Proposed Merged Entity, being \$0.021 to \$0.075 with a preferred of \$0.048.

13. Is the Scheme fair?

The value of a share in Firefly prior to the implementation of the Scheme on a control basis and the value of 0.34 shares in the Proposed Merged Entity following the implementation of the Scheme on a minority interest basis is compared below:

	Ref	Low \$	Preferred \$	High \$
Value of a share in Firefly prior to the Scheme (control basis)	11.3	0.040	0.048	0.057
Value of 0.34 shares in the Proposed Merged Entity (minority basis)	12.3	0.021	0.048	0.075

The valuation of a share in Firefly prior to the Scheme is within the range of our valuation of 0.34 shares in the Proposed Merged Entity. We note that our assessed low value of a share in Firefly prior to the Scheme (on a control basis) is higher than the minority interest value of 0.34 shares in the Proposed Merged Entity following the implementation of the Scheme, suggesting that following the Scheme Shareholders may be exposed to more downside risk. However, our preferred value prior to the Scheme is equivalent to the value of 0.34 shares in the Proposed Merged Entity following the Scheme. Also, under the high end of our value range, the value of 0.34 shares in the Proposed Merged Entity is higher than the value of a Firefly share prior to the Scheme. As a result, we consider that the Scheme is fair for Shareholders.

The fairness assessment above compares the sum-of-parts value of Firefly prior to the Scheme with a sum-of-parts value of 0.34 shares in the Proposed Merged Entity, using the same methodology allowing a like for like comparison.

Although, the QMP was not our preferred valuation approach for the reasons detailed in section 11.3, we have considered the post announcement pricing of the Proposed Merged Entity (proxied by the pricing of Gascoyne) in reasonableness and compared this to the QMP value of a share in Firefly prior to the Scheme. As detailed in section 14.1.8, on a market price basis, the value of 0.34 shares in the Proposed Merged Entity is higher than the value of a Firefly share (on a minority interest basis) prior to the Scheme. Therefore, based on market pricing for an individual Firefly shareholder, the Scheme is value accretive, such that if Shareholders elected to realise their investment on market, the value of the proceeds would likely be higher if the Scheme is implemented.

14. Is the Scheme reasonable?

14.1 Advantages of Approving the Scheme

We have considered the following advantages when assessing whether the Scheme is reasonable.

14.1.1. The Scheme is fair for Shareholders

As set out in section 13, the Scheme is fair. RG111.12 states that an offer is reasonable if it is fair.

14.1.2. Provides Shareholders with exposure to a producing mine whilst retaining an interest in the exploration potential of the Yalgoo Project

The mineral assets of Firefly are currently in the exploration phase, and as such, the shareholders of Firefly currently have no immediate exposure to a cash generating asset. However, if the Scheme is implemented, Shareholders will receive immediate exposure to Gascoyne's Dalgaranga Project, which is a gold producing mine, whilst also retaining exposure to the exploration potential of the Yalgoo Project.

Further, Firefly's Yalgoo Project is located within close haulage distance to the Dalgaranga Project. Under the ownership of the Proposed Merged Entity, the intention is to extend the mine life, increase annual production and expand the existing Mineral Resource through exploration. The consolidation of the Yalgoo Project with the Dalgaranga Project will provide the opportunity to optimise Gascoyne's existing mine schedule given the higher grade ore at Yalgoo.

If the Scheme is implemented, Shareholders can benefit from participating in the potential value accretion from utilising the Dalgaranga processing facility to process the ore from Firefly's Melville Deposit as gaining exposure to the operating synergies of the improved mine schedule of Dalgaranga.

The cash flows from the Dalgaranga Project, could be used to fund the exploration and development pipeline at the Yalgoo Project and the Dalgaranga Project, as well as Gascoyne's other projects, including Glenburgh.

14.1.3. The Proposed Merged Entity will have a larger market presence, which may result in improved liquidity and increased ability to raise capital

Based on the pre-Scheme market capitalisations of both Firefly and Gascoyne, if the Scheme is implemented, then the Proposed Merged Entity will have an implied market capitalisation of approximately \$124 million. The increased size may result in increased analyst coverage, increased levels of trading liquidity and potential future inclusion in relevant ASX and gold indices. Notwithstanding, the liquidity of trading in Firefly shares prior to the Scheme is high.

Increased analyst coverage and improved liquidity may increase the attractiveness of the Proposed Merged Entity's shares and may lead to an improvement in its ability to raise capital, should it be required.

14.1.4. Creates a group with a stronger balance sheet and access to Gascoyne's cash reserves

If the Scheme is implemented, Shareholders will hold shares in the Proposed Merged Entity, which will have increased net assets, be larger in size and have an increased market capitalisation compared to Firefly. The Proposed Merged Entity will also have combined cash and cash equivalents of approximately \$27.4 million

(based on the cash balances of Firefly and Gascoyne at 30 June 2021). This will provide the Proposed Merged Entity with a working capital buffer, whilst allowing it to pursue other investment or exploration opportunities. We note that there are a number of exploration opportunities at the Yalgoo Project and the Dalgaranga Project, in addition to other Gascoyne projects such as the Glenburgh Project.

14.1.5. Exposure to a more diversified suite of assets

If the Scheme is implemented, shareholders will go from holding shares in a company with a gold exploration project, to holding shares in a company with a gold producing and cash flow positive operation. Despite both the Yalgoo Project and the Dalgaranga Project being primarily gold assets, exposure to a producing asset will diversify away part of the project specific risk associated with holding shares in a company with solely exploration assets. While more diversified, we note the Proposed Merged Entity will continue to provide Shareholders with gold exposure.

14.1.6. There will be no individual controlling shareholder in the Proposed Merged Entity, which is unlikely to deter a bidder from making a takeover offer in the future

Pursuant to ASIC's regulatory guides, we have assessed the Scheme as a control transaction. Notwithstanding, no individual shareholder will hold a controlling interest in the Proposed Merged Entity, with the largest shareholders being Deutsche Balaton AG, NRW and First Sentier Investor Holdings Pty Ltd who will hold approximately 22.11%, 14.72% and 10.04% respectively, (on an undiluted basis) of the issued capital of the Proposed Merged Entity. Based on shareholdings as at the date of our Report, no other shareholder will hold 5% or more of the issued capital of the Proposed Merged Entity.

Therefore, if the Scheme is implemented, it does not preclude Shareholders from receiving a control premium in the future and is unlikely to deter a future takeover offer from being made.

14.1.7. Increased experience and broader expertise of the board of directors and management team of the Proposed Merged Entity

As detailed in Section 7, if the Scheme is implemented, Simon Lawson (Managing Director of Firefly) will join the current Gascoyne directors to form the board of the Proposed Merged Entity. The proposed board members of the Proposed Merged Entity are set out below:

- Mr Richard Hay - Managing Director;
- Mr George Bauk -Non-Executive Chairman;
- Mr Rowan Johnston - Non-Executive Director;
- Mr Hansjoerg Plaggemars - Non-Executive Director; and
- Mr Simon Lawson - Non-Executive Director.

The Proposed Merged Entity will be led by a credentialed Board of directors and experienced management team with proven successful track records in exploration, project management and mining operations, combined with significant and capital markets experience.

The management team of Firefly has progressed the Yalgoo Project to its current position, however in the event that the Scheme is approved, Firefly will gain the benefit of having access to a broader management team with experience in operating a producing mine.

14.1.8. The Scheme Consideration offers Shareholders a premium to the last traded price of a Firefly share prior to the announcement of the Scheme

Based on our analysis of Gascoyne market pricing following the announcement of the Scheme (as set out below), the Scheme Consideration (being 0.34 shares in Gascoyne) offers Firefly shareholders a premium to the last traded price of Firefly prior to the announcement of the Scheme.

The Scheme was announced on 16 June 2021. On the date the Scheme was announced the share price of Gascoyne closed at \$0.360, down from a closing price of \$0.370 on the previous trading day. On that day, 1.18 million Gascoyne shares were traded, representing approximately 0.5% of Gascoyne's current issued capital. Following the announcement of the Scheme, the daily share price of Gascoyne fluctuated from a low of \$0.300 to a high of \$0.355.

To provide further analysis of the market prices for a Gascoyne share, we have also considered the weighted average market price for the 5, 10 and 30 day periods following the announcement of the Scheme.

Share Price	16-Jun-21	5 Days	10 Days	30 Days
Closing price	\$0.360			
Volume weighted average price (VWAP)		\$0.317	\$0.317	\$0.319

Source: Bloomberg and BDO analysis

Our assessment is that a range of values for Gascoyne shares based on market pricing following the announcement of the Scheme is between \$0.317 and \$0.360.

Pursuant to the Scheme, Shareholders will receive 0.34 shares in the Proposed Merged Entity for every Firefly share held. Therefore, our assessment of the value of 0.34 shares in the Proposed Merged Entity based on market pricing following the announcement of the Scheme, is between \$0.108 and \$0.122.

Firefly's closing price on the last trading day prior to the announcement of the Scheme was \$0.100. Therefore, based on market pricing available on market for an individual Firefly shareholder, the Scheme is value accretive, such that if Shareholders elected to realise their investment on market, the value of the proceeds would likely be higher if the Scheme is implemented.

14.2 Disadvantages of Approving the Scheme

If the Scheme is approved, in our opinion, the potential disadvantages to Shareholders include those listed below:

14.2.1. Dilution of Shareholders' interests and exposure to the Yalgoo Project

Following implementation of the Scheme, Shareholders' interests will be diluted from holding 100% of the issued capital of Firefly to holding approximately 32.4% of the Proposed Merged Entity. Therefore Shareholders' ability to participate in the potential upside of the Yalgoo Project, should it materialise, will be reduced as a result of the Scheme.

14.2.2. Shareholders will be exposed to the risk associated with holding shares in a company with debt

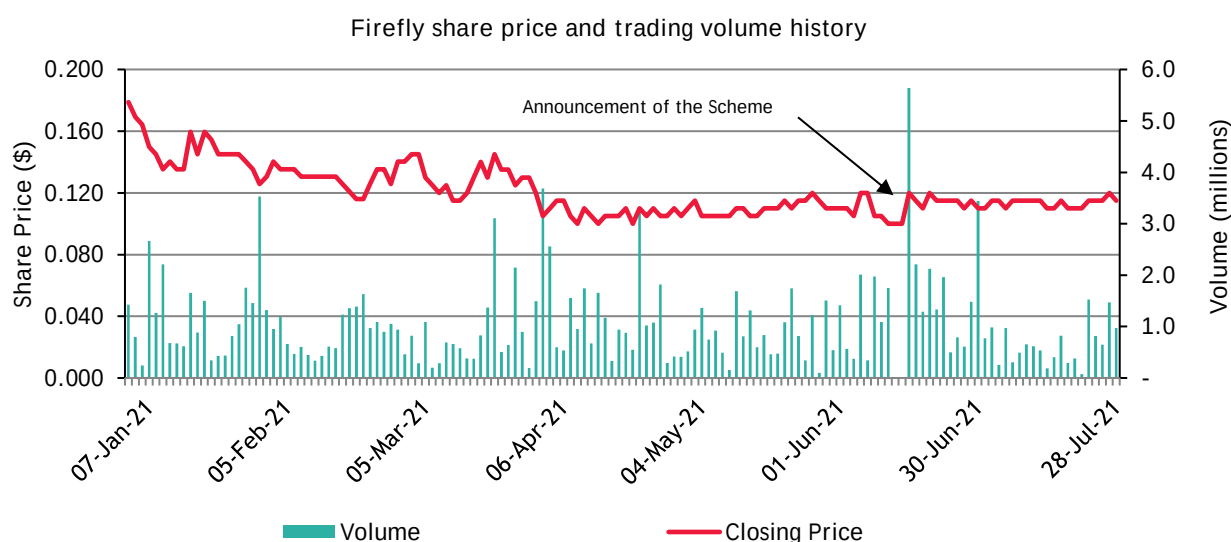
Gascoyne's Investec Facility has \$14 million outstanding at 30 June 2021. The Facility is expected to be repaid quarterly over the period to June 2022, and contains a number of financial covenants that are assessed and reported to Investec on a quarterly basis. While Gascoyne expects to fund repayments of the Investec Facility through operational cash flows generated by the Dalgara Project, it does expose Shareholders to a company with increased credit risk, given that Firefly currently has no debt.

Notwithstanding, we note the Proposed Merged Entity will have a positive net cash position following the implementation of the Scheme (based on the cash positions of Firefly and Gascoyne at 30 June 2021 and Gascoyne's outstanding balance on its Investec Facility at 30 June 2021).

14.3 Consequences of not Approving the Scheme

Potential decline in share price

We have analysed movements in Firefly's share price since the Scheme was announced. A graph of Firefly's share price and trading volume leading up to, and following the announcement of the Scheme is set out below.



Source: Bloomberg

The closing price of a Firefly share from 4 January 2021 to 28 July 2021 ranged from a low of \$0.100 on several dates in April 2021 and June 2021 to a high of \$0.179 on 4 January 2021.

The Scheme was announced on 16 June 2021. On the date the Scheme was announced the share price closed at \$0.120, up from a closing price of \$0.100 on the previous trading day. On that day, 5.64 million shares were traded, representing approximately 1.8% of Firefly's current issued capital. Following the announcement of the Scheme, the daily share price of Firefly has fluctuated from a low of \$0.110 to a high of \$0.120.

Given the above analysis, it is possible that if the Scheme is not approved, then Firefly's share price may decline back to pre-announcement levels.

Alternatives for the Yalgoo Project should the Scheme not be approved

If the Scheme is not approved, Firefly will continue to develop the Yalgoo Project. Management intends to continue to grow the Company's resource base over the short to medium term.

Firefly management currently have no intention of building a processing plant for the Yalgoo Project, however if they do, this would require significant upfront capital which would like require either debt or equity funding. An equity raise would likely be dilutive to existing shareholders, assuming they do not participate in the raising on a pro rata basis.

Firefly management note that an alternative could be to enter into a mine gate agreement with gold producers in the area. This could monetise the Yalgoo Project, without significantly diluting current shareholders. We understand that Firefly has not been approached by any producers in the area regarding a mine gate agreement, and as such we do not have reasonable grounds to include this as a definitive alternative to the Scheme not being approved.

Transaction costs will be incurred by Firefly

If the Scheme is not implemented, transaction costs of approximately \$1.06 million will be borne by Firefly in addition to a potential break fee of \$500,000. The conditions around the payment of the break fee are detailed in section 12.6 of the Scheme Booklet.

14.4 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Firefly a premium over the value resulting from the Scheme.

14.5 Tax implications

Shareholders are directed to Section 10 of the Scheme Booklet for a more detailed explanation of the tax implications of the Scheme for Shareholders. We emphasise that the tax circumstances of each shareholder can differ significantly and individual shareholders are advised to obtain their own specific advice.

14.6 Demerger

In conjunction with the Scheme, Firefly and Gascoyne intend to implement a demerger of assets which will be transferred to a newly incorporated energy-metals focused exploration company known as Firetail. Information regarding the Demerger (including the assets to be included in the Demerger) is set out in Annexure E of the Scheme Booklet. Firetail will initially be a publicly unlisted company, with an intention to seek ASX listing at a later date following the implementation of the Scheme. While the Scheme and the Demerger are not inter-conditional and our opinion in relation to the Scheme does not specifically consider the valuation impact of the Demerger, we note that if the Scheme is implemented and the Demerger effected, there is a risk that Shareholders may end up holding shares in an unlisted company and that they may be unable to realise their investment. We note that in the event that the Demerger proceeds and an ASX listing is not progressed, an element of the consideration received by Shareholders will be in the form of shares in an unlisted company.

14.7 Potential synergies

We note that there may be operating synergies that could arise from merging the management teams of Firefly and Gascoyne, however, for the purposes of our valuation, based on current information, we would not have reasonable grounds to quantify these synergies at this time. In addition to this, the combined expertise of Firefly and Gascoyne may assist the potential realisation of exploration potential in Firefly and Gascoyne.

15. Conclusion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Scheme is fair and reasonable to the Shareholders of Firefly.

Therefore, in the absence of a superior proposal, we conclude that the Scheme is in the best interests of Shareholders.

16. Sources of information

This report has been based on the following information:

- Draft Scheme Booklet on or about the date of this report;
- Scheme Implementation Deed;
- Audited financial statements of Firefly for the years ended 30 June 2019 and 30 June 2020;
- Audited financial statements of Gascoyne for the years ended 30 June 2019 and 30 June 2020;
- Reviewed financial statements of Firefly for the half year ended 31 December 2020;
- Reviewed financial statements of Gascoyne for the half year ended 31 December 2020;
- Unaudited management accounts of Firefly for the period from 1 January 2021 to 30 June 2021;
- Unaudited management accounts of Gascoyne for the period from 1 January 2021 to 30 June 2021;
- Gascoyne consolidation workbook for the year ended 30 June 2021;
- Gascoyne's Financial Model for the Dalgara Project (including the planned integration of the Yalgoo Project);
- Bank Statements and reconciliations for Firefly at 30 June 2021;
- Payables listing for Firefly at 30 June 2021;
- Independent Technical Assessment and Valuation Report prepared by SRK;
- Share registry information of Firefly;
- Share registry information of Gascoyne;
- Bloomberg;
- Announcements made by Firefly and Gascoyne available through the Australian Securities Exchange;
- RBA;
- Australian Bureau of Statistics;
- Australian Federal Government;
- United States Geological Survey;
- IBISWorld Industry Report;
- World Gold Council;
- Energy and Metals Consensus Forecasts; and

- Discussions with Directors and Management of Firefly and Gascoyne.

17. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$85,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Firefly in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Firefly, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Firefly and Gascoyne and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Firefly and Gascoyne and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Firefly, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Firefly and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

18. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes, Adam Myers and Ashton Lombardo of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX

Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Ashton Lombardo is a member of the Australian Institute of Chartered Accountants. Ashton has over ten years of experience in Corporate Finance and has facilitated the preparation of numerous independent expert's reports and valuations. Ashton has a Bachelor of Economics and a Bachelor of Commerce from the University of Western Australia and has completed a Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

19. Disclaimers and consents

This report has been prepared at the request of Firefly for inclusion in the Scheme Booklet which will be sent to all Firefly Shareholders. Firefly engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed acquisition of all the issued shares of Firefly by Gascoyne.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Gascoyne. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by Gascoyne and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Firefly, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Firefly and Gascoyne. The valuer engaged for the mineral asset valuation, SRK, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

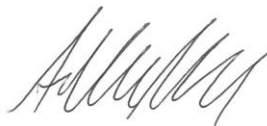
The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the scheme meeting.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Sherif Andrawes'.

Sherif Andrawes
Director

A handwritten signature in black ink, appearing to read 'Adam Myers'.

Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001 Cth
Administrators	Voluntary Administrators of Gascoyne, being Michael Ryan, Kathryn Warwick and Ian Francis of FTI Consulting
ADIs	Authorised Deposit-Taking Institutions
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Aurum	Aurum Minerals Pty Ltd
BDO	BDO Corporate Finance (WA) Pty Ltd
CIL	Carbon-in-Leach
CoM Mine	The City of Melbourne Gold Mine, acquired by Firefly in 2020
the Company	Firefly Resources Limited
Consolidation	a consolidation of Gascoyne's existing shares on the basis that every 20 shares were consolidated into one share
Corporations Act	The Corporations Act 2001 Cth
CPI	Consumer Price Index
Dalgaranga Project	Gascoyne's wholly owned Dalgaranga Gold Project
DCF	Discounted Future Cash Flows
Demerger	The proposed demerger of Firefly's and Gascoyne's copper gold and lithium exploration assets, into a new company to be named Firetail Resources Limited
Demerger Assets	The assets intended to be held by the Demerger Entity including the; Paterson Copper Gold Project;

Reference	Definition
	- Forrestania Gold Project; - Lithium mineral rights over tenements held by Firefly's subsidiary, Lightning Bug Resources Pty Ltd; - Lithium mineral rights over Yalgoo (except mining lease 59/0358); - Mining lease 59/0358, comprising the Holland exploration camp and associated infrastructure (gold rights to remain with the Proposed Merged Entity); and - Lithium mineral rights over certain wholly owned tenements at Dalgaranga, excluding Mining Lease 59/749, related various Miscellaneous Licences and any known gold deposits
Demerger Entity	Firetail Resources Limited
DID	Demerger Implementation Deed
DOCA	Deed of Company Arrangement
Entitlement Offer	A two-for-one accelerated pro rata non renounceable entitlement offer of 2,009,729,910 new shares to raise approximately \$50 million
EPC	Engineering, Procurement And Construction
Equity Raise	A fully underwritten, \$85 million equity raising undertaken by Gascoyne
Facility	A \$40 million amortising debt facility with Investec Bank Plc
Firebird	Firebird Metals Limited
Firefly	Firefly Resources Limited
Firetail	Firetail Resources Limited
FME	Future Maintainable Earnings
Forrestania Gold Project	Firefly's 100% owned Forrestania Gold Project
Forrestania Resources	Forrestania Resources Pty Ltd
FOS	Financial Ombudsman Service
FS	Bankable Feasibility Study
FSG	Financial Services Guide
Gascoyne	Gascoyne Resources Limited

Reference	Definition
Gilbey's	Gilbey's open pit at the Dalgaranga Project
Glenburgh Project'	The Glenburgh Gold Project, an advanced exploration project, owned by Gascoyne
GR Engineering	GR Engineering Services Limited
Investec	Investec Bank Plc
IPO	Initial Public Offering
IS 214	Information Sheet 214: Mining and Resources: Forward-looking Statements
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
kms	Kilometres
km ²	Square kilometres
koz	Thousand Ounces
LUC	Localised Uniform Conditioning
m	Metre
Melville Deposit	The Melville gold deposit contained within Firefly's Yalgoo Project
The Model	Detailed cash flow model for the Dalgaranga Project Project prepared by the management of Gascoyne
MRE	Mineral Resource Estimate
Mt Egerton Project	The Mt Egerton Gold Project owned by Gascoyne
mtpa	Million Tonnes Per Annum
Mumbakine Well Project	The Mumbakine Well Gold Project owned by Gascoyne
NAV	Net Asset Value
NRW	NRW Holdings Limited
NRW Offer	480,000,000 shares issued to NRW Pty Ltd at nil consideration at the issue price of \$0.025 per share
oz	ounces

Reference	Definition
ozpa	Ounces Per Annum
Paterson Copper-Gold Project'	Firefly's 100% owned Paterson Copper-Gold Project
Placement	An institutional placement of 1,400,000,000 new shares in Gascoyne at \$0.025 per share to raise \$35 million
Plymouth	Plymouth deposit at the Dalgara Project
Proposed Merged Entity	An enlarged Gascoyne, following the implementation of the Scheme
QMP	Quoted market price
RBA	Reserve Bank of Australia
RC	Reverse Circulation
Regulations	Corporations Act Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
RG 60	Schemes of arrangement (September 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Regulatory Guide 170 'Prospective Financial Information'
RTO	An existing ASX listed entity, to be used for the purposes of listing on the ASX
the Scheme	The proposed scheme of arrangement between Firefly Resources Limited and Gascoyne Resources Limited
Scheme Booklet	The scheme booklet prepared to assist the Shareholders in their decision whether to approve the Scheme
Scheme Consideration	Each Firefly shareholder will receive 0.34 Gascoyne shares for every 1 Firefly share that is held at the record date
Section 411	Section 411 of the Corporations Act
Section 611	Section 611 of the Corporations Act
SFA	Gascoyne secured a syndicated debt facility with the Commonwealth Bank of Australia Limited and National Australia Bank Limited

Reference	Definition
Shareholders	the non-associated shareholders of Firefly
SID	Scheme Implementation Deed
Sly Fox	Sly Fox deposit at the Dalgaranga Project
SRK	SRK Consulting (Australasia) Pty Ltd
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Technical Specialist Report	The independent technical assessment and valuation report prepared by SRK Consulting (Australasia) Pty Ltd
TFF	Term Funding Facility
USGS	United States Geological Survey
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
Yalgoo Project	Firefly's 100% owned Yalgoo Gold Project

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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows ('DCF')*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Technical Specialist Report

Independent Technical Assessment and Valuation Report

Proposed Merger Scheme of Arrangement between Firefly Resources Limited and Gascoyne Resources Limited.



SRK Consulting (Australasia) Pty Ltd ■ FIF001 ■ August 2021

Independent Technical Assessment and Valuation Report

Proposed Merger Scheme of Arrangement between Firefly Resources Limited and Gascoyne Resources Limited

Prepared for:

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Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

A\$	Australian dollar
AC	air core drilling
Au	chemical symbol for gold
AusIMM	Australasian Institute for Mining and Metallurgy
°C	degrees Celsius
CIL	carbon-in-leach
DD	diamond drilling
EBIT	earnings before interest and tax
EBITDA	earnings before interest, tax, depreciation and amortisation
EPCM	Engineering, Procurement, Construction and Management
g/t	grams per tonne
ha	hectares
IRR	internal rate of return
IVSC	International Valuation Standards Committee
JORC	Joint Ore Reserves Committee
JV	joint venture
koz	kilo ounces
LOM	life-of-mine
M	million
m ³ /day	cubic metres per day
MCP	Mine Closure Plan
ML	megalitres
Mt	million tonnes
Mtpa	million tonnes per annum
NPV	net present value
oz	ounces
PAF	potentially acid forming
RAB	rotary air blast drilling
RC	reverse circulation drilling
RICS	Royal Institution of Chartered Surveyors
S&P	Standard & Poor's
SRK	SRK Consulting (Australasia) Pty Ltd
t	tonnes
tpa	tonnes per annum
tph	tonnes per hour
TSF	tailings storage facility

Global resource estimate: estimate representing the deposit as a whole (does not account for local variability at a bench scale)

Local resource estimate: estimate representing variability at the bench scale

Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) has been engaged by Firefly Resources Limited (Firefly or the Company) to prepare an Independent Expert's Report (BDO Report) for inclusion within a Scheme Booklet to be provided to the shareholders of the Company. The Scheme Booklet is to provide shareholders with the information they require to make an informed decision on the proposed scheme of arrangement (Merger Scheme) between Firefly and Gascoyne Resources Limited (Gascoyne). The scheme of arrangement involves the merger of Firefly and Gascoyne and as such, the BDO Report will opine on the value of Firefly's assets and shares prior to the Merger Scheme and the value of the merged entity comprising Firefly and Gascoyne (Merged Entity).

In addition to the Merger Scheme, Gascoyne and Firefly intend to undertake a Demerger relating to a number of copper-gold and lithium exploration assets held by the companies. SRK understand that the Merger Scheme and the Demerger are not inter-conditional. That is, should the Demerger be voted down by the shareholders, then all the assets of both companies would form part of the Merger Scheme.

BDO subsequently contacted SRK Consulting (Australasia) Pty Ltd (SRK) to provide Specialist services and prepare an Independent Technical Assessment and Valuation Report (Report) giving its opinion on matters to which BDO are not Specialist (SRK Scope).

The SRK Scope was established by BDO and comprised:

1. A review of the technical project assumptions supporting Gascoyne's Dalgaranga Project (under the ownership of the Merged Entity) and an assessment on the reasonableness of each of the assumptions used in the cash flow model (Model) supplied by Firefly, including the:
 - Resources and reserves incorporated into the Model, including conversion rates for Firefly's resource to be used for the valuation of the Merged Entity
 - Mining physicals (including tonnes of ore mined, quality, waste material, and mine life)
 - Processing physicals (including ore processed and produced)
 - Production and operating costs (including but not limited to drilling, mining, haulage, processing, transport, general administration, distribution and marketing, contingencies and royalties or levies)
 - Capital expenditure.
2. An independent opinion on the market valuation of:
 - Firefly's 100% interest in the Yalgoo Gold Project, including the Melville Gold Deposit and any other Firefly exploration assets considered by SRK to have material value (prior to the Merger Scheme)
 - Gascoyne's 100% interest in the Dalgaranga resource that is not included in the Model and any other resource or exploration areas considered by SRK to have material value (as part of the Merged Entity)
 - The Firefly resource that is not included in the Model.

The Report has been prepared in accordance prepared in accordance with the guidelines outlined in the Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets (VALMIN Code, 2015), which incorporates the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012).

SRK's recommended valuation ranges and preferred values are detailed in Section 3 of this Report (Valuation) and are summarised in Table ES-1. The valuation ranges were developed on the basis of the perceived potential of the mineral assets at the Valuation Date of 1 July 2021.

Based on its technical assessment and valuation presented in the earlier sections of the Report, Tables ES-1, ES-2 and ES-3 summarise SRK's market value assessment in accordance with its mandate.

Table ES-1 Summary valuation (Merged Entity Residual Resources not considered in the Model)

	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Comparable Transactions	24.9	35.1	30.0
Yardstick valuation	12.0	24.0	18.0
Selected	24.9	35.1	30.0

Note: Any discrepancies between values in the tables are due to rounding.

Table ES-2: Mineral Resources (Firefly Mineral Resources Prior to Merger Scheme)

	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Comparable Transactions	7.1	10.6	8.9
Yardstick Valuation	4.2	8.3	6.2
Selected	7.1	10.6	8.9

Note: Any discrepancies between values in the tables are due to rounding.

Table ES-3 Exploration Potential (Firefly Prior to Merger Scheme)

Method	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Comparable transactions	0.7	1.4	1.0
Geoscientific Rating	1.3	3.2	2.3
Range	0.7 to 1.3	1.4 to 3.2	1.0 to 2.3
Selected	1.0	2.3	1.7

Note: Any discrepancies between values in the tables are due to rounding.

In defining its valuation ranges, SRK notes that there are always inherent risks involved when deriving any arm's length valuation. These factors can ultimately result in significant differences in valuations over time. By applying narrower confidence ranges, a greater degree of certainty regarding these assets is being implied than may be the case. Where possible, SRK has endeavoured to narrow its valuation range.

Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Firefly Resources Limited (Firefly or the Company) and Gascoyne Resources Limited (Gascoyne). The opinions in this Report are provided in response to a specific request from Firefly to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

1 Introduction and scope of Report

BDO Corporate Finance (WA) Pty Ltd (BDO) has been engaged by Firefly Resources Limited (Firefly or the Company) to prepare an Independent Expert's Report (BDO Report) for inclusion within a Scheme Booklet to be provided to the shareholders of the Company. The Scheme Booklet is to provide shareholders with the information they require to make an informed decision on the proposed scheme of arrangement (Merger Scheme) between Firefly and Gascoyne Resources Limited (Gascoyne). The Merger scheme of arrangement involves the merger of Firefly and Gascoyne and as such, the BDO Report will opine on the value of Firefly's assets and shares prior to the Merger Scheme and the value of the merged entity comprising Firefly and Gascoyne (Merged Entity).

In addition to the Merger Scheme, Gascoyne and Firefly intend to undertake a Demerger relating to a number of copper-gold and lithium exploration assets held by the companies. SRK understand that the Merger Scheme and the Demerger are not inter-conditional. That is, should the Demerger be voted down by the shareholders, then all the assets of both companies would form part of the Merger Scheme.

BDO subsequently contacted SRK Consulting (Australasia) Pty Ltd (SRK) to provide Specialist services and prepare an Independent Technical Assessment and Valuation Report (Report) giving its opinion on matters to which BDO are not Specialist (SRK Scope).

For this Report, the mineral assets of Firefly and Gascoyne were classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study (PFS).
- **Production Projects** – Tenure holdings – particularly mines, borefields and processing plants that have been commissioned and are in production.
- SRK has classified the Dalgarranga Project as a Production Project and the Yalgoo Project as a Pre-Development Project. The exploration portfolio's of both Gascoyne and Firefly contain a

combination of early stage and advanced exploration projects. Additional detail is provided in Section 2 of the Report.

1.1 Reporting Standard

As noted previously, the Report has been prepared in accordance with the guidelines outlined in the Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets (VALMIN Code, 2015), which incorporates the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012).

A first draft of the report was supplied to Firefly to check for material error, factual accuracy and omissions before the final report was issued.

For the purposes of this Report, value is defined as 'market value', being the amount of money (or the cash equivalent or some other consideration) for which a mineral asset should change hands on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing, wherein the parties each acted knowledgeably, prudently and without compulsion.

SRK's Report does not comment on the 'fairness and reasonableness' of any transaction between Firefly and any other parties.

1.2 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this valuation. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions. Further detail is given in Section 2.1 and Section 2.2 of the Report.

1.3 SRK Site Inspection

In accordance with Section 11.1 of the VALMIN Code (2015), a site inspection to the Dalgara Project was required. At the time the Report was prepared, travel restrictions relating to the COVID-19 Pandemic were in place in Western Australia. These travel restrictions included a ban on travel by non-essential workers to the Dalgara Project.

As such, Dr Karen Lloyd, Mr Mike Lowry and Mr Peter Colvin from SRK's Perth Office attended a full day of virtual site inspections by video-link to Dalgara Project on 1 July 2021. SRK understand that the travel restriction limited SRK's technical assessment of the the Dalgara Project although it does not consider this to be material to the findings outlined in the Report. SRK is satisfied that the virtual site inspection provided sufficient information for SRK to be able to form the opinions outlined in the Report.

1.4 Valuation and Effective Date

The Valuation Date and Effective Date of this Report is 1 July 2021.

1.5 Project team

This Report has been prepared by a team of consultants from SRK's offices in Australia. Details of the qualifications and experience of the consultants who have carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out below and in Table 1-1.

Karen Lloyd, Associate Principal Consultant (Project Evaluation), BSc (Hons) Geology, MBA, PhD (Mining and Metallurgical Engineering), FAusIMM

Dr Lloyd has 26 years' international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in independent reporting, mineral asset valuation, project due diligence, and corporate advisory services. Karen has worked in funds management and analysis for debt, mezzanine and equity financing and provides consulting and advisory in support of project finance. She has been responsible for multi-disciplinary teams covering precious metals, base metals, industrial minerals and bulk commodities in Australia, Asia, Africa, the Americas and Europe. Dr Lloyd's PhD research was focussed on the market risk premium for gold project transactions on the Australian Securities Exchange.

Dr Lloyd is a Fellow of the AusIMM and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Michael Lowry, Principal Consultant (Resource Evaluation), BSc (Hons) Geology, Grad Cert (Geostatistics), MAusIMM

Michael is a geologist with 25 years' experience in the mining industry, primarily in operations and then Mineral Resource estimation before moving to consulting. He has experience in a variety of terrains and commodities, primarily nickel, iron ore and gold. He has conducted orebody modelling, mineral resource estimation, geostatistical studies, reconciliation and public reporting on a range of deposits in Western Australia. He has also conducted technical assurance and quality control audits globally.

Michael is a Member of the AusIMM and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Peter Colvin, Associate Principal Consultant (Metallurgy and Processing), HND (Extractive Metallurgy), Dip Datametrics, BCom, MAusIMM CP (Met)

Peter is a metallurgist with 35 years' experience in the mining industry gaining experience on operations, projects and regional office technical services. He has experience in gold, uranium, platinum, manganese, sulphuric acid production, lithium and base metals and worked across Australia, Africa, Canada and Papua New Guinea. His experience includes project evaluation, feasibility studies, process plant construction and numerous technical audits. Peter has completed the AusIMM Online Professional Certificate in JORC (2012) Code Reporting.

Peter is a Member of the AusIMM and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Lisa Chandler, Associate Principal Consultant (Environment and Permitting), M Eng (Civil Engineering), BSc (Physical Geography), Diplôme de Linguistique, Université de Paris MNELA, MEIANZ, MAusIMM, AMANCOLD, MSER

Lisa is an experienced scientist and engineer, with over 25 years of experience in environmental management, permitting, risk assessment and assurance matters (due diligence, data and report verification, audits), for the Australian resources sector.

Lisa is a Member of the AusIMM. She has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Jeames McKibben, Principal Consultant (Project Evaluation), BSc (Hons) Geology, MBA, FAusIMM(CP), MAIG, MRICS.

Jeames is an experienced international mining professional having operated in a variety of roles including consultant, project manager, geologist and analyst over more than 26 years. He has a strong record in mineral asset valuation, project due diligence, independent technical review and deposit evaluation. As a consultant, he specialises in mineral asset valuations and Independent Technical Reports for equity transactions and in support of project finance. Jeames has been responsible for multi-disciplinary teams covering precious metals, base metals, bulk commodities (ferrous and energy), industrial minerals and other minerals in Australia, Asia, Africa, North and South America and Europe. He has assisted numerous mineral companies, financial, accounting and legal institutions and has been actively involved in arbitration and litigation proceedings. Jeames has experience in the geological evaluation and valuation of mineral projects worldwide.

Jeames is a Fellow of the AusIMM, a Member of the AIG, and a Member and Registered Valuer with the Royal Institution of Chartered Surveyors. He has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Table 1-1: Details of the qualifications and experience of the consultants

Specialist	Position/ Company	Responsibility	Length and Type of Experience	Site Inspection	Professional designation
Karen Lloyd	Associate Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Project Manager Geology Peer Review Mining Valuation	26 years; 8 years in operations, 7 years in strategic planning, 3 years in funds management, 8 years in consulting	1 st July 2021 (virtual inspection)	BSc (Hons), MBA, PhD, FAusIMM
Michael Lowry	Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Geology Peer Review (other than Geology)	25 years; 9 years in operations (Mine Geology) 1 year in open pit, 8 years underground, 2 years in exploration, 11 years in resource estimation, 3 years in consulting	1 st July 2021 (virtual inspection)	BSc (Hons), Grad Cert (Geostatistics), MAusIMM

Specialist	Position/ Company	Responsibility	Length and Type of Experience	Site Inspection	Professional designation
Peter Colvin	Associate Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Metallurgy and Processing	35 years; 12 years in operations roles, 11 years on projects, 11 years regional technical services roles	1 st July 2021 (virtual inspection)	HND (Extractive Metallurgy, Dip Datametrics, BCom, MAusIMM CP (Met)
Lisa Chandler	Associate Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Approvals and Permitting	25+ years; 3 years in operations; 5 years as government regulator; 20 years as environmental consultant to the resources sector.	None	BSc (Physical Geography), MEng (Civil) MAusIMM Member NELA
James McKibben	Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Peer Review	26 years; 15 years in valuation and corporate advisory, 2 years as an analyst and 8 years in exploration and project management roles	None	BSc (Hons), MBA, FAusIMM (CP), MAIG, MRICS

1.6 Limitations, reliance of information, declaration and consent

1.6.1 Limitations

SRK's opinion contained herein is based on information provided to SRK by Firefly and Gascoyne throughout the course of SRK's investigations as described in this Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by Firefly and Gascoyne was taken in good faith by SRK. SRK has not independently verified Mineral Resources or Ore Reserve estimates by means of recalculation.

This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider them to be material.

As far as SRK has been able to ascertain, the information provided by Firefly and Gascoyne was complete and not incorrect, misleading or irrelevant in any material aspect.

1.6.2 Statement of SRK independence

Neither SRK, nor any of the authors of this Report, has any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK. SRK has no beneficial interest in the outcome of this Report capable of affecting its independence.

1.6.3 Indemnities

As recommended by the VALMIN Code (2015), Firefly has represented in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

In line with the VALMIN Code (2015), Firefly has provided SRK with an indemnity letter under which SRK is to be compensated for any liability and/ or expenditure resulting from any additional work required which:

- results from SRK's reliance on information provided by Firefly and Gascoyne, or Firefly and Gascoyne not providing material; or
- relates to any consequential extension of workload through queries, questions or public hearings arising from this report.

1.6.4 Consent

SRK understands that this Report may be provided to Firefly's shareholders. SRK provides its consent for this Report to be included in the BDO Report on the basis that the technical assessment and valuation expressed in the Executive Summary and in the individual sections of this Report is considered with, and not independently of, the information set out in the complete Report.

1.6.5 Consulting fees

SRK's estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$78,000. The payment of this professional fee is not contingent upon the outcome of this Report.

2 Overview of the Mineral Assets

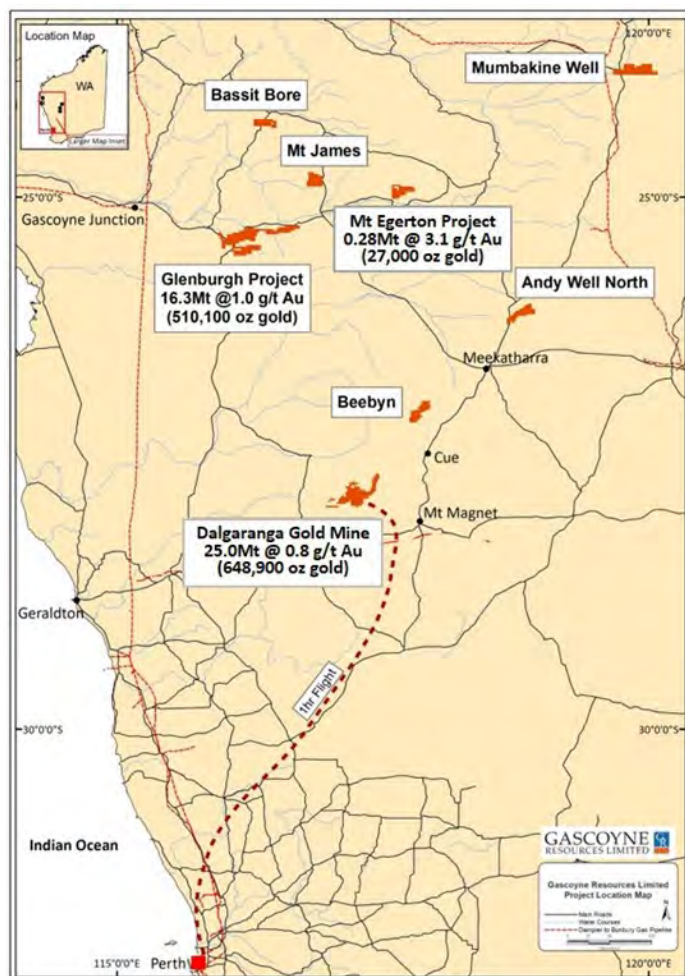
2.1 Gascoyne Resources Limited

The mineral assets held by Gascoyne are grouped within several project areas, namely:

- Dalgaranga Operations.
- Glenburgh and Mt Egerton advanced exploration/pre-development projects
- Mumbakine Well, Beebyn, Mt James and Andy Well North (Gascoyne Exploration Portfolio).

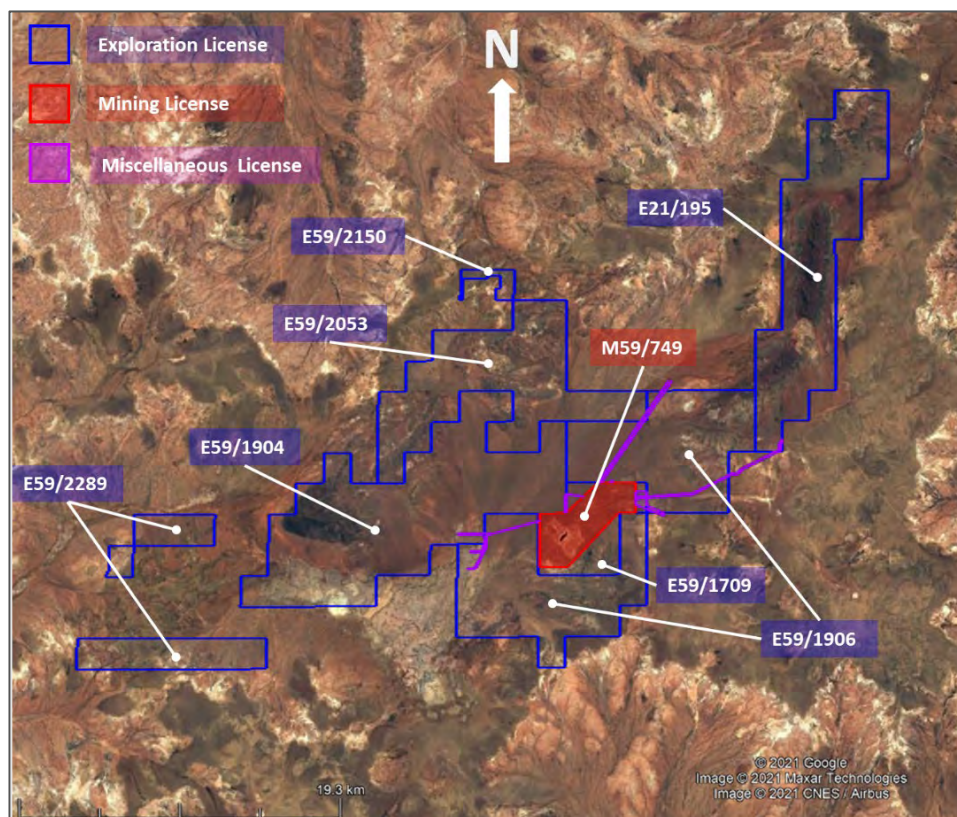
Collectively, the Gascoyne tenure comprises four granted Mining Leases and one Mining Lease under application, 20 granted Exploration Licences and 11 granted Miscellaneous Licences (Figure 2-1 to Figure 2-4 and Table 2-1). SRK has received representation from Gascoyne that the tenement schedule presented in this Report is to be relied upon and used for the purpose of this Report. SRK has made all reasonable enquiries into the status of this tenure as at the date of the Report and has sighted an independent legal opinion report prepared on behalf of Gascoyne, which outlines the legal status. Refer to Section 1.6 for SRK's reliance statement.

Figure 2-1: Gascoyne tenement overview



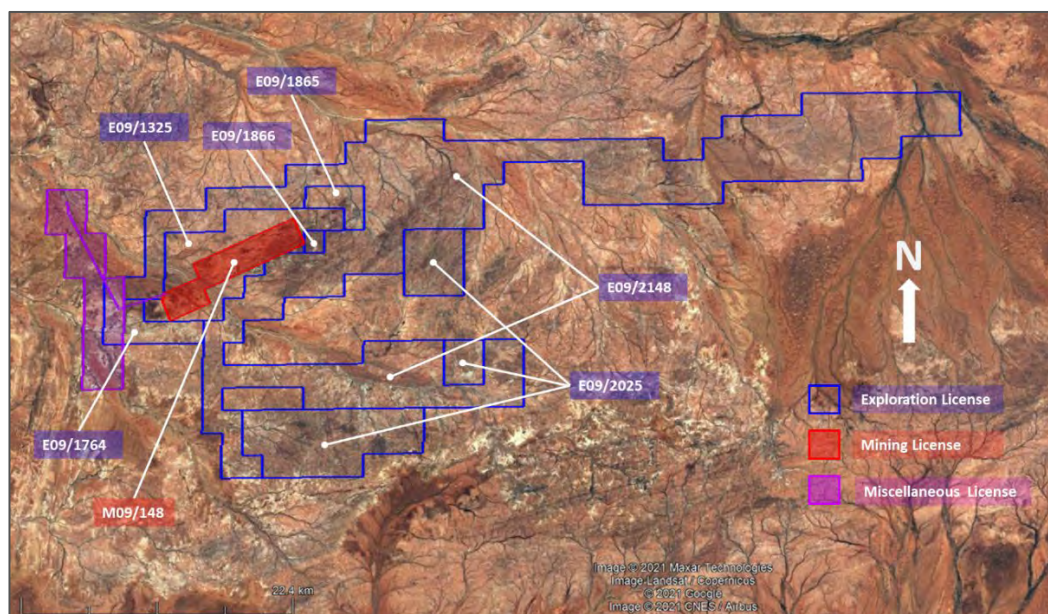
Source: Gascoyne Management Information

Figure 2-2: Gascoyne Resources Limited - Dalgaranga Tenure



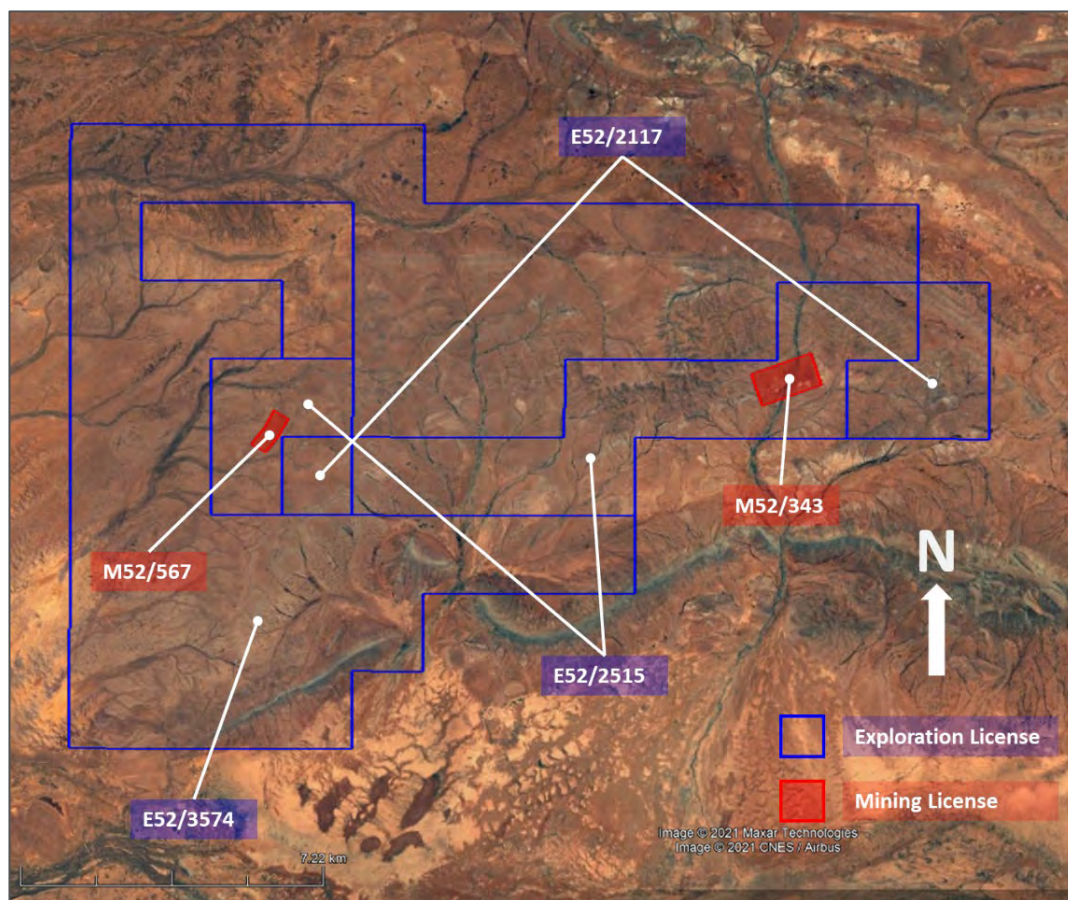
Source: Gascoyne Management Information

Figure 2-3: Gascoyne Resources Limited Glenburgh Tenure



Source: Gascoyne Management Information

Figure 2-4: Gascoyne Resources Limited – Mt Egerton Tenure



Source: Gascoyne Management Information

Table 2-1: Gascoyne Tenure

Tenement	Area	Status	Rent	Expenditure	Granted Date	Expiry Date
E09/1325	26 BL	Live	Paid in full	Expended in full	29 Mar 2007	28 Mar 2023
E09/1764	5 BL	Live	Paid in full	Expended in full	9 May 2011	8 May 2021 ¹
E09/1865	4 BL	Live	Paid in full	Expended in full	19 Dec 2011	18 Dec 2021
E09/1866	1 BL	Live	Paid in full	Expended in full	19 Dec 2011	18 Dec 2021
E09/2025	36 BL	Live	Paid in full	Expended in full	7 Feb 2014	6 Feb 2024
E09/2148	169 BL	Live	Paid in full	Expended in full	15 Sept 2016	14 Sept 2021
L09/56	5,569.9175	Live	\$3342 due	None required	2 July 2014	1 July 2035
L09/62	153.0	Live	Paid in full	None required	2 Dec 2014	1 Dec 2035
M09/148	3,021.0	Live	Paid in full	Expended in full	10 Feb 2014	9 Feb 2035
M09/181a	Applied for 31 March 2021 – application pending					
E21/195	29 BL	Live	Paid in full	Expended in full	8 Dec 2016	7 Dec 2021
E51/1648 Note 1	70 BL	Live	Paid in full	Underexpended A\$81,267.64	21 Mar 2016	20 Mar 2026
E51/1681	68 BL	Live	Paid in full	Expended in full	5 Aug 2016	4 Aug 2021*

Tenement	Area	Status	Rent	Expenditure	Granted Date	Expiry Date
E52/2117	4 BL	Live	Paid in full	Expended in full	20 Nov 2008	19 Nov 2022
E52/2515	13 BL	Live	Paid in full	Expended in full	11 Feb 2010	10 Feb 2022
E52/3490	60 BL	Live	Paid in full	Expended in full	28 July 2017	27 July 2022
E52/3531	115 BL	Live	Paid in full	Expended in full	10 July 2018	9 July 2023
E52/3574	47 BL	Live	Paid in full	Expended in full	6 Nov 2017	5 Nov 2022
M52/343	120.3	Live	Paid in full	Expended in full	11 Nov 1992	10 Nov 2034
M52/567	38.80	Live	Paid in full	Expended in full	2 Aug 1995	1 Aug 2037
E 59/1709	9 BL	Live	Paid in full	Expended in full	17-Mar-11	16-Mar-23
E 59/1904	41 BL	Live	Paid in full	Expended in full	21-Feb-14	20-Feb-24
E 59/1906	41 BL	Live	Paid in full	Expended in full	21-Feb-14	20-Feb-24
E 59/2053	26 BL	Live	Paid in full	Expended in full	31-Oct-14	30-Oct-24
L 59/141	140	Live	Paid in full	None required	5-Jun-14	4-Jun-35
L 59/142	121	Live	Paid in full	None required	5-Jun-14	4-Jun-35
L 59/151	82.5	Live	Paid in full	None required	2-Aug-16	1-Aug-37
L 59/152	45	Live	Paid in full	None required	10-Mar-17	9-Mar-38
L 59/153	12.21	Live	Paid in full	None required	2-Aug-16	1-Aug-37
L 59/167	1.56335	Live	Paid in full	None required	14-Oct-19	13-Oct-40
L 59/168	73.15103	Live	Paid in full	None required	12-Dec-19	11-Dec-40
L 59/169	8.07798	Live	Paid in full	None required	14-Oct-19	13-Oct-40
L 59/170	0.82377	Live	Paid in full	None required	14-Oct-19	13-Oct-40
M 59/749	1,652.00	Live	Paid in full	Expended in full	23-Sep-13	22-Sep-34

Note 1: Tenement annotated "Subject to application for forfeiture (Form35A) 626008

*Renewal pending

The following sub-sections present SRK's technical assessment of Dalgaranga's tenure as SRK consider the status of this tenure to be material to the Scheme.

2.1.1 Pastoral Tenure

The Dalgaranga tenure partially overlies the Murrumbidgee, Mt Farmer, Noongal and Dalgaranga Pastoral Leases. The Dalgaranga and Noongal Pastoral Leases are owned by the Department of Biodiversity, Conservation and Attractions (DBCA) and are managed for conservation purposes. Parts of tenements E 59/1904, E 59/1906, E 59/2053, L 59/141, L 59/152 and L 59/168 lie within DBCA-managed land. It is usual for mining activities occurring within DBCA-managed land to be subject to a range of environmental controls. Typically, these are administered through a Conservation Management Plan (or similar instrument) approved by DBCA.

2.1.2 Native Title

The Dalgaranga tenure partially overlies the Wajarri Yamatji #1 (Part A) native title claim area (Federal court number: WAD28/2019; NNTT number WC2004/010). The claim was registered by the National Native Title Tribunal on 5 December 2005 and in October 2017 it was determined that native

title exists in part of the claim area. A portion of Miscellaneous Licence (L59/152) intersects an area that was the subject of a native title claim by the Badimia People (Federal court number: WAD6123/1998; NNTT number WC1996/098). In 2015 it was determined that native title does not exist.

2.1.3 Environmental Considerations

Flora, vegetation and fauna

The Dalgara tenure lies within the Western Murchison (MUR2) subregion of the Murchison Bioregion. The area is characterised by a range of vegetation types, most notably Mulga low woodlands dominated by *Acacia aneura*, hummock grasslands and saltbush shrublands. Vegetation mapping completed in 2016 described the condition of native vegetation as generally 'very good', notwithstanding the effects of grazing by livestock and historic exploration and mining disturbance. No Threatened or Priority flora or ecological communities were recorded in surveys of the Project area.

Fauna surveys were conducted in parts of the Dalgara tenements in 2013, 2016 and 2017. The surveys identified 131 species as potentially occurring in the general survey area, including a number protected species (Peregrine Falcon, Malleefowl, Western Spiny-tailed Skink, Gilled Slender Blue-tongue and Shield-backed Trapdoor Spider). Of these, only the Peregrine Falcon has been positively identified during surveys of the project area.

The calcrete aquifer on which the process-water borefield is located is likely to support subterranean fauna communities and water extraction will need to be managed to limit impacts on subterranean fauna habitat. A pilot subterranean fauna study conducted in the Project area in 2016 concluded that no significant subterranean fauna species would be adversely impacted by mining activities (Rockwater, 2016).

Aboriginal heritage

No Aboriginal heritage sites have been recorded in the area covered by the Dalgara tenure. An artefact scatter (DAA Site ID 486 – the Yowertharra Claypan) is located approximately 4 km east of the eastern boundary of M59/749. The closest registered site (Middle Well - Site ID 6811) is located approximated 5 km north of M59/749. The most recent heritage surveys of the Gascoyne mining tenements were conducted in 2018 (Terra Rosa, 2018). The most recent heritage survey on the Exploration Licences (Greenock trend) was completed in 2021 by Horizon Heritage Management. According to information presented in the most recent mining proposal for the Dalgara project, , no heritage sites were identified in the course of the 2018 surveys undertaken by Terra Rosa, in collaboration with the Wajarri Yamatiji Traditional Owners. SRK has not independently reviewed work completed by Terra Rosa as it does not consider it material to the Report.

2.1.4 Permitting and compliance

Mining and mineral processing activities at Dalgara are chiefly regulated under mining proposals and associated mine closure plans approved under the *Mining Act 1978* (Table 2-2) and under an environmental licence issued under Part V of the *Environmental Protection Act 1986*.

Table 2-2: Dalgaranga Operations– approved mining proposals and mine closure plans

Registration ID	Registration Title	Date approved
96975	GNT Dalgaranga Small Mining Operations Mining Proposal	3 June 2021
96457	Dalgaranga Gold Mining Proposal (including updated mine closure plan) #8	Not yet approved
86845	Dalgaranga Gold Project, Mining Proposal (MP-7 Version 4)	3 August 2020
76763	Dalgaranga Revised Mining Proposal Revision 6 Version 3	14 Dec 2018
71890	Dalgaranga Gold Project Revised Mining Proposal (MP - 5 Version 1) GAS-MP-005	25 Feb 2018
69003	Dalgaranga Gold Project Revised Mining Proposal (MP - 4 Version 2)	6 Dec 2017
68501	Gascoyne Dalgaranga Gold Project MP-3	20 Aug 2017
64698	Dalgaranga Project - Camp and associated infrastructure MP	28 March 2017
61292	Dalgaranga Gold Project Mining Proposal	11 May 2017
16212	Dalgaranga: Gilbey's Gold Project: Addendum - Haul Road	24 June 1998
15773	Dalgaranga: Gilbey's Gold Project	24 Dec 1996
15662	Dalgaranga : Gilbey's Vickers and Golden Wing	22 Oct 1996
15637	Dalgaranga: Gilbey's Tailings and Borefield	04 Nov 1996
15513	Dalgaranga Gold Project: Gilbey's Pit	24 Apr 1996

Notes: Table includes authorisations granted to previous project owners / tenement holders. Environmental obligations arising under approved mining proposals and mine closure plans transfer to successive tenement holders under the *Mining Act 1987*.

The most recent significant¹ mining proposal and mine closure plan submitted for the Project were submitted in April 2021. The works proposed under this mining proposal included:

- Expansion of Gilbey's East and West waste rock dumps
- Development of the Southern waste rock dump disturbance footprint
- Modifications to the Gilbey's open pit shell.
- Development of the Sly Fox and Plymouth deposits.
- Addition of miscellaneous leases L59/167, L59/168, L59/169 and L59/170.
- Expansion of process water borefield within L59/168.
- Establishment of a containment cell for Potentially Acid Forming (PAF) mineral wastes on the upper surface of the Gilbey's TSF (in lieu of the previously approved Stage 5 embankment raise).
- Construction of evaporation basins at the Golden Wings in-pit TSF.

¹ A small mining operations mining proposal to allow remediation works at the Gilbeys open pit was submitted on 11 May 2021 and approved on 3 June 2021.

SRK understands that neither the mining proposal nor the closure plan submitted on 21 April 2021 had been approved as at the date of the Report.

No Ministerial Statements have been issued for the Dalgaranga Project under Part IV of the *Environmental Protection Act 1986 (EP Act)*, presumably because the Project has not triggered environmental significance criteria that would necessitate formal assessment by the Environmental Protection Agency (EPA) under Part IV of the *Environmental Protection Act, 1986 (EP Act)*. Similarly, the project has never been assessed under the federal *Environment Protection and Biodiversity Conservation Act 1999*.

The Dalgaranga Project is currently licensed (L9013/2016/1) to conduct prescribed activities on tenements M59/749 and L59/151² (ore processing and tailings storage at the Gilbey's TSF and Golden Wings TSF, operation of a landfill, sewage treatment, operation of evaporation ponds to dispose of treated effluent and brine from the reverse osmosis plant) under Part V of the *Environmental Protection Act, 1986*. Power generation at the site is not currently licensed and is not required to be licensed as a Category 52 prescribed activity, as the gas-fired power generation capacity at the site does not exceed 20 MW. The most recent Scope 1 and Scope 2 greenhouse gas emissions for the Dalgaranga mine site (NGERS report dated 30 September 2020) reports the operations' combined Scope 1 and Scope 2 emissions as 67,734 t CO_{2eq}. This annual emission rate is below the 100,000 t CO_{2eq} rate that recent EPA policy has classified as 'environmentally significant'.

The licence issued to Gascoyne on 20 December 2017 is valid to 20 December 2037. The current licence limits plant throughput or production capacity to 2.8 Mtpa. Any increase in throughput or production capacity would need to be approved through a licence amendment.

The licence imposes constraints on groundwater levels in proximity to the Gilbey's TSF (groundwater must not rise to a level shallower than 2.5 m below the original ground surface level) and also limits water levels in the Golden Wings TSF (standing water level must not be shallower than 4 m below the ground level surrounding the pit). Although a range of water quality is required by the licence, the only water quality limits imposed in the licence relate to weak acid dissociable cyanide (WAD CN) in the tailings supernatant water in the Gilbey's and Golden Wings TSFs (must be less than 50 mg/L). Concentrations of weak acid dissociable cyanide in groundwater in monitoring bores associated with the Gilbey's TSF must not exceed 0.5 mg/L. While groundwater concentrations consistently meet the licence limit for WAD CN, the most recent annual environmental report submitted in connection with the Part V licence reported that WAD CN concentrations in Gilbey's tailings supernatant water during the period from 1 November 2019 to 31 October 2020 consistently (and sometime significantly) exceeded licence limits. Quite apart from the non-compliance with statutory requirements, the reported concentrations of WAD CN in tailings supernatant constitute an unacceptable environmental risk. SRK understand that Gascoyne has made an application request to modify that WAD CN limit. Gascoyne undertakes regular government reporting on the concentrations of supernatant water levels.

Gascoyne holds a clearing permit (CPS 7240/3) authorising it to clear up to 585 ha of native vegetation within a boundary of approximately 1,724 ha. The permit is valid to 31 December 2026. The clearing permit decision report noted that no Threatened or Priority Ecological Communities and

² There is an error on the cover sheet of the licence: the premises details mistakenly specify tenements M59/749 and M59/151. Tenement M59/749 is correct, but the miscellaneous tenement is L59/151.

not Threatened or Priority Flora have been recorded during surveys of the proposed clearing area. Although there is potential for one Priority 1 plant species (*Jacksonia lanicarpa*) to occur in the locality, none have been identified during targeted surveys. Two protected fauna species have been identified as potentially occurring in the project area (Peregrine Falcons and Malleefowl): Peregrine Falcons have been identified in the project area in the past, and have been observed using water at the Gilbey's and Golden Wing open pits. Targeted surveys of the project area for Malleefowl (*Leiopoa ocellata*) conducted in 2020 did not record the presence of Malleefowl and concluded that there is limited suitable habitat to support the species at the Dalgaranga project site (Lindbeck, 2020).

Gascoyne holds a single groundwater licence under the *Rights in Water and Irrigation Act 1914* that is relevant to the Dalgaranga operation. GWL183561 entitles Gascoyne to extract up to 5.5 GLpa of groundwater on tenements L59/151, L59/152, L59/153, L59/168, M59/749 and E59/1906. The licence is valid to 30 March 2027.

2.1.5 Environmental management system

Environmental requirements arising under statutory approvals are managed under management system which includes an overarching Environmental Management Plan, supported by various management procedures and proprietary environmental management software. The management system described in the Dalgaranga mining proposal appears comprehensive and generally appropriate to the scale and complexity of the operation. The environmental risk assessment appended to the most recent mine closure plan for the Dalgaranga operation generally indicates a realistic appreciation of environmental risks, although some risk elements (for example inadequate management of cyanide in tailings impoundments) are conspicuously absent.

2.1.6 Stakeholder engagement

The Dalgaranga site maintains a well-documented stakeholder engagement record, recent records of which were included in the mining proposal and mine closure plan submitted in April 2021. The records of engagement summarised in the register are indicative of a sound programme of engagement, including with pastoral land holder and regulators.

2.1.7 Mine rehabilitation and closure

The most recent publicly available tabulation of mining disturbance for tenements held by Gascoyne and related entities (including, but not limited to tenements comprising the Dalgaranga gold project) indicate a current (September 2020) mine closure liability in the order of A\$23.2M. This translates to an annual (non-recoverable) Mining Rehabilitation Fund (MRF) levy of approximately A0.23M. Over 95% of the current liability relates to disturbance on M59/749. The current rehabilitation liability calculated using the MRF rates is different to the rehabilitation sum shown in the Life Of Mine (LOM) integrated cost model (A\$8.7M).

SRK notes that a number of assumptions included in the integrated cost model may be overly ambitious, considered in the context of recent rehabilitation performance. For example, the model assumes that:

- The cover for the Potential Acid Forming (PAF) cells has been completed during operations

- 70% of batter reprofiling and armouring of the waste rock dumps (WRD's) is completed during progressive rehabilitation
- The current amount of disturbance for the Dalgara Project is about 720 ha, of which 281 ha comprises tailings storages and waste dumps. So far, only about 13.6 ha of waste dump are listed as 'under rehabilitation'. Given the limited amount of rehabilitation that has been completed to date, there is some uncertainty about the reasonableness of the assumptions underpinning the closure cost calculation SRK recommend that a revised estimate be prepared by Gascoyne using the the current price and cost environment.

A further source of uncertainty relates to the fact that the mine closure plan submitted to DMIRS in April 2021 has not yet been formally accepted by the agency. DMIRS has previously told Gascoyne that it requires further justification for Gascoyne's proposed plan to rock armour the Gilbey's East and Gilbey's West waste rock dumps. The discussion of alternatives presented in the mine closure plan including the exclusion of Gilbey's waste rock dumps and the Gilbey's TSF from completion criteria proposed for vegetation, weeds, fauna and visual amenity do not meet current regulator expectations. The landform and erosion criteria proposed in the closure plan may also attract unfavourable comment, as they do not explicitly address the need to ensure ongoing integrity of containment systems for reactive or potentially polluting materials. The nomination of attainable closure outcomes is a matter of growing complexity for project owners, as the Department of Mines Industry Regulation and Safety (DMIRS) recently adopted a policy position to treat non-attainment of closure outcomes as a breach of tenement conditions. SRK is not qualified to make comment on such legal matters.

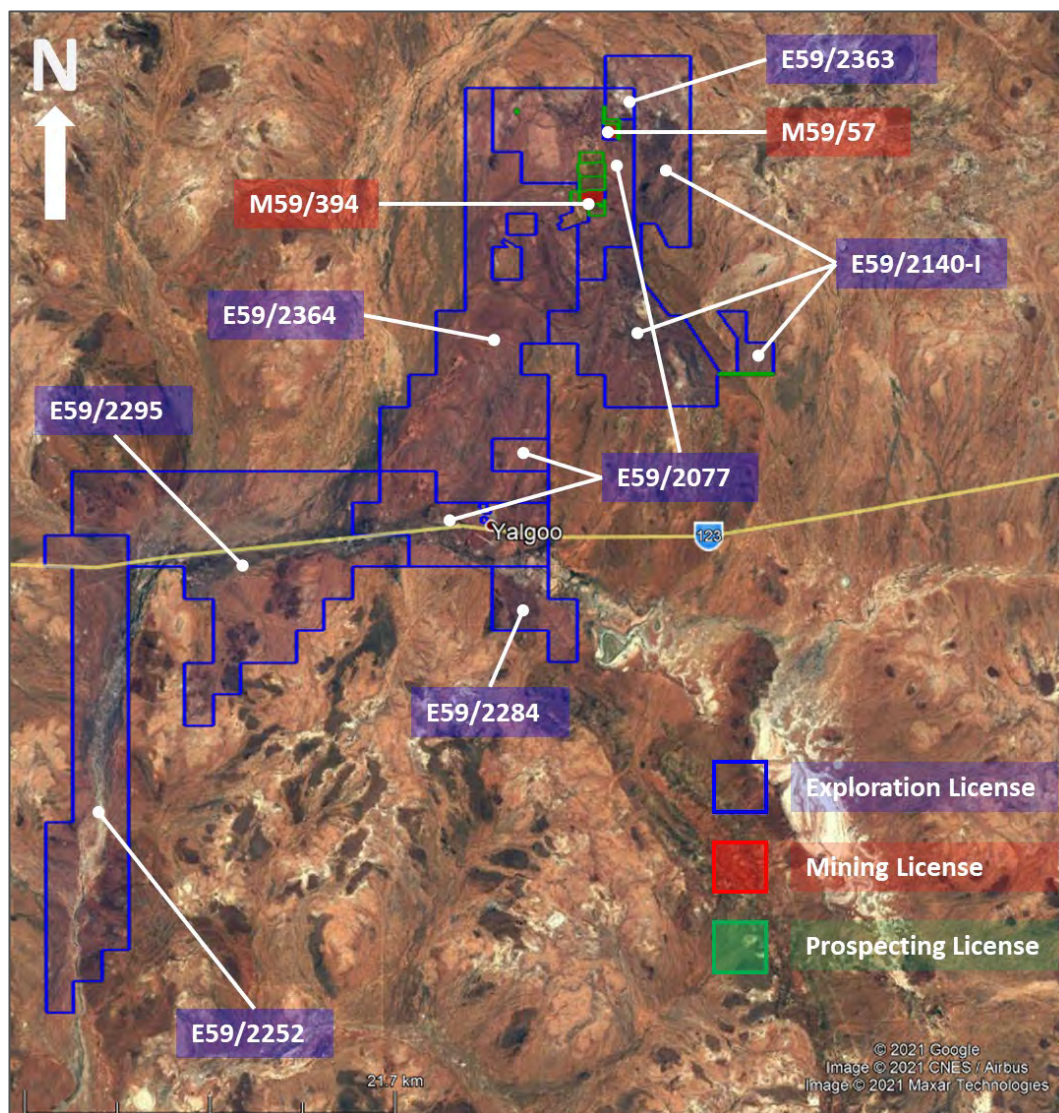
2.2 Firefly Resources Ltd

Tenure owned by Firefly that is included in the Merger Scheme is grouped into two projects: Yalgoo and Edgerton (which lies directly adjacent to Gascoyne's Mt Egerton tenure). Collectively, Firefly's tenure comprises two granted Mining Leases, 11 granted Exploration Licences and 9 Prospecting Licences (Figure 2-5 and Figure 2-6).

Additionally, Firefly holds a portfolio of exploration assets that may not form part of the Merger Scheme, as noted in Section 1 of this Report.

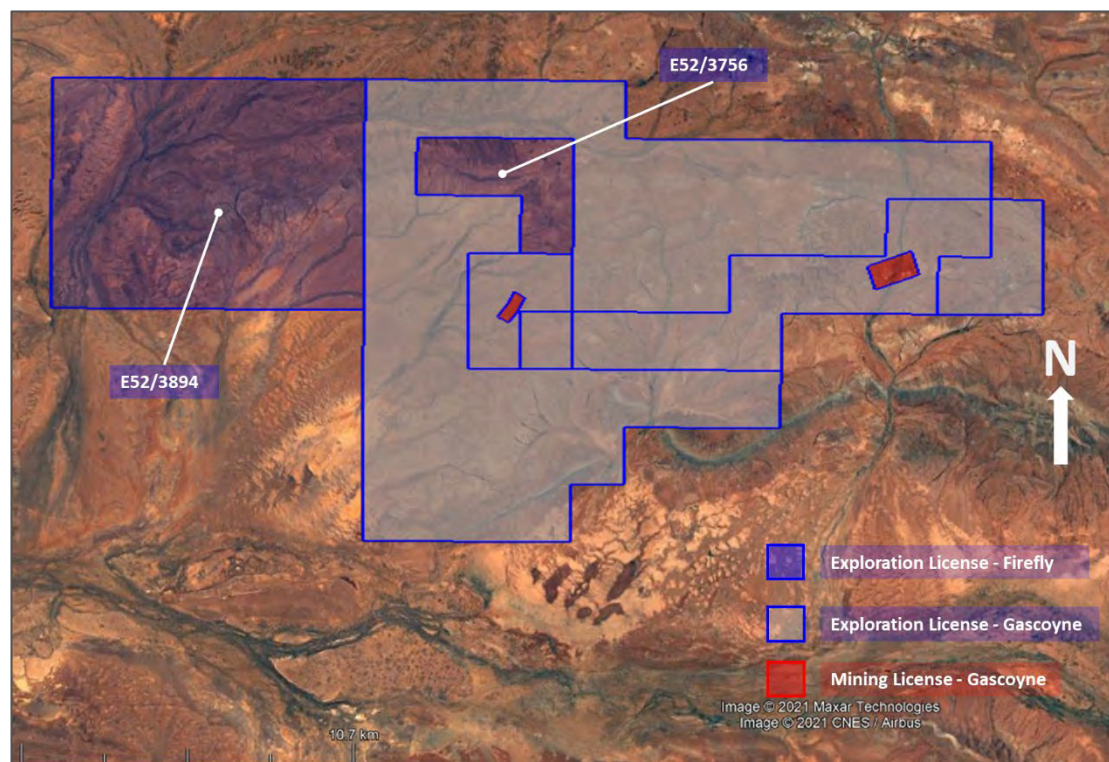
SRK has received representation from Firefly that the tenement schedule presented in Table 2-3 to be relied upon and used for the purpose of this Report. SRK has made all reasonable enquiries into the status of this tenure as at the date of the Report and has sighted an independent legal opinion report prepared on behalf of Firefly which outlines the current legal status.

Figure 2-5: Firefly Resources Ltd's Tenure at Yalgoo



Source: Firefly Management Information

Figure 2-6: Firefly and Gascoyne Contiguous Tenure at Mt Egerton



Source: Gascoyne Management Information

Table 2-3: Firefly Tenure

Tenement	Area (ha)	Status	Rent	Expenditure	Granted Date	Expiry Date
E52/3756	12.4	Live	11/02/2020	10/02/2025	Paid in full	Expended in full
E52/3894	74.5	Live	5/01/2021	4/01/2026	Paid in full	N/A
E59/2077	95.0	Live	1/07/2016	30/06/2021	Paid in full	Expended in full
E59/2140-I	96.6	Live	22/02/2016	21/02/2021	Paid in full	Expended in full
E59/2230	31.9	Live	19/01/2018	18/01/2023	Paid in full	Expended in full
E59/2252	102.4	Live	22/05/2018	21/05/2023	Paid in full	Expended in full
E59/2284	18.1	Live	13/06/2018	12/06/2023	Paid in full	Expended in full
E59/2295	141.7	Live	6/07/2018	5/07/2023	Paid in full	Expended in full
E59/2363	3.0	Live	23/10/2019	22/10/2024	Paid in full	Expended in full
E59/2364	132.5	Live	13/09/2019	12/09/2024	Paid in full	Expended in full
E59/2468	12.0	Live	12/01/2021	11/01/2026	Paid in full	N/A
M59/384	98.185	Live	31/05/1996	30/05/2038	Paid in full	Expended in full
M59/57	76.535	Live	13/10/1987	12/10/2029	Paid in full	Expended in full
P59/2040	64.00	Live	29/09/2015	28/09/2023	Paid in full	Expended in full
P59/2042	2	Live	29/09/2015	28/09/2023	Paid in full	Expended in full
P59/2086	39	Live	12/12/2016	11/12/2024	Paid in full	Expended in full
P59/2087	119	Live	12/12/2016	11/12/2024	Paid in full	Expended in full

Tenement	Area (ha)	Status	Rent	Expenditure	Granted Date	Expiry Date
P59/2088	119.9427	Live	8/12/2016	7/12/2024	Paid in full	Expended in full
P59/2089	119.8500	Live	8/12/2016	7/12/2024	Paid in full	Expended in full
P59/2134	4.04	Live	2/05/2018	1/05/2022	Paid in full	Expended in full
P59/2138	48.82	Live	6/04/2018	5/04/2022	Paid in full	Expended in full
P59/2158	43.74	Live	15/10/2018	14/10/2022	Paid in full	Expended in full

The following sub-sections present SRK's technical assessment of the Yalgoo tenure as SRK consider the status of this tenure to be material to the Merger Scheme.

2.2.1 Pastoral tenure

The Firefly Project tenements partially overlie several pastoral leases, including the former Barnong station, which has been purchased by the Department of Biodiversity, Conservation and Attractions (DBCA) and is now managed for conservation purposes. The majority of E59/2252 (Yalgoo Exploration Pty Ltd) lies within DBCA-managed land. It is usual for mining activities occurring within DBCA-managed land to be subject to a range of environmental controls. Typically, these are administered through a Conservation Management Plan (or similar instrument) approved by DBCA. SRK is unaware of what, if any, land access or compensation agreements may have been executed with any of the pastoral landholders whose properties are intersected by the Firefly tenements and is not qualified to make comment to the legal status of these agreements.

2.2.2 Environmental Considerations

Flora, vegetation and fauna

Very little information is available on biodiversity values in the Firefly tenure. A desktop environmental constraints assessment pertaining to tenement E59/2077 was completed by Tetris Environmental in March 2020. The assessment concluded that a number of threatened fauna species listed under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* could occur in the area and this aligns with SRK's independent search of the Federal Government's protected matters search tool. Species with a higher likelihood of occurring include Malleefowl, the Western Spiny-tailed Skink and the Shield-backed Trapdoor Spider.

2.2.3 Permitting and compliance

Only one mining proposal appears to have been approved for Firefly's tenement package: a 'low impact mining proposal' (MP16738) submitted to DMIRS (then DME) in May 2000. The tenement holder at the time was Mr John Collins of Alluvial Gold Treatment Pty Ltd. A single Annual Environmental Report (AER) has been lodged for the Firefly tenements, again for M59/57. The AER was submitted in November 2014 by Mr Johannes Peter Addink. The AER reports total disturbance area of 1 ha. No mine closure plan has been prepared for any of the tenements and no bonds appear to be current for the tenements.

2.2.4 Mine rehabilitation and closure

Of the twenty Firefly tenements, only one (M59/57) was reported by the most recent public register for the Mining Rehabilitation Fund (Sept 2020). The entry for M59/57 declared a total area of 1 ha of disturbance, of which 0.5 ha was 'under rehabilitation'. Using default MRF values, this equates to a closure liability of approximately A\$10,000. Given the long history of mineral exploration in the Yalgoo district, it is likely that this underrepresents the actual extent of disturbance within the tenements. For example, the mining proposal from May 2000 ('notice of intent') mentions the presence on M59/57 of 'existing underground operations' (apparently a mine shaft) and tailings. Similar disturbance may exist on some of the other tenements.

2.3 Location, Topography and Climate

Both the Gascoyne and Firefly project portfolio's (collectively the Mineral Assets) are located in the Murchison region of Western Australia. The region experiences a semi-arid to arid climate with hot, dry summers, and cool dry winters. Average maximum temperatures above 34 °C are experienced in the summer months between December and March and average maximum temperatures can rise to a maximum of 44-47 °C during November to March. The lowest temperatures occur in the winter months between June and August when average maximum temperatures are below 21 °C and average minimum temperatures are 7–8 °C.

The district is influenced by northern (tropical cyclone) rainfall systems in the summer and light southern (temperate) rainfall systems in the winter. The average annual rainfall for the region is 335 mm. The region is vulnerable to extreme wind and rainfall events which can affect exploration and mining activities for relatively short periods during the summer months.

2.4 Geological setting

2.4.1 Dalgaranga

The Dalgaranga Gold Project (Dalgaranga) is located within the Dalgaranga Greenstone Belt (DGB) in the Murchison Geological Province of Western Australia (Figure 2-7). The northeast trending DGB consists of high-magnesian basalt, tholeiitic basalt, intermediate volcanic, felsic intrusive porphyry, and a volcano-sedimentary sequence dominated by black shale and volcanoclastic lithologies. Felsic volcanic rocks outcrop on the western side of the belt, north of the Project. The Greenstone sequence is intruded by large gabbro complexes in the north (Mt Farmer, Mt Charles) and to the west (Dalgaranga Hill). The stratigraphy has been folded into two regional synforms, which plunge in opposite directions, separated by a regional fault/shear along the western side of the Mt Farmer gabbro sill, westwards to the south side of the gabbroic Dalgaranga Hill. The DGB is intruded by a number of post-tectonic granites separated by zones of amphibolite and mafic schists intruded by pegmatites. East-west trending Proterozoic dykes of dolerite and gabbro intrude the Greenstone sequences. Geophysical interpretation of the region shows large scale northeast structures and a general fabric also oriented northeast. The fabric and structures cross-cut folded stratigraphy and are synonymous with regional mineralised corridors.

Dalgaranga consists of three gold deposits (Gilbey's, Sly Fox and Plymouth), a recently mined out deposit (Golden Wings) and several gold prospects (Tanqueray, Greencock, Lindville and Vickers).

The Gilbey's, Sly Fox and Plymouth deposits are located along the limbs of a regional anticline that occurs within a dextral ductile shear 100 to 200 m wide. The shear zone trends northeast and dips northwest, sub-parallel to the stratigraphy which strikes between 055° - 065°. The Gilbey's Anticline is partially overturned with the northern limb (Gilbey's deposit) dipping to the northwest and the southern/eastern limb (Gilbey's South and Sly Fox deposits) sub-vertical or dipping steeply north. The stratigraphic package from east to west includes (Figure 2-8 and Figure 2-9):

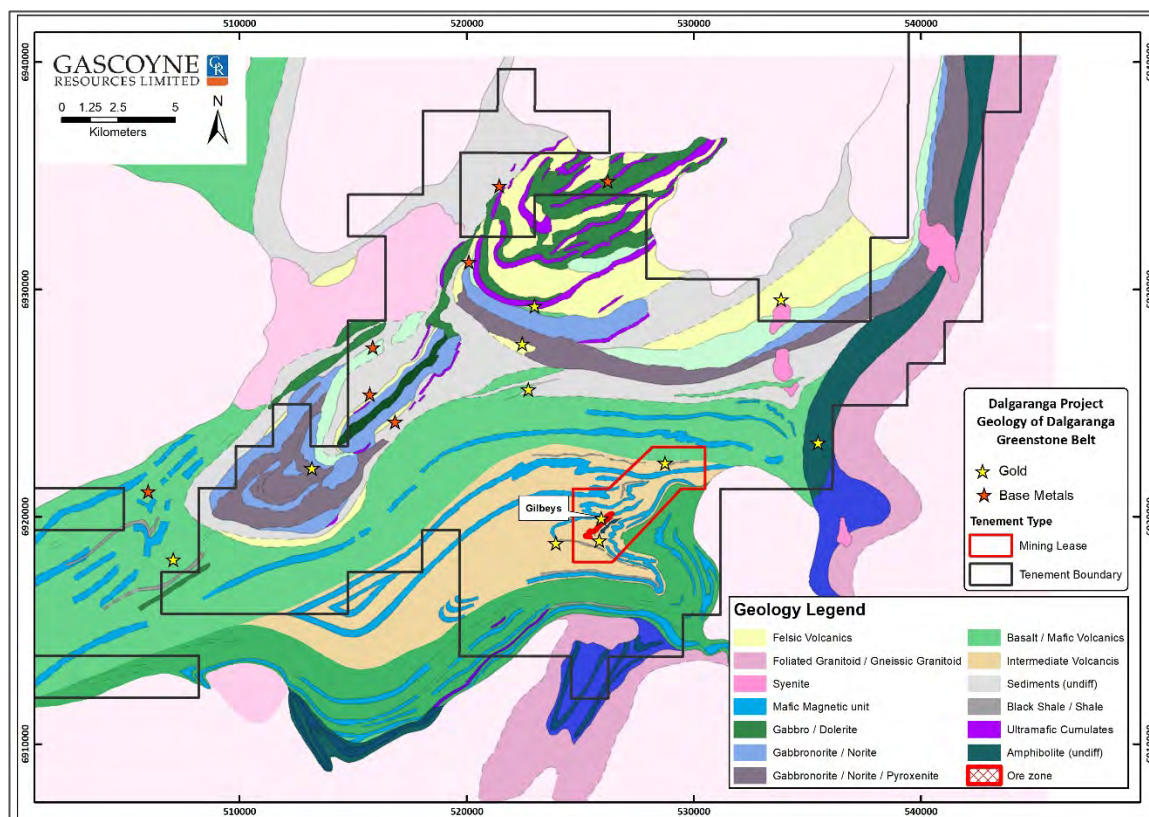
- A footwall zone consisting dolerite/gabbro and shale.
- A central zone of interbedded volcanoclastics, sheared shale and porphyry, that is collectively termed the Gilbey's Main Porphyry Zone (GMPZ), and which hosts most of the gold mineralisation at Gilbey's.
- A hangingwall zone consisting of high magnesium basalt, intrusive gabbro and dolerite.

The major control on mineralisation at Gilbey's is structure. A major ductile shear hosts the mineralisation, with the ore grade material developing as consistently wide sub-parallel lodes in the areas of strongest shearing. The main body of mineralisation occurs within the GMPZ and varies from 20 to 110 m in width. Mineralisation also occurs within shale units which are highly variable along strike and are located within both the mineralised GMPZ and footwall positions. Mineralisation is associated with a flat, late vein stage system that is visible in the footwall and ore-zone. The predominant mineralised veins are narrow, discontinuous and parallel to the shear zone, forming as ductile syn-deformational shear veins and rotated tensional veins within the overall sheared sequence and shallow dipping, short range north-northwest striking linking structures.

The Plymouth deposit is located approximately 150 m northwest of Sly Fox and south of Gilbey's. At Plymouth, higher-grade gold mineralisation is related to a north-trending and westerly-dipping zone defined by drilling to date to be over 150 m in length, open to the north and down dip. Gold mineralisation occurs within quartz veined and silica-pyrite-biotite altered schists. Mineralisation is most consistent at a vertical depth of 60 to 80 m. Highly oxidised / leached upper saprolite to about 30 m vertical depth has inconsistent grade on most sections. Plymouth is interpreted to be situated within the hinge zone of the Gilbey's fold structure and is therefore relatively structurally complex.

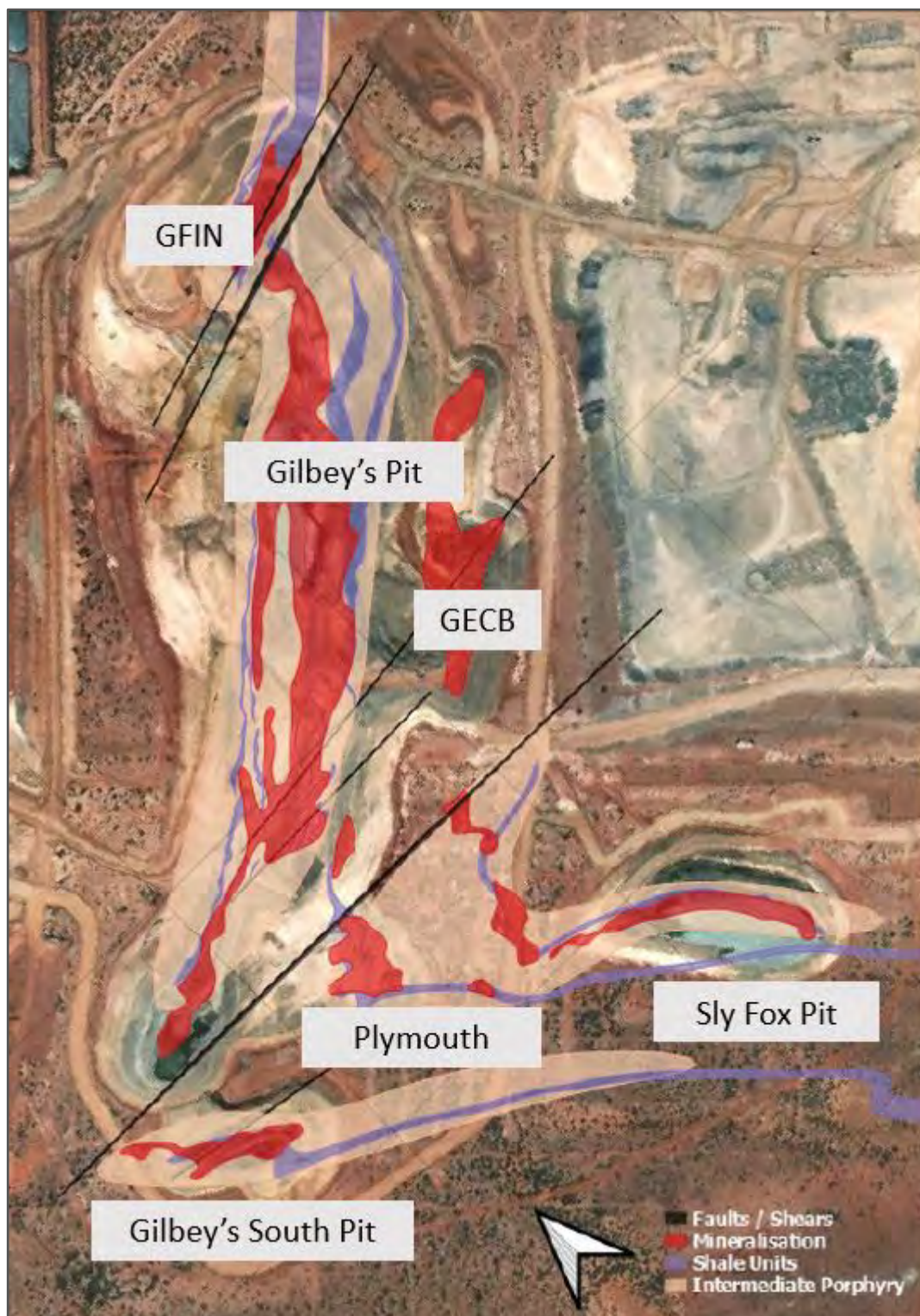
The Sly Fox deposit is located approximately 500 m southeast of the Gilbey's deposit, on the eastern limb of the southerly-plunging anticline, within a dextral ductile shear zone in the equivalent portion of the stratigraphy that hosts the GMPZ in the northern limb. The shear zone trends to the northwest and dips steeply northeast at approximately 80° cross-cutting the broadly east-west striking stratigraphy. Mineralisation occurs within a shear zone that trends northwest for approximately 300 m and is associated with silica-sericite-pyrite altered biotite-carbonate schists and black shale zones.

Figure 2-7: Regional geological map – Dalgaranga Greenstone Belt



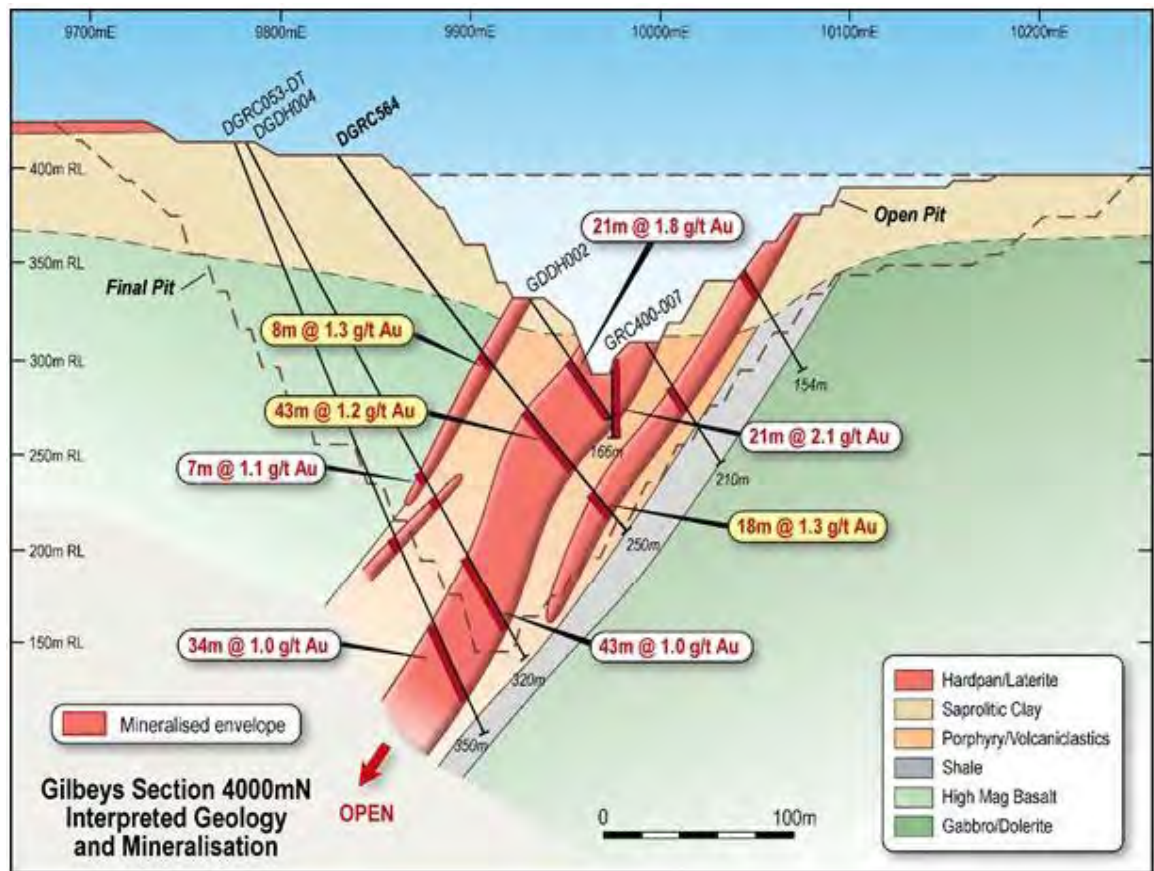
Source: Gascoyne Management Information

Figure 2-8: Plan view of the Gilbey's, Sly Fox and Plymouth deposits geology



Source: Modified from Gascoyne Resources Limited – Presentation to SRK, 1 July 2021.

Figure 2-9: Cross-section interpretation of the Gilbey's deposit at local grid 4000 mN, looking northwards



Source: Mineral Resource Estimate Update, Gilbey's, Plymouth and Sly Fox - Dalgarranga Gold Project, Murchison District, WA – Cube Consulting, May 2021.

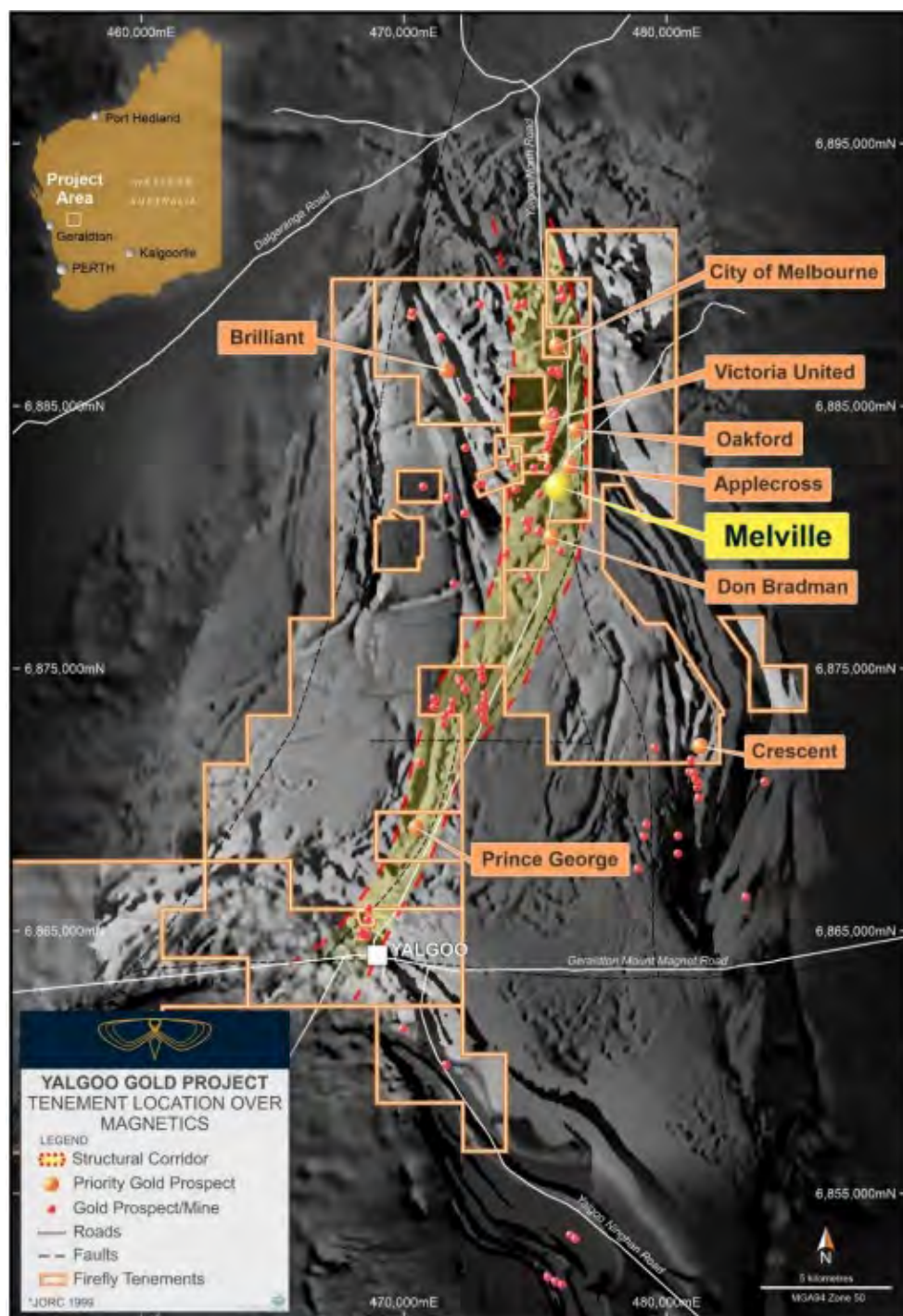
2.4.2 Yalgoo Gold Project (Firefly)

Firefly's Yalgoo Gold Project (Yalgoo) is located within the Yalgoo Greenstone Belt (YGB) of the Murchison Geological Province. Major shear zones bound the greenstone belt to the east and west and juxtapose similarly aged granites against the greenstone sequence. The YGB includes laterally extensive basalts, banded iron formation (BIF) and sediments of the Luke Creek Group and intercalated tholeiitic and high-Mg basalts and felsic rocks of the Mt Farmer Group. The structural history of the YGB is complex with multiple deformational events characterised by early thrusting and recumbent folding and later regional folding with localised extension.

The Yalgoo Project area includes the Melville deposit and several exploration prospects (Figure 2-10). The Melville deposit is located along the eastern limb of a north-south striking antiform, which includes amphibolite and quartz magnetite BIF of the Luke Creek Group (Figure 2-11). A suite of northwest trending quartz-feldspar porphyry dikes and stocks intrude the amphibolite-BIF sequence

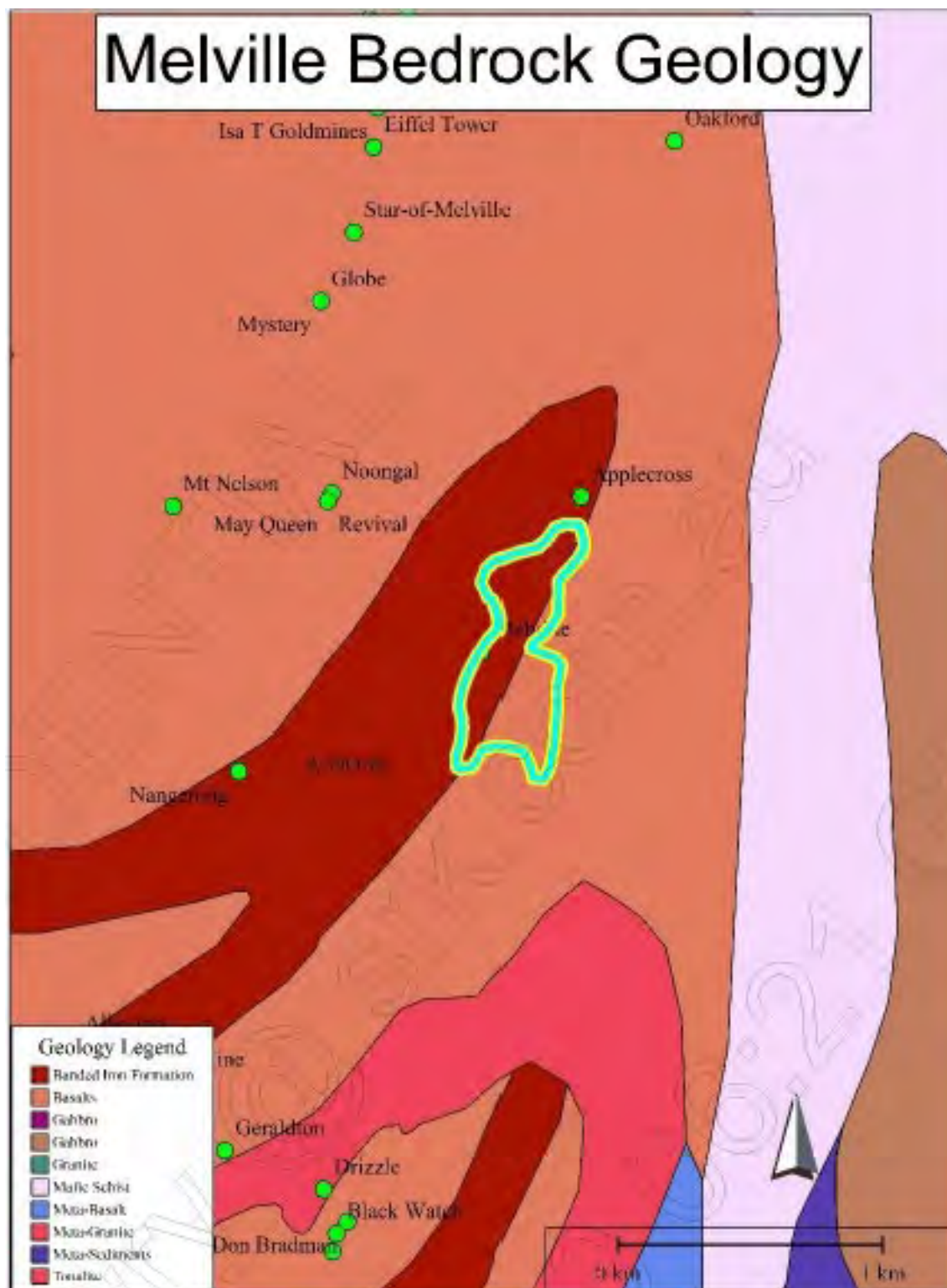
and typically have sheared margins with quartz-sulphide veining parallel to the shear fabric. The deformed porphyries are commonly mineralised (Figure 2-12).

Figure 2-10: Regional plan over 1VD magnetics illustrating the advanced gold prospects across Yalgoo



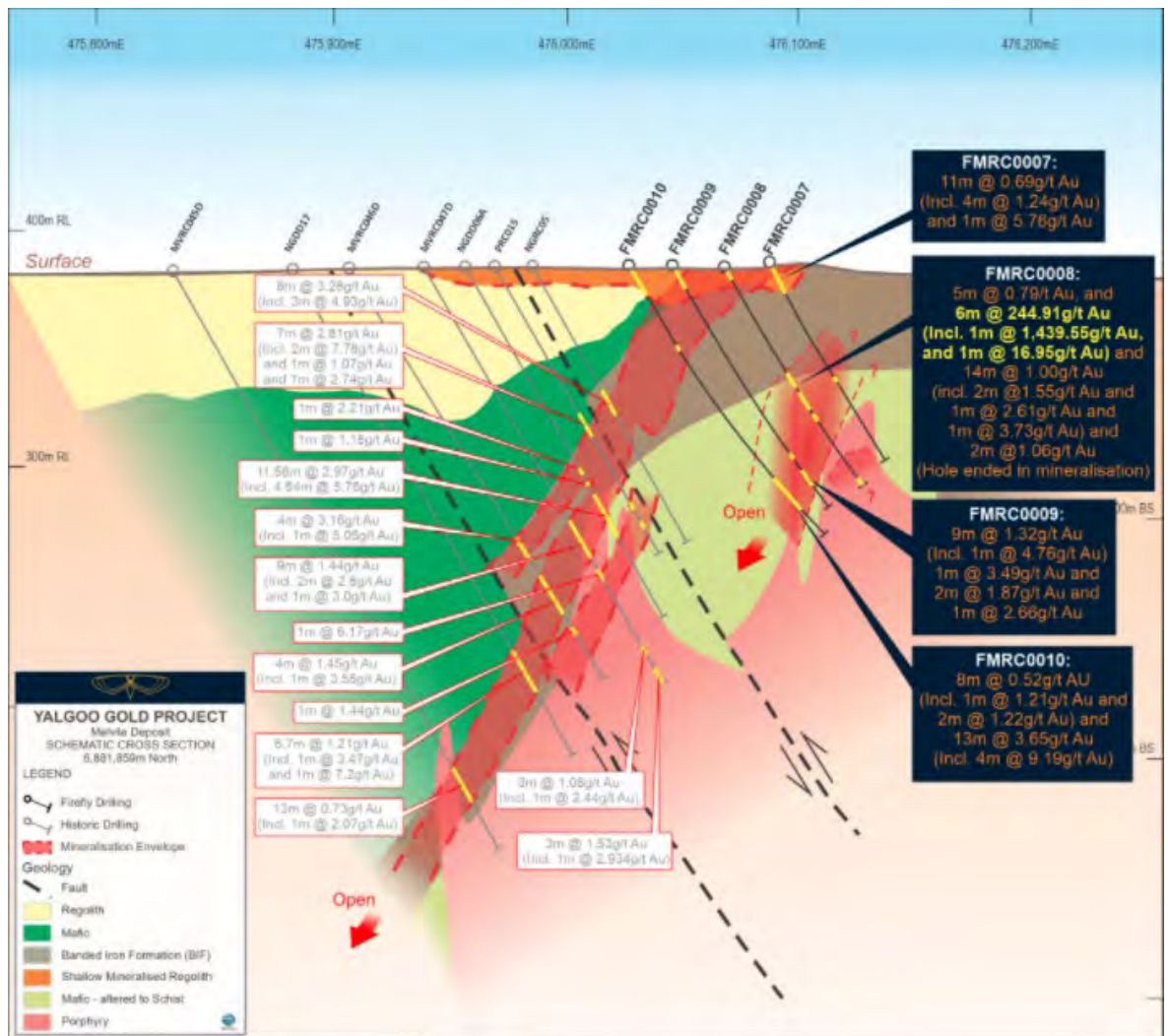
Source: Maiden 196,000oz JORC 2012 Resource for Melville Deposit sets strong foundation for growth at Yalgoo, ASX release, Firefly Resources Limited, 17 March 2021

Figure 2-11: Melville deposit bedrock geology



Source: Melville Gold Deposit Mineral Resource Estimate, Firefly Resources Limited, 30th March 2021

Figure 2-12: Melville deposit schematic cross section, 6,881,859m North



Source: Firefly Resources Limited website

2.4.3 Glenburgh Gold Pre-Development Project (Gascoyne)

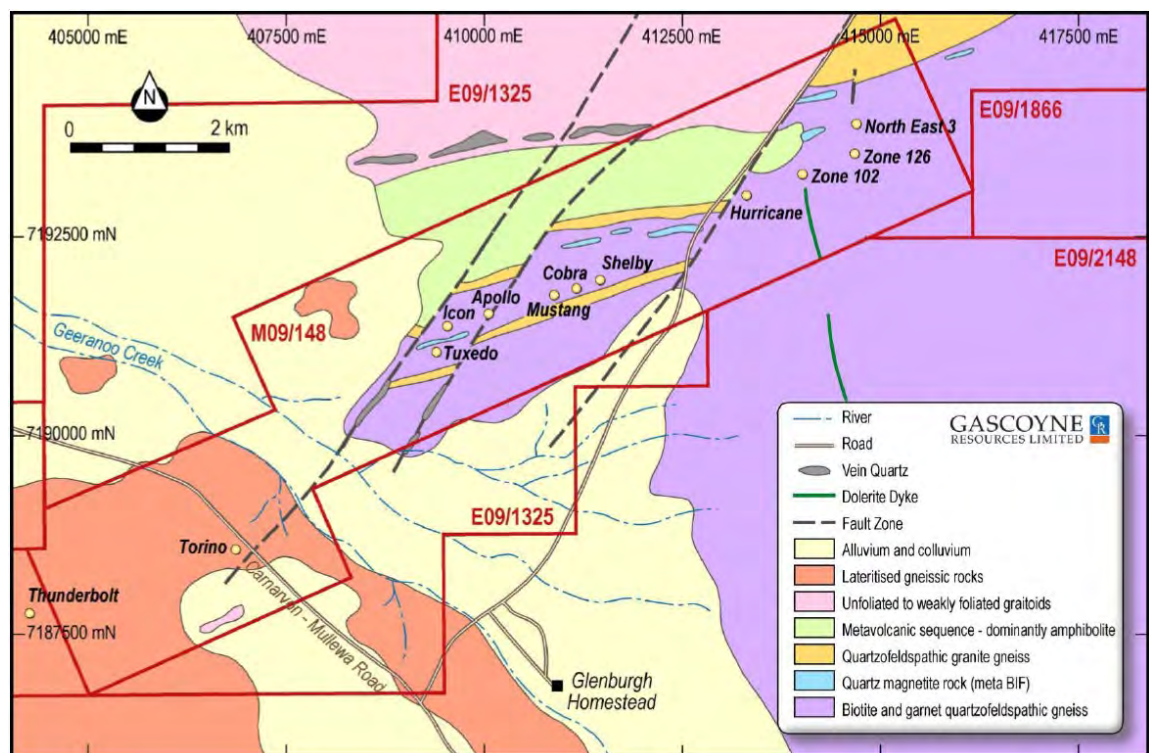
Gascoyne's Glenburgh Development Project (Glenburgh) is hosted within high-metamorphic grade Paleoproterozoic metasedimentary gneisses of the Glenburgh Terrane in the southern part of the Capricorn Orogen located in the Gascoyne Region of Western Australia. The Glenburgh Terrane lies between the Pilbara Craton and the Yilgarn Block. Tectonic trends within the Gascoyne Province wrap around the margins of these stable cratons. In the case of the Glenburgh Terrane, the Yilgarn Craton margin has the most apparent influence. The Archean basement, on the southern margin of the Gascoyne Province and Glenburgh Terrane, comprises highly metamorphosed pelitic sediments with interbedded iron formations, calc-silicate units and mafic amphibolite's of the Moogie Metamorphic suite. The metamorphism is generally upper amphibolite facies grade, with localised areas of granulite facies.

The Glenburgh Project covers areas dominated by granitic rocks intruding and incorporating rocks of the Moogie Metamorphic sequence which includes pelitic metasediments, comprised of quartz + feldspar + biotite ± garnet ± magnetite gneiss, with interlayered quartz + magnetite iron formation,

quartzite, calc-silicate and amphibolite. The general trend of the sequence is east-northeast with parasitic folding of foliation evident at numerous scales. Dolerite dykes of various ages are present with the dominant trends, striking northeast to east-northeast and north to north-northwest. East-west trending sheared quartz reefs, generally from 1 m to 10 m wide, post-date granite emplacement. The shear zones commonly appear as prominent quartzite ridges, with a small amount of shearing of country rock along the margins. Rocks commonly exhibit mylonitic fabric with widespread to ubiquitous chlorite retrograde metamorphism.

The Glengburgh Project covers 11 separate gold prospects, extending over a strike length of approximately 13 km and hosted within quartz-biotite-garnet gneiss and thin, discontinuous layers of mafic granulite, amphibolite and metagranitic and metapegmatitic rocks. The gold mineralisation occurs as east-northeast trending, steeply north dipping lodes that are offset by faulting. The mineralisation commonly comprises a high-grade (>1 g/t Au) mineralised core measuring a few metres in width surrounded by a low-grade (0.1-0.3 g/t Au) halo, which may be up to 100 m wide. Several high-grade zones occur within the same halo and in some instances, particularly in the northeast area, the low-grade halo may be of negligible width.

Figure 2-13: Glengburgh development project – local geology and prospects



Source: Mineral Resource Estimate Glengburgh Gold Project, Gascoyne Region, Western Australia, WA – Cube Consulting, December 2020

2.4.4 Mt Egerton Gold project (Contiguous projects of Gascoyne and Firefly)

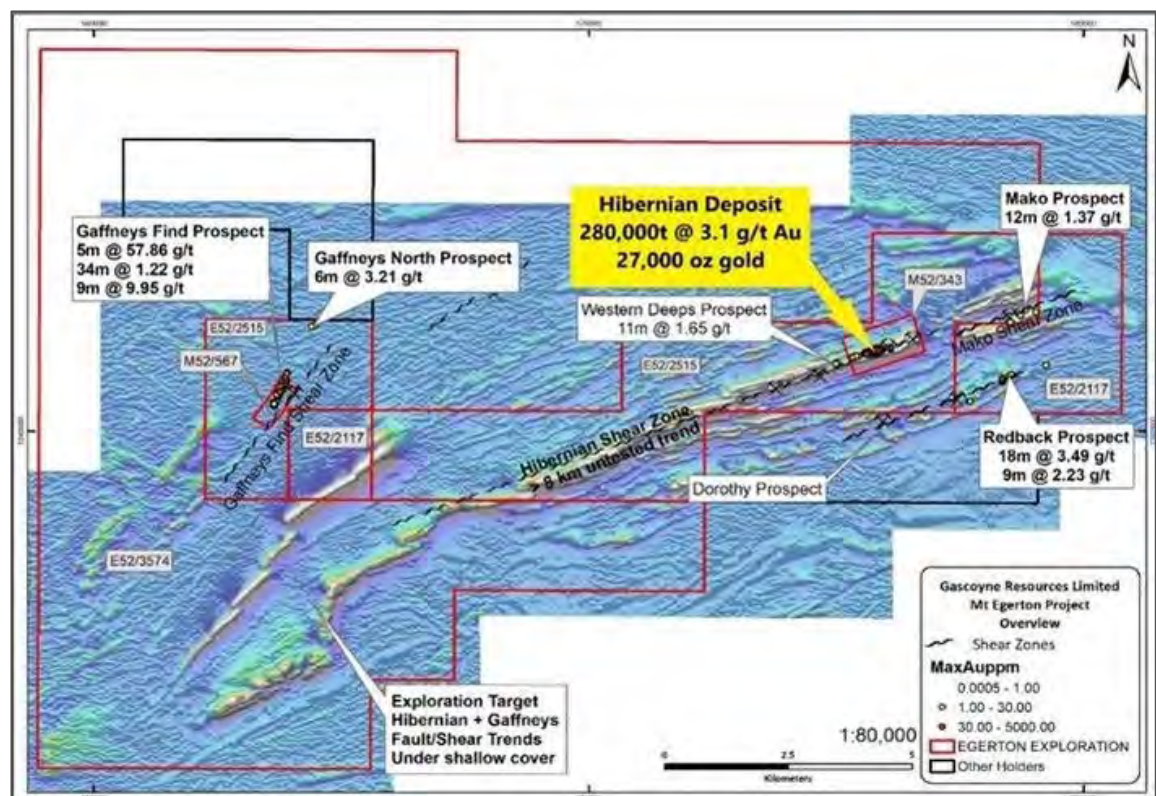
The Mt Egerton Project (Mt Egerton) is located within the Capricorn Orogen, a sequence of Archean-Proterozoic rock deformed following the collision of the Archean Pilbara and Yilgarn cratons.

The local geology comprises predominantly quartz-muscovite schist and phyllite of the Gascoyne Complex with mudstone, siltstone chert and dolomite. Most of the mineralisation occurs in shear-

hosted mesothermal quartz-pyrite veins concentrated at lithological contacts within shear zones. Two deposits have been identified at Mt Egerton (Hibernian and Gaffney's Find), both of which are located within granted Mining Leases (Figure 2-14).

The Hibernian deposit was mined historically via a small underground operation. The deposit occurs within a steeply dipping shear zone up to 70 m wide and comprising several discrete shears which anastomose about common trends of 270-290°. Multiple phases of deformation have occurred, and several orientations of quartz veins have been identified. Gold mineralisation is best developed along shallowly plunging quartz shoots. Vein geometry and grades of the shallowly plunging shoots are supported by underground geological mapping and mining.

Figure 2-14: Mt Egerton – deposit/prospect location map showing location of the hibernian deposit



Source: 2021 Mineral Resource and Ore Reserve Statements ASX release, Gascoyne Resources Ltd, 31 May 2021.

2.5 Drilling, sampling, and assaying

2.5.1 Dalgaranga

Exploration activities have been conducted throughout the Dalgaranga Gold Project since the Project was discovered in the early 1990s. Various companies have completed these activities including BHP, Newcrest and Equigold prior to Gascoyne acquiring the Project in 2013.

Historical drilling techniques included Air Core (AC), diamond drilling (DD) rotary air blast (RAB), reverse circulation (RC), RC grade control drilling (RCGC) and trenching. More recent exploration

by Gascoyne has utilised AC, DD, RAB, RC, RCGC, RC with diamond tails (RCD), trenching and water bore (WB) drilling techniques over several campaigns since 2013.

All drilling data have been used to produce geological models for the Dalgaranga gold deposits however only AC, DD, RC, RCD and RCGC drilling data have been used to produce Mineral Resource estimates (Table 2-4). There is limited documentation supporting the historical drilling data and Gascoyne has assumed that the surveying, drilling, sampling, and assaying procedures used were in line with prevailing industry standards at the time of collection. The historical data represents approximately 21% of the total Metres drilled in the Dalgaranga drill hole dataset. Surveying, drilling, sampling, and assaying procedures utilised during the Gascoyne AC, DD, RC, RCD and RCGC drilling programs are outlined in more detail below.

Table 2-4: Drill holes informing the May 2021 Gilbey's, Plymouth, and Sly Fox deposit Mineral Resource Estimate

Period	DD		RC		RCGC		RCD	
	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Historical*	32	8,696	270	27,104	1,666	25,588	0	0
Gascoyne	6	889	470	57,629	6,139	175,531	16	4,818
Total	38	9,585	740	84,733	7,805	201,119	16	4,818

Note: *Limited or no supporting documentation

RC drilling was completed using a 5 ½ inch face sampling hammer. Samples were collected via a cyclone and a static cone or riffle splitter to produce a 3-5kg split. Resource development holes were initially sampled as 4m composites near surface where no significant mineralisation was expected and then at 1 m intervals. RCGC holes were sampled at 1m intervals, sample recovery was visually assessed and recorded where significantly reduced. RC holes were geologically logged at 1 m intervals.

DD holes were completed using either NQ (47.6mm) or HQ (63.5mm) diameter core drilling. DD drill core was measured and orientated to determine sample recovery. NQ sized holes were sampled as half core whereas HQ sized holes were sampled as quarter core. DD holes were logged over geological, structural and geotechnical intervals.

AC drilling was completed using a conventional 3 ½ inch face sampling blade to refusal or a 4 ½ inch face sampling hammer. 4m composite samples were collected using a sampling spear to produce 3-5 kg samples, sample recovery was visually assessed and recorded where significantly reduced. Where significant mineralisation was detected 1m samples were collected for the relevant interval. AC holes were geologically logged at 1m intervals.

All drill hole collars were surveyed in MGA94 Zone 50 grid coordinates. Historical drill hole collars were surveyed to within +/-1m accuracy (method not stated) whereas Gascoyne drill hole collars were surveyed using differential GPS (DGPS) tools by company surveyors.

DD and RC drill holes were down hole surveyed every 30m using an electronic multi-shot tool by the drilling contractors. Selected drill holes were also surveyed using gyroscopic survey tools to validate the multishot surveys. AC drill holes were not down hole surveyed.

Gascoyne AC and RC samples collected prior to 2018 were delivered daily to the Toll Logistics depot in Mt Magnet, which were then delivered to the MinAnalytical Laboratory in Perth. Since 2018, AC and RC samples are collected immediately as drilled and stored in a designated area at the Dalgaranga mine site administration office before being processed at the site laboratory. Those samples not processed at the on-site laboratory are sent once or twice weekly to the MinAnalytical Laboratory in Perth. DD core was transported directly to Perth for cutting and was then dispatched to the assay laboratory.

AC, RC and DD samples sent to the MinAnalytical Laboratory in Perth for sample preparation and analysis were subjected to the following process:

- The entire sample was oven dried at 105°C for at least 12 hours.
- AC and RC samples (>3 kg) were riffle split 50:50 with the excess discarded.
- DD samples (>3 kg) were crushed to nominal minus 2mm and rotary split to produce a 3 kg sample for pulverising (excess crush material retained).
- Samples up to 3 kg were then pulverised to 85% passing minus 75 µm using a LM5 ring mill.
- Prior to 2017, DD and RC samples were analysed by Fire Assay, using a 25g charge, with an atomic absorption spectrophotometry (AAS) finish. Since 2017 DD and RC samples were analysed by Fire Assay, using a 50g charge, with an AAS finish.
- AC samples were analysed by Aqua Regia dissolution of a 25 g charge, with an AAS finish.

The subset of AC and RC samples sent to MinAnalytical Laboratory (post mid-2018) were prepared as follows:

- The sample was crushed to nominal 85% passing 2 mm.
- A linear split was taken to produce a nominal 500 g sub sample for Photon Assay analysis. This method involved the bombardment of the 250 to 500 g charge with high energy X-Rays, leading to excitation of atomic nuclei and the consequent release of elemental signature gamma-rays, which are measured for gold content. It is a non-destructive method.

Samples sent to the Dalgaranga Mine Site Laboratory (post mid-2018) were prepared as follows:

- The drill chips are oven dried.
- A split of 250 – 500 g of material is taken for pulverise and leach (PAL) analysis (no crushing undertaken due to the RC drill chips being sufficiently comminuted for PAL analysis). A 100 ml of solution was collected and centrifuged. A 10 ml aliquot was then collected and assayed for gold by AAS technique. The PAL method is a partial recovery method, but comparisons to Fire Assay at Dalgaranga show that recovery was very high in weathered material, with a non-material difference being evident. However, there is some evidence that recovery may fall as fresher material was encountered in the advancing pit.
- The PAL assaying method was replaced by Photon Assay analysis in 2020 due to precision issues.

Gascoyne inserted field duplicate (RC drilling), blank and certified reference material (CRM) quality analysis/quality control (QA/QC) samples at varying rates during each exploration campaign. Results from the QA/QC sampling showed over good results sample collection, preparation and analysis except for precision issues that were identified for the PAL assaying method.

Drill spacing varies between 25-40m for resource development holes to approximately 12m x 10m for grade control drilling.

2.5.2 Glenburgh

Helix Resources Ltd (Helix) first discovered significant gold anomalism in the Glenburgh area in 1994 based on stream sediment geochemical sampling followed by soil sampling, which delineated an 18 km x 1.3 km soil anomaly. Follow up DD, RAB, RC and RCD drilling of the soil anomalies over a three-year period discovered the Apollo, Icon, Tuxedo, Zone 102 and Zone 126 prospects. Subsequent stream sediment sampling, soil sampling, rock chip sampling, RC drilling, and geological mapping located several new regional prospects including the Challenger, Barracuda, Impala and Firebird prospects, which were then drill tested with RC drilling.

Eagle Mining Corporation (Eagle) entered into a joint venture for the Project in 1997, and completed further AC, RAB and RC drilling. In 2003, vacuum drilling was completed over the Victoria Bore grid to obtain any further surface geochemical gold assays along strike and then RC drilling completed in 2005 and 2006 identified additional lode positions.

Gascoyne acquired the Project in 2009 and completed several drilling campaigns between 2010 and 2018, which included AC, DD, RAB, RC and auger drilling. Drill spacing varies between 25-50mE by 25mN to 50-100mE by 25mN.

There is limited documentation supporting the historical drilling data (i.e. collected prior to 2010) and Gascoyne has assumed that the surveying, drilling, sampling, and assaying procedures used were in line with industry standards at the time. All drilling data has been used to produce geological models for the gold deposits at the Glenburgh Project, however only AC, DD, RC and RCD drilling data has been used to produce the Mineral Resource estimate (Table 2-5). The historical data represents approximately 30% of the total metres drilled in the Glenburgh Project drill hole dataset. Surveying, drilling, sampling, and assaying procedures utilised during the Gascoyne AC, DD, RC and RCD drilling programs are outlined in more detail below.

RC drilling was completed using a 5 ½ inch face sampling hammer. Samples were collected via a cyclone and a static cone or riffle splitter to produce a 3-5kg split. RC holes were sampled at 1m intervals. Sample recovery was visually assessed and recorded where significantly reduced. RC holes were geologically logged at 1m intervals.

Table 2-5: Drill holes used for the December 2020 Glenburgh Gold Project Mineral Resource Estimate

Company	Year	AC		DD		RC		RCD	
		Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Helix*	1993					219	19,910		
	1995			2	600			3	447
	1996							4	335.3
	1997					16	1,936		
	2003					8	1,350		
	2005					14	1,982		
	2006					19	2,776		
	2007					5	420		
	2008					56	5,787		
Gascoyne	2010					29	2,737		
	2011	352	10,492			142	15,368		
	2012	53	1,985	13	3,446.01	195	19,322		
	2013	52	2,269			54	3,266		
	2014					4	210		
	2016					2	189		
	2017					23	2,394		
	2018	321	13,911			73	5,579		
Total		778	28,657	15	4,046.01	859	83,226	7	782.3

Note: *Limited or no supporting documentation

DD holes were completed using either NQ (47.6 mm) diameter core for resource definition holes, HQ (63.5 mm) diameter core for geotechnical drilling and PQ (85 mm) diameter core for metallurgical drilling. DD drill core was measured and orientated to determine sample recovery. DD holes were sampled as half core over intervals ranging from 0.4-1.2 m. DD holes were logged over geological, structural, and geotechnical intervals.

AC drilling was completed using a conventional 3 ½ inch face sampling blade to refusal or a 4 ½ inch face sampling hammer. 4 m composite samples were collected using a sampling spear to produce 3-5 kg samples, sample recovery was visually assessed and recorded where significantly reduced. Where significant mineralisation was detected 1m samples were collected for the relevant interval. AC holes were logged over geological intervals.

All drill hole collars were surveyed in MGA94 Zone 50 grid coordinates. DD and RC drill hole collars were picked up by registered surveyors to an accuracy of 0.02 m easting and northing and 0.05 m elevation (method unknown). AC holes were located by hand-held GPS with an accuracy of about 5 m.

DD and RC holes were downhole surveyed at least every 30 m with a single shot camera tool or every 5 m multi-shot downhole camera. AC drill holes were not down hole surveyed.

DD core samples were dried and then crushed to ~10 mm followed by pulverisation of the sample to a grind size where 85% of the sample passes 75µ. AC and RC samples were dried, riffle split if the sample is greater than 3 kg, then pulverised to a grind size where 85% of the sample passes 75µ.

All diamond and RC samples were analysed using a 25 g charge Fire Assay with an AAS finish. AC samples were assayed by either a 25 g charge Fire Assay with an AAS finish or a 25 g aqua regia digest with mass spectrometer (MS) finish. There is no documentation outlining which laboratories were used for sample analysis.

Gascoyne note that field duplicate (AC and RC drilling), blank and Certified Reference Material (CRM) and Quality Assurance/Quality Control (QA/QC) samples were inserted during each exploration campaign however there is no documentation available discussing the insertion rate or results of the QA/QC sampling.

2.5.3 Mt Egerton

The Mt Egerton Project has been previously explored by several companies including Offshore Exploration, Egerton Gold NL, North Gascoyne Mining and Exterra Resources Ltd, before being acquired by Gascoyne in September 2014.

Egerton Gold NL completed RAB, RC and RCD drilling between 1993 and 1995 and then North Gascoyne Mining completed RC drilling between 2004 and 2005. Gascoyne completed RC drilling targeting the Gaffney's Find prospect in 2013 and 2015 and then targeting the Hibernian, Mako and Gaffney's Find prospects in June 2021.

There is limited documentation supporting the historical drilling data collected prior to 2014 and Gascoyne has assumed that the surveying, drilling, sampling, and assaying procedures used were in line with industry standards at the time. All of the drilling data completed by Egerton Gold NL and North Gascoyne Mining between 1993 and 2005 was used to produce a geological model for the Hibernian gold deposit however only RC and RCD drilling data has been used to produce the Hibernian Mineral Resource estimate (Table 2-6). Drill spacing varies between 10 m × 10 m in the central parts of the Hibernian deposit and 40 mE × 20 mN in the east and west parts of the deposit.

Table 2-6: Drill holes used for the January 2021 Hibernian deposit Mineral Resource Estimate

Company	Year	RC		RCD	
		Holes	Metres	Holes	Metres
Egerton Gold NL *	1993	10	672		
	1994	140	9,317	5	334.00
	1995	3	287	13	781.65
North Gascoyne Mining*	2004	67	2,703		
	2005	33	1,926		
Total		253	14,905	18	1,115.65

*Limited or no supporting documentation

RC drilling was completed using a 5 ½ inch face sampling hammer. Samples were collected via a cyclone and riffle splitter over 1 m intervals which were composited to 4m samples approximately 3-

5 kg. RC holes were sampled at 1 m intervals. Where anomalous results were expected, single metre samples of approximately 3-5 kg were collected. Sample recovery was visually assessed and recorded where significantly reduced. RC holes were geologically logged at 1m intervals.

All drill hole collars were surveyed in MGA94 Zone 50 grid coordinates. DD and RC drill hole collars were picked up either by DGPS or handheld GPS survey tools.

DD and RC holes appear to have been downhole surveyed at least every 5-10 m with a multi-shot downhole camera.

There is limited documentation for the DD holes. It is unknown what size holes were drilled and if quarter, half, or full core was sampled. DD holes were sampled over intervals ranging from 0.4-10.0 m.

RC samples were shipped to an unnamed laboratory in Perth for sample preparation and analysis. Samples were dried and if the sample weight was greater than 3 kg, the sample were riffle split and then pulverised to a grind size where 85% of the sample passes 75 µm. Composite samples (4 m) were analysed using a 25g Aqua Regia digest with reading via a mass spectrometer whereas 1 m samples from intervals where anomalous results were expected were analysed using a 50g Fire Assay with an AAS finish.

Gascoyne note that field duplicate (RC drilling) and CRM QA/QC samples were inserted during each exploration campaign, however there is no documentation available discussing the insertion rate or results of the QA/QC sampling.

2.5.4 Yalgoo

The Yalgoo Gold Project has been previously explored by several companies including Roebuck Resources NL, Anglogold Australia Ltd and Prosperity Resources Ltd, before being acquired by Firefly in September 2020.

Historical drilling includes RAB drilling completed by Roebuck Resources NL in 1993, AC, RAB, RC and RCD drilling completed by Anglogold Australia Ltd between 1999 and 2000 and AC, DD and RC drilling completed by Prosperity Resources Ltd between 2003 and 2005. Drilling completed by Firefly includes RC and RCGC completed between 2020 and 2021.

There is limited documentation supporting the historical drilling data collected prior to 2020 and Firefly has assumed that the surveying, drilling, sampling, and assaying procedures used were in line with industry standards at the time. All drilling data has been used to produce a geological model and Mineral Resource estimate for the Melville gold deposit (Table 2-7). The historical data represents approximately 76% of the total metres drilled in the Melville drill hole dataset. Surveying, drilling, sampling, and assaying procedures utilised during the Firefly, RC and RCGC drilling programs are outlined in more detail below. Drill spacing over the Melville deposit varies between 10-25 m by 20 m to 50-75 m.

RC drilling was completed using a 5 ½ inch face sampling hammer. Samples were collected via a cyclone and a splitter (unknown type) to produce a 1-3 kg split. Firefly RC holes were sampled at 1m intervals whereas historical RC holes were sampled at either 1 m or 4 m intervals. RC holes were geologically logged at 1 m intervals.

Table 2-7: Drill holes used for the March 2021 Melville deposit Mineral Resource Estimate

Company	Year	AC		DD		RAB		RC		RCD		RCGC		Unknown	
		Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres	Holes	Metres
Unknown*	Unknown													208	7,308
Roebuck Resources NL*	1993					12	333								
AngloGold Australia*	1999	24	1,732			33	1,925								
	2000			9	1,433	58	2,469	55	6,139	6	1,325				
Prosperity Resources Ltd*	2000														
	2003	3	234					14	1,554						
	2004			1	141			43	5,197						
	2005			2	206			11	1,164						
Firefly	2020							61	6,757			1	13		
	2021											609	7,308		
Total		27	1,966	12	1,780	103	4,727	184	20,811	6	1,325	610	7,321	208	7,308

Note: *Limited or no supporting documentation

Historical DD holes were completed using either NQ (47.6mm) or HQ (63.5mm) diameter core and were sampled as half core over intervals ranging from 0.1 to 0.3 m. DD holes were logged over geological intervals. All drill hole collars were surveyed in MGA94 Zone 50 grid coordinates. Most of the historical drill hole collars were re-surveyed by Firefly using handheld GPS tools. Firefly drill hole collars were surveyed professionally on a campaign basis to an accuracy of 0.5 m. Firefly RC drill holes were down hole surveyed using a downhole camera or a north-seeking gyroscope tool at regular 30 m intervals. Firefly RC samples were sent to ALS Laboratories in Wangara where they were prepared and assayed. Samples were dried and then a 500 g split is pulverised to produce a charge that is analysed by an accelerated cyanide leach using Assay Tabs/LeachWELL 60x reagent and AAS. All results ≥ 0.5 g/t gold were determined using a 50g fire assay whereas high grade intervals were re-assayed using a screen fire assay technique. Firefly inserted field duplicates (1:30), blanks (1:40) and CRM (1:40) QA/QC samples during each exploration campaign, however there is no documentation available discussing the results of the QA/QC sampling.

2.6 Mineral Resource estimates

The Gascoyne Mineral Resource estimates are summarised in Table 2-8.

Table 2-8: Gascoyne Mineral Resource estimates summary as at 31 May 2021*

DALGARANGA			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Measured	1.38	0.7	30.6
Indicated	20.04	0.8	533.1
Inferred	3.56	0.7	85.1
TOTAL	24.99	0.8	648.9
GLENBURGH			
Indicated	13.50	1.0	430.7
Inferred	2.80	0.9	79.4
TOTAL	16.30	1.0	510.1
MT EGERTON – HIBERNIAN			
Indicated	0.23	3.4	25
Inferred	0.04	1.5	2
TOTAL	0.28	3.1	27
GRAND TOTAL	41.6	0.9	1,186

Notes:

* ASX release dated 31 May 2021 "2021 Mineral Resource and Ore Reserve Statements"

All estimates were reported within pit optimisations using a A\$2,800 per ounce gold price. Estimates include stockpiles

The Firefly Mineral Resources estimates are summarised in Table 2-9.

Table 2-9: Firefly Mineral Resource estimates summary as at March 2021*

MELVILLE			
Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Indicated	3.31	1.47	156.8
Inferred	0.89	1.39	39.6
TOTAL	4.20	1.45	196.4

Note: *Cut-off grade of 0.7 g/t gold

2.6.1 Dalgaranga

The Dalgaranga Mineral Resource estimate was prepared in May 2021 by Cube Consulting and includes the Gibeys, Plymouth and Sly Fox deposits. The 2021 update includes both exploration and grade control drilling data.

Geological modelling included updated interpretations for:

- Alluvium, porphyry and black shale lithologies.
- Oxide, transitional and fresh weathering horizons.
- 15 low- and high-grade mineralisation domains and one mineralised waste domain (Table 2-10 and Figure 2-15).

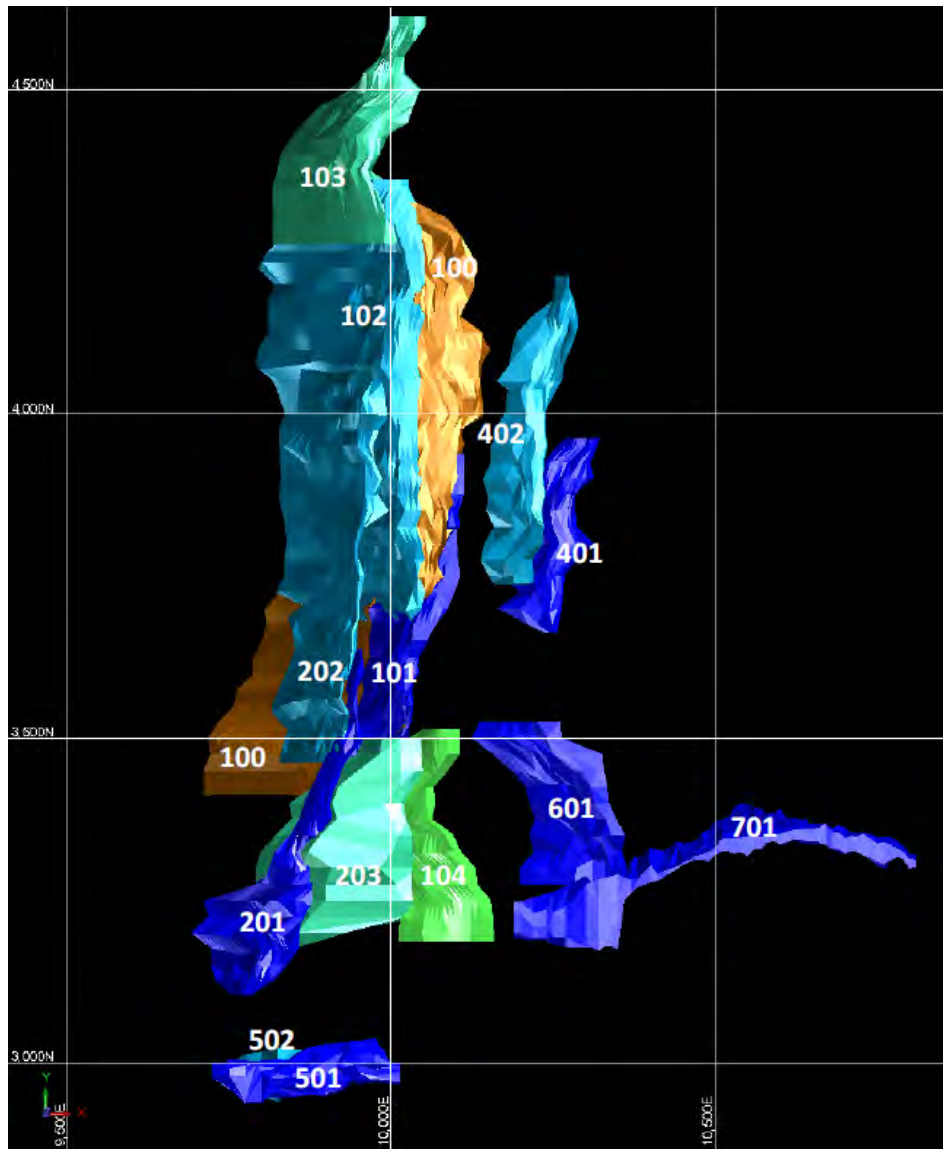
Confidence in the geological interpretations within the GMPZ and at Sly Fox is relatively high based upon grade control drilling, previous mining, and visual confirmation of the geology within the open pits. Confidence in areas peripheral to the porphyry-shale-mafic packages is lower due to the discontinuous nature of the geological structures and mineralisation and the high degree of weathering present (including near surface gold depletion).

The mineralisation domains were modelled as broad domains representing distinct geological zones or trends using a nominal cut-off grade of 0.2 g/t Au. A very high tolerance for internal waste was allowed.

Table 2-10: Dalgaranga mineralisation domains

Domain Code	Description	Area
100	Gold mineralisation associated with the north-south fold limb (local grid) and the GMPZ. A relatively low-grade zone characterised by oblique orientation of narrower lodes that strike approximately NNE-SSW on local grid.	Gilbey's Main Oblique Footwall Lodes
101	Gold mineralisation associated with the north-south fold limb (local grid) and the southern portion of the GMPZ. A relatively high-grade zone with well-developed lodes striking NNE-SSW and dipping moderately-to-steeply towards local WNW. Considered to be one of the two most continuous and least erratic mineralised zones in the project area, along with Domain 102. An oblique fault zone striking NNE-SSW defines the NW boundary of Domain 101.	Gilbey's Main Zone - South
102	Gold mineralisation associated with the north-south fold limb (local grid) and limited to the western side of the GMPZ. A prominent black shale horizon defines the eastern edge of this domain. A relatively high-grade zone with well-developed lodes oriented either N-S or, in places, NNE-SSW. Lodes dip moderately-to-steeply towards local W and local WNW. Considered to be one of the two most continuous and least erratic mineralised zones in the project area, along with Domain 101.	Gilbey's Main Zone - West
103	Gold mineralisation associated with a portion of the north-south limb (local grid) and the GMPZ in the far north, which has been sinistrally displaced about 70m to the west of Domain 102. Internal lodes dip moderately-to-steeply towards the west.	Gilbey's North
104	Near-surface gold mineralisation associated with a portion of the north-south limb (local grid) in the GMPZ to the south of Domains 100 and 101, where structural disruption in the hinge zone begins to have a significant impact. Internal lodes dip moderately to the west.	Gilbey's Starter Pit Area
105	Minor lode in the footwall of Domain 100.	GMZ footwall
201	A relatively narrow band of well-defined mineralisation in the hangingwall of the GMPZ, trending towards the north-northeast (local grid). This zone is associated with a number of black shale horizons. Internal lodes dip moderately-to-steeply to the west.	Gilbey's Hangingwall Lode - South
202	A continuation of the Domain 201 feature to the north, eventually merging with Domain 102. Internal lodes dip moderately-to-steeply to the west.	Gilbey's Hangingwall Lode - North
203	Highly erratic and discontinuous mineralisation in the footwall of the southern hangingwall lode, stretching across to the west to Domain 104. Internal lodes appear to strike NNE-SSW (local grid) and dip moderately to steeply to the WNW.	Gilbey's HW Link Zone
401	A diffuse trend of highly erratic and discontinuous mineralisation in the footwall of the GMPZ and situated on the north limb of the fold. Internal lodes strike NNE-SSW (local grid) and dip moderately to steeply to the WNW.	Gilbey's Eastern Cutback Lodes
402	A second diffuse trend of highly erratic and discontinuous mineralisation in the footwall of the GMPZ, situated to the immediate west (local grid) of Domain 401.	Gilbey's Eastern Cutback Lodes
501	A diffuse trend of highly erratic and discontinuous mineralisation in the far SW (local grid) of the project area. Situated on the near-hinge portion of the E-W limb of the fold. Internal lodes dip moderately-to-steeply towards the N.	Gilbey's South
502	A diffuse volume of highly erratic and discontinuous mineralisation situated immediately below Domain 501. Internal lode orientation is uncertain due to limited drilling.	Gilbey's South
601	A diffuse trend of generally erratic and discontinuous mineralisation in the southeast (local grid) of the project area. A high grade and more continuous lode have been detected at depth but has not yet been closed out. Believed to be situated within the hinge zone of the Gilbey's fold structure. Internal lodes dip moderately-to-steeply towards the W.	Plymouth
701	Reasonably continuous mineralisation associated with the Sly Fox Porphyry Zone and situated in the SE (local grid) along the E-W limb of the fold. Internal lodes dip steeply towards the N.	Sly Fox
900	Mineralised waste domain – defined around all the above mineralised domains out to the limit of drilling	-

Figure 2-15: Plan view (local grid) of the broad estimation domains for gold estimation



Source: Mineral Resource Estimate Update, Gilbey's, Plymouth and Sly Fox - Dalgaranga Gold Project, Murchison District, WA – Cube Consulting, May 2021

Drill hole intervals were coded using the mineralisation domain wireframes and then assessed for sample compositing. A 1m composite length was selected as >95% of the raw sample lengths were 1 m or less and 1m composites allowed good sample resolution given the sometimes erratic, narrow and discontinuous nature of the mineralisation. The compositing process was carried out in Surpac software, composites were broken at the mineralised domain boundaries. A “best-fit” algorithm was used and any composites having less than a 0.5 m length were flagged. The composites were then flagged with the mineralisation and weathering domain codes and a code identifying each hole as either an exploration or grade control hole.

Exploratory data analysis (EDA) was carried out using the composite sample database and included:

- Validation of the mineralised and weathering domains and a review of hard vs soft boundaries.

- Checks for any bias between the three assay methods used (fire assay, photon? assay and PAL assay).
- Identification of gold top cuts and/or distance restrictions for each mineralised domain.
- Variography analysis of gold grades within each mineralisation domain.

Gold was estimated into 5m (easting) by 5m (northing) by 2.5m (elevation) sized parent cells using both Ordinary Kriging (OK) and Localised Uniform Conditioning (LUC) interpolation methods. The final gold grade reported in the 2021 Mineral Resource estimate represents a combination of the OK and LUC estimates. The combination of interpolation methods was used to mitigate the risk of OK over smoothing the gold grade in areas of widely spaced exploration drilling. The OK estimate was therefore reported in areas covered by the grade control drilling and the LUC estimate was reported in the areas below the grade control drilling and supported by exploration drilling data (which covers the vast majority of the deposit).

In situ bulk density values were determined using 434 bulk density measurements collected from diamond core samples using the Archimedes water emersion technique. The measurements were statistically analysed by lithology, mineralisation domain and weathering state, but this process was hampered by the relatively few available samples in the oxide (n=32) and transitional zones (n=45). No significant differences were found between the various categories analysed in the fresh rock, which average approximately 2.8 t/m³.

Table 2-11: Density values assigned to the Dalgaranga Mineral Resource estimate

Material Type	Density Assigned (t/m ³)
Air	0.0
Dump	1.8
Alluvium	1.8
Oxide	2.0
Transitional	2.5
Fresh	2.8

The May 2021 Dalgaranga Mineral Resource estimate has been reported using a variable block cut-off grade of 0.25 g/t Au outside of the black shale lithology, and 0.30 g/t inside the black shale lithology and within a constraining pit shell based on a gold price of A\$2,800 and the following pit optimisation inputs:

- Mining Costs = A\$4.60 per tonne.
- Processing Costs = A\$9.92 (Oxide) to A\$12.26 (Fresh) per tonne.
- Slope Angles = 40° (Oxide) and 49° to 70° (Fresh).
- Process Recovery = 77% (Black Shale) and 87.45% (Fresh) to 93% (Oxide Other).

The Mineral Resources were classified using criteria including.

- Database integrity.
- Geological interpretation.

- Drill hole spacing and sampling density.
- Estimation method.

Table 2-12: Dalgaranga Mineral Resources as of May 2021 above a 0.25-0.30g/t cut-off

Classification	Oxidation State	Mt	Au g/t	Au koz
Measured	Oxide	0.003	0.95	0.1
	Transitional	0.74	0.67	15.9
	Fresh	0.64	0.70	14.6
	Subtotal	1.38	0.69	30.7
Indicated	Oxide	0.42	0.75	10.1
	Transitional	0.82	0.82	21.5
	Fresh	16.97	0.87	476.8
	Subtotal	18.20	0.87	508.7
Inferred	Oxide	0.03	0.53	0.4
	Transitional	0.13	0.56	2.4
	Fresh	3.41	0.75	82.3
	Subtotal	3.56	0.74	85.1
Subtotal		23.15	0.84	624.4
Surface Stockpiles				24.5
Total				648.9

Source: Gascoyne Management Information, date

2.6.2 Glenburgh

The Glenburgh Mineral Resource estimate was updated in December 2020 by Cube Consulting covering three zones for 11 deposits:

- Central Zone - Icon, Apollo, Tuxedo, Mustang-Cobra, and Shelby deposits.
- North East Zone - Zone 126, Zone 102, Hurricane, and North East 3 deposits
- South West Zone - Torino, and Thunderbolt deposits.

Geological modelling included updated interpretations for:

- Base of Completed Oxidation (BOCO) and Top of Fresh Rock (TOFR) weathering horizons.
- Gold mineralisation in each of the three zones (Table 2-13):
 - Central Zone - 34 mineralisation domains for the five separate deposits. Mineralisation consistently strikes E-W and steep to sub-vertical dipping to the north (local grid). The interpretation extends over a strike length of 3,350 m and a vertical depth extent currently defined at 300 m (300 mRL to 0 mRL). The true thickness is highly variable between 5 m to 80 m.
 - North East Zone - 24 mineralised domains were interpreted for four separate deposits. Mineralisation consistently strikes E-W and steep to sub-vertical dipping to the north (local grid). The interpretation extends over a strike length of 2,420 m and a vertical depth extent

currently defined at 450 m (325 mRL to -125 mRL). There is an extensive down-dip projection for the dominant high-grade domain in Zone 126 which also displays a distinct westerly plunge of ~60°. The true thickness is highly variable between 5 m to 50 m.

- South West Zone - total of 19 mineralised domains were interpreted for two separate deposits. Mineralisation consistently strikes E-W and steep to sub-vertical dipping to the north (local grid). The interpretation extends over a strike length of 3,050 m and a vertical depth extent currently defined at 150 m (285 mRL to 135 mRL). The true thickness is highly variable between 3 m to 40 m.

The mineralisation domains were initially modelled using Leapfrog software using a cut-off grade of 0.3g/t Au. A minimum true width of 2m, or 3m down hole width and then refined in Surpac software to improve geological continuity.

Table 2-13: Glenburgh mineralisation domains

Zone	Deposit	Estimation Domain Codes
CENTRAL	Icon	1001 to 1008
	Apollo	2001 to 2004
	Tuxedo	3001 to 3007
	Mustang	4001 to 4010
	Shelby	5001 to 5005
EAST	Zone 126	6001 to 6009
	Zone 102	7001 to 7005
	Hurricane	8001 to 8006
	NE3	9001 to 9004
WEST	Torino	1001 to 1014
	Thunderbolt	2001 to 2005

Drill hole intervals were coded using the mineralisation domain wireframes and then assessed for sample compositing. A 1 m composite length was selected as the majority of the raw sampling data was collected over 1 m intervals except for the AC data, which was collected over 4 m intervals, however these do make up a large proportion of the estimation dataset. The compositing process was carried out in Surpac software, composites were broken at the mineralised domain boundaries. A “best-fit” algorithm was used and any composites having less than a 0.5 m length were length weighted and added back into the preceding full composite. The composites were then flagged with the mineralisation and weathering domain codes.

Exploratory data analysis (EDA) was carried out using the composite sample database and included:

- Validation of the mineralised and weathering domains and a review of hard vs soft boundaries.
- Checks for any bias between the three assay methods used (fire assay, photon assay and PAL assay).
- Identification of gold top cuts and/or distance restrictions for each mineralised domain.
- Variography analysis of gold grades within each mineralisation domain.
- The establishment of interpolation search parameters.

Three separate block models were created for each of the main zones. The model parameters were optimized for data spacing, volume fill and mine planning purposes. The parent block dimensions used in the three block models were:

- Central Zone Model: 5 mE x 2.5 mN x 2.5 mRL, sub-celled to 2.5 m x 1.25 m x 1.25 m.
- East Zone Model: 5 mE x 2.5 mN x 2.5 mRL, sub-celled to 2.5 m x 1.25 m x 1.25 m.
- West Zone Model: 12.5 mE x 5 mN by 5 mRL, sub-celled to 6.25 m by 1.25 m by 2.5 m

A combination of OK and LUC interpolation methods was used to estimate gold into the block models. LUC was used where there were more disseminated and broader styles of mineralisation (+25 m true thickness) in the Central Zone and East Zone whereas OK was used for all other much smaller and narrower mineralisation domains for the East, Central, and all West Zone domains.

In situ bulk density values were determined from a dataset of 674 bulk density measurements collected from diamond core samples and bulk density testwork taken from geotechnical test pits over the deposits (Table 2-14). All of the samples were collected in fresh rock.

Table 2-14: Density values assigned to the Glenburgh Mineral Resource estimate

Material Type	Weathering Horizon	Number of Samples	Assigned Density (t/m ³)
Waste	Oxide	-	2.50
	Transition	-	2.55
	Fresh	465	2.79
Mineralisation	Oxide	-	2.50
	Transition	-	2.55
	Fresh	209	2.82

The December 2020 Glenburgh Mineral Resource estimate has been reported using a variable cut-off grade of 0.25 g/t Au for open pit resources and 2.0 g/t Au for underground resources in the Zone 126 mineralised domain (Table 2-15 and Figure 2-16). The open pit resources were constrained within A\$2,800 per ounce optimised pit shells (generated in Deswik Pseudoflow) based on parameters derived from preliminary studies, and the underground resources (occurring within Zone 126) were constrained within manual stope designs later confirmed with Deswik Stope Optimiser. The Mineral Resources were classified using criteria including:

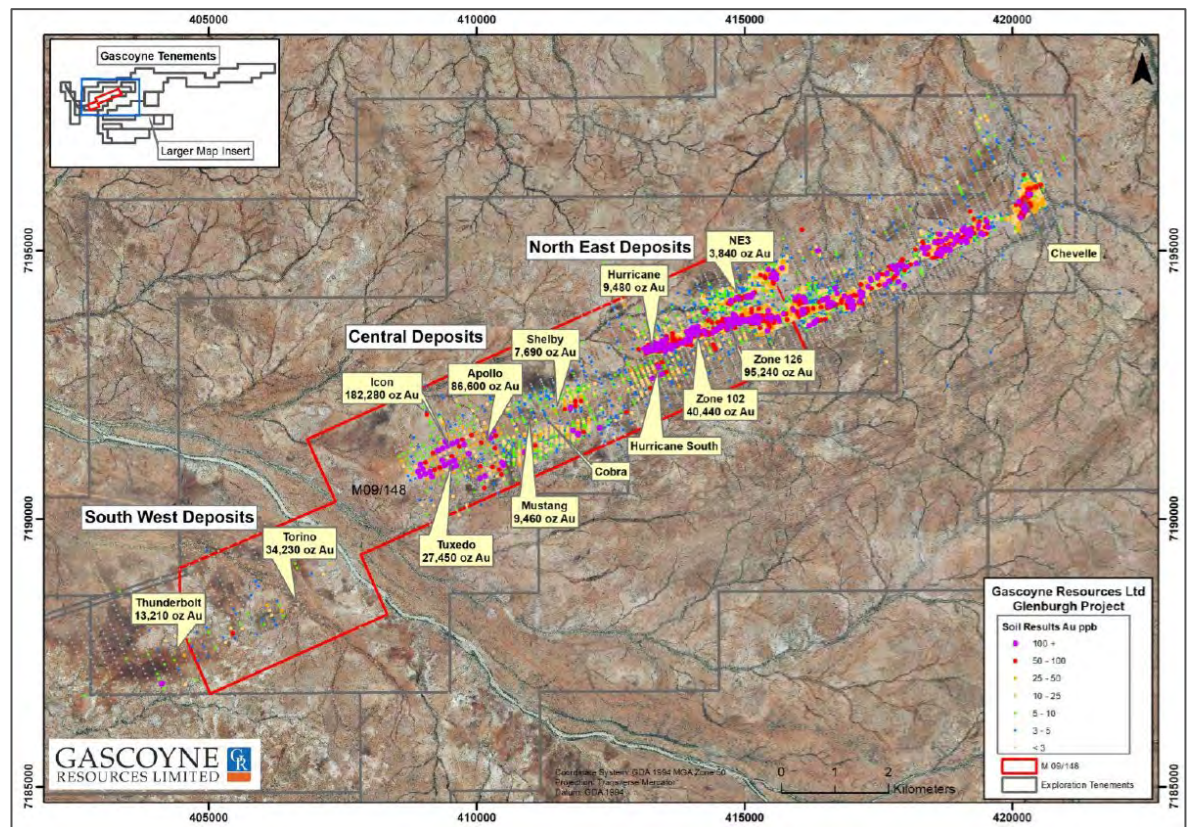
- Drill spacing.
- Geological continuity.
- Blocks not estimated were assigned the mean composite grade for the correspond estimation domain and were not classified.

Table 2-15: Glenbough Mineral Resources as of December 2020 above a 0.25-2.0 g/t Au cut-off

Classification	Zone	Deposit	Cut-off (Au g/t)	Tonnes (Mt)	Au (g/t)	Au (Koz)
Indicated	Central	Apollo	0.25	1.9	1.2	75.4
		Icon	0.25	7.1	0.7	169.1
		Shelby	0.25	0.3	0.6	5.7
		Mustang/Cobra	0.25	0.1	0.6	1.4
		Tuxedo	0.25	1.2	0.6	23.4
	North East	Hurricane	0.25	0.2	1.2	9
		Zone 102	0.25	1.3	1.0	39.7
		NE3	0.25	-	-	-
		Zone 126 OP	0.25	0.2	2.5	15.5
		Zone 126 UG	2.00	0.5	3.7	53.8
	South West	Torino	0.25	0.5	1.7	28.8
		Thunderbolt	0.25	0.3	1.8	9.1
	Sub total		0.25-2.00	13.5	1.0	430.7
Inferred	Central	Apollo	0.25	0.4	0.8	11.3
		Icon	0.25	0.8	0.5	13.2
		Shelby	0.25	0.1	0.4	2.0
		Mustang/Cobra	0.25	0.3	0.8	8.1
		Tuxedo	0.25	0.3	0.5	4.1
	North East	Hurricane	0.25	0.0	0.5	0.6
		Zone 102	0.25	0.1	0.5	0.8
		NE3	0.25	0.1	1.1	3.9
		Zone 126 OP	0.25	0.1	0.7	1.7
		Zone 126 UG	2.00	0.2	3.5	24.2
	South West	Torino	0.25	0.2	0.8	5.4
		Thunderbolt	0.25	0.1	1.1	4.1
	Subtotal		0.25-2.00	2.8	0.9	79.4
Total			0.25-2.00	16.3	1.0	510.1

Source: Mineral Resource Estimate Glenbough Gold Project, Gascoyne Region, Western Australia, WA – Cube Consulting, December 2020

Figure 2-16: Glenburgh Gold Development Project – Summary of Contained Gold Ounces in Mineral Resource by Deposits



Source: Mineral Resource Estimate Glenburgh Gold Project, Gascoyne Region, Western Australia, WA – Cube Consulting, December 2020

2.6.3 Mt Egerton

The Hibernian Deposit Mineral Resource estimate was updated in January 2021 by Cube Consulting. SRK was supplied with a supporting JORC Code Table 1 but the Mineral Resource report for 2021 was still being prepared and was not available for assessment at the time of SRK's Technical Assessment.

Geological modelling included updated interpretations for 14 mineralisation domains which included 11 domains modelled in central or main Hibernian deposit (northern and southern zones) and 3 minor zones to the east and west.

The historical underground Hibernian Gold Mine intersected gold lodes in the northern zone and southern zones. The gold was associated with quartz veins and pyrite enriched rock recorded in the old development drives. Within the northern zone the gold lodes appear to be parallel to the steep, northerly dipping shear planes, whereas in the southern zone it has been recognised, that the gold lodes are folded, then boudinaged and aligned parallel to the superimposed shear structures. Mineralisation continuity between shallowly plunging quartz shoots is good at very low grades but is poor at high-grades and appears to be associated with thin veins and faults within the broad shear zone. The best developed shoot is defined over a 100m strike length however typical strike length is approximately 20 m.

The mineralisation domains were modelled using a combination of drill hole logging, surface mapping and underground backs mapping. Gold mineralisation was restricted parallel to the shear orientations, with vertical truncations or terminations interpreted as structure offsets (faults) or complex folding or plunging shoots. The mineralisation domains have been modelled over a strike extent of up to 350 m and a vertical depth extent currently defined at ~80 m.

The confidence in the geological interpretation of the mineral deposit is reasonably good due to the close spaced drilling confirming the location and tenor of mineralisation previously intersected by historical drilling and historical underground (UG) mining activities. However, the historical RC and DD drilling mainly comprises angled holes which tested for shear parallel sheet veins rather than for shallow plunging shoots. Due to this (vector) data gap, there was difficulty constructing continuous wire frames that reflected the individual high-grade quartz veins and therefore the estimation was undertaken unconstrained within the broadly defined shear zone.

Drill hole sample data was flagged with mineralisation domain codes and then assessed for sample compositing. A 1 m composite length was selected as the majority of the raw sampling data was collected over 1 m intervals. The composites were then flagged with the mineralisation and weathering domain codes.

Exploratory data analysis (EDA) was carried out using the composite sample database and included:

- Validation of the mineralised and weathering domains and a review of hard vs soft boundaries.
- Checks for any bias between the three assay methods used (fire assay, photon assay and PAL assay).
- Identification of gold top cuts and/or distance restrictions for each mineralised domain.
- Variography analysis of gold grades within each mineralisation domain.
- The establishment of interpolation search parameters.

Gold was estimated into 5 m (easting) by 2.5 m (northing) by 5 m (elevation) sized parent cells using OK interpolation with an additional Inverse Distance to the power of two (ID²) check estimate.

In situ bulk density values were assigned to 2021 Hibernian Mineral resource estimate based upon previously reported values subdivided by weathering horizon from 2005 which were based upon DD core samples analysed by AMMTEC (Table 2-16). Gascoyne do not state how many samples were taken or the method used to determine bulk density.

Table 2-16: Density values assigned to the Hibernian Mineral Resource estimate

Material Type	Density (g/cm ³)	
	Mineralised	Waste
Laterite	2.0	2.0
Oxide	2.2	2.2
Transition	2.4	2.4
Fresh	2.65	2.65
Mining Voids	0	0

The January 2021 Hibernian Deposit Resource estimate has been reported using a cut-off grade of 0.7 g/t Au and was constrained within A\$2,800 per ounce optimised pit shells (generated in Deswik Pseudoflow) based on parameters derived from preliminary studies (Table 2-17). The Mineral Resources were classified using criteria including:

- Data quality
- Drill spacing.
- Lode continuity.

Table 2-17: Hibernian Deposit Mineral Resources as of January 2021 above a 0.7g/t Au cut-off

Classification	Mt	Au g/t	Au koz
Indicated	0.23	3.4	25
Inferred	0.04	1.5	2
Total	0.28	3.1	27

2.6.4 Yalgoo

The Melville Mineral Resource estimate was updated in March 2021 by Firefly.

Geological modelling included the interpretation of 48 mineralisation domains and base of oxidation and top of fresh rock weathering horizons. In total 45 bedrock mineralisation domains were modelled as stratiform stockwork zones within the more iron rich bands of the BIF host lithology and to a lesser extent as high-grade quartz veins and mineralised porphyritic intrusives. Each of the bedrock domains took in account structural influences such as folding and fault offsets. An oxide mineralised zone was also modelled using gold assay grades within the oxide zone. This zone has recently been confirmed by RCGC drilling completed by Firefly.

Drill hole sample data composited to a 1 m composite length was selected with intervals less than 0.2 m merged back into the preceding interval to restrict the influence of small samples. The composites were then flagged with the mineralisation and weathering domain codes.

EDA was carried out using the composite sample database and included:

- Validation of the mineralised and weathering domains and a review of hard vs soft boundaries.
- Identification of gold top cuts and/or distance restrictions for each mineralised domain.
- The establishment of interpolation search parameters.

Gold was estimated into 5 m (easting) by 5 m (northing) by 5 m (elevation) sized parent cells using ID² interpolation over three estimation passes.

In situ bulk density values were assigned to 2021 Melville Mineral Resource estimate based upon test work conducted by previous owners, Prosperity Resources Ltd. A value of 2.6t/m³ was assigned to oxide material, 2.8t/m³ was assigned to transitional material and 2.9t/m³ for fresh material. Firefly does not state how many samples were taken or the method used to determine bulk density.

The March 2021 Melville Deposit Resource estimate has been reported using a cut-off grade of 0.7 g/t Au. The Mineral Resources were classified using criteria including:

- estimation pass
- drill spacing.

Table 2-18: Melville Deposit Mineral Resources as of March 2021 above a 0.7 g/t Au cut-off

Classification	Mt	Au g/t	Au koz
Indicated	3.31	1.47	156.8
Inferred	0.89	1.39	39.6
Total	4.20	1.45	196.4

2.6.5 SRK Opinion

In SRK's opinion, the 2020 and 2021 Mineral Resource estimates for Dalgaranga, Glenburgh, Hibernian and Melville been prepared to a sufficient quality standard under the guidelines of the JORC Code (2012) and are appropriate for valuation purposes.

SRK considers the 2021 Dalgaranga Mineral Resource estimate to be reasonable local estimate. In SRK's opinion, Gascoyne has a very good understanding of the local geology and the controls on mineralisation. The Gibey's, Plymouth and Sly Fox deposits are well drilled out with mostly modern exploration and grade control drilling techniques. The estimation methodology utilised is reasonable for the style of mineralisation and the current data spacings and has been validated by several years of mining reconciliation data.

SRK considers the 2020 Glenburgh Mineral Resource estimate to be a reasonable global estimate. In SRK's opinion, Gascoyne has a good understanding of the local geology and the controls on mineralisation and the project area is well drilled out with mostly modern exploration drilling techniques. The estimation methodology utilised is reasonable for the style of mineralisation and the current data spacings.

SRK considers the 2021 Hibernian Mineral Resource estimate to be a reasonable global estimate. In SRK's opinion, Gascoyne has a good understanding of the local geology and the controls on mineralisation, supported by good sample support from the drilling density and backs mapping from the historical Hibernian underground mine. There is however limited documentation to support the historical exploration dataset (including drilling and bulk density sampling) which does not appear to have been considered during Mineral Resource classification. The estimation methodology utilised is reasonable for the style of mineralisation.

SRK considers the 2021 Melville Mineral Resource Estimate to be a reasonable global estimate. In SRK's opinion, Firefly has a good understanding of the local geology and the controls on mineralisation. The oxide mineralisation is supported by close spaced drilling (on a nominal 10 mE x 10 mN spacing) including recent RC grade control data. However, the drill spacing in the transitional and fresh rock zones opens up to between 25-50mE by 25-100mN and mostly consists of historical exploration data with limited documentation which does not appear to have been considered during Mineral Resource classification. The estimation methodology utilised is reasonable to enable an early-stage global Mineral Resource estimate, however the Inverse Distance interpolation method used does not consider directions of continuity for gold within the mineralised domains. SRK

recommends that Firefly conduct a variography modelling study and re-estimate the Melville deposit using an OK methodology to gain an understanding on what effect (if any) this would have on the estimates.

One comment applicable to all the Mineral Resource estimates considered in the Report is the limited amount of bulk density sampling available, particularly in the oxide and transitional zones. Additionally, the lack documentation for the historical density data from the Hibernian and Melville deposits adds more technical uncertainty to these Mineral Resource estimates.

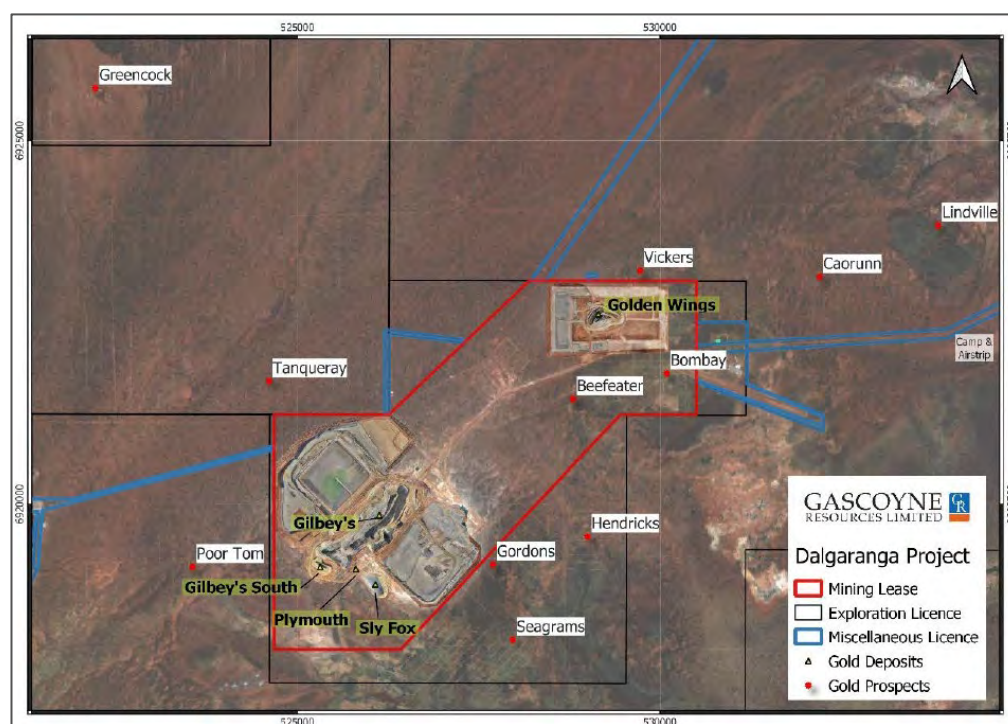
2.7 Exploration Potential

2.7.1 Gascoyne

Dalgaranga Prospectivity

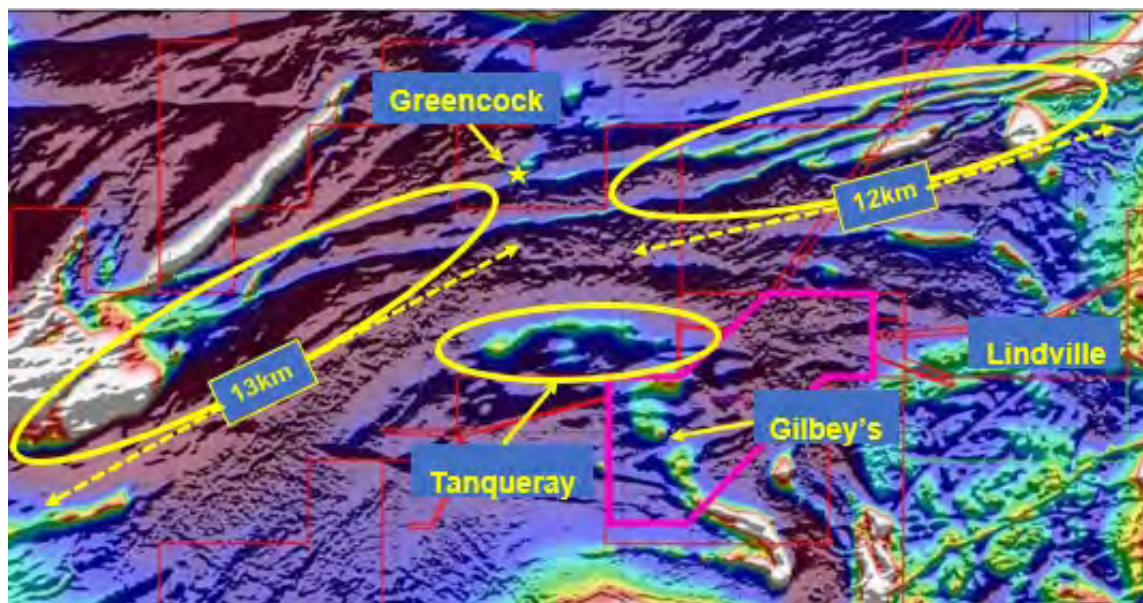
Gascoyne has identified several exploration opportunities within its Dalgaranga tenure including possible extensions to the Gilbey's South and Sly Fox deposits, as well a number of satellite prospects at the broader Dalgaranga Project area, including Tanqueray, Greencock, Lindville and Vickers (Figure 2-17 and Figure 2-18). These deposit extensions and prospects are interpreted to be of similar grade tenor to the currently identified deposits. More than 25,000 metres of aircore drilling was undertaken by Gascoyne in the March quarter of 2021, with aircore drilling currently underway on the Greenock structure.

Figure 2-17: Dalgaranga Prospect location map (tenement location)



Source: Follow up RC Drilling Commences at Dalgaranga, ASX Announcement, Gascoyne Resources Limited, 4 November 2020.

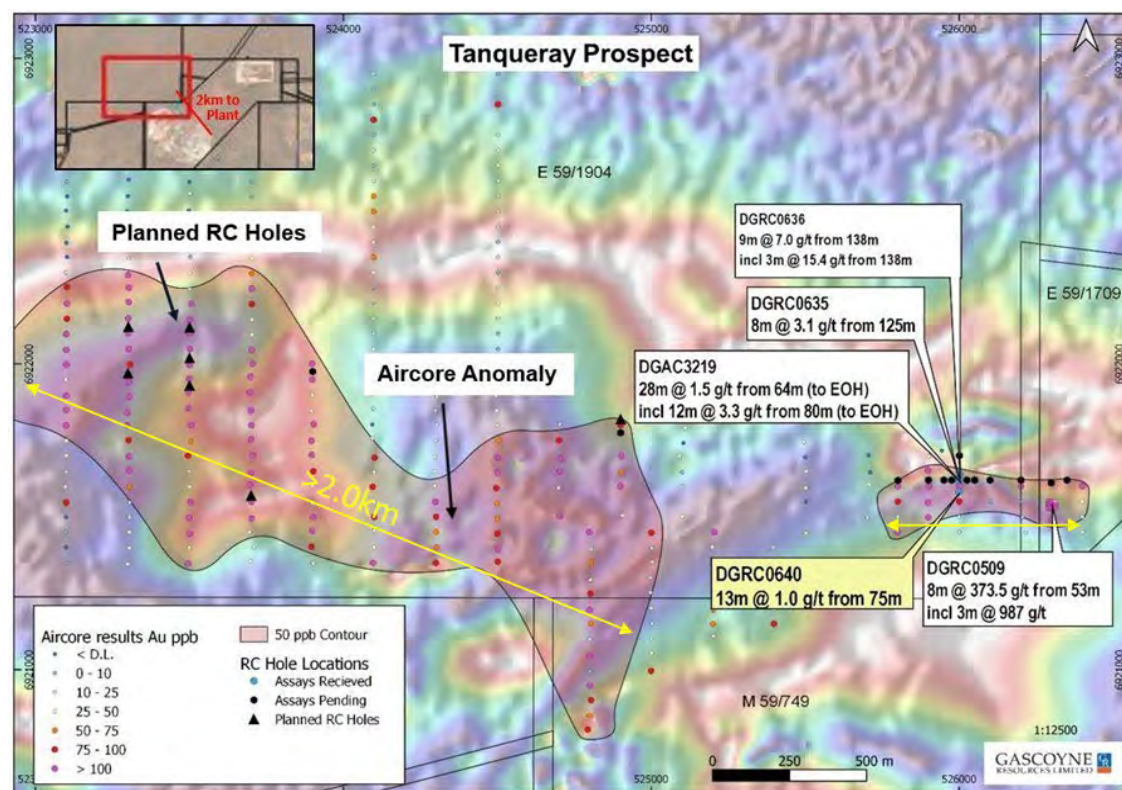
Figure 2-18: Dalgaranga Prospect location map (regional magnetics)



Source: Modified from Gascoyne Management Information, ASX Announcement 3 May 2021

Notably, additional RC drilling assays remains outstanding for the Tanqueray prospect, which is interpreted to be a 2 km-long zone of anomalous gold mineralisation (West Zone) with additional prospectivity in the East Zone (Figure 2-22).

Figure 2-19: Tanqueray prospectivity



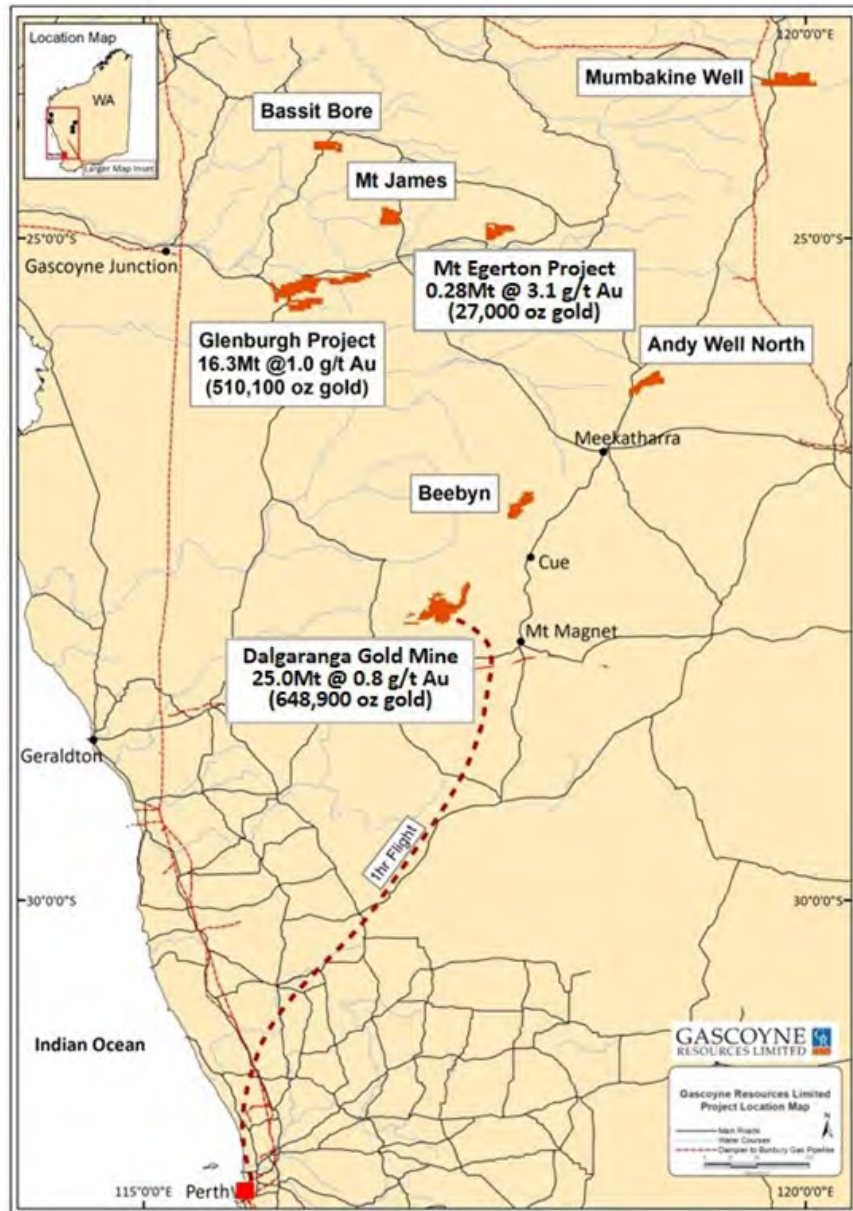
Source: Modified from Gascoyne Management Information

Regional Exploration

Gascoyne has identified several exploration opportunities outside the Dalgaranga Project area including Glenburgh and Mt Egerton Projects and four other early-stage exploration projects.

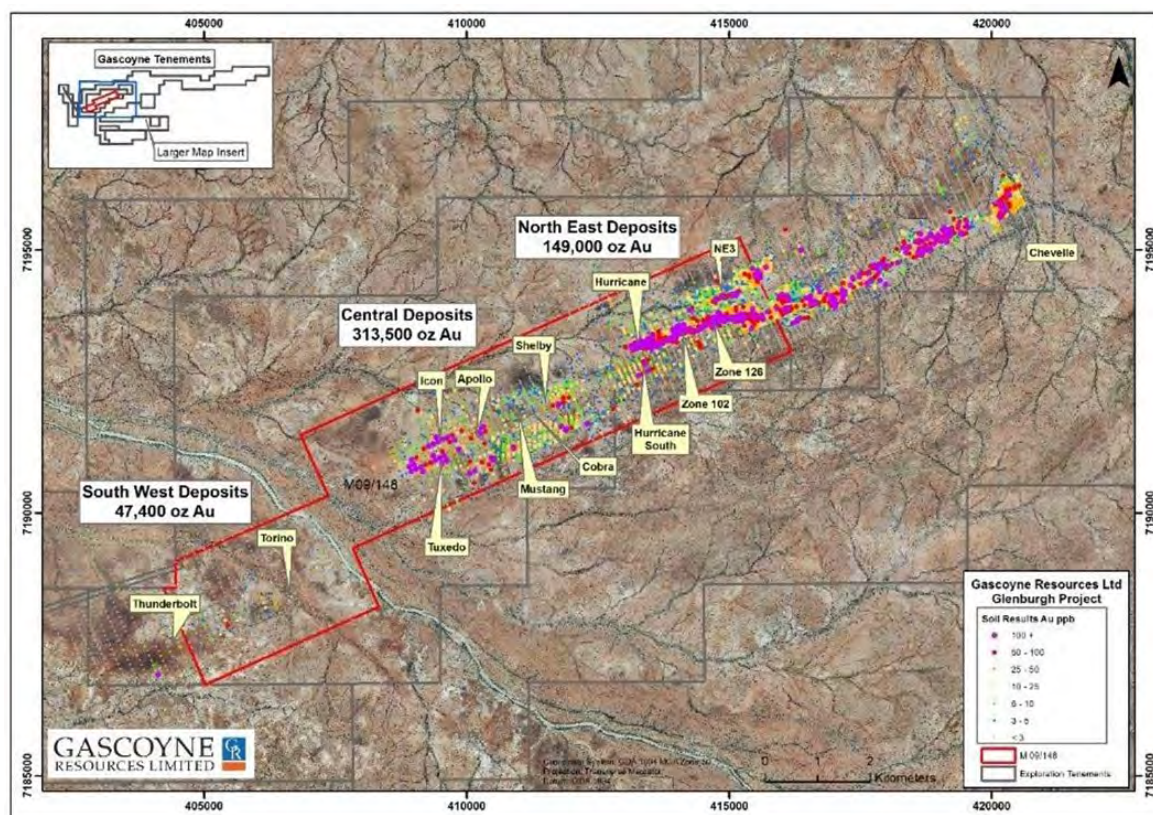
Figure 2-20 presents a location overview of Gascoyne's regional exploration portfolio.

Figure 2-20: Location of Gascoyne's exploration portfolio



SRK understands that Gascoyne's work program at the Glenburgh Project is currently focused on resource extensional drilling around the Zone 126, Zone 102 and Cobra deposits and air core drilling targeting regional geochemical targets southwest and northeast of the known Glenburgh Mineral Resource area (Figure 2-21).

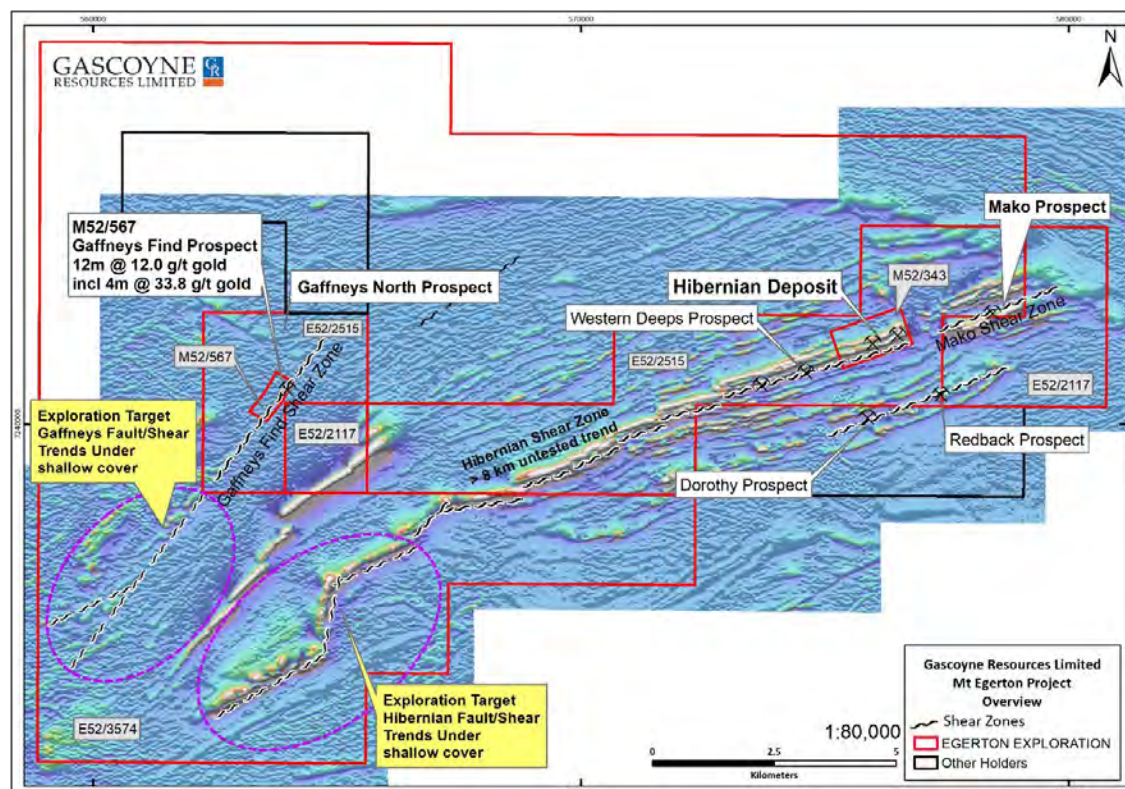
Figure 2-21: Glenburgh Project prospectivity



Source: Gascoyne Management Information

In addition, Gascoyne has recently completed an RC drilling program at the Mt Egerton Project (Figure 2-22). The program tested resource extensions to the Hibernian deposit. Further RC drill testing was also conducted at the Gaffney's Find and Mako prospects with assays pending. A total of 2,062 m of RC drilling was completed.

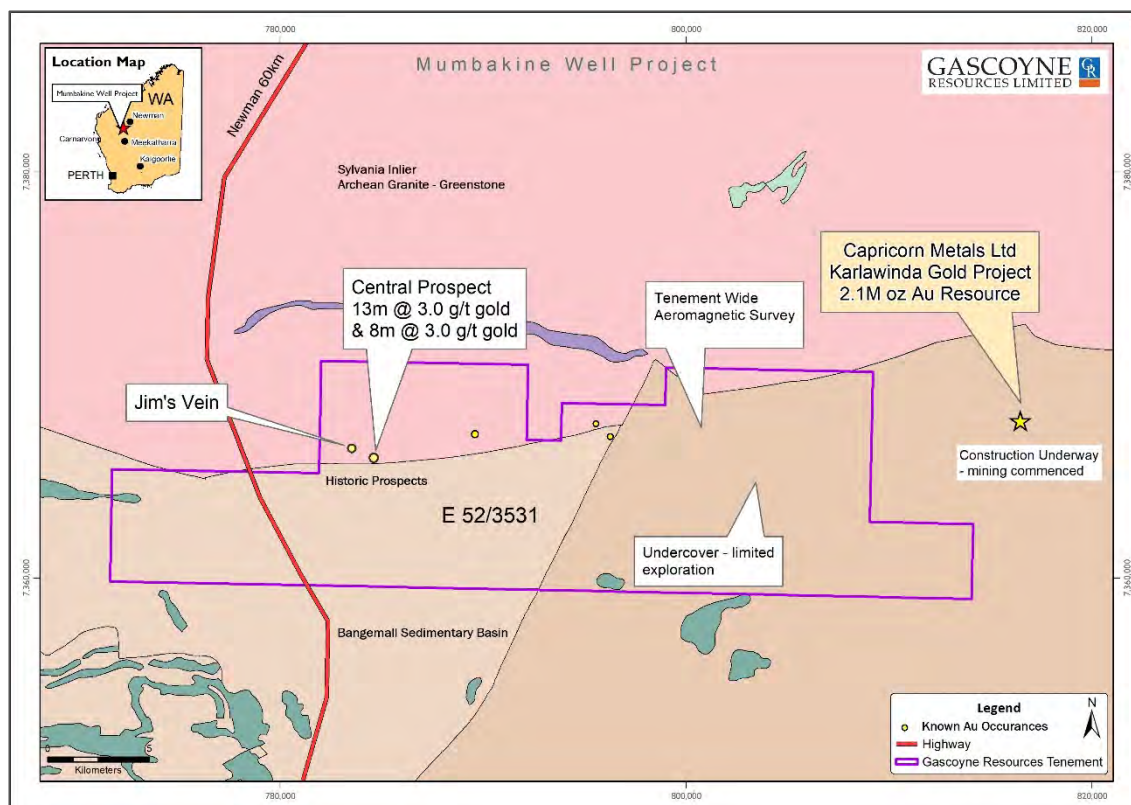
Figure 2-22: Mt Egerton aeromagnetics



Source: Exploration Budget Doubled Following Excellent Results, ASX Announcement, Gascoyne Resources Limited, 4 February 2021.

On a regional basis, Gascoyne is also exploring the Mumbakine Well exploration prospect, located on the southern margin of the Sylvania Dome, an Archean granite-greenstone terrain and the northern margin of younger Proterozoic rocks of the Bangemall Basin (Figure 2-23).

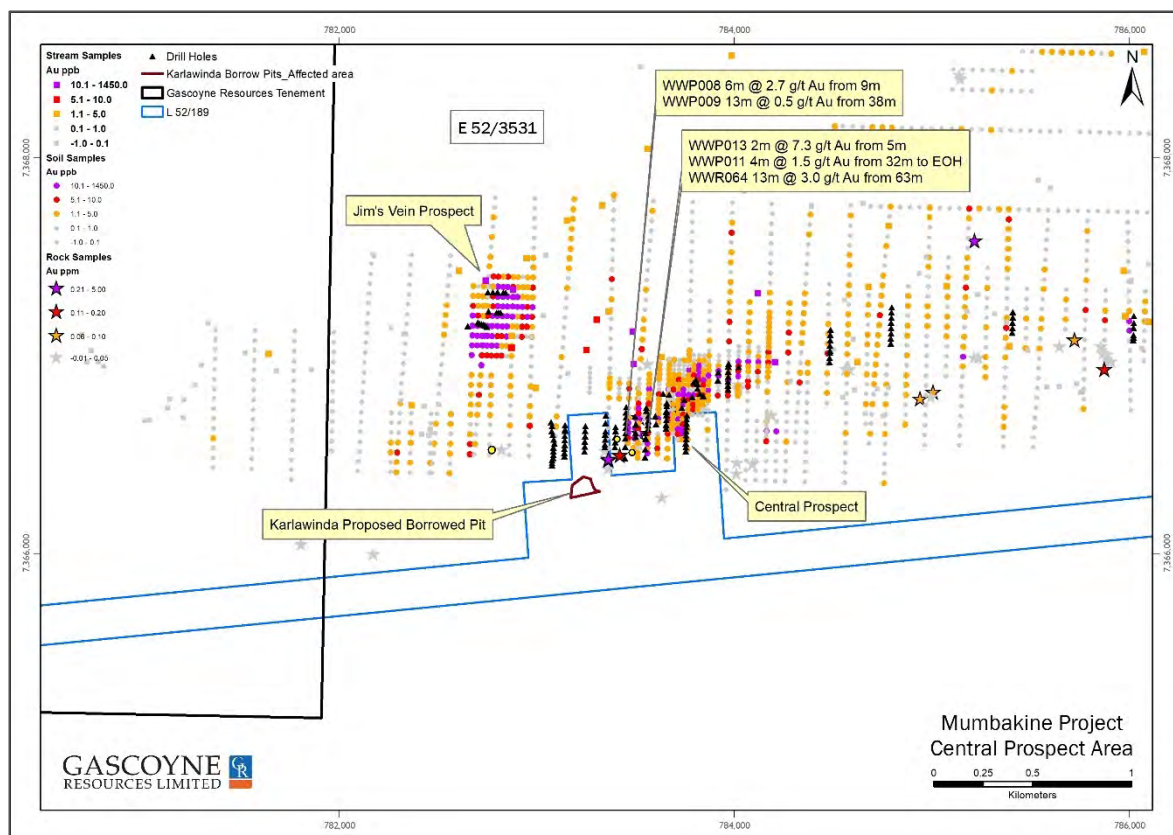
Figure 2-23: Mumbakine Well Project regional geology



Source: Modified from Gascoyne Management Information

Two prospects, Jim's Vein and the Central Prospect were identified following rock chip geochemical sampling and initial RAB and RC drilling (Figure 2-24). Best results encountered to date have been from the Central Prospect where previous drilling has encountered reasonable widths (2-13 m) of high grade (+2.5 g/t Au) at shallow (<70 m) downhole depths.

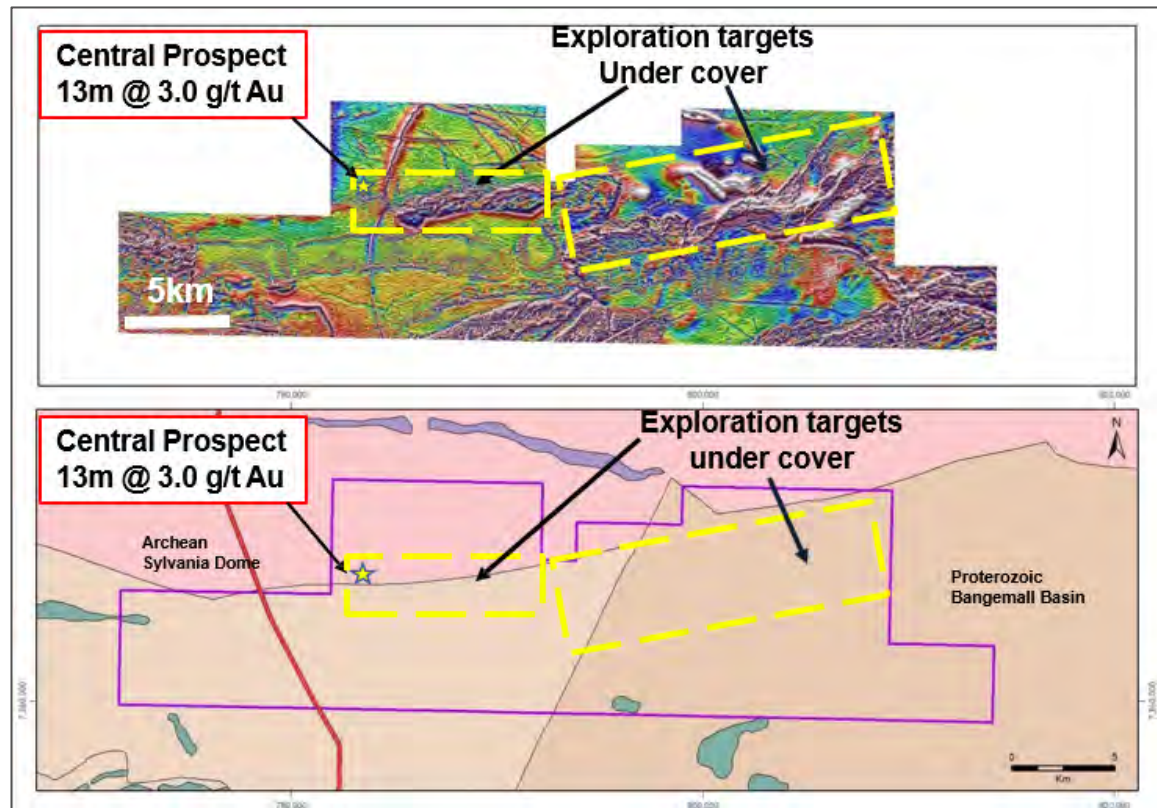
Figure 2-24: Summary of assay results from the Mumbakine Well Project



Source: Gascoyne Management Information

Gascoyne has recently completed a detailed aeromagnetic survey on the project area (Figure 2-25).

Figure 2-25: Mumbakine Well aeromagnetics



Source: Gascoyne Management Information

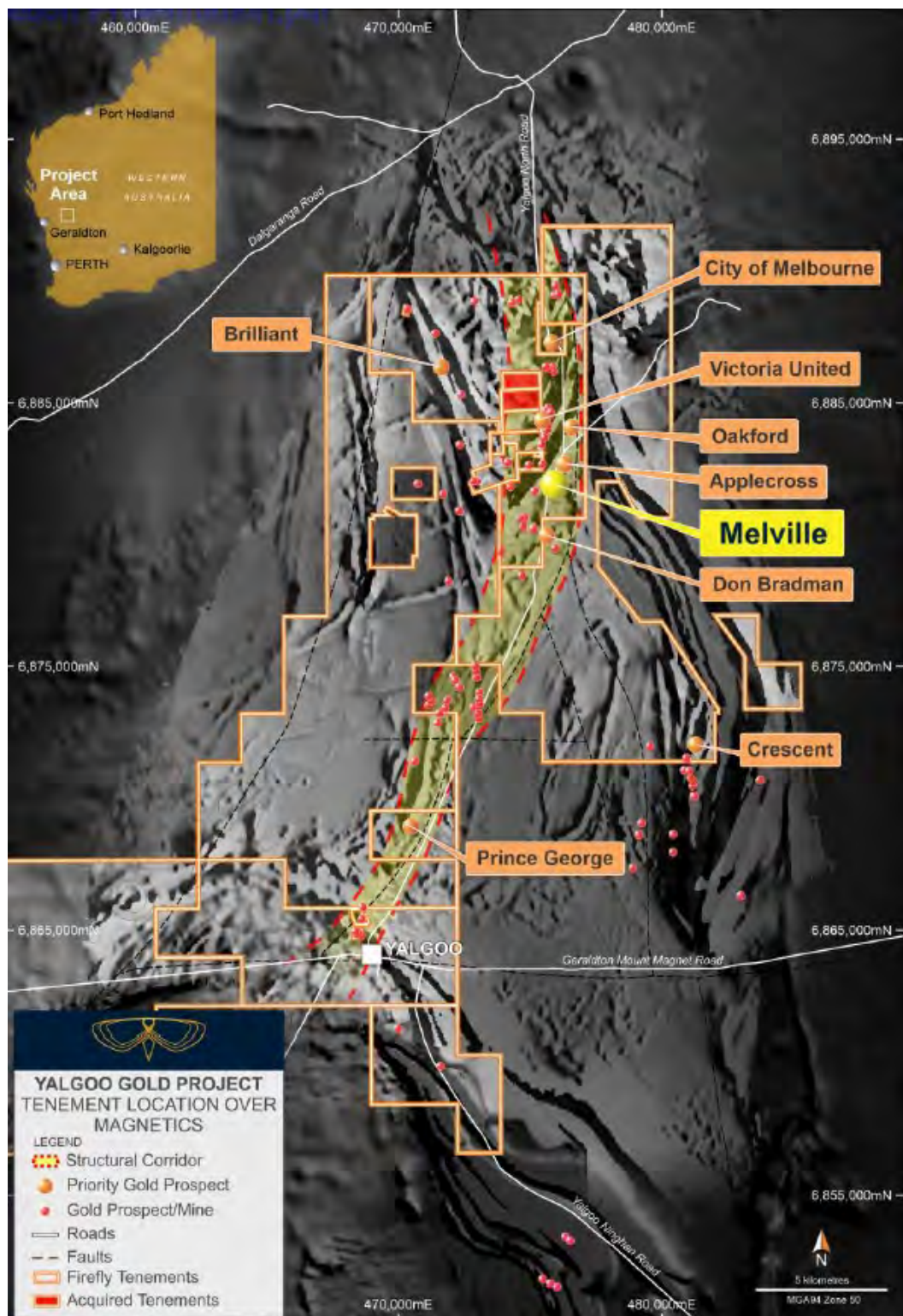
SRK considers the Mumbakine Well Project to be an early exploration stage project.

2.7.2 Firefly Resources Limited

Firefly has acquired a large amount of tenure surrounding the historic mining centre at Yalgoo. Gold was first discovered in the area in 1892 and periodic gold mining occurred in the project area from the 1900s to the 1940s (unknown metrics). There has been limited and periodic exploration over the project from the 1940s until the mid-2000s when Prosperity Resources Limited drilled many of the existing gold prospects between 2004 and 2006 and progressed mining studies on the Melville deposit. Aside from working on the Melville deposit, Firefly has been actively exploring the Applecross, Don Bradman, City of Melbourne, Crescent, Brilliant and Prince George prospects (Figure 2-26), although these prospects remain at a very early stage of exploration.

The Yalgoo Project tenure includes the Enchanted Gold Prospect, located 100 km south of Melville, within a 33 km² granted Exploration Licence occurring within the Yalgoo-Singleton greenstone belt.

Figure 2-26: Yalgoo Project Deposit and Prospect locations



Source: Yalgoo Exploration Presentation, Firefly Resources, May 2021.

2.7.3 SRK Opinion

Gascoyne and Firefly have identified a number of gold prospects that offer potential to add additional low- and high-grade gold ounces in relatively close proximity to Gascoyne's existing Dalgaranga operations and Firefly's Melville deposit within Yalgoo Gold Project. The prospects identified by Gascoyne at Glenburgh and Mt Egerton lie at a greater distance to Dalgaranga and Yalgoo. As such, these would likely be developed as standalone projects, should sufficient Mineral Resources be identified. Refer to Section 3 for the valuation of these exploration assets.

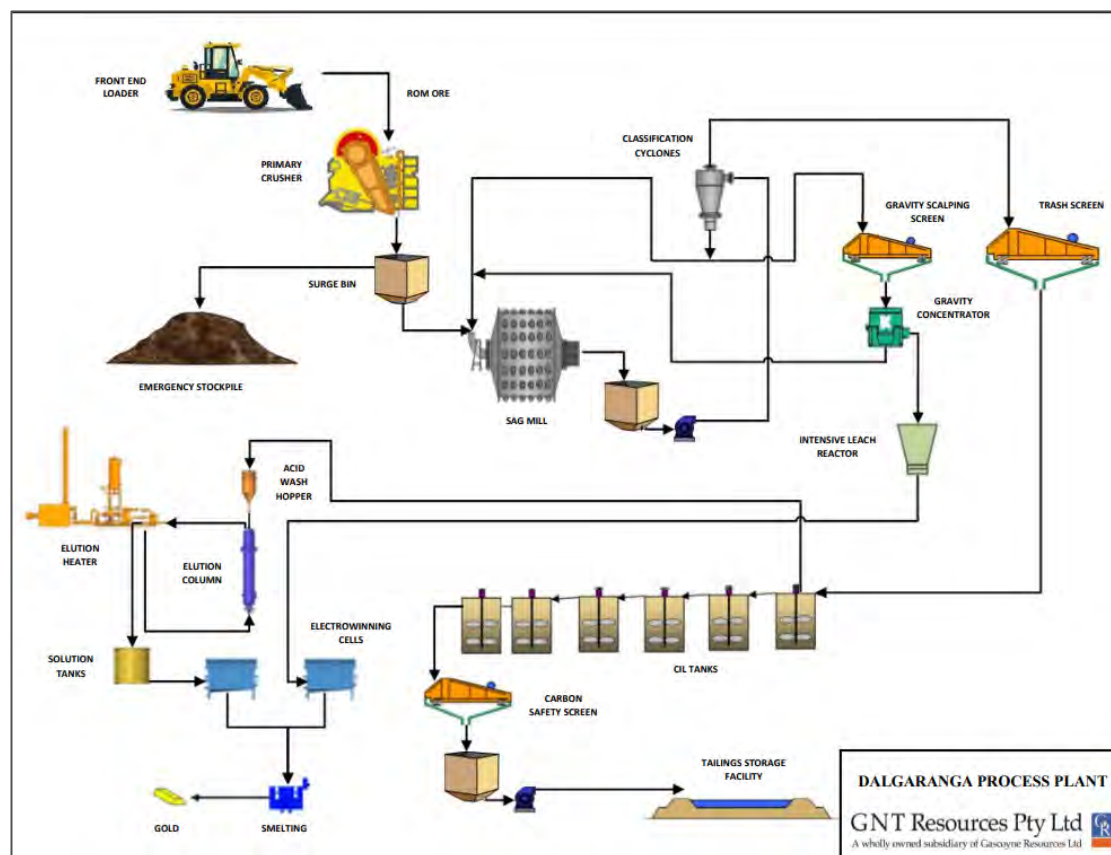
2.8 Metallurgy and Processing

2.8.1 Process description

The Dalgaranga processing plant has a design throughput of 2.5 Mtpa on fresh ores, higher on softer oxides and transitional ores, and is capable of producing an average of 120,000 ounces of gold per annum from a design (not mine scheduled) gold head grade of 1.7 g/t. The circuit is designed to initially process a blend of oxide and transitional ores at a target grind size P_{80} of 90 μm , with the fresh ore component steadily increasing. SRK recommend this processing throughput to be the maximum modelled during LOM planning and for valuation purposes.

The flowsheet (Figure 2-27) incorporates primary crushing, single stage semi-autogenous grind (SAG) milling, gravity gold recovery, intensive leaching of gravity concentrates, a carbon-in-leach (CIL) cyanide leach circuit, gold elution, electrowinning and smelting of final gold and silver calcine into gold doré bars. More recently, and not shown in the flowsheet, is the conversion of the first CIL tank into a pre-oxidations tank. This conversion has been made in response to the operation optimising the processing plant.

Figure 2-27: Dalgaranga flow sheet



Source: Gascoyne Management Information

2.8.2 LOM Recoveries (Dalgara Ore)

Despite an increase in the processed shale content during 2020 and 2021, the leachable gold recoveries have remained above 92%. Total gross metallurgical recoveries are used in the Model rather than the higher leachable recoveries. Based on its assessment of the available production and reconciliation data, SRK considers the gross metallurgical recoveries in the Model to be low (refer to Section 3.1.1 for SRK's recommended modifications to the recovery assumptions for valuation purposes).

2.8.3 Processing Operating Costs and Sustaining Capital

The combined processing and operating costs for 2021, based on the month end reports, was on average A\$13.6/t with the process cost at A\$10.6/t and the maintenance A\$3/t. For 2022, some of the cost for mill liners have been shifted from the maintenance budget to the process budget so comparing the LOM break down to historical cost is challenging. The LOM combined processing and maintenance costs are shown in Table 2-19.

Table 2-19: Processing Operating costs (as reported in the monthly production figures)

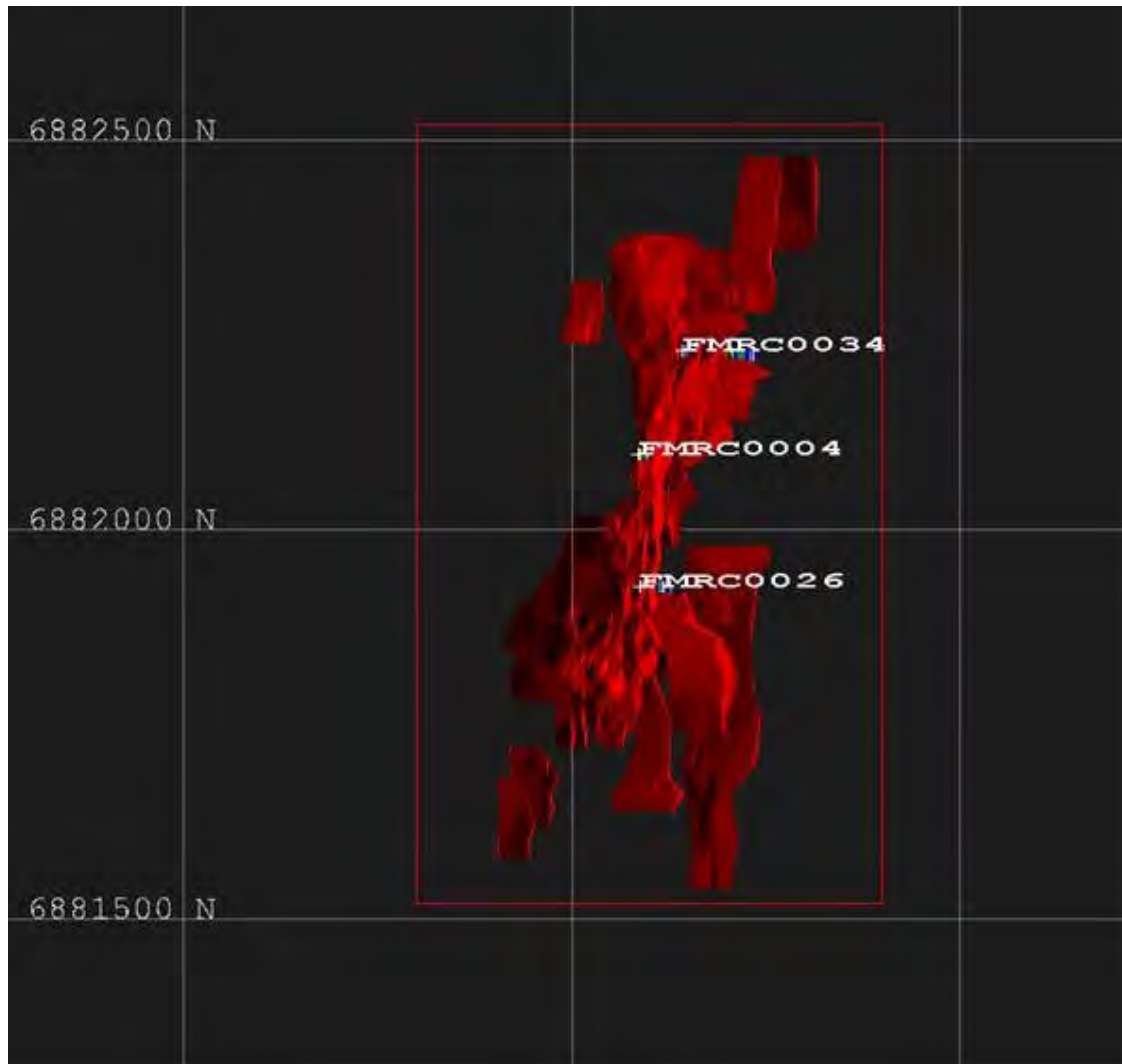
Reagent	Ore Type	Units	LoM		Actual Apr 20- May21
			Separate	Combined with 13% Shale	
Cyanide	Clean	Kg/t	0.52	0.54	0.49
	Shale	Kg/t	0.68		
Lime	Clean	Kg/t	1.40	1.45	0.93
	Shale	Kg/t	1.82		
Grinding Media	Clean & Shale	Kg/t		0.94	0.83
Carbon	Clean & Shale	Kg/t		0.02	0.02
Caustic Soda	Clean & Shale	Kg/t		0.20	Not data seen
Hydrochloric Acid	Clean & Shale	Kg/t		0.20	Not data seen
Oxygen	Clean & Shale	Kg/t		0.50	Not data seen
LNG (exc power)	Clean & Shale	Kg/t		0.20	Not data seen
Power consumption	Clean & Shale	kWh/t		23	22.2 last 12 months 23.88 last 5 months
Power LNG consumption	Clean & Shale	Kg/kWh		0.18	0.18

2.8.4 Melville Metallurgical testwork

As part of its investment due diligence, a testwork program was undertaken by Gascoyne on the Melville deposit to determine the suitability of these ores for treatment through the Dalgaranga process plant. The testwork was limited to dissolution tests conducted on drill chips generated by three (3) RC drill holes. These RC drill holes were selected to highlight any variability in the Melville deposit (Figure 2-28). No specific metallurgical RC holes were drilled nor was there any core samples available for testwork.

Three different lithologies (laterite, shale and band BIF) were sampled for the testwork program. The samples were all collected on one metre intervals with an estimated mass ranging from 3 to 5 kg.

Figure 2-28: Locations of the RC drillholes used for metallurgical test work at Melville



The samples were dried, crushed and pulverised before being split for leach testing either as bottle rolls or in the Dalgaranga site laboratory's pulverise and leach (PAL) system. All the tests were conducted at Dalgaranga mine site using mine water. The solids elemental analysis to determine any deleterious elements were present was obtained using the site handheld XRF. The leached dissolved gold values were determined using the onsite AAS, while the residue solids gold content was determined using off site photon analysis at MinAnalytical Laboratory in Perth. The head grade was not assayed separately, but rather calculated using the solid residue and gold in solution values.

From the Dalgaranga laboratory results, the average dissolution for the samples was 94% (Table 2-20). There was only one sample, drill hole FMRC0004 (72m-73m) BIF, that had a dissolution below 90%. Review of the XRF elemental analysis indicates that the low BIF recovery is associated with a relatively high lead value, but it is unknown if this is the cause. Additional testwork is required to identify the cause of the lower dissolution and the impact the ore will have when processed at Dalgaranga.

Table 2-20: Sample dissolution data

	No. of Samples	Dissolution (%) Minimum	Dissolution (%) Maximum	Dissolution (%) Average
Laterite	2	95.1	95.6	95.4
Banded Iron Formation (BIF)	7	87.6	98.1	93.8
Shale	3	92.8	96.6	94.8
Total/Average	12	87.6	98.1	94.0

The handheld XRF results conducted on the Melville deposit RC chips were compared to recent Dalgaranga assays collected during the production runs at Dalgaranga. These samples were analysed by an external laboratory. The comparison (Table 2-21) indicates that the Melville BIF, shale and laterite ore contain higher levels of Iron (Fe) and lead (Pb), the Melville BIF and shale hosts higher levels of cobalt (Co) and the Melville laterite contains higher levels of copper (Cu). These differences are indicative of potential changes in mineralogy. The impact on the gold recovery cannot be determined given the level of limited testwork and analysis.

Table 2-21: Elemental analysis comparison

	Iron (%)	Lead (ppm)	Cobalt (ppm)	Copper (Cu) ppm
Dalgaranga*	5.7	32	44	112-220
Dalgaranga Shale		65		
Melville BIF	20	139	212	117
Melville Shale	16	230	271	113
Melville Laterite	23	112	0	446

Note: *average of plant and ore samples

Based on the limited leach test work results, there does not appear to be any material risk with the dissolution of 90% of the gold. There was also no evidence on head grade impact or lithology impact on the gold dissolution. Additional testwork would be required to provide more definitive information on gold dissolution, head grade impact, lithology impact and gold recovery values.

Due to the limited test work conducted reagent consumption, gravity recoverable gold content or preg-robbing potential could not be assessed by SRK. Further, given the limited testwork performed, SRK does not have reasonable grounds to estimate a processing recovery. Assuming the samples used in the testwork were representative of the LOM profile, the results indicate that it would be reasonable to expect the dissolution and hence recoveries to be in line with the LOM recovery of 90%. However additional testwork would be needed to confirm this.

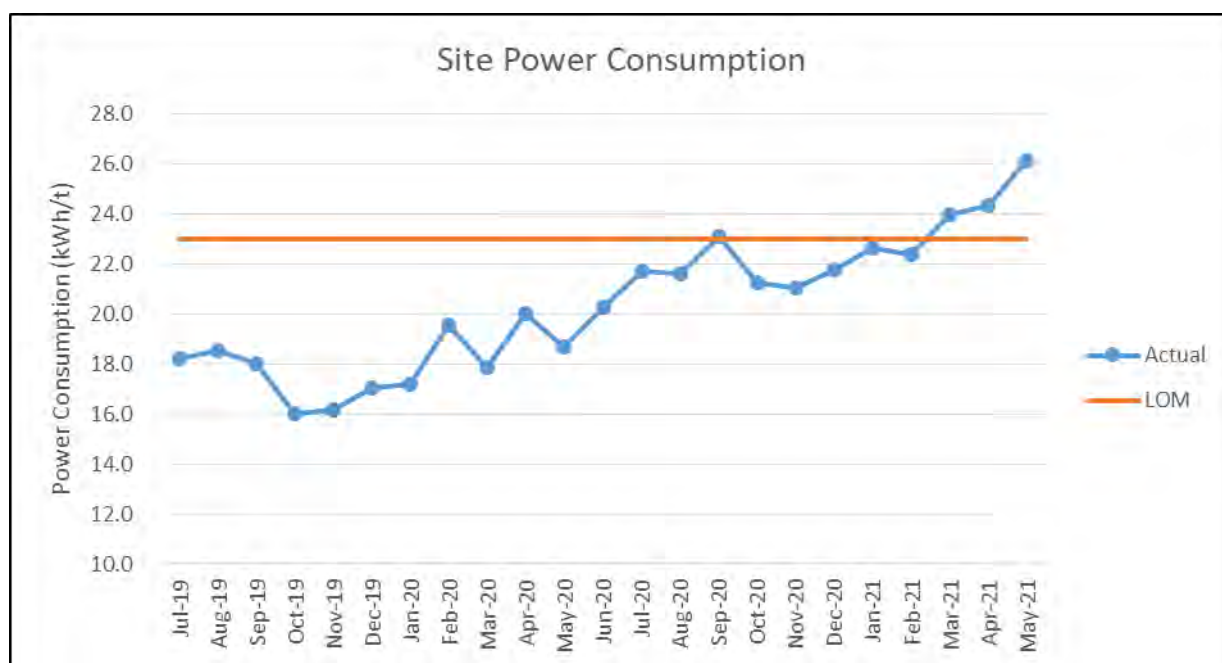
As no testwork was conducted to establish ore hardness or abrasiveness, SRK is unable to comment on the potential crusher and mill throughput, as well as liner wear rates or power and steel ball consumption during the processing of the Melville material.

While the plant was designed for 2.5 Mtpa, the plant has processed 2.9 Mtpa (Jul 19 - Jun 20) of softer ore. For the last 11 months (Jul 20 – May 21), the plant has processed an annual equivalent of 2.66 Mtpa.

This lower throughput was likely attributable to the processing of more competent ore as indicated on the site power draw (Figure 2-29). The LOM plan assumes an annual throughput of 2.75 Mtpa, which is about 3% higher than achieved over the last 12 months. The annual mill throughput is impacted by the mill running time and/or throughput rate (tonnes per hour).

Both the mill running time and the hourly throughput rate are trending lower than the proposed LOM figures. Based on this, there is a risk of the operation falling short of the target in some of the months in the LOM plan. Gascoyne is currently commissioning MillStat Technology to assist in increasing the mill throughput, though the forecast effect of this is unknown. As such, SRK recommend that the modelled mill throughput be capped at 2.5 Mtpa.

Figure 2-29: Mill power draw



Source: SRK analysis

2.9 SRK Opinion

In SRK's opinion, several of the metallurgical inputs to the Model are not reasonably supported by historical performance, SRK's recommendations are outlined in Section 3.1.1.

Although the initial limited testwork conducted on the Melville deposit does not indicate significant gold dissolution problems, additional testwork is required to determine the impact this material will have on throughput rates, recovery and operating costs at the Dalgaranga processing facilities.

2.10 Mining

2.10.1 Ore Reserve Estimates

The current Ore Reserve for Dalgaranga was based on the May 2021 Mineral Resource estimate outlined in Section 2.5.1 of this Report. The Dalgaranga Ore Reserve estimate was reported to the ASX by Gascoyne on 31 May 2021 and is summarised in Table 2-22.

Outside of Dalgaranga, there are no other Ore Reserve estimates reported in accordance with the guidelines of the JORC Code (2012).

Table 2-22: Dalgaranga Ore Reserve estimate as at 31 May 2021*

Classification	Mt	Au g/t	Au koz
Proved	2.91	0.5	49.8
Probable	10.62	0.8	289.2
Total	13.53	0.8	339.0

Note: *Optimised pit shells used a A\$2,100/oz gold price

In SRK's opinion, the Dalgaranga Ore Reserve estimate was prepared to a sufficient quality standard and is a reasonable estimate under the guidelines of the JORC Code (2012 Edition). It is suitable for valuation purposes without material modification.

2.10.2 Modifying Factors

Study Status

Following its discovery in the early 1990s, the Dalgaranga deposit was developed, and from 1996 to 2000, a total of 229,000 oz of gold were produced using a traditional open pit drill and blast, truck and shovel mining method. Gascoyne acquired Dalgaranga in 2013 and undertook scoping and feasibility studies for the re-commencement of mining, thereafter. In November 2016, Gascoyne completed a Feasibility Study which considered production from the previously mined Golden Wings and Gilbey's open pits over a 6-year life, at a processing throughput of 2.5 to 2.8 Mtpa. At that time, Dalgaranga had a Total Ore Reserve of 14.3 Mt at 1.27 g/t Au, which was estimated to contain 584,000 oz of gold.

The summary metrics from the feasibility study are outlined in Table 2-23.

Table 2-23: Key project metric (2016 Feasibility Study)

MINERAL RESOURCES		Tonnage	Grade	Ounces
Measured Resources (Gilbey's and Golden Wings)		2.9Mt	1.41 g/t	133,000
Indicated Resources (Gilbey's and Golden Wings)		13.4Mt	1.33 g/t	574,000
Inferred Resources (Gilbey's and Golden Wings)		9.3Mt	1.4 g/t	408,000
Total Resources		25.7Mt	1.4 g/t	1,116,000oz
MATERIAL IN MINE PLAN				
Proved Ore Reserve		3.1Mt	1.28 g/t	129,000 (22%)
Probable Ore Reserve		10.2Mt	1.3 g/t	423,500 (71%)
Inferred Resource (Gilbey's and Golden Wings)		0.8Mt	1.5 g/t	40,000 (7%)
Total (totals vary due to rounding)		14.1Mt	1.31g/t	592,500oz
CAPITAL COSTS (A\$)				Life of Mine
New 2.5 Mtpa Processing Plant				\$60.0M
Infrastructure Capital (Offices, TSF, Camp Installation and Ancillary Infrastructure)				\$14.8M
Owner's Costs, Construction Facilities, First Fills and Capital Spares				\$ 5.3M
Contingency				\$ 6.1M
Total Capital Cost				\$86.2M
PRODUCTION SUMMARY				
Key Outcome				
Life of Mine				6 yrs
Strip Ratio				7:1
Gold Production				541,000 oz
Processing Rate				2.5 Mtpa
Average LOM Metallurgical Recovery				91.3%
PROJECT ECONOMICS				
Base Case gold price (US\$)				\$1,200/oz
Exchange Rate (US\$:A\$)				75cents
Revenue (A\$)				\$866M
C1 Cash Costs (A\$)				\$869/oz
All In Sustaining Costs (A\$)				\$931/oz
Operating Cash Surplus (A\$)				\$373M
NPV 8% (using A\$1,600 gold price)				\$177M
IRR (using A\$1,600 per ounce gold price)				65%
Payback (using A\$1,600 per ounce gold price)				18 months

Source: Gascoyne ASX Announcement 25 November 2016

In May 2018, the construction of a new processing facility was completed and Dalgaranga has been in production since that time.

During 2019 and 2020, Gascoyne completed a series of LOM studies including a revised Ore Reserve estimate, which demonstrated economic viability at a price of A\$1,800 per ounce of gold. The current Ore Reserve estimate (Table 2-22) was prepared using a price of A\$2,100 per ounce of gold was used to inform the current LOM plan.

Production Reconciliation and Cut-Off Parameters

At the time the current Ore Reserve was prepared, Dalgara had been in continuous operation for a period of 35 months with a trailing 12-month average of between 95% and 101% reconciliation between modelled tonnes and grade and actual tonnes and grade reported by Gascoyne. A mining Cut-Off-Grade (COG) of 0.3 g/t gold was calculated based on diluted grades at the selected Ore Reserve revenue assumption of A\$2,100 per ounce of gold.

The overall average modifying factors result in 2.4% dilution and 5.8% in situ gold metal loss.

Optimisation

Open pit optimisations were conducted using the Deswik software pseudoflow method for the Gilbey's and Plymouth mining areas. The optimisations considered material estimated and classified as Measured and Indicated Mineral Resource only (excluded material estimated and classified as Inferred). The optimisation assumed corporate and sustaining capital costs of A\$35 M and the material assumptions are outlined in Table 2-24.

Table 2-24: Optimisation Inputs

Item	Unit	Value
Mill throughput	Mtpa	2.5
Gold Price	US\$/oz	2,100
Royalty	%	2.5
Processing cost		
Oxide	A\$/t milled	10.32
Transition		11.25
Fresh		13.47
G&A	A\$/t milled	3.70
Average mining costs (contract mining)	A\$/t mined	5.04
Processing recovery		
Oxide	%	93.0
Transition		93.0
Fresh		88.0
Shale (for blending)		77.0
Mining recovery	%	94.2
Mining dilution	%	2.4
Overall pit wall slope angle (inclusive of a ramp system)	Degrees	Ranging from 25° (FW) to 56° (HW)

The optimal pit shell was selected based on the best undiscounted cashflow. This pit shell was used to guide the ultimate pit design.

The current and scheduled mining method at Dalgaranga is based on using an open pit mining contractor employing conventional truck and excavator mining to mine near-surface ore. Mining consists of drill and blast and load and haul with 5 m to 10 m flitches and 20 m batters between benches.

The geotechnical assumptions were based on the assessment and recommendations of Absolute Geotechnics Pty Ltd and Finite Element Analysis by Mining One.

The Deswik mining schedule sequences the Gilbey's pit in a six-stage design to align waste stripping costs as closely as possible to revenue generation whilst maximising equipment productivity.

A minimum mining width of 25 m was considered to design cutbacks at the base of the pits. Access ramps were designed on a nominal 25 m width at a gradient of 1 in 10. A single access (15 m width) ramp was designed for the bottom 50 vertical metres of each stage, where the GMZ mineralised zone is accessed.

Metallurgical Factors and assumptions

The Ore Reserve estimate assumed gross (not optimised) processing recoveries of 93% for oxide material, 93% for transitional material and 88% for fresh material. These assumptions were largely based on the recent operating history and test work undertaken as part of the 2016 Feasibility Study.

Infrastructure

On site infrastructure comprises process and non-process infrastructure including road access for the transport of bulk consumables such as Liquid Natural Gas (LNG) and explosives, a Civil Aviation Safety Authority (CASA) licensed air strip for charter flights for the Fly-In Fly-Out (FIFO) workforce, electrical power generation (using liquid natural gas or LNG), an accommodation village and a water borefield and a Reverse Osmosis (RO) water treatment plant.

2.10.3 Production

NRW Holdings Limited (NRW) are contracted to provide mining services for Dalgaranga. Three primary excavators (one Hitachi 2600, one Hitachi 2500 and one Hitachi 1900) operate on a 24-hour two-shift basis using FIFO workforce. One Hitachi 1200 is used as a back-up machine. SRK understands that the Hitachi 2500 and Hitachi 1900 are due for replacement in 2022. Dig rates are typically greater than 900 bank cubic metres (BCM) per hour in oxide material, greater than 650 BCM per hour in transitional material and typically more than 450 BCM per hour in fresh material.

The haulage fleet comprises 11 X CAT785c lightweight body trucks (160 tonne payload) and 6 X CAT777 lightweight body trucks (100 tonne payload).

Drilling and blasting is undertaken on 10 m benches by Action Drill & Blast Pty Ltd, a wholly owned subsidiary company of NRW, using seven Epirock t45 drill rigs. Blasting heave is typically 1-2 m with powder factors between 0.4 and 0.8 and mining is undertaken on 2 x 5 m flitches.

As noted in the earlier sections of the Report, the Merger Scheme and the accordingly relevant Model contemplates a mine planning schedule informed by the proposed integration of material from Gascoyne's Dalgaranga Project with material from Firefly's Yalgoo (Melville) Project.

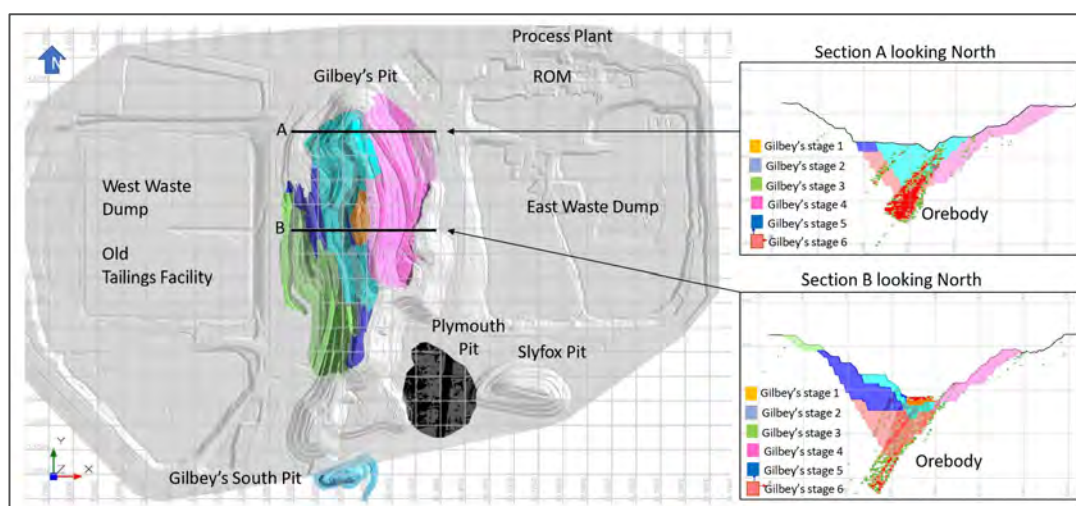
Whilst the implementation plan for the integrated operation has not been finalised, Firefly and Gascoyne have undertaken factored production profiling based on the existing operations and recently obtained contractor quotations. The integrated LOM physical schedule as presented in the Model is summarised in Table 2-25.

Table 2-25: Integrated LOM physicals schedule summary

	Unit	2022	2023	2024	2025	2026	2027	2028	LOM
Total material movement	BCM	10,153	13,143	7,377	1,649	-	-	-	32,322
Waste	BCM	8,629	11,368	5,348	626	-	-	-	25,970
Ore (>0.3 g/t)	BCM	1,524	1,776	2,029	1,023	-	-	-	6,352
Ore (>0.3 g/t)	kt	4,070	4,849	5,729	2,865	-	-	-	17,514
Ore (excl. Melville LG))	kt	4,070	3,892	5,324	2,865	-	-	-	16,151
Strip ratio	W:O	5.7	6.4	2.6	0.6	-	-	-	4.1
Mined ounces	oz	106,849	128,724	159,870	77,643	-	-	-	473,086
Mined ounces (excl. Melville LG)	oz	106,849	117,611	155,018	77,643	-	-	-	457,120
Mined grade	g/t	0.82	0.83	0.87	0.84	-	-	-	0.84
Mill throughput	kt	2,733	2,771	2,683	2,742	2,611	2,397	996	16,934
Mill feed grade	g/t	1.03	1.07	1.29	0.96	0.50	0.38	0.35	0.85
Recovery	%	85%	89%	88%	87%	84%	87%	90%	87%
Poured gold	oz	77,267	84,998	98,130	73,353	35,415	25,341	10,011	404,515

The LOM schedule considers the integration of 6-stages of mining at the Gilbey's pit (Figure 2-30) and a single stage pit at Melville.

Figure 2-30: Gilbey's stage design



Source: Gascoyne Management Information

The integrated schedule presented in the Model considers factored cost profiling for mining at Melville based on the existing contracted rates with NRW and reconciled operating data. SRK understand that these contracted mining rates are currently under negotiation.

2.10.4 SRK Comment

In SRK's opinion, Gascoyne has optimised the production profile at Dalgaranga using industry standard methods supported by historical performance metrics and has reasonably considered the operating risk profile during the staged pit design for Gilbey's.

Notably, no Ore Reserve estimates have been prepared for Melville on a standalone basis and SRK considers this to be a risk to the integrated schedule given SRK's findings in Section 2.6.5 and Section 2.12 of the Report which are restated here:

Section 2.6.5:

SRK considers the 2021 Melville Mineral Resource Estimate to be a reasonable global estimate. In SRK's opinion, Firefly has a good understanding of the local geology and the controls on mineralisation. The oxide mineralisation is supported by close spaced drilling (on a nominal 10mE x 10mN spacing) including recent RC grade control data. However, the drill spacing in the transitional and fresh rock zones opens up to between 25-50mE by 25-100mN and mostly consists of historical exploration data with limited documentation which does not appear to have been considered during Mineral Resource classification. The estimation methodology utilised is reasonable to support an early stage global Mineral Resource estimate, however the Inverse Distance interpolation method used does not consider directions of continuity for gold within the mineralised domains. SRK recommend that Firefly conduct a variography modelling study and re-estimate the Melville deposit using an OK methodology.

Section 2.12:

Although the initial limited testwork conducted on the Melville deposit does not indicate significant gold dissolution problems, additional testwork is required to determine the impact this material will have on the throughput rates, recovery and operating costs at the Dalgaranga processing facilities.

To further understand the technical risk profile for mining at Melville and its associated cost profile for the Merger Scheme, SRK recommends that the global Mineral Resource is re-estimated and additional metallurgical test work is undertaken as soon as is practicable to allow Firefly to prepare a suitably informed Deswik software pseudoflow optimisation. Nevertheless, SRK considers the production profile developed for Melville to be a suitable global estimate, which is at a scoping study level of accuracy. The global estimate provides reasonable grounds to inform the Model but requires significant sensitivity testing.

2.11 Other considerations

2.11.1 Gold price forecast

Gold has been one of the most stable assets from a volatility perspective since the onset of the current COVID-19 pandemic and during the subsequent rebound. According to the World Gold Council's market commentary published in April 2021, marking a turnaround from the first three months of the year, gold rebounded 4.5% in April 2021 to finish the month at US\$1,768/oz, its highest monthly closing level since January and its first positive monthly return since December 2020, likely due to inflation concerns, softer rates and a weaker US dollar.

Markets remain nervously poised for the outcome of rising inflation and central banks' reactions to it. While yields in the US moderated during April, they continued to rise across Europe and parts of Asia. Gold's increased sensitivity to changes in interest rates means any shift in sentiment resulting in a resumption of bond selloffs could be a short-term headwind.

The trajectory of global COVID-19 cases could also be significant. Should optimism continue to slide, the World Gold Council believes this could be positive for safe-haven demand for gold but may weigh on consumer demand.

2.11.1 Royalties

Gold: Current and future production will incur State royalties to be distributed to the Western Australian Government at the rate of 2.5% of the royalty value of any gold produced from the Mineral Assets. This rate is the *ad valorem* rate that applies to gold metal as defined under *Mining Regulations 1981* (Regulation 85).

SRK understands that the Mineral Assets are subject to a number of private royalty agreements which are summarised in Table 2-26.

Table 2-26: Private Royalty agreements

Tenement	Name	From	To	Material Conditions
E59/2364, E59/2295 and E59/2252	Croft Royalty Deed	28 November 2019	Present	0.5% net smelter royalty over E59/2364, E59/2295, E59/2252 or its subsequently converted mining lease
Mining Tenements as defined in the Mining Royalty Deed (E59/2077, E59/2140, E59/2230, E59/2252, E59/2284, E59/2295, E59/2363, E59/2364)	Mining Royalty Deed	31 July 2020	Present	1.25% net smelter return over the Mining Tenements on the terms and conditions set out in the Mining Royalty Deed
E59/2077 and E59/2140 (consent caveats lodged)	George Lee/ Neil Gentili Royalty	2017	Present	1% net smelter royalty on any gold product 2.5% net smelter royalty on lithium concentrate \$4 per tonne on battery sands Other products at 50% of the rates set out in Reg 86 of the Mining Regulations 1981 (WA)
P59/2040 and P59/2042 (Consent caveats lodged)	George Lee/ New Golden Million Royalty (Deed of option and sale of mining tenements dated 5 August 2016)	5 August 2016	Present	1% net smelter royalty on any gold product \$4 per tonne on battery sands Other products at 50% of the rates set out in Reg 86 of the Mining Regulations 1981 (WA)

The technical assessment presented in Section 2, which includes the payable royalties presented in Section 2.11.1 have been considered in the valuation presented in Section 3.

2.11.2 Previous valuations

SRK is not aware of any independent market valuations relating to the Mineral Assets held by Firefly.

SRK is aware of an independent market valuation of the Gascoyne corporate entity by BDO in 2019. SRK has considered this report where applicable. Notably, the current Ore Reserve estimate for Dalgaranga was informed by assumptions which were developed using the recent operating history. This operating history post-dates the previous reporting.

Furthermore, the planned LOM Schedule considers material sourced from Firefly's tenure. To SRK's knowledge, this plan has not been previously considered in any historical public valuation report.

On this basis, SRK does not consider the values outlined in BDO's 2019 Valuation of Gascoyne to be of relevance to the current valuation exercise.

3 Valuation

The objective of this section is to provide BDO and the shareholders of Firefly with SRK's opinion regarding the valuation of the Mineral Assets. SRK has not valued Firefly or Gascoyne, these being the corporate entities that are the beneficial owner of the Mineral Assets.

SRK has relied on information provided by Firefly and Gascoyne, as well as information sourced from the public domain, SRK's internal databases and SRK's subscription databases.

The VALMIN Code (2015) outlines three generally accepted valuation approaches:

1. Market Approach
2. Income Approach
3. Cost Approach.

The Market Approach is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The mineral asset being valued is compared with the transaction value of similar mineral assets under similar time and circumstance on an open market (VALMIN Code 2015). Methods include comparable transactions, metal transaction ratio (MTR) and option or farm-in agreement terms analysis.

The Income Approach is based on the principle of anticipation of economic benefits and includes all methods that are based on the anticipated benefits of the potential income or cashflow generation of the mineral asset (VALMIN Code 2015). Valuation methods that follow this approach include DCF modelling, capitalised margin, option pricing and probabilistic methods.

The Cost Approach is based on the principle of cost contribution to value, with the costs incurred providing the basis of analysis (VALMIN Code 2015). Methods include the appraised value method and multiples of exploration expenditure, where expenditures are analysed for their contribution to the exploration potential of the mineral asset.

The applicability of the various valuation approaches and methods varies depending on the stage of exploration or development of the mineral asset and hence the amount and quality of the information available on the mineral potential of the assets.

3.1 Reasonableness of technical inputs to the Model

3.1.1 SRK recommendations

Firefly has developed a cashflow model (the Model) for the Scheme and has provided this to BDO and SRK. SRK has reviewed the Model and assessed the technical production parameters and technical cost projections in order to advise BDO of its findings (the technical assessment is outlined in Sections 1 and 2 of the Report). Table 3-1 presents a summary of SRK's findings and recommendations as made to BDO in relation to the Mineral Assets.

Table 3-1: SRK merger scheme model findings

Item	Scheme Model	SRK Recommendations	Comment
Ore and Waste Volumes (Physical Inputs Sheet)	86.6 Mt total 17.5 Mt ore 69.1 Mt waste	86.6 Mt total 17.5 Mt ore 69.1 Mt waste	Based on SRK's experience operating on similar projects.
Processing throughput 2022FY 2023FY 2024FY 2025FY	2.74 Mt 2.75 Mt 2.74 Mt 2.75 Mt	Cap at 2.5 Mtpa	Production data for 2020/2021 indicates a drop in annual production at 2 Mtpa, monthly production capped at 210 kt/month. Upside in peak plant throughput to 2.5 Mtpa. Noting softer ores allow greater throughput
Metallurgical Au recovery (LOM)	88.3%*	90.0%	<i>*Combined shale and not-shale ore with 13% of the feed being shale.</i> Historical recovery, with elevated shale content of average 11.8% over 5 months, was 92.1%. There is an upside to what is presented in the LOM plan.
Mining Cost	A\$379M	A\$379M	Reasonable based on SRK's experience operating on similar projects.
Processing and Maintenance cost (LOM)	A\$12.8 t	+A\$0.6/t	The 2020/21 average cost for processing and maintenance was A\$13.6\$/t. The potential for an increasing ore hardness as evident in the last few months which may increase the liner wear of both the crushers and the mill. The average site power consumption for March 2021 to May2021 was 24.8 kWh/t, which is likely to be the impact of the harder ore. The LOM budget is for 23kWh/t and would need to be increased for the sensitivity case.
Development and Sustaining Capital	A\$6.7M	A\$6.7M	Reasonable based on SRK's experience operating on similar projects.
Rehabilitation	A\$8.7M	A\$23.0M	Based on SRK's technical assessment presented in Section 2.
Royalties	2.5% (Government)	2.5% (Government)	Model does not include any private royalties as SRK understand that the LOM does not include any material extracted from tenements where private royalties are payable
Exploration Expenditure	\$20.5M	A\$0M	Remove exploration expenditure from Model (development and sustaining capital is attributable to the project, exploration expenditure should be a corporate expense)
Salvage Value Estimate	A\$15.0M	A\$0M	Remove salvage value from Model. On the fully depreciated assets the cost of removal and rehabilitation is likely to result in a nil value estimate.

Source: SRK analysis

Note: All SRK recommendations are undiscounted on a real basis

3.2 Valuation of Resources not included in the Model

The Model considers the optimised material classified as Measured and Indicated Mineral Resource at Dalgaranga, together with proposed feed material from the Mineral Resource at Yalgoo. SRK has calculated the residual resource estimate (resources not considered in the Model) from the merged entity as presented in Table 3-2. This calculation is based Firefly's production assumption of trucking 125,000 tonnes of material from Yalgoo to Dalgaranga over a 30-month period and fully utilising the Dalgaranga Ore Reserve and has been checked for factual accuracy by Gascoyne.

Table 3-2: SRK residual Resource calculation

Item	Troy Ounces of Gold ('000)		
	Total	Model	Residual
Dalgaranga Measured	30.6	30.6	0
Dalgaranga Indicated	533.1	533.1	0
Dalgaranga Inferred	85.1	78	67
Mt Egerton Indicated	25	0	25
Mt Egerton Inferred	2	0	2
Glenburgh Indicated	430.7	0	430.7
Glenburgh Inferred	79.4	0	79.4
Yalgoo (Melville) Indicated	156.8	156.8	0
Yalgoo (Melville) Inferred	39.6	19.6	20
TOTAL RESIDUAL INDICATED			456
TOTAL RESIDUAL INFERRED			108

3.2.1 Comparable Market Transactions

SRK has reviewed and assessed transactions involving Western Australian gold projects that were completed between October 2016 and May 2021 (Appendix 1) SRK identified 38 transactions for which sufficient information was available to calculate implied resource multiples for the residual resources. SRK's analysis of the implied resource multiples is based on the reported Mineral Resources described in Section 2 of this Report which were not considered in the Model. The implied transaction multiple for resources is expressed in A\$/oz; it is calculated from the transaction value (at the implied 100% acquisition cost) and the total contained resource and/ or reserve ounces of gold held within the project. SRK's implied value calculations are for the purposes of its valuation and do not attempt to estimate or reflect the metal likely to be recovered as required under the JORC Code (2012).

The transaction multiples have been adjusted by normalising the multiples using the difference between the gold spot price at the time of the transaction and the gold price as at the Valuation Date of 1 July 2021 (A\$2,352/oz). Both the raw and normalised values are presented, where adjustments have been made. There is a clear relationship between the development stage of the assets that host defined Mineral Resources and their implied multiples, with the average, median and weighted average values decreasing according to development stage (Table 3-3).

Table 3-3: Resource-based transaction multiple analysis

	Resource Multiple – Raw (A\$/oz Au)	Resource Multiple – Normalised (A\$/oz Au)
Projects in Operation or under Construction		
Minimum	13.50	19.90
Median	145.91	172.2
Average	154.58	193.5
Maximum	391.16	412.8
Weighted average	196.70	219.1
Projects in Care and Maintenance		
Minimum	14.32	8.8
Median	20.14	54.3
Average	34.33	58.7
Maximum	68.52	217.5
Weighted average	29.41	39.2
Other Pre-Development Projects		
Minimum	1.27	1.8
Median	18.89	20.2
Average	26.46	34.8
Maximum	67.46	87.8
Weighted average	31.97	42.9
Advanced Exploration Projects		
Minimum	1.84	1.7
Median	12.85	15.4
Average	25.87	28.1
Maximum	95.91	101.2
Weighted average	26.64	28.1

Source: SRK analysis

SRK has considered the residual Mineral Resources by their confidence category. Based on the transactions analysis (in the context of development stage resource size (in contained ounce terms), mine type and the presence of historical workings) and the current strong market sentiment for gold projects in Australia, SRK considers that the current market would pay between A\$50/oz Au and A\$70/oz Au for the residual Indicated Mineral Resources and between A\$20/oz Au and A\$30/oz Au for the residual Inferred Mineral Resources as held by Gascoyne and Firefly, based on the average and median ranges of the transaction analysis. The implied values of the residual Mineral Resources on a comparable basis are provided in Table 3-4 with the preferred values given as the mid-point in each valuation range

Table 3-4: Residual Mineral Resources – comparable transaction method

	Multiple Low	Multiple High	Contained Au (troy ounces)	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Gascoyne Indicated	50	70	455,700	22.8	31.9	27.3
Firefly Indicated			0			
Gascoyne Inferred	20	30	88,208	2.2	3.2	2.7
Firefly Inferred			20,000			
Total				24.9	35.1	30.0

Note: Any discrepancy between table values is due to rounding.

3.2.1 Yardstick Cross-Check

As a cross-check to the values implied by market multiples, SRK has also considered standard industry yardsticks. Under the yardstick method of valuation, specified percentages of the spot price (A\$2,352/oz) are used to assess the likely value.

Commonly used yardstick factors are:

- Measured Resources 2.0% to 5.0% of the spot price
- Indicated Resources 1.0% to 2.0% of the spot price
- Inferred Resources 0.5% to 1.0% of the spot price
- Exploration Target 0.1% to 0.5% of the spot price.

The implied values of the residual resource estimates on a Yardstick basis are provided in Table 3-5. These are subdivided by confidence category to facilitate comparison with the values implied by the comparable transaction method.

Table 3-5: Mineral Resource valuation – Yardstick method

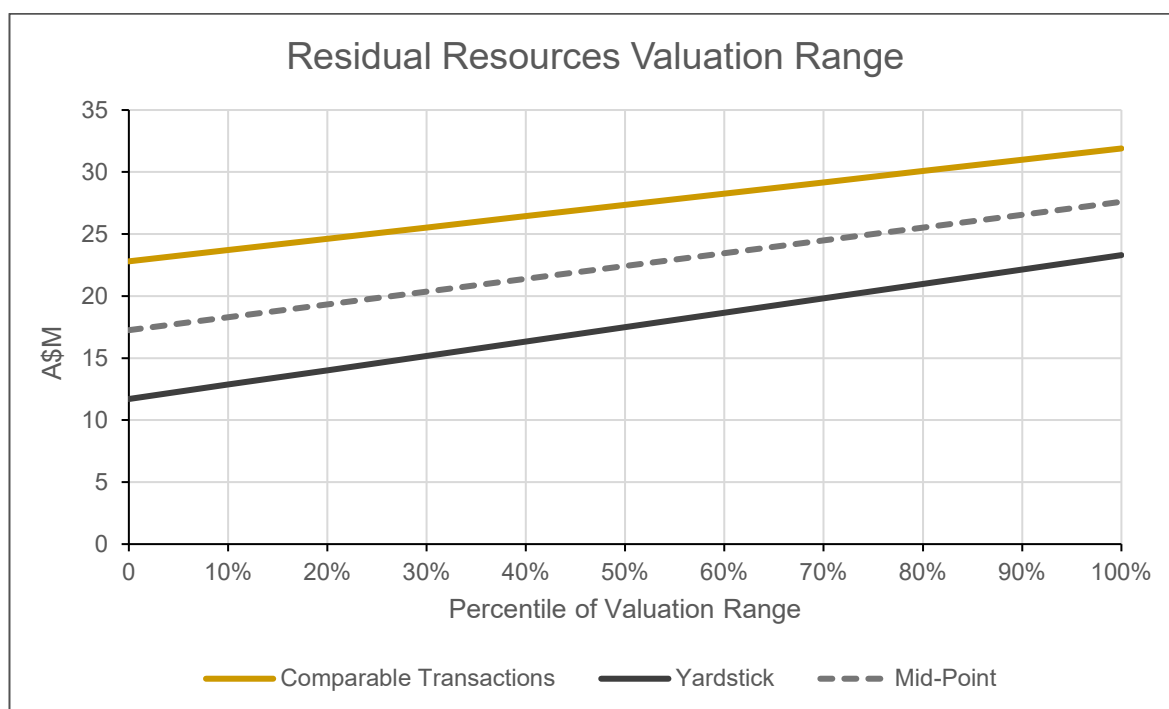
	Yardstick Low	Yardstick High	Contained Au (troy ounces)	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Gascoyne Indicated	1%	2%	455,700	10.7	21.4	16.1
Firefly Indicated			0			
Gascoyne Inferred	0.5%	1%	88,208	1.3	2.5	1.9
Firefly Inferred			20,000			
Total				12.0	24.0	18.0

Note: Any discrepancy between table values is due to rounding.

3.2.2 Summary valuation of residual resources for the Merger Scheme

SRK notes that the implied valuation of the residual resource estimates using the yardstick method is approximately 30% to 40% less than that implied using the comparable market transactions method (Figure 3-1).

Figure 3-1: Implied Valuation range – residual Resource estimates for the merger scheme



This finding is likely to be related to the current strong market sentiment on gold project transactions related to the COVID-19 Pandemic and the perceived safe-haven effect of investment in gold equities (where investment in equities is seen as an investment in physical gold plus the real option of extraction, rather than a simple investment in physical gold). Given the uncertainty of changes to this market sentiment, SRK has elected to use the comparable transaction analysis to inform its valuation range and has selected the midpoint of the range implied by the comparable transaction range as its preferred value as it has no reasonable grounds to make an alternative assessment (Table 3-6).

Table 3-6: Summary valuation of residual resources for the merger scheme

	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Comparable Transactions	24.9	35.1	30.0
Yardstick Method	12.0	24.0	18.0
SRK Selected	24.9	35.1	30.0

Note: Any discrepancy between table values is due to rounding.

3.3 Valuation of the Firefly Mineral Resource estimates prior to the Merger Scheme

SRK was instructed by BDO to provide its opinion on the market valuation of Firefly's Mineral Assets prior to the Merger Scheme on a standalone (undeveloped) basis. Given that SRK does not have reasonable grounds to consider an income method for this valuation it has considered market and cost methods only.

SRK has used the comparable market transaction dataset described in Section 3.2.1 (and Appendix 1) and the yardstick valuation ranges given in Section 3.2.1 on the 1 July 2021 gold price of A\$2,352/oz to inform its assessment of comparability and accordingly relevant selection of valuation multiples used in Section 3.3.

3.3.1 Mineral Resource Estimates- Comparable Market Transactions

Table 3-7: Basis of value: Firefly's Mineral Resource estimate summary

Category	Tonnes (Mt)	Grade (g/t)	Troy Ounces of Gold ('000)
Indicated	3.31	1.47	157
Inferred	0.89	1.39	40
TOTAL	4.20	1.45	196

On a standalone basis (unfunded as a development or production project), SRK has considered Firefly's Mineral Resources by their confidence category. Based on the transactions analysis (in the context of advanced-exploration to pre-development stage resource size (in contained ounce terms), technical assessment of the geology and prospectivity) and the current strong market sentiment for gold projects in Australia, SRK considers that the market would pay between A\$40/oz Au and A\$60/oz Au for the Firefly Indicated Mineral Resources and between A\$20/oz Au and A\$30/oz Au for the Firefly Inferred Mineral Resources on a standalone basis, based on the average and mean ranges of the transaction analysis. The implied values of the Firefly Mineral Resources on a comparable basis are provided in Table 3-8.

Table 3-8: Firefly standalone Mineral Resources – comparable transaction method

	Multiple Low	Multiple High	Contained Au (troy ounces)	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Firefly Indicated	40	60	157,000	6.3	9.4	7.9
Firefly Inferred	20	30	40,000	0.8	1.2	1.0
Total				7.1	10.6	8.9

Note: Any discrepancy between table values is due to rounding.

3.3.2 Mineral Resource Estimates – Yardstick Cross-Check

The implied values of the standalone Firefly resource estimates on a Yardstick basis are provided in Table 3-5. These are subdivided by confidence category to facilitate comparison with the values implied by the comparable transaction method.

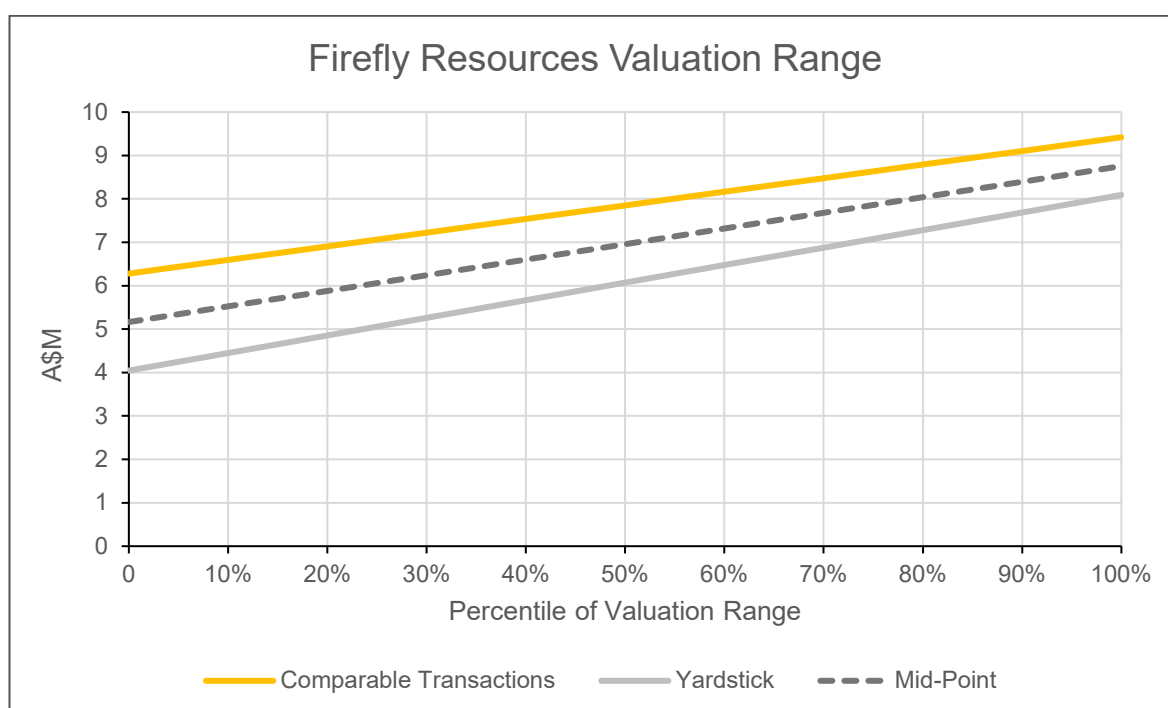
Table 3-9: Mineral Resource valuation – Yardstick method (A\$2,352/oz price base)

	Yardstick Low	Yardstick High	Contained Au (troy ounces)	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Firefly Indicated	1%	2%	157,000	3.7	7.4	5.5
Firefly Inferred	0.5%	1%	40,000	0.5	0.9	0.7
Total				4.2	8.3	6.2

3.3.1 Summary valuation of the Firefly Mineral Resources prior to the Merger Scheme

SRK notes that the implied valuation of the residual resource estimates using the yardstick method is approximately 30% to 40% less than that implied using the comparable market transactions method (Figure 3-2).

Figure 3-2: Implied Valuation range – Firefly Resource estimates



This finding is likely to be related to the current strong market sentiment on gold project transactions related to the COVID-19 Pandemic and the perceived safe-haven effect of investment in gold equities (where investment in equities is seen as an investment in physical gold plus the real option of extraction, rather than a simple investment in physical gold). Given the uncertainty of changes to this market sentiment, SRK has elected to use the comparable transaction analysis to inform its valuation range and has selected the midpoint of this range as its preferred value as it has no reasonable grounds to make an alternative assessment (Table 3-6).

Table 3-10: Summary valuation of Firefly Mineral Resources Prior to Merger Scheme

	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Comparable Transactions	7.1	10.6	8.9
Yardstick Method	4.2	8.3	6.2
SRK Selected	7.1	10.6	8.9

Note: Any discrepancy between table values is due to rounding.

3.3.2 Exploration Portfolio - Comparable Market Transactions Method

In addition to its assessment of the value of the Mineral Resources, SRK has also considered the value associated with the Firefly and Gascoyne mineral tenure not covered by the Mineral Resource estimates. SRK does not consider the Gascoyne tenure outside of that covered by the mineral resource estimates to be material to the Merger Scheme. To this end, SRK has reviewed recent market transactions involving early to advanced stage Western Australian gold exploration projects (i.e. those without defined resources). SRK has identified and compiled data for 116 transactions for which sufficient information was available to calculate an area based multiple (i.e. A/km² and A\$/ha) for the comparable Firefly exploration tenure. SRK's analysis of the implied multiples (Table 3-11) was based on the reported areal extent of mineral tenure as described in the earlier sections of this Report.

This value has been calculated from the transaction value (at the implied 100% acquisition cost) and the total area of the project tenure acquired at the time of the transaction. The implied transaction multiples were then normalised using the monthly average gold price as at the date of the valuation.

SRK has considered the dataset in terms of the type of tenure acquired. There is a clear distinction in the implied price paid for ML, PL, EL and mixed tenure projects. For example, on a normalised basis and considering the weighted average only, EL's transacted for A\$ 5,840/km², PL's transacted for A\$42,306/km², while ML's transacted for A\$454,001/km². Mixed tenure projects typically transacted between the values implied by EL's and PL's on a standalone basis, with an implied transaction multiple of A\$29,730/km².

SRK notes there is also a clear relationship between the size of tenure acquired and the implied value (in A\$/km² terms). ML's (and PL's) are generally smaller than EL's and are also generally more advanced in terms of the exploration completed. Consequently, ML's generally attract higher transaction prices and thus implied multiples. The relationship also holds true when these datasets are reviewed exclusively from each other (Table 3-11). SRK considers this to be logical and in line with industry practice, for as exploration progresses on a tenure, explorers will, in accordance with regulatory requirements, intermittently relinquish those areas of lower perceived potential and retain only those areas considered to be the most prospective.

Table 3-11: Area-based transaction multiple analysis

	Area Multiple (A\$/km ²)	Normalised Area Multiple (A\$/km ²)
All		
Minimum	66	68
Median	5,562	7,102
Average	100,907	125,452
Maximum	1,609,907	2,263,425
Weighted average	9,293	12,358
Gold - Projects with only Exploration Licences		
Minimum	66	68
Median	2,884	3,097
Average	28,734	31,008
Maximum	1,255,877	1,232,985
Weighted average	4,572	5,840
Gold - Projects with only Prospecting Leases		
Minimum	4,167	4,838
Median	25,595	33,002
Average	50,272	55,839
Maximum	258,906	261,415
Weighted average	32,698	42,306
Gold - Projects with only Mining Leases		
Minimum	33,807	33,197
Median	470,085	545,804
Average	753,341	970,035
Maximum	1,609,907	2,263,425
Weighted average	347,574	454,001
Gold - Projects with a mix of Prospecting Licences, Exploration Licences and Mining Leases		
Minimum	391	600
Median	10,571	14,369
Average	67,038	86,079
Maximum	558,264	853,134
Weighted average	21,770	29,730

Source: SRK analysis

Note: Weighted average calculated using total area

SRK has selected ranges for exploration stage tenures based on the size of the tenure and selected its preferred value based on the perceived prospectivity of each tenement. Where relevant, SRK has estimated the area covered by the currently stated Mineral Resource. For very small ML's containing defined Mineral Resources, this has resulted in little or no remaining area; consequently, these have been assigned no value on an area basis.

The implied values of Firefly's 100% interest in its exploration tenure using the comparable transaction method are provided in Table 3-12. The selected multiple averages per A\$/km² sit in the average range of all the selected multiples for each tenure type.

Table 3-12: Summary Exploration Valuation (Firefly) – comparable transaction method

Tenure Type	Area (km ²)	Selected Multiple average (A\$/km ²)			Market Value (A\$M)		
		Lower	Upper	Preferred	Lower	Upper	Preferred
EL	7.2	7,885	13,462	10,673	0.1	0.1	0.1
PL	5.6	25,000	50,000	37,500	0.1	0.3	0.2
ML	0.8	160,455	294,545	227,500	0.1	0.2	0.2
Subtotal					0.3	0.6	0.5
Mixed Basis	13.6	50,000	100,000	75,000	0.7	1.4	1.0

Source: SRK analysis

Using the Comparative Transaction – area-based method, SRK considers Firefly's interests in the exploration potential of the mineral tenure (excluding the areas covered by the defined Mineral Resources) prior to the Merger Scheme resides between A\$0.7 M and A\$1.4 M, with a preferred valuation of A\$1.0 M, which represents the mid-point of the adopted range on a SRK's selected mixed tenure basis.

3.3.3 Exploration Portfolio – Geoscientific Cross-check

As a cross-check to the values implied by the market multiples given using the comparable transactions method, SRK has also considered the Geoscientific Rating method, a cost-based method. The Geoscientific Rating of valuation attempts to quantify the relevant technical aspects of a property through appropriate multipliers (factors) applied to an appropriate base (or intrinsic) value and is considered to be a cost-based method of valuation. The intrinsic value is referred to as the Base Acquisition Cost (BAC), which represents the 'average cost to identify, apply for and retain a base unit of area of title' for 1 year.

Multipliers are considered for off-property aspects, on-property aspects, anomaly aspects, and geology aspects. These multipliers are applied sequentially to the BAC to estimate the Technical Value for each tenement. A further market factor is then considered to derive a Market Value. A BAC has been assumed in this valuation, which incorporates annual rental, administration, and application fees in addition to nominal indicative minimum expenditure on acquisition and costs of identification (Table 3-13) to be the following:

- A\$492/km² (A\$5/ha) for EL
- A\$12,569/km² (A\$126/ha) for PL
- A\$12,384/km² (A\$124/ha) for ML.

Table 3-13: Base acquisition cost

Base acquisition cost		
Metric	Unit	Value
Exploration Licence Base acquisition cost		
Average licence size	km ²	67.7
Average licence age	Years	4
Application fee	A\$ per licence	1,580
Annual rent Year 1-3	A\$ per km ²	45.82
Annual rent Year 4	A\$ per km ²	38.67
Minimal annual expenditure Year 1-3	A\$ per km ²	324.96
Minimal annual expenditure Year 4	A\$ per km ²	243.72
Costs of identification, legal costs and negotiations and compensation agreements	A\$ per licence	35,132
Annual rates	A\$ per licence	2,000
BAC of average exploration licence	A\$ per km²	492
BAC of average exploration licence	A\$ per ha	4.92
Prospecting Licence Base acquisition cost		
Average licence size	ha	126
Average licence age	Years	3.3
Application fee	A\$ per licence	374
Annual rent Year	A\$ per ha	3.00
Minimal annual expenditure Year	A\$ per ha	40.00
Costs of identification, legal costs and negotiations and compensation agreements	A\$ per licence	35,132
Annual rates	A\$ per licence	500
BAC of average prospecting licence	A\$ per km²	12,569
BAC of average prospecting licence	A\$ per ha	125.69
Mining Lease Base acquisition cost		
Average lease size	ha	467
Average lease age	Years	21
Application fee	A\$ per lease	551
Annual rent Year	A\$ per ha	20.00
Minimal annual expenditure Year	A\$ per ha	100.00
Costs of identification, legal costs and negotiations and compensation agreements	A\$ per lease	35,132
Annual rates	A\$ per lease	2,000
BAC of average mining lease	A\$ per km²	12,384
BAC of average mining lease	A\$ per ha	123.84

In converting its implied technical values to a market value, SRK considers that market participants would not apply a premium to the technical value range given the early exploration stage of the tenure.

The geoscientific rating criteria are presented in Table 3-14 and Table 3-16.

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Table 3-14: Modified property rating criteria

Rating	Off-property factor	On-property factor	Geological factor	Anomaly factor
0.1			Unfavourable geological setting	No mineralisation identified – area sterilised
0.5	Unfavourable district/basin	Unfavourable area	Poor geological setting	Extensive previous exploration provided poor results
0.9			Generally favourable geological setting, under cover or complexly deformed or metamorphosed	Poor results to date
1.0	No known mineralisation in district	No known mineralisation on lease	Generally favourable geological setting	No targets outlined
1.5	Minor workings	Minor workings or mineralised zones exposed		Target identified, initial indications positive
2.0	Several old workings in district	Several old workings or exploration targets identified	Multiple exploration models being applied simultaneously	Significant grade intercepts evident but not linked on cross or long sections
2.5			Well-defined exploration model applied to new areas	
3.0	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production	Significant mineralised zones exposed in prospective host rock	
3.5				
4.0	Along strike from a major deposit	Major mine with significant historical production	Well-understood exploration model, with valid targets in structurally complex area, or under cover	Several economic grade intercepts on adjacent sections
5.0	Along strike for a world class deposit		Well-understood exploration model, with valid targets in well understood stratigraphy	
6.0			Advanced exploration model constrained by known and well-understood mineralisation	
10.0		World class mine		

Source: Modified after Xstract, 2009 and Agricola Mining Consultants, 2011.

Table 3-15: SRK assessment: geoscientific scorecard

Lease	Area		BAC \$/ha	Equity interest	Off property		On property		Anomaly		Geology		Lower	Upper	Preferred
E52/3756	12.4	ha	\$5	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$1,000	\$2,000	\$2,000
E52/3894	74.5	ha	\$5	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$6,000	\$14,000	\$10,000
E59/2077	95.0	ha	\$5	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$7,000	\$18,000	\$13,000
E59/2140-I	96.6	ha	\$5	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$8,000	\$19,000	\$14,000
E59/2230	31.9	ha	\$5	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$3,000	\$6,000	\$5,000
E59/2252	102.4	ha	\$5	100%	1	1.5	1	1.5	1	1.5	1	1.5	\$1,000	\$3,000	\$2,000
E59/2284	18.1	ha	\$5	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$1,000	\$3,000	\$2,000
E59/2295	141.7	ha	\$5	100%	1	1.5	1	1.5	1	1.5	1	1.5	\$1,000	\$4,000	\$3,000
E59/2363	3.0	ha	\$5	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$0	\$1,000	\$1,000
E59/2364	132.5	ha	\$5	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$10,000	\$25,000	\$18,000
E59/2468	12.0	ha	\$5	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$1,000	\$2,000	\$2,000
M59/57	76.5	ha	\$124	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$152,000	\$371,000	\$262,000
P59/2040	64.0	ha	\$126	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$129,000	\$315,000	\$222,000
P59/2042	2.0	ha	\$126	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$4,000	\$10,000	\$7,000
P59/2086	39.0	ha	\$126	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$79,000	\$192,000	\$136,000
P59/2087	119.0	ha	\$126	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$240,000	\$586,000	\$413,000
P59/2088	119.9	ha	\$126	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$242,000	\$590,000	\$416,000
P59/2089	119.9	ha	\$126	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$242,000	\$590,000	\$416,000
P59/2134	4.0	ha	\$126	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$8,000	\$20,000	\$14,000
P59/2138	48.8	ha	\$126	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$98,000	\$240,000	\$169,000
P59/2158	43.7	ha	\$126	100%	2	2.5	2	2.5	2	2.5	2	2.5	\$88,000	\$215,000	\$152,000
													\$1,321,000	\$3,226,000	\$2,279,000

Using the geoscientific rating method, SRK considers Firefly's interest in the exploration potential of the areas not covered by the defined Mineral Resources resides between A\$1.3 M and A\$3.2 M with a preferred value of A\$2.3 M, which represents the mid-point of the range (Table 3-17).

Table 3-16: Summary of Firefly's Exploration Potential Value using the geoscientific (Kilburn) method

Tenure Type	Market Value (A\$M)		
	Lower	Upper	Preferred
EL	0.1	0.4	0.3
PL	1.0	2.4	1.7
ML	0.2	0.4	0.3
TOTAL	1.3	3.2	2.3

Source: SRK analysis (Total is rounded)

Summary - Exploration Potential Valuation

In estimating the value of the exploration potential of Firefly's mineral tenures outside of the defined Mineral Resource areas prior to the Merger Scheme, SRK has considered the values implied by comparable transaction and geoscientific rating valuation methods.

SRK notes that the implied valuation ranges provided by geoscientific rating are approximately 100% greater than that implied by comparable transaction analysis but are considered broadly supportive of the ranges implied by the comparable transaction analysis. On this basis, SRK has elected to adopt the midpoint of the range implied by the comparable transaction and geoscientific analysis to inform its valuation range for the exploration potential (Table 3-17).

Table 3-17: SRK Valuation summary – Firefly Exploration potential

Method	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Comparable transactions	0.7	1.4	1.0
Geoscientific Rating	1.3	3.2	2.3
Range	0.7 to 1.3	1.4 to 3.2	1.0 to 2.3
Selected	1.0	2.3	1.7

Source: SRK analysis (Total is rounded)

SRK considers Firefly's interests in the exploration potential of the areas not covered by the defined Mineral Resources resides between A\$1.0 M and A\$2.3 M with a preferred value of A\$1.7 M, which represents the mid-point of the range.

4 Valuation summary

Based on its technical assessment and valuation presented in the earlier sections of the Report, Table 4-1, Table 4-2 and Table 4-3 summarise SRK's market value assessment in accordance with its mandate.

Table 4-1: Summary valuation (Merged Entity Residual Resources not considered in the Model)

	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Comparable Transactions	24.9	35.1	30.0
Yardstick valuation	12.0	24.0	18.0
Selected	24.9	35.1	30.0

Note: Any discrepancies between values in the tables are due to rounding.

Table 4-2: Mineral Resources (Firefly Mineral Resources Prior to Merger Scheme)

	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Comparable Transactions	7.1	10.6	8.9
Yardstick Valuation	4.2	8.3	6.2
Selected	7.1	10.6	8.9

Note: Any discrepancies between values in the tables are due to rounding.

Table 4-3: Exploration Potential (Firefly Prior to Merger Scheme)

Method	Value Low (A\$M)	Value High (A\$M)	Value Preferred (A\$M)
Comparable transactions	0.7	1.4	1.0
Geoscientific Rating	1.3	3.2	2.3
Range	0.7 to 1.3	1.4 to 3.2	1.0 to 2.3
Selected	1.0	2.3	1.7

Note: Any discrepancies between values in the tables are due to rounding.

In defining its valuation ranges, SRK notes that there are always inherent risks involved when deriving any arm's length valuation. These factors can ultimately result in significant differences in valuations over time. By applying narrower confidence ranges, a greater degree of certainty regarding these assets is being implied than may be the case. Where possible, SRK has endeavoured to narrow its valuation range.

Closure

This report, Independent Technical Assessment and Valuation Report, was prepared by



Dr Karen Lloyd
Associate Principal Consultant

and reviewed by



Mr Jeames McKibben
Principal Consultant

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

Appendix 1: Comparable Transactions Raw Dataset

Comparable transactions with Mineral Resources

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Resource (Mt)	Resource Category	Contains Reserves	Grade Au (g/t) (US\$M)	Total Contained troy ounces (Au)	Resource Transaction Multiple (A\$/tr oz)
Klondyke gold project	Klondyke	Sep-16	Keras Resources Plc	Arcadia Minerals Pty Ltd	2.52	100%	5.60	INF		2.08	0.37	6.73
Mt Olympus project	Ashburton Regional	Jun-20	Kalamazoo Resources Limited	Northern Star Resources Limited	5.00	100%	20.79	INF, IND		2.47	1.65	3.03
Mt Clement project	Mt Clement	Jul-20	Northern Star Resources Limited	Artemis Resources Limited	0.43	80%	2.44	INF, IND		1.01	0.08	5.41
Sandstone project	Sandstone	Mar-16	Enterprise Uranium Limited	Undisclosed sellers	0.88	100%	14.52	INF, IND		1.52	0.71	1.24
Albury Heath Project	Albury Heath Project	Dec-16	Cervantes Corporation Ltd.	Undisclosed seller	0.01	100%	0.15	INF		2.44	0.01	0.87
Trojan project	Trojan	Dec-16	Overland Resources Limited	Westgold Resources Limited	0.95	100%	2.79	INF, IND		1.61	0.14	6.57
Albury Heath project	Albury Heath project	Apr-20	Westgold Resources Limited	Cervantes Corporation Limited	1.30	100%	0.39	INF, IND		2.17	0.03	47.79
Sandstone project	Sandstone	May-16	Middle Island Resources Limited	Black Oak Minerals Limited	2.50	100%	10.78	INF, IND		1.39	0.48	5.20
Mt Holland	Mt Holland	Mar-16	Kidman Resources Limited	Convergent Minerals Limited	3.50	100%	15.33	INF, IND, MEA		1.65	0.81	4.30

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Resource (Mt)	Resource Category	Contains Reserves	Grade Au (g/t) (US\$M)	Total Contained troy ounces (Au)	Resource Transaction Multiple (A\$/tr oz)
Break of Day and Lena deposits	Moyagee	Jul-17	Musgrave Minerals Limited	Silver Lake Resources Limited	7.50	20%	3.55	INF, IND		3.09	0.35	21.29
Grade Gnows Nest project		Sep-20	Emu NL	Undisclosed seller	1.84	100%	0.11	INF, IND		3.78	0.01	133.51
Leonora project tenements	Leonora	Aug-20	Specrez Pty Ltd	Kingwest Resources Limited	0.19	100%	3.34	INF		0.96	0.10	1.84
Lehmans Project	Lehmans Well	Nov-18	Saracen Mineral Holdings Limited	Intermin Resources Limited	1.10	100%	-	INF, IND		1.91	-	12.69
Monument Project	Monument	Aug-20	Six Sigma Metals Limited	DiscovEx Resources Limited	0.55	100%	0.86	INF		1.80	0.05	11.12
Paris project	Paris	Jul-20	Torque Metals Limited	Austral Pacific Pty Ltd	1.85	100%	0.31	IND		3.23	0.03	56.73
Malcolm project	Malcolm	Jul-20	GoldLake Two Pty Ltd.	Anova Metals Limited	0.10	100%	0.14	INF		8.30	0.04	2.64
Millrose project	Millrose	Feb-16	Bowlane Nominees (WA) Ltd.	Riedel Resources Limited	0.95	100%	4.00	INF		2.40	0.31	3.08
Twin Hills project	Twin Hills	Dec-15	Melrose Resources Pty Ltd.	Golden Deeps Limited	0.05	100%	0.02	MEA		20.86	0.01	4.25
Polar Bear and Norcott projects, together with the Eundynie joint venture	Polar Bear	Feb-18	Westgold Resources Limited	S2 Resources Limited	9.10	100%	6.42	INF, IND		1.71	0.35	25.82
Mayday North and North	Mayday, North Kanowna Star	Sep-19	Bardoc Gold Limited	Strategic Projects	1.38	100%	2.13	INF, IND		1.64	0.11	12.32

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Resource (Mt)	Resource Category	Contains Reserves	Grade Au (g/t) (US\$M)	Total Contained troy ounces (Au)	Resource Transaction Multiple (A\$/tr oz)
Kanowna Star project				Mining Pty Ltd								
Murrin Murrin project	Murrin Murrin	Jul-16	GME Resources Limited	Zeta Resources Limited	3.00	50%	0.55	IND		3.12	0.05	54.67
Fingals and Rowe's Find projects	Mt Monger	May-20	Black Cat Syndicate Limited	Silver Lake Resources Limited	5.44	100%	5.20			2.50	0.42	13.01
Nine mining tenements (Ben Hur)	Brightstar	Aug-20	Regis Resources Limited	Stone Resources Australia Limited	10.00	100%	5.80	INF, IND, MEA		1.54	0.29	34.79
Blue Spec project	Blue Spec	Sep-20	Calidus Resources Limited	Novo Resources Corporation	19.50	100%	0.42	INF, IND		16.33	0.22	89.48
Cables and Mission deposits	Mission/Cables	Dec-19	Red 5 Limited	Private investor- Andrew George Paterson	2.00	100%	1.50	INF		3.80	0.18	10.91
Trojan, Slate Dam and Clinker Hill projects	Clinker Hill, Slate Dam, Trojan	Oct-20	Black Cat Syndicate Limited	Aruma Resources Limited	0.50	100%	2.12	INF, IND		1.69	0.12	4.34
Great Western (M37/54)	Great Western	Apr-20	Red 5 Limited	Terrain Minerals Limited	2.50	100%	0.71	INF, IND		2.74	0.06	39.99
Spargos Reward project	Spargos Reward	May-20	Karora Resources Inc.	Corona Resources Limited	6.53	100%	0.94	INF, IND		4.34	0.13	49.97
Trojan project	Trojan	Mar-18	Aruma Resources Limited	Westgold Resources Limited	0.18	100%	2.79	INF, IND		1.61	0.14	1.25
Comet gold project	Comet	Nov-15	Metals X Limited	Silver Lake Resources Limited	3.00	100%	3.80	INF, IND, MEA		2.89	0.35	8.50

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Resource (Mt)	Resource Category	Contains Reserves	Grade Au (g/t) (US\$M)	Total Contained troy ounces (Au)	Resource Transaction Multiple (A\$/tr oz)
Gnaweeda project	Gnaweeda	Apr-16	Doray Minerals Limited	Chalice Gold Mines Limited	2.99	12%	4.60	INF, , ,		1.80	0.27	11.24
Zelica project	Zelica	Nov-18	Matsa Resources Limited	Anova Metals Limited	0.15	100%	0.57	INF, IND		1.62	0.03	5.00
Birthday Gift mine and associated mining licence M15/161	Burbanks	Nov-17	Barra Resources Limited	Kidman Resources Limited	0.12	100%	0.51	INF, IND		5.74	0.10	1.27
MGK Resources Pty Ltd	Quinns & Mt Ida	Jul-16	latitude Consolidated Ltd	MGK Resources Pty Ltd	0.64	100%	1.23	INF, IND, MEA		2.46	0.10	6.60
Lake Carey gold project	Lake Carey, Phantom Well, Wilga	Jul-16	Matsa Resources Limited	Fortitude Gold Pty Ltd.	1.75	100%	6.29	INF, IND		1.90	0.38	4.56
Quinns & Mt Ida	Quinns & Mt Ida	Mar-16	MGK Resources Pty Ltd	Wild Acre Metals Limited	0.15	100%	1.23	INF, IND, MEA		2.46	0.10	1.55
Eureka Gold project	Eureka	Dec-17	Tyranna Resources Limited	Central Iron Ore Limited	3.05	100%	0.45	INF		4.40	0.06	47.88
King of the Hills gold mine	King of the Hills	Aug-17	Red 5 Limited	Saracen Mineral Holdings Limited	16.00	100%	2.71	INF, IND		4.63	0.40	39.68
Box Well and Deep South mining leases and 18 tenements	Deep South, Yundamindera	Apr-19	Saracen Mineral Holdings Limited	Hawthorn Resources Limited	13.50	100%	-			-	0.20	67.46
Bundarra	Bundarra	Apr-19	Saracen Mineral Holdings Limited	Hawthorn Resources Limited	38.20	100%	9.67	INF, IND, MEA		-	0.66	57.77

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Resource (Mt)	Resource Category	Contains Reserves	Grade Au (g/t) (US\$M)	Total Contained troy ounces (Au)	Resource Transaction Multiple (A\$/tr oz)
Eureka project	Eureka	Aug-20	Warriedar Mining Pty Ltd	Tyranna Resources Limited	1.00	100%	0.76	INF, IND		1.76	0.04	23.23
Tuckabianna assets	Murchison	Jun-17	Big Bell Gold Operations Pty. Ltd.	Silver Lake Resources Limited	7.56	100%	7.97	INF, IND		2.03	0.52	14.54
Plutonic Dome project	Plutonic Dome	May-16	Vango Mining Limited	Dampier Gold Limited	5.50	40%	8.28	INF, IND, MEA		3.20	0.85	6.47
Goongarrie Lady Mining lease (M29/420)	Goongarrie Lady	Aug-20	Resource Mining Pty Ltd	Kingwest Resources Limited	1.90	100%	0.27	INF, IND		2.87	0.02	76.27
Penny's Find tenements	Penny's Find	Mar-19	Orminex Limited	Empire Resources Limited	0.60	100%	0.25	INF, IND		7.05	0.06	10.68
Menzies and Goongarrie projects	Goongarrie, Goongarrie Lady, Menzies	Jul-19	Kingwest Resources Limited	Horizon Minerals Limited	8.00	100%	2.42	INF, IND		2.20	0.17	46.75
Dalgaranga project	Dalgaranga	Dec-16	Gascoyne Resources Limited	Private Investor - Jaime McDowell	45.05	20%	25.50	INF, IND, MEA		1.36	1.12	40.31
Red October project	Red October	Sep-17	Matsa Resources Limited	Saracen Mineral Holdings Limited	2.00	100%	0.45	INF, IND		6.92	0.10	20.14
Linden project	Linden	Aug-20	Linden Gold Alliance Pty Ltd	Anova Metals Limited	9.00	100%	0.65	INF, IND		6.32	0.13	68.52
Western Tanami project	Western Tanami	Oct-17	Northern Star (Tanami Gold) Pty Limited	Tanami Gold NL	4.00	100%	1.71	INF, IND,		5.09	0.28	14.32

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Resource (Mt)	Resource Category	Contains Reserves	Grade Au (g/t) (US\$M)	Total Contained troy ounces (Au)	Resource Transaction Multiple (A\$/tr oz)
Coogee project	Coogee	Jul-20	Victory Mines Limited	Investor group	2.75	40%	0.10	INF		3.40	0.01	262.05
Coogee project	Coogee	Nov-20	Victory Mines Limited	Ramelius Resources Limited	1.11	90%	0.10	INF		3.40	-	105.88
K2 mine	Marymia	Jan-17	Dampier Gold Limited	Vango Mining Limited	6.00	50%	4.63	IND	Yes	2.98	0.44	13.50
Gruyere project	Yamarna	Nov-16	Gold Fields Limited	Gold Road Resources Limited	700.00	50%	153.64	INF, IND, MEA	Yes	1.34	6.60	106.02
Higginsville Gold Operations	Higginsville	May-19	RNC Minerals	Westgold Resources Limited	50.00	100%	29.42	INF, IND, MEA	Yes	2.01	1.90	26.27
Plutonic gold mine	Plutonic	Aug-16	2525908 Ontario Inc.	Northern Star Resources Limited	66.20	100%	13.65	INF, IND, MEA		3.89	1.71	38.73
Halls Creek(Nicolsons) project	Halls Creek	May-16	Pantoro Limited	Bulletin Resources Limited	58.50	20%	1.07	INF, IND, MEA	Yes	6.52	0.22	261.37
Mining lease M24/943	Jackorite open pit	Jan-16	Excelsior Gold Limited	Private investor - Mr. Denzle Norbert Schorer	2.40	5%	0.12	IND, MEA	Yes	2.50	0.01	253.15
Darlot mine	Darlot	Aug-17	Red 5 Limited	Gold Fields Limited	18.50	100%	1.20	IND,		6.00	0.23	79.92
Super Pit mine	Kalgoorlie	Nov-19	Saracen Mineral Holdings Limited	Barrick Gold Corporation	2,202.30	50%	272.60	INF, IND, MEA	Yes	1.35	11.85	185.81

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Resource (Mt)	Resource Category	Contains Reserves	Grade Au (g/t) (US\$M)	Total Contained troy ounces (Au)	Resource Transaction Multiple (A\$/tr oz)
Kalgoorlie mine tenements + 20 tenements	Kalgoorlie	Dec- 19	Northern Star Resources Limited	Newmont Goldcorp Corporation	2,250.48	50%	272.60	INF, IND, MEA	Yes	1.35	11.85	189.87
Klondyke gold project	Klondyke	Sep- 16	Keras Resources Plc	Arcadia Minerals Pty Ltd	2.52	100%	5.60	INF		2.08	0.37	6.73

Comparable transactions on an area basis

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Area (km ²)	Area Multiple (A\$/km ²)
Ora Banda South project	Ora Banda	44109	Carnavale Resources Limited	Western Resources Pty Ltd	0.59	80%	25.00	23,750.00
Homeward Bound South tenements	Leonora-Laverton	43956	Magnetic Resources NL	Undisclosed seller	0.77	100%	15.00	51,466.67
Broadwood project		42592	Great Boulder Resource Limited	Eastern Goldfields Mining Company Pty Limited	0.67	75%	10.83	61,557.40
Goongarrie project	Goongarrie	42416	Intermin Resources Limited	Investor group	0.04	100%	10.00	4,200.00
Lady Julie project	Leonora-Laverton	43887	Magnetic Resources NL	Pvt invrs - Peter Romeo Gianni and Robert Andrew Jewson	0.25	100%	7.13	35,203.37
Tenement P40/1480		44088	Carnavale Resources Limited	Private investor - Mr. Duane Briggs	0.03	100%	6.00	4,166.67
Two tenements		43819	Kin Mining NL	Golden Mile Resources Limited	0.03	100%	2.40	12,500.00
PL37/8615	Ironstone Well	43787	Golden Mile Resources Limited	Sullivan's Garage Pty Ltd	0.02	100%	0.85	23,529.41
Violet project		42713	Navigator Resources Limited	Undisclosed seller	0.02	100%	0.82	27,439.02
HanTails project		44040	Redstone Resources Limited	Undisclosed seller	0.15	51%	0.57	258,906.38
Phantom Tenements	Tropicana East	44077	Carawine Resources Limited	Phantom Resources Pty Ltd	0.23	100%	1,004.65	228.94
Mt Zephyr and Darlot East projects	Mt Zephyr	44154	Darlot Mining Company Pty Limited	Ardea Resources Limited	2.50	60%	830.50	3,010.23
Mt Fisher project	Mt Fisher	42506	Doray Minerals Limited	Rox Resources Limited	9.80	51%	480.00	20,424.84
Fourteen licenses		43777	Golden Mile Resources Limited	Chalice Gold Mines Limited	0.20	100%	455.85	427.77
Wells Group	Roman Well	43938	NTM Gold Limited	Kingwest Resources Limited	0.13	100%	426.00	293.43

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Area (km ²)	Area Multiple (A\$/km ²)
Gidgee Project	Gidgee	44035	Gateway Mining Limited	Golden Mile Resources Limited	1.24	51%	421.62	2,929.88
Two exploration licences		43157	Riversgold Limited	Alloy Resources Limited	0.21	70%	321.57	639.72
Crest tenements	Edjudina	43903	DiscovEx Resources Limited	Crest Investment Group Limited	0.06	80%	310.00	201.61
MGK Resources Pty Ltd	Exploration tenements	42255	Latitude Consolidated Ltd	Private Consortium	0.11	80%	297.00	357.74
Edjudina project	Edjudina	43775	Syndicated Metals Limited	Gateway Mining Limited	0.31	80%	226.34	1,380.67
Mt Gill & Kurrajong tenements	Kurrajong South, Mt Gill	42521	Gold Road Resources	Breaker Resources NL	0.05	100%	221.00	226.24
Yarri east tenements	Yarri East	44020	Black Cat Syndicate Limited	Investor group	0.20	100%	210.00	952.38
Two tenements	0	43923	Bulletin Resources Limited	Encounter Resources Limited	0.03	100%	198.00	151.52
Three tenements	0	43363	Nexus Minerals Limited	Newmont Mining Corporation	0.01	100%	190.00	68.42
Whiteheads project	Whiteheads	43707	Great Boulder Resources Limited	Zebina Minerals Proprietary Limited	0.67	75%	185.00	3,603.60
Lake Rebecca project	0	43669	Bulletin Resources Limited	Matsa Resources Limited	0.16	80%	172.00	908.43
Thunderstruck Tenements	Tropicana East	44077	Carawine Resources Limited	Thunderstruck Investments Pty Ltd	0.26	90%	168.14	1,519.90
NWA Nickel Sulphide and Reindlers Gossans	Ilara	43805	Dreadnought Resources Limited	Private investors - Gianni & Peter Romeo	1.10	100%	146.37	7,515.05
Porphyry project	0	44090	Pacific American Holdings Limited	Salazar Gold Pty Ltd	2.29	35%	114.76	19,917.34
Bronzewing South project	Bronzewing South	43538	Hammer Metals Limited	Investor group	0.55	100%	111.00	4,954.95
Tempest project	0	43780	Nelson Resources Limited	Undisclosed seller	0.02	100%	105.00	147.35

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Area (km ²)	Area Multiple (A\$/km ²)
Jindalee tenements	0	43937	Torque Metals Limited	Jindalee Resources Limited	0.25	80%	75.00	3,350.00
Sunrise Dam South project	0	42709	Matsa Resources Limited	Raven Resources Pty Ltd.	0.50	60%	46.32	10,794.47
Sentinel Project	0	43146	Fin Resources Limited	Crosspick Resources Pty Ltd	0.10	51%	44.00	2,228.16
White Eagle (E29/991) tenement	Mt Ida	43817	Alt Resources Limited	Private investor - Bruce Legendre	0.02	100%	22.78	877.96
E25/526	Slate Dam	43208	Aruma Resources Limited	Rare Earth Contracting Pty Limited	0.06	100%	19.00	3,157.89
E37/1214	0	42347	Terrain Minerals Limited	Wildviper Pty Ltd.	0.01	100%	18.21	274.63
E37/1259 & E37/1270	0	43059	NTM Gold Limited	Undisclosed seller	0.12	100%	18.08	6,637.17
Cutler gold prospect	0	43157	Riversgold Limited	Westex Resources Pty Ltd.	0.11	100%	14.70	7,687.07
Metzkes Find	Illaara	43805	Dreadnought Resources Limited	Private investors - Gianni & Peter Romeo	0.18	100%	11.98	14,858.10
Gladiator project	0	44099	Pursuit Minerals Limited	Investor group	0.10	100%	10.00	10,000.00
Eclipse project	0	44055	Empire Metals Limited	Philips Exploration Pty Ltd.	3.81	75%	3.03	1,255,877.44
Jillewarra project	0	44109	S2 Resources Limited	Black Raven Mining Pty Ltd.	11.76	51%	790.00	14,892.03
Sandstone project	Sandstone	43872	Westar Resources Ltd.	Rafaella Resources Limited	0.15	100%	255.89	586.19
Mt Maitland project	Mt Maitland	44018	Red Mountain Mining Limited	Private investor- Simon Jones	0.30	100%	62.00	4,838.71
Tuckanarra project	Tuckanarra	44123	Odyssey Energy Limited	Monument Mining Limited	5.00	80%	25.00	200,000.00
Side Well project	Side Well	44026	Great Boulder Resources Limited	Zebina Minerals Proprietary Limited	1.13	75%	131.74	8,602.74
Thundelarra project	0	43077	Blaze International Limited	Investor group	0.02	100%	47.00	319.15

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Area (km ²)	Area Multiple (A\$/km ²)
Bulgera project	Bulgera	43655	Norwest Minerals Limited	Accelerate Resources Limited	0.22	100%	36.80	5,978.26
South Yamarna Project	South Yamarna	43136	Gold Road Resources Limited	Sumitomo Metal Mining Company Limited	14.00	50%	2,467.00	5,674.91
Wanganui project	Wanganui	43949	Castle Minerals Limited	Bar None Exploration Pty Ltd.	0.51	100%	18.40	27,717.39
Exploration Licenses	Murchison	42942	Enterprise Metals Limited	Zelda Therapeutics Pty Ltd.	0.11	100%	87.00	1,252.87
Paynes Find project	Paynes Find	42726	Cervantes Corporation Ltd.	European Lithium Limited	0.75	100%	7.00	107,142.86
Cracker Jack project	0	44144	White Cliff Minerals Limited	Private Investor - Mr. Peter Gianni	0.03	100%	16.00	1,875.00
Polelle project	Polelle	43949	Castle Minerals Limited	Investor group	1.01	100%	144.50	6,989.62
Yuinmery project	0	43698	Golden Mile Resources Limited	Legend Resources Pty Ltd.	0.10	100%	66.00	1,439.39
Kirkalocka project	0	43224	Blaze International Limited	Bar None Exploration Pty Limited	0.10	100%	33.14	3,017.50
Mt Magnet project	0	44014	Blaze International Limited	Eastern Goldfields Exploration (Pty) Ltd	1.25	100%	147.00	8,503.40
Jundee South project	0	43941	Avenira Limited	Faurex Pty Ltd	0.35	100%	720.00	486.11
EL77/2607	Bullfinch	43964	Torque Metals Limited	Tribal Mining Pty Ltd.	0.05	100%	48.00	1,041.67
E59/1989	0	44089	Venture Minerals Limited	Bright Point Gold Pty Ltd	1.33	90%	33.98	39,238.77
Challa project	0	43993	Platina Resources Limited	Investor group	0.23	100%	293.00	784.98
South Big Bell project	0	43146	Fin Resources Limited	Neon Space Pty Ltd	0.10	51%	49.67	1,973.81
West pilbara gold project	0	42633	Chalice Gold Mines Limited	Red Hill Iron Limited	1.96	51%	1,390.00	1,410.64
EL 45/4807	0	43270	Rio Tinto Exploration Proprietary Limited	Alloy Resources Limited	0.77	70%	424.02	1,819.32
Harris Find project	Harris Find	42692	Great Western Exploration Limited	Investor group	0.46	80%	36.68	12,608.02

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Area (km ²)	Area Multiple (A\$/km ²)
E59/2237 and E59/2249	0	43539	Blaze International Limited	Beau Resources Pty Limited	0.13	100%	65.07	1,997.85
E59/2310 and E59/2309	0	43539	Blaze International Limited	Iron Clad Prospecting Pty Limited	0.14	100%	132.25	1,058.60
E 77/2313	0	43383	Marindi Metals Limited	Bar None Exploration Pty Ltd.	0.58	100%	14.48	39,709.94
Hong Kong project	0	43384	Pacton Gold Inc.	Sagon Resources Limited	2.64	70%	40.15	65,824.59
E46/1340 and E46/1354 tenements	0	44158	Thor Mining PLC	Redstone Metals Pty Ltd.	0.51	100%	80.02	6,367.47
Two tenements	Warrawoona	43188	Keras (Pilbara) Gold Pty Limited	Gardner Mining Pty Ltd.	0.08	100%	44.72	1,721.82
Meentheena and Coongan projects	0	44029	Azure Minerals Limited	Creasy Group Pty. Ltd.	2.57	70%	884.00	2,942.14
Koongulla Project	0	44007	Boadicea Resources Ltd.	Undisclosed seller	0.02	95%	240.00	65.79
EL38/3302	Laverton Links	44090	Tigers Paw Prospecting Pty Ltd	Trigg Mining Limited	0.12	100%	293.85	408.37
Doolgunna project	0	42440	DGO Gold Limited	TasEx Geological Services Pty Ltd.	0.20	51%	68.00	2,883.51
Biranup project	Biranup	44013	New Energy Metals Limited	VRX Silica Limited	1.25	100%	393.00	3,180.66
Pincunah and Jimblebar project	0	44026	Trek Metals Limited	Australian Commercial Minerals Exporters Pty Ltd	0.40	100%	265.00	1,509.43
Pascalie and Gnama projects	0	43985	ScandiVanadium Ltd	Private investor - Thomas Edward Langley	1.32	100%	118.00	11,158.19
Three Gold projects	0	42704	Western Mining Network Limited	Investor group	0.06	100%	8.08	7,428.50
Bellevue project	Bellevue	42604	Draig Resources Limited	Golden Spur Resources Pty Ltd.	3.22	100%	27.00	119,296.30
Monument gold project	0	42578	Syndicated Metals Limited	Monument Exploration Pty Ltd.	0.25	100%	210.00	1,190.48

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Area (km ²)	Area Multiple (A\$/km ²)
Kookynie project	0	44069	Carnavale Resources Limited	Western Resources Pty Ltd.	0.59	80%	21.00	28,273.81
Jundee East and Northern Zone projects	0	44151	Oracle Power Plc	Mining Equities Pty Ltd	0.94	100%	90.12	10,462.24
Smokebush gold project	0	43801	Terrain Minerals Limited	Private investor-Watts-Butler	0.34	80%	17.32	19,847.00
Bronzewing North project	Horse Well	44040	Hammer Metals Limited	Alloy Resources Limited	0.08	100%	83.33	945.04
Glandore project	Glandore	42464	Southern Gold Limited	Aruma Resources Limited	0.60	50%	28.70	20,905.92
Rembrandt gold project	Rembrandt	42263	Terrain Minerals Limited	Rembrandt Mining Pty Ltd	0.03	100%	56.00	446.43
Cosmo tenements	Yarri	43959	OreCorp Limited	Cosmo Holdings (WA) Pty Ltd	0.35	100%	34.00	10,332.04
Desdemona South project	Desdemona	43809	Genesis Minerals Limited	Kin Mining NL	1.67	60%	156.00	10,683.76
South Three project	Bulong	44005	Black Cat Syndicate Limited	Undisclosed sellers	0.45	100%	52.00	8,630.77
Abbotts project	Abbotts	43390	Thundelarra Limited	Doray Minerals Limited	0.18	100%	450.00	391.11
Reedy South Project	Reedy South	44088	White Cliff Minerals Limited	Investor Group	0.85	100%	156.00	5,448.72
Warriedar project	Warriedar	44043	Warriedar Mining Pty Ltd	Norwest Minerals Limited	0.10	100%	43.85	2,280.50
78 tenements	0	43997	Novo Resources Corp.	Creasy Group Pty. Ltd.	9.24	100%	2,232.00	4,141.70
Island project	Island	44049	Caprice Resources Limited	Investor group	4.94	100%	21.00	235,066.67
Holland tenements	0	44054	Firefly Resources Limited	Undisclosed sellers	0.25	100%	4.50	55,555.56
Gold tenements	Wilga, Socrates, Yarrie and Happy Jack	42723	Nelson Resources Limited	MTWH Corporate Pty Ltd.	11.45	100%	20.51	558,264.26

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Area (km ²)	Area Multiple (A\$/km ²)
Bardoc project	Bardoc	43593	Bardoc Gold Limited	Torian Resources Limited	0.15	100%	49.00	3,061.22
Leonora Project	0	43560	Blaze International Limited	CoxsRocks Pty Ltd	0.25	100%	23.65	10,570.82
Cue Project	Cue Goldfield	42999	Cue Consolidated Mining Pty Ltd	Western Mining Pty Ltd.	0.72	100%	462.00	1,558.44
Butcher Well and Lake Carey	Celia, South Laverton-Carosue Dam	42660	AngloGold Ashanti Limited	Saracen Mineral Holdings Limited	29.41	51%	339.56	86,617.28
Bulong project	Bulong	43124	Black Cat Syndicate Limited	Bulong Mining Pty Ltd	0.75	100%	81.80	9,168.70
Little Wonder North	0	44110	Torian Resources Limited	Private investors	0.10	100%	0.39	246,753.25
Lake Lefroy tenements	Lefroy	43258	St. Ives Gold Mining Company Pty Ltd.	Lefroy Exploration Limited	19.61	51%	372.00	52,709.26
Credo Well project	Zuleika	43742	Dampier Gold Ltd.	Torian Resources Ltd.	1.00	50%	17.00	58,823.53
Zuleika project	Zuleika	43742	Dampier Gold Ltd.	Torian Resources Ltd.	3.33	30%	222.00	15,015.02
Cue Project JV	Lake Austin/Cue JV	43725	Evolution Mining Limited	Musgrave Minerals Limited	26.00	75%	139.70	186,113.10
Kalgoorlie - Menzies projects	Baden Powell, Bullabulling, Goongarrie Lady, Windanya	42451	Intermin Resources Limited	Metaliko Resources Limited	0.38	100%	141.00	2,659.57
Fair Adelaide East project	Fair Adelaide	43817	Majestic Gold Corporation	Plutus Resources Pty. Ltd.	4.04	51%	13.22	305,538.25
M29/410 tenement	Menzies	42759	Intermin Resources Limited	Undisclosed seller	0.17	30%	4.93	33,806.63
M27/263 tenement	Silver Swan North	44004	Moho Resources Limited	Odin Metals Limited	1.38	30%	7.93	173,392.18
Kalpini project	Kalpini	44116	Horizon Minerals Limited	NBT Metals Proprietary Limited	2.75	100%	5.85	470,085.47
Munda Gold project (*M15/	Armstrong	44025	Auric Mining Limited	Estrella Resources Limited	1.24	100%	3.64	339,835.16

Project	Assets	Date	Purchaser	Vendor	Consideration (100% basis) (A\$M)	Equity Acquired (%)	Area (km ²)	Area Multiple (A\$/km ²)
Currans Find and Pinchers mining leases	Youanmi	43570	Investor group	Murchison Earthmoving & Rehabilitation Pty Ltd	0.34	90%	3.56	96,754.06
Mulwarrie project	Mulwarrie	43244	Spitfire Materials Limited	Goldfield Argonaut Pty Ltd.	2.24	49%	1.80	1,249,456.20
Mining lease M16/560	0	43901	Beacon Minerals Limited	Boulder Investments Group Pty Ltd	1.00	100%	0.74	1,351,351.35
Mt Lucky project	Mon Ami	43123	Forte Consolidated Limited	Valleybrook Investments Pty Ltd.	0.85	100%	0.58	1,455,479.45
Nicholson Well project (M38/1041)	Leonora-Laverton	43867	Magnetic Resources NL	Private investors - Messrs Christopher Flesser and James Hanna	0.16	100%	0.10	1,609,907.12
Balagundi project	0	42592	Great Boulder Resource Limited	Eastern Goldfields Mining Company Pty Limited	1.33	75%	6.00	222,222.22
Klondyke gold project	Haoma	42625	Keras Resources Plc	Arcadia Minerals Pty Ltd	1.25	100%	6.50	192,307.69

Appendix 4 - Discount Rate

Determining the correct discount rate, or cost of capital, for a business requires the identification and consideration of a number of factors that affect the returns and risks of a business, as well as the application of widely accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' WACC, the CAPM results are combined with the cost of debt funding. WACC represents the return required on the business, whilst CAPM provides the required return on an equity investment.

In our assessment of the appropriate discount rate for the Proposed Merged Entity, we consider the most appropriate discount rate to be the cost of equity. This is because the Adjusted Model considers cash flows to equity holders.

Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk-free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM	
K_e	$= R_f + B \times (R_m - R_f)$
Where:	
K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market return
$R_m - R_f$	= market risk premium
B	= equity beta

The individual components of CAPM are discussed below.

Risk Free Rate (R_f)

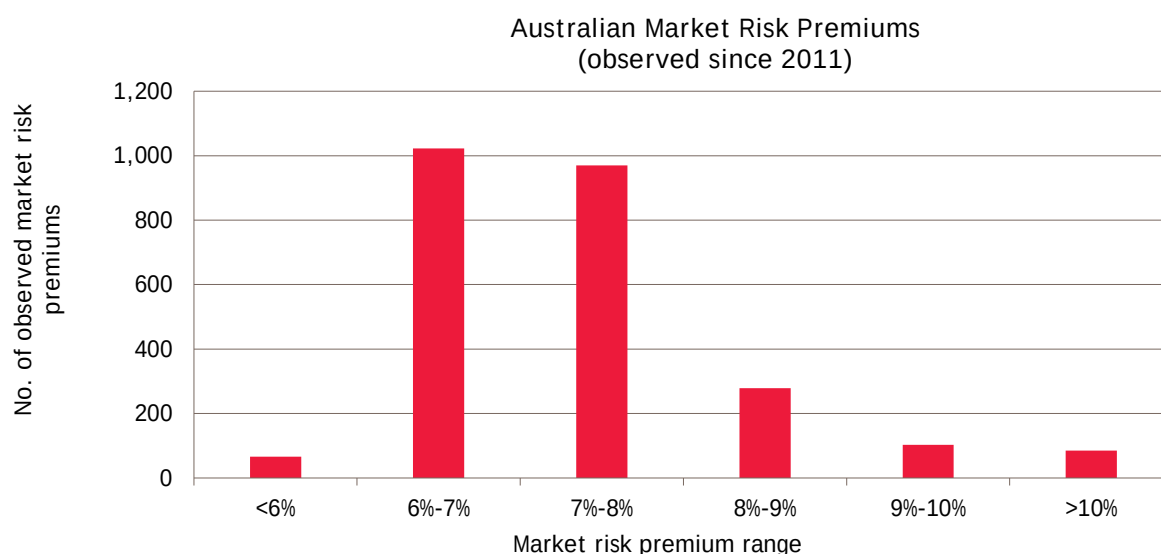
The risk free rate is typically approximated by reference to a forecast long term government bond rate with a maturity approximately equivalent to the timeframe over which the returns from the assets are expected to be received.

In determining an appropriate ten-year bond rate to use as a proxy for the risk free rate we have given consideration to the ten-year Australian Government Bond rate and projections of the ten-year Australian Government Bond rate based on forecasts. Based on this analysis, we have used a risk free rate between 1.5% and 2.0% in our analysis.

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. In order to determine an appropriate market risk premium in Australia, we have analysed historical data. Our sample of data included the daily historical market risk premiums in Australia over the last ten years.

The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate, which is dependent on the 10-year Australian Government Bond rate.



Source: Bloomberg and BDO analysis

The graph above illustrates the frequency of observations of the Australian market risk premium over the past ten years. The graph indicates that a high proportion of the sample data for Australian market risk premiums lie in the range of 6% to 8%. This is supported by the long term historical average market risk premium of between 6% and 8%, which is commonly used in practice. For the purpose of our Report we have adopted a market risk premium of between 6% and 8%.

Equity Beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market; a beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Equity betas are normally estimated using either an historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future, and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time,

taking into consideration the industry risk factors, which make the operating risk of the company greater or less risky than comparable listed companies.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. It is generally accepted that a more valid analysis of betas can be achieved by ‘ungearing’ the equity beta to derive an asset beta (B_a) by applying the following formula:

Asset beta (B_a)	
B_a	$= B / (1 + (D/E \times (1-t)))$
Where:	
B_a	= ungeared or asset beta
B	= equity beta
D	= value of debt
E	= value of equity
t	= corporate tax rate

Selected Beta (B)

In order to assess the appropriate equity beta for the Proposed Merged Entity, we have had regard to the equity beta of Gascoyne and other ASX-listed companies. The ASX listed companies identified have similar projects to the Proposed Merged Entity, in respect of commodity type and location.

The betas below have been assessed over a two-year period using weekly returns, against the S&P/ASX All Ordinaries Gold Index. We have assessed returns against this index as we deem the S&P/ASX All Ordinaries Gold Index to better capture the systematic risks associated with investing in ASX-listed gold miners compared to a broader market index. We also note that the correlations observed when assessing beta relative to a broader market index were weak, which rendered the betas less meaningful.

The list of comparable companies we selected are set out below:

Company	Market Capitalisation 29-Jun-21 (A\$m)	Gear Beta (B)	Gross Debt/Equity (%)	Ungeared Beta (B_a)	R ²
Gascoyne Resources Limited (ASX:GCY)	78	0.84	29%	0.69	0.15
Regis Resources Limited (ASX:RRL)	1,810	0.91	4%	0.88	0.63
Silver Lake Resources Limited (ASX:SLR)	1,516	1.02	7%	0.98	0.54
Westgold Resources Limited (ASX:WGX)	795	1.06	7%	1.01	0.57
Ramelius Resources Limited (ASX:RMS)	1,416	1.22	6%	1.17	0.60
Dacian Gold Limited (ASX:DCN)	241	0.89	21%	0.77	0.16
Gold Road Resources Limited (ASX:GOR)	1,128	1.12	28%	0.94	0.54
Red 5 Limited (ASX:RED)	434	0.94	4%	0.91	0.20
Wiluna Mining Corporation Limited (ASX:WMX)	153	0.94	11%	0.88	0.20
Pantoro Limited (ASX:PNR)	289	0.90	9%	0.85	0.19
Alkane Resources Limited (ASX:ALK)	679	0.96	5%	0.93	0.20
Mean	846	1.00	10%	0.93	0.38
Median	737	0.95	7%	0.92	0.37

Source: Bloomberg and BDO analysis

Descriptions of the comparable companies are provided at the end of this appendix.

In selecting an appropriate beta for the Proposed Merged Entity, we have considered the similarities and differences between them and their set of comparable companies as set out above. The comparable similarities and differences noted are:

- The comparable companies all have gold operations;
- The comparable companies have variable risk profiles depending on the number of operating mines they hold, the assets maturity, stage of production and location;
- although not all companies in the list have similar metrics across each of the assessed factors, we still consider them to be comparable companies as they have sufficient similarities on an overall basis; and
- Alkane Resources Limited operates as a multi-commodity miner, however the majority of its earnings come from its gold operations, therefore it is exposed to similar risk factors as the Proposed Merged Entity, albeit on a more diversified basis.

In selecting an appropriate ungeared beta for the Proposed Merged Entity, we have considered the ungeared betas of the companies listed above along with the above factors. As set out in the tables above, the ungeared beta for the list of comparable companies, based on the two-year period, ranges from 0.77 to 1.17 with a median of 0.92.

Based on our analysis, we consider an appropriate ungeared beta to be in the range of 1.00 to 1.10 for the Proposed Merged Entity. Given that the Proposed Merged Entity will have no outstanding debt following the repayment of the Investec Facility in June 2022, we consider an appropriate regear beta to be between 1.00 and 1.10.

Cost of Equity

We have assessed the cost of equity of the Proposed Merged Entity to be in the range of 7.5% to 10.8% with our preferred value being a rounded midpoint of 9.0%.

Input	Value adopted	
	Low	High
Risk free rate of return	1.50%	2.00%
Equity market risk premium	6.00%	8.00%
Beta (regear)	1.00	1.10
Cost of Equity	7.50%	10.80%

Source: Bloomberg and BDO analysis

Set out below are the company descriptions of the companies we considered in our comparable company analysis.

Company Name	Business Description
Regis Resources Limited	Regis Resources Limited engages in the exploration, evaluation, and development of gold projects in Australia. The company owns the Duketon project located in the North Eastern Goldfields of Western Australia; and the McPhillamys project situated in the Central Western region of New South Wales. Regis Resources Limited was incorporated in 1986 and is headquartered in Perth, Australia.
Silver Lake Resources Limited	Silver Lake Resources Limited engages in the exploration and production of gold and copper deposits in Australia. The company holds interests in six mines and two processing facilities across its Deflector operations located in the Southern Murchison region of Western

Company Name	Business Description
	Australia; and Mount Monger operations situated within the Kalgoorlie terrane subdivision of the Eastern Goldfields province. Silver Lake Resources Limited is headquartered in Perth, Australia.
Westgold Resources Limited	Westgold Resources Limited engages in the exploration, development, mining, and treatment of gold assets primarily in Western Australia. The company's assets include the Meekatharra Gold Operations, Fortnum Gold Operations, and Cue Gold Operations that comprise approximately 350 mining titles covering an area of 124,000 hectares in the Central Murchison region. It also provides contract mining services. Westgold Resources Limited is headquartered in Perth, Australia.
Ramelius Resources Limited	Ramelius Resources Limited engages in the exploration, mine development and operation, and production and sale of gold in Australia. The company holds interests in the Edna May gold deposit located within the Westonia Greenstone Belt, Western Australia; the Mt Magnet gold project located within the north-south striking Meekatharra-Mt Magnet greenstone belt of the Western Australian Murchison province; and the Vivien gold deposit located to the west of the town of Leinster in Western Australia. It also holds interests in the Marda Gold Project located in north-east of Perth. The company is based in East Perth, Australia.
Dacian Gold Limited	Dacian Gold Limited engages in the exploration, mining, and processing of gold properties in Australia. It primarily focuses on its 100% owned Mount Morgans Gold project located near Laverton, Western Australia. The company was incorporated in 2011 and is based in Como, Australia.
Gold Road Resources Limited	Gold Road Resources Limited engages in the exploration, development and production of gold in Western Australia. The company owns 50% of the Gruyere gold mine, which was developed in joint venture (JV) with Gold Fields Ltd. It also controls 100% of tenements covering 4,500 km ² across Yamarna with a mineral resource of 0.3 million ounces. Gold Road Resources Limited was founded in 2004 and is based in West Perth, Australia.
Red 5 Limited	Red 5 Limited engages in the exploration, production, and mining of gold deposits and mineral properties in the Philippines and Australia. The company holds interests in the Siana Gold project located in the Island of Mindanao, the Philippines; King of the Hills Gold project located in the Eastern Goldfields of Western Australia; and Darlot Gold mine situated in the north-east of Perth in Western Australia. Red 5 Limited was incorporated in 1995 and is based in West Perth, Australia.
Wiluna Mining Corporation Limited	Wiluna Mining Corporation Limited is a gold producer in Australia that also has exploration interests. It holds a 100% interest in the Matilda-Wiluna gold operation located in Western Australia. The company was incorporated in 2006 and is based in West Perth, Australia.
Pantoro Limited	Pantoro Limited engages in the gold mining, processing, and exploration in Australia. The company also explores for gold and silver deposits. Its flagship property is the Nicolsons Project located in the Kimberley Region of Western Australia. Pantoro Limited was incorporated in 1986 and is based in West Perth, Australia.
Alkane Resources Limited	Alkane Resources Limited operates as a multi-commodity exploration and development and producing company in Australia. It explores for gold, copper, zinc, titanium, nickel, cobalt, and rare earth elements. The company owns an interest in the Tomingley Gold project that consists of four deposits located in the Central West of New South Wales. Its exploration projects comprise the Northern Molong Porphyry Project, Cudal, Peak Hill, Wellington, Elsenora, Rockley, and other projects. The company is headquartered in Burswood, Australia.

Source: S&P Capital IQ and BDO analysis

Appendix 5 - Comparable Company Descriptions

Company Name	Company Description
Dacian Gold Limited	Dacian Gold Limited engages in the exploration, mining, and processing of gold properties in Australia. It primarily focuses on its 100% owned Mount Morgans Gold project located near Laverton, Western Australia. The company was incorporated in 2011 and is based in Como, Australia.
Red 5 Limited	Red 5 Limited, together with its subsidiaries, engages in the exploration, production, and mining of gold deposits and mineral properties in the Philippines and Australia. The company holds interests in the Siana Gold project located in the Island of Mindanao, the Philippines; King of the Hills Gold project located in the Eastern Goldfields of Western Australia; and Darlot Gold mine situated in the north-east of Perth in Western Australia. Red 5 Limited was incorporated in 1995 and is based in West Perth, Australia.
Tribune Resources Limited	Tribune Resources Limited, together with its subsidiaries, explores for and develops mineral properties in Australia. The company explores for gold and silver deposits. It holds 36.75% interest in the East Kundana joint venture and 24.5% interest in the West Kundana joint venture located in Western Australia; 50% interest in the Seven Mile Hill project situated in Western Australia; 100% interest in the Japa concession located in Ghana, West Africa; and 40% interest in Diwalwal Gold Project situated in Mindanao, Philippines. The company was incorporated in 1988 and is based in South Perth, Australia.
Wiluna Mining Corporation	Wiluna Mining Corporation explores for and develops gold properties in Australia. It holds 100% interests in the Matilda-Wiluna gold operation located in Australia. The company was incorporated in 2006 and is based in West Perth, Australia.
Pantoro Limited	Pantoro Limited engages in the gold mining, processing, and exploration in Australia. The company explores for gold and silver deposits. Its flagship property is the Nicolson's Project located in the Kimberley Region of Western Australia. The company was formerly known as Pacific Niugini Limited and changed its name to Pantoro Limited in December 2015. Pantoro Limited was incorporated in 1986 and is based in West Perth, Australia.
Beacon Minerals Limited	Beacon Minerals Limited engages in the mineral exploration, development, and production activities in Western Australia. It holds a 100% interest in the Jaurdi gold project located to the north west of Coolgardie. The company was incorporated in 2006 and is based in Boulder, Australia.

Annexure B - Scheme of Arrangement

Scheme of arrangement – share scheme

Firefly Resources Limited

Scheme Shareholders

Scheme of arrangement – share scheme

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Firefly Resources Limited (**Firefly**) ACN 118 522 124 of 64-68 Hay Street, Subiaco, Western Australia 6005

The Scheme Shareholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) Firefly is a listed public company limited by shares, registered in Western Australia, Australia, and has been admitted to the official list of the ASX. Firefly's Shares are quoted for trading on the ASX.
- (b) As at the date of this Scheme, 307,339,530 Firefly Shares, 34,233,328 Firefly Performance Rights and 27,699,999 Firefly Options were on issue.
- (c) Gascoyne Resources Limited (**Gascoyne**) is a listed public company limited by shares registered in Western Australia, Australia.
- (d) If this Scheme becomes Effective:
 - (1) Gascoyne must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and

- (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Gascoyne and Firefly will enter the name of Gascoyne in the Share Register in respect of the Scheme Shares.
- (e) Firefly and Gascoyne have agreed, by executing the Implementation Deed, to implement this Scheme.
- (f) This Scheme attributes actions to Gascoyne but does not itself impose an obligation on it to perform those actions. Gascoyne has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Gascoyne and Firefly;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Gascoyne and Firefly having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Firefly and Gascoyne agree in writing).

3.2 Certificate

- (a) Firefly and Gascoyne will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 End Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Firefly and Gascoyne otherwise agree in writing.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

Firefly must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clauses 5.1(a) and 5.1(b), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Gascoyne, without the need for any further act by any Scheme Shareholder (other than acts performed by Firefly as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (1) Firefly delivering to Gascoyne a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Firefly, for registration; and
 - (2) Gascoyne duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Firefly for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Firefly must enter, or procure the entry of, the name of Gascoyne in the Share Register in respect of all the Scheme Shares transferred to Gascoyne in accordance with this Scheme.

5 Scheme Consideration

5.1 Provision of Scheme Consideration

Gascoyne must, subject to clauses 5.2, 5.3, 5.4 and 5.6:

- (a) on or before the Implementation Date, issue the Scheme Consideration to the Scheme Shareholders and procure that the name and address of each Scheme Shareholder is entered in the Gascoyne Register in respect of those New Gascoyne Shares; and

- (b) procure that on or before the date that is 5 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing the number of New Gascoyne Shares issued to the Scheme Shareholder pursuant to this Scheme.

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) the New Gascoyne Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders;
- (b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Firefly, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Firefly, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.3 Ineligible Foreign Shareholders

- (a) Gascoyne will be under no obligation to issue any New Gascoyne Shares under this Scheme to any Ineligible Foreign Shareholder and instead:
 - (1) subject to clauses 5.4 and 5.6, Gascoyne must, on or before the Implementation Date, issue the New Gascoyne Shares which would otherwise be required to be issued to the Ineligible Foreign Shareholders under this Scheme to the Sale Agent;
 - (2) Gascoyne must procure that as soon as reasonably practicable, and in any event not more than 15 Business Days after the Implementation Date, the Sale Agent, in consultation with Gascoyne sells or procures the sale of all the New Gascoyne Shares issued to the Sale Agent and remits to Firefly the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);
 - (3) promptly after receiving the Proceeds in respect of the sale of all of the New Gascoyne Shares referred to in clause 5.3(a)(2), Firefly must pay, or procure the payment, to each Ineligible Foreign Shareholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B \div C) \times D$$

where

B = the number of New Gascoyne Shares that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which were issued to the Sale Agent;

C = the total number of New Gascoyne Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and which were issued to the Sale Agent; and

D = the Proceeds (as defined in clause 5.3(a)(2)).

- (b) The Ineligible Foreign Shareholders acknowledge that none of Gascoyne, Firefly or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Gascoyne Shares described in clause 5.3(a).
- (c) Gascoyne must appoint the Sale Agent on terms reasonably acceptable to Firefly at least 10 Business Days prior to the Scheme Meeting.
- (d) Firefly must make, or procure the making of, payments to Ineligible Foreign Shareholders under clause 5.3(a) by either (in the absolute discretion of Firefly, and despite any election referred to in clause 5.3(d)(1) or authority referred to in clause 5.3(d)(2) made or given by the Scheme Shareholder):
 - (1) if an Ineligible Foreign Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Firefly Registry to receive dividend payments from Firefly by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (2) paying or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Ineligible Foreign Shareholder by an appropriate authority from the Ineligible Foreign Shareholder to Firefly; or
 - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (e) If Firefly receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to an Ineligible Foreign Shareholder, Firefly is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.3(a)(3)). Firefly must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder.
- (f) Each Ineligible Foreign Shareholder appoints Firefly as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act or any other applicable law.
- (g) Payment of the amount calculated in accordance with clause 5.3(a) to an Ineligible Foreign Shareholder in accordance with this clause 5.3 satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.
- (h) Where the issue of New Gascoyne Shares to which a Scheme Shareholder would otherwise be entitled under this Scheme would result in a breach of law:
 - (1) Gascoyne will issue the maximum possible number of New Gascoyne Shares to the Scheme Shareholder without giving rise to such a breach; and

- (2) any further New Gascoyne Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Agent and dealt with under the preceding provisions in this clause 5.3, as if a reference to Ineligible Foreign Shareholders also included that Scheme Shareholder and references to that person's New Gascoyne Shares in that clause were limited to the New Gascoyne Shares issued to the Sale Agent under this clause.

5.4 Fractional entitlements

Where the calculation of the number of New Gascoyne Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Gascoyne Share, the fractional entitlement will be rounded up to the nearest whole number of New Gascoyne Shares as applicable.

5.5 Unclaimed monies

- (a) Firefly may cancel a cheque issued under this clause 5 if the cheque:
 - (1) is returned to Firefly; or
 - (2) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Firefly (or the Firefly Registry) (which request may not be made until the date which is 30 Business Days after the Implementation Date), Firefly must reissue a cheque that was previously cancelled under this clause 5.5.
- (c) The *Unclaimed Money Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 1990* (WA)).

5.6 Orders of a court or Government Agency

If written notice is given to Firefly (or the Firefly Registry) or Gascoyne (or the Gascoyne Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Firefly in accordance with this clause 5, then Firefly shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Firefly from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Firefly shall be entitled to (as applicable):
 - (1) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration; or

- (2) direct Gascoyne not to issue, or to issue to a trustee or nominee, such number of New Gascoyne Shares as that Scheme Shareholder would otherwise be entitled to under clause 5.1,

until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

5.7 Status of New Gascoyne Shares

Subject to this Scheme becoming Effective, Gascoyne must:

- (a) issue the New Gascoyne Shares required to be issued by it under this Scheme on terms such that each such New Gascoyne Share will rank equally in all respects with each existing Gascoyne Share;
- (b) ensure that each such New Gascoyne Share is duly and validly issued in accordance with all applicable laws and Gascoyne's constitution, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under Gascoyne's constitution); and
- (c) use all reasonable endeavours to ensure that such New Gascoyne Shares are, from the Business Day following the date this Scheme becomes Effective (or such later date as ASX requires), quoted for trading on the ASX on an ordinary settlement basis.

6 Dealings in Firefly Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Firefly Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Firefly Shares before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Share Register is kept,

and Firefly must not accept for registration, nor recognise for any purpose (except a transfer to Gascoyne pursuant to this Scheme and any subsequent transfer by Gascoyne or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

- (a) Firefly must register registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Firefly to register a transfer that would result in a Firefly Shareholder holding a parcel of Firefly Shares that is less than a 'marketable

parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).

- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Firefly shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Firefly must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Firefly Shares (other than statements of holding in favour of Gascoyne or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Gascoyne or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Firefly Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Firefly will ensure that details of the names, Registered Addresses and holdings of Firefly Shares for each Scheme Shareholder as shown in the Share Register are available to Gascoyne in the form Gascoyne reasonably requires.

