

Gascoyne Resources Limited
ABN 57 139 522 900
Notice of Extraordinary General Meeting
and Explanatory Statement

Date of Meeting

Friday, 4 August 2023

Time of Meeting

10:00am (WST)

Place of Meeting

The Celtic Club, 48 Ord Street, West Perth, WA, 6005

and

online using Automic's online meeting platform

A Proxy Form is enclosed.

This Notice of Extraordinary General Meeting and Explanatory Statement should be read in their entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Extraordinary General Meeting please contact the Company Secretary on +61 8 9481 3434.

Gascoyne Resources Limited

ABN 57 139 522 900

Notice of Extraordinary General Meeting

Notice is given that an extraordinary general meeting of Shareholders of Gascoyne Resources Limited (**Company**) will be held at 10:00am (WST) on Friday, 4 August 2023 at the Celtic Club, 48 Ord Street, West Perth, WA, 6005 and online using Automic's online meeting platform for the purpose of transacting the business referred to in this Notice (**Meeting**).

An Explanatory Statement containing information in relation to the Resolutions accompanies this Notice. The Explanatory Statement and Proxy Form both form part of this Notice. Terms used in the Resolutions contained in this Notice have the meaning given to them in the glossary in the Explanatory Statement.

Important information

The Meeting will be held as a hybrid meeting. All Shareholders are entitled to attend the Meeting at the time, date and place set out above and vote in person. The Company is also pleased to provide Shareholders with the opportunity to attend and participate in the Meeting online through Automic's online meeting platform. If you are a Shareholder and you wish to attend and vote at the Meeting through this platform, please follow the instructions set out below.

To assist with the orderly conduct of the Meeting, the Company strongly encourages Shareholders to:

- read this Notice of Meeting carefully;
- complete and return the enclosed Proxy Form by no later than 10:00am (WST) on Wednesday, 2 August 2023 in accordance with the specified instructions below; and
- submit questions in advance of the Meeting by emailing questions to coysec@gascoyneresources.com.au (preferably by Friday, 28 July 2023).

Agenda

RESOLUTION 1 – APPROVAL OF CONVERSION OF THE DELPHI LOAN TO A ROYALTY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.1 and for all other purposes, approval is given for the conversion of the loan provided by Delphi to the Company to a royalty pursuant to and on the terms and conditions of the Delphi Loan and Royalty Deed, details of which are set out in the Explanatory Statement.”

Independent Expert Report: Shareholders should carefully consider the Independent Expert Report set out in Annexure A of this Notice which concludes that the conversion of the loan to the royalty as contemplated by this **Resolution 1 is fair and reasonable**.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by or on behalf of Delphi (or its nominees) or a person who will obtain a material benefit as a result of, the proposed conversion of the loan to a royalty (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any of their respective associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2 – RENEWAL OF LONG TERM INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)), section 260C(4) of the Corporations Act and for all other purposes, the Company’s Long Term Incentive Plan (LTIP) be approved and the Company be authorised to issue securities under the LTIP from time to time on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of a person who is eligible to participate in the LTIP or an associate of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, the Corporations Act restricts a person who is a member of the Key Management Personnel at the date of the meeting and their Closely Related Parties from voting undirected proxies on this resolution, except in the case of the Chairperson of the meeting where the Chairperson has been expressly authorised to exercise the proxy.

RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS TO ROWAN JOHNSTON (OR HIS NOMINEE)

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, approval be given to grant 3,000,000 Performance Rights to Mr Rowan Johnston (or his nominee) on the terms described in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Rowan Johnston (being the Director eligible to participate in the Plan) (or his nominee) or any of their associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, the Corporations Act restricts a person who is a member of the Key Management Personnel at the date of the meeting and their Closely Related Parties from voting undirected proxies on this resolution, except in the case of the Chairperson of the meeting where the Chairperson has been expressly authorised to exercise the proxy.

RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO HANSJOERG PLAGGEMARS (OR HIS NOMINEE)

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all

other purposes, approval be given to grant 3,000,000 Performance Rights to Mr Hansjoerg Plaggemars (or his nominee) on the terms described in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Hansjoerg Plaggemars (being the Director eligible to participate in the Plan) (or his nominee) or any of their associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, the Corporations Act restricts a person who is a member of the Key Management Personnel at the date of the meeting and their Closely Related Parties from voting undirected proxies on this resolution, except in the case of the Chairperson of the meeting where the Chairperson has been expressly authorised to exercise the proxy.

RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO SIMON LAWSON (OR HIS NOMINEE)

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, approval be given to grant 18,000,000 Performance Rights to Mr Simon Lawson (or his nominee) on the terms described in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Simon Lawson (being the Director eligible to participate in the Plan) (or his nominee) or any of their associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, the Corporations Act restricts a person who is a member of the Key Management Personnel at the date of the meeting and their Closely Related Parties from voting undirected proxies on this resolution, except in the case of the Chairperson of the meeting where the Chairperson has been expressly authorised to exercise the proxy.

RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO DAVID COYNE (OR HIS NOMINEE)

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, approval be given to grant 3,000,000 Performance Rights to Mr David Coyne (or his nominee) on the terms described in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr David Coyne (being the Director eligible to participate in the Plan) (or his nominee) or any of their associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, the Corporations Act restricts a person who is a member of the Key Management Personnel at the date of the meeting and their Closely Related Parties from voting undirