

ASX ANNOUNCEMENT

2 November 2021

FIREFLY SCHEME AND WESTGOLD TAKEOVER OFFER UPDATE

Gascoyne Resources Limited (“**Gascoyne**” or the “**Company**”) (ASX: GCY) refers to:

- The Scheme of Arrangement (“**Scheme**”) with Firefly Resources Limited (“**Firefly**”); and
- 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 Supplementary Bidder’s Statement dated 29 October 2021 (“**Westgold Offer**”).

Firefly Scheme

On 1 November 2021, the Supreme Court of Western Australia (“**Court**”) approved the Scheme.

As announced on 29 October 2021, the Board of Gascoyne determined that **if** the Westgold Offer was capable of being completed it would be superior in value for Gascoyne shareholders compared to the Firefly Scheme. The Board noted, however, that the Westgold Offer remained subject to the Scheme 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. **Notwithstanding the Board’s continued belief in the strategic merits of combining Firefly’s Yalgoo assets with the Dalgarranga operations including the highly prospective nature of the Firefly tenement package and a pending updated mine plan incorporating higher grade ore sourced from Melville**, Gascoyne sought to find a way to satisfy the Firefly Scheme Termination Condition prior to the Court hearing on 1 November 2021 (including by exploring the terms on which Firefly would be prepared to agree to terminate the SID) but these efforts were unsuccessful. Westgold had filed an application to appear, and accompanying submissions, with the Court seeking to oppose the Scheme but withdrew the application prior to the start of the proceeding.

The Scheme will now proceed to implementation, with the issue of Gascoyne shares to Firefly shareholders as Scheme consideration scheduled to take place on 10 November 2021. **Gascoyne acknowledges that the Company is contractually bound to implement the Scheme as approved by the Court.**

Gascoyne notes that the position agreed between Gascoyne and Firefly (where Gascoyne, as the acquirer under a scheme of arrangement, does not have a specific termination right to pursue a competing proposal) is not uncommon in the Australian M&A market¹ and is permitted at law and under the ASX Listing Rules. Further, as announced previously, the Takeovers Panel declined to conduct proceedings on Westgold’s initial application and Westgold’s review application respectively, stating that there was no reasonable prospect that the Takeovers Panel would make a declaration of unacceptable circumstances.

¹ Gascoyne is aware of a number of recent transactions where the acquiring company did not have a termination right to this effect, including Dacian Gold Limited’s acquisition of NTM Gold Limited and Silver Lake Resources Limited’s acquisition of Doray Minerals Limited.



Westgold Offer

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 Court has approved the Scheme and the Firefly Scheme Termination Condition is therefore not 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 now, you will lose your ability 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.

Gascoyne does not believe that it can appropriately issue its Target's Statement in relation to the Westgold Offer until Westgold has confirmed its intentions in relation to the Westgold Offer in light of the non-satisfaction of the Firefly Scheme Termination Condition.

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.