7 Quotation of Firefly Shares

- (a) Firefly must apply to ASX to suspend trading on the ASX in Firefly Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Gascoyne, Firefly must apply:
 - (1) for termination of the official quotation of Firefly Shares on the ASX; and
 - (2) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Firefly may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Gascoyne has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Firefly has consented to.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
- (1) agrees to the transfer of their Firefly Shares together with all rights and entitlements attaching to those Firefly Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their Firefly Shares constituted by or resulting from this Scheme;
 - (3) agrees to, on the direction of Gascoyne, destroy any holding statements or share certificates relating to their Firefly Shares;
 - (4) agrees to become a member of Gascoyne and to be bound by the terms of the constitution of Gascoyne;
 - (5) who holds their Firefly Shares in a CHESS Holding agrees to the conversion of those Firefly Shares to an Issuer Sponsored Holding and irrevocably authorises Firefly to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (6) acknowledges and agrees that this Scheme binds Firefly and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Firefly and Gascoyne on the Implementation Date, and appointed and authorised Firefly as its attorney and agent to warrant to Gascoyne on the Implementation Date, that:
- (1) all their Firefly Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Firefly Shares to Gascoyne together with any rights and entitlements attaching to those shares. Firefly undertakes that it will provide such warranty to Gascoyne as agent and attorney of each Scheme Shareholder; and
 - (2) they have no existing right to be issued any Firefly Shares, Firefly options, Firefly performance rights, Firefly convertible notes or any other Firefly securities, other than the right to be issued Firefly Shares upon the exercise of Firefly Options and conversion of Firefly Performance Rights (as appropriate). Firefly undertakes that it will provide such warranty to Gascoyne as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Gascoyne will, at the time of transfer of them to Gascoyne vest in Gascoyne

free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(a) and 5.1(b), Gascoyne will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Firefly of Gascoyne in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(a) and 5.1(b), and until Firefly registers Gascoyne as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed Gascoyne as attorney and agent (and directed Gascoyne in each such capacity) to appoint any director, officer, secretary or agent nominated by Gascoyne as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Gascoyne reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Gascoyne and any director, officer, secretary or agent nominated by Gascoyne under clause 8.4(a) may act in the best interests of Gascoyne as the intended registered holder of the Scheme Shares.

8.5 Authority given to Firefly

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Firefly and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Gascoyne, and Firefly undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Gascoyne on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Firefly and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Firefly accepts each such appointment. Firefly as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this



clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to Firefly that are binding or deemed binding between the Scheme Shareholder and Firefly relating to Firefly or Firefly Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Firefly Shares; and
- (c) notices or other communications from Firefly (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Gascoyne in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Gascoyne and to be a binding instruction, notification or election to, and accepted by, Gascoyne in respect of the New Gascoyne Shares issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to Gascoyne at its registry.

8.7 Binding effect of Scheme

This Scheme binds Firefly and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Firefly.

9 General

9.1 Stamp duty

Gascoyne will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to Firefly doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Firefly or otherwise.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Firefly, it will not be taken to be

received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Firefly's registered office or at the office of the Firefly Registry.

- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Firefly Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

- (a) This Scheme is governed by the laws in force in Western Australia, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

Firefly must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Firefly nor Gascoyne nor any director, officer, secretary or employee of Firefly or Gascoyne or Gascoyne Group shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Schedule 1

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ADI	authorised deposit-taking institution (as defined in the <i>Banking Act 1959</i> (Cth)).
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Business Day	a day that is not a Saturday, Sunday or public holiday or bank holiday in Western Australia, Australia.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Supreme Court of Western Australia, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Gascoyne and Firefly.
Deed Poll	the deed poll substantially in the form of Attachment 1 under which Gascoyne covenants in favour of the Scheme Shareholders to perform the obligations attributed to Gascoyne under this Scheme.

Term	Meaning
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	the date on which this Scheme becomes Effective.
End Date	the date that is 6 months from the date of execution of the Implementation Deed, or such other date as agreed in writing by Gascoyne and Firefly.
Excluded Shareholder	any Firefly Shareholder who is (or becomes under clause 5.3(m) of the Implementation Deed) a member of the Gascoyne Group or any Firefly Shareholder who holds any Firefly Shares on behalf of, or for the benefit of, any member of the Gascoyne Group and does not hold Firefly Shares on behalf of, or for the benefit of, any other person.
Firefly	Firefly Resources Limited ACN 118 522 124.
Firefly Registry	Automic Pty Ltd ACN 152 260 814.
Firefly Share	a fully paid ordinary share in the capital of Firefly.
Firefly Shareholder	each person who is registered as the holder of a Firefly Share in the Share Register.
Gascoyne	Gascoyne Resources Limited ACN 139 522 900.
Gascoyne Group	Gascoyne and each of its Subsidiaries and a reference to a Gascoyne Group Member or a member of the Gascoyne Group is to Gascoyne or any of its Subsidiaries.
Gascoyne Register	the register of shareholders maintained by Gascoyne or its agent.
Gascoyne Registry	Advanced Share Registry Ltd ACN 127 175 946.

Term	Meaning
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by Firefly and Gascoyne.
Implementation Deed	the scheme implementation deed dated 15 June 2021 between Firefly and Gascoyne relating to the implementation of this Scheme.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the Share Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, unless Gascoyne determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Gascoyne Shares when this Scheme becomes Effective.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Listing Rules	the official listing rules of ASX.
Marketable Parcel	is a parcel of New Gascoyne Shares having a value of not less than \$500 based on the closing price of fully paid ordinary shares of Gascoyne on the ASX as at the Scheme Record Date.
New Gascoyne Share	a fully paid ordinary share in Gascoyne to be issued to Scheme Shareholders under this Scheme.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to a Firefly Shareholder, the address shown in the Share Register as at the Scheme Record Date.

Term	Meaning
Sale Agent	the person chosen by Gascoyne and Firefly and approved by ASIC who is appointed to sell the New Gascoyne Shares that are to be issued under clause 5.3(a)(1) of this Scheme.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Firefly and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Firefly and Gascoyne.
Scheme Consideration	for each Firefly Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of 0.340 New Gascoyne Shares, subject to the terms of this Scheme.
Scheme Meeting	the meeting of the Firefly Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date, or such other date as agreed in writing by Firefly and Gascoyne.
Scheme Shares	all Firefly Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Shareholder	a holder of Firefly Shares recorded in the Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Gascoyne as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Settlement Rules	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.

Term	Meaning
Share Register	the register of members of Firefly maintained by Firefly or the Firefly Registry in accordance with the Corporations Act.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Western Australia;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;



- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (s) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

Attachment 1

Deed Poll

Annexure C - Deed Poll



HERBERT
SMITH
FREEHILLS

Deed

Share scheme deed poll

Gascoyne Resources Limited



Share scheme deed poll

Date ► 1 SEPTEMBER 2021

This deed poll is made

By Gascoyne Resources Limited ACN 139 522 900 of Level 1, 41-47
Colin Street, West Perth, Western Australia 6005
(Gascoyne)

in favour of each person registered as a holder of fully paid ordinary shares in
Firefly Resources Limited (**Firefly**) in the Share Register as at the
Scheme Record Date (other than the Excluded Shareholders).

Recitals

- 1 Firefly and Gascoyne entered into the Implementation Deed.
- 2 In the Implementation Deed, Gascoyne agreed to make this deed poll.
- 3 Gascoyne is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their obligations under the Implementation Deed and the Scheme.

This deed poll provides as follows:

1 Definitions and interpretation

1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Term	Meaning
Implementation Deed	the scheme implementation deed entered into between Firefly and Gascoyne dated 15 June 2021.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Firefly and the Scheme Shareholders, substantially in the form set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Gascoyne and Firefly.
Firefly	Firefly Resources Limited ACN 118 522 124.
(b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.	

1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Gascoyne acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Firefly and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Gascoyne.

2 Conditions to obligations

2.1 Conditions

This deed poll and the obligations of Gascoyne under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Gascoyne under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or



- (b) the Scheme is not Effective on or before the End Date, unless Gascoyne and Firefly otherwise agree in writing.

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Gascoyne is released from its obligations to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights they have against Gascoyne in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

3.1 Undertaking to issue Scheme Consideration

Subject to clause 2, Gascoyne undertakes in favour of each Scheme Shareholder to:

- (a) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (b) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme,

subject to and in accordance with the provisions of the Scheme.

3.2 Shares to rank equally

Gascoyne covenants in favour of each Scheme Shareholder that the New Gascoyne Shares which are issued to each Scheme Shareholder in accordance with the Scheme will:

- (a) rank equally with all existing Gascoyne Shares; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the constitution of Gascoyne).

4 Warranties

Gascoyne represents and warrants in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;



- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Gascoyne has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 Notices

6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to Gascoyne in accordance with the details set out below (or any alternative details nominated by Gascoyne by Notice).

Attention	Richard Hay, Managing Director and CEO Copy to: David Coyne, Chief Financial Officer and Company Secretary

Address	Level 1, 41-47 Colin Street West Perth, WA 6005

Email address	richard.hay@gascoyneresources.com.au david.coyne@gascoyneresources.com.au

6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	The first to occur of: 1 the sender receiving an automated message confirming delivery; or 2 two hours after the time that the email was sent (as recorded on the device from which the email was sent) provided that the sender does not, within the period, receive an automated message that the email has not been delivered.

6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 6.2).

7 General

7.1 Stamp duty

Gascoyne:

- (a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in Western Australia, Australia.
- (b) Gascoyne irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Gascoyne irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.



7.3 Waiver

- (a) Gascoyne may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of Gascoyne as a waiver of any right unless the waiver is in writing and signed by Gascoyne.
- (c) The meanings of the terms used in this clause 7.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

7.4 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by Firefly; or
- (b) if on or after the First Court Date, the variation is agreed to by Firefly and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Gascoyne will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

7.5 Cumulative rights

The rights, powers and remedies of Gascoyne and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

7.6 Assignment

- (a) The rights created by this deed poll are personal to Gascoyne and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Gascoyne.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.

7.7 Joint and several obligations

Gascoyne is liable for each obligation imposed on it by the terms of this deed poll.



7.8 Further action

Gascoyne must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.



HERBERT
SMITH
FREEHILLS

Signing page

Executed as a deed

Gascoyne

Signed sealed and delivered by
Gascoyne Resources Limited
by

sign here ►

Company Secretary/Director

print name

DAVID COYNE

sign here ►

Director

print name

RICHARD HAY



HERBERT
SMITH
FREEHILLS

Attachment 1

Scheme



HERBERT
SMITH
FREEHILLS

Scheme of arrangement – share scheme

Firefly Resources Limited

Scheme Shareholders

Scheme of arrangement – share scheme

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Firefly Resources Limited (**Firefly**) ACN 118 522 124 of 64-68 Hay Street, Subiaco, Western Australia 6005

The Scheme Shareholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) Firefly is a listed public company limited by shares, registered in Western Australia, Australia, and has been admitted to the official list of the ASX. Firefly's Shares are quoted for trading on the ASX.
- (b) As at the date of this Scheme, 307,339,530 Firefly Shares, 34,233,328 Firefly Performance Rights and 27,699,999 Firefly Options were on issue.
- (c) Gascoyne Resources Limited (**Gascoyne**) is a listed public company limited by shares registered in Western Australia, Australia.
- (d) If this Scheme becomes Effective:
 - (1) Gascoyne must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and

- (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Gascoyne and Firefly will enter the name of Gascoyne in the Share Register in respect of the Scheme Shares.
- (e) Firefly and Gascoyne have agreed, by executing the Implementation Deed, to implement this Scheme.
- (f) This Scheme attributes actions to Gascoyne but does not itself impose an obligation on it to perform those actions. Gascoyne has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Gascoyne and Firefly;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Gascoyne and Firefly having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Firefly and Gascoyne agree in writing).

3.2 Certificate

- (a) Firefly and Gascoyne will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 End Date

This Scheme will lapse and be of no further force or effect if:



- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Firefly and Gascoyne otherwise agree in writing.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

Firefly must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clauses 5.1(a) and 5.1(b), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Gascoyne, without the need for any further act by any Scheme Shareholder (other than acts performed by Firefly as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (1) Firefly delivering to Gascoyne a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Firefly, for registration; and
 - (2) Gascoyne duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Firefly for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Firefly must enter, or procure the entry of, the name of Gascoyne in the Share Register in respect of all the Scheme Shares transferred to Gascoyne in accordance with this Scheme.

5 Scheme Consideration

5.1 Provision of Scheme Consideration

Gascoyne must, subject to clauses 5.2, 5.3, 5.4 and 5.6:

- (a) on or before the Implementation Date, issue the Scheme Consideration to the Scheme Shareholders and procure that the name and address of each Scheme Shareholder is entered in the Gascoyne Register in respect of those New Gascoyne Shares; and



- (b) procure that on or before the date that is 5 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing the number of New Gascoyne Shares issued to the Scheme Shareholder pursuant to this Scheme.

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) the New Gascoyne Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders;
- (b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Firefly, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Firefly, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.3 Ineligible Foreign Shareholders

- (a) Gascoyne will be under no obligation to issue any New Gascoyne Shares under this Scheme to any Ineligible Foreign Shareholder and instead:
 - (1) subject to clauses 5.4 and 5.6, Gascoyne must, on or before the Implementation Date, issue the New Gascoyne Shares which would otherwise be required to be issued to the Ineligible Foreign Shareholders under this Scheme to the Sale Agent;
 - (2) Gascoyne must procure that as soon as reasonably practicable, and in any event not more than 15 Business Days after the Implementation Date, the Sale Agent, in consultation with Gascoyne sells or procures the sale of all the New Gascoyne Shares issued to the Sale Agent and remits to Firefly the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);
 - (3) promptly after receiving the Proceeds in respect of the sale of all of the New Gascoyne Shares referred to in clause 5.3(a)(2), Firefly must pay, or procure the payment, to each Ineligible Foreign Shareholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B \div C) \times D$$

where

B = the number of New Gascoyne Shares that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which were issued to the Sale Agent;

C = the total number of New Gascoyne Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and which were issued to the Sale Agent; and

D = the Proceeds (as defined in clause 5.3(a)(2)).

- (b) The Ineligible Foreign Shareholders acknowledge that none of Gascoyne, Firefly or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Gascoyne Shares described in clause 5.3(a).
- (c) Gascoyne must appoint the Sale Agent on terms reasonably acceptable to Firefly at least 10 Business Days prior to the Scheme Meeting.
- (d) Firefly must make, or procure the making of, payments to Ineligible Foreign Shareholders under clause 5.3(a) by either (in the absolute discretion of Firefly, and despite any election referred to in clause 5.3(d)(1) or authority referred to in clause 5.3(d)(2) made or given by the Scheme Shareholder):
 - (1) if an Ineligible Foreign Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Firefly Registry to receive dividend payments from Firefly by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (2) paying or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Ineligible Foreign Shareholder by an appropriate authority from the Ineligible Foreign Shareholder to Firefly; or
 - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (e) If Firefly receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to an Ineligible Foreign Shareholder, Firefly is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.3(a)(3)). Firefly must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder.
- (f) Each Ineligible Foreign Shareholder appoints Firefly as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act or any other applicable law.
- (g) Payment of the amount calculated in accordance with clause 5.3(a) to an Ineligible Foreign Shareholder in accordance with this clause 5.3 satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.
- (h) Where the issue of New Gascoyne Shares to which a Scheme Shareholder would otherwise be entitled under this Scheme would result in a breach of law:
 - (1) Gascoyne will issue the maximum possible number of New Gascoyne Shares to the Scheme Shareholder without giving rise to such a breach; and



- (2) any further New Gascoyne Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Agent and dealt with under the preceding provisions in this clause 5.3, as if a reference to Ineligible Foreign Shareholders also included that Scheme Shareholder and references to that person's New Gascoyne Shares in that clause were limited to the New Gascoyne Shares issued to the Sale Agent under this clause.

5.4 Fractional entitlements

Where the calculation of the number of New Gascoyne Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Gascoyne Share, the fractional entitlement will be rounded up to the nearest whole number of New Gascoyne Shares as applicable.

5.5 Unclaimed monies

- (a) Firefly may cancel a cheque issued under this clause 5 if the cheque:
 - (1) is returned to Firefly; or
 - (2) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Firefly (or the Firefly Registry) (which request may not be made until the date which is 30 Business Days after the Implementation Date), Firefly must reissue a cheque that was previously cancelled under this clause 5.5.
- (c) The *Unclaimed Money Act 1990 (WA)* will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 1990 (WA)*).

5.6 Orders of a court or Government Agency

If written notice is given to Firefly (or the Firefly Registry) or Gascoyne (or the Gascoyne Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Firefly in accordance with this clause 5, then Firefly shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Firefly from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Firefly shall be entitled to (as applicable):
 - (1) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration; or

- (2) direct Gascoyne not to issue, or to issue to a trustee or nominee, such number of New Gascoyne Shares as that Scheme Shareholder would otherwise be entitled to under clause 5.1,

until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

5.7 Status of New Gascoyne Shares

Subject to this Scheme becoming Effective, Gascoyne must:

- (a) issue the New Gascoyne Shares required to be issued by it under this Scheme on terms such that each such New Gascoyne Share will rank equally in all respects with each existing Gascoyne Share;
- (b) ensure that each such New Gascoyne Share is duly and validly issued in accordance with all applicable laws and Gascoyne's constitution, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under Gascoyne's constitution); and
- (c) use all reasonable endeavours to ensure that such New Gascoyne Shares are, from the Business Day following the date this Scheme becomes Effective (or such later date as ASX requires), quoted for trading on the ASX on an ordinary settlement basis.

6 Dealings in Firefly Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Firefly Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Share Register as the holder of the relevant Firefly Shares before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Share Register is kept,

and Firefly must not accept for registration, nor recognise for any purpose (except a transfer to Gascoyne pursuant to this Scheme and any subsequent transfer by Gascoyne or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

- (a) Firefly must register registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Firefly to register a transfer that would result in a Firefly Shareholder holding a parcel of Firefly Shares that is less than a 'marketable

parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).

- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Firefly shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Firefly must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Firefly Shares (other than statements of holding in favour of Gascoyne or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Gascoyne or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Firefly Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Firefly will ensure that details of the names, Registered Addresses and holdings of Firefly Shares for each Scheme Shareholder as shown in the Share Register are available to Gascoyne in the form Gascoyne reasonably requires.

7 Quotation of Firefly Shares

- (a) Firefly must apply to ASX to suspend trading on the ASX in Firefly Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Gascoyne, Firefly must apply:
 - (1) for termination of the official quotation of Firefly Shares on the ASX; and
 - (2) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Firefly may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Gascoyne has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Firefly has consented to.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
- (1) agrees to the transfer of their Firefly Shares together with all rights and entitlements attaching to those Firefly Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their Firefly Shares constituted by or resulting from this Scheme;
 - (3) agrees to, on the direction of Gascoyne, destroy any holding statements or share certificates relating to their Firefly Shares;
 - (4) agrees to become a member of Gascoyne and to be bound by the terms of the constitution of Gascoyne;
 - (5) who holds their Firefly Shares in a CHESS Holding agrees to the conversion of those Firefly Shares to an Issuer Sponsored Holding and irrevocably authorises Firefly to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (6) acknowledges and agrees that this Scheme binds Firefly and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Firefly and Gascoyne on the Implementation Date, and appointed and authorised Firefly as its attorney and agent to warrant to Gascoyne on the Implementation Date, that:
- (1) all their Firefly Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Firefly Shares to Gascoyne together with any rights and entitlements attaching to those shares. Firefly undertakes that it will provide such warranty to Gascoyne as agent and attorney of each Scheme Shareholder; and
 - (2) they have no existing right to be issued any Firefly Shares, Firefly options, Firefly performance rights, Firefly convertible notes or any other Firefly securities, other than the right to be issued Firefly Shares upon the exercise of Firefly Options and conversion of Firefly Performance Rights (as appropriate). Firefly undertakes that it will provide such warranty to Gascoyne as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Gascoyne will, at the time of transfer of them to Gascoyne vest in Gascoyne

free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(a) and 5.1(b), Gascoyne will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Firefly of Gascoyne in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(a) and 5.1(b), and until Firefly registers Gascoyne as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed Gascoyne as attorney and agent (and directed Gascoyne in each such capacity) to appoint any director, officer, secretary or agent nominated by Gascoyne as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Gascoyne reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Gascoyne and any director, officer, secretary or agent nominated by Gascoyne under clause 8.4(a) may act in the best interests of Gascoyne as the intended registered holder of the Scheme Shares.

8.5 Authority given to Firefly

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Firefly and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Gascoyne, and Firefly undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Gascoyne on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Firefly and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Firefly accepts each such appointment. Firefly as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this



clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to Firefly that are binding or deemed binding between the Scheme Shareholder and Firefly relating to Firefly or Firefly Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Firefly Shares; and
- (c) notices or other communications from Firefly (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Gascoyne in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Gascoyne and to be a binding instruction, notification or election to, and accepted by, Gascoyne in respect of the New Gascoyne Shares issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to Gascoyne at its registry.

8.7 Binding effect of Scheme

This Scheme binds Firefly and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Firefly.

9 General

9.1 Stamp duty

Gascoyne will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to Firefly doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Firefly or otherwise.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Firefly, it will not be taken to be



received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Firefly's registered office or at the office of the Firefly Registry.

- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Firefly Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

- (a) This Scheme is governed by the laws in force in Western Australia, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

Firefly must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Firefly nor Gascoyne nor any director, officer, secretary or employee of Firefly or Gascoyne or Gascoyne Group shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Schedule 1

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ADI	authorised deposit-taking institution (as defined in the <i>Banking Act 1959</i> (Cth)).
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Business Day	a day that is not a Saturday, Sunday or public holiday or bank holiday in Western Australia, Australia.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Supreme Court of Western Australia, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Gascoyne and Firefly.
Deed Poll	the deed poll substantially in the form of Attachment 1 under which Gascoyne covenants in favour of the Scheme Shareholders to perform the obligations attributed to Gascoyne under this Scheme.



Term	Meaning
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	the date on which this Scheme becomes Effective.
End Date	the date that is 6 months from the date of execution of the Implementation Deed, or such other date as agreed in writing by Gascoyne and Firefly.
Excluded Shareholder	any Firefly Shareholder who is (or becomes under clause 5.3(m) of the Implementation Deed) a member of the Gascoyne Group or any Firefly Shareholder who holds any Firefly Shares on behalf of, or for the benefit of, any member of the Gascoyne Group and does not hold Firefly Shares on behalf of, or for the benefit of, any other person.
Firefly	Firefly Resources Limited ACN 118 522 124.
Firefly Registry	Automic Pty Ltd ACN 152 260 814.
Firefly Share	a fully paid ordinary share in the capital of Firefly.
Firefly Shareholder	each person who is registered as the holder of a Firefly Share in the Share Register.
Gascoyne	Gascoyne Resources Limited ACN 139 522 900.
Gascoyne Group	Gascoyne and each of its Subsidiaries and a reference to a Gascoyne Group Member or a member of the Gascoyne Group is to Gascoyne or any of its Subsidiaries.
Gascoyne Register	the register of shareholders maintained by Gascoyne or its agent.
Gascoyne Registry	Advanced Share Registry Ltd ACN 127 175 946.



Term	Meaning
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by Firefly and Gascoyne.
Implementation Deed	the scheme implementation deed dated 15 June 2021 between Firefly and Gascoyne relating to the implementation of this Scheme.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the Share Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, unless Gascoyne determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Gascoyne Shares when this Scheme becomes Effective.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Listing Rules	the official listing rules of ASX.
Marketable Parcel	is a parcel of New Gascoyne Shares having a value of not less than \$500 based on the closing price of fully paid ordinary shares of Gascoyne on the ASX as at the Scheme Record Date.
New Gascoyne Share	a fully paid ordinary share in Gascoyne to be issued to Scheme Shareholders under this Scheme.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to a Firefly Shareholder, the address shown in the Share Register as at the Scheme Record Date.



Term	Meaning
Sale Agent	the person chosen by Gascoyne and Firefly and approved by ASIC who is appointed to sell the New Gascoyne Shares that are to be issued under clause 5.3(a)(1) of this Scheme.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Firefly and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Firefly and Gascoyne.
Scheme Consideration	for each Firefly Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of 0.340 New Gascoyne Shares, subject to the terms of this Scheme.
Scheme Meeting	the meeting of the Firefly Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date, or such other date as agreed in writing by Firefly and Gascoyne.
Scheme Shares	all Firefly Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Shareholder	a holder of Firefly Shares recorded in the Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Gascoyne as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Settlement Rules	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.

Term	Meaning
Share Register	the register of members of Firefly maintained by Firefly or the Firefly Registry in accordance with the Corporations Act.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Western Australia;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;



- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (s) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.



HERBERT
SMITH
FREEHILLS

Attachment 1

Deed Poll

As attached.

Annexure D - Notice of Scheme Meeting



**Firefly Resources Limited
ACN 118 522 124
(Company)**

Notice of Scheme Meeting

Notice is hereby given that, by order of the Supreme Court of Western Australia made on 6 September 2021 pursuant to section 411(1) of the Corporations Act, a meeting of Firefly Shareholders will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 at 2:00pm (WST) on Thursday, 21 October 2021 (**Scheme Meeting**).

Given the current travel restrictions as a result of COVID-19, Firefly Shareholders will also be able to attend the Scheme Meeting via an online platform. Information on how to attend the Scheme Meeting virtually and vote online is set out in this Notice of Meeting.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Scheme Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

Should you wish to discuss any matter relating to this Notice of Scheme Meeting, please do not hesitate to contact Ms Natalie Teo (Joint Company Secretary) on +618 6389 2688 or Mr Steven Wood (Joint Company Secretary) on +618 9322 7600 Monday to Friday between 9:00am and 5:00pm (WST).

Defined Terms

Unless otherwise defined, terms and abbreviations used in this Notice of Scheme Meeting and Explanatory Memorandum are defined in section 14 ("Glossary") of the Scheme Booklet. A copy of the Scheme is set out in Annexure B of the Scheme Booklet.

ASIC and ASX

A final copy of this Notice of Scheme Meeting (which forms part of the Scheme Booklet) has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

Business of the Scheme Meeting

The purpose of the Scheme Meeting is for Firefly Shareholders to consider and, if thought fit, agree to a scheme of arrangement (with or without alterations or conditions required or approved by the Court to which the Company and Gascoyne agree) between the Company and the Scheme Shareholders at the Scheme Record Date, pursuant to Part 5.1 of the Corporations Act (**Scheme**).

To enable you to make an informed voting decision, further information about the Scheme is set out in the Scheme Booklet. The Scheme Booklet is an "explanatory statement" for the purposes of section 412(1) of the Corporations Act.

Scheme Resolution

To consider, and, if thought fit, pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme (the terms of which are contained in and more particularly described in the Scheme Booklet of which the Notice of Scheme Meeting forms part) is agreed to and approved (with or without alterations or conditions as required or approved by the Court to which the Company and Gascoyne agree).

BY ORDER OF THE BOARD



Steven Wood
Joint Company Secretary
Firefly Resources Limited
Dated: 8 September 2021

Explanatory Memorandum

1. Material accompanying this Notice of Scheme Meeting

The Notice of Scheme Meeting and the Explanatory Memorandum should be read in conjunction with the Scheme Booklet. The Scheme Booklet, Notice of Scheme Meeting and Explanatory Memorandum contain important information on the Scheme Resolution. A Proxy Form is also enclosed.

2. Requisite Majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be passed by:

- a majority in number (more than 50%) of Firefly Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf) (the Court has discretion to waive this requirement if it considers it appropriate to do so); and
- at least 75% of the total number of votes cast on the Scheme Resolution by Firefly Shareholders present and voting at the Scheme Meeting (either in person or by appointing a proxy, attorney or corporate representative to attend and vote at the Scheme Meeting on their behalf).

Voting at the Scheme Meeting will be by poll rather than by show of hands.

3. Firefly Directors' recommendation

The Firefly Directors unanimously believe that the Scheme is in the best interests of Firefly Shareholders and recommend that the Firefly Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders. Further information regarding the Firefly Directors' recommendation is set out in section 1 ("Key reasons to vote in favour of the Scheme") of the Scheme Booklet.

3.1. Impact of COVID-19 on the Scheme Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the information available to the Board at the time of approving this Notice, the Board considers it will be in a position to hold an 'in-person' meeting while complying with the restrictions regarding gatherings and physical distancing. To provide Firefly Shareholders with a reasonable opportunity to participate in and vote at the Scheme Meeting given the COVID-19 restrictions on interstate and international travel that are currently in place, Shareholders will also be able to attend the Scheme Meeting and vote online via an online platform.

The Company, however, strongly encourages Firefly Shareholders to submit proxies prior to the Scheme Meeting. If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Scheme Meeting by releasing an announcement on the ASX market announcements platform.

3.2. How to participate in the Scheme Meeting

The Scheme Meeting will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 on Thursday, 21 October 2021 at 2:00pm (WST).

Firefly Shareholders who are unable to attend the Scheme Meeting in person will be able to attend the meeting virtually via an online platform. Information about how to attend the Scheme Meeting virtually is set out below under "Voting online".

Proxy Forms must be received by no later than 2:00pm (WST) on Tuesday, 19 October 2021.

3.3. How to vote

Entitlement to vote

The Company has determined that the time for determining a person's entitlement to vote at the Scheme Meeting is Tuesday, 19 October 2021 at 4:00pm (WST). Only those Firefly Shareholders entered on the Firefly Share Register at that time will be entitled to attend and vote at the Scheme Meeting, either in-person or virtually via the online platform. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

The Excluded Shareholders will not vote their interests in Firefly Shares at the Scheme Meeting.

Voting in Person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Firefly Shareholders, the Company will implement arrangements to allow Firefly Shareholders to physically attend the Scheme Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Scheme Meeting. If you attend the Scheme Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Scheme Meeting.

Voting online

Firefly Shareholders and their proxies, attorneys or corporate representatives will be able to participate in the Scheme Meeting through an online platform at investor.automic.com.au. This online platform will allow Firefly Shareholders to attend the Scheme Meeting in real time and allow them to vote and ask questions in respect to the Scheme Resolution.

It is recommended that Firefly Shareholders try to log on to the online platform at least 15 minutes prior to the scheduled start time for the Scheme Meeting.

Firefly Shareholders who wish to participate electronically may do so in accordance with the following instructions:

1. go to <https://investor.automic.com.au/#/home>
2. login with your username and password or click "register" if you haven't already created an account. Firefly Shareholders are encouraged to create an account prior to the start of the Scheme Meeting to ensure there is no delay in attending the Scheme Meeting electronically

3. after logging in, a banner will be displayed at the bottom once the Scheme Meeting is open for registration, click on “register” when this appears and follow the steps
4. there will be a live webcast where you can view and listen to the virtual Scheme Meeting
5. Firefly Shareholders and their proxies will be able to vote on the Scheme Resolution directly through the online platform at any time between the commencement of the Scheme Meeting and the closure of voting as announcement by the Chair

Joint Holders

In the case of joint holders, only the vote of the person whose name stands first in the Firefly Share Register will be counted (whether that vote is cast in person, by proxy or attorney) and to the exclusion of the votes of the other joint holder(s).

Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Firefly Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Firefly Shareholders are invited and encouraged to attend the Scheme Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Scheme Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Scheme Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed);
- (ii) if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and

- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).
- (c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

3.4. Chair's voting intentions

If the Chair of the Scheme Meeting, Mr Shaun Hardcastle (Partner at HWL Ebsworth Lawyers), or if he is not available, Ms Deanna Carpenter (Partner at HWL Ebsworth Lawyers) as his alternate is appointed as your proxy (or is appointed your proxy by default), the Chair intends to vote all valid undirected proxies which appoint (or are taken to appoint) the Chair of the Scheme Meeting in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Firefly Shareholders.

4. Court approval

If the Scheme Resolution put to this Scheme Meeting is passed by the requisite majorities of Firefly Shareholders and the other conditions to the Scheme are satisfied or waived (if applicable), the Company intends to apply to the Court for the necessary orders to approve the Scheme.

In order for the Scheme to become effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

Further details on the Scheme Resolution to be put to the Scheme Meeting are set out in the Scheme Booklet.



Firefly Resources Limited | ACN 118 522 124

Proxy Voting Form

If you are attending the virtual Meeting
please retain this Proxy Voting Form
for online Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Your proxy voting instruction must be received by **2.00pm (WST) on Tuesday, 19 October 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/loginsah>
or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

Annexure E - Notice of Demerger Meeting



**Firefly Resources Limited
ACN 118 522 124**

Notice of General Meeting

The General Meeting of the Company will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 on Thursday, 21 October 2021 at 2:30pm (WST) (which is immediately after the Scheme meeting is held).

ALTHOUGH THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN-PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS, SHAREHOLDERS ARE STRONGLY ENCOURAGED TO ATTEND THE MEETING ELECTRONICALLY. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN-PERSON MEETING AS PROPOSED, THE COMPANY WILL PROVIDE AN UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional adviser prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact Ms Natalie Teo (Joint Company Secretary) on +618 6389 2688 or Mr Steven Wood (Joint Company Secretary) on +618 9322 7600 Monday to Friday between 9:00am and 5:00pm (WST).

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice of General Meeting.

Important notices

Defined Terms

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in the Glossary in Schedule 1.

ASIC and ASX

A final copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

Forward looking statements

Some of the statements appearing in this document may be in the nature of forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and similar expressions are intended to identify forward-looking statements. Indications of guidance on future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, many of which are outside the Company's control. Those risks and uncertainties include factors and risks specific to the Company and Firetail such as (without limitation) the status of exploration and mining applications and licences and the risks associated with the non-grant or expiry of those applications and licences, liquidity risk, risks associated with the exploration or developmental stage of projects, funding risks, operational risks, changes to government fiscal, monetary and regulatory policies, the impact of actions of governments, the potential difficulties in enforcing agreements, protecting assets, increases in costs of transportation and shipping of international operations, alterations to resource estimates and the imprecise nature of resource and reserve statements, any circumstances adversely affecting areas in which the Company operates, fluctuations in the production, volume and price of commodities, any imposition of significant obligations under environmental regulations, fluctuations in exchange rates, the fluctuating industry and commodity cycles, the impact of inflation on operating and development costs, taxation, regulatory issues and changes in law and accounting policies, the adverse impact of wars, terrorism, political, economic or natural disasters, the impact of changes to interest rates, loss of key personnel and delays in obtaining or inability to obtain any necessary government and regulatory approvals, insurance and occupational health and safety. For more information on the risk factors facing Firetail, please refer to Schedule 4.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and such deviations are both normal and to be expected.

None of the Company, Firetail, any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward-looking statements in this document reflect views held only as at the date of this document.

No financial product advice

This document does not constitute financial product, taxation or investment advice nor a recommendation in respect of the Firetail Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders should consider the appropriateness of the information, having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their circumstances.

Neither the Company nor Firetail is licensed to provide financial product advice. No cooling-off regime applies in respect of the acquisition of Firetail Shares under the In-specie Distribution (whether the regime is provided for by law or otherwise).

No internet site is part of this document

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company maintains an internet site (www.fireflyresources.com.au). Any reference in this document to this internet site is a textual reference only and does not form part of this document.

Firefly Resources Limited
ACN 118 522 124
(Company)

Notice of General Meeting

Notice is hereby given that the general meeting of Shareholders of Firefly Resources Limited will be held at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008 at 2:30pm (WST) on 21 October 2021 (which is immediately after the Scheme meeting is held) (**Meeting**).

Given the current travel restrictions as a result of COVID-19, Shareholders will also be able to attend the Meeting via an online platform. Information on how to attend the Meeting virtually and vote online is set out in this Notice of Meeting.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form both form part of the Notice. The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 19 October 2021 at 4:00pm (WST).

The purpose of the Meeting is to allow Shareholders to vote on the demerger of certain assets and lithium rights to Firetail that are currently held by the Company, the Firefly Entities and Gascoyne, with Firefly Shareholders to receive an allocation of Firetail Shares through an in-specie distribution for nil cash consideration such that Firefly Shareholders will hold 90.1% of the issued share capital in Firetail. The remaining 9.9% of the issued share capital in Firetail will be held by Gascoyne.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 **Resolution 1 – Approval to dispose of major asset**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That, subject to and conditional on Resolution 2 being approved, for the purposes of ASX Listing Rule 11.4 and for all other purposes, approval is given for the transfer of the Firefly Demerger Assets to Firetail Resources Limited on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Firetail and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the Company) or associates of those persons.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with the directions given to the proxy or attorney to vote on Resolution 1 in that way; or

- (b) the Chair as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the Chair to vote on Resolution 1 as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2 **Resolution 2 – Approval for a reduction of capital and in-specie distribution of Firetail Shares**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That, subject to and conditional on Resolution 1 being passed and subject to and conditional on the In-specie Conditions being satisfied or waived in accordance with the Demerger Implementation Deed, for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes:

- (a) *the issued share capital of the Company be reduced on the Implementation Date by an amount equal to the market value of the In-specie Shares, with such amount being applied equally against each Firefly Share on issue on the In-specie Record Date; and*
- (b) *the reduction of capital be effected and satisfied by the Company making a pro rata distribution in specie of fully paid ordinary shares in Firetail Resources Limited to all eligible holders of ordinary shares in the Company at the In-specie Record Date,*

and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

BY ORDER OF THE BOARD



Steven Wood
Joint Company Secretary
Firefly Resources Limited
 Dated: 8 September 2021

Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the information available to the Board at the time of approving this Notice, the Board considers it will be in a position to hold an 'in-person' meeting while complying with the restrictions regarding gatherings and physical distancing. To provide Firefly Shareholders with a reasonable opportunity to participate in and vote at the Meeting given the COVID-19 restrictions on interstate and international travel that are currently in place, Shareholders will also be able to attend the Meeting and vote online via an online platform.

The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

Voting in Person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

Voting online

Shareholders and their proxies, attorneys or corporate representatives will be able to participate in the Meeting through an online platform at investor.automic.com.au. This online platform will allow Shareholders to attend the Meeting in real time and allow them to vote and ask questions in respect to the Resolutions.

It is recommended that Shareholders try to log on to the online platform at least 15 minutes prior to the scheduled start time for the Meeting.

Shareholders who wish to participate electronically may do so in accordance with the following instructions:

1. go to <https://investor.automic.com.au/#/home>
2. login with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the Meeting electronically
3. after logging in, a banner will be displayed at the bottom once the Meeting is open for registration, click on "register" when this appears and follow the steps
4. there will be a live webcast where you can view and listen to the virtual Meeting

5. Shareholders and their proxies will be able to vote on the Resolutions directly through the online platform at any time between the commencement of the Meeting and the closure of voting as announcement by the Chair

Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms. The Proxy Form must be received by the Company no later than 2:00pm (WST) on 19 October 2021.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed);
- (ii) if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and
- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;

- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

Firefly Resources Limited
ACN 118 522 124
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 2:30pm (WST) on 21 October 2021 (which is immediately after the Scheme meeting is held) at BDO Australia, 38 Station Street, Subiaco, Western Australia 6008.

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum also includes information about the following to assist Shareholders in deciding how to vote on the Resolutions:

Section 1	Introduction
Section 2	Background to the Company
Section 3	Overview of the Transaction
Section 4	Additional information relating to Firetail
Section 5	Additional information relating to the Company
Section 6	Resolution 1 - Approval for disposal of a major asset
Section 7	Resolution 2 - Approval of a reduction of capital and In-specie Distribution of Firetail Shares
Section 8	Recommendation of Directors
Section 9	Compliance statement
Section 10	Enquiries
Schedule 1	Definitions
Schedule 2	Firefly Financial Information
Schedule 3	Firetail Financial Information
Schedule 4	Key risk factors facing Firetail
Schedule 5	Summary of the Demerger Assets

A Proxy Form is located at the end of the Explanatory Memorandum.

1.1 Purpose of this document

The main purpose of this document is to:

- (a) explain the terms of the Demerger, and the manner in which the Demerger (or parts of the Demerger) will be implemented (if approved); and
- (b) provide such information as is prescribed or otherwise material to Shareholders to assist them in considering whether or not to approve the Resolutions required to give effect to the Demerger.

This document contains all the information known to the Company that is material to Shareholders in deciding how to vote on Resolution 2, as required by section 256C(4) of the Corporations Act.

1.2 Key dates

Event	Date
Date of this Notice of Meeting	8 September 2021
Latest time and date for lodgement of completed proxy forms for the General Meeting	2:00pm (WST) on 19 October 2021
Latest time and date for determining eligibility to vote at the General Meeting	4:00pm (WST) on 19 October 2021
General Meeting to approve the Resolutions ASX informed of Shareholder approval	2:30pm (WST) on 21 October 2021 (which is immediately after the Scheme meeting is held)
Suspension of trading of Firefly Shares on ASX	Close of trading on 1 November 2021
Effective date for the Demerger	4 November 2021
Record date for determining entitlements to Firetail Shares under the Demerger (In-specie Record Date)	7:00pm (WST) on 9 November 2021
Implementation Date for the Demerger Completion of acquisition of the Demerger Assets by Firetail In-specie Distribution of Firetail Shares to Shareholders	10 November 2021
Dispatch of holding statements for Firetail Shares distributed under the In-specie Distribution	11 November 2021

These dates are indicative only and may change without notice. Any change to the timetable will be announced via the ASX, and will be subject to applicable laws.

2. Background to the Company

Firefly Resources Limited (ASX: FFR) is an ASX-listed company which was formed on 24 February 2006 and was subsequently admitted to the official list of the ASX on 14 December 2006. Firefly is a gold focussed exploration company with a portfolio of emerging projects located in some of Western Australia's premier mining and exploration jurisdictions and has an overriding focus on identifying geological opportunity and exploring for gold in Western Australia.

Firefly's primary activities are the exploration for gold in Western Australia. In particular, Firefly has focused on the development of its Yalgoo Gold Project, located in the Murchison region of Western Australia. The Yalgoo Gold Project covers approximately 750km² of historic goldfield, lying between the Mt Magnet gold mine owned by Ramelius Resources Limited (ASX: RMS) and Silver Lake Resources Ltd's (ASX: SLR) Deflector copper-gold mine.

In addition to the Yalgoo Gold Project, Firefly is exploring:

- (c) the Paterson Copper-Gold Project, which comprises several tenements covering ~1,000km² of the highly-prospective Paterson Province in north-western Western Australia; and
- (d) the Forrestania Gold Project, which is located approximately 380km east of Perth in Western Australia and includes the Gemcutter Prospect, the Crossroads Prospect and the Kit Kat Prospect,

all of which are 100% owned by the Company or a wholly owned subsidiary of the Company.

3. Overview of the proposed Transaction

3.1 General

On 16 June 2021, Firefly announced that it had entered into a scheme implementation deed with Gascoyne Resources Ltd ACN 139 522 900 (**Gascoyne**) (**Scheme Implementation Deed**) pursuant to which the Company and Gascoyne will merge by way of a scheme of arrangement (**Scheme**). The Scheme is subject to a number of conditions precedent, as set out in the Scheme Implementation Deed (**Scheme Conditions**). If the Scheme is approved by Shareholders, each Shareholder will receive 0.34 Gascoyne shares for each Share held by them at the Scheme record date. On implementation of the Scheme, the Company will be a wholly owned subsidiary of Gascoyne.

In conjunction with the proposed Scheme, the Company and Gascoyne are seeking to undertake a demerger of certain assets and lithium rights of the Company, the Firefly Entities and Gascoyne into the newly incorporated wholly-owned subsidiary of Firefly, Firetail Resources Limited ACN 651 057 822 (**Firetail**) by way of a pro rata in-specie distribution of shares in Firetail to Firefly shareholders (**Demerger**). Firetail was incorporated on 16 June 2021 for the sole purpose of spinning out the demerger assets. Firetail intends to apply for admission to the Official List of ASX after the implementation of the Demerger, however there can be no certainty as to the timing of when such application will be made or that any such application will be successful.

The Company, the Firefly Entities, Gascoyne and Firetail have entered into a demerger implementation deed which sets out the process by which the Demerger will be proposed and implemented by the parties, subject to the satisfaction or waiver of conditions precedent (**Demerger Implementation Deed**). While the proposed Demerger is not conditional on

completion of the implementation of the Scheme, if the Scheme Implementation Deed is terminated, the Demerger Implementation Deed will automatically terminate unless the parties otherwise agree. The circumstances in which the Scheme Implementation Deed may be terminated are set out in section 12.6 of the Scheme booklet.

The assets and lithium rights the subject of the proposed Demerger are as follows:

- (a) the tenements of the Paterson Copper-Gold Project, as set out under Section 1 of Schedule 5 (**Paterson Assets**), owned partially by the Company and partially through its wholly owned subsidiary Firefly Operations Pty Ltd ACN 166 203 578;
- (b) either the tenements of the Forrestania Gold Project or the rights to consideration from the sale of the tenements of the Forrestania Gold Project, as set out under Section 1 of Schedule 5 (**Forrestania Assets**), owned by the Company's wholly owned subsidiary Firehawk Gold Pty Ltd ACN 646 423 707;
- (c) M59/358 mining lease (excluding gold rights) of the Yalgoo Gold Project, as set out under Section 2 of Schedule 5 (**M59/358 Asset**), owned by the Company;
- (d) the lithium rights to certain tenements of the Yalgoo Gold Project, as set out under Section 3 of Schedule 5 (**Yalgoo Lithium Rights**), owned partially by the Company and partially through its wholly owned subsidiary Yalgoo Exploration Pty Ltd ACN 166 570 869; and
- (e) the lithium rights to certain tenements of the Yalgoo Gold Project, as set out under Section 4 of Schedule 5 (**Lightning Bug Lithium Rights**), owned by the Company's wholly owned subsidiary Lightning Bug Resources Pty Ltd ACN 169 234 431,

(together, the **Firefly Demerger Assets**). Separately, the lithium rights to certain tenements in the Dalgaranga Gold Project held by Gascoyne (as set out under Section 5 of Schedule 5) (**Dalgaranga Lithium Rights**) are also intended to be transferred to Firetail. Collectively, the Firefly Demerger Assets and the Dalgaranga Lithium Rights are referred to as the **Demerger Assets**.

The Board considers that the proposed Demerger is in the best interests of Firefly shareholders as it will allow the newly-incorporated Firetail to prioritise resources to further advance the Demerger Assets.

If the Scheme is implemented, the proposed Demerger will allow the Combined Group to focus on the development of Gascoyne's Dalgaranga Gold Project and Firefly's Yalgoo Gold Project, which is within close haulage distance of Gascoyne's Dalgaranga processing plant. The Demerger and the Scheme are not inter-conditional. However, while the proposed Demerger is not conditional on implementation of the Scheme, the agreement between the parties is that if the Scheme Implementation Deed is terminated the Demerger Implementation Deed will automatically terminate unless the parties otherwise agree. Further details of the reasons for the Scheme and the Demerger (together, the **Transaction**) are set out below at Section 3.3.

3.2 Key steps of the Transaction

Subject to satisfaction or waiver of the Scheme Conditions and the In-specie Conditions (as summarised in Section 3.9), the key steps required to implement the Transaction are:

- (a) approval of the merger between the Company and Gascoyne via the Scheme at a separate Scheme meeting to be held immediately prior to the Meeting;
- (b) Firefly Shareholders being issued 0.34 Gascoyne shares for each Firefly Share in consideration for the acquisition by Gascoyne of 100% of the fully paid ordinary shares in Firefly, which will result in Firefly Shareholders having an interest in Gascoyne of approximately 32.4%;
- (c) the Company, Firefly Entities and Gascoyne transferring the Demerger Assets to Firetail;
- (d) in consideration for the transfer of the Firefly Demerger Assets to Firetail, Firetail issuing 29,282,500 Firetail Shares to the Company;
- (e) 29,282,500 Firetail Shares being distributed in-specie to the Firefly Shareholders on the basis that each Firefly Shareholder will receive one Firetail Share for every 11.91 Firefly Shares they hold (**In-specie Distribution**), such that the Firefly Shareholders will hold 90.1% of the issued share capital in Firetail. The number of Shares on issue may change prior to the In-specie Record Date which will change the ratio of Firetail Shares received for every 1 Share held;
- (f) Firetail issuing 3,217,500 Firetail Shares to Gascoyne as consideration for the transfer of the Dalgaranga Lithium Rights, such that Gascoyne will hold the remaining 9.9% of the issued share capital in Firetail; and
- (g) the Company de-listing from the Official List of the ASX.

Firetail will initially be an unlisted public company with the intention to undertake an initial public offer and list on the Official List of the ASX in 2022, following implementation of the Transaction. At this stage the initial public offer pricing, offer details and offer structure (including whether the initial public offer will include a priority offer to Firefly Shareholders) have not been determined. It is anticipated that the terms of the initial public offer of Firetail will be confirmed after implementation of the Transaction.

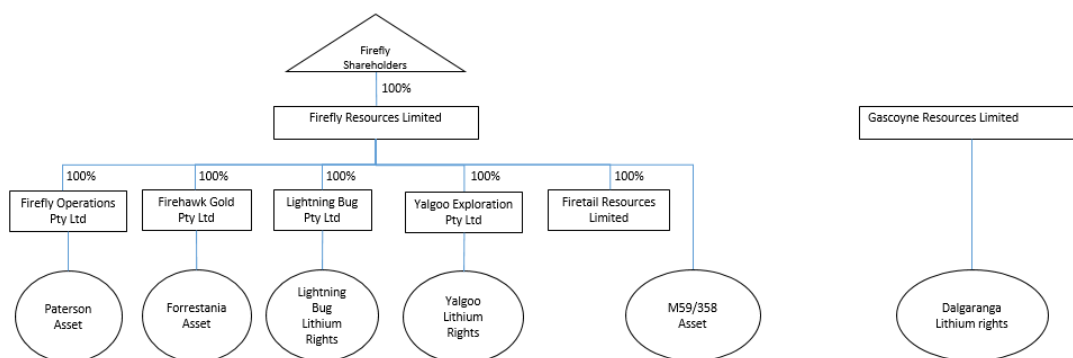
Shareholder approval of the Resolutions and implementation of the Transaction will result in two distinct entities:

- (a) on implementation of the Scheme, the Combined Group, which will be listed on the ASX with a focus on the development of Gascoyne's Dalgaranga Gold Project and Firefly's Yalgoo Gold Project; and
- (b) on implementation of the Demerger, Firetail which will be unlisted and will, with a focus on the exploration and development of the Demerger Assets.

As noted above, the Company, the Firefly Entities, Gascoyne and Firetail have entered into the Demerger Implementation Deed, a summary of which is set out in Section 3.9. The parties have also executed various sale and purchase agreements to effect the transfer of the Demerger Assets from the relevant entities (being the Company, the Firefly Entities or Gascoyne) to Firetail (**Demerger Documents**). A summary of the Demerger Documents is set out in 3.10.

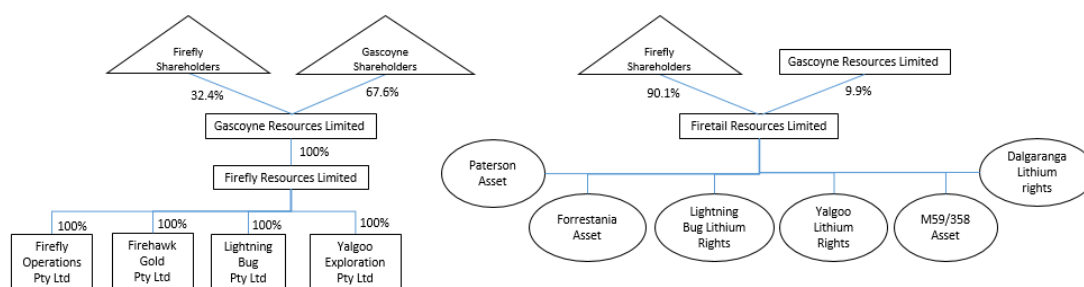
The current corporate structure of Firefly pre and post Transaction (being the Scheme and the Demerger) is shown below in Figures 1 and 2.

Figure 1. Current structure



In the event that both the Scheme and the Demerger proceed (assuming that all of the Scheme Conditions and the In-specie Conditions are satisfied or waived), the Transaction will result in the corporate structure of Firefly and Firetail as set out below in Figure 2.

Figure 2. Structure post Transaction



3.3 Reasons for the Transaction

The proposed Scheme and merger of the Company and Gascoyne will unlock a number of synergies by allowing Firefly to leverage off the processing infrastructure at Gascoyne's Dalgara Gold Project, located only 110km by road from Firefly's Yalgoo Gold Project. After implementation of the proposed Scheme, the Combined Group will then focus on the continued operation of the existing Dalgara Gold Project and associated development and integration of the Yalgoo Gold Project into the mine plan.

As such, the Transaction is being proposed for the following reasons:

- (a) to allow the newly incorporated Firetail to focus its efforts on copper-gold and lithium exploration assets in the Paterson, Murchison and Forrestania regions of WA;
- (b) if the Scheme is implemented, to allow the Combined Group to focus its efforts on the development of the Dalgara Gold Project and the Yalgoo Gold Project;
- (c) if the Scheme is implemented, given the proposed focus of the Combined Group on the Dalgara Gold Project and the integration of the Yalgoo Gold Project, the Board considers that the Combined Group would not be able to reasonably prioritise resources to further advance the Firefly Demerger Assets, and therefore their potential value would not be optimised;

- (d) to give Firefly Shareholders the opportunity to participate in the growth of the Firefly Demerger Assets and the Dalgaranga Lithium Rights through a separate entity that will have sufficient resources to further develop the assets; and
- (e) Firetail, as a standalone company with specific commodity and management focus, will allow increased focus on the advancement of the Firefly Demerger Assets and should enable a more transparent market value to be placed on the Firefly Demerger Assets.

3.4 Advantages and disadvantages of the Transaction

(a) Advantages

- (i) The Combined Group will focus on their flagship gold projects, namely Gascoyne's Dalgaranga Gold Project and Firefly's Yalgoo Gold Project. Shareholders will receive scrip under the Scheme which will give Shareholders exposure to the investments of both Firefly's and Gascoyne's gold assets.
- (ii) The Demerger provides Shareholders with scrip in Firetail meaning they will retain exposure to the Firefly Demerger Assets and will also gain exposure to the Dalgaranga Lithium Rights. The Board believes that a separate entity focused on the Demerger Assets will deliver greater value to Shareholders given its focus will be on the advancement of those assets.
- (iii) Following completion of the Transaction, Shareholders may elect to retain exposure to either one or both companies as dictated by their investment preferences (noting that, on implementation of the Transaction, Firetail will be an unlisted entity and as such Firetail Shares will not initially be able to be traded on market) and objectives on the basis that:
 - (A) all Shareholders will have an interest in Firetail following the pro rata In-specie Distribution and thereby the opportunity to retain this interest to benefit from the advancement of the Demerger Assets; and
 - (B) if the Scheme is successful, eligible Shareholders will acquire an interest in the capital of the Combined Group.
- (iv) The Demerger will deliver a structure that allows for Firetail to focus on advancing the Demerger Assets, with Firetail not affected by events or occurrences relating to the Combined Group's projects.
- (v) The Firefly Board sees considerable underlying value in the Firefly Demerger Assets that is not being valued by the market, and considers that a dedicated fully funded vehicle will assist the market in valuing these assets.
- (vi) Future capital raisings are expected to be more readily achieved by each individual entity as the focus of the funding will be on either the Combined Group's projects or the Demerger Assets. In addition, the Transaction is expected to provide greater flexibility to both the Combined Group and Firetail to attract strategic investors.
- (vii) After a full and proper assessment of all available information, the Directors believe that the Demerger is in the best interests of Firefly Shareholders.

(b) Disadvantages

- (i) Firefly will pay all reasonable costs or expenses incurred by Firetail in connection with the Demerger up to \$1,500,000 including, but not limited to legal, accounting and advisory fees incurred in the preparation of documentation required to give effect to the Demerger and tax advice obtained in relation to any taxation consequences of the Demerger.
- (ii) Shareholders may incur additional transaction costs if they wish to dispose of their Firetail Shares (e.g. brokerage costs).
- (iii) Assuming completion of the Transaction, there will be two separate companies (being Firetail and the Combined Group) that will require funding and will incur ongoing administrative costs which in some instances may lead to duplication.
- (iv) A significant amount of time will be spent during coming months by the Board and by Company management in giving effect to the Transaction.
- (v) While Firetail intends to apply for admission to the Official List of ASX after the implementation of the Demerger, Shareholders should note that there can be no certainty as to the timing of when such application will be made or that any such application will be successful. As such, the Firetail Shares will not initially be able to be traded on market and consequently the ability of a Shareholder to dispose of his or her Shares in a timely manner may be affected.

3.5 Summary of effect on Shareholders

(a) What will you receive?

If the Demerger is implemented, under the In-specie Distribution eligible Shareholders will receive 1 Firetail Share (**In-specie Shares**) for every 11.91 Shares held by them at the In-specie Record Date based on the number of Shares currently on issue. The number of Shares on issue may increase prior to the In-specie Record Date which will reduce the ratio of Firetail Shares received for every 1 Share held.

Shareholders are not required to contribute any payment for the In-specie Shares which they are entitled to receive under the In-specie Distribution.

(b) What about overseas Shareholders?

The In-specie Distribution of the Firetail Shares to overseas Firefly Shareholders (being Shareholders who are not recorded in Firefly's share register on the In-specie Record Date as having a registered address in Australia or New Zealand) under the reduction of capital will be subject to legal and regulatory requirements in their relevant overseas jurisdictions. If, in the opinion of the Directors, the requirements of any jurisdiction where a Firefly Shareholder is resident restricts or prohibits the distribution of Firetail Shares as proposed or would otherwise impose on Firefly an undue administrative cost and burden with respect to compliance with overseas legislation, the Firetail Shares to which the relevant Firefly Shareholder is entitled will not be issued to such Shareholders and instead will be sold by a nominee of Firefly on their behalf as soon as practicable after the In-specie Record Date.

The nominee will be directed to sell those In-specie Shares and account to the overseas Shareholder for the proceeds of sale less any applicable brokerage, stamp duty and other taxes and charges in connection with the sale (**Sale Facility Proceeds**).

If the Transaction is approved by Shareholders and is implemented, the nominee will not initially be able to sell those In-specie Shares on market. However, Firetail intends to apply for

admission to the Official List of ASX after the implementation of the Demerger. Shareholders should note that there can be no certainty as to the timing of when such application will be made or that any such application will be successful, and the Sale Facility Proceeds may not be able to be realised until after Firetail is listed on the ASX, if any proceeds are realised at all.

The Sale Facility Proceeds to be distributed to the overseas Shareholders may be more or less than the notional dollar value of the In-specie Distribution in this Explanatory Memorandum, as security prices may vary from time to time (assuming a liquid market is available). It will be the responsibility of each Firefly Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

(c) What is the impact on your shareholding in Firefly?

The number of Shares in Firefly that you hold will not change as a result of the Demerger. The rights attaching to Shares will also not alter.

However, if the Scheme is successfully implemented, you will no longer have a direct interest in the Company. Rather, Shareholders will receive 0.34 Gascoyne shares for each Share the Shareholder holds at the Scheme record date.

The Demerger and the Scheme are not inter-conditional. However, while the proposed Demerger is not conditional on implementation of the Scheme, the agreement between the parties is that if the Scheme Implementation Deed is terminated the Demerger Implementation Deed will automatically terminate unless the parties otherwise agree. In the event that the Scheme is not implemented, but the parties agree to continue to implement the Demerger, the value of your Shares in Firefly may be less than the value held prior to the Demerger being implemented due to the removal of the Firefly Demerger Assets from Firefly's asset portfolio. The size of any decrease will be dependent on the value ascribed by the market to the Firefly Demerger Assets.

(d) Do you have to do anything to receive your Firetail Shares?

You must hold Firefly Shares on the In-specie Record Date in order to receive the In-specie Distribution of Firetail Shares. If the Demerger proceeds, you will automatically receive the Firetail Shares you are entitled to receive (unless you are an ineligible overseas Shareholder, in which case you will receive the Sale Facility Proceeds – see Section 3.4(b) for more information), even if you vote against the Demerger or do not vote at all.

(e) Will I be able to trade my Firetail Shares?

No, not initially. If the Transaction is approved by Shareholders and is implemented, a holder of Firetail Shares will not initially be able to sell their Firetail Shares on market. However, Firetail intends to apply for admission to the Official List of ASX after the implementation of the Demerger. Shareholders should note that there can be no certainty as to the timing of when such application will be made or that any such application will be successful.

(f) What are the taxation implications of the Demerger?

A general guide to the taxation implications of the Demerger is set out in Section 3.11 of this Explanatory Memorandum. The description is expressed in terms of the Demerger and is not intended to provide taxation advice in respect of particular circumstances of any Firefly Shareholder. Firefly Shareholders should obtain professional advice as to the taxation implications of the Demerger in their specific circumstances.

It is also noted that from a tax perspective, Firefly intends to apply for a class ruling from the ATO to confirm the income tax consequences with respect to the Demerger. This is discussed further in Section 3.11.

(g) **Conditionality**

The In-specie Distribution is conditional upon satisfaction or waiver of the In-specie Conditions. If any of the In-specie Conditions are not satisfied or waived, the Demerger will not be completed, which means the Shareholders will not receive any Firetail Shares.

The Demerger and the Scheme are not inter-conditional. However, while the proposed Demerger is not conditional on implementation of the Scheme, the agreement between the parties is that if the Scheme Implementation Deed is terminated the Demerger Implementation Deed will automatically terminate unless the parties otherwise agree. This means that if the Scheme Implementation Deed is terminated, the Demerger may not be completed, which means the Shareholders will not receive any Firetail Shares and the Firefly Demerger Assets will not be transferred to Firetail.

3.6 **Summary of effect on Optionholders**

As at the date of this Notice, the Company has a total of 26,699,999 Options on issue. Refer to Section 4.4 for further information on the Options on issue.

It is a condition precedent of the Scheme Implementation Deed that, prior to the Implementation Date, the Company and Gascoyne must cause all outstanding Options to be exercised in accordance with their terms by no later than the business day before the Scheme record date, or to the extent the Options are not exercised before the Scheme record date, be cancelled under an option cancellation deed by no later than 5.00pm on the date that is the day before the Second Court Hearing.

As set out in the Scheme booklet, an Optionholder who wishes to cancel their Options in exchange for new Gascoyne shares must enter into an option cancellation deed with Gascoyne, which sets out the terms of the cancellation of those Options. In exchange for cancelling their Options, Gascoyne will issue to each Optionholder (who has not otherwise exercised their Options) new Gascoyne shares, as would have a Black-Scholes Value equivalent (for out-of-the money Options) or an Intrinsic Value equivalent (for in-the-money Options) (**Option Consideration**). The value of the Options for the purpose of determining the Option Consideration was calculated as at the date of signing the Scheme Implementation Deed and is therefore fixed and not subject to change. Further details of the Option Consideration is set out in section 5.9 and Annexure G of the Scheme booklet.

If an Optionholder enters into an option cancellation deed and the Scheme is implemented, the Optionholder will not be entitled to the In-specie Distribution in respect of the Options.

As such, it is not anticipated that any Options will remain on issue at implementation of the Demerger.

In the event that the Scheme is not implemented, but the parties agree to continue to implement the Demerger and there remains Options on issue in Firefly, under ASX Listing Rule 7.22.3, the terms of the Options will be reorganised such that the exercise price of each Option will be reduced by the amount returned as capital in relation to each Share. The exact value of the reduction to the exercise price will be dependent on the value ascribed to the Firefly Demerger Assets.

3.7 **Proposed treatment of Performance Rights**

As at the date of this Notice, Firefly has a total of 34,233,328 unquoted Performance Rights on issue.

To ensure that there are no equity interests in Firefly when the Scheme is implemented, the Company has confirmed and Gascoyne has acknowledged under the terms of the Scheme Implementation Deed that:

- (a) the Company will accelerate the vesting of, or waiving of any vesting conditions or vesting periods applying to, the Performance Rights; and
- (b) the Company will issue or procure the issue or transfer of such number of Firefly Shares as required by the terms of the Performance Rights before the Scheme record date, so that the holders of Performance Rights can participate in the Scheme and receive the consideration under the Scheme.

As such, it is not anticipated that any Performance Rights will remain on issue at implementation of the Transaction. Refer to section 5.10 of the Scheme booklet for further information on the proposed treatment of Performance Rights.

In the event that the Scheme is not implemented, but the parties agree to continue to implement the Demerger and there remains Performance Rights on issue in Firefly, the terms of the Performance Rights will not be altered.

3.8 **Intention of the Company if the Resolutions are not approved or the Demerger otherwise does not complete**

Each of the Resolutions are conditional and interdependent. If any of the Resolutions are not passed, the Company, Firefly Entities and Gascoyne will retain their respective holdings of the Demerger Assets, the Demerger will not proceed and the Shareholders will not be issued Firetail Shares.

If the Scheme is implemented but the Demerger does not complete

Assuming the merger of the Company and Gascoyne is implemented under the Scheme but the Demerger is not completed, the Combined Group would seek to maximise Shareholder value and would:

- (a) focus its resources on developing its projects, with a primary focus on the continued operation of the Dalgaranga Gold Project and the development of the Yalgoo Gold Project;
- (a) continue the business with respect to the Demerger Assets as presently conducted; and
- (b) not make any major changes to the Demerger Assets.

Given the proposed focus on the Dalgaranga Gold Project and the Yalgoo Gold Project, failure to complete the Demerger may result in a reduced level of expenditure on the Demerger Assets by the Combined Group, or development of the Demerger Assets may occur on a delayed timetable or some other commercial arrangement.

If both the Scheme and the Demerger do not complete

In the event that neither the Scheme nor the Demerger is implemented, the Company would seek to maximise Shareholder value and would continue to focus its resources on developing all of its projects, with a primary focus remaining the development of the Yalgoo Gold Project.

Failure to complete the Demerger may result in a reduced level of expenditure on the Firefly Demerger Assets by Firefly, or development of the Firefly Demerger Assets may occur on a delayed timetable or some other commercial arrangement.

The Board has considered all the alternatives currently available and believes that the Transaction is expected to result in the most advantageous result for existing Shareholders.

3.9 **Summary of the Demerger Implementation Deed**

As noted in Section 3.1 above, on 7 July 2021 the Company, the Firefly Entities, Gascoyne and Firetail entered into the Demerger Implementation Deed which details the steps of the Demerger (which are summarised in this Notice of Meeting) and each party's obligations with respect to those steps. The effect of the Demerger Implementation Deed is that Firetail is transferred the Demerger Assets by the relevant owner and in return Firetail will issue 29,282,500 Firetail Shares to Firefly, for in-specie distribution by Firefly to the Firefly Shareholders, and 3,217,500 Firetail Shares to Gascoyne.

The Demerger Implementation Deed also includes conditions precedent which must be satisfied (or waived) for the Demerger to proceed (together, the **In-specie Conditions**). The In-specie Conditions which remain outstanding as at the date of this Notice are summarised below:

- (a) each of the Resolutions being approved by the Shareholders;
- (b) each of the conditions precedent under the Demerger Documents being satisfied or waived, save for any condition which will be satisfied by the simultaneous completion of the Demerger Documents at implementation; and
- (c) all necessary third party consents being obtained for the transfer of the Demerger Assets on conditions acceptable to the parties.

Should the In-specie Conditions be satisfied, the In-specie Distribution will be effected by an equal reduction of Firefly's capital. Firefly Shareholders will receive an in specie return of capital by way of the distribution of Firetail Shares for nil cash consideration in proportion to the number of Firefly's Shares held by them at the In-specie Record Date. Firefly Shareholders will thereby receive direct ownership of Firetail.

The Company has agreed to pay all reasonable costs or expenses incurred by Firetail in connection with the Demerger up to an amount of \$1,500,000. If the Company pays less than \$1,500,000 in costs and expenses, the Company will pay to Firetail a further amount to ensure that the aggregate amount paid to or on behalf of Firetail is \$1,500,000, subject to the expenses of the Firefly Group being fully paid as at the effective date of the Scheme and the aggregate balance of all Firefly Group bank accounts being \$1,500,000 or higher.

If the Demerger is not implemented by 15 December 2021 and the In-specie Conditions are not satisfied or waived or the In-specie Conditions become incapable of satisfaction, a party to the Demerger Implementation Deed may terminate the Demerger Implementation Deed by providing written notice. The Company indemnifies Firetail against all liabilities of the Company that Firetail suffers or incurs or is liable for. Firetail indemnifies each of the Company and the Firefly Entities against all liabilities of Firetail and all liabilities that a Firefly Entity incurs or is liable for in connection with the Transaction (including taxes, duties and other tax costs).

If the Scheme Implementation Deed or any of the Demerger Documents are terminated for any reason whatsoever before implementation then, unless the parties agree otherwise, the Demerger Implementation Deed will terminate.

The Demerger Implementation Deed otherwise contains terms and conditions (including standard representations, warranties and indemnities) considered standard for an agreement of this nature.

3.10 Summary of the Demerger Documents

Firefly Sale Agreements

To effect the transfer of assets from the Company and the Firefly Entities to Firetail, the Company, the Firefly Entities and Firetail have executed separate sale and purchase agreements for the sale of the Paterson Assets, the Forrestania Assets, the M59/358 Asset, the Yalgoo Lithium Rights and the Lightning Bug Lithium Rights (collectively, the **Firefly Sale Agreements**).

The Firefly Sale Agreements will only complete if the following conditions precedent are satisfied or waived:

- (a) Ministerial Consent - to the extent required under the Mining Act or the conditions of a grant of a particular tenement or tenements, the written consent being given by the Minister, or an officer of the Department acting with the authority of the Minister, to the proposed transfer under each of the Firefly Sale Agreements to Firetail;
- (b) Assignment and Assumption of Third Party Agreements - where there is a third party agreement in place in respect of any tenement to be transferred under a Firefly Sale Agreement (**Third Party Agreement**), the buyer and seller and, if required under the Third Party Agreement, the relevant third party, executing in relation to each Third Party Agreement a deed of assignment and assumption in a form acceptable to the parties;
- (c) Third Party Agreements - in relation to each Third Party Agreement for which there is a condition precedent assignment requirement, the relevant condition precedent assignment requirement being satisfied;
- (d) Demerger Implementation Deed and Demerger Documents Conditions Precedent - each condition precedent to the completion of the transactions the subject of the Demerger Implementation Deed and Demerger Documents being satisfied or waived in accordance with their terms; and
- (e) Caveats - in respect of each caveat registered on the M 59/0358 tenement, the tenements the subject of the Paterson Assets and the tenements the subject of the Forrestania Assets, the relevant caveator agrees to withdraw the caveat on or before completion, or the Consent of the Warden is obtained under the Mining Act for the transfers of the tenement to the buyer to be registered by the caveat remains in place.

The Firefly Sale Agreements may be terminated on the following terms:

- (a) Failure to satisfy or waive condition - if any condition precedent to the Firefly Sale Agreements is not satisfied or waived in accordance with the relevant agreement, either party may terminate the relevant agreement by notice in writing to the other party;
- (b) Insolvency - if a party is subject to an insolvency event, the other party may terminate the relevant agreement by notice in writing to that party; and

- (c) Breach - if a party breaches a Firefly Sale Agreement, including by breaching any warranty given by it, the other party may terminate the relevant agreement by notice in writing to that party.

Gascoyne Sale Agreement

To effect the transfer of assets from Gascoyne to Firetail, Gascoyne and Firetail have executed a sale and purchase agreement, pursuant to which Gascoyne will transfer to Firetail the Dalgara Lithium Rights (**Gascoyne Sale Agreement**).

The Gascoyne Sale Agreement will only complete if the following conditions precedent are satisfied or waived:

- (a) Financier Release and Covenant - Gascoyne (or its relevant wholly owned subsidiary) obtaining:
 - (i) all necessary approvals and releases from the security holders under security agreements to permit the sale and transfer of the Dalgara Lithium Rights free from all rights, interests and encumbrances of the security holders; and
 - (ii) a deed of covenant to which Firetail is a party, pursuant to which the security holders covenant in favour of Firetail to comply with prescribed transfer procedures in exercising any power of sale under a security agreement;
- (b) Application for forfeiture - the application for forfeiture in relation to E59/2053 being resolved to the satisfaction of Firetail in its absolute discretion; and
- (c) Demerger Implementation Deed and Demerger Documents - each condition precedent to the completion of the transactions the subject of the Demerger Implementation Deed and Demerger Documents being satisfied or waived in accordance with their terms.

The Gascoyne Sale Agreement may be terminated in the same manner as the Firefly Sale Agreements, as summarised above.

Rights Agreements

In connection with the Firefly Sale Agreements and the Gascoyne Sale Agreement, the Company, Gascoyne, or their respective wholly owned subsidiaries have entered into co-ordination agreements which set out the manner in which the relevant parties will co-own the rights in respect to the relevant tenements (collectively, the **Rights Agreements**). The Rights Agreements contain terms and conditions with respect to the co-operation and co-ordination of activities on the tenements, representations, warranties and indemnities considered standard for agreements of this nature.

3.11 Taxation

The following is a general summary of the Australian taxation consequences for Shareholders who receive Firetail Shares in respect of the In-specie Distribution based on the applicable taxation law as at the date of this Explanatory Statement.

Firefly will be commencing the process of seeking a Class Ruling from the Australian Taxation Office (**ATO**) to confirm the taxation implications for Shareholders. Once Firefly has lodged its Class Ruling application with the ATO it is expected that it will take several months for the

ATO to make its decision on the application. Firefly will update Shareholders accordingly in due course.

The information outlined in this taxation summary is limited solely to the Australian income tax implications of the Demerger for Shareholders who hold their shares in Firefly on capital account for tax purposes, and not on revenue account. This summary does not provide information relevant to:

- Shareholders who hold their Firefly Shares on revenue account (for example, Shareholders who are share traders and certain institutional investors);
- Shareholders whose Firefly Shares are subject to the employee share acquisition scheme tax rules and Shareholders who are not the beneficial owners of their Firefly Shares;
- Shareholders who acquired, or are taken to have acquired, their Firefly Shares prior to 20 September 1985; and
- Shareholders who are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Firefly Shares.

The application of tax legislation can vary according to the individual circumstances of each Shareholder. This summary is not intended, and should not be relied upon, as specific taxation advice to any particular Shareholder. The comments in this summary are of a general nature only, may not apply to your specific circumstances and cannot be relied upon for accuracy or completeness.

Each Shareholder should seek and rely on its own professional taxation advice, specific to its particular circumstances, in relation to the taxation consequences of the proposed transaction. Neither Firefly, nor any of its officers or advisers, accepts liability or responsibility with respect to such consequences or the reliance of any Shareholder on any part of the following summary.

Australian taxation implications for Australian resident Shareholders

The demerger tax relief under Division 125 of the *Income Tax Assessment Act 1997* (Cth) (**Demerger Relief**) will unlikely be available in respect of the In-specie Distribution as the transaction will unlikely satisfy the “nothing else” requirements in paragraph 125-70(1)(c) of the *Income Tax Assessment Act 1997* (Cth). Accordingly, Firefly Shareholders will unlikely be able to disregard any capital gain or assessable income arising from the In-specie Distribution.

Broadly, if Firefly proceeds with the In-specie Distribution, in the absence of Demerger Relief the following taxation consequences may result:

- Shareholders may make a capital gain to the extent that the capital reduction amount of the In-specie Distribution exceeds the particular Shareholder's cost base;
- the cost base and reduced cost base of the Firefly Shares will be reduced by the capital reduction amount (unless the Commissioner of Taxation makes a determination to treat all or part of the capital reduction amount as an unfranked dividend);
- the cost base and reduced cost base of the Firetail Shares will be equal to the capital reduction amount;

- the Firetail Shares will be taken to have been acquired by the Shareholder at the date of the In-specie Distribution for the purposes of determining eligibility for the capital gains tax (**CGT**) discount; and
- the excess (if any) of the market value of the Firetail Shares at the time of the In-specie Distribution over the capital reduction amount, and all or part of the capital reduction amount (if the Commissioner of Taxation so determines), may be treated as an unfranked dividend. This amount would be assessable income for Australian resident Shareholders.

Australian taxation implications for non-resident Shareholders

Shareholders who are not residents of Australia for tax purposes will not be subject to any Australian CGT consequences unless they hold (either alone or together with their associates) 10% or more of the direct participation interests in Firefly at the time of the Demerger or for a continuous period of at least 12 months in the 24 months immediately preceding the In-specie Distribution. In the event that the non-resident Shareholder satisfies the 10% ownership requirement, Australian CGT will apply if at the time of the CGT event the market value of the assets in Firefly that are Taxable Australian Real Property (**TARP**) exceed the market value of the assets that are not TARP. TARP generally includes Australian land interests including Australian mineral rights.

To the extent that a non-resident Shareholder holds Firefly Shares that meet the above conditions, the Shareholder may make a capital gain to the extent that the capital component of the In-specie Distribution exceeds the Shareholder's cost base.

If the Commissioner of Taxation makes a determination to treat all or part of the capital reduction amount as an unfranked dividend, this amount would be subject to dividend withholding tax for non-resident Shareholders (generally at a rate of 30% on the gross amount, subject to any applicable double taxation agreement).

Taxation implications for the Company

The transfer of shares in Firetail from Firefly to the Firefly Shareholders in respect of the share capital reduction is expected to have CGT implications for Firefly as Demerger Relief is unlikely to be available.

4. Additional information relating to Firetail

4.1 Plans for Firetail following completion of the Demerger

If the Demerger is successfully implemented, Firetail proposes to undertake exploration across the Demerger Assets, with the intention of following up a number of targets identified by previous sampling and drilling programs completed by Firefly.

Subject to ongoing favourable exploration results and the identification of mineralised deposit(s), Firetail will seek to demonstrate the economic potential of any such deposits.

4.2 Summary of the Demerger Assets - Paterson Copper-Gold Project

The Paterson Copper-Gold Project comprises several tenements covering ~1,000km² of the highly-prospective Paterson Province in north-western Western Australia, which boasts a number of large-scale mining operations including Newcrest's (ASX: NCM) world-class 28Moz Telfer gold-copper mine and Metal X's (ASX: MLX) Nifty copper mine. The main focus in

establishing these applications was to secure favourable geological position over existing copper-gold prospects around the historical Kintyre mine, particularly the Wanderer copper-gold-molybdenum prospect.

An integration of available historical geophysical datasets has created a large high-resolution geophysical data package over the primary tenement application containing the Wanderer prospect. This modern dataset illustrates significant structural information, strongly supports Firefly's geological model for potential intrusive copper-gold sources for Wanderer and multiple nearby prospects and has led to the development of several other high-priority drill targets across the application area.

On 23 September 2020, Firefly announced that it had successfully negotiated and signed heritage agreements with both the Martu and Nyangumarta People as the traditional owners across five existing tenements in the Paterson Province. Firefly commenced negotiations with the traditional owners in 2018. Following the completion of this process, the Western Australian Department of Mines, Infrastructure, Resources and Safety (**DMIRS**) granted the tenements to Firefly.

Firefly has identified the Wanderer Copper-Gold Prospect – located in its Central Tenements project area, as its key advanced prospect and initial “walk-up” drill target.

Details of the tenements which comprise the Paterson Copper-Gold Project, together with any encumbrances (if any), are set out in Schedule 5.

4.3 **Summary of the Demerger Assets - Forrestania Gold Project**

General

The 100%-owned Forrestania Gold Project is located approximately 380km east of Perth in Western Australia.

Firefly's tenure comprises over 1,000km² of tenements in the Southern Forrestania Greenstone Belt, a 100km long, north-to-south package of variously metamorphosed mafic/ultramafic/volcano-sedimentary rocks that host the historic 1Moz Bounty gold deposit, the operating Flying Fox and Spotted Quoll nickel mines and the more recently discovered Earl Grey lithium deposit. Firefly's portfolio includes historical high-grade gold mines with mineralised rock dumps and geophysical extensions to proven high-grade gold structures.

Firefly completed two gold-focussed reverse circulation (**RC**) drilling programs across three of its high-priority gold prospects in the latter part of 2019. These programs delivered two new gold discoveries at the Gemcutter and the Crossroads gold prospects, while also defining the lithological and structural setting of the Kit Kat gold prospect.

As announced to ASX on 17 March 2021, Firefly and its wholly owned subsidiary Firehawk Gold Pty Ltd (ACN 646 423 707) have entered into a binding terms sheet with Forrestania Resources Limited (ACN 647 899 698) (**Forrestania Resources**) for the proposed sale of its Forrestania Gold Project under which Forrestania Resources has the option to acquire a 100% interest in the project, subject to completion of due diligence, an ASX listing via either an initial public offer (**IPO**) or an agreement with an ASX-listed entity (**RTO entity**) as well as other standard regulatory approvals and third-party consents (**Forrestania BTS**). The consideration is the issue of shares in the RTO entity or at IPO to the value of \$1.25 million at completion, in addition to \$50,000 in cash. A further milestone payment of \$500,000 in the form of shares in the RTO entity or at IPO is also payable on the definition of a JORC 2012 Resource of at least 250,000oz of gold at over 2g/t Au and a 1.0% Net Smelter Return Royalty (**Royalty**) will be

granted over all minerals produced from the tenements. On 20 August 2021, Forrestania Resources exercised its option to acquire the Forrestania Gold Project (via the acquisition of 100% of the shares in Firehawk Gold Pty Ltd). Under the terms of the Demerger Implementation Deed, Firefly must pay or otherwise transfer to Firetail all cash consideration, entitlements to the Royalty and all shares received as part of the consideration under the Forrestania BTS to Firetail (including assigning all of Firefly's rights under the agreement to Firetail). Additional details of the Forrestania BTS and the rights and obligations of Firefly under the Demerger Implementation Deed are included in Section 1 of Schedule 5 and the ASX announcement of 17 March 2021.

