

ASX Announcement

5 July 2019

## SHAREHOLDER UPDATE – ADMINISTRATORS GIVEN ADDITIONAL TIME TO RESTRUCTURE

**Gascoyne Resources Limited (ASX: GCY) and related entities** (all Administrators Appointed - refer Annexure A for related entities) (Together, “GCY” or “GCY Group”). Michael Ryan, Kathryn Warwick and Ian Francis, all Senior Managing Directors of FTI Consulting, were appointed as Voluntary Administrators of GCY on 2 June 2019 (“Administrators”).

FTI Consulting confirms that following the Administrators’ initial assessment (with the assistance of technical expert Mining One) of the current state of operations at the Dalgaranga Gold Mine, the mineral resource modelling and mine planning, the Administrators have determined that in order to achieve the best value for creditors, it would be preferable to continue to operate the Dalgaranga Gold Mine (“Dalgaranga”), rather than place it into care and maintenance. The Administrators were concerned that to place Dalgaranga on care and maintenance would be both destructive of value and result in significant job losses. Key stakeholders including employees, banking lenders, GCY Group’s mining contractor, NRW, and suppliers remain supportive of this course of action.

As detailed at the first meeting of GCY Group’s creditors held on 13 June 2019, the Administrators propose to pursue a ‘dual track’ process to best realise value from the GCY Group’s assets for the benefit of GCY Group’s creditors. The ‘dual track’ process involves either or both:

- A recapitalisation of GCY Group through a capital raising or merger. Such a recapitalisation would be aimed at providing sufficient funding to enable the Dalgaranga Gold Mine to revise its operational plan and to fully meet its ongoing financial obligations; and
- The sale of Dalgaranga and other assets of the GCY Group.

This dual track process has been supported by the appointment of Investec Australia Limited as Corporate Advisor to the process. Investec Australia Limited will advise on recapitalisation options and the sale process.

To provide the necessary timeline for this process, pursuant to section 439A (6) of the *Corporations Act 2001* (“the Act”), an extension of the convening period of the second meeting of creditors for the GCY Group was granted by the Supreme Court of Western Australia on 27 June 2019.

The Court’s orders are summarised as follows:

1. The convening period within which the Administrators of the GCY Group must convene the second meeting of creditors is extended to 4 November 2019.
2. The meeting of the creditors required by section 439A of the Act may be held at any time within the five business days after the end of the convening period.

3. Written notice of these orders and the details of any application for a further extension of the convening period is to be given to all stakeholders, including employees, lessors and creditors of the GCY Group.

For all further enquiries please contact:

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<b>Annexure A: GCY Group – Entities over which the Administrators are appointed</b>	
<b>Company</b>	<b>ACN</b>
Gascoyne Resources Limited	139 522 900
Gascoyne Resources (WA) Pty Ltd	139 823 822
Dalgaranga Operations Pty Ltd	616 858 550
GNT Resources Pty Ltd	159 772 077
Egerton Exploration Pty Ltd	163 614 551
Dalgaranga Exploration Pty Ltd	623 055 550
Gascoyne (Ops Management) Pty Ltd	619 342 979