

ASX ANNOUNCEMENT

29 October 2021

WESTGOLD TAKEOVER OFFER – BOARD ASSESSMENT

Gascoyne Resources Limited (“**Gascoyne**” or the “**Company**”) (ASX: GCY) refers to the off-market takeover bid by Westgold Resources Limited (“**Westgold**”) for all of the shares in the Company, as detailed in Westgold’s Bidder’s Statement dated 15 October 2021 and Westgold’s subsequent announcement dated 25 October 2021 (“**Westgold Offer**”).

Following a comprehensive assessment in consultation with its financial and legal advisors, the Board of Gascoyne has determined that **if** the Westgold Offer was capable of being completed it would be superior in value for Gascoyne shareholders compared to completing the Scheme of Arrangement (“**Scheme**”) with Firefly Resources Limited (“**Firefly**”). The Board, however, notes the condition set out in section 7.2(a) of the Bidders Statement whereby the Westgold Offer is subject to the Scheme with Firefly not proceeding and being validly terminated (“**Firefly Scheme Termination Condition**”).

The Firefly Scheme Implementation Deed (“**SID**”) does not contain a termination right for Gascoyne in the event that Gascoyne receives a competing proposal and assesses such competing proposal as being superior to the Scheme with Firefly. Currently the Firefly Scheme Termination **condition is not capable of being satisfied** without Firefly’s agreement and accordingly Gascoyne has recently written to Firefly enquiring as to whether Firefly would exercise its right to terminate the SID should the Gascoyne Board determine that the Westgold Offer was superior. Firefly declined to confirm that it would exercise its right to terminate in such a circumstance.

Westgold made an application to the Takeovers Panel on 13 October 2021 in which it sought to have a termination right for Gascoyne included in the SID. The Takeovers Panel declined to conduct proceedings on Westgold’s initial application and Westgold sought a review of that decision. Today the review Panel has declined to conduct proceedings in relation to Westgold’s review application on the basis that there was no reasonable prospect that it would make a declaration of unacceptable circumstances.

The Court hearing to consider the approval of the Firefly Scheme is scheduled for 1 November 2021.

Westgold has announced that the Westgold Offer opened on 29 October 2021 and will close at 5pm Perth time on 29 November 2021, unless otherwise extended or withdrawn.

Given that the **Firefly Scheme Termination Condition is not currently capable of being satisfied**, Gascoyne again reiterates that shareholders should **TAKE NO ACTION** in relation to the Westgold Offer at this time.

If you accept the Westgold Offer prior, you will give up your right to sell your Gascoyne shares on the ASX or otherwise deal with your Gascoyne shares while the Westgold Offer remains open and you will only have limited rights to withdraw your acceptance of the Westgold Offer as set out in section 4.2(g) of the Bidder’s Statement.

The Board of Gascoyne will keep shareholders fully informed of further developments as they occur.

Authorisation

This announcement has been authorised for release by the Board of Gascoyne Resources Limited.

END



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BACKGROUND ON GASCOYNE RESOURCES

Gascoyne was reinstated on the ASX in October 2020 and is focused on production, development and exploration of a number of gold projects in Western Australia underpinned by positive cash flow generated from the Dalgaranga Operation. In financial year 2021, Dalgaranga produced in excess of 77,000 ounces of gold. On 16 June 2021, Gascoyne entered into a binding agreement to acquire Firefly Resources Limited which holds the Yalgoo project approximately 70km southwest of Dalgaranga. Subject to the transaction completing, the Melville deposit at Yalgoo has the potential to be mined and hauled 110km by road and integrated into the Dalgaranga production plan.

Forward-looking statements

This announcement contains forward-looking statements which may be identified by words such as "believes", "estimates", "expects", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.