Gemcutter Prospect

The Gemcutter Prospect is an intrusive-associated structural gold discovery on the Gem Mining Lease, M77/549, on the eastern side of the Forrestania Gold Project.

The first gold-focused RC drilling program undertaken by Firefly on the Gem Mining Lease returned 21m @ 3.20g/t gold from 34m, including 3m @ 4.58g/t and 1m @ 33.10g/t (GPRC0041).¹

A follow-up program indicated that the mineralised system for Gemcutter is open in all directions, with highly variable gold grades and a best result of 12m @ 0.43g/t Au with a narrow zone of 1m @ 2.33g/t Au.²

The Gemcutter Prospect is no longer the focus of any further significant exploration work due to the presence of low-grade values along strike of the initial discovery line, coupled with a limited footprint of the M77/549 Mining Lease held by Firefly.

Crossroads Prospect

The Crossroads Prospect is located on the eastern margin of the Forrestania belt and was developed from historical private data purchased from local landholders in 2018 (see Firefly's ASX announcement dated 26 November 2018).

The first east-dipping RC drill-hole completed at this target intersected 1m @ 15.70g/t from 20m down-hole (CRRC0001). The high-grade structural gold is hosted in steeply west-dipping quartz veins within a weakly to moderately altered mafic unit adjacent to and overlying a strongly deformed granite.³

Further drilling on a section 100m to the north, along the NW-SE structural trend, intersected 1m @ 16.70g/t from 73m down-hole (CRRC0006) quickly followed by additional success 200m north-west intersecting a further 2m @ 3.51g/t, including 1m @ 6.29g/t from 23m down-hole (CRRC0005).⁴

¹ See ASX Announcement dated 28 October 2019 ("Marindi makes new high-grade gold discoveries at Forrestania") accessible via the ASX announcements platform. The Competent Person (as that term is defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the Exploration Results in the 28 October 2019 Announcement was Mr Simon Lawson, Managing Director of Firefly.

² See ASX Announcement dated 4 December 2019 ("Forrestania Gold Project - Gemcutter Drilling Update") accessible via the ASX announcements platform. The Competent Person (as that term is defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the Exploration Results in the 4 December 2019 Announcement was Mr Simon Lawson, Managing Director of Firefly.

³ See ASX Announcement dated 28 October 2019 ("Marindi makes new high-grade gold discoveries at Forrestania") accessible via the ASX announcements platform. The Competent Person (as that term is defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the Exploration Results in the 28 October 2019 Announcement was Mr Simon Lawson, Managing Director of Firefly.

⁴ See ASX Announcement dated 28 October 2019 ("Marindi makes new high-grade gold discoveries at Forrestania") accessible via the ASX announcements platform. The Competent Person (as that term is defined in the Australasian Code for Reporting of

Kit Kat Prospect

Maiden reconnaissance drilling at the Kit Kat prospect covered roughly half a square kilometre of the 10km² of high-potential sheared granite/greenstone contact zone which Firefly holds in the south of the Forrestania Gold Project. The geological potential of the area is demonstrated by the emerging Kat Gap high-grade gold prospect to the north (owned by Classic Minerals) and the historical high-grade quartz-vein-hosted Hatters Hill gold field (owned by Western Areas) to the south.

Details of the tenements which comprise the Forrestania Gold Project, together with any encumbrances (if any), are set out in Schedule 5.

4.4 Summary of the Demerger Assets - Yalgoo Lithium Rights and Lightning Bug Lithium Rights

The Demerger Assets include the granting of rights to conduct exploration, conduct mining and own and sell any minerals possessed, refined or extracted over certain tenements the subject of the Yalgoo Gold Project in respect of lithium and other pegmatite related minerals.

The M59/358 Asset, Yalgoo Lithium Rights and the Lightning Bug Lithium Rights are located within the Yalgoo Gold Project. As such, an overview of the Yalgoo Gold Project is set out below, however Shareholders should note that the majority of exploration work undertaken on the Yalgoo Gold Project has been in relation to gold rather than in respect of lithium and other pegmatite related minerals.

Yalgoo Gold Project

In 2020, Firefly acquired a 100% interest in the Yalgoo Gold Project, located 110km west of Ramelius Resources Limited's (ASX: RMS) 6Moz Mt Magnet operations in the Murchison region of Western Australia. The acquisition delivered a significant gold resource inventory and highly prospective tenement holding in a Tier-1 mining district.

The acquisition was consistent with Firefly's growth strategy as it provided potential to rapidly advance the delivery of a maiden JORC 2012-compliant Mineral Resources in a world-class mining district with exceptional "near-mine" exploration upside and development potential within 150km of five operating gold mills.

The Yalgoo Gold Project covers approximately 750km² of historic goldfield, lying between the Mt Magnet gold mine owned by Ramelius Resources Limited (ASX: RMS) and Silver Lake Resources Limited's (ASX: SLR) Deflector copper-gold mine and within close haulage distance of Gascoyne's Dalgaranga processing plant.

In December 2020, Firefly acquired the City of Melbourne Gold Mine located within the Yalgoo Gold Project (Mining Lease M59/57) which further consolidated Firefly's strategic position at Yalgoo. The City of Melbourne Gold Mine is currently operating as a small-scale underground operation employing hand-held mining methods and extracting high-grade gold from a consistent quartz "reef" narrow-vein gold system. See ASX announcement dated 16 December 2020 for further information.

As announced to ASX on 31 March 2021, Firefly also acquired two prospecting licences within the central portion of the Yalgoo tenements from a private prospector (P59/2088 and

Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the Exploration Results in the 28 October 2019 Announcement was Mr Simon Lawson, Managing Director of Firefly.

P59/2089), securing its strategic additions to its landholding at the Yalgoo Gold Project. The leases were acquired for a single cash payment of \$50,000.

Melville Deposit

The Yalgoo Gold Project includes the advanced Melville Deposit, which hosts a JORC 2012 Mineral Resource of 4.20Mt grading 1.45g/t Au for 196,388oz of contained gold (0.7g/t cut-off) (**Melville Deposit**) which commences from surface and remains open in all directions (indicated and inferred).⁵

Mineralisation within the Melville Deposit is hosted within a completely unmined steeply-dipping “stacked-lode” system, with both laterite at surface and broad, shallow supergene-enriched zones supporting its amenability to potential open pit mining. It sits within 800 metres of known strike, with mineralisation remaining open in all directions.

Firefly has identified numerous other nearby targets including the Don Bradman gold prospect, the Lady Lydia South prospect and the Brilliant gold trend.

The Melville tenement package also includes 600km² of highly prospective tenure covering the majority of the historic Yalgoo goldfield, as well as significant coverage of the regional-scale Yalgoo-Singleton greenstone belt.

During technical review of the project, Firefly defined a 1km-wide north-south 28km-long shear zone corridor in which the majority of the existing gold occurrences at the Yalgoo Gold Project are situated. The extent of the corridor is most evident where the gold occurrences are overlaid on the 1st vertical derivative (1VD) magnetics geophysical images, highlighting the underlying stratigraphy due to the excellent contrast in magnetic BIF horizons to less magnetic mafic packages.

In February 2021, Firefly began the first phase of a 30,000m RC drilling program. Drilling has been undertaken in four phases across seven prospects to support the preparation of JORC 2012-compliant Mineral Resource Estimate.⁶ The second phase of drilling commenced in March 2021 with resource drilling at the Don Bradman Gold Prospect and extensional drilling at the Applecross Gold Prospect (north of Melville).

In March 2021, Firefly launched a close-spaced grade control program to follow up the broad, shallow mineralisation observed in the deeper resource-focused drilling. In April 2021, the drilling confirmed the presence of an extensive blanket of shallow grade mineralisation extending over hundreds of metres both along and across strike above the primary Mineral Resource (see Firefly's ASX announcement dated 21 April 2021).

Holland Acquisition

On 11 August 2020, Firefly successfully acquired a strategic tenement package containing additional untested historical high-grade gold mines in the Yalgoo goldfield (**Holland Acquisition**).

The Holland Acquisition covers 4.5km² of folded greenstone bedrock stratigraphy containing at least four historical high-grade gold mines (shafts) and a number of alluvial gold “patches”

⁵ See ASX Announcement dated 17 March 2021 (“Maiden 196,000oz JORC 2012 - Revised Announcement”) accessible via the ASX announcements platform. The Competent Person (as that term is defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the Mineral Resource for the Melville Deposit at Yalgoo in the 17 March 2021 Announcement was Mr Simon Lawson, Managing Director of Firefly.

⁶ See ASX Announcement dated 24 February 2021 (“Firefly commences 30,000m drilling campaign”).

thought to be derived from the weathering of the related outcropping mineralisation structures. During due diligence conducted on the acquisition, Firefly was able to validate the presence of both hard-rock and alluvial gold.

The acquisition included two mining leases and three prospecting leases located immediately along-strike from the two main mineralised trends at Yalgoo, namely the Brilliant or "Northwest" and the Melville or "North" trends, as well as the folded inflection point between the two trends which may represent a regional-scale gold target in itself.

In addition to the strategically located tenements, the Holland Acquisition included a significant amount of mining and processing equipment and infrastructure, including a fully-operational 25-30tph gold process plant "washplant", a Caterpillar 950F front-end loader and a Mercedes Benz dump-truck, production water-bore, water storage and pumping equipment, several generators, a covered workshop and sea-containers and a full "off-grid" 3-person accommodation facility.

For further details, see Firefly's ASX announcement dated 11 August 2020.

Lithium Potential

There are several recorded occurrences of lithium mineralisation in pegmatites across the Yalgoo Gold Project area and extensive swarms of untested pegmatites have been noted in ground-based mapping and aerial interpretive mapping by Firefly. Small historic mining activities have also occurred across the Yalgoo Gold Project for beryl, tourmaline and other gemstone material known to be associated with fractionated pegmatites that can host lithium and other pegmatite-related minerals.

Surrounded by the tenements held by Yalgoo Exploration Pty Ltd (as set out in Section 3 of Schedule 5) is a small open pit working at Carlaminda Blue extracting the lithium mineral lepidolite and nearby is an undeveloped deposit Johnsons Well where lithium, cesium and tantalum have been recorded in outcropping pegmatite.

The potential for lithium mineralisation across the Yalgoo Gold Project is well illustrated by the existence of lithium mineralisation in outcrop. The extent of the mineralisation at this stage is unknown but this represents the core focus for follow-up work as well as widespread generative work for an energy-metals focussed explorer.

4.5 Summary of the Demerger Assets - Dalgaranga Lithium Rights

The Demerger Assets include the granting of rights to conduct exploration, conduct mining and own and sell any minerals possessed, refined or extracted over certain tenements the subject of the Dalgaranga Gold Project in respect of lithium and other pegmatite related minerals.

As such, an overview of the Dalgaranga Gold Project and Dalgaranga Lithium Rights is set out below, however Shareholders should note that the majority of exploration work undertaken on the Dalgaranga Gold Project has been in relation to gold rather than in respect of lithium and other pegmatite related minerals.

Dalgaranga Gold Project

The Dalgaranga Gold Project, with a tenement area of around 500km², is located approximately 65km by road northwest of Mount Magnet in the Murchison region of Western Australia and covers the majority of the Dalgaranga Greenstone Belt.

The Dalgaranga Gold Project, which is currently producing gold, consists of a fully established mine and carbon-in-leach processing facility (processing capacity of greater than 2.5 million tonnes per annum), camp and airstrip. Commissioning and the first gold pour were completed in May 2018. Between the first gold pour and the end of June 2021, over 210,000 ounces of gold have been produced by Gascoyne from the Dalgaranga Gold Project.

The Dalgaranga Gold Project has a measured, indicated and inferred Mineral Resource Estimate of 25.0Mt @ 0.8 g/t Au for 648,900 ounces of gold from several deposits. The project has proved and probable Ore Reserves of 13.5Mt @ 0.8 g/t Au for 339,000 ounces of gold. Mineral Resource Estimate and Ore Reserve have been determined as at 31 March 2021.

Dalgaranga Lithium Rights

The Dalgaranga Lithium Rights comprise the lithium rights on three (3) tenements that lie in the north and western areas of Dalgaranga Greenstone Belt in the Murchison Province of Western Australia. The northeast trending belt consists of high magnesium basalts, tholeiitic basalts and sediments - mainly black shales. Felsic volcanic rocks outcrop on the western side of the belt. The sequence is intruded by large gabbro complexes in the north (Mt Farmer, Mt Charles) and to the west (Dalgaranga Hill). The stratigraphy has been folded into two regional synforms which plunge in opposite directions separated by a regional fault/shear that trends along the western side of the Mt Farmer gabbro sill westwards to the south side of the gabbroic Dalgaranga Hill. The Dalgaranga Greenstone Belt is intruded by a number of post tectonic granites separated by zones of amphibolite and mafic schists intruded by pegmatites. East-west trending Proterozoic dykes of dolerite and gabbro intrude the Greenstone sequences.

Tenements E59/2150 and E59/2053 (2 of the 3 tenements that comprise the Dalgaranga Lithium Rights) surround the historic Dalgaranga Tantalum Mine with a number of known and mapped pegmatites occurrences.

Recent exploration for lithium bearing minerals on the tenements has been limited to reconnaissance sampling of the Hodden Pegmatite. Documentation of the visual inspection of samples has describe the pegmatite as approximately 2 metres wide striking SE at bearing 100 degrees and dipping -60 degrees north, traceable over 350 metres and hosted within a gabbroic intrusive rock. There is a costean excavated along the edge of the pegmatite that is collapsed but was once up to 4m deep. The costean is approximately 55 metres long, with two shallow test pits further to the SE along strike. The Hodden Pegmatite occurs in the northern area of E59/2053 just south of the Niobe tantalum deposit.

The pegmatite is well zoned, although quite thin. Central to the body are segmented cores of blocky grey quartz surrounded by a discontinuous, thin zone of cleavelandite and quartz containing minor amounts of massive rubellite, fine grained silvery-green muscovite and lepidolite. The next zone includes quartz and microcline, and muscovite. The wall zone consists of a much finer grained, layered aplitic unit consisting of albite, quartz and mica with a 2cm wide band of fine-grained almandine.

The samples collected have been visually assessed, but not assayed. Visual inspection has indicated that lithium bearing minerals lepidolite, zinnwaldite and rubellite are present in the pegmatite samples.

4.6 Firetail proposed capital structure

The indicative capital structure of Firetail post-completion of the Transaction will be:

Table 2. Indicative Firetail capital structure

Security type	Number	%
In-specie Shares ¹	29,282,500	90.1
Shares to be issued to Gascoyne	3,217,500	9.9
Total Firetail Shares on completion of the Transaction	32,500,000	100.0

Notes:

1. Firetail Shares distributed to eligible Shareholders of Firefly pursuant to the In-specie Distribution.

Shareholders should note that this structure is indicative only as at the date of this Notice and that Firetail retains discretion to amend the structure and issue more or less shares or other forms of securities, such as options.

4.7 Substantial Firetail Shareholders

Firetail is presently a wholly-owned subsidiary of Firefly and therefore Firefly holds 100% of the issued Firetail Share capital of Firetail.

Based on the information known as at the date of this Notice, upon the successful implementation of the Demerger, the following persons will have an interest in 5% or more of the Firetail Shares on issue:

Table 3. Substantial Firetail Shareholders on completion of the Demerger

Name of Firetail Substantial Holder	Number of Firetail Shares	% of Firetail Shares
Gascoyne	3,217,500	9.90%
Tolga Kumova	1,631,500	5.02%

4.8 Firetail Board and key management personnel

Firetail was incorporated on 16 June 2021. The board of directors of Firetail (**Firetail Board**) is set out below.

As at the date of this Notice, the Firetail Board is comprised of:

(a) **Michael Edwards – Non-Executive Chairman (independent)**

Mr Edwards is a geologist and economist with over 20 years' experience in senior management in both the private and public sector. He spent three years with Barclays Australia in their Corporate Finance department and then eight years as an Exploration and Mine Geologist with companies including Gold Mines of Australia, Eagle Mining and International Mineral Resources.

He has worked as a consulting geologist across a range of commodities, predominantly in Australia and Africa, and as a corporate advisor, and has been involved in numerous ASX listings and reverse takeovers across a range of commodities and industries.

Mr Edwards holds a Bachelor of Business majoring in Economics and Finance from Curtin University of Technology and a Bachelor of Science in Geology from the University of Western Australia.

Mr Edwards is also a non-executive director of ASX-listed companies De.mem Limited (ASX: DEM), Norwood Systems Limited (ASX: NOR) and Serpentine Technologies Limited (ASX: S3R) and is the Non-Executive Chairman of Barra Resources Limited (ASX: BAR).

(b) Simon Lawson – Managing Director

Mr Lawson has a Master of Science in Geology from Auckland University and more than 15 years of exploration, production and management experience in gold and base metals. He has previously held senior geology roles at major Australian gold producer Northern Star Resources Ltd, where as Chief Geologist – Paulsens and then group Principal Mine Geologist, he was a founding member of the team which took the company from junior explorer to a major multi-mine producer, today valued at over \$10 billion.

Mr Lawson specialises in resource asset identification and renovation and rejuvenation of current and historic gold mines. Mr Lawson has built and led teams that contributed more than 3 million ounces and in excess of 15 years mine life to several high-profile mining operations across a number of highly-successful gold producers.

(c) Ashley Pattison – Non-Executive Director

Mr Pattison has over 20 years' experience in the resources sector from both a corporate finance and operational perspective. A qualified chartered accountant, he has extensive experience in operations, finance, strategy and corporate finance. Having lived and worked in several countries, he has gained substantial exposure to exploration and producing operations in Australia and South America. Mr Pattison has been the Managing Director of a number of listed and private mining companies over the past 10 years and also CEO of a listed mining services company.

More recently, Mr Pattison was the founder of PC Gold Pty Ltd (a private equity vehicle with an advanced open pit gold asset in the NT), Aurum Minerals Pty Ltd (acquired by Firefly Resources Ltd) and Maroon Gold Pty Ltd (a private equity vehicle that consolidated a number of gold assets in the Charters Towers region of Queensland and commenced production in 2019).

Mr Pattison is currently the Executive Chairman of PC Gold Pty Ltd and Managing Director of Tristar Nominees Pty Ltd, a consulting business to resource companies.

(d) Geoffrey Jones – Non-Executive Director (independent)

Mr Jones is a Fellow of Engineers Australia, with a Bachelor of Engineering (Civil) degree. He has over 30 years' experience covering the areas of construction, engineering, mineral processing and project development. Mr Jones has been responsible for the preparation of feasibility studies for gold and base metals projects and has completed numerous project evaluations and due diligence reviews and has managed the successful development of projects both domestically and overseas.

He spent over six years (1994-2001) with Resolute Limited where, as Group Project Engineer, he was responsible for the development of its mining projects in Australia, Ghana and Tanzania.

On leaving Resolute Limited he commenced the operation of his own project management and engineering consultancy, JMG Projects Pty Ltd, servicing the mining industry. In this capacity Mr Jones has completed works on gold and base metal projects for Australian and overseas based mining groups.

Mr Jones is currently Managing Director of GR Engineering Services Limited (ASX: GNG) and a Non-Executive Director of Ausgold Limited (ASX: AUC).

On implementation of the Transaction, Michael Edwards, Ashley Pattison and Geoffrey Jones, intend to resign from the Firetail Board and Duncan Craib and Rowan Johnston are proposed to be appointed as Non-Executive Chair and Non-Executive Director of Firetail, respectively. Biographies for Duncan Craib and Rowan Johnston are as follows:

(e) Duncan Craib - Proposed Independent Non-Executive Chair

Mr Craib is Managing Director and CEO of Boss Energy Ltd having joined the company on 9 January 2017. He is a Chartered Accountant by profession specialising in the mining, having gained vast experience in executive roles held in Australia, United Kingdom, Namibia, and China. Mr Craib most recently served as Finance Director to Swakop Uranium (Pty) Ltd from 2012 to 2016, where he was heavily involved in the US\$2.5 billion development and construction of its world-class Husab uranium mine in Namibia. At nameplate production, Husab will be one of the largest global mining and processing uranium, mining 150Mt annually and generating 15Mt of ore to produce 15Mlbs of uranium oxide. From 2008 - 2012, Duncan served in London as CFO and Company Secretary to Kalahari Minerals Plc and its 43% holding in Extract Resources Ltd, 100% owners of the Husab uranium mine prior to its sale to China General Nuclear in April 2012 for US\$2.1 billion. During the three-year period to the end of the financial year, Mr Craib held no directorships with any other listed companies.

(f) Rowan Johnston - Proposed Non-Executive Director

Mr Johnston is a mining engineer (graduating from the West Australian School of Mines) with significant experience as an Executive and Non-Executive Director. He has previously been the Managing Director of Excelsior Gold Limited. Mr Johnston was also the acting Chief Executive Officer and Executive Director of Operations for Mutiny Gold Limited prior to its takeover by Doray Minerals Limited and an Executive Director of Integra Mining Limited prior to its merger with Silver Lake Resources Limited.

Mr Johnston has worked and studied in the mining (primarily gold) industry for 40 years throughout Australia and overseas and has experience working for owners, consultants and contractors. He has worked through several feasibility studies, start-ups, constructions, expansions and mergers.

Mr Johnston is currently a non-executive director of gold production company Gascoyne Resources Limited (ASX:GCY) and gold development company Bardoc Gold Limited (ASX:BDC).

4.9 Key management personnel

As at the date of this Notice, the Firetail Board is supported by:

(a) **Natalie Teo - Joint Company Secretary**

Ms Teo graduated with a Masters in Accounting from Curtin University in Western Australia and completed a Graduate Diploma in Applied Corporate Governance with the Governance Institute of Australia.

Ms Teo is a Chartered Secretary and is currently working with a firm which provides corporate and accounting services to both listed and unlisted entities.

(b) **Steven Wood - Joint Company Secretary**

Mr Wood is an experienced company secretary and Chartered Accountant specialising in corporate advisory, company secretarial and financial management services, to both ASX and unlisted public and private companies.

A partner at advisory firm Grange Consulting Group Pty Ltd, Mr Wood has been involved as company secretary in a range of corporate transactions including capital raisings, takeovers, and initial public offerings.

On implementation of the Transaction, Natalie Teo and Steven Wood intend to resign from their role as Joint Company Secretary. Firetail intends to appoint Steve Brockhurst as Company Secretary.

(c) **Steve Brockhurst - Joint Company Secretary**

Steve has 20 years' experience in the finance and corporate advisory industry and has been responsible for the due diligence process and preparation of prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements. Steve has served on the board and acted as Company Secretary for numerous ASX listed companies. He is currently a Director of Estrella Resources Limited, Nelson Resources Limited and Kingwest Resources Limited and Company Secretary of Galena Mining Limited, Kingfisher Mining Limited, Estrella Resources Limited, Kingwest Resources Limited and Nelson Resources Limited.

4.10 **Proposed remuneration of the Firetail Directors**

As at the date of this Notice, none of the Firetail Directors are remunerated for their role as a director of Firetail, and it is not anticipated that the Firetail Directors will receive any remuneration up to the date of implementation of the Transaction. However, each of the Firetail Directors receive remuneration as directors of Firefly. Please refer to section 13.7 of the Scheme Booklet for a summary of the remuneration paid to the Firefly Directors in the previous two financial years.

The proposed total remuneration package for each of the proposed Firetail Directors as at the date of implementation of the Transaction is set out below:

Table 4. Remuneration of Firetail Directors

Firetail Directors	Proposed annual remuneration
Simon Lawson (Managing Director)	\$30,000 ¹
Duncan Craib (Non-Executive Chairman)	\$60,000

Firetail Directors	Proposed annual remuneration
Rowan Johnston (Non-Executive Director)	\$30,000

Notes:

1. Excluding superannuation.

4.11 **Rights attaching to Firetail Shares**

A summary of the more significant rights that will attach to the Firetail Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Firetail Shareholders. Full details of the rights attaching to the Firetail Shares are set out in Firetail's constitution, a copy of which is available on request.

(a) **General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Firetail.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Firetail constitution.

(b) **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend Rights**

Subject to the rights of persons (if any) entitled to shares with special rights to dividends, the directors may declare a dividend in accordance with section 254T of the Corporations Act and may authorise the payment by Firetail to the shareholders of such a dividend. All dividends must be declared and paid on shares in proportion to the amounts paid (not credited) in proportion to the total amounts paid and payable (excluding amounts credited) in respect of the shares. Interest may not be paid by Firetail in respect of any dividend.

(d) **Winding-Up**

If Firetail is wound up, the assets of Firetail must on a winding up be applied in repayment to the members in proportion to their respective holdings. If at the commencement of a winding up Firetail has issued shares which are classified under the ASX Listing Rules or by ASX as restricted securities and the shares are subject to escrow restrictions, on a return of capital the holders of those shares rank behind all other shares in Firetail.

(e) **Transfer of Shares**

Generally, shares in Firetail are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(f) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, Firetail may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not Firetail is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

4.12 Risk factors

On successful completion of the Demerger, Shareholders will become shareholders in Firetail and should be aware of the general and specific risk factors which may affect Firetail and the value of its securities. These risk factors are set out in Schedule 4. If the Scheme is implemented, Shareholders will also become shareholders of Gascoyne and be exposed to the risks of an investment in the Combined Group. These risk factors are set out in section 9 of the Scheme booklet.

4.13 Effect of proposed capital reduction on Firetail

A pro-forma statement of financial position of Firetail is contained in Schedule 3, which shows the financial impact of the capital reduction and the Demerger on Firetail.

5. Additional information relating to the Company

5.1 Plans for Firefly following completion of the Demerger

If the Scheme is successfully implemented in conjunction with the Demerger, Firefly will become a wholly owned subsidiary of Gascoyne. The intentions for the Combined Group on successful completion of the Scheme are included in section 8 of the Scheme booklet.

If the Scheme is not successfully implemented and the Scheme Implementation Deed is terminated, the Demerger may not proceed. In the event that the Scheme is not implemented, but the parties agree to continue to implement the Demerger, Firefly will focus on the development of its Yalgoo Gold Project.

5.2 Firefly current capital structure

There will be no change to the capital structure of the Company as a result of the Demerger.

The capital structure of Firefly as at the date of this Notice is:

Table 5. Firefly capital structure

Security type	Number
Shares	308,339,530
Options ¹	26,699,999
Performance rights ²	34,233,328

Notes:

1. Comprised of:
 - a. 399,999 Options with an exercise price of \$0.58 each, expiring on or before 31 March 2022;
 - b. 1,750,000 Options with an exercise price of \$0.08 each, expiring on or before 30 September 2022;
 - c. 3,250,000 Options with an exercise price of \$0.11 each, expiring on or before 30 September 2022;
 - d. 2,650,000 Options with an exercise price of \$0.10 each, expiring on or before 31 December 2021;
 - e. 2,650,000 Options with an exercise price of \$0.12 each, expiring on or before 31 December 2022; and
 - f. 16,000,000 Options with an exercise price of \$0.23 each, expiring 4 June 2022.
2. Comprised of:
 - a. 1,166,666 Performance Rights subject to various vesting conditions, have been issued to employees and consultants of Firefly under the Firefly employee incentive plan;
 - b. 10,066,664 Performance Rights subject to various vesting conditions have been issued to Firefly Directors; and
 - c. 22,999,998 Performance Rights subject to various vesting conditions have been issued to nominees of Aurum Minerals Pty Ltd as part of the consideration for the acquisition of the Yalgoo Gold Project.

The number of Shares, Options and Performance Rights on issue will not change by virtue of the Demerger. However, as part of the conditions of the Scheme, the Options are required to be either exercised or cancelled and the Performance Rights are required to be converted to Shares. A summary of the treatment of the Options and Performance Rights are set out in Section 3.6 and 3.7 respectively.

The rights attaching to Shares will not be affected by the Demerger. Full details of the rights attaching to the Shares are set out in the Constitution, a copy of which may be obtained by contacting the Company's office during normal business hours.

5.3 Board of the Company

Firefly's current Directors are:

- (a) Michael Edwards as Chair;
- (b) Simon Lawson as Managing Director;
- (c) Ashley Pattison as Non-Executive Director; and
- (d) Geoffrey Jones as Non-Executive Director.

There are no proposed changes to the Board in connection with the Demerger, however if the Scheme is implemented, all directors other than Simon Lawson will resign from Firefly and Simon Lawson will join the board of Gascoyne as a Non-Executive Director.

5.4 Directors' interests

The table below sets out the number of securities in Firefly held by Firefly Directors at the date of the Meeting:

Table 6. Directors' interests

Director	Shares	% of Shares on issue	Options	Performance Rights
Michael Edwards	4,366,667	1.42	1,000,000	2,066,666
Simon Lawson	4,107,141	1.33	2,000,000	6,666,666
Ashley Pattison	11,527,655	3.74	Nil	3,320,994
Geoffrey Jones	1,116,459	0.36	1,000,000	666,666

The table below sets out the number of Firetail Shares the Firefly Directors are likely to have an interest in if the Resolutions are passed and the Transaction is implemented:

Table 7. Directors' interests

Director	Approximate Number of Firetail Shares each Director will receive ¹	% of Firetail Shares
Michael Edwards	540,161	1.66%
Simon Lawson	904,601	2.78%
Ashley Pattison	1,246,737	3.83%
Geoffrey Jones	149,716	0.46%

Notes:

1. Assuming that the Performance Rights held by the Directors convert to Shares on a 1:1 basis prior to the In-specie Record Date, and assuming a 1 for 11.91 ratio for the In-specie Distribution. The number of Shares on issue may increase prior to the In-specie Record Date which will reduce the ratio of Firetail Shares received for every 1 Share held.

5.5 Effect of proposed capital reduction on Firefly

A pro-forma statement of financial position of Firefly is contained in Schedule 2, which shows the financial impact of the capital reduction and the Demerger on Firefly. Furthermore, Firefly, being an ASX listed entity, is subject to the continuous disclosure requirements set out in

Chapter 3 of the ASX Listing Rules. As such, Firefly is required to lodge quarterly reports detailing Firefly's current cash position.

5.6 Information concerning Firefly Shares

The highest and lowest recorded sale prices of Firefly's Shares as traded on ASX during the 12 months immediately preceding the date of this Notice (up to 7 September 2021), and the respective dates of those sales were:

Table 8. Share price information

Date	Highest Price	Date	Lowest Price
28 October 2020	\$0.25	10 June 2021 20 April 2021 13 April 2021 8 April 2021	\$0.10

The latest available closing price of Firefly Shares on ASX prior to the date of this Notice was \$0.11 on 7 September 2021.

5.7 Disclosure to ASX

As an entity with Shares quoted on the Official List of the ASX, Firefly is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of documents lodged in relation to Firefly may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at either the ASX announcements platform or Firefly's website.

6. Resolution 1 - Approval for disposal of a major asset

6.1 General

ASX Listing Rule 11.4 provides that an entity must not dispose of a major asset if at the time of the disposal it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed.

This rule does not apply if:

- (a) (ASX Listing Rule 11.4.1(a)) the securities, except those to be retained by the entity, are offered, issued or transferred pro rata to the holder of ordinary securities, or in another way that, in ASX's opinion, is fair in all circumstances.
- (b) (ASX Listing Rule 11.4.1(b)) the holders of ordinary securities in the entity approve of the transaction without the offer, issue or transfer referred to in ASX Listing Rule 11.4.1(a) being made. The notice of meeting must include a voting exclusion statement.

The Firefly Demerger Assets are considered to be a major asset for the purposes of Chapter 11 of the ASX Listing Rules. As such, Resolution 1 seeks the Shareholder approval to the Demerger under and for the purposes of ASX Listing Rule 11.4.1(b).

Resolution 1 is conditional on the approval of Resolution 2 in this Notice. If both Resolutions 1 and 2 are passed, the Company will transfer the Firefly Demerger Assets to Firetail.

Resolution 1 is an ordinary resolution.

The Company considers that the disposal, proceeding on the basis of Shareholders approving Resolution 1 pursuant to ASX Listing Rule 11.4.1(b), without the offer, issue or transfer referred to in Listing Rule 11.4.1(a) is in the best interests of the Company and its Shareholders because of the reasons listed in Section 3.3 and the advantages outlined in Section 3.4(a).

6.2 Value of Firefly Demerger Assets

The carrying value of the Firefly Demerger Assets, specifically acquisition costs relating to the Forrestania Assets and M59/358, totalled \$250,000 and are set out in the reviewed financial statements for the half year ended 31 December 2020.

Exploration and evaluation expenditure for the Forrestania and Paterson Assets resulted in cash outflows of approximately \$217,000 for the half year ended 31 December 2020.

As the Firefly Demerger Assets are exploration assets, the Company has not earned any revenue from the Firefly Demerger Assets. The number of shares to be issued by Firetail to Firefly for the Firefly Demerger Assets was based on a technical review of the Firefly Demerger Assets being acquired from Firefly and was deemed to appropriately reflect the market value of the Firefly Demerger Assets. The number of Firetail shares to be issued to Firefly has been valued at \$4,505,024, as set out in the pro-forma statement of financial position in Schedule 2. Further details are set out in Sections 3.1 and 4.6 above.

6.3 Proposed initial public offer of Firetail

Firetail will initially be an unlisted public company with the intention to undertake an initial public offer and list on the Official List of the ASX in 2022, following implementation of the Transaction.

At this stage the initial public offer pricing, offer details and offer structure (including whether the initial public offer will include a priority offer to Firefly Shareholders) have not been determined. It is anticipated that the terms of the initial public offer of Firetail will be confirmed after implementation of the Transaction.

7. Resolution 2 - Approval of a reduction of capital and In-specie Distribution of Firetail Shares

7.1 Summary of Resolution 2

Resolution 2 seeks Shareholder approval to enable Firefly to undertake a pro-rata in-specie distribution of the In-specie Shares to eligible Shareholders at the In-specie Record Date and reduce its capital by an amount equivalent to the market value of approximately 29,282,500 Firetail Shares.

The return of capital will be effected by a pro rata distribution of the In-specie Shares, proportionately to all of Firefly Shareholders:

- (a) registered as such as at 7:00pm (WST) on the In-specie Record Date; or
- (b) entitled to be registered as a Shareholder in Firefly by virtue of a transfer of Shares executed before 7:00pm (WST) on the In-specie Record Date and lodged with Firefly at that time.

Resolution 2 is conditional on the approval of Resolution 1 in this Notice. If Resolutions 1 and 2 are passed, the Company will transfer the Firefly Demerger Assets to Firetail and subsequently undertake the In-specie Distribution.

Resolution 2 is an ordinary resolution.

7.2 **Section 256C of the Corporations Act**

The proposed reduction of capital by way of the In-specie Distribution is an equal capital reduction.

Under section 256B of the Corporations Act, Firefly may only reduce its capital if it:

- (a) is fair and reasonable to Shareholders as a whole;
- (b) does not materially prejudice Firefly's ability to pay its creditors; and
- (c) is approved by Shareholders in accordance with section 256C of the Corporations Act.

The Directors believe that the Demerger is fair and reasonable to Shareholders as a whole and does not materially prejudice Firefly's ability to pay its creditors.

Under the proposed reduction of capital, each Firefly Shareholder is treated equally and in the same manner since the terms of the reduction of capital are the same for each Shareholder. The In-specie Distribution is on a pro rata basis, and the proportionate ownership interest of each Shareholder remains the same before and after the Demerger. Further, the Directors consider that the Demerger will not result in Firefly being insolvent at the time or after the In-specie Distribution.

In accordance with the Corporations Act:

- (a) the proposed reduction is an equal reduction and requires approval by an ordinary resolution passed at a general meeting of Firefly Shareholders;
- (b) this Explanatory Memorandum and previous ASX announcements set out all information known to Firefly that is material to the decision on how to vote on Resolution 2; and
- (c) Firefly has lodged with ASIC a copy of this Notice of Meeting and accompanying documentation.

7.3 **Prospectus pursuant to the offer to transfer Firetail Shares**

Under the Corporations Act, an offer of securities generally requires disclosure to investors through a disclosure document, typically in the form of a prospectus.

The Corporations Act restricts:

- (a) the Company from disposing of the Firetail Shares to its Shareholders by way of an in-specie distribution without issuing a disclosure document; and
- (b) the Shareholders from on-selling their Firetail Shares within the first 12 months after receiving them under an in-specie distribution where a disclosure document has not accompanied the original offer.

The invitation to Shareholders to vote on this Resolution constitutes an offer to transfer Firetail Shares to Shareholders pursuant to an in-specie distribution.

The Company has obtained ASIC relief from the requirement to issue a disclosure document in conjunction with this Notice. This Notice is in substantially the same form as the draft notice of meeting provided to ASIC on 3 September 2021.

7.4 Capital reduction - general information

The Corporations Act and the ASX Listing Rules set out the procedure and timing for a capital reduction. Refer to Section 1.2 for an indicative timetable in respect of the Demerger. The alteration to Firefly's capital and the In-specie Distribution will become effective from the In-specie Record Date, provided that after the In-specie Record Date has been set, the Directors have not provided a notice to ASX stating that Firefly does not intend to proceed with the reduction of capital contemplated by Resolution 2.

Generally, the standard record date for a reorganisation of capital of an ASX-listed company is not less than four business days following a general meeting of that company. The In-specie Record Date for the Demerger is proposed to be 9 November 2021.

If the capital reduction proceeds, Shareholders will receive a pro rata entitlement to the In-specie Shares and each Shareholder's name will be entered on the register of members of Firetail with each Shareholder having deemed to have consented to becoming a Firetail shareholder and being bound by its constitution.

A Shareholder's entitlement to In-specie Shares is to be based on the number of Shares held at the In-specie Record Date.

Due to the outstanding Options and Performance Rights on issue in Firefly, the exercise or conversion of which would result in the future issue of Shares by Firefly before the In-specie Record Date, it is not clear at the date of this Notice how many Firefly Shares will be on issue at the In-specie Record Date nor therefore what the exact ratio for the In-specie Distribution will be.

At the date of this Notice, there are 308,339,530 Shares on issue in Firefly. The ratio is proposed to be 1 In-specie Share for every 11.91 Firefly Shares, which assumes that all in the money Options are exercised and all out of the money Options are cancelled, and all Performance Rights are converted to Shares, as required under the terms of the Scheme, prior to the In-specie Record Date. If additional Options are exercised (rather than cancelled) prior to the In-specie Record Date or there is otherwise a further issue of Firefly Shares, the number of In-specie Shares distributed for each Firefly Share will be reduced.

As at the date of this Notice, each of the Firefly Directors (who all hold in the money Options only) intends to enter into an option cancellation deed for the cancellation of their Options (being 4,000,000 in the money Options). It is intended that all out of the money Options (being 16,399,999 Options) will also be cancelled under an option cancellation deed. If all Options are exercised (being in the money Options and out of the money Options) and the Performance Rights vest on a 1 for 1 basis,⁷ the ratio will be 1 In-specie Share for every 12.47 Firefly Shares. Any fractions of entitlement will be rounded down to the nearest whole number.

Other than as shareholders of Firefly or as otherwise set out in this Explanatory Memorandum, none of the Directors have any interest in Resolution 2.

⁷ As set out in section 5.10 of the Scheme booklet, the Company has been granted waiver from ASX Listing Rule 6.23.3 to amend the terms of the Performance Rights so that those Performance Rights will vest on a 1 for 1 basis upon the vesting date.

7.5 **ASX Listing Rule 7.17**

ASX Listing Rule 7.17 provides in part that a listed entity, in offering shareholders an entitlement to securities, must offer those securities pro rata or in such other way as, in the ASX's opinion, is fair in all the circumstances. In addition, there must be no restriction on the number of securities which a shareholder holds before this entitlement accrues. The Demerger satisfies the requirements of ASX Listing Rule 7.17, as the issue of Firetail Shares is being made to Shareholders on a pro rata basis, and there is no restriction on the number of Shares a Shareholder must hold before the entitlement to the Firetail Shares accrues.

7.6 **Lodgement with ASIC**

Firefly has lodged with ASIC a copy of this Notice and Explanatory Memorandum in accordance with section 256C(5) of the Corporations Act. ASIC and its officers take no responsibility for the contents of this Notice or the merits of the transaction to which this Notice relates.

If Resolution 2 is passed, the reduction of capital is required to take effect in accordance with a timetable approved by ASX. Please refer to Section 1.2 for the proposed indicative timetable for completion of the Demerger, which is subject to change by Firefly and any requirements of the ASX Listing Rules and the Corporations Act.

7.7 **Other Material Information**

There is no information material to the making of a decision by a Shareholder in Firefly whether or not to approve Resolution 2 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders in Firefly) other than as disclosed in this Explanatory Memorandum and all relevant Schedules.

8. **Recommendation of Directors**

After considering all relevant factors, the Directors unanimously recommend Firefly Shareholders vote in favour of Resolutions 1 and 2 for the reasons summarised in Sections 3.3 and 3.4 of this Notice.

9. **Compliance statement**

The information in this Notice contains references to Firefly's:

- Mineral Resource estimate which has been extracted from the ASX announcement titled "Maiden 196,000oz JORC 2012 - Revised Announcement" dated 17 March 2021; and
- Exploration Results, have been extracted from the ASX announcements titled "Marindi makes new high-grade gold discoveries at Forrestania" dated 28 October 2019 and "Forrestania Gold Project - Gemcutter Drilling Update" dated 4 December 2019.

The above reports are available on the Company's ASX announcements platform.

The Competent Person (as that term is defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the above reports was Mr Simon Lawson, Managing Director of the Company.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of estimates of Mineral Resources or Ore Reserves, the Company confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. In addition, the Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified.

The information in this Notice contains references to Gascoyne's Mineral Resource and Ore Reserve estimates have been extracted from the ASX announcement titled "2021 Mineral Resource and Ore Reserve Statements" dated 31 May 2021 (**May Announcement**).

The above report is available on Gascoyne's ASX announcements platform.

The Competent Persons (as that term is defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the Mineral Resources for the Gilbey's, Gilbey's South, Plymouth and Sly Fox deposits at the Dalgaranga Gold project as reported in the May Announcement were Mr Michael Job and Mr Michael Millad.

The Competent Person (as that term is defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the Ore Reserves for the Gilbey's, Gilbey's South, Plymouth and Sly Fox deposits at the Dalgaranga Gold Project as reported in the May Announcement was Mr Neil Rauert.

Gascoyne confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of estimates of Mineral Resources or Ore Reserves, Gascoyne confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. In addition, Gascoyne confirms that the form and context in which the competent persons' findings are presented have not been materially modified.

10. Enquiries

If you require any further information or have questions in relation to the Transaction, please contact Ms Natalie Teo (Joint Company Secretary) on +618 6389 2688 or Mr Steven Wood (Joint Company Secretary) on +618 9322 7600 Monday to Friday between 9.00am and 5.00pm (WST), or visit www.fireflyresources.com.au.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$	means Australian Dollars.
ASIC	means the Australian Securities and Investments Commission.
ASX	means the ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	means the Listing Rules of ASX.
Board	means the board of Directors.
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Combined Group	means the corporate group comprising Gascoyne and its subsidiaries, including Firefly and its subsidiaries, if the Scheme is implemented.
Company or Firefly	means Firefly Resources Limited (ACN 118 522 124).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Dalgaranga Lithium Rights	has the meaning provided for under Section 3.1 of the Explanatory Memorandum and Section 5 of Schedule 5.
Demerger	means the proposed transfer of the Demerger Assets to Firetail and subsequent in-specie distribution of 29,282,500 Firetail Shares to the Firefly Shareholders on the basis of one Firetail Share for every 11.91 Firefly Shares they hold and issue of 3,217,500 Firetail Shares to Gascoyne.
Demerger Documents	has the meaning provided for under Section 3.2 of the Explanatory Memorandum.
Demerger Implementation Deed	means the demerger implementation deed between Firefly, Firetail, the Firefly Entities and Gascoyne dated 7 July 2021.
Directors or Firefly Directors	means the current directors of the Company.
DMIRS	means the Western Australian Department of Mines, Industry Regulation and Safety.

Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Firefly Demerger Assets	has the meaning provided under Section 3.1 of the Explanatory Memorandum.
Firefly Entities	means Firehawk Gold Pty Ltd (ACN 646 423 707), Firefly Operations Pty Ltd (ACN 166 203 578), Lightning Bug Resources Pty Ltd (ACN 169 234 431) and Yalgoo Exploration Pty Ltd (ACN 166 570 869), each of which are wholly owned subsidiaries of the Company.
Firefly Group	means Firefly and its subsidiaries.
Firefly Sale Agreements	has the meaning provided for under Section 3.10 of the Explanatory Memorandum.
Firetail	means Firetail Resources Limited (ACN 651 057 822).
Firetail Board	means the board of directors of Firetail.
Firetail Director	means a director of Firetail.
Firetail Share	means a fully paid ordinary share in the capital of Firetail.
Firetail Shareholder	means a holder of Firetail Shares.
Forrestania Assets	has the meaning provided for under Section 1.1(b) of the Explanatory Memorandum and Section 1 of Schedule 5.
Forrestania Resources	means Forrestania Resources Limited (ACN 647 899 698) (formerly Forrestania Resources Pty Ltd).
Gascoyne	means Gascoyne Resources Limited (ACN 139 522 900).
Gascoyne Sale Agreements	has the meaning provided for under Section 3.10 of the Explanatory Memorandum.
General Meeting or Meeting	means the meeting convened by the Notice.
Holland Acquisition	has the meaning provided for under Section 4.5 of the Explanatory Memorandum.
Implementation Date	means the proposed implementation date for the Transaction, proposed to be 10 November 2021, as set out in Section 1.2 of the Explanatory Memorandum.
In-specie Conditions	has the meaning given in Section 3.9 of the Explanatory Memorandum.
In-specie Distribution	has the meaning given in Section 3.2 of the Explanatory Memorandum.
In-specie Record Date	means the record date for the In-Specie Distribution, proposed to be 9 November 2021.

In-specie Shares	means 29,282,500 Firetail Shares to be distributed to Firefly Shareholders under the In-specie Distribution.
JORC 2012	means the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.
Lightning Bug Lithium Rights	has the meaning provided for under Section (e) of the Explanatory Memorandum and Section 4 of Schedule 5.
M59/358 Asset	has the meaning provided for under Section 1.1(c) of the Explanatory Memorandum and Section 2 of Schedule 5.
Melville Deposit	has the meaning provided for under Section 4.4 of the Explanatory Memorandum.
Notice or Notice of Meeting	means this notice of meeting including the Explanatory Memorandum and the Proxy Form.
Option	means an unquoted option to acquire a Share.
Optionholder	means a holder of an Option.
Option Consideration	has the meaning provided for under Section 3.6 of the Explanatory Memorandum.
Paterson Assets	has the meaning provided for under Section 1.1(a) of the Explanatory Memorandum and Section 1 of Schedule 5.
Performance Rights	means a right to receive a given number of Shares if and when a nominated performance milestones is achieved.
Proxy Form	means the proxy form to the Notice.
Resolution	means a resolution referred to in the Notice.
Rights Agreements	has the meaning provided for under Section 3.10 of the Explanatory Memorandum.
Sale Facility Proceeds	has the meaning provided for under Section 3.5(b) of the Explanatory Memorandum.
Schedule	means a schedule to the Notice.
Scheme	has the meaning provided for under Section 3.1 of the Explanatory Memorandum.
Scheme Conditions	has the meaning provided in Section 3.1 of the Explanatory Memorandum.
Scheme Implementation Deed	has the meaning provided in Section 3.1 of the Explanatory Memorandum.
Section	means a section of the Explanatory Memorandum.

Share or Firefly Share	means a fully paid ordinary share in the capital of the Company.
Shareholder or Firefly Shareholder	means the holder of a Share.
Tenements or Firetail Tenements	means the tenements and tenement applications that may be transferred to Firetail under the terms of the Demerger, further details of which are included in Sections 1 and 1 of Schedule 5.
Third Party Agreement	has the meaning provided for under Section 1.1(b) of the Explanatory Memorandum.
Transaction	means the proposed Scheme and Demerger.
WST	means Western Standard Time as observed in Perth, Western Australia.
Yalgoo Lithium Rights	has the meaning provided for under Section 1.1(d) of the Explanatory Memorandum and Section 3 of Schedule 5.

Schedule 2 Firefly Financial Information

The consolidated Pro forma statement of financial position of Firefly Resources Limited as at 31 December 2020 is summarised in the table below:

Firefly Resources Limited Consolidated Statement of Financial Position	Reviewed as at 31 Dec 20 \$	Pro forma adjustmen t #1 \$	Pro forma adjustme nt #2 \$	Pro forma adjustme nt #3 \$	Pro forma 31 Dec 20 \$
CURRENT ASSETS					
Cash and cash equivalents	6,285,554	(1,500,000)			4,785,554
Trade and other receivables	65,128				62,128
Prepayments	29,425				29,425
Other assets	-			4,505,024	4,505,024
TOTAL CURRENT ASSETS	6,380,107				9,385,131
NON-CURRENT ASSETS					
Other assets	11,250				11,250
Trade and other receivables	93,356				93,356
Property, plant and equipment	159,498				159,498
Exploration and evaluation expenditure	3,434,106		(250,000)		3,184,106
Right-of-use assets	88,521				88,521
TOTAL NON-CURRENT ASSETS	3,786,731				3,536,731
TOTAL ASSETS	10,166,838				12,921,862
CURRENT LIABILITIES					
Trade and other payables	213,047				213,047
Provisions	8,195				8,195
Lease liabilities	66,890				66,890
TOTAL CURRENT LIABILITIES	288,132				288,132
NON-CURRENT LIABILITIES					
Lease liabilities	21,988				21,988
TOTAL NON-CURRENT LIABILITIES	21,988				21,988
TOTAL LIABILITIES	310,120				310,120
NET ASSETS	9,856,718				12,611,742
EQUITY					
Issued capital	52,064,500				52,064,500
Reserves	4,470,717				4,470,717
Accumulated losses	(46,678,499)	(1,500,000)	(250,000)	4,505,024	(43,923,475)
TOTAL EQUITY	9,856,718				12,611,742

In relation to the above, please take note of the following pro forma adjustments:

- The cash adjustment of up to \$1,500,000 is the cash amount to be received by Firetail, as outlined in Section 3.9 of the Explanatory Memorandum.
- Transfer of capitalised Demerger Assets to Firetail.
- Investment in Firetail on transfer of Demerger Assets in exchange for consideration shares.

In addition to the above and as outlined in Section 4.3 of the Explanatory Memorandum, all consideration payable to Firefly on completion of the Forrestania BTS will be paid or otherwise transferred to Firetail by Firefly in accordance with the Demerger Implementation Deed.

Schedule 3 Firetail Financial Information

The consolidated Pro forma statement of financial position of Firetail Resources Limited as at 31 December 2020 is summarised in the table below:

Firetail Resources Limited	Pro forma adjustme nt #1 \$	Pro forma adjustme nt #2 \$	Pro forma adjustme nt #3 \$	Pro forma adjustme nt #4 \$	Pro forma adjustme nt #5 \$	Pro forma 31 Dec 20 \$
CURRENT ASSETS						
Cash and cash equivalents	1,500,000				(145,000)	1,355,000
Trade and other receivables						-
Other assets						-
TOTAL CURRENT ASSETS						1,355,000
NON-CURRENT ASSETS						0
Trade and other receivables						-
Property, plant and equipment						-
Exploration and evaluation expenditure		4,505,024	494,976			5,000,000
Right-of-use assets						-
TOTAL NON-CURRENT ASSETS						5,000,000
TOTAL ASSETS						6,355,000
CURRENT LIABILITIES						0
Trade and other payables				257,500		257,500
Provisions						-
Lease liabilities						-
TOTAL CURRENT LIABILITIES						257,000
NON-CURRENT LIABILITIES						0
Lease liabilities						-
TOTAL NON-CURRENT LIABILITIES						0
TOTAL LIABILITIES						257,500
NET ASSETS						6,097,500
EQUITY						0
Issued capital	1,500,000	4,505,024	494,976			6,500,000
Reserves						-
Accumulated losses				(257,500)	(145,000)	(402,500)
TOTAL EQUITY						6,097,500

In relation to the above, please take note of the following pro forma adjustments:

- Firetail was incorporated on 16 June 2021 with an issued capital of \$1.00.

- Cash amount of up to \$1,500,000 to be received by Firetail, as outlined in Section 3.9 of the Explanatory Memorandum.
- Transfer of Demerger Assets from Firefly.
- Transfer of Demerger Assets from Gascoyne.
- Estimated stamp duty of \$275,500 payable by Firetail based on the value of the Demerger Assets.
- Estimated transaction costs of \$145,000.

In addition to the above and as outlined in Section 4.3 of the Explanatory Memorandum, all consideration payable to Firefly on completion of the Forrestania BTS will be paid or otherwise transferred to Firetail by Firefly in accordance with the Demerger Implementation Deed.

Schedule 4 Key risk factors facing Firetail

The business, assets and operations of Firetail will be subject to certain risk factors that have the potential to influence its operating and financial performance in the future. These risks can impact on the value of an investment in its securities and include those highlighted in the table below.

The risk factors set out below ought not to be taken as exhaustive of the risks faced by Firetail or by investors in Firetail. The below factors, and others not specifically referred to below, may in the future materially affect the financial performance of Firetail and the value of the Firetail Shares. Therefore, the Firetail Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those shares.

Risk	Description
Failure of Firetail to raise capital and/or list on a recognised securities exchange	There is a risk that Firetail may fail to raise sufficient capital to develop the Demerger Assets in the future. Further, the Firetail Directors may deem that listing Firetail may not be appropriate and that other forms of funding should be sought. There is no guarantee that these future funding sources or opportunities to invest directly in the Demerger Assets will eventuate. Any additional future equity financing will dilute existing shareholders to the extent they do not participate, and any debt financing, if available, may involve restrictions on Firetail's operating activities and business strategy. If Firetail is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations or scale back its business plans or exploration programmes, as the case may be or forfeit rights to some or all of its projects which could have a material adverse effect on Firetail's activities. Firetail intends to apply for admission to the Official List of ASX after the implementation of the Demerger, however there can be no certainty as to the timing of when such application will be made or that any such application will be successful. Any proposed admission to the Official List of ASX will be subject to Firetail raising further capital and ASX providing Firetail with a list of conditions which, once satisfied, would result in ASX admitting Firetail to the Official List. If these conditions are not satisfied, Firetail will not be admitted to the Official List of ASX.
Exploration, development, mining and processing risks	The tenements to be held by Firetail under the Demerger are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these licences, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is

Risk	Description
	identified, there is no guarantee that it can be economically exploited. The future exploration activities of Firetail may be affected by a wide range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, tribal and traditional ownership processes, changing government regulations and many other factors beyond the control of Firetail. The success of Firetail will also depend on Firetail having access to sufficient development capital to allow for progressing exploration opportunities towards mining operations, being able to maintain title to its licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the licences, a reduction in the base reserves of Firetail and possible relinquishment of the licences. Each of the tenements the subject of the Demerger Assets (including exploration licences, mining licences and permits) are for a specific term and carry with them annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Firetail or the tenement holder could lose title to or its interest in these tenements if licence conditions including environmental are not met or insufficient funds are available to meet expenditure commitments. At the date of this Notice, all tenements the subject of the Demerger Assets are in good standing with respect to statutory compliance. The exploration costs of Firetail are based on certain assumptions with respect to method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially affect the Firetail's viability.
Mineral rights sharing risk	Firetail will hold certain rights in projects under mineral rights sharing agreements. These are contractual rights under which Firetail will hold certain rights to access and explore tenements, and will have rights to exploit lithium (and other pegmatite-related minerals, provided that such other pegmatite-related minerals occur in close association with lithium) discoveries from these tenements. Firetail's rights in respect of these projects will be derived from the rights conferred on the tenement holder. While Firetail will have certain rights and protections in place under its mineral rights sharing agreements, there is a risk that if the relevant

Risk	Description
	tenement holder defaults on its obligations, the tenements may be forfeited.
Non-renewal of title	Under Western Australian law, exploration tenements are valid for set periods of time and renewal is subject to the approval of the minister. There is no guarantee that Firetail will be successful in the renewal of exploration tenements as they reach their expiry date. If in future, tenements are not extended, Firetail may suffer damage through loss of opportunity to discover and/or develop any mineral resources.
Management and Key Personnel	Firetail has engaged directors and key management personnel, as set out in Sections 4.8 and 4.9. The Demerger may lead to circumstances which precipitate unforeseen personnel changes. Recruiting and retaining qualified personnel are important to Firetail's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance given that there will be no detrimental impact on Firetail if one or more key employees, including the directors, leave Firetail.
Joint Venture Parties, Agents and Contractors	Firetail is unable to predict the risk of financial failure or default by a participant in any current or future joint venture to which Firetail is or may become a party. Further, Firetail is unable to predict the risk of insolvency or managerial failure by any of the contractors used by Firetail in any of its activities or the insolvency or other managerial failure by any of the other service providers used by Firetail for any activity. The effects of such failures may have an adverse effect on Firetail's operations.
Exploration and Operations	The future operations of Firetail, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including: (a) geological conditions; (b) limitations on activities due to seasonal or adverse weather patterns; (c) alterations to program and budgets; (d) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities; (e) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of

Risk	Description
	terrorism or political or civil unrest and other force majeure events; (f) industrial action, disputation or disruptions; (g) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations; (h) unavailability of suitable laboratory facilities to complete metallurgical test-work investigations; (i) failure of metallurgical testing to determine a commercially viable product; (j) shortages or unavailability of manpower or appropriately skilled manpower; (k) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and (l) prevention or restriction of access by reason of inability to obtain consents or approvals. Certain of Firetail's tenements are subject or in future may become subject to agreements with third parties which limit the commodities that Firetail may exploit on these tenements; with third parties having certain rights to exploit minerals. Whilst Firetail does not consider these limitations to be unduly onerous, there is a risk that these restrictions may not be in Firetail's best interests or that the third parties may, in asserting their rights over Firetail's tenements, not act in Firetail's best interests.
Environmental, rehabilitation and other regulatory risks	Firetail's proposed operations are and will be subject to environmental regulation. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and assessments of proposed projects. Environmental regulations could impact on the viability of Firetail's projects. Firetail may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible. As a condition of the Tenements, Firetail will also be required to rehabilitate, level, reforest or contour land that has been damaged or adversely affected by exploration activities, failure to do so may render the Tenements liable to cancellation. Firetail is also required to lodge rehabilitation security by way of cash deposit. It is Firetail's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Risk	Description
Annual Rents and Levies	An annual rental and an administrative levy are payable, based on the size of the Tenements. Tenements are also subject to expenditure requirements in accordance with work programs approved by the DMIRS. Payment of rentals and levies are currently up to date. Failure to comply with expenditure requirements may render the Tenements liable to cancellation.
Mining Tax and Royalties	There is a risk that the Commonwealth or Western Australian Governments may seek to introduce further, or increase existing, taxes and royalties.
Encumbrances on Title	Firetail may at a future date be required to encumber part or all of its tenure to expedite future commercial transactions.
Unforeseen Risks	There may be other risks which the Firetail Directors are unaware of at the time of issuing this Notice which may impact on Firetail and its operations, and on the valuation and performance of the Firetail Shares.
Land owner and access risk	Firetail may be required to pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a mining tenement. Firetail's ability to resolve compensation issues and compensation costs involved will have an impact on the future success and financial performance of Firetail's operations. If Firetail is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of Firetail. Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions. Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential. There are no current access agreements in place.
Economic conditions	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Firetail's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Tenements may have to be surrendered or not renewed. General economic conditions may also affect the value of Firetail Shares and its valuation regardless of its actual performance.
Native Title & Heritage Sites	The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their

Risk	Description
	traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on Firetail's operations and future plans. Firetail must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations.
Non-completion of the Demerger	There can be no assurance that the Demerger will complete and, as a consequence, there is a risk that costs associated with the Demerger and management time allocated to the Demerger will have been wasted.
Climate Change	There are a number of climate-related factors that may affect the operations and proposed activities of Firetail. The climate change risks particularly attributable to Firetail include: (a) the emergence of new or expanded regulations associated with transitioning to a lower-carbon economy and market changes related to climate change mitigation. Firetail may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact Firetail and its profitability. While Firetail will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that Firetail will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by Firetail, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Firetail operates.
COVID-19 Risks	The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Firetail remains unknown. Firetail's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact Firetail's operations and are likely to be beyond the control of Firetail.

Schedule 5 Demerger Assets

1. Paterson Assets

The Paterson Assets comprise the applications for tenements and tenements detailed below, and mining information associated with the applications and tenements.

Number	Registered Holder	Status	Date of Grant	Date of Expiry
E45/5358	Firefly Operations Pty Ltd	Granted	18/08/2020	17/08/2025
E 45/5391	Firefly Operations Pty Ltd	Granted	18/08/2020	17/08/2025
E 45/5396	Firefly Operations Pty Ltd	Granted	30/07/2020	29/07/2025
E 45/5397	Firefly Operations Pty Ltd	Granted	18/08/2020	17/08/2025
E 45/5407	Firefly Operations Pty Ltd	Granted	18/08/2020	17/08/2025
E 45/5831	Firefly Resources Limited	Granted	02/06/2021	01/06/2026
E 45/5718	Firefly Resources Limited	Pending	N/A	N/A

1. Forresteria Assets

- 1.1 On 17 March 2021, Firefly announced that it had entered into a binding term sheet with private resource company Forresteria Resources Pty Ltd (**Forresteria Resources**) for the sale of 100% of its interest in the Forresteria Gold Project (being the tenements set out below and the mining information associated with those tenements) (**Option Agreement**). Under the Option Agreement, Forresteria Resources was granted the exclusive option to acquire the Forresteria Gold Project subject to its due diligence and an ASX listing (**Option**). As consideration for the tenements, if the Option is exercised, Forresteria Resources will issue shares to the value of \$1.25 million at completion and \$50,000 in cash, plus a further milestone payment of \$500,000 in shares will be payable on the definition of a JORC 2012 Resource of at least 250,000oz of gold at over 2g/t AU and the grant of a 1.0% Net Smelter Return Royalty over all minerals produced from the tenements (**Forresteria Consideration**).

On 20 August 2021, Forrestania exercised the option to acquire the Forrestania Gold Project via the acquisition of 100% of the share capital of Firehawk Gold Pty Ltd.

1.2 The Forrestania Assets comprises either:

- (a) the tenements detailed below (and mining information associated with the tenements), if the Option lapses or is terminated under the Option Agreement prior to completion of the Transaction (or if Forrestania Resources otherwise consents to the sale of the tenements to Firetail, assuming that it does not complete the purchase of Firehawk Gold Pty Ltd); or
- (b) the rights to the Forrestania Consideration, if the Option does not lapse or the Option Agreement is not terminated prior to completion of the Transaction. As set out in Section 4.3, on 20 August 2021, Forrestania Resources exercised its option to acquire the Forrestania Gold Project (via the acquisition of 100% of the shares in Firehawk Gold Pty Ltd).

1.3 The tenements of the Forrestania Assets are set out below.

Number	Registered Holder	Status	Date of Grant	Date of Expiry
E 77/2346	Firehawk Gold Pty Ltd	Granted	26/09/2017	25/09/2022
E 77/2345	Firehawk Gold Pty Ltd	Granted	14/09/2017	13/09/2022
E 77/2348	Firehawk Gold Pty Ltd	Granted	26/09/2017	25/09/2022
E 77/2364	Firehawk Gold Pty Ltd	Granted	19/02/2018	18/02/2023
E 77/2313	Firehawk Gold Pty Ltd	Granted	22/03/2016	21/03/2026
E 74/591	Firehawk Gold Pty Ltd	Granted	14/11/2017	13/11/2022
M 77/549	Firehawk Gold Pty Ltd	Granted	11/03/1991	10/03/2034
E 74/586	Firehawk Gold Pty Ltd	Granted	21/09/2017	20/09/2022
E 74/627	Firehawk Gold Pty Ltd	Granted	17/09/2018	16/09/2023

2. M59/358 Asset

The M59/358 Asset comprises M59/358, as detailed below, existing infrastructure on the land the subject of M59/358 and mining information associated with M59/358 other than in relation

to Gold Rights. In relation to M59/358, gold rights means the full, free and exclusive right to exercise the mineral rights in respect of and in connection with gold, excluding any mineral rights held by third parties pursuant to existing third party agreements.

Number	Registered Holder	Status	Date of Grant	Date of Expiry
M59/358	Firefly Resources Limited	Granted	15/02/1995	14/02/2037

3. Yalgoo Lithium Rights

3.1 The Yalgoo Lithium Rights means the full, free and exclusive right to conduct exploration, conduct mining and own and sell any minerals possessed, refined or extracted from the area the subject of the tenements detailed below (among other rights) in respect of and in connection with lithium and other pegmatite-related minerals (provided that such other pegmatite-related minerals occur in close association with lithium), excluding any mineral rights held by third parties pursuant to existing third party agreements.

3.2 The tenements and tenement applications the subject of the Yalgoo Lithium Rights are set out below.

Number	Registered Holder	Status	Date of Grant	Date of Expiry
E 59/2077	Yalgoo Exploration Pty Ltd	Granted	01/07/2016	30/06/2021
E 59/2140	Yalgoo Exploration Pty Ltd	Granted	22/02/2016	21/02/2021
E 59/2230	Yalgoo Exploration Pty Ltd	Granted	19/01/2018	18/01/2023
E 59/2252	Yalgoo Exploration Pty Ltd	Granted	22/05/2018	21/05/2023
E 59/2284	Yalgoo Exploration Pty Ltd	Granted	13/06/2018	12/06/2023
E 59/2295	Yalgoo Exploration Pty Ltd	Granted	06/07/2018	05/07/2023
E 59/2363	Yalgoo Exploration Pty Ltd	Granted	23/10/2019	22/10/2024
E 59/2364	Yalgoo Exploration Pty Ltd	Granted	13/09/2019	12/09/2024
E 59/2468	Yalgoo Exploration Pty Ltd	Granted	12/01/2021	11/01/2026

Number	Registered Holder	Status	Date of Grant	Date of Expiry
P 59/2088	Yalgoo Exploration Pty Ltd	Granted	08/12/2016	07/12/2024
P 59/2089	Yalgoo Exploration Pty Ltd	Granted	08/12/2016	07/12/2024
P 59/2138	Yalgoo Exploration Pty Ltd	Granted	06/04/2018	05/04/2022
P 59/2158	Yalgoo Exploration Pty Ltd	Granted	15/10/2018	14/10/2022
M 59/0057	Firefly Resources Limited	Granted	13/10/1987	12/10/2029
M 59/0384	Firefly Resources Limited	Granted	31/05/1996	30/05/2038
P 59/2086	Firefly Resources Limited	Granted	12/12/2016	11/12/2024
P 59/2087	Firefly Resources Limited	Granted	12/12/2016	11/12/2024
P 59/2134	Firefly Resources Limited	Granted	02/05/2018	01/05/2022
E 52/3756	Firefly Resources Limited	Granted	11/02/2020	10/02/2025
E 52/3894	Firefly Resources Limited	Granted	05/01/2021	04/01/2026
E 59/2456	Firefly Resources Limited	Pending	N/A	N/A
E 59/2457	Firefly Resources Limited	Pending	N/A	N/A
E 59/2458	Firefly Resources Limited	Pending	N/A	N/A
E 59/2459	Firefly Resources Limited	Pending	N/A	N/A
E 59/2460	Firefly Resources Limited	Pending	N/A	N/A
E 59/2469	Firefly Resources Limited	Pending	N/A	N/A

Number	Registered Holder	Status	Date of Grant	Date of Expiry
E 59/2478	Firefly Resources Limited	Pending	N/A	N/A

4. Lightning Bug Lithium Rights

- 4.1 The Lightning Bug Lithium Rights means the full, free and exclusive right to conduct exploration, conduct mining and own and sell any minerals possessed, refined or extracted from the area the subject of the tenements detailed below (among other rights) in respect of and in connection with lithium and other pegmatite-related minerals (provided that such other pegmatite-related minerals occur in close association with lithium), excluding any mineral rights held by third parties pursuant to existing third party agreements.
- 4.2 The tenements and tenement applications the subject of the Lightning Bug Lithium Rights are set out below.

Number	Registered Holder	Status	Date of Grant	Date of Expiry
P 59/2042	Mining and Metallurgy Process Solutions Pty Ltd (now known as Lightning Bug Resources Pty Ltd)	Granted	29/09/2015	28/09/2023
P 59/2040	Mining and Metallurgy Process Solutions Pty Ltd (now known as Lightning Bug Resources Pty Ltd)	Granted	29/09/2015	28/09/2023
E 59/2534	Lightning Bug Resources Pty Ltd	Pending	N/A	N/A
E 59/2543	Lightning Bug Resources Pty Ltd	Pending	N/A	N/A
E 59/2544	Lightning Bug Resources Pty Ltd	Pending	N/A	N/A

5. Dalgaranga Lithium Rights

- 5.1 The Dalgaranga Lithium Rights means the full, free and exclusive right to conduct exploration, conduct mining and own and sell any minerals possessed, refined or extracted from the area the subject of the tenements detailed below (among other rights) in respect of and in

connection with lithium and other pegmatite-related minerals (provided that such other pegmatite-related minerals occur in close association with lithium).

- 5.2 The tenements and tenement applications the subject of the Dalgaranga Lithium Rights are set out below.

Number	Registered Holder	Status	Date of Grant	Date of Expiry
E59/2150	GNT Resources Pty Ltd	Live	10/10/2016	09/10/2021
E59/2289	Gascoyne Resources (WA) Pty Ltd	Live	08/02/2019	07/02/2024
E59/2053	Dalgaranga Exploration Pty Ltd	Live	31/10/2014	30/10/2024



Firefly Resources Limited | ACN 118 522 124

Proxy Voting Form

If you are attending the virtual Meeting
please retain this Proxy Voting Form
for online Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Your proxy voting instruction must be received by **2.00pm (WST) on Tuesday, 19 October 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/loginsah>
or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

Annexure F - Scheme Implementation Deed



HERBERT
SMITH
FREEHILLS

Deed

Scheme implementation deed

Gascoyne Resources Limited

Firefly Resources Limited



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Conditions Precedent certificate

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Scheme implementation deed

Date ► 15 June 2021

Between the parties

Gascoyne

Gascoyne Resources Limited

ACN 139 522 900 of Level 1, 41-47 Colin Street, West Perth, WA 6005

Firefly

Firefly Resources Limited

ACN 118 522 124 of 64-68 Hay Street, Subiaco, WA 6005

Recitals

- 1 The parties have agreed that Gascoyne will acquire all of the ordinary shares in Firefly by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Firefly and the Scheme Shareholders.
 - 2 The parties have agreed to implement the scheme of arrangement on the terms and conditions of this deed.
-

This deed witnesses as follows:



1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this deed are set out in Schedule 1.

1.2 Interpretation

Schedule 1 contains interpretation rules for this deed.

1.3 Deed components

This deed includes any schedule.

2 Agreement to proceed with the Transaction

- (a) Firefly agrees to propose the Scheme on and subject to the terms and conditions of this deed.
- (b) Gascoyne agrees to assist Firefly to propose the Scheme on and subject to the terms and conditions of this deed.
- (c) Firefly and Gascoyne agree to implement the Scheme on and subject to the terms and conditions of this deed.

3 Conditions Precedent and pre-implementation steps

3.1 Conditions Precedent

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme are not binding, until each of the following Conditions Precedent is satisfied or waived to the extent and in the manner set out in this clause 3.

- (a) **Regulatory Approvals:** before 5.00pm on the Business Day before the Second Court Date:
 - (1) **ASIC and ASX:** ASIC and ASX issue or provide all relief, waivers, confirmations, exemptions, consents or approvals, and do all other acts necessary, or which Firefly and Gascoyne agree are desirable, to implement the Scheme and such relief, waivers, confirmations, exemptions, consents, approvals or other acts (as the case may be) remain in full force and effect in all respects and have not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date; and



- (2) **other:** any other approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency, to implement the Scheme are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects, and have not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date.
- (b) **Shareholder approval:** Firefly Shareholders (other than Excluded Shareholders) approve the Scheme at the Scheme Meeting by the requisite majorities under subparagraph 411(4)(a)(ii) of the Corporations Act.
- (c) **Independent Expert:** the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interest of Firefly Shareholders before the time when the Scheme Booklet is registered by ASIC.
- (d) **Court approval:** the Court approves the Scheme in accordance with paragraph 411(4)(b) of the Corporations Act.
- (e) **Restraints:** between (and including) the date of this deed and 8.00am on the Second Court Date:
- (1) there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or other material legal restraint or prohibition;
 - (2) no action or investigation is announced, commenced or threatened by any Government Agency; and
 - (3) no application is made to any Government Agency,
- in consequence of, or in connection with, the Scheme which:
- (4) restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the Transaction or the rights of Gascoyne in respect of Firefly or the Firefly Shares to be acquired under the Scheme; or
 - (5) requires the divestiture by Gascoyne of any Firefly Shares or the divestiture of any assets of the Gascoyne Group or the Firefly Group,
- unless such order, injunction, decision, decree, action, investigation or application has been disposed of to the satisfaction of Gascoyne in its absolute discretion, or is otherwise no longer effective or enforceable, by 8.00am on the Second Court Date.
- (f) **Cancellation of Firefly Options:** before 8:00am on the Second Court Date each holder of Firefly Options has either:
- (1) exercised the Firefly Options held by them, in accordance with their terms; or
 - (2) entered into an Option Cancellation Deed,
- so that all Firefly Options will either have lapsed, be exercised or cancelled in accordance with clause 4.6.
- (g) **Tribute Agreement:** before 8:00am on the Second Court Date:



- (1) the Tributor has not purported to Dispose of any right under the Tribute Agreement or to create (or permit the creation of) any TA Security Interest over its rights under the Tribute Agreement;
- (2) Firefly (or any member of the Firefly Group) has not Disposed of the Tribute Tenement;
- (3) Firefly (or any member of the Firefly Group) has not Disposed of any right under the Tribute Agreement, or created or permitted the creation of a TA Security Interest over its rights under the Tribute Agreement; and
- (4) Firefly (or any member of the Firefly Group) has not provided any consent in accordance with clause 17.2(a) of the Tribute Agreement,

unless Gascoyne provides its prior written consent, at its sole discretion, and the Tribute Agreement Variation Deed is executed.

- (h) **No Firefly Prescribed Occurrence:** no Firefly Prescribed Occurrence occurs between (and including) the date of this deed and 8.00am on the Second Court Date.
- (i) **No Firefly Regulated Event:** no Firefly Regulated Event occurs between (and including) the date of this deed and 8.00am on the Second Court Date.
- (j) **No Firefly Material Adverse Change:** no Firefly Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to Gascoyne, between (and including) the date of this deed and 8.00am on the Second Court Date.
- (k) **No Gascoyne Prescribed Occurrence:** no Gascoyne Prescribed Occurrence occurs between (and including) the date of this deed and 8.00am on the Second Court Date.
- (l) **No Gascoyne Regulated Event:** no Gascoyne Regulated Event occurs between (and including) the date of this deed and 8.00am on the Second Court Date.
- (m) **No Gascoyne Material Adverse Change:** no Gascoyne Material Adverse Change occurs or is discovered, announced, disclosed or otherwise becomes known to Firefly, between (and including) the date of this deed and 8.00am on the Second Court Date.
- (n) **New Gascoyne Shares:** the New Gascoyne Shares to be issued pursuant to the Scheme are approved for official quotation by ASX by 8.00am on the Second Court Date (provided that any such approval may be subject to the customary conditions) and that approval remains in full force and effect in all respects (subject to those customary conditions), and has not been withdrawn, revoked, suspended, restricted or amended (or become subject to any notice, intimation or indication of intention to do any such thing) before 8.00am on the Second Court Date.
- (o) **No Firefly breach:** Firefly is not in breach, in any material respect, of its obligations under clause 5 or any of its other obligations under this deed at 5.00pm on the Business Day before the Scheme Meeting and at 8.00am on the Second Court Date.
- (p) **No Gascoyne breach:** Gascoyne is not in breach, in any material respect, of its obligations under clause 5 or any of its other obligations under this deed at 5.00pm on the Business Day before the Scheme Meeting and at 8.00am on the Second Court Date.



- (q) **Firefly's representations and warranties:** the Firefly Representations and Warranties that are qualified as to materiality are true and correct in all respects, and the Firefly Representations and Warranties that are not so qualified are true and correct in all respects, in each case as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent any such representation or warranty expressly relates to an earlier date.
- (r) **Gascoyne's representations and warranties:** the Gascoyne Representations and Warranties that are qualified as to materiality are true and correct in all respects, and the Gascoyne Representations and Warranties that are not so qualified are true and correct in all respects, in each case as at 8.00am on the Second Court Date as though made on and as of that time, except to the extent any such representation or warranty expressly relates to an earlier date.
- (s) **Firefly continuous disclosure:** between (and including) the date of this deed and 8.00am on the Second Court Date, Gascoyne does not become aware of any matter, event, action or circumstance:
- (1) that is materially adverse in relation to a Firefly Group Member;
 - (2) in respect of which Firefly has not complied with its disclosure obligations under Listing Rule 3.1 at any time; and
 - (3) that was not previously Fairly Disclosed to Gascoyne.
- (t) **Gascoyne continuous disclosure:** between (and including) the date of this deed and 8.00am on the Second Court Date, Firefly does not become aware of any matter, event, action or circumstance:
- (1) that is materially adverse in relation to a Gascoyne Group Member;
 - (2) in respect of which Gascoyne has not complied with its disclosure obligations under Listing Rule 3.1 at any time; and
 - (3) that was not previously Fairly Disclosed to Firefly.
- (u) **Financier approval:** before the First Court Date, the parties to the Gascoyne SFA provide written consent to Gascoyne to proceed with the Scheme and that consent remains in full force and effect as at 8:00am on the Second Court Date.

3.2 Satisfaction of Conditions Precedent

- (a) Firefly must, to the extent it is within its power to do so, use all reasonable endeavours to procure that each of the Conditions Precedent in clauses 3.1(b), 3.1(c), 3.1(d), 3.1(f), 3.1(g), 3.1(h), 3.1(i), 3.1(j), 3.1(o), 3.1(q) and 3.1(s) is satisfied as soon as practicable after the date of this deed and continues to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied.
- (b) Gascoyne must, to the extent it is within its power to do so, use all reasonable endeavours to procure that the Condition Precedent in clause 3.1(k), 3.1(l), 3.1(m), 3.1(n), 3.1(p), 3.1(r), 3.1(t) and 3.1(u) is satisfied as soon as practicable after the date of this deed and continues to be satisfied at all times until the last time that the relevant clause provides that it is to be satisfied.
- (c) Each party must, to the extent it is within its respective power to do so, use all reasonable endeavours to procure that:
- (1) the Condition Precedent in clause 3.1(a) is satisfied as soon as practicable after the date of this deed and continues to be satisfied at

- all times until the last time that the relevant clause provides that it is to be satisfied; and
- (2) there is no occurrence within its control or the control of any of its Subsidiaries that would prevent any of the Conditions Precedent being or remaining satisfied.
- (d) Without limiting this clause 3.2 and except to the extent prohibited by a Government Agency, each party must:
- (1) promptly apply for all relevant Regulatory Approvals (as applicable) and provide to the other party a copy of all those applications;
 - (2) take all steps it is responsible for as part of the Regulatory Approval process, including responding to requests for information from the relevant Government Agencies at the earliest practicable time;
 - (3) keep the other party informed of progress in relation to each Regulatory Approval (including in relation to any material matters raised by, or conditions or other arrangements proposed by, or to, any Government Agency in relation to a Regulatory Approval) and provide the other party with all information reasonably requested in connection with the applications for, or progress of, the Regulatory Approvals;
 - (4) consult with the other party in advance in relation to the progress of obtaining, and all material communications with Government Agencies regarding any of, the Regulatory Approvals; and
 - (5) provide the other party with all assistance and information that it reasonably requests in connection with an application for a Regulatory Approval to be lodged by that other party.

3.3 Waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(a), 3.1(b) and 3.1(d) cannot be waived.
- (b) The Conditions Precedent in clauses 3.1(f), 3.1(g), 3.1(h), 3.1(i), 3.1(j), 3.1(o), 3.1(q), 3.1(s) and 3.1(u) are for the sole benefit of Gascoyne and may only be waived by Gascoyne (in its absolute discretion) in writing.
- (c) The Conditions Precedent in clauses 3.1(c), 3.1(k), 3.1(l), 3.1(m), 3.1(n), 3.1(p), 3.1(r) and 3.1(t) are for the sole benefit of Firefly and may only be waived by Firefly (in its absolute discretion) in writing.
- (d) The Condition Precedent in clause 3.1(e) is for the benefit of both parties and may only be waived by written agreement between Gascoyne and Firefly (in each case in their respective absolute discretion).
- (e) If a party waives the breach or non-satisfaction of any of the Conditions Precedent in clause 3.1, that waiver does not prevent that party from suing the other party for any breach of this deed that resulted in the breach or non-satisfaction of the relevant Condition Precedent.
- (f) Waiver of a breach or non-satisfaction in respect of one Condition Precedent does not constitute:
 - (1) a waiver of breach or non-satisfaction of any other Condition Precedent resulting from the same event; or
 - (2) a waiver of breach or non-satisfaction of that Condition Precedent resulting from any other event.



3.4 Termination on failure of Condition Precedent

- (a) If there is an event or occurrence that would, does, or will prevent any of the Conditions Precedent being satisfied (including, for the avoidance of doubt, if Firefly Shareholders do not agree to the Scheme at the Scheme Meeting by the requisite majorities), or if any of the Conditions Precedent will not otherwise be satisfied, by the earlier of:

- (1) the time and date specified in this deed for the satisfaction of that Condition Precedent; and
- (2) the End Date,

or such Condition Precedent is otherwise not satisfied by that specified time and date or by the End Date (as applicable), or it becomes more likely than not that the Scheme will not become Effective on or before the End Date, then either party may give the other party written notice (**Consultation Notice**) within 5 Business Days after a relevant notice being given under clause 3.5(b) and the parties then must consult in good faith to:

- (3) consider and, if agreed, determine, whether the Transaction may proceed by way of alternative means or methods;
- (4) consider changing and, if agreed, change, the date of the application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed to in writing by Gascoyne and Firefly (being a date no later than 5 Business Days before the End Date); or
- (5) consider extending and, if agreed, extend, the time and date specified in this deed for the satisfaction of that Condition Precedent or End Date (as applicable),

respectively.

- (b) Subject to clauses 3.4(c), 3.4(d) and 3.4(e), if the parties are unable to reach agreement under clause 3.4(a) within 5 Business Days after the date on which the Consultation Notice is given, then, unless:

- (1) the relevant Condition Precedent has been waived in accordance with clause 3.3; or
- (2) the party, or in the case of clause 3.3(d), each party, entitled to waive the relevant Condition Precedent in accordance with clause 3.3 confirms in writing to the other party that it will not rely on the event or occurrence that would or does prevent the relevant Condition Precedent from being satisfied, or would mean the relevant Condition Precedent would or will not otherwise be satisfied,

either party may terminate this deed without any liability to the other party because of that termination. For the avoidance of doubt, nothing in this clause 3.4(b) affects the obligation of Firefly to pay the Reimbursement Fee, if it is required to do so under clause 12.

- (c) A party may not terminate this deed pursuant to clause 3.4(b) if:

- (1) the relevant occurrence or event, the failure of the Condition Precedent to be satisfied, or the failure of the Scheme to become Effective, arises out of a breach of clauses 3.2 or 3.5 by that party,



although in such circumstances the other party may still terminate this deed; or

- (2) the relevant Condition Precedent is stated in clause 3.3 to be for the sole benefit of the other party.
- (d) If the Condition Precedent in clause 3.1(b) (*Shareholder approval*) is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice to the other within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that section, provided the party has, in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable. If approval is given, the Condition Precedent in clause 3.1(b) (*Shareholder approval*) is deemed to be satisfied for all purposes.
- (e) If the Court refuses to make an order approving the Scheme which satisfies the Condition Precedent in clause 3.1(d), at Gascoyne's request Firefly must appeal the Court's decision to the fullest extent possible (except to the extent that the parties agree otherwise, or an independent Senior Counsel indicates that, in their view, an appeal would have negligible prospects of success before the End Date). Firefly may bring an appeal even if not requested by Gascoyne. If any such appeal is undertaken at the request of Gascoyne, Gascoyne will bear Firefly's costs of the appeal (including costs of the independent Senior Counsel) unless the parties otherwise agree. If any such appeal is undertaken by Firefly without the prior request from Gascoyne, Firefly will bear Gascoyne's costs of the appeal unless the parties otherwise agree.

3.5 Certain notices relating to Conditions Precedent

If a party becomes aware of:

- (a) the satisfaction of a Condition Precedent or of any material progress towards such satisfaction; or
- (b) the happening of an event or occurrence that would, does, will, or would reasonably be likely to:
 - (1) prevent a Condition Precedent being satisfied; or
 - (2) mean that any Condition Precedent will not otherwise be satisfied, before the time and date specified for its satisfaction (or being satisfied by the End Date, if no such time and date is specified) or such Condition Precedent is not otherwise satisfied by that time and date (including, for the avoidance of doubt, if Firefly Shareholders do not agree to the Scheme at the Scheme Meeting by the requisite majorities),

it must advise the other by notice in writing, as soon as possible (and in any event within 2 Business Days).

4 Transaction steps

4.1 Scheme

Firefly must propose the Scheme to Firefly Shareholders on and subject to the terms and conditions of this deed and the Scheme.



4.2 No amendment to the Scheme without consent

Firefly must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Gascoyne.

4.3 Scheme Consideration

- (a) The parties acknowledge that each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder in accordance with the terms of this deed and the Scheme.
- (b) Subject to clause 4.3(c) and the terms of the Scheme, Gascoyne undertakes and warrants to Firefly (in its own right and separately as trustee on behalf of the Scheme Shareholders) that, in consideration of the transfer to Gascoyne of each Firefly Share held by a Scheme Shareholder under the terms of the Scheme, on the Implementation Date Gascoyne will:
 - (1) accept that transfer; and
 - (2) provide to each Scheme Shareholder the Scheme Consideration for each Scheme Share in accordance with the terms of this deed and the Scheme.
- (c) Where the calculation of the number of New Gascoyne Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Gascoyne Share, the fractional entitlement will be rounded up to the nearest whole number of New Gascoyne Shares.

4.4 Provision of Firefly Share information

- (a) In order to facilitate the provision of the Scheme Consideration, Firefly must provide, or procure the provision of, to Gascoyne or a nominee of Gascoyne a complete copy of the Firefly Share Register as at the Scheme Record Date (which must include the name, Registered Address and registered holding of each Scheme Shareholder as at the Scheme Record Date), within one Business Day after the Scheme Record Date.
- (b) The details and information to be provided under clause 4.4(a) must be provided in such form as Gascoyne, its nominee or the Gascoyne Registry may reasonably require.

4.5 Firefly Performance Rights

- (a) **Vesting of Firefly Performance Rights:** Firefly confirms and Gascoyne acknowledges that:
 - (1) subject to the Scheme becoming Effective, Firefly will take such action as is necessary to ensure that, prior to the Scheme Record Date, all Firefly Performance Rights will vest in accordance with their terms and be exercised (if applicable), which action will include:
 - (A) the Firefly Board accelerating the vesting of, or waiving any vesting conditions or vesting periods applying to, any or all Firefly Performance Rights (subject to the proper exercise of the Firefly Board's discretion);

- (B) Firefly making all necessary applications to the ASX for waivers under the Listing Rules (if required); and
- (C) Firefly issuing or procuring the issue or transfer of such number of Firefly Shares as required by the terms of the Firefly Performance Rights before the Scheme Record Date so that the holders of Firefly Performance Rights can participate as Scheme Shareholders in the Scheme and receive the Scheme Consideration.

(b) **ASX waiver:**

- (1) As soon as reasonably practicable after the date of this deed, Firefly must use its reasonable endeavours to procure that the ASX grants a waiver from rule 6.23 of the Listing Rules (to the extent required) in connection with any actions to be taken by Firefly under this clause 4.5.
- (2) If the waiver referred to in clause 4.5(b)(1) is not obtained before the First Court Date, Firefly agrees to seek any approvals that are required from the Firefly Shareholders under rule 6.23 of the Listing Rules in connection with any actions to be undertaken by Firefly under this clause 4.5.

4.6 Firefly Options

- (a) Firefly and Gascoyne must, as soon as possible after the date of this deed, take all action necessary to ensure that there are no outstanding Firefly Options on or after the Implementation Date.
- (b) Without limiting the generality of clause 4.6, Firefly and Gascoyne must cause all outstanding Firefly Options to:
 - (1) be exercised in accordance with their terms by no later than the Business Day before the Scheme Record Date; or
 - (2) to the extent the Firefly Options are not exercised before the Scheme Record Date, be transferred or cancelled in accordance with an Option Cancellation Deed by no later than the Implementation Date,
 and, if applicable, make any necessary waiver applications or requests for ASX consent under the ASX Listing Rules in respect of the actions under this clause 4.6(b).
- (c) Subject to the terms and conditions of the Option Cancellation Deeds, the transactions which form part of the cancellation of the Firefly Options will be implemented in the following sequence:
 - (1) the Firefly Options will be cancelled; and
 - (2) in exchange, Gascoyne will cause each holder of Firefly Options to receive the Option Consideration for each Firefly Option held by that Firefly Option holder to the extent the Firefly Options are not exercised in accordance with clause 4.6(b)(1).

5 Implementation

5.1 Timetable

- (a) Subject to clause 5.1(b), the parties must each use all reasonable endeavours to:
 - (1) comply with their respective obligations under this clause 5; and
 - (2) take all necessary steps and exercise all rights necessary to implement the Transaction,
 in accordance with the Timetable.
- (b) Failure by a party to meet any timeframe or deadline set out in the Timetable will not constitute a breach of clause 5.1(a) to the extent that such failure is due to circumstances and matters outside the party's control or due to Firefly taking or omitting to take any action in response to a Firefly Competing Proposal or due to Gascoyne taking or omitting to take any action in response to a Gascoyne Competing Proposal as permitted or contemplated by this deed.
- (c) Each party must keep the other informed about their progress against the Timetable and notify each other if it believes that any of the dates in the Timetable are not achievable.
- (d) To the extent that any of the dates or timeframes set out in the Timetable become not achievable due to matters outside of a party's control, the parties will consult in good faith to agree to any necessary extension to ensure such matters are completed within the shortest possible timeframe.

5.2 Firefly's obligations

Firefly must take all necessary steps to implement the Scheme as soon as is reasonably practicable and, without limiting the foregoing, (i) use all reasonable endeavours to ensure that each step in the Timetable is met by the relevant date set out beside that step (and must consult with Gascoyne on a regular basis about its progress in that regard), (ii) do any acts it is authorised and able to do on behalf of Firefly Shareholders, and (iii) do each of the following:

- (a) **preparation of Scheme Booklet:** prepare and despatch the Scheme Booklet in accordance with all applicable laws (including the Corporations Act and the Corporations Regulations), RG 60, applicable Takeovers Panel guidance notes and the Listing Rules;
- (b) **directors' recommendation:** include in the Scheme Booklet a statement by the Firefly Board:
 - (1) unanimously recommending that Firefly Shareholders (other than Excluded Shareholders) vote in favour of the Scheme in the absence of a Firefly Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of Firefly Shareholders; and
 - (2) that each Firefly Board Member will (subject to the same qualifications as set out in clause 5.2(b)(1)) vote, or procure the voting of, any Director Firefly Shares at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting,

unless there has been a change of recommendation permitted by clause 5.6;



- (c) **paragraph 411(17)(b) statement:** apply to ASIC for the production of:
- (1) an indication of intent letter stating that it does not intend to appear before the Court on the First Court Date; and
 - (2) a statement under paragraph 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (d) **Court direction:** apply to the Court for orders pursuant to subsection 411(1) of the Corporations Act directing Firefly to convene the Scheme Meeting;
- (e) **Scheme Meeting:** convene the Scheme Meeting to seek Firefly Shareholders' agreement to the Scheme in accordance with the orders made by the Court pursuant to subsection 411(1) of the Corporations Act and must not adjourn or postpone the Scheme Meeting or request the Court to adjourn or postpone the Scheme Meeting in either case without obtaining the prior written approval of Gascoyne;
- (f) **Court documents:** consult with Gascoyne in relation to the content of the documents required for the purpose of each of the Court hearings held for the purpose of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from Gascoyne and its Related Persons on those documents;
- (g) **Court approval:** if the Scheme is approved by Firefly Shareholders (other than Excluded Shareholders) under subparagraph 411(4)(a)(ii) of the Corporations Act and it can reasonably be expected that all of the Conditions Precedent (other than the Condition Precedent in clause 3.1(d)) will be satisfied or waived in accordance with this deed before 8.00am on the Second Court Date, apply to the Court for orders approving the Scheme as agreed to by the Firefly Shareholders (other than Excluded Shareholders) at the Scheme Meeting;
- (h) **certificate:** at the hearing on the Second Court Date provide to the Court:
- (1) a certificate (signed for and on behalf of Firefly) in the form of a deed (substantially in the form set out in Attachment 4) confirming whether or not the Conditions Precedent (other than the Condition Precedent in clause 3.1(d)) have been satisfied or waived in accordance with this deed, a draft of which certificate must be provided by Firefly to Gascoyne by 4.00pm on the date that is 2 Business Days prior to the Second Court Date; and
 - (2) any certificate provided to it by Gascoyne pursuant to clause 5.3(i);
- (i) **lodge copy of Court order:** lodge with ASIC an office copy of the Court order in accordance with subsection 411(10) of the Corporations Act approving the Scheme by no later than the Business Day after the date on which the Court order was made (or such later date as agreed in writing by Gascoyne);
- (j) **Scheme Consideration:** if the Scheme becomes Effective, finalise and close the Firefly Share Register as at the Scheme Record Date, and determine entitlements to the Scheme Consideration, in accordance with the Scheme and the Deed Poll;
- (k) **transfer and registration:** if the Scheme becomes Effective and subject to Gascoyne having issued the Scheme Consideration in accordance with the Scheme and Deed Poll:
- (1) execute, on behalf of Scheme Shareholders, instruments of transfer of the Scheme Shares to Gascoyne; and



- (2) register all transfers of the Scheme Shares to Gascoyne on the Implementation Date;
- (l) **consultation with Gascoyne in relation to Scheme Booklet:** consult with Gascoyne as to the content and presentation of the Scheme Booklet including:
- (1) providing to Gascoyne drafts of the Scheme Booklet, the Independent Expert's Report and the Independent Technical Expert's Report for the purpose of enabling Gascoyne to review and comment on those draft documents. In relation to the Independent Expert's Report and the Independent Technical Expert's Report, Gascoyne's review is to be limited to a factual accuracy review;
 - (2) taking all comments made by Gascoyne into account in good faith when producing a revised draft of the Scheme Booklet;
 - (3) providing to Gascoyne a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and to enable Gascoyne to review the Regulator's Draft before the date of its submission;
 - (4) obtaining written consent from Gascoyne for the form and content in which the Gascoyne Information appears in the Scheme Booklet; and
 - (5) confirming in writing to Gascoyne that the Firefly Information in the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;
- (m) **information:** provide all necessary information, and procure that the Firefly Registry provides all necessary information, in each case in a form reasonably requested by Gascoyne, about the Scheme, the Scheme Shareholders and Firefly Shareholders to Gascoyne and its Related Persons, which Gascoyne reasonably requires in order to:
- (1) understand the legal and beneficial ownership of Firefly Shares, and canvass agreement to the Scheme by Firefly Shareholders, (including the results of directions by Firefly to Firefly Shareholders under Part 6C.2 of the Corporations Act);
 - (2) facilitate the provision of the Scheme Consideration by Gascoyne and to otherwise enable Gascoyne to comply with the terms of this deed, the Scheme and the Deed Poll; or
 - (3) review the tally of proxy appointments and directions received by Firefly before the Scheme Meeting.
- Firefly must comply with any reasonable request of Gascoyne for Firefly to give directions to Firefly Shareholders pursuant to Part 6C.2 of the Corporations Act from time to time for one of the purposes referred to in (1) or (2) above;
- (n) **lodgement of Regulator's Draft:** as soon as practicable, but by no later than 14 days before the First Court Date, provide the Regulator's Draft to ASIC for its review for the purposes of subsection 411(2) of the Corporations Act, and provide a copy of the Regulator's Draft to Gascoyne as soon as practicable thereafter;
- (o) **ASIC and ASX review of Scheme Booklet:** keep Gascoyne informed of any matters raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction, and use reasonable endeavours to take into consideration any comments made by Gascoyne in relation to any such matters raised by ASIC or ASX;



- (p) **registration of Scheme Booklet:** take all reasonable measures within its control to cause ASIC to register the Scheme Booklet under subsection 412(6) of the Corporations Act;
- (q) **representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act;
- (r) **Independent Expert and Independent Technical Expert:** promptly appoint the Independent Expert, Independent Technical Expert, and any investigating accountant to be appointed in connection with the preparation of the Scheme Booklet (such appointment of any investigating accountant or any independent technical expert to be made jointly with Gascoyne), and provide all assistance and information reasonably requested by them in connection with the preparation of the Independent Expert's Report, the Independent Technical Expert's Report and any investigating accountant report for inclusion in the Scheme Booklet (including any updates to such report) and any other materials to be prepared by them for inclusion in the Scheme Booklet (including any updates thereto);
- (s) **assistance:** up to the Implementation Date and subject to obligations of confidentiality owed to third parties and undertakings to Government Agencies, provide Gascoyne and its Related Persons with reasonable access during normal business hours to information and personnel of the Firefly Group that Gascoyne reasonably requests for the purpose of collation and provision of the Gascoyne Information and implementation of the Transaction;
- (t) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws and regulations;
- (u) **listing:** subject to clause 5.2(x), not do anything to cause Firefly Shares to cease being quoted on the ASX or to become permanently suspended from quotation prior to implementation of the Transaction unless Gascoyne has agreed in writing;
- (v) **update Scheme Booklet:** until the date of the Scheme Meeting, promptly update or supplement the Scheme Booklet with, or where appropriate otherwise inform the market by way of announcement of, any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement, and seek the Court's approval for the despatch of any updated or supplementary Scheme Booklet. Firefly must consult with Gascoyne as to the content and presentation of the updated or supplementary Scheme Booklet, or the market announcement, in the manner contemplated by clause 5.2(l);
- (w) **Merged Group information:** prepare and promptly provide to Gascoyne any information regarding the Firefly Group that Gascoyne reasonably requires in order to prepare the information regarding the Merged Group for inclusion in the Scheme Booklet;
- (x) **suspension of trading:** apply to ASX to suspend trading in Firefly Shares with effect from the close of trading on the Effective Date;
- (y) **adjournment of Scheme Meeting:** obtain Gascoyne's prior written consent before proposing an adjournment to the Scheme Meeting;



- (z) **promote merits of Transaction:** participate in efforts reasonably requested by Gascoyne to promote the merits of the Transaction and the Scheme Consideration, including meeting with key Firefly Shareholders or holders of Gascoyne Shares at the reasonable request of Gascoyne with such information and assistance that Gascoyne reasonably requests to enable it to promote the merits of the Transaction;
- (aa) **proxy solicitation:** in consultation with Gascoyne, undertake reasonable shareholder engagement and proxy solicitation actions so as to promote the merits of the Transaction and encourage Firefly Shareholders to vote on the Scheme in accordance with the recommendation of the Firefly Board, subject to applicable law and ASIC policy;
- (bb) **proxy information:** upon request by Gascoyne made prior to commencement of the Scheme Meeting, inform Gascoyne of the total number of proxy votes received by Firefly:
- (1) to vote in favour of the Scheme;
 - (2) to vote against the Scheme;
 - (3) to abstain from voting on the Scheme; and
 - (4) where the proxy may vote at the proxy's discretion;
- (cc) **Tribute Agreement:**
- (1) not, and must procure that no other member of the Firefly Group, Dispose of the Tribute Tenement;
 - (2) not, and must procure that no other member of the Firefly Group, Dispose of any right under the Tribute Agreement, or create or permit the creation of a TA Security Interest over its rights under the Tribute Agreement; and
 - (3) not, and must procure that no other member of the Firefly Group, provide consent in accordance with clause 17.2(a) of the Tribute Agreement,
- unless Gascoyne provides its prior written consent, at its sole discretion; and
- (dd) **Paterson Demerger:** prior to 8.00am on the Second Court Date, Firefly must undertake all steps required to give effect to, or otherwise be in a position to give effect to, the Paterson Demerger on or before the Implementation Date, and Firefly must as a part of that transaction, obtain an indemnity from, and provide an indemnity in favour of, the demerged entity, effective from the date of the demerger, that:
- (1) the demerged entity will have the entire economic benefit and risk of the demerged entity group's business, and will assume all liabilities of that business (including all debt and guarantees provided by Firefly Group related to the business of Paterson), as if the demerged entity had owned and operated that business at all times;
 - (2) the Firefly Group (excluding the demerged entity) will have the entire economic benefit and risk of the Firefly Group business (excluding the business of the demerged entity) and will assume all liabilities of that Firefly Group business as if it had operated and owned that business at all times; and
 - (3) the demerged entity will indemnify Firefly against any loss whatsoever in connection with the Paterson Demerger (including any Taxes,



Duties and Tax Costs, grossed up for any Taxes payable by Firefly on any such indemnity payment),

and Firefly must not release, or otherwise diminish the liability of, any demerged entity from its indemnity. The split of assets and liabilities between the demerged entity group's business and the Firefly Group business (excluding the business of the demerged entity) must be undertaken in accordance with the separation principle above on terms acceptable to Gascoyne acting reasonably.

5.3 Gascoyne's obligations

Gascoyne must take all necessary steps to implement the Scheme as soon as is reasonably practicable and, without limiting the foregoing, must (i) use all reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step (and must consult with Firefly on a regular basis about its progress in that regard), and (ii) do each of the following:

- (a) **Gascoyne Information:** prepare and provide to Firefly the Gascoyne Information for inclusion in the Scheme Booklet, including all information regarding the Gascoyne Group, the Merged Group, and the Scheme Consideration required by all applicable laws (including the Corporations Act and the Corporations Regulations), RG 60, applicable Takeovers Panel guidance notes and the Listing Rules, and consent to the inclusion of that information (other than any information provided by Firefly to Gascoyne or obtained from Firefly's public filings on ASX regarding the Firefly Group contained in, or used in the preparation of, the information regarding the Merged Group) in the Scheme Booklet;
- (b) **Scheme Booklet and Court documents:** provide any assistance or information reasonably requested by Firefly in connection with preparation of the Scheme Booklet (including any updated or supplementary Scheme Booklet) and any documents required to be filed with the Court in respect of the Scheme, review the drafts of the Scheme Booklet (including any updated or supplementary Scheme Booklet) prepared by Firefly and provide comments on those drafts in good faith;
- (c) **Independent Expert and Independent Technical Expert:** subject to the Independent Expert and Independent Technical Expert entering into arrangements with Gascoyne including in relation to confidentiality in a form reasonably acceptable to Gascoyne, provide any assistance or information reasonably requested by Firefly, the Independent Expert or Independent Technical Expert in connection with the preparation of the Independent Expert's Report or Independent Technical Expert's Report (as applicable) to be sent together with the Scheme Booklet;
- (d) **representation:** procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act;
- (e) **Deed Poll:** by no later than the Business Day prior to the First Court Date, execute and deliver to Firefly the Deed Poll;
- (f) **accuracy of Gascoyne Information:** confirm in writing to Firefly that the Gascoyne Information in the Scheme Booklet (other than any information regarding the Firefly Group contained in, or used in the preparation of, the information regarding the Merged Group) does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;



- (g) **share transfer:** if the Scheme becomes Effective:
- (1) accept a transfer of the Scheme Shares as contemplated by clause 4.3(b)(1); and
 - (2) execute instruments of transfer in respect of the Scheme Shares;
- (h) **Scheme Consideration:** if the Scheme becomes Effective, procure the provision of the Scheme Consideration in the manner and amount contemplated by clause 4 and the terms of the Scheme and the Deed Poll;
- (i) **certificate:** before the commencement of the hearing on the Second Court Date provide to Firefly for provision to the Court at that hearing a certificate (signed for and on behalf of Gascoyne) in the form of a deed (substantially in the form set out in Attachment 4) confirming whether or not the Conditions Precedent (other than the Condition Precedent in clause 3.1(d)) have been satisfied or waived in accordance with this deed, a draft of which certificate must be provided by Gascoyne to Firefly by 4.00pm on the date that is 2 Business Days prior to the Second Court Date;
- (j) **update Gascoyne Information:** until the date of the Scheme Meeting, promptly provide to Firefly any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the Gascoyne Information contained in the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement;
- (k) **assistance:** up to (and including) the Implementation Date and subject to obligations of confidentiality owed to third parties and undertakings to Government Agencies, provide Firefly and its Related Persons with reasonable access during normal business hours to information and personnel of Gascoyne Group that Firefly reasonably requests for the purpose of preparation of the Scheme Booklet and implementation of the Transaction;
- (l) **compliance with laws:** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws and regulations; and
- (m) **Excluded Shareholder:** if any Gascoyne Group Member acquires any Firefly Shares after the date of this deed, notify Firefly in writing of such acquisition and the relevant Gascoyne Group Member (and thereafter that entity will not be a 'Scheme Shareholder' for the purposes of this deed and will be excluded from the operation of the Scheme).

5.4 Conduct of business

- (a) Subject to clause 5.4(a)(17), from the date of this deed up to and including the Implementation Date, and without limiting any other obligations of Firefly under this deed, Firefly must:
- (1) conduct its businesses and operations, and must cause each other Firefly Group Member to conduct its respective business and operations, in the ordinary and usual course consistent with the manner in which each such business and operations have been conducted in the 12 month period prior to the date of this deed;
 - (2) keep Gascoyne informed of any material developments concerning the conduct of its business;



- (3) not enter into any line of business or other activities in which the Firefly Group is not engaged as of the date of this deed;
- (4) provide regular reports on the financial affairs of the Firefly Group, including the provision of Firefly Group's monthly management accounts and bank statements, in a timely manner to Gascoyne;
- (5) ensure that no Firefly Prescribed Occurrence and no Firefly Regulated Event occurs;
- (6) make all reasonable efforts, and procure that each other Firefly Group Member makes all reasonable efforts, to:
- (A) preserve and maintain the value the businesses and assets of the Firefly Group;
 - (B) keep available the services of the directors, officers and employees of each member of the Firefly Group;
 - (C) maintain and preserve their relationships with Government Agencies, customers, suppliers and others having business dealings with any Firefly Group Member (including, using all reasonable endeavours to obtain consents from third parties to any change of control provisions which Gascoyne reasonably requests in contracts or arrangements to which a member of the Firefly Group is a party); and
 - (D) ensure that there is no occurrence within their control that would constitute or be likely to constitute a Firefly Material Adverse Change;
- (7) maintain the Firefly Tenements in good standing;
- (8) not execute the Pastoral Lease Option Deed without Gascoyne's prior written approval;
- (9) not commit any expenditure on the Paterson Tenements beyond the applicable annual minimum expenditure commitment for each applicable tenement, without Gascoyne's prior written approval;
- (10) not commit any expenditure on the Yalgoo Tenements beyond annual expenditure forecast in the Firefly Budget, without Gascoyne's prior written approval;
- (11) not commit any expenditure on the Forrestania Tenements without Gascoyne's prior written approval;
- (12) as soon as practicable after the date of this deed, apply for the grant of a Mining Lease with DMIRS in respect of E59/2077;
- (13) on the day immediately following the date of this deed, sign the Yamatji Proponent Standard Heritage Agreement relating to the Mining Lease application referred to in clause 5.4(a)(12) and provide such agreement to the Yamatji Southern Regional Corporation for its execution in accordance with the Yamatji Nation – Indigenous Land Use Agreement registered on 26 October 2020;
- (14) not amend, vary or terminate, or waive any right under, the Forrestania Option Agreement without Gascoyne's prior written approval;
- (15) provide Gascoyne with reasonable access during normal business hours to any technical consultants engaged by Firefly;



- (16) if requested by Gascoyne, prepare and submit a Mining Proposal and Mine Closure Plan in connection with the application referred to under clause 5.4(a)(12), provided that:
- (A) Gascoyne agrees to provide reasonable support to Firefly in connection with the preparation of the Mining Proposal and Mine Closure Plan; and
 - (B) Gascoyne agrees to pay Firefly's reasonable costs in connection with preparing and submitting the Mining Proposal and Mine Closure Plan (including costs of external consultants), provided that an estimate of such costs are provided to Gascoyne before each cost is incurred and Gascoyne agrees in writing to Firefly incurring those costs; and
- (17) not, and must procure that each Firefly Group Member does not, engage in any conduct that is inconsistent with the terms of the Paterson Demerger Agreement.
- (b) Nothing in clause 5.4(a) restricts the ability of Firefly to take any action:
- (1) which is required by or expressly acknowledged by this deed or the Scheme;
 - (2) which has been agreed to in writing by Gascoyne;
 - (3) which is required by any applicable law or by a Government Agency (except where that requirement arises as a result of an action by a Firefly Group Member);
 - (4) which has been Fairly Disclosed to Gascoyne in the Disclosure Materials or disclosed in the public filings of Firefly with the ASX;
 - (5) required for the Paterson Demerger; or
 - (6) which is undertaken in response to a Firefly Competing Proposal as permitted by clause 11.
- (c) From the date of this deed up to and including the Second Court Date unless Gascoyne agrees otherwise in writing, Firefly will promptly notify Gascoyne of anything of which it becomes aware that:
- (1) makes any material information publicly filed by Firefly (either on its own account or in respect of any other Firefly Group Member) to be, or reasonably likely to be, incomplete, incorrect, untrue or misleading in any material respect;
 - (2) makes any of the Firefly Representations and Warranties false, inaccurate, misleading or deceptive in any material respect;
 - (3) makes any information provided in the Disclosure Materials incomplete, incorrect, untrue or misleading in any material respect; or
 - (4) would constitute or be likely to constitute a Firefly Prescribed Occurrence, a Firefly Regulated Event or a Firefly Material Adverse Change.
- (d) Subject to clause 5.4(e), from the date of this deed up to and including the Implementation Date, and without limiting any other obligations of Gascoyne under this deed, Gascoyne must:



- For personal use only
- (1) conduct its businesses and operations, and must cause each other Gascoyne Group Member to conduct its respective business and operations, in the ordinary and usual course consistent with the manner in which each such business and operations have been conducted in the 12 month period prior to the date of this deed;
 - (2) keep Firefly informed of any material developments concerning the conduct of its business;
 - (3) not enter into any line of business or other activities in which the Gascoyne Group is not engaged as of the date of this deed;
 - (4) provide regular reports on the financial affairs of the Gascoyne Group, including the provision of Gascoyne Group's monthly management accounts, in a timely manner to Firefly;
 - (5) ensure that no Gascoyne Prescribed Occurrence and no Gascoyne Regulated Event occurs;
 - (6) make all reasonable efforts, and procure that each other Gascoyne Group Member makes all reasonable efforts, to:
 - (A) keep available the services of the directors, officers and employees of each member of the Gascoyne Group; and
 - (B) maintain and preserve their relationships with Government Agencies and customers (including, using all reasonable endeavours to obtain consents from third parties to any change of control provisions which Firefly reasonably requests in contracts or arrangements to which a member of the Gascoyne Group is a party); and
 - (7) maintain the Dalgara Tenements in good standing.
- (e) Nothing in clause 5.4(d) restricts the ability of Gascoyne to take any action:
- (1) which is required by or expressly acknowledged by this deed or the Scheme;
 - (2) which has been agreed to in writing by Firefly;
 - (3) which is required by any applicable law or by a Government Agency (except where that requirement arises as a result of an action by a Gascoyne Group Member);
 - (4) which has been Fairly Disclosed to Firefly in the Disclosure Materials or disclosed in the public filings of Gascoyne with the ASX; or
 - (5) which is undertaken in response to a Gascoyne Competing Proposal as permitted by clause 11.
- (f) From the date of this deed up to and including the Second Court Date unless Firefly agrees otherwise in writing, Gascoyne will promptly notify Firefly of anything of which it becomes aware that:
- (1) makes any material information publicly filed by Gascoyne (either on its own account or in respect of any other Gascoyne Group Member) to be, or reasonably likely to be, incomplete, incorrect, untrue or misleading in any material respect;
 - (2) makes any of the Gascoyne Representations and Warranties false, inaccurate, misleading or deceptive in any material respect;

- (3) makes any information provided in the Disclosure Materials incomplete, incorrect, untrue or misleading in any material respect; or
- (4) would constitute or be likely to constitute a Gascoyne Prescribed Occurrence, a Gascoyne Regulated Event or a Gascoyne Material Adverse Change.

5.5 Appointment of directors

- (a) Firefly must, as soon as practicable on the Implementation Date, after the Scheme Consideration has been despatched to Scheme Shareholders in accordance with the terms of the Scheme, take all actions necessary to:
 - (1) cause the appointment of the nominees of Gascoyne to the Firefly Board;
 - (2) ensure that all directors on the Firefly Board, other than the Gascoyne nominees:
 - (A) resign; and
 - (B) unconditionally and irrevocably release Firefly from any claims they may have against Firefly; and
 - (3) ensure that all directors on the boards of Firefly's Subsidiaries:
 - (A) resign; and
 - (B) unconditionally and irrevocably release Firefly and its relevant Subsidiary from any claims they may have against either of them,

and to cause the appointment of nominees of Gascoyne to those boards.
- (b) Gascoyne will, on the Implementation Date, take all action necessary to appoint Simon Lawson as a non-executive director of Gascoyne, subject to Mr Lawson providing a consent to act as a director of Gascoyne prior to this date and to the extent Simon Lawson is requested to provide transitional consultancy services to Gascoyne in addition to his role as non-executive director, Gascoyne agrees to provide a consultancy on customary terms commensurate with reasonable remuneration for these services (if any).

5.6 Firefly Board recommendation

- (a) Firefly must procure that, subject to clause 5.6(b), the Firefly Board Members unanimously recommend that Firefly Shareholders (other than Excluded Shareholders) vote in favour of the Scheme at the Scheme Meeting in the absence of a Firefly Superior Proposal and subject to the Independent Expert concluding in the Independent Expert's Report (and continuing to conclude) that the Scheme is in the best interest of Firefly Shareholders, and that the Scheme Booklet and all other public statements relating to the Transaction include statements to that effect include a statement by the Firefly Board to that effect.
- (b) Firefly must procure that the Firefly Board collectively, and the Firefly Board Members individually, do not adversely change, withdraw, adversely modify or adversely qualify its or their recommendation to vote in favour of the Scheme unless:
 - (1) the Independent Expert provides a report to Firefly (including either the Independent Expert's Report or any update of, or any revision,



amendment or supplement to, that report) that concludes that the Scheme is not in the best interest of Firefly Shareholders;

- (2) Firefly has executed a legally binding agreement, arrangement or understanding to give effect to a Firefly Superior Proposal;
- (3) the Firefly Board has determined, after receiving written legal advice from its external legal advisers, that the Firefly Board, by virtue of the directors' duties of the Firefly Board Members, is required to change, withdraw or modify its recommendation (with a copy of such advice to be provided to Gascoyne);
- (4) an event in clauses 13.1(a)(1), 13.1(c)(1) or 13.2(b) occurs and Firefly has provided notice of termination to Gascoyne; or
- (5) there is a failure to satisfy a Condition Precedent by the earlier of:
 - (A) the time and date specified in this deed for the satisfaction of that Condition Precedent; and
 - (B) the End Date,provided that:
 - (C) the Condition is for the benefit of Firefly or both parties (as specified in clause 3.3);
 - (D) the Condition has not been waived in accordance with clause 3.3; and
 - (E) the Condition has not failed to be satisfied as a result of a breach by Firefly of clause 3.2 or any other provision of this deed,

and Firefly has complied with its obligations under clause 11.

For the purposes of this clause 5.6(b), customary qualifications and explanations contained in the Scheme Booklet and any public announcements by Firefly in relation to a recommendation to vote in favour of the Scheme to the effect that the recommendation is made:

- (1) in the absence of a Firefly Superior Proposal;
- (2) in respect of any public announcement issued before the issue of the Scheme Booklet, 'subject to the Independent Expert concluding in the Independent Expert's Report (and continuing to conclude) that the Scheme is in the best interest of Firefly Shareholders'; and
- (3) in respect of the Scheme Booklet and any public announcements issued at the time of or after the issue of the Scheme Booklet, 'subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of Firefly Shareholders',

will not be regarded as a failure to make, or a change, withdrawal, modification or qualification of, a recommendation in favour of the Scheme.

- (c) For the purposes of this clause 5.6, a statement to the effect that a specific alternative transaction may be pursued by Firefly if the Scheme does not proceed will be regarded as a failure to make a recommendation to vote in favour of the Scheme and, if made subsequently, will be regarded as a modification of a recommendation to vote in favour, unless Gascoyne agrees to the making of such statement.



- (d) Without limiting the operation of clause 11 or the preceding provisions of this clause 5, if circumstances arise, including the receipt or expected receipt of an unfavourable report from the Independent Expert (including either the Independent Expert's Report or any update of, or any revision, amendment or supplement to, that report) which may lead to any one or more Firefly Board Members adversely changing, withdrawing, adversely modifying or adversely changing their recommendation to vote in favour of the Scheme, Firefly must:
- (1) immediately notify Gascoyne of this fact; and
 - (2) consult with Gascoyne in good faith for at least 2 Business Days after the date on which the notice under clause 5.6(d)(1) is given to consider and determine whether there are any steps that can be taken to avoid such a change, withdrawal or variation (as applicable).
- (e) Despite anything to the contrary in this clause 5.6, a statement made by Firefly or the Firefly Board to the effect that no action should be taken by Firefly Shareholders pending the assessment of a Firefly Competing Proposal by the Firefly Board or the completion of the matching right process set out in clause 11.4 shall not contravene this clause 5.6.

5.7 Conduct of Court proceedings

- (a) Firefly and Gascoyne are entitled to separate representation at all Court proceedings affecting the Transaction.
- (b) This deed does not give Firefly or Gascoyne any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent.
- (c) Firefly and Gascoyne must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Transaction as contemplated by this deed.

5.8 Scheme Booklet content and responsibility statements

- (a) The Scheme Booklet will contain a responsibility statement to the effect that:
 - (1) Gascoyne is responsible for the Gascoyne Information (other than any information provided by Firefly to Gascoyne or obtained from Firefly's public filings on ASX regarding the Firefly Group contained in, or used in the preparation of, the information regarding the Merged Group) contained in the Scheme Booklet; and
 - (2) Firefly is responsible for the Firefly Information contained in the Scheme Booklet and is also responsible for the information contained in the Scheme Booklet provided by Firefly to Gascoyne or obtained from Firefly's public filings on ASX regarding the Firefly Group contained in, or used in the preparation of, the information regarding the Merged Group.
- (b) If after 5 Business Days of consultation, Firefly and Gascoyne are unable to agree on the form or content of a specific matter to be included in the Scheme Booklet:
 - (1) where the determination relates to Gascoyne Information, Gascoyne will make the final determination as to the form and content of the Gascoyne Information; and

- (2) in any other case, Firefly will make the final determination as to the form and content of the Scheme Booklet, acting reasonably, provided that, if Gascoyne disagrees with such final form and content, Firefly must include a statement to that effect in the Scheme Booklet.

6 Integration

6.1 Access to information

- (a) Between (and including) the date of this deed and the Implementation Date, Firefly must, and must cause each other Firefly Group Member to, afford to Gascoyne and its Related Persons reasonable access to information (subject to any existing confidentiality obligations owed to third parties, appropriate consents in relation to which Firefly must use all reasonable endeavours to obtain), premises and such senior executives of any member of the Firefly Group as reasonably requested by Gascoyne at mutually convenient times, and afford Gascoyne reasonable co-operation, for the purpose of:
- (1) the implementation of the Scheme;
 - (2) Gascoyne obtaining an understanding of the operations of the Firefly Group's business, financial position, prospects and affairs;
 - (3) Gascoyne developing and implementing plans for the carrying on of the businesses of the Firefly Group following implementation of the Scheme;
 - (4) keeping Gascoyne informed of material developments relating to the Firefly Group;
 - (5) Gascoyne meeting its obligations under this deed and verifying the Firefly Representations and Warranties; and
 - (6) any other purpose agreed between the parties,
- provided that:
- (7) nothing in this clause 6.1 will require Firefly to provide, or procure the provision of, information concerning:
 - (A) Firefly's directors and management's consideration of the Scheme; or
 - (B) any actual, proposed or potential Firefly Competing Proposal (including directors' and management's consideration of any actual, proposed or potential Firefly Competing Proposal),
 but this proviso does not limit Firefly's obligations under clause 11;
 - (8) providing or procuring the provision of information or access to Gascoyne or its Related Persons pursuant to this clause 6.1 must not result in unreasonable disruptions to, or interference with, the Firefly Group's business;
 - (9) Gascoyne must:
 - (A) keep all information obtained by it as a result of this clause 6.1 confidential;



- (B) provide Firefly with reasonable notice of any request for information or access; and
- (C) comply with the reasonable requirements of Firefly in relation to any access granted;
- (10) nothing in this clause 6.1 gives Gascoyne any rights to undertake further due diligence investigations, or any rights as to the decision making of any Gascoyne Group Member or its business;
- (11) Firefly may provide to Gascoyne its records at a place other than Firefly's business premises;
- (12) nothing in this clause 6.1 will require Firefly to provide, or procure the provision of, information concerning the Firefly Group's business that is, in the reasonable opinion of Firefly, commercially sensitive, including any specific pricing and margin information or customer details; and
- (13) nothing in this clause 6.1 will require Firefly to provide, or procure the provision of, information if to do so would or would be reasonably likely to:
- (A) breach any confidentiality obligation owed to a third party or any applicable law; or
- (B) result in a waiver of legal professional privilege.
- (b) Firefly must provide, and must cause each other Firefly Group Member to provide, Gascoyne, its Related Persons and any investigating accountant with reasonable access (at mutually convenient times) to books and records (including financial reports, audited or otherwise) and to the Firefly Group's auditors and accountants for the sole purpose of preparation of the financial statements (including for the Merged Group) for inclusion in the Scheme Booklet or any investigating accountants' report (and any updates or supplements).
- (c) Firefly must provide, and must cause each other Firefly Group Member to provide, Gascoyne, its Related Persons and any Independent Technical Expert with reasonable access (at mutually convenient times) to any records or data (including geological or technical data) for the sole purpose of preparation of the Independent Technical Expert's Report (and any updates or supplements).
- (d) Between (and including) the date of this deed and the Implementation Date, Gascoyne must, and must cause each other Gascoyne Group Member to, afford to Firefly and its Related Persons reasonable access to information (subject to any existing confidentiality obligations owed to third parties, appropriate consents in relation to which Gascoyne must use all reasonable endeavours to obtain), premises and such senior executives of any member of the Gascoyne Group as reasonably requested by Firefly at mutually convenient times, and afford Firefly reasonable co-operation, for the purpose of:
- (1) keeping Firefly informed of material developments relating to the Gascoyne Group;
- (2) Firefly meeting its obligations under this deed and verifying the Gascoyne Representations and Warranties; and
- (3) any other purpose agreed between the parties,
- provided that:



- (4) nothing in this clause 6.1 will require Gascoyne to provide, or procure the provision of, information concerning:
- (A) Gascoyne's directors and management's consideration of the Scheme; or
 - (B) any actual, proposed or potential Gascoyne Competing Proposal (including directors' and management's consideration of any actual, proposed or potential Gascoyne Competing Proposal),
- but this proviso does not limit Gascoyne's obligations under clause 11;
- (5) providing or procuring the provision of information or access to Firefly or its Related Persons pursuant to this clause 6.1 must not result in unreasonable disruptions to, or interference with, the Gascoyne Group's business;
- (6) Firefly must (and must procure that its Related Persons):
- (A) keep all information obtained by it as a result of this clause 6.1 confidential;
 - (B) provide Gascoyne with reasonable notice of any request for information or access; and
 - (C) comply with the reasonable requirements of Gascoyne in relation to any access granted;
- (7) nothing in this clause 6.1 gives Firefly any rights to undertake further due diligence investigations, or any rights as to the decision making of any Firefly Group Member or its business;
- (8) Gascoyne may provide to Firefly its records at a place other than Gascoyne's business premises;
- (9) nothing in this clause 6.1 will require Gascoyne to provide, or procure the provision of, information concerning the Gascoyne Group's business that is, in the reasonable opinion of Gascoyne, commercially sensitive, including any specific pricing and margin information or customer details; and
- (10) nothing in this clause 6.1 will require Gascoyne to provide, or procure the provision of, information if to do so would or would be reasonably likely to:
- (A) breach any confidentiality obligation owed to a third party or any applicable law; or
 - (B) result in a waiver of legal professional privilege.
- (e) Gascoyne must provide, and must cause each other Gascoyne Group Member to provide, Firefly, its Related Persons and any investigating accountant with reasonable access (at mutually convenient times) to books and records (including financial reports, audited or otherwise) and to the Gascoyne Group's auditors and accountants for the sole purpose of preparation of the financial statements (including for the Merged Group) for inclusion in the Scheme Booklet or any investigating accountants' report (and any updates or supplements).
- (f) Gascoyne must provide, and must cause each other Gascoyne Group Member to provide, Firefly, its Related Persons and any Independent Technical Expert with reasonable access (at mutually convenient times) to any records or data

(including geological or technical data) for the sole purpose of preparation of the Independent Technical Expert's Report (and any updates or supplements).

6.2 Integration Committee

- (a) Each party will, as soon as practicable after the date of this deed, notify the other party of its two appointees to the Integration Committee.
- (b) Without limiting clause 6.1, between (and including) the date of this deed and the Implementation Date, the Integration Committee will:
 - (1) oversee implementation of the Scheme and the Paterson Demerger;
 - (2) assist Gascoyne in obtaining an understanding of the operations and conduct of the Firefly Group's business;
 - (3) monitor the satisfaction of each party's obligations contained in clause 5; and
 - (4) seek to determine how to best integrate the Firefly Group's business into the operations of Gascoyne,but, for the avoidance of doubt, the Integration Committee is only a consultative body that will make recommendations to the parties.
- (c) The parties must use all reasonable endeavours to procure that the Integration Committee meets no less than once a fortnight, commencing on the date that is 14 days after the date of this deed.
- (d) Subject to this deed, nothing in this clause requires either Firefly or Gascoyne to act at the direction of the other. The business of each of Firefly and Gascoyne will continue to operate independently from the other until the Implementation Date. Firefly and Gascoyne agree that nothing in this deed constitutes the relationship of a partnership or joint venture between Firefly and Gascoyne.

7 Representations and warranties

7.1 Gascoyne's representations and warranties

Gascoyne represents and warrants to Firefly (in its own right and separately as trustee or nominee for each of the other Firefly Indemnified Parties) each of the Gascoyne Representations and Warranties.

7.2 Gascoyne's indemnity

Gascoyne agrees with Firefly (in its own right and separately as trustee or nominee for each of the other Firefly Indemnified Parties) to indemnify Firefly and each of the Firefly Indemnified Parties against any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that Firefly or any of the other Firefly Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Gascoyne Representations and Warranties.

7.3 Firefly's representations and warranties

Firefly represents and warrants to Gascoyne (in its own right and separately as trustee or nominee for each of the other Gascoyne Indemnified Parties) each of the Firefly Representations and Warranties.

7.4 Firefly's indemnity

Firefly agrees with Gascoyne (in its own right and separately as trustee or nominee for each Gascoyne Indemnified Party) to indemnify Gascoyne and each of the Gascoyne Indemnified Parties from any claim, action, damage, loss, liability, cost, expense or payment of whatever nature and however arising that Gascoyne or any of the other Gascoyne Indemnified Parties suffers, incurs or is liable for arising out of any breach of any of the Firefly Representations and Warranties.

7.5 Survival of representations and warranties

Each representation and warranty in clauses 7.1 and 7.3:

- (a) is severable;
- (b) survives the termination of this deed; and
- (c) is given with the intention that liability under it is not confined to breaches that are discovered before the date of termination of this deed.

7.6 Survival of indemnities

Each indemnity in this deed (including those in clauses 7.2 and 7.4):

- (a) is severable;
- (b) is a continuing obligation;
- (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this deed; and
- (d) survives the termination of this deed.

7.7 Timing of representations and warranties

Each representation and warranty made or given under clauses 7.1 or 7.3 is given at the date of this deed and repeated continuously thereafter until 8.00am on the Second Court Date unless that representation or warranty is expressed to be given at a particular time, in which case it is given at that time.

7.8 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.



- (b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this deed.
- (c) Each party acknowledges and confirms that clauses 7.8(a) and 7.8(b) do not prejudice any rights a party may have in relation to information which has been announced by the other party to ASX or lodged by it with ASIC, or that is contained in the Disclosure Materials.

8 Releases

8.1 Firefly and Firefly directors and officers

- (a) Gascoyne:
 - (1) releases its rights; and
 - (2) agrees with Firefly that it will not make, and that after the Implementation Date it will procure that each Firefly Group Member does not make, any claim,
against any Firefly Indemnified Party (other than Firefly and its Related Bodies Corporate) as at the date of this deed and from time to time in connection with:
 - (3) any breach of any representations and warranties of Firefly or any other member of the Firefly Group in this deed;
 - (4) any disclosures containing any statement which is false or misleading whether in content or by omission; or
 - (5) any failure to provide information,
whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Firefly Indemnified Party has engaged in wilful misconduct, wilful concealment or fraud. For the avoidance of doubt, nothing in this clause 8.1(a) limits Gascoyne's rights to terminate this deed under clause 13.
- (b) Clause 8.1(a) is subject to any Corporations Act restriction and will be read down accordingly.
- (c) Firefly receives and holds the benefit of this clause 8.1 to the extent it relates to each Firefly Indemnified Party as trustee for each of them.

8.2 Gascoyne and Gascoyne directors and officers

- (a) Firefly releases its rights, and agrees with Gascoyne that it will not make a claim, against any Gascoyne Indemnified Party (other than Gascoyne and its Related Bodies Corporate) as at the date of this deed and from time to time in connection with:
 - (1) any breach of any representations and warranties of Gascoyne or any other member of the Gascoyne Group in this deed;
 - (2) any disclosure containing any statement which is false or misleading whether in content or by omission; or
 - (3) any failure to provide information,



whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Gascoyne Indemnified Party has engaged in wilful misconduct, wilful concealment or fraud. For the avoidance of doubt, nothing in this clause 8.2(a) limits Firefly's rights to terminate this deed under clause 13.

- (b) Clause 8.2(a) is subject to any Corporations Act restriction and will be read down accordingly.
- (c) Gascoyne receives and holds the benefit of this clause 8.2 to the extent it relates to each Gascoyne Indemnified Party as trustee for each of them.

8.3 Deeds of indemnity and insurance

- (a) Subject to the Scheme becoming Effective and the Transaction completing, Gascoyne undertakes in favour of Firefly and each other Firefly Indemnified Party that it will:
 - (1) subject to clause 8.3(d), for a period of seven years from the Implementation Date, ensure that the constitutions of Firefly and each other Firefly Group Member continues to contain such rules as are contained in those constitutions at the date of this deed that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in their capacity as a director or officer of the company to any person other than a Firefly Group Member; and
 - (2) procure that Firefly and each other Firefly Group Member complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and, without limiting the foregoing, use its best endeavours to ensure that directors' and officers' run-off insurance cover for such directors and officers is maintained, subject to clause 8.3(d), for a period of seven years from the retirement date of each director and officer so long as it is available on commercially reasonable terms.
- (b) The undertakings contained in clause 8.3(a) are subject to any Corporations Act restriction and will be read down accordingly.
- (c) Firefly receives and holds the benefit of clause 8.3(a), to the extent it relates to the other Firefly Indemnified Parties, as trustee for each of them.
- (d) In respect of each Firefly Group Member, the undertakings in clause 8.3(a) are given until the earlier of:
 - (1) the end of the relevant period specified in clause 8.3(a); and
 - (2) the relevant Firefly Group Member ceasing to be part of the Gascoyne Group.

9 Public announcement

9.1 Announcement of the Transaction

- (a) Immediately after the execution of this deed, Firefly and Gascoyne must issue public announcements in a form previously agreed to in writing between them.



- (b) The Firefly announcement must include a unanimous recommendation by the Firefly Board to Firefly Shareholders (other than Excluded Shareholders) that, in the absence of a Firefly Superior Proposal and subject to the Independent Expert concluding in the Independent's Expert's Report (and continuing to conclude) that the Scheme is in the best interest of Firefly Shareholders, Firefly Shareholders (other than Excluded Shareholders) vote in favour of the Scheme and that all the Firefly Board Members will vote (or will procure the voting of) all Director Firefly Shares at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting.

9.2 Public announcements

Subject to clause 9.3, no public announcement or public disclosure of the Transaction or any other transaction the subject of this deed or the Scheme may be made other than in a form approved by each party in writing (acting reasonably), but each party must use all reasonable endeavours to provide such approval as soon as practicable. For the avoidance of doubt, this clause 9.2 does not apply to any announcement or disclosure relating to a Firefly Competing Proposal.

9.3 Required disclosure

Where a party is required by applicable law or the Listing Rules to make any announcement or to make any disclosure in connection with the Transaction or any other transaction the subject of this deed or the Scheme, it may do so despite clause 9.2 but must use all reasonable endeavours, to the extent practicable and lawful, to consult with the other party prior to making the relevant disclosure and take account of any reasonable comments received from the other party in relation to the form and content of the announcement or disclosure.

10 Confidentiality

Firefly and Gascoyne acknowledge and agree that they continue to be bound by the Confidentiality Agreement after the date of this deed. The rights and obligations of the parties under the Confidentiality Agreement survive termination of this deed.

11 Exclusivity

11.1 Firefly - No shop and no talk

During the Exclusivity Period, Firefly must not, and must ensure that each of its Related Persons and Related Bodies Corporate and the Related Persons of those Related Bodies Corporate do not, directly or indirectly:

- (a) **(no shop)** solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal, discussion or other communication by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Firefly Competing Proposal or communicate to any person an intention to do anything referred to in this clause 11.1(a); or



- (b) **(no talk)** subject to clause 11.2:
- (1) facilitate, participate in or continue any negotiations, discussions or other communications with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Firefly Competing Proposal;
 - (2) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Firefly Competing Proposal;
 - (3) disclose or otherwise provide or make available any non-public information about the business or affairs of the Firefly Group to a Third Party (other than a Government Agency that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which would reasonably be expected to encourage or lead to the formulation, receipt or announcement of, an actual, proposed or potential Firefly Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the Firefly Group) whether by that Third Party or another person; or
 - (4) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 11.1(b).

11.2 Firefly - Fiduciary exception

Clause 11.1(b) does not prohibit any action or inaction by Firefly, any of its Related Bodies Corporate or any of their respective Related Persons, in relation to an actual, proposed or potential Firefly Competing Proposal if the Firefly Board determines acting in good faith that:

- (a) after consultation with its advisers, such actual, proposed or potential Firefly Competing Proposal is a Firefly Superior Proposal or could reasonably be expected to become a Firefly Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisers, compliance with that clause would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of the directors of Firefly,

provided that:

- (c) the actual, proposed or potential Firefly Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of clause 11.1(a); and
- (d) Firefly immediately notifies Gascoyne of each action or inaction by it, any of its Related Bodies Corporate or any of their respective Related Persons in reliance on this clause 11.2.

11.3 Notification of approaches

- (a) During the Exclusivity Period, Firefly must as soon as possible (and in any event within 24 hours) notify Gascoyne in writing if it, any of its Related Bodies Corporate or any of their respective Related Persons, becomes aware of any:
 - (1) negotiations, discussions or other communications, approach or attempt to initiate any negotiations, discussions or other communications, or intention to make such an approach or attempt to initiate any negotiations, discussions or other communications in



respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Firefly Competing Proposal;

- (2) proposal made to Firefly, any of its Related Bodies Corporate or any of their respective Related Persons in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Firefly Competing Proposal; or
- (3) provision by Firefly, any of its Related Bodies Corporate or any of their respective Related Persons of any non-public information concerning the business or operations of Firefly or the Firefly Group to any to a Third Party in connection with an actual, proposed or potential Firefly Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise. For the avoidance of doubt, any of the acts described in paragraphs (1) to (3) may only be taken by Firefly, its Related Bodies Corporate or their respective Related Persons if not proscribed by clause 11.1 or if permitted by clause 11.2.

- (b) A notification given under clause 11.3(a) must include the identity of the relevant person making or proposing the relevant actual, proposed or potential Firefly Competing Proposal, together with all material terms and conditions of the actual, proposed or potential Firefly Competing Proposal (including price and form of consideration, conditions precedent, proposed deal protection arrangements and timetable), in each case to the extent known by Firefly or any of its Related Persons.
- (c) During the Exclusivity Period, Firefly must also notify Gascoyne in writing as soon as possible after it, any of its Related Bodies Corporate or any of their respective Related Persons, becomes aware of any material developments in relation to the actual, proposed or potential Firefly Competing Proposal, including in respect of any of the information previously provided to Gascoyne pursuant to this clause 11.3.

11.4 Matching right

- (a) Without limiting clause 11.3(a), during the Exclusivity Period, Firefly:
 - (1) must not, and must procure that each of its Related Bodies Corporate do not, enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which one or more of a Third Party, Firefly or any Related Body Corporate of Firefly proposes or propose to undertake or give effect to an actual, proposed or potential Firefly Competing Proposal; and
 - (2) must procure that none of its directors change their recommendation in favour of the Scheme, publicly recommend an actual, proposed or potential Firefly Competing Proposal (or recommend against the Transaction) or make any public statement to the effect that they may do so at a future point,

unless:

 - (3) the Firefly Board acting in good faith and in order to satisfy what the Firefly Board Members consider to be their statutory or fiduciary duties (having received written legal advice from its external legal advisers) determines that the Firefly Competing Proposal is a, or would be or



would be reasonably likely to be an actual, proposed or potential, Firefly Superior Proposal;

- (4) Firefly has provided Gascoyne with the material terms and conditions of the actual, proposed or potential Firefly Competing Proposal (including price and form of consideration, conditions precedent, proposed deal protection arrangements and timetable) (in each case, to the extent known) and the identity of the Third Party making the actual, proposed or potential Firefly Competing Proposal;
- (5) Firefly has given Gascoyne at least 5 Business Days after the date of the provision of the information referred to in clause 11.4(a)(4) to provide a matching or superior proposal to the terms of the actual, proposed or potential Firefly Competing Proposal; and
- (6) Gascoyne has not announced or otherwise formally proposed to Firefly a matching or superior proposal to the terms of the actual, proposed or potential Firefly Competing Proposal by the expiry of the five Business Day period in clause 11.4(a)(5).
- (b) If Gascoyne proposes to Firefly, or announces, amendments to the Scheme or a new proposal that constitute a matching or superior proposal to the terms of the actual, proposed or potential Firefly Competing Proposal (**Bidder Counterproposal**) by the expiry of the five Business Day period in clause 11.4(a)(5), Firefly must procure that the Firefly Board considers the Bidder Counterproposal and if the Firefly Board, acting reasonably and in good faith, determines that the Bidder Counterproposal would provide an equivalent or superior outcome for Firefly Shareholders as a whole (other than Excluded Shareholders) compared with the Firefly Competing Proposal, taking into account all of the terms and conditions of the Bidder Counterproposal, then Firefly and Gascoyne must use their best endeavours to agree the amendments to this deed, the Scheme and the Deed Poll (as applicable) that are reasonably necessary to reflect the Bidder Counterproposal and to implement the Bidder Counterproposal, in each case as soon as reasonably practicable, and Firefly must procure that each of the directors of Firefly continues to recommend the Transaction (as modified by the Bidder Counterproposal) to Firefly Shareholders.
- (c) For the purposes of this clause 11.4, each successive material modification of any Firefly Competing Proposal or potential Firefly Competing Proposal will constitute a new Firefly Competing Proposal or potential Firefly Competing Proposal, and the procedures set out in this clause 11.4 must again be followed prior to any member of the Firefly Group entering into any agreement, arrangement, understanding or commitment in respect of such Firefly Competing Proposal or potential Firefly Competing Proposal.
- (d) Despite any other provision in this deed, a statement by Firefly or the Firefly Board to the effect that:
- (1) the Firefly Board has determined that a Firefly Competing Proposal is a Firefly Superior Proposal and has commenced the matching right process set out in this clause 11.4; or
- (2) Firefly Shareholders should take no action pending the completion of the matching right process set out in this clause 11.4,
- does not of itself:



- (3) constitute a change, withdrawal, modification or qualification of the recommendation by the Firefly Directors or an endorsement of a Firefly Competing Proposal;
- (4) contravene this deed;
- (5) give rise to an obligation to pay the Reimbursement Fee under clause 12.2; or
- (6) give rise to a termination right under clause 13.1.

11.5 Firefly - Cease discussions

Firefly must, and must procure that its Related Bodies Corporate, cease any negotiations, discussions or other communications existing as at the date of this deed relating to:

- (a) any actual, proposed or potential Firefly Competing Proposal; or
- (b) any transaction that would, or would reasonably be expected to, reduce the likelihood of success of the Transaction.

11.6 Provision of information

- (a) Subject to clause 11.6(b), during the Exclusivity Period, Firefly must as soon as possible (and, in any event, within 2 Business Days) provide Gascoyne with:
 - (1) in the case of written materials, a copy of; and
 - (2) in any other case, a written statement of,
any material non-public information about the business or affairs of Firefly or the Firefly Group disclosed or otherwise provided by Firefly, a Related Body Corporate of Firefly or any of their respective Related Persons to any Third Party in connection with an actual, proposed or potential Firefly Competing Proposal that has not previously been provided to Gascoyne.
- (b) During the Exclusivity Period, Firefly must not, and must ensure that each of its Related Persons and Related Bodies Corporate and the Related Persons of those Related Bodies Corporate do not, directly or indirectly disclose or otherwise provide or make available any non-public information about the business or affairs of the Firefly Group to a Third Party in connection with an actual, proposed or potential Firefly Competing Proposal unless:
 - (1) permitted by clause 11.2; and
 - (2) before that information is disclosed or otherwise provided or made available to that Third Party, the Third Party has entered into a confidentiality agreement with Firefly that contains obligations on the Third Party that are on less onerous terms in any material respect than the obligations of Gascoyne under the Confidentiality Agreement.

11.7 Gascoyne - No shop and no talk

During the Exclusivity Period, Gascoyne must not, and must ensure that each of its Related Persons and Related Bodies Corporate and the Related Persons of those Related Bodies Corporate do not, directly or indirectly:

- (a) **(no shop)** solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal, discussion or other communication by any person in relation to, or



which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Gascoyne Competing Proposal or communicate to any person an intention to do anything referred to in this clause 11.7(a); or

- (b) **(no talk)** subject to clause 11.8:
- (1) facilitate, participate in or continue any negotiations, discussions or other communications with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Gascoyne Competing Proposal;
 - (2) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Gascoyne Competing Proposal;
 - (3) disclose or otherwise provide or make available any non-public information about the business or affairs of the Gascoyne Group to a Third Party (other than a Government Agency that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which would reasonably be expected to encourage or lead to the formulation, receipt or announcement of, an actual, proposed or potential Gascoyne Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the Gascoyne Group) whether by that Third Party or another person; or
 - (4) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 11.7(b).

11.8 Gascoyne - Fiduciary exception

The restrictions in clause 11.7(b) do not prohibit or require any action or inaction by Gascoyne, any of its Related Bodies Corporate or any of their respective Related Persons, in relation to an actual, proposed or potential Gascoyne Competing Proposal if the Gascoyne Board determines acting in good faith that:

- (a) after consultation with its advisers, such actual, proposed or potential Gascoyne Competing Proposal is a Gascoyne Superior Proposal or could reasonably be expected to become a Gascoyne Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisers, compliance with that clause would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of the directors of Gascoyne,

provided that:

- (c) the actual, proposed or potential Gascoyne Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of clause 11.7(a); and
- (d) Gascoyne immediately notifies Firefly of each action or inaction by it, any of its Related Bodies Corporate or any of their respective Related Persons in reliance on this clause 11.8.

11.9 Gascoyne - Cease discussions

Gascoyne must, and must procure that its Related Bodies Corporate, cease any negotiations, discussions or other communications existing as at the date of this deed relating to:

- (a) any actual, proposed or potential Gascoyne Competing Proposal; or
- (b) any transaction that would, or would reasonably be expected to, reduce the likelihood of success of the Transaction.

11.10 Normal provision of information

Nothing in this clause 11 prevents a party from:

- (a) providing information to its Related Persons;
- (b) providing information to any Government Agency;
- (c) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information required to be provided by law, including to satisfy its obligations of disclosure under the Listing Rules or to any Government Agency; or
- (e) making presentations to brokers, portfolio investors, analysts and other third parties in the ordinary course of business.

12 Reimbursement Fee

12.1 Background to Reimbursement Fee

- (a) Gascoyne and Firefly acknowledge that, if they enter into this deed and the Scheme is subsequently not implemented, Gascoyne will incur significant costs, including those set out in clause 12.4.
- (b) In these circumstances:
 - (1) Gascoyne has requested that provision be made for the payments outlined in clause 12.2(a), without which Gascoyne would not have entered into this deed or otherwise agreed to implement the Scheme; and
 - (2) Firefly has requested that provision be made for the payments outlined in clause 12.2(b), without which Gascoyne would not have entered into this deed or otherwise agreed to implement the Scheme.
- (c) The Firefly Board believes, having taken advice from its external legal advisers and Financial Adviser, that the implementation of the Scheme will provide benefits to Firefly and that it is appropriate for Firefly to agree to the payments referred to in clause 12.2(a) in order to secure Gascoyne's participation in the Transaction.
- (d) The Gascoyne Board believes, having taken advice from its external legal advisers and Financial Adviser, that the implementation of the Scheme will provide benefits to Gascoyne and that it is appropriate for Gascoyne to agree to



the payments referred to in clause 12.2(b) in order to secure Firefly's participation in the Transaction.

12.2 Reimbursement Fee triggers

Subject to this clause 12, Firefly must pay the Reimbursement Fee to Gascoyne if:

- (a) during the Exclusivity Period, one or more Firefly Board Members withdraws, adversely changes, adversely modifies or adversely qualifies their support of the Scheme or their recommendation that Firefly Shareholders (other than Excluded Shareholders) vote in favour of the Scheme or fails to recommend that Firefly Shareholders (other than Excluded Shareholders) vote in favour of the Scheme in the manner described in clause 5.6(a), unless the Independent Expert concludes in the Independent Expert's Report (or any update of, or revision, amendment or supplement to, that report) that the Scheme is not in the best interest of Firefly Shareholders (except where that conclusion is due wholly or partly to the existence, announcement or publication of a Firefly Competing Proposal), provided that any change of recommendation must only occur after the Independent Expert has issued its conclusion that the Scheme is not in the best interests of Firefly Shareholders;
- (b) during the Exclusivity Period, one or more Firefly Board Members recommends that Firefly Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Director Firefly Shares), a Firefly Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period;
- (c) a Firefly Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, the Third Party or any Associate of that Third Party:
 - (1) completes a Firefly Competing Proposal of a kind referred to in any of paragraphs 2, 3, or 4 of the definition of Firefly Competing Proposal;
 - (2) enters into an agreement, arrangement or understanding with Firefly, with another member of the Firefly Group or with the board of directors of any of the foregoing entities, which is of the kind referred to in paragraph 5 of the definition of Firefly Competing Proposal; or
 - (3) without limiting clause 12.2(c)(1) or 12.2(c)(2), acquires (either alone or in aggregate) a Relevant Interest in more than 20% of the Firefly Shares or otherwise acquires (either alone or in aggregate) Control of Firefly;
- (d) Gascoyne has terminated this deed pursuant to clause 13.1(a)(1), 13.1(b)(1) or 13.2(a) and the Transaction does not complete;
- (e) the Independent Expert concludes in the Independent Expert's Report (or any update of, or revision, amendment or supplement to, that report) that the Scheme is not in the best interest of Firefly Shareholders, where that conclusion is due wholly or partly to the existence, announcement or publication of a Firefly Competing Proposal, irrespective of whether or not any Firefly Board Members change, withdraw, modify or qualify their recommendation in favour of the Scheme or support or endorse the Firefly Competing Proposal;
- (f) there is a breach of clause 11.4 by Firefly; or



- (g) the Court fails to approve the terms of the Scheme for which the approval of the requisite Firefly Shareholders has been obtained as a result of a material non-compliance by Firefly with any of its obligations under this deed.

Subject to this clause 12, Gascoyne must pay the Reimbursement Fee to Firefly if:

- (h) Gascoyne announces a transaction or proposed transaction which is a Gascoyne Competing Proposal and is publicly recommended, promoted or otherwise endorsed by the Gascoyne Board or by any of the directors comprising the Gascoyne Board on the basis that the Transaction not proceed;
- (i) Firefly has terminated this deed pursuant to clause 13.1(a)(1), 13.1(c)(1) or 13.2(b) and the Transaction does not complete; or
- (j) the Court fails to approve the terms of the Scheme for which the approval of the requisite Firefly Shareholders has been obtained as a result of a material non-compliance by Gascoyne with any of its obligations under this deed.

12.3 Payment of Reimbursement Fee

- (a) A demand by the Recipient Party for payment of the Reimbursement Fee under clause 12.2 must:
 - (1) be in writing;
 - (2) be made after the occurrence of the event in that clause giving rise to the right to payment;
 - (3) state the circumstances which give rise to the demand; and
 - (4) nominate an account in the name of the Recipient Party into which the Reimbursing Party is to pay the Reimbursement Fee.
- (b) The Reimbursing Party must pay the Reimbursement Fee into the account nominated by the Recipient Party, without set-off or withholding, within 5 Business Days after receiving a demand for payment where the Recipient Party is entitled under clause 12.2 to the Reimbursement Fee.

12.4 Basis of Reimbursement Fee

The Reimbursement Fee has been calculated to reimburse each party for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);
- (b) reasonable opportunity costs incurred in engaging in the Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and directors' time in planning and implementing the Transaction; and
- (d) out of pocket expenses incurred by the each party and its employees, advisers and agents in planning and implementing the Transaction,

and the parties agree that:

- (e) the costs actually incurred by each party will be of such a nature that they cannot all be accurately ascertained; and
- (f) the Reimbursement Fee is a genuine and reasonable pre-estimate of those costs,



and each party represents and warrants that it has received written legal advice from its legal advisers in relation to the operation of this clause 12.

12.5 Compliance with law

- (a) This clause 12 does not impose an obligation on any party to pay the Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the Reimbursement Fee:
 - (1) is declared by the Takeovers Panel to constitute 'unacceptable circumstances'; or
 - (2) is determined to be unenforceable or unlawful by a court, provided that all proper avenues of appeal and review, judicial and otherwise, have been exhausted. For the avoidance of doubt, any part of the Reimbursement Fee that would not constitute unacceptable circumstances or that is not unenforceable or unlawful (as applicable) must be paid by the Reimbursing Party.
- (b) The parties must not make or cause or permit to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in clause 12.5(a).

12.6 Reimbursement Fee payable only once

Where the Reimbursement Fee becomes payable under clause 12.2 and is actually paid to the Recipient Party, the Recipient Party cannot make any claim against the Reimbursing Party for payment of any subsequent Reimbursement Fee.

12.7 Other Claims

- (a) Subject to clause 12.7(b) and 12.7(c) but otherwise despite anything to the contrary in this deed, the maximum aggregate amount which a Recipient Party is required to pay in relation to this deed (including as a result of any breach of this deed by a Recipient Party or any other Claim) is the amount of the Reimbursement Fee and in no event will the aggregate liability of a Recipient Party under or in connection with this deed or any Claim exceed the amount of the Reimbursement Fee.
- (b) The limitation in clause 12.7(a) does not apply in the case of any payment required to be made by a party for a Claim arising from wilful misconduct designed to frustrate or delay the Transaction or fraud.
- (c) This clause 12 does not limit any rights or obligations under the Deed Poll.

12.8 No Reimbursement Fee if Scheme becomes Effective

Despite anything to the contrary in this deed, the Reimbursement Fee will not be payable to either party if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 12.2 and, if the Reimbursement Fee has already been paid it must be refunded by the Recipient Party.

13 Termination

13.1 Termination

- (a) Either party may terminate this deed by written notice to the other party:
- (1) other than in respect of a breach of either a Gascoyne Representation and Warranty or a Firefly Representation and Warranty (which are dealt with in clause 13.2), at any time before 8.00am on the Second Court Date, if the other party has materially breached this deed, the party entitled to terminate has given written notice to the party in breach of this deed setting out the relevant circumstances and stating an intention to terminate this deed, and the other party has failed to remedy the breach within 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given;
 - (2) at any time before 8.00am on the Second Court Date if the Court or another Government Agency (including any other court) has taken any action permanently restraining or otherwise prohibiting or preventing the Transaction, or has refused to do anything necessary to permit the Transaction to be implemented by the End Date, and the action or refusal has become final and cannot be appealed or reviewed or the party, acting reasonably, believes that there is no realistic prospect of an appeal or review succeeding by the End Date;
 - (3) in the circumstances set out in, and in accordance with, clause 3.4;
 - (4) if the Effective Date for the Scheme has not occurred, or will not occur, on or before the End Date; or
 - (5) if Firefly's Shareholders have not agreed to the Scheme at the Scheme Meeting by the requisite majorities.
- (b) Gascoyne may terminate this deed by written notice to Firefly at any time before 8.00am on the Second Court Date if:
- (1) there is a Firefly Material Adverse Change, Firefly Prescribed Occurrence or Firefly Regulated Event; or
 - (2) any Firefly Board Member:
 - (A) fails to recommend the Scheme;
 - (B) withdraws, adversely changes, adversely modifies or adversely qualifies their support of the Scheme or their recommendation that Firefly Shareholders (other than Excluded Shareholders) vote in favour of the Scheme; or
 - (C) makes a public statement indicating that he or she no longer recommends the Transaction or recommends, supports or endorses another transaction (including any Firefly Competing Proposal but excluding a statement that no action should be taken by Firefly Shareholders pending assessment of a Firefly Competing Proposal by the Firefly Board or the completion of the matching right process set out in clause 11.4),

other than where any Firefly Board Member is required or requested by a court or Government Agency to abstain or withdraw from making



a recommendation that Firefly Shareholders (other than Excluded Shareholders) vote in favour of the Scheme after the date of this deed.

- (c) Firefly may terminate this deed by written notice to Gascoyne at any time before 8.00am on the Second Court Date if:
 - (1) any Gascoyne Board Member makes a public statement indicating that he or she recommends, supports or endorses a Gascoyne Competing Proposal;
 - (2) there is a Gascoyne Material Adverse Change, Gascoyne Prescribed Occurrence or Gascoyne Regulated Event;
 - (3) the Firefly Board or a majority of the Firefly Board has changed, withdrawn, modified or qualified its recommendation as permitted under clause 5.6 and, if required to do so under clause 5.6, Firefly pays the Reimbursement Fee to Gascoyne.
- (d) Gascoyne may terminate this deed by written notice to Firefly at any time before 8.00am on the Second Court Date if in any circumstances (including, for the avoidance of doubt, where permitted by clause 11.4) Firefly enters into any legally binding agreement, arrangement or understanding in relation to the undertaking or giving effect to any actual, proposed or potential Firefly Competing Proposal.
- (e) Firefly may terminate this deed by written notice to Gascoyne at any time before 8.00am on the Second Court Date if in any circumstances Gascoyne enters into any legally binding agreement, arrangement or understanding in relation to the undertaking or giving effect to any actual, proposed or potential Gascoyne Competing Proposal.

13.2 Termination for breach of representations and warranties

- (a) Gascoyne may, at any time prior to 8.00am on the Second Court Date, terminate this deed for breach of a Firefly Representation and Warranty only if:
 - (1) Gascoyne has given written notice to Firefly setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse; and
 - (2) the relevant breach continues to exist 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given under clause 13.2(a)(1).
- (b) Firefly may, at any time before 8.00am on the Second Court Date, terminate this deed for breach of a Gascoyne Representation and Warranty only if:
 - (1) Firefly has given written notice to Gascoyne setting out the relevant circumstances and stating an intention to terminate or to allow the Scheme to lapse; and
 - (2) the relevant breach continues to exist 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given under clause 13.2(b)(1).
- (c) This deed is terminable if agreed to in writing by Gascoyne and Firefly.



13.3 Effect of termination

If this deed is terminated by either party under clauses 3.4, 13.1 or 13.2:

- (a) each party will be released from its obligations under this deed, except that this clause 13.3, and clauses 1, 7.5 to 7.8, 8.1, 8.2, 10, 12, 14, 15, 16 and 17 (except clause 17.10), will survive termination and remain in force;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this deed; and
- (c) in all other respects, all future obligations of the parties under this deed will immediately terminate and be of no further force and effect including any further obligations in respect of the Scheme.

13.4 Termination

Where a party has a right to terminate this deed, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this deed and the provision under which it is terminating this deed.

13.5 No other termination

Neither party may terminate or rescind this deed except as permitted under clauses 3.4, 13.1 or 13.2.

14 Duty, costs and expenses

14.1 Stamp duty

Gascoyne:

- (a) must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this deed or the Scheme or the steps to be taken under this deed or the Scheme (other than the Paterson Demerger); and
- (b) indemnifies Firefly against any liability arising from its failure to comply with clause 14.1(a).

14.2 Costs and expenses

Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution, delivery and performance of this deed and the proposed, attempted or actual implementation of this deed and the Transaction.

15 GST

- (a) Any consideration or amount payable under this deed, including any non-monetary consideration (as reduced in accordance with clause 15(e) if required) (**Consideration**) is exclusive of GST.



- (b) If GST is or becomes payable on a Supply made under or in connection with this deed, an additional amount (**Additional Amount**) is payable by the party providing consideration for the Supply (**Recipient**) equal to the amount of GST payable on that Supply as calculated by the party making the Supply (**Supplier**) in accordance with the GST Law.
- (c) The Additional Amount payable under clause 15(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 15(b):
- (1) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as applicable;
 - (2) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
 - (3) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within seven days after receiving such notification, as applicable. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this deed if an amount payable under or in connection with this deed (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit to which a party is entitled includes an Input Tax Credit arising from a Creditable Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter in this clause 15 that is not defined in this clause 15 has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

16 Notices

16.1 Form of Notice

A notice or other communication to a party under this deed (**Notice**) must be:

- (a) in writing and in English; and



- (b) addressed to that party in accordance with the following details (or any alternative details nominated to the sending party by Notice):

	Address	Attention	Email
Gascoyne	Level 1, 41-47 Colin Street West Perth, WA 6005	Richard Hay, Managing Director and CEO Copy to: David Coyne, Chief Financial Officer and Company Secretary	richard.hay@gascoyneresources.com.au david.coyne@gascoyneresources.com.au
Firefly	64-68 Hay Street Subiaco, WA 6005	Simon Lawson, Managing Director and CEO Copy to: Steven Wood and Natalie Teo, Joint Company Secretary	simon@fireflyresources.com.au sw@grangeconsulting.com.au Natalie.Teo@anthonyho.com.au

16.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a day that is not a Saturday, Sunday or a public holiday or bank holiday in the place of receipt (**business hours period**), then, other than in respect of any Notice given on, and prior to 8.00am on, the Second Court Date, the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address.
By pre paid post to the nominated address	At 9.00am (addressee's time) on the second day that is not a Saturday, Sunday or a public holiday or bank holiday in the place of receipt after the date of posting.
By email to the nominated email address	The first to occur of: 1 the sender receiving an automated message confirming delivery; or



- 2 two hours after the time that the email was sent (as recorded on the device from which the email was sent) provided that the sender does not, within the period, receive an automated message that the email has not been delivered.

16.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 16.2).

17 General

17.1 Governing law and jurisdiction

- (a) This deed is governed by the law in force in Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

17.2 Service of process

Without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of Notices under clause 16.

17.3 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

17.4 Invalidity and enforceability

- (a) If any provision of this deed is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 17.4(a) does not apply where enforcement of the provision of this deed in accordance with clause 17.4(a) would materially affect the nature or effect of the parties' obligations under this deed.

17.5 Waiver

No party to this deed may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

The meanings of the terms used in this clause 17.5 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

17.6 Variation

A variation of any term of this deed must be in writing and signed by the parties.

17.7 Assignment of rights

- (a) A party may not assign, novate, declare a trust over or otherwise transfer or deal with any of its rights or obligations under this deed without the prior written consent of the other party or as expressly provided in this deed.
- (b) A breach of clause 17.7(a) by a party shall be deemed to be a material breach for the purposes of clause 13.1(a)(1).
- (c) Clause 17.7(b) does not affect the construction of any other part of this deed.

17.8 Acknowledgement

Each party acknowledges that the remedy of damages may be inadequate to protect the interests of the parties for a breach of clause 11 and that Gascoyne is entitled to seek and obtain, without limitation, injunctive relief if Firefly breaches, or threatens to breach, clause 11.

17.9 No third party beneficiary

This deed shall be binding on and inure solely to the benefit of each party to it and each of their respective permitted successors and assigns, and nothing in this deed is intended to or shall confer on any other person, other than the Gascoyne Indemnified Parties and the Firefly Indemnified Parties, in each case to the extent set forth in clause 7 and clause 8, any third party beneficiary rights.



17.10 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this deed and the transactions contemplated by it.

17.11 Entire agreement

This deed (including the documents in the Attachments to it) and the Confidentiality Agreement state all the express terms agreed by the parties in respect of their subject matter. They supersede all prior discussions, negotiations, understandings and agreements in respect of their subject matter.

17.12 Counterparts

This deed may be executed in any number of counterparts.

17.13 Relationship of the parties

- (a) Nothing in this deed gives a party authority to bind any other party in any way.
- (b) Nothing in this deed imposes any fiduciary duties on a party in relation to any other party.

17.14 Remedies cumulative

Except as provided in this deed and permitted by law, the rights, powers and remedies provided in this deed are cumulative with, and not exclusive of, the rights, powers and remedies provided by law independently of this deed.

17.15 Exercise of rights

- (a) Unless expressly required by the terms of this deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this deed.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.



Schedules

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For personal use only



Schedule 1

Definitions and interpretation

1.1

Definitions

Term	Meaning
Aboriginal Heritage Acts	the <i>Aboriginal Heritage Act 1972</i> (WA) and the <i>Aboriginal and Torres Strait Islander (Heritage Protection) Act 1984</i> (Cth).
Accounting Standards	1 the applicable accounting standards under the Corporations Act; and 2 to the extent not inconsistent with paragraph 1 of this definition, generally accepted accounting principles and practices in Australia consistently applied.
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act, as if subsection 12(1) of the Corporations Act included a reference to this deed and Firefly or Gascoyne (as applicable) was the designated body.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Perth, Western Australia.
Claim	any claim, demand, legal proceedings or cause of action (including any claim, demand, legal proceedings or cause of action: 1 based in contract, including breach of warranty; 2 based in tort, including misrepresentation or negligence; 3 under common law or equity; or 4 under statute, including the Australian Consumer Law (being Schedule 2 of the <i>Competition and Consumer Act 2010</i> (Cth) (CCA)) or Part VI of the CCA, or like provision in any state or territory legislation),



Term	Meaning
	in any way relating to this deed or the Transaction, and includes a claim, demand, legal proceedings or cause of action arising under an indemnity in this deed.
Condition Precedent	each of the conditions set out in clause 3.1.
Confidentiality Agreement	the confidentiality agreement between Gascoyne and Firefly dated 9 February 2021.
Consultation Notice	has the meaning given in clause 3.4(a).
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth), as modified or varied by ASIC.
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Supreme Court of Western Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Gascoyne and Firefly.
Dalgaranga Tenements	1 E21/195, E59/1709, E59/1904, E59/1906, E59/2150, E59/2053, E59/2289, L59/141, L59/142, L59/151, L59/152, L59/153, L59/167, L59/168, L59/169, L59/170, and M59/749; and 2 any other exploration or mining tenement(s) which may be granted in lieu of or relate to the same ground as the tenements referred to in paragraph 1.
Deed Poll	a deed poll substantially in the form of Attachment 3 under which Gascoyne covenants in favour of the Scheme Shareholders to perform the obligations attributed to it under the Scheme.
Director Firefly Share	any Firefly Share: 1 held by or on behalf of a Firefly Board Member; or 2 listed as an indirect interest in the latest Appendix 3X or Appendix 3Y lodged by Firefly with ASX in respect of each Firefly Board Member.



Term	Meaning
Disclosure Materials	• in relation to Firefly: – the documents and information contained in the virtual data room made available by Firefly to Gascoyne and its Related Persons, the index of which has been initialled by, or on behalf of, the parties for identification; – written responses from Firefly and its Related Persons to requests for further information made by Gascoyne and its Related Persons, a consolidated copy of which has been initialled by, or on behalf of, the parties for identification; and • in relation to Gascoyne: – the documents and information contained in the virtual data room made available by Gascoyne to Firefly and its Related Persons, the index of which has been initialled by, or on behalf of, the parties for identification; – written responses from Gascoyne and its Related Persons to requests for further information made by Firefly and its Related Persons, a consolidated copy of which has been initialled by, or on behalf of, the parties for identification.
Dispose	has the meaning given in the Tribute Agreement, and Disposing has a corresponding meaning.
DMIRS	the Western Australian Department of Mines, Industry Regulation and Safety.
Effective	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme.
Effective Date	the date on which the Scheme becomes Effective.
End Date	six months from the date of this deed, or such other date as agreed in writing by the parties.
Excluded Shareholder	any Firefly Shareholder who is (or becomes under clause 5.3(m)) a member of the Gascoyne Group or any Firefly Shareholder who holds any Firefly Shares on behalf of, or for the benefit of, any member of the Gascoyne Group and does not hold Firefly Shares on behalf of, or for the benefit of, any other person.
Exclusivity Period	the period from and including the date of this deed to the earlier of:



Term	Meaning
	1 the date of termination of this deed; 2 the End Date; and 3 the Effective Date.
Fairly Disclosed	a reference to 'Fairly Disclosed' means disclosed to Firefly or Gascoyne (as applicable) or any of its Related Persons, to a sufficient extent, and in sufficient detail, so as to enable a reasonable person experienced in transactions similar to the Transaction and experienced in a business similar to any business conducted by the Gascoyne Group or the Firefly Group (as applicable), to identify the nature and scope of the relevant matter, event or circumstance (including, in each case, that the potential financial effect of the relevant matter, event or circumstance was reasonably ascertainable from the information disclosed).
Financial Adviser	any financial adviser retained by a party in relation to the Transaction or a Firefly Competing Proposal or a Gascoyne Competing Proposal (as applicable) from time to time.
Financial Indebtedness	any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation including under or in respect of any: 1 bill, bond, debenture, note or similar instrument; 2 acceptance, endorsement or discounting arrangement; 3 guarantee; 4 finance or capital lease; 5 agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service; or 6 obligation to deliver goods or provide services paid for in advance by any financier.
Firefly Board	the board of directors of Firefly and a Firefly Board Member means any director of Firefly comprising part of the Firefly Board.
Firefly Budget	the operational budget within the Disclosure Materials, which has been agreed by email exchange between the parties on or prior to the date of this deed for the purposes of identification.
Firefly Competing Proposal	other than the Paterson Demerger, any proposal, agreement, arrangement or transaction (or expression of interest therefor),

Term	Meaning
	which, if entered into or completed, would mean a Third Party (either alone or together with any Associate) may: 1 directly or indirectly acquire a Relevant Interest in, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the Firefly Shares or of the share capital of any Subsidiary of Firefly; 2 acquire Control of Firefly or any Subsidiary of Firefly; 3 directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire, a legal, beneficial or economic interest in, or control of, all or a substantial part of Firefly's business or assets or the business or assets of the Firefly Group; 4 otherwise directly or indirectly acquire or merge, or be involved in an amalgamation or reconstruction (as those terms are used in section 413(1) of the Corporations Act), with Firefly or a Subsidiary of Firefly; or 5 require Firefly to abandon, or otherwise fail to proceed with, the Transaction, whether by way of takeover bid, members' or creditors' scheme of arrangement, reverse takeover, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement, recapitalisation, refinancing or other transaction or arrangement. For the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Firefly Competing Proposal will constitute a new Firefly Competing Proposal.
Firefly Group	Firefly and each of its Subsidiaries, and a reference to a Firefly Group Member or a member of the Firefly Group is to Firefly or any of its Subsidiaries.
Firefly Indemnified Parties	Firefly, its Subsidiaries and their respective directors, officers and employees.
Firefly Information	information regarding the Firefly Group prepared by Firefly for inclusion in the Scheme Booklet that explains the effect of the Scheme and sets out the information prescribed by the Corporations Act and the Corporations Regulations, and any other information that is material to the making of a decision by Firefly Shareholders whether or not to vote in favour of the Scheme, being information that is within the knowledge of each of the Firefly Board Members, which for the avoidance of doubt comprises the entirety of the Scheme Booklet but does not include the Gascoyne



Term	Meaning
	Information, the Independent Expert's Report, any investigating accountant's report, any independent technical report or any description of the taxation effect of the Transaction on Scheme Shareholders prepared by an external adviser to Firefly.
Firefly Material Adverse Change	an event, change, condition, matter, circumstance or thing occurring before, on or after the date of this deed which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Firefly Group taken as a whole, other than those events, changes, conditions, matters, circumstances or things: 1 required or permitted by this deed, the Scheme or the transactions contemplated by either; 2 that are Fairly Disclosed in the Disclosure Materials; 3 arising from changes in economic or business conditions that impact on Firefly and its competitors in a similar manner (including interest rates, general economic, political or business conditions, commodity prices (including gold price), including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets); 4 agreed to in writing by Gascoyne; or 5 arising as a result of any generally applicable change in law (including subordinate legislation) or governmental policy.
Firefly Option	an option to acquire unissued Firefly Shares, as itemised in Schedule 4.
Firefly Optionholder	each person who is registered in the Firefly Option Register as the holder of a Firefly Option.
Firefly Option Register	the register of option holders of Firefly maintained in accordance with the Corporations Act.
Firefly Prescribed Occurrence	other than as: 1 required or permitted by this deed, the Scheme or the transactions contemplated by either; 2 Fairly Disclosed in the Disclosure Materials; or 3 agreed to in writing by Gascoyne, the occurrence of any of the following:

Term	Meaning
	4 Firefly converting all or any of its shares into a larger or smaller number of shares; 5 a member of the Firefly Group resolving to reduce its share capital in any way, other than as required for the Paterson Demerger; 6 a member of the Firefly Group: - entering into a buy-back agreement; or - resolving to approve the terms of a buy-back agreement under the Corporations Act; 7 a member of the Firefly Group issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, other than as required for the Paterson Demerger or to a directly or indirectly wholly-owned Subsidiary of Firefly; 8 a member of the Firefly Group issuing or agreeing to issue securities convertible into shares; 9 a member of the Firefly Group disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property, other than as required for the Paterson Demerger; 10 a member of the Firefly Group granting a Security Interest, or agreeing to grant a Security Interest, in the whole, or a substantial part, of its business or property (other than to a member of the Gascoyne Group); or 11 an Insolvency Event occurs in relation to a member of the Firefly Group.
Firefly Regulated Event	other than as: 1 required or permitted by this deed, the Scheme or the transactions contemplated by either; 2 Fairly Disclosed in the Disclosure Materials (including, without limitation, the Firefly Budget); 3 undertaken in connection with the Paterson Demerger and specifically agreed to in writing by Gascoyne; or 4 otherwise as agreed to in writing by Gascoyne, the occurrence of any of the following: 5 a Firefly Group Member reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares; 6 a Firefly Group Member acquiring or disposing of, or entering into or announcing any agreement for the acquisition or disposal of, any asset or business, or entering into any corporate transaction, which would or would reasonably be likely to involve a material change in: the manner in which the Firefly Group conducts its business;

Term	Meaning
	- the nature (including balance sheet classification), extent or value of the assets of the Firefly Group; or - the nature (including balance sheet classification), extent or value of the liabilities of the Firefly Group;
7	Gascoyne becoming aware that the Firefly Representation and Warranty in paragraph (j) of Schedule 3 is inaccurate;
8	other than the Paterson Demerger, Firefly announcing, making, declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members (whether in cash or in specie);
9	a member of the Firefly Group making any change to its constitution (other than any entity to be demerged under the Paterson Demerger, or any subsidiary of that entity);
10	a member of the Firefly Group commencing business activities not already carried out as at the date of this deed, whether by way of acquisition or otherwise;
11	a member of the Firefly Group entering into, or resolving to enter into, a transaction with any related party of Firefly (other than a related party which is a member of the Firefly Group), as defined in section 228 of the Corporations Act, other than the Paterson Arrangements;
12	a member of the Firefly Group: - acquiring, leasing or disposing of; - agreeing, offering or proposing to acquire (including by way of conditional agreement or option), lease or dispose of; or - announcing or proposing a bid, or tendering, for, any business, assets, entity, undertaking or rights relating to any Firefly Tenement, the value of which exceeds \$100,000 (individually or in aggregate) over and above any item Fairly Disclosed in the Firefly Budget;
13	a member of the Firefly Group entering into a contract or commitment restraining a member of the Firefly Group from competing with any person or conducting activities in any market;
14	a member of the Firefly Group: - entering into any contract or commitment (including in respect of Financial Indebtedness) requiring payments by the Firefly Group in excess of \$50,000 (individually or in aggregate) but excluding any drilling or assaying costs, any payment required by law and any other item Fairly Disclosed in the Firefly Budget; - without limiting the foregoing, (i) agreeing to incur or incurring capital expenditure of more than \$25,000 (individually or in aggregate) but excluding any drilling or assaying costs or other item Fairly Disclosed in the Firefly Budget (ii) incurring any Financial Indebtedness of an amount in excess of \$50,000 (individually or in aggregate);

Term	Meaning
	• waiving any material third party default where the financial impact on the Firefly Group will be in excess of \$25,000 (individually or in aggregate); or • accepting as a compromise of a matter less than the full compensation due to a member of the Firefly Group where the financial impact of the compromise on the Firefly Group is more than \$50,000 (individually or in aggregate);
15	a member of the Firefly Group providing financial accommodation other than to members of the Firefly Group (irrespective of what form of Financial Indebtedness that accommodation takes) in excess of \$50,000 (individually or in aggregate);
16	a member of the Firefly Group entering into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments;
17	a member of the Firefly Group being party to, bound by or subject to a Relevant Material Contract, unless before 8.00am on the Second Court Date: • each relevant party to the Relevant Material Contract provides Firefly in writing a binding, irrevocable and unconditional waiver or release of its rights under the Material Contract that makes that contract a Relevant Material Contract (Relevant Release); and • the Relevant Release is not varied, revoked or qualified, and between the date of this deed and the 8.00am on the Second Court Date no party to any Material Contract (other than a Gascoyne Group Member), or a Related Body Corporate, Associate or affiliate of such a party, makes a statement to the effect that a Relevant Material Contract exists, unless the two foregoing bullets are satisfied before 8.00am on the Second Court Date;
18	a member of the Firefly Group entering into, or resolving to enter into, a transaction with any related party of Firefly (other than a related party which is a member of the Firefly Group), as defined in section 228 of the Corporations Act;
19	a member of the Firefly Group entering into or materially altering, varying or amending any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors, other executives or employees, or accelerating or otherwise materially increasing compensation or benefits for any of the above, in each case other than pursuant to: • contractual arrangements in effect on the date of this deed and which have been disclosed in writing to Gascoyne prior to the date of this deed; or



Term	Meaning
	• Firefly's policies and guidelines in effect on the date of this deed and which have been disclosed in writing to Gascoyne prior to the date of this deed, provided that the aggregate of all increases in compensation or benefits is no greater than \$10,000;
20	a member of the Firefly Group paying any of its officers, directors, other executives or employees a termination or retention payment, other than in accordance with contractual arrangements in effect on the date of this deed and which have been disclosed in writing to Gascoyne prior to the date of this deed;
21	a member of the Firefly Group amending in any material respect any arrangement with its Financial Adviser, or entering into arrangements with a new Financial Adviser, in respect of the Transaction or a Firefly Competing Proposal;
22	a member of the Firefly Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in Accounting Standards; or
23	notice of any material investigation, prosecution, arbitration, litigation or dispute threatened against a member of the Firefly Group which could reasonably be expected to give rise to a liability for the Firefly Group in excess of \$100,000 (Material Proceedings) and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any Material Proceedings. For the avoidance of doubt, Material Proceedings do not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the Firefly Group.
Firefly Registry	Automic Pty Ltd ACN 152 260 814.
Firefly Representations and Warranties	the representations and warranties of Firefly set out in Schedule 3.
Firefly Share	a fully paid ordinary share in the capital of Firefly.
Firefly Shareholder	each person who is registered as the holder of a Firefly Share in the Firefly Share Register.



Term	Meaning
Firefly Share Register	the register of members of Firefly maintained in accordance with the Corporations Act.
Firefly Superior Proposal	a bona fide Firefly Competing Proposal of a kind referred to in paragraph 2, 3, 4 or 5 of the definition of Firefly Competing Proposal not resulting from a breach by Firefly of any of its obligations under clause 11 of this deed (it being understood that any actions by the Related Persons of Firefly not permitted by clause 11 will be deemed to be a breach by Firefly for the purposes hereof), that the Firefly Board, acting in good faith, and after receiving written legal advice from its external legal advisers and written financial advice from its Financial Adviser, determines: 1 is reasonably capable of being valued and completed in a reasonable timeframe; and 2 would, if completed substantially in accordance with its terms, be more favourable to Firefly Shareholders (as a whole) than the Transaction (and, if applicable, than the Transaction as amended or varied following application of the matching right set out in clause 11.4), in each case taking into account all terms and conditions and other aspects of the Firefly Competing Proposal (including any timing considerations, any conditions precedent, the identity of the proponent or other matters affecting the probability of the Firefly Competing Proposal being completed) and of the Transaction.
Firefly Tenements	1 the Yalgoo Tenements, the Paterson Tenements, the Forrestania Tenements and exploration licences E52/3756 and E52/3894; and 2 any other exploration or mining tenement(s) which may be granted in lieu of or relate to the same ground as the tenements referred to in paragraph 1.
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Forrestania Option Agreement	the agreement entitled 'Binding Terms Sheet Acquisition of Firehawk Gold Pty Ltd' dated 17 March 2021 between Forrestania Resources Pty Ltd (ACN 647 899 694) (as Buyer), Firehawk Gold Pty Ltd (ACN 646 423 707) (as Firehawk) and Firefly (as Seller).



Term	Meaning
Forrestania Tenements	1 exploration licences E74/586, E74/591, E74/627, E77/2313, E77/2348, E77/2345, E77/2346, E77/2364 and mining lease M77/549; and 2 any other exploration or mining tenement(s) which may be granted in lieu of or relate to the same ground as the tenements referred to in paragraph 1.
Gascoyne Board	the board of directors of Gascoyne and a Gascoyne Board Member means any director of Gascoyne comprising part of the Gascoyne Board.
Gascoyne Competing Proposal	any proposal, agreement, arrangement or transaction (or expression of interest therefor) other than the Transaction, which, if entered into or completed, the effect of which would be to prevent Gascoyne or any Gascoyne Group Member (either alone or together with any Associate) from proceeding with the Transaction
Gascoyne ESOP	the document entitled 'GCY Equity Incentive Plan Rules' approved by Gascoyne shareholders on 18 December 2020.
Gascoyne Group	Gascoyne and each of its Subsidiaries, and a reference to a Gascoyne Group Member or a member of the Gascoyne Group is to Gascoyne or any of its Subsidiaries.
Gascoyne Indemnified Parties	Gascoyne, its Subsidiaries and their respective directors, officers and employees.
Gascoyne Information	information regarding the Gascoyne Group, and the Merged Group, provided by Gascoyne to Firefly in writing for inclusion in the Scheme Booklet being: 1 any letter from Gascoyne's Chairman; 2 information about Gascoyne, other Gascoyne Group Members, the businesses of the Gascoyne Group, Gascoyne's interests and dealings in Firefly Shares, Gascoyne's intentions for Firefly and Firefly's employees, and funding for the Scheme; and 3 any other information required under the Corporations Act, Corporations Regulations or RG 60 to enable the Scheme Booklet to be prepared that the parties agree is 'Gascoyne Information' and that is identified in the Scheme Booklet as such. For the avoidance of doubt, the Gascoyne Information excludes the Firefly Information, the Independent Expert's Report, any investigating accountant's report, any independent technical report



Term	Meaning
	and any description of the taxation effect of the Transaction on Scheme Shareholders prepared by an external adviser to Firefly.
Gascoyne Material Adverse Change	an event, change, condition, matter, circumstance or thing occurring before, on or after the date of this deed which, whether individually or when aggregated with all such events, changes, conditions, matters, circumstances or things of a like kind that have occurred or are reasonably likely to occur, has had or would be considered reasonably likely to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Gascoyne Group taken as a whole, other than those events, changes, conditions, matters, circumstances or things: 1 required or permitted by this deed, the Scheme or the transactions contemplated by either; 2 that are Fairly Disclosed in the Disclosure Materials; 3 arising from changes in economic or business conditions that impact on Gascoyne and its competitors in a similar manner (including interest rates, general economic, political or business conditions, commodity prices (including gold price), including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets); 4 arising as a result of the application of any impairment testing required under the Accounting Standards to the carrying value of any of Gascoyne's material assets, or any announcement relating to the same; 5 agreed to in writing by Firefly; or 6 arising as a result of any generally applicable change in law (including subordinate legislation) or governmental policy.
Gascoyne Prescribed Occurrence	other than: 1 as required or permitted by this deed, the Scheme or the transactions contemplated by either; 2 as Fairly Disclosed in the Disclosure Materials; or 3 as agreed to in writing by Firefly, the occurrence of any of the following: 4 Gascoyne converting all or any of its shares into a larger or smaller number of shares; 5 a member of the Gascoyne Group resolving to reduce its share capital in any way; 6 a member of the Gascoyne Group: • entering into a buy-back agreement; or • resolving to approve the terms of a buy-back agreement under the Corporations Act;



Term	Meaning
	7 a member of the Gascoyne Group issuing shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option, other than: • in connection with the Gascoyne ESOP, subject to such number of securities issued under the Gascoyne ESOP after the date of this deed not exceeding 5% of the Gascoyne Shares on issue as at the date of this deed; or • to a directly or indirectly wholly-owned Subsidiary of Gascoyne; 8 a member of the Gascoyne Group issuing or agreeing to issue securities convertible into shares (unless permitted under paragraph 7) 9 a member of the Gascoyne Group disposing, or agreeing to dispose, of the whole, or a substantial part, of the Dalgarranga Gold Project; or 10 an Insolvency Event occurs in relation to a member of the Gascoyne Group.
Gascoyne Registry	Advanced Share Registry Ltd ACN 127 175 946.
Gascoyne Regulated Event	other than: 1 as required or permitted by this deed, the Scheme or the transactions contemplated by either; 2 as Fairly Disclosed in the Disclosure Materials; or 3 otherwise as agreed to in writing by Firefly, the occurrence of any of the following: 4 a Gascoyne Group Member reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares; 5 a Gascoyne Group Member acquiring or disposing of, or entering into or announcing any agreement for the acquisition or disposal of, any asset or business, or entering into any corporate transaction, which would or would reasonably be likely to involve a material change in: • the manner in which the Gascoyne Group conducts its business; • the nature (including balance sheet classification), extent or value of the assets of the Gascoyne Group; or • the nature (including balance sheet classification), extent or value of the liabilities of the Gascoyne Group; 6 Firefly becoming aware that the Gascoyne Representation and Warranty in paragraph (j) ('capital structure') of Schedule 2 is inaccurate;



Term	Meaning
	7 a member of the Gascoyne Group making any change to its constitution; 8 a member of the Gascoyne Group commencing business activities not already carried out as at the date of this deed, whether by way of acquisition or otherwise; 9 a member of the Gascoyne Group entering into, or resolving to enter into, a transaction with any related party of Gascoyne (other than a related party which is a member of the Gascoyne Group), as defined in section 228 of the Corporations Act; 10 a member of the Gascoyne Group entering into, or resolving to enter into, a transaction with any related party of Gascoyne (other than a related party which is a member of the Gascoyne Group), as defined in section 228 of the Corporations Act; or 11 notice of any material investigation, prosecution, arbitration, litigation or dispute threatened against a member of the Gascoyne Group which could reasonably be expected to give rise to a liability for the Gascoyne Group in excess of \$5,000,000 (Material Proceedings) and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any Material Proceedings. For the avoidance of doubt, Material Proceedings do not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the Gascoyne Group.
Gascoyne Representations and Warranties	the representations and warranties of Gascoyne set out in Schedule 2.
Gascoyne Shares	fully paid ordinary shares in the capital of Gascoyne.



Term	Meaning
Gascoyne SFA	the agreement entitled 'Syndicated Facility Agreement' dated 13 August 2020 between, Gascoyne (as Borrower), Investec Bank Plc, Australia Branch (as Agent), Investec Australia Limited (as Technical Agent and Security Trustee) and others.
Gascoyne Superior Proposal	a bona fide Gascoyne Competing Proposal not resulting from a breach by Gascoyne of any of its obligations under clause 11 of this deed (it being understood that any actions by the Related Persons of Gascoyne not permitted by clause 11 will be deemed to be a breach by Gascoyne for the purposes hereof), that the Gascoyne Board, acting in good faith, and after receiving written legal advice from its external legal advisers and written financial advice from its Financial Adviser, determines: 1 is reasonably capable of being valued and completed in a reasonable timeframe; and 2 would, if completed substantially in accordance with its terms, be more favourable to Gascoyne Shareholders (as a whole) than the Transaction, in each case taking into account all terms and conditions and other aspects of the Gascoyne Competing Proposal (including any timing considerations, any conditions precedent, the identity of the proponent or other matters affecting the probability of the Gascoyne Competing Proposal being completed) and of the Transaction.
Gascoyne Tenements	the tenements comprising Gascoyne's Bassit Bore, Dalgaranga, Mumbakine Well, Glenburgh, Murchison, Mt Egerton and Mt James projects being: 1 the tenements listed in Schedule 5; and 2 any other exploration or mining tenement(s) which may be granted in lieu of or relate to the same ground as the tenements referred to in paragraph 1.
Grantor	Yalgoo Exploration Pty Ltd ACN 166 570 869.
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.



Term	Meaning
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing.
Independent Expert	BDO Corporate Finance (WA) Pty Ltd, the independent expert in respect of the Scheme appointed by Firefly.
Independent Expert's Report	means the report to be issued by the Independent Expert in connection with the Scheme, setting out the Independent Expert's opinion whether or not the Transaction is in the best interest of Firefly Shareholders and the reasons for holding that opinion.
Independent Technical Expert	SRK Consulting (Global) Ltd, the independent technical expert in respect of the Scheme appointed by Firefly.
Independent Technical Expert's Report	means the report to be issued by the Independent Technical Expert in connection with the Scheme.
Insolvency Event	means, in relation to an entity: 1 the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity; 2 a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets; 3 the entity executing a deed of company arrangement; 4 the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this deed; 5 the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or, if appropriate, legislation of its place of incorporation) or is otherwise presumed to be insolvent under the Corporations Act unless the entity has, or has access to, committed financial support from its parent entity such that it is able to pay its debts or 6 the entity being deregistered as a company or otherwise dissolved.
Integration Committee	a committee comprised of at least two senior Firefly executives and two senior Gascoyne executives, and other persons as agreed by the parties.



Term	Meaning
Lightning Bug Tenements	1 P59/2042 and P59/2040; 2 the following exploration licence applications (once granted): E59/2534, E59/2543 and E59/2544; and 3 any other exploration or mining tenement(s) which may be granted in lieu of or relate to the same ground as the tenements referred to in paragraph 1.
Listing Rules	the official listing rules of ASX.
Material Contract	any agreement, contract, deed or other arrangement, constitution, by-laws, articles of association (or similar), right or instrument (each of the foregoing things or matters being a Right) which: 1 involves, or would reasonably be likely to involve, the provision of financial accommodation to any member of the Firefly Group; 2 imposes, or would reasonably be likely to impose, obligations or liabilities on any party of at least \$100,000 per annum or \$250,000 over the life of the Right; or 3 is otherwise material to Firefly in the context of the businesses of the Firefly Group taken as a whole, and a Relevant Material Contract means a Material Contract (which one or more members of the Firefly Group are a party to or a beneficiary under) under which any party (other than a member of the Firefly Group) to such Material Contract has the right (Relevant Right) to: 1 terminate, cancel or rescind that Material Contract or any party of it; 2 vary, amend or modify that Material Contract; 3 exercise, enforce or accelerate any right under that Material Contract (including rights of pre-emption); or 4 benefit from the operation of a provision which automatically terminates, varies, amends or modifies that Material Contract, (including where that Relevant Right is subject to (x) the satisfaction or failure of a contingency or condition or (y) one or more of the Conditions Precedent being satisfied or waived or (z) the effluxion of time) as a direct or indirect result of: 1 a Gascoyne Group Member entering into this deed; 2 a Firefly Group Member performing its obligations under this deed; 3 any public announcement or public disclosure of the Transaction; 4 a Gascoyne Group Member acquiring, or acquiring a Relevant Interest in, any Firefly Shares; 5 a Gascoyne Group Member acquiring control of Firefly;



Term	Meaning
	6 a Gascoyne Group Member implementing or seeking to implement any of its intentions for Firefly as described in the Scheme Booklet; or 7 any Firefly Board Member supporting the Scheme or making a recommendation that Firefly Shareholders (other than Excluded Shareholders) vote in favour of the Scheme.
Merged Group	the combination of the Gascoyne Group and the Firefly Group, as comprised by Gascoyne and its Subsidiaries following implementation of the Scheme.
Mining Act	the <i>Mining Act 1978</i> (WA).
Native Title Law	any law, including the common law, applicable in Western Australia relating to or applying to native title or claimed native title, including the <i>Native Title Act 1993</i> (Cth), the <i>Racial Discrimination Act 1975</i> (Cth) and any determination made (including conditions imposed) by the National Native Title Tribunal or other competent entity under the <i>Native Title Act 1993</i> (Cth).
Operating Rules	the official operating rules of ASX.
Option Cancellation Deeds	a deed between Firefly, a Firefly Option holder and Gascoyne pursuant under which those parties agree to cancel all of that Firefly Option holder's Firefly Options with effect on the Implementation Date, conditional on the Scheme becoming Effective, for the Option consideration.
Option Consideration	in respect of a Firefly Option, such number of Gascoyne Shares as determined in Schedule 6.
Mine Closure Plan	has the meaning set out in section 700 of the Mining Act.
Mining Proposal	has the meaning set out in section 700 of the Mining Act.
New Gascoyne Share	a fully paid ordinary share in Gascoyne to be issued to Scheme Shareholders under the Scheme.



Term	Meaning
Pastoral Lease Option Deed	the document entitled 'Binding Term Sheet – Option for Pastoral Lease' (undated) contained in the Disclosure Materials.
Paterson Arrangements	any arrangements to be entered into between a member of the demerged group under the Paterson Demerger and a member of the Firefly Group.
Paterson Demerger	the demerger of the following Firefly and Gascoyne assets to be implemented pursuant to the Paterson Demerger Agreement: • Paterson Copper-Gold Project; • Forrestania Gold Project; • lithium mineral rights over the Yalgoo Tenements, except for M59/035; • lithium rights over the Lightning Bug Tenements; • M59/0358, comprising the Holland exploration camp and associated infrastructure (gold rights to remain with Firefly); and • lithium mineral rights over agreed Dalgaranga assets.
Paterson Demerger Agreement	the implementation agreement between Firefly and SpinCo on the terms approved in writing by Gascoyne relating to the implementation of the Paterson Demerger.
Paterson Tenements	1 exploration licences E45/5358, E45/5391, E45/5396, E45/5397 and E45/5407; and 2 any other exploration or mining tenement(s) which may be granted in lieu of or relate to the same ground as the tenements referred to in paragraph 1.
RG 60	Regulatory Guide 60 issued by ASIC in September 2011.
Recipient Party	the party entitled to receive the Reimbursement Fee under clause 12.2.
Registered Address	in relation to a Firefly Shareholder, the address shown in the Firefly Share Register as at the Scheme Record Date.
Regulator's Draft	the draft of the Scheme Booklet in a form which is agreed to between the parties and that is provided to ASIC for approval pursuant to subsection 411(2) of the Corporations Act.



Term	Meaning
Regulatory Approval	a clearance, waiver, ruling, approval, relief, confirmation, exemption, consent or declaration set out in clause 3.1(a).
Reimbursing Party	the party required to pay the Reimbursement Fee under clause 12.2.
Reimbursement Fee	\$500,000 (excluding GST).
Related Bodies Corporate	has the meaning set out in section 50 of the Corporations Act.
Related Person	1 in respect of a party or its Related Bodies Corporate, each director, officer, employee, adviser, agent or representative of that party or Related Body Corporate; and 2 in respect of a Financial Adviser, each director, officer, employee or contractor of that Financial Adviser.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Firefly and the Scheme Shareholders, the form of which is attached as Attachment 2, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Gascoyne and Firefly.
Scheme Booklet	the scheme booklet to be prepared by Firefly in respect of the Transaction in accordance with the terms of this deed (including clause 5.2(a)) in a form agreed between the parties (acting reasonably) to be despatched to the Firefly Shareholders and which must include or be accompanied by: • a copy of the Scheme; • an explanatory statement complying with the requirements of the Corporations Act, the Corporations Regulations and RG 60; • the Independent Expert's Report; • the investigating accountant's report; • the independent technical report; • a copy or summary of this deed; • a copy of the executed Deed Poll;



Term	Meaning
	• a notice of meeting; and • a proxy form.
Scheme Consideration	the consideration to be provided by Gascoyne to each Scheme Shareholder for the transfer to Gascoyne of each Scheme Share, being for each Firefly Share held by a Scheme Shareholder as at the Scheme Record Date, 0.340 New Gascoyne Shares.
Scheme Meeting	the meeting of Firefly Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date or such other time and date as the parties agree in writing.
Scheme Shares	all Firefly Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Shareholder	a holder of Firefly Shares recorded in the Firefly Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Security Interest	has the meaning given in section 51A of the Corporations Act.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
TA Security Interest	has the meaning given to the term 'Security Interest' in the Tribute Agreement.
Takeovers Panel	the Australian Takeovers Panel.



Term	Meaning
Tax Act	the <i>Income Tax Assessment Act 1997</i> (Cth).
Third Party	a person other than Gascoyne, its Related Bodies Corporate and its other Associates.
Timetable	the indicative timetable for the implementation of the Transaction set out in Attachment 1.
Transaction	the acquisition of the Scheme Shares by Gascoyne through implementation of the Scheme in accordance with the terms of this deed.
Tribute Agreement	the document entitled 'Tribute Agreement' dated 2 September 2020 between Yalgoo Exploration Pty Ltd (ACN 166 570 869) (as Grantor) and Yalgoo Lithex Pty Ltd (ACN 623 886 402) (as Tributor).
Tribute Agreement Variation Deed	means a deed to be entered into between the parties to the Tribute Agreement, Firefly and Gascoyne pursuant to which references to Firefly Shares are replaced with references to Gascoyne Shares, in a form acceptable to the parties to the Tribute Agreement, Firefly and Gascoyne, acting reasonably.
Tribute Tenement	exploration licence E59/2077.
Tributor	Yalgoo Lithex Pty Ltd ACN 623 886 402.
Yalgoo Tenements	1 P59/2134, P59/2087, M59/0358, M59/0384, P59/2086, M59/0057, E59/2468, P59/2089, P59/2088, P59/2042, P59/2040, E59/2363, E59/2140-I, E59/2077, E59/2230, P59/2158, E59/2284, E59/2364, E59/2295, E59/2252 and P59/2138; 2 the following exploration licence applications (once granted): E59/2456, E59/2457, E59/2458, E59/2459, E59/2460, E59/2469, E59/2470, E59/2471, E59/2478, E59/2534, E59/2543 and E59/2544; and 3 any other exploration or mining tenement(s) which may be granted in lieu of or relate to the same ground as the tenements referred to in paragraph 1.

2 Interpretation

2.1 Interpretation

In this deed:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this deed;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency, as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this deed;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this deed) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to the lawful currency of Australia;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Perth;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1 of this Schedule 1, has the same meaning when used in this deed;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this deed or that provision;
- (n) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (p) a reference to a body (including an institute, association or authority), other than a party to this deed, whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;



- (q) a reference to an agreement other than this deed includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (r) a reference to liquidation or insolvency includes appointment of an administrator, a reconstruction, winding up, dissolution, deregistration, assignment for the benefit of creditors, bankruptcy, or a scheme, compromise or arrangement with creditors (other than solely with holders of securities or derivatives), or any similar procedure or, where applicable, changes in the constitution of any partnership or Third Party, or death;
- (s) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (t) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (u) if an act prescribed under this deed to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- (v) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party; and
- (w) a reference to something being 'reasonably likely' (or to a similar expression) is a reference to that thing being more likely than not to occur when assessed objectively.

2.2 Interpretation of inclusive expressions

Specifying anything in this deed after the words 'include' or 'for example' or similar expressions does not limit what else is included.

2.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.



Schedule 2

Gascoyne Representations and Warranties

Gascoyne represents and warrants to Firefly (in its own right and separately as trustee or nominee for each of the other Firefly Indemnified Parties) that:

- (a) **Gascoyne Information:** the Gascoyne Information provided for inclusion in the Scheme Booklet, as at the date the Scheme Booklet is despatched to Firefly Shareholders, will be accurate in all material respects and will not contain any statement which is materially misleading or deceptive (with any statement of belief or opinion being honestly held and formed on a reasonable basis), including by way of omission from that statement;
- (b) **basis of Gascoyne Information:** the Gascoyne Information:
 - (1) will be provided to Firefly in good faith and on the understanding that Firefly and each other Firefly Indemnified Party will rely on that information for the purposes of preparing the Scheme Booklet and determining to proceed with the Transaction; and
 - (2) will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, RG 60, applicable Takeovers Panel guidance notes and the Listing Rules,and all information provided by or on behalf of Gascoyne to the Independent Expert will be prepared and provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
- (c) **new information:** it will, as a continuing obligation, provide to Firefly all further or new information which arises after the Scheme Booklet has been despatched to Firefly Shareholders (other than Excluded Shareholders) until the date of the Scheme Meeting which is necessary to ensure that the Gascoyne Information is not misleading or deceptive (including by way of omission);
- (d) **validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (e) **authority:** the execution and delivery of this deed by Gascoyne has been properly authorised by all necessary corporate action of Gascoyne, and Gascoyne has taken or will take all necessary corporate action to authorise the performance of this deed and to carry out the transactions contemplated by this deed;
- (f) **power:** it has full capacity, corporate power and lawful authority to execute, deliver and perform this deed and to carry out the transactions contemplated by this deed;
- (g) **no default:** other than as Fairly Disclosed, neither this deed nor the carrying out by Gascoyne of the transactions contemplated by this deed does or will conflict with or result in the breach of or a default under:
 - (1) any provision of Gascoyne's constitution; or
 - (2) any material term or provision of any material agreement (including any financing arrangements) or any writ, order or injunction, judgment,



law, rule or regulation to which it is party or subject or by which it or any other Gascoyne Group Member is bound,

and it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this deed;

- (h) **deed binding:** this deed is a valid and binding obligation of Gascoyne, enforceable in accordance with its terms;
- (i) **continuous disclosure:** as at the date of this deed, Gascoyne is in compliance its continuous disclosure obligations under Listing Rule 3.1 and, other than for this Transaction, it is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure;
- (j) **capital structure:** its capital structure, including all issued securities as at the date of this deed, is as set out in Schedule 4 and it has not issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into Gascoyne Shares (other than in connection with the Gascoyne ESOP (subject to such number of securities issued under the Gascoyne ESOP after the date of this deed not exceeding 5% of the Gascoyne Shares on issue as at the date of this deed), or as Fairly Disclosed, or as otherwise set out in Schedule 4) and it is not under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any shares, options, warrants, performance rights or other securities or instruments in Gascoyne;
- (k) **interest:** the Disclosure Materials set out full details of any company, partnership, trust, joint venture (whether incorporated or unincorporated) or other enterprise in which Gascoyne or another Gascoyne Group Member owns or otherwise holds any interest;
- (l) **Insolvency Event or regulatory action:** no Insolvency Event has occurred in relation to it or another Gascoyne Group Member, nor has any regulatory action of any nature of which it is aware been taken that would reasonably be likely to prevent or restrict its ability to fulfil its obligations under this deed, under the Deed Poll or under the Scheme;
- (m) **compliance:** each member of the Gascoyne Group has complied in all material respects with all Australian laws and regulations applicable to them and orders of Australian Government Agencies having jurisdiction over them;
- (n) **material licences:** the Gascoyne Group has all material licences, authorisations and permits necessary for it to conduct the business of the Gascoyne Group as it is being conducted as at the date of this deed, and no member of the Gascoyne Group:
- (1) is in material breach of, or default under, any such licence, authorisation or permit; or
 - (2) has received any notice in respect of the termination, revocation, variation or non-renewal of any such licence, authorisation or permit;
- (o) **advisers:** it has provided complete and accurate information regarding fee levels in all retainers and mandates with Financial Advisers and fee estimates for other advisers in relation to the Scheme, any Gascoyne Competing Proposals and any other transaction where such retainer or mandate is current, or under which the Gascoyne Group still has obligations;
- (p) **Disclosure Materials:** it has collated and prepared all of the Disclosure Materials in good faith for the purposes of a due diligence process and in this context, as far as Gascoyne is aware:



- (1) the Disclosure Materials have been collated with all reasonable care and skill;
- (2) the information contained in the Disclosure Materials is accurate in all material respects;
- (3) the Disclosure Materials do not include information that is misleading in any material respect; and
- (4) no information has been omitted from the Disclosure Materials that, in Gascoyne's reasonable opinion, would render the Disclosure Materials misleading in any material respect, or be material to a reasonable buyer's evaluation of the Gascoyne Group or decision whether to proceed with the Transaction;
- (q) **all information:** it is not aware of any information relating to the Gascoyne Group or its respective businesses or operations (having made reasonable enquiries) as at the date of this deed that has or could reasonably be expected to give rise to a Gascoyne Material Adverse Change that has not been disclosed in an announcement by Gascoyne to ASX or in the Disclosure Materials;
- (r) **not misleading:** all information it has provided or will provide to the Independent Expert, as contemplated by clause 5.2(r) or otherwise, or to Gascoyne, is accurate and not misleading, and it has not omitted any information required to make the information provided to the Independent Expert or Gascoyne not misleading;
- (s) **no contravention of Corporations Act or Listing Rules:** neither ASIC nor ASX has made a determination against any member of the Gascoyne Group for any contravention of the requirements of the Corporations Act or the Listing Rules or any rules, regulations or regulatory guides under the Corporations Act or the Listing Rules and, as far as Gascoyne is aware, no event has occurred which reasonably could or would reasonably be likely to result in such a determination being made;
- (t) **litigation:** there are no current material actions, suits, arbitrations or legal or administrative proceedings against any member of the Gascoyne Group and, as far as Gascoyne is aware:
- (1) there are no (i) current, pending or threatened material claims, disputes or demands, or (ii) pending or threatened material actions, suits, arbitrations or legal or administrative proceedings, in each case against any member of the Gascoyne Group; and
- (2) no member of the Gascoyne Group is the specific focus of any material formal investigation by a Government Agency (not being an industry-wide investigation);
- (u) **encumbrances:** other than any security interest disclosed in the Disclosure Materials, there is no security interest over all of the Gascoyne Group's present or future assets or revenues or over any material assets held or owned by the Gascoyne Group;
- (v) **no Gascoyne Material Adverse Change:** immediately prior to entry into this deed, no Gascoyne Material Adverse Change has occurred;
- (w) **Material Contracts:** as far as Gascoyne is aware, no member of the Gascoyne Group is in material default under a Material Contract to which it is a party, and nothing has occurred which is (or would be following the giving of notice or the lapse of time) an event of default or would give another party a termination right



or right to accelerate any material right or obligation under any Material Contract;

- (x) **financial statements:** as far as Gascoyne is aware, there has not been any event, change, effect or development that would require Gascoyne to restate Gascoyne's financial statements as disclosed to ASX; and
- (y) **New Gascoyne Shares:** the New Gascoyne Shares to be issued in accordance with clause 4.3 and the terms of the Scheme will be duly authorised and validly issued or transferred, fully paid and free of all security interests and third party rights and will rank equally with all other Gascoyne Shares then on issue.

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Schedule 3

Firefly Representations and Warranties

Firefly represents and warrants to Gascoyne (in its own right and separately as trustee or nominee for each of the other Gascoyne Indemnified Parties) that:

- (a) **Firefly Information:** the Firefly Information contained in the Scheme Booklet, as at the date the Scheme Booklet is despatched to Firefly Shareholders, will be accurate in all material respects and will not contain any statement which is materially misleading or deceptive (with any statement of belief or opinion being honestly held and formed on a reasonable basis), including by way of omission from that statement;
- (b) **basis of Firefly Information:** the Firefly Information:
 - (1) will be prepared and included in the Scheme Booklet in good faith and on the understanding that Gascoyne and each other Gascoyne Indemnified Party will rely on that information for the purposes of determining to proceed with the Transaction and considering and approving the Gascoyne Information; and
 - (2) will comply in all material respects with the requirements of the Corporations Act, the Corporations Regulations, RG 60, applicable Takeovers Panel guidance notes and the Listing Rules,and all information provided by or on behalf of Firefly to the Independent Expert will be prepared and provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
- (c) **new information:** it will, as a continuing obligation (but in respect of the Gascoyne Information, only to the extent that Gascoyne provides Firefly with updates to the Gascoyne Information), ensure that the Scheme Booklet is updated or supplemented to include all further or new information which arises after the Scheme Booklet has been despatched to Firefly Shareholders (other than Excluded Shareholders) until the date of the Scheme Meeting which is necessary to ensure that the Scheme Booklet is not misleading or deceptive (including by way of omission);
- (d) **validly existing:** it is a validly existing corporation registered under the laws of its place of incorporation;
- (e) **authority:** the execution and delivery of this deed by Firefly has been properly authorised by all necessary corporate action of Firefly, and Firefly has taken or will take all necessary corporate action to authorise the performance by Firefly of this deed and the transactions contemplated by this deed;
- (f) **power:** it has full capacity, corporate power and lawful authority to execute, deliver and perform this deed;
- (g) **no default:** other than as Fairly Disclosed, neither this deed nor the carrying out by Firefly of the transactions contemplated by this deed does or will conflict with or result in the breach of or a default under:
 - (1) any provision of Firefly's constitution; or



- (2) any material term or provision of any material agreement (including any financing arrangements) or any writ, order or injunction, judgment, law, rule or regulation to which it is party or subject or by which it or any other Firefly Group Member is bound,

and it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this deed;

- (h) **deed binding:** this deed is a valid and binding obligation of Firefly, enforceable in accordance with its terms;
- (i) **continuous disclosure:** as at the date of this deed, Firefly is in compliance its continuous disclosure obligations under Listing Rule 3.1 and, other than for this Transaction, it is not relying on the carve-out in Listing Rule 3.1A to withhold any material information from public disclosure;
- (j) **capital structure:** its capital structure, including all issued securities as at the date of this deed, is as set out in Schedule 4 and it has not issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into Firefly Shares other than as set out in Schedule 4 and it is not under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any shares, options, warrants, performance rights or other securities or instruments in Firefly;
- (k) **interest:** the Disclosure Materials set out full details of any company, partnership, trust, joint venture (whether incorporated or unincorporated) or other enterprise in which Firefly or another Firefly Group Member owns or otherwise holds any interest;
- (l) **Insolvency Event or regulatory action:** no Insolvency Event has occurred in relation to it or another Firefly Group Member, nor has any regulatory action of any nature been taken that would reasonably be likely to prevent or restrict its ability to fulfil its obligations under this deed or under the Scheme;
- (m) **compliance:** each member of the Firefly Group has complied in all material respects with all Australian laws and regulations applicable to them and orders of Australian Government Agencies having jurisdiction over them;
- (n) **native title:**
- (1) each member of the Firefly Group has complied in all material respects with Native Title Laws and Aboriginal Heritage Acts and, as far as Firefly is aware, no event has occurred which reasonably could or would reasonably be likely to result in a material non-compliance by a member of the Firefly Group with Native Title Laws and Aboriginal Heritage Acts; and
- (2) so far as Firefly is aware, there are no material native title or heritage impediments to the development of any of Firefly's assets or tenements;
- (o) **duties:** all legacy duty liabilities (including any interest and penalties) in relation to any historical acquisitions undertaken by the Firefly Group that have not been Fairly Disclosed in the Disclosure Materials have been settled with the Office of State Revenue;
- (p) **material licences:** the Firefly Group has all material licences, authorisations and permits (including any approvals under Native Title Laws and Aboriginal Heritage Acts) necessary for it to conduct the business of the Firefly Group as it



is being conducted as at the date of this deed, and no member of the Firefly Group:

- (1) is in material breach of, or default under, any such licence, authorisation or permit; or
- (2) has received any notice in respect of the termination, revocation, variation or non-renewal of any such licence, authorisation or permit;
- (q) **advisers:** it has provided complete and accurate information regarding fee levels in all retainers and mandates with Financial Advisers and fee estimates for other advisers in relation to the Scheme, any Firefly Competing Proposals and any other transaction where such retainer or mandate is current, or under which the Firefly Group still has obligations;
- (r) **Disclosure Materials:** it has collated and prepared all of the Disclosure Materials in good faith for the purposes of a due diligence process and in this context, as far as Firefly is aware:
 - (1) the Disclosure Materials have been collated with all reasonable care and skill;
 - (2) the information contained in the Disclosure Materials is accurate in all material respects;
 - (3) the Disclosure Materials do not include information that is misleading in any material respect; and
 - (4) no information has been omitted from the Disclosure Materials that, in Firefly's reasonable opinion, would render the Disclosure Materials misleading in any material respect, or be material to a reasonable buyer's evaluation of the Firefly Group or decision whether to proceed with the Transaction;
- (s) **all information:** it is not aware of any information relating to the Firefly Group or its respective businesses or operations (having made reasonable enquiries) as at the date of this deed that has or could reasonably be expected to give rise to a Firefly Material Adverse Change that has not been disclosed in an announcement by Firefly to ASX or in the Disclosure Materials;
- (t) **not misleading:** all information it has provided or will provide to the Independent Expert, as contemplated by clause 5.2(r) or otherwise, or to Gascoyne, is accurate and not misleading, and it has not omitted any information required to make the information provided to the Independent Expert or Gascoyne not misleading;
- (u) **no contravention of Corporations Act or Listing Rules:** neither ASIC nor ASX has made a determination against any member of the Firefly Group for any contravention of the requirements of the Corporations Act or the Listing Rules or any rules, regulations or regulatory guides under the Corporations Act or the Listing Rules and, as far as Firefly is aware, no event has occurred which reasonably could or would reasonably be likely to result in such a determination being made;
- (v) **litigation:** there are no current material actions, suits, arbitrations or legal or administrative proceedings against any member of the Firefly Group and, as far as Firefly is aware:
 - (1) there are no (i) current, pending or threatened material claims, disputes or demands, or (ii) pending or threatened material actions, suits, arbitrations or legal or administrative proceedings, in each case against any member of the Firefly Group; and



- (2) no member of the Firefly Group is the specific focus of any material formal investigation by a Government Agency (not being an industry-wide investigation);
- (w) **encumbrances:** other than any security interest disclosed in the Disclosure Materials, there is no security interest over all or any of the Firefly Group's present or future assets or revenues;
- (x) **no Firefly Material Adverse Change:** immediately prior to entry into this deed, no Firefly Material Adverse Change has occurred;
- (y) **Material Contracts:** as far as Firefly is aware, no member of the Firefly Group is in material default under a Material Contract to which it is a party, and nothing has occurred which is (or would be following the giving of notice or the lapse of time) an event of default or would give another party a termination right or right to accelerate any material right or obligation under any Material Contract;
- (z) **financial statements:** as far as Firefly is aware, there has not been any event, change, effect or development that would require Firefly to restate Firefly's financial statements as disclosed to ASX; and
- (aa) **change of control:** there are no Material Contracts or material leases to which a member of the Firefly Group is a party which contain any change of control provisions that will be triggered by implementation of the Transaction.

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Schedule 4

Capital details

Firefly Resources Limited

Security	Total number on issue		
Firefly Shares	307,339,530		
Firefly Options	Number	Expiry	Exercise Price
	399,999	31 March 2022	\$0.58
	2,250,000	30 September 2022	\$0.08
	3,750,000	30 September 2022	\$0.11
	2,650,000	31 December 2021	\$0.10
	2,650,000	31 December 2022	\$0.12
	16,000,000	4 June 2022	\$0.23
Firefly Performance Rights	34,233,328		



Gascoyne Resources Limited

Security	Total number on issue
Gascoyne Shares	250,858,128
Gascoyne Options	107,000 options to acquire 1 Gascoyne Share per option at an exercise price of \$7.40 expiring 7 October 2021
Gascoyne Performance Rights	400,000

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Schedule 5

Gascoyne Tenements

Tenement	Location	Name	Gascoyne Ownership
ELA09/2352	Gascoyne Region	Bassit Bore	100%
EL21/195	Murchison Region	Dalgaranga	80%
EL59/1709	Murchison Region	Dalgaranga	80%
EL59/1904	Murchison Region	Dalgaranga	80%
EL59/1906	Murchison Region	Dalgaranga	80%
L59/141	Murchison Region	Dalgaranga	100%
L59/142	Murchison Region	Dalgaranga	100%
L59/151	Murchison Region	Dalgaranga	100%
L59/152	Murchison Region	Dalgaranga	100%
L59/153	Murchison Region	Dalgaranga	100%
L59/167	Murchison Region	Dalgaranga	100%
L59/168	Murchison Region	Dalgaranga	100%
L59/169	Murchison Region	Dalgaranga	100%
L59/170	Murchison Region	Dalgaranga	100%
ML59/749	Murchison Region	Dalgaranga	100%
EL59/2150	Murchison Region	Dalgaranga	100%
EL59/2053	Murchison Region	Dalgaranga	100%
EL59/2289	Murchison Region	Dalgaranga	100%
EL52/3531	Pilbara Region	Mumbakine Well	100%
EL09/1325	Gascoyne Region	Glenburgh	100%
EL09/1764	Gascoyne Region	Glenburgh	100%
EL09/1865	Gascoyne Region	Glenburgh	100%
EL09/1866	Gascoyne Region	Glenburgh	100%
EL09/2025	Gascoyne Region	Glenburgh	100%
EL09/2148	Gascoyne Region	Glenburgh	100%
L09/56	Gascoyne Region	Glenburgh	100%
L09/62	Gascoyne Region	Glenburgh	100%
ML09/148	Gascoyne Region	Glenburgh	100%
ML09/181	Gascoyne Region	Glenburgh	100%
EL51/1648	Murchison Region	Murchison	100%



Tenement	Location	Name	Gascoyne Ownership
EL51/1681	Murchison Region	Murchison	100%
EL52/2117	Gascoyne Region	Mt Egerton	100%
EL52/2515	Gascoyne Region	Mt Egerton	100%
EL52/3574	Gascoyne Region	Mt Egerton	100%
ML52/343	Gascoyne Region	Mt Egerton	100%
ML52/567	Gascoyne Region	Mt Egerton	100%
EL52/3490	Gascoyne Region	Mt James	100%

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Schedule 6

Option Consideration

Number	Expiry	Exercise Price	Assumed Conversion	BS Valuation/Intrinsic Value	Equivalent Firely Shares at \$0.145 Offer Price	Equivalent Gascoyne Shares at Exchange Ratio
399,999	31 March 2022	\$0.58	No	\$3,164	21,821	7,420
2,250,000	30 September 2022	\$0.08	Yes	\$146,250	1,008,621	342,932
3,750,000	30 September 2022	\$0.11	Yes	\$131,250	905,173	307,759
2,650,000	31 December 2021	\$0.10	Yes	\$119,250	822,414	279,621
2,650,000	31 December 2022	\$0.12	Yes	\$66,250	456,897	155,345
16,000,000	4 June 2022	\$0.23	No	\$615,627	4,245,706	1,443,541



Signing page

Executed as a deed

Gascoyne

Signed sealed and delivered by
Gascoyne Resources Limited
by

sign here ►

Company Secretary/Director

print name

David Coyne

sign here ►

Director

print name

Richard Hay

Firefly

Signed sealed and delivered by
Firefly Resources Limited
by

sign here ►

Company Secretary/Director

print name

sign here ►

Director

print name



Signing page

Executed as a deed

Gascoyne

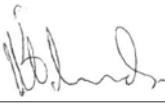
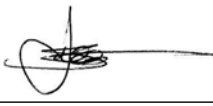
Signed sealed and delivered by
Gascoyne Resources Limited
by

sign here ► _____ sign here ► _____
Company Secretary/Director Director

print name _____ print name _____

Firefly

Signed sealed and delivered by
Firefly Resources Limited
by

sign here ►  _____ sign here ►  _____
Company Secretary/Director Director

print name MICHAEL EDWARDS print name SIMON LAWSON



Attachment 1

Indicative Timetable

Event	Date
Announcement and signing of scheme implementation deed	16 June 2021
Scheme Booklet provided to ASIC in draft	Late July 2021
First Court hearing	August 2021
Scheme Meeting	September 2021
Second Court hearing	October 2021
Effective Date	October 2021
Scheme Record Date	October 2021
Implementation Date	October 2021



Attachment 2

Scheme of arrangement

For personal use only



HERBERT
SMITH
FREEHILLS

For personal use only

Scheme of arrangement – share scheme

Firefly Resources Limited

Scheme Shareholders



Scheme of arrangement – share scheme

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Firefly Resources Limited (**Firefly**) ACN 118 522 124 of 64-68 Hay Street, Subiaco, Western Australia 6005

The Scheme Shareholders

1 Definitions, interpretation and scheme components

1.1 Definitions

Schedule 1 contains definitions used in this Scheme.

1.2 Interpretation

Schedule 1 contains interpretation rules for this Scheme.

1.3 Scheme components

This Scheme includes any schedule to it.

2 Preliminary matters

- (a) Firefly is a listed public company limited by shares, registered in Western Australia, Australia, and has been admitted to the official list of the ASX. Firefly's Shares are quoted for trading on the ASX.
- (b) As at the date of this Scheme, 307,339,530 Firefly Shares, 34,233,328 Firefly Performance Rights and 27,699,999 Firefly Options were on issue.
- (c) Gascoyne Resources Limited (**Gascoyne**) is a listed public company limited by shares registered in Western Australia, Australia.
- (d) If this Scheme becomes Effective:
 - (1) Gascoyne must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and



- (2) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Gascoyne and Firefly will enter the name of Gascoyne in the Share Register in respect of the Scheme Shares.
- (e) Firefly and Gascoyne have agreed, by executing the Implementation Deed, to implement this Scheme.
- (f) This Scheme attributes actions to Gascoyne but does not itself impose an obligation on it to perform those actions. Gascoyne has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in clause 3.1 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Gascoyne and Firefly;
- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Gascoyne and Firefly having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act on or before the End Date (or any later date Firefly and Gascoyne agree in writing).

3.2 Certificate

- (a) Firefly and Gascoyne will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 3.1(a) and 3.1(b) have been satisfied or waived.
- (b) The certificate referred to in clause 3.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

3.3 End Date

This Scheme will lapse and be of no further force or effect if:



- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Firefly and Gascoyne otherwise agree in writing.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

Firefly must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clauses 5.1(a) and 5.1(b), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Gascoyne, without the need for any further act by any Scheme Shareholder (other than acts performed by Firefly as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (1) Firefly delivering to Gascoyne a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Firefly, for registration; and
 - (2) Gascoyne duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Firefly for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(a)(2), but subject to the stamping of the Scheme Transfer (if required), Firefly must enter, or procure the entry of, the name of Gascoyne in the Share Register in respect of all the Scheme Shares transferred to Gascoyne in accordance with this Scheme.

5 Scheme Consideration

5.1 Provision of Scheme Consideration

Gascoyne must, subject to clauses 5.2, 5.3, 5.4 and 5.6:

- (a) on or before the Implementation Date, issue the Scheme Consideration to the Scheme Shareholders and procure that the name and address of each Scheme Shareholder is entered in the Gascoyne Register in respect of those New Gascoyne Shares; and



- (b) procure that on or before the date that is 5 Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder representing the number of New Gascoyne Shares issued to the Scheme Shareholder pursuant to this Scheme.

5.2 Joint holders

In the case of Scheme Shares held in joint names:

- (a) the New Gascoyne Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders;
- (b) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Firefly, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Firefly, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.3 Ineligible Foreign Shareholders

- (a) Gascoyne will be under no obligation to issue any New Gascoyne Shares under this Scheme to any Ineligible Foreign Shareholder and instead:

- (1) subject to clauses 5.4 and 5.6, Gascoyne must, on or before the Implementation Date, issue the New Gascoyne Shares which would otherwise be required to be issued to the Ineligible Foreign Shareholders under this Scheme to the Sale Agent;
- (2) Gascoyne must procure that as soon as reasonably practicable, and in any event not more than 15 Business Days after the Implementation Date, the Sale Agent, in consultation with Gascoyne sells or procures the sale of all the New Gascoyne Shares issued to the Sale Agent and remits to Firefly the proceeds of the sale (after deduction of any applicable brokerage, stamp duty, currency conversion costs and other costs, taxes and charges) (**Proceeds**);
- (3) promptly after receiving the Proceeds in respect of the sale of all of the New Gascoyne Shares referred to in clause 5.3(a)(2), Firefly must pay, or procure the payment, to each Ineligible Foreign Shareholder, of the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent:

$$A = (B \div C) \times D$$

where

B = the number of New Gascoyne Shares that would otherwise have been issued to that Ineligible Foreign Shareholder had it not been an Ineligible Foreign Shareholder and which were issued to the Sale Agent;

C = the total number of New Gascoyne Shares which would otherwise have been issued to all Ineligible Foreign Shareholders and which were issued to the Sale Agent; and

D = the Proceeds (as defined in clause 5.3(a)(2)).



- (b) The Ineligible Foreign Shareholders acknowledge that none of Gascoyne, Firefly or the Sale Agent gives any assurance as to the price that will be achieved for the sale of New Gascoyne Shares described in clause 5.3(a).
- (c) Gascoyne must appoint the Sale Agent on terms reasonably acceptable to Firefly at least 10 Business Days prior to the Scheme Meeting.
- (d) Firefly must make, or procure the making of, payments to Ineligible Foreign Shareholders under clause 5.3(a) by either (in the absolute discretion of Firefly, and despite any election referred to in clause 5.3(d)(1) or authority referred to in clause 5.3(d)(2) made or given by the Scheme Shareholder):
- (1) if an Ineligible Foreign Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Firefly Registry to receive dividend payments from Firefly by electronic funds transfer to a bank account nominated by the Ineligible Foreign Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
 - (2) paying or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Ineligible Foreign Shareholder by an appropriate authority from the Ineligible Foreign Shareholder to Firefly; or
 - (3) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Foreign Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (e) If Firefly receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to an Ineligible Foreign Shareholder, Firefly is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 5.3(a)(3)). Firefly must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder.
- (f) Each Ineligible Foreign Shareholder appoints Firefly as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders under the Corporations Act or any other applicable law.
- (g) Payment of the amount calculated in accordance with clause 5.3(a) to an Ineligible Foreign Shareholder in accordance with this clause 5.3 satisfies in full the Ineligible Foreign Shareholder's right to Scheme Consideration.
- (h) Where the issue of New Gascoyne Shares to which a Scheme Shareholder would otherwise be entitled under this Scheme would result in a breach of law:
- (1) Gascoyne will issue the maximum possible number of New Gascoyne Shares to the Scheme Shareholder without giving rise to such a breach; and



- (2) any further New Gascoyne Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Agent and dealt with under the preceding provisions in this clause 5.3, as if a reference to Ineligible Foreign Shareholders also included that Scheme Shareholder and references to that person's New Gascoyne Shares in that clause were limited to the New Gascoyne Shares issued to the Sale Agent under this clause.

5.4 Fractional entitlements

Where the calculation of the number of New Gascoyne Shares to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Gascoyne Share, the fractional entitlement will be rounded up to the nearest whole number of New Gascoyne Shares as applicable.

5.5 Unclaimed monies

- (a) Firefly may cancel a cheque issued under this clause 5 if the cheque:
- (1) is returned to Firefly; or
 - (2) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Firefly (or the Firefly Registry) (which request may not be made until the date which is 30 Business Days after the Implementation Date), Firefly must reissue a cheque that was previously cancelled under this clause 5.5.
- (c) The *Unclaimed Money Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 1990* (WA)).

5.6 Orders of a court or Government Agency

If written notice is given to Firefly (or the Firefly Registry) or Gascoyne (or the Gascoyne Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Firefly in accordance with this clause 5, then Firefly shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Firefly from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Firefly shall be entitled to (as applicable):
- (1) retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration; or



- (2) direct Gascoyne not to issue, or to issue to a trustee or nominee, such number of New Gascoyne Shares as that Scheme Shareholder would otherwise be entitled to under clause 5.1,

until such time as provision of the Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

5.7 Status of New Gascoyne Shares

Subject to this Scheme becoming Effective, Gascoyne must:

- (a) issue the New Gascoyne Shares required to be issued by it under this Scheme on terms such that each such New Gascoyne Share will rank equally in all respects with each existing Gascoyne Share;
- (b) ensure that each such New Gascoyne Share is duly and validly issued in accordance with all applicable laws and Gascoyne's constitution, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under Gascoyne's constitution); and
- (c) use all reasonable endeavours to ensure that such New Gascoyne Shares are, from the Business Day following the date this Scheme becomes Effective (or such later date as ASX requires), quoted for trading on the ASX on an ordinary settlement basis.

6 Dealings in Firefly Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Firefly Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Firefly Shares before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received before the Scheme Record Date at the place where the Share Register is kept,

and Firefly must not accept for registration, nor recognise for any purpose (except a transfer to Gascoyne pursuant to this Scheme and any subsequent transfer by Gascoyne or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

- (a) Firefly must register registrable transmission applications or transfers of the Scheme Shares that are received in accordance with clause 6.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires Firefly to register a transfer that would result in a Firefly Shareholder holding a parcel of Firefly Shares that is less than a 'marketable



parcel' (for the purposes of this clause 6.2(a) 'marketable parcel' has the meaning given in the Operating Rules).

- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Firefly shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Firefly must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Firefly Shares (other than statements of holding in favour of Gascoyne or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Gascoyne or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Firefly Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event by 5.00pm on the first Business Day after the Scheme Record Date, Firefly will ensure that details of the names, Registered Addresses and holdings of Firefly Shares for each Scheme Shareholder as shown in the Share Register are available to Gascoyne in the form Gascoyne reasonably requires.

7 Quotation of Firefly Shares

- (a) Firefly must apply to ASX to suspend trading on the ASX in Firefly Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Gascoyne, Firefly must apply:
 - (1) for termination of the official quotation of Firefly Shares on the ASX; and
 - (2) to have itself removed from the official list of the ASX.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Firefly may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Gascoyne has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Firefly has consented to.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
- (1) agrees to the transfer of their Firefly Shares together with all rights and entitlements attaching to those Firefly Shares in accordance with this Scheme;
 - (2) agrees to the variation, cancellation or modification of the rights attached to their Firefly Shares constituted by or resulting from this Scheme;
 - (3) agrees to, on the direction of Gascoyne, destroy any holding statements or share certificates relating to their Firefly Shares;
 - (4) agrees to become a member of Gascoyne and to be bound by the terms of the constitution of Gascoyne;
 - (5) who holds their Firefly Shares in a CHESS Holding agrees to the conversion of those Firefly Shares to an Issuer Sponsored Holding and irrevocably authorises Firefly to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (6) acknowledges and agrees that this Scheme binds Firefly and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Firefly and Gascoyne on the Implementation Date, and appointed and authorised Firefly as its attorney and agent to warrant to Gascoyne on the Implementation Date, that:
- (1) all their Firefly Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Firefly Shares to Gascoyne together with any rights and entitlements attaching to those shares. Firefly undertakes that it will provide such warranty to Gascoyne as agent and attorney of each Scheme Shareholder; and
 - (2) they have no existing right to be issued any Firefly Shares, Firefly options, Firefly performance rights, Firefly convertible notes or any other Firefly securities, other than the right to be issued Firefly Shares upon the exercise of Firefly Options and conversion of Firefly Performance Rights (as appropriate). Firefly undertakes that it will provide such warranty to Gascoyne as agent and attorney of each Scheme Shareholder.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Gascoyne will, at the time of transfer of them to Gascoyne vest in Gascoyne



free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.

- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(a) and 5.1(b), Gascoyne will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Firefly of Gascoyne in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clauses 5.1(a) and 5.1(b), and until Firefly registers Gascoyne as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed Gascoyne as attorney and agent (and directed Gascoyne in each such capacity) to appoint any director, officer, secretary or agent nominated by Gascoyne as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Gascoyne reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), Gascoyne and any director, officer, secretary or agent nominated by Gascoyne under clause 8.4(a) may act in the best interests of Gascoyne as the intended registered holder of the Scheme Shares.

8.5 Authority given to Firefly

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Firefly and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Gascoyne, and Firefly undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Gascoyne on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Firefly and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Firefly accepts each such appointment. Firefly as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this



clause 8.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

8.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to Firefly that are binding or deemed binding between the Scheme Shareholder and Firefly relating to Firefly or Firefly Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Firefly Shares; and
- (c) notices or other communications from Firefly (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Gascoyne in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Gascoyne and to be a binding instruction, notification or election to, and accepted by, Gascoyne in respect of the New Gascoyne Shares issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to Gascoyne at its registry.

8.7 Binding effect of Scheme

This Scheme binds Firefly and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Firefly.

9 General

9.1 Stamp duty

Gascoyne will:

- (a) pay all stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each of the Scheme Shareholders consents to Firefly doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Firefly or otherwise.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Firefly, it will not be taken to be



received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Firefly's registered office or at the office of the Firefly Registry.

- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Firefly Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law

- (a) This Scheme is governed by the laws in force in Western Australia, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

Firefly must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Firefly nor Gascoyne nor any director, officer, secretary or employee of Firefly or Gascoyne or Gascoyne Group shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.



Schedule 1

Definitions and interpretation

1 Definitions

The meanings of the terms used in this Scheme are set out below.

Term	Meaning
ADI	authorised deposit-taking institution (as defined in the <i>Banking Act 1959</i> (Cth)).
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Business Day	a day that is not a Saturday, Sunday or public holiday or bank holiday in Western Australia, Australia.
CHESS	the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.
CHESS Holding	has the meaning given in the Settlement Rules.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Court	the Supreme Court of Western Australia, or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Gascoyne and Firefly.
Deed Poll	the deed poll substantially in the form of Attachment 1 under which Gascoyne covenants in favour of the Scheme Shareholders to perform the obligations attributed to Gascoyne under this Scheme.



Term	Meaning
Effective	when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme.
Effective Date	the date on which this Scheme becomes Effective.
End Date	the date that is 6 months from the date of execution of the Implementation Deed, or such other date as agreed in writing by Gascoyne and Firefly.
Excluded Shareholder	any Firefly Shareholder who is (or becomes under clause 5.3(m) of the Implementation Deed) a member of the Gascoyne Group or any Firefly Shareholder who holds any Firefly Shares on behalf of, or for the benefit of, any member of the Gascoyne Group and does not hold Firefly Shares on behalf of, or for the benefit of, any other person.
Firefly	Firefly Resources Limited ACN 118 522 124.
Firefly Registry	Automic Pty Ltd ACN 152 260 814.
Firefly Share	a fully paid ordinary share in the capital of Firefly.
Firefly Shareholder	each person who is registered as the holder of a Firefly Share in the Share Register.
Gascoyne	Gascoyne Resources Limited ACN 139 522 900.
Gascoyne Group	Gascoyne and each of its Subsidiaries and a reference to a Gascoyne Group Member or a member of the Gascoyne Group is to Gascoyne or any of its Subsidiaries.
Gascoyne Register	the register of shareholders maintained by Gascoyne or its agent.
Gascoyne Registry	Advanced Share Registry Ltd ACN 127 175 946.



Term	Meaning
Government Agency	any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity (including any stock or other securities exchange), or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.
Implementation Date	the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as agreed in writing by Firefly and Gascoyne.
Implementation Deed	the scheme implementation deed dated [insert date] 2021 between Firefly and Gascoyne relating to the implementation of this Scheme.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address shown in the Share Register on the Scheme Record Date is a place outside Australia and its external territories, New Zealand, unless Gascoyne determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Gascoyne Shares when this Scheme becomes Effective.
Issuer Sponsored Holding	has the meaning given in the Settlement Rules.
Listing Rules	the official listing rules of ASX.
Marketable Parcel	is a parcel of New Gascoyne Shares having a value of not less than \$500 based on the closing price of fully paid ordinary shares of Gascoyne on the ASX as at the Scheme Record Date.
New Gascoyne Share	a fully paid ordinary share in Gascoyne to be issued to Scheme Shareholders under this Scheme.
Operating Rules	the official operating rules of ASX.
Registered Address	in relation to a Firefly Shareholder, the address shown in the Share Register as at the Scheme Record Date.



Term	Meaning
Sale Agent	the person chosen by Gascoyne and Firefly and approved by ASIC who is appointed to sell the New Gascoyne Shares that are to be issued under clause 5.3(a)(1) of this Scheme.
Scheme	this scheme of arrangement under Part 5.1 of the Corporations Act between Firefly and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Firefly and Gascoyne.
Scheme Consideration	for each Firefly Share held by a Scheme Shareholder as at the Scheme Record Date, an amount of 0.340 New Gascoyne Shares, subject to the terms of this Scheme.
Scheme Meeting	the meeting of the Firefly Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	7.00pm on the second Business Day after the Effective Date, or such other date as agreed in writing by Firefly and Gascoyne.
Scheme Shares	all Firefly Shares held by the Scheme Shareholders as at the Scheme Record Date.
Scheme Shareholder	a holder of Firefly Shares recorded in the Share Register as at the Scheme Record Date (other than an Excluded Shareholder).
Scheme Transfer	a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Gascoyne as transferee, which may be a master transfer of all or part of the Scheme Shares.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Settlement Rules	the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.



Term	Meaning
Share Register	the register of members of Firefly maintained by Firefly or the Firefly Registry in accordance with the Corporations Act.
Subsidiary	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

2 Interpretation

In this Scheme:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this Scheme have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this Scheme;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or reenactments of any of them (whether passed by the same or another Government Agency with legal power to do so);
- (h) a reference to a document (including this Scheme) includes all amendments or supplements to, or replacements or novations of, that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Western Australia;
- (k) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Schedule 1, has the same meaning when used in this Scheme;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (n) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;



- (o) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
- (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,
- is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (p) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (s) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

3 Interpretation of inclusive expressions

Specifying anything in this Scheme after the words 'include' or 'for example' or similar expressions does not limit what else is included.

4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.



Attachment 1

Deed Poll

As attached as Attachment 3 of the Implementation Deed.

For personal use only



Attachment 3

Deed poll

For personal use only



HERBERT
SMITH
FREEHILLS

Deed

Share scheme deed poll

Gascoyne Resources Limited

For personal use only



Share scheme deed poll

Date ► **2021**

This deed poll is made

By Gascoyne Resources Limited ACN 139 522 900 of Level 1, 41-47
Colin Street, West Perth, Western Australia 6005
(**Gascoyne**)

in favour of each person registered as a holder of fully paid ordinary shares in
Firefly Resources Limited (**Firefly**) in the Share Register as at the
Scheme Record Date (other than the Excluded Shareholders).

Recitals

- 1 Firefly and Gascoyne entered into the Implementation Deed.
- 2 In the Implementation Deed, Gascoyne agreed to make this deed poll.
- 3 Gascoyne is making this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to perform their obligations under the Implementation Deed and the Scheme.

This deed poll provides as follows:

1 Definitions and interpretation

1.1 Definitions

(a) The meanings of the terms used in this deed poll are set out below.

Term	Meaning
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.



Term	Meaning
Implementation Deed	the scheme implementation deed entered into between Firefly and Gascoyne dated [insert date] 2021.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Firefly and the Scheme Shareholders, substantially in the form set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Gascoyne and Firefly.
Firefly	Firefly Resources Limited ACN 118 522 124.

(b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Sections 2, 3 and 4 of Schedule 1 of the Scheme apply to the interpretation of this deed poll, except that references to 'this Scheme' are to be read as references to 'this deed poll'.

1.3 Nature of deed poll

Gascoyne acknowledges that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Firefly and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Gascoyne.

2 Conditions to obligations

2.1 Conditions

This deed poll and the obligations of Gascoyne under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Gascoyne under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no force or effect if:

- (a) the Implementation Deed is terminated in accordance with its terms; or



- (b) the Scheme is not Effective on or before the End Date, unless Gascoyne and Firefly otherwise agree in writing.

2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Gascoyne is released from its obligations to further perform this deed poll; and
(b) each Scheme Shareholder retains the rights they have against Gascoyne in respect of any breach of this deed poll which occurred before it was terminated.

3 Scheme obligations

3.1 Undertaking to issue Scheme Consideration

Subject to clause 2, Gascoyne undertakes in favour of each Scheme Shareholder to:

- (a) provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
(b) undertake all other actions, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme,

subject to and in accordance with the provisions of the Scheme.

3.2 Shares to rank equally

Gascoyne covenants in favour of each Scheme Shareholder that the New Gascoyne Shares which are issued to each Scheme Shareholder in accordance with the Scheme will:

- (a) rank equally with all existing Gascoyne Shares; and
(b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under the constitution of Gascoyne).

4 Warranties

Gascoyne represents and warrants in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of registration;
(b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
(c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;



- (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Gascoyne has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6 Notices

6.1 Form of Notice

A notice or other communication in respect of this deed poll (**Notice**) must be:

- (a) in writing and in English and signed by or on behalf of the sending party; and
- (b) addressed to Gascoyne in accordance with the details set out below (or any alternative details nominated by Gascoyne by Notice).

Attention

Richard Hay, Managing Director and CEO

Copy to: David Coyne, Chief Financial Officer and
Company Secretary

Address

Level 1, 41-47 Colin Street
West Perth, WA 6005

Email address

richard.hay@gascoyneresources.com.au
david.coyne@gascoyneresources.com.au

6.2 How Notice must be given and when Notice is received

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.



Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	The first to occur of: 1 the sender receiving an automated message confirming delivery; or 2 two hours after the time that the email was sent (as recorded on the device from which the email was sent) provided that the sender does not, within the period, receive an automated message that the email has not been delivered.

6.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in clause 6.2).

7 General

7.1 Stamp duty

Gascoyne:

- (a) will pay all stamp duty and any related fines and penalties in respect of the Scheme and this deed poll, the performance of this deed poll and each transaction effected by or made under the Scheme and this deed poll; and
- (b) indemnifies each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Governing law and jurisdiction

- (a) This deed poll is governed by the law in force in Western Australia, Australia.
- (b) Gascoyne irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed poll. Gascoyne irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.



7.3 Waiver

- (a) Gascoyne may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) No Scheme Shareholder may rely on words or conduct of Gascoyne as a waiver of any right unless the waiver is in writing and signed by Gascoyne.
- (c) The meanings of the terms used in this clause 7.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this deed poll and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

7.4 Variation

A provision of this deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by Firefly; or
- (b) if on or after the First Court Date, the variation is agreed to by Firefly and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Gascoyne will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

7.5 Cumulative rights

The rights, powers and remedies of Gascoyne and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

7.6 Assignment

- (a) The rights created by this deed poll are personal to Gascoyne and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Gascoyne.
- (b) Any purported dealing in contravention of clause 7.6(a) is invalid.

7.7 Joint and several obligations

Gascoyne is liable for each obligation imposed on it by the terms of this deed poll.



7.8 Further action

Gascoyne must, at its own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

For personal use only



Attachment 1

Scheme

As attached as Attachment 2 of the Implementation Deed.

For personal use only



Signing page

Executed as a deed poll

Gascoyne

Signed sealed and delivered by
Gascoyne Resources Limited
by

sign here ► _____
Company Secretary/Director

sign here ► _____
Director

print name _____

print name _____



Attachment 4

Conditions Precedent certificate

Firefly Resources Limited (**Firefly**) and Gascoyne Resources Limited (**Gascoyne**) certify, confirm and agree that each of the conditions precedent:

- (a) in clauses **[insert clause]** (other than the condition in clause **[insert clause]** relating to Court approval) of the scheme implementation deed dated **[insert date]** between Firefly and Gascoyne (**SID**) has been satisfied or is hereby waived by the relevant party (or parties) to the SID in accordance with the terms of the SID; and
- (b) in clauses **[insert clause]** of the scheme of arrangement between Firefly and the relevant Firefly shareholders which appears in Annexure **[insert]** of Firefly's scheme booklet dated **[insert date]** has been satisfied.

This deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Dated: **[insert date]**

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Annexure G - Option Consideration

Number	Expiry	Exercise Price	Assumed Conversion	BS Valuation/Intrinsic Value	Equivalent Firely Shares at \$0.145 Offer Price	Equivalent Gascoyne Shares at Exchange Ratio
399,999	31 March 2022	\$0.58	No	\$3,164	21,821	7,420
2,250,000	30 September 2022	\$0.08	Yes	\$146,250	1,008,621	342,932
3,750,000	30 September 2022	\$0.11	Yes	\$131,250	905,173	307,759
2,650,000	31 December 2021	\$0.10	Yes	\$119,250	822,414	279,621
2,650,000	31 December 2022	\$0.12	Yes	\$66,250	456,897	155,345
16,000,000	4 June 2022	\$0.23	No	\$615,627	4,245,706	1,443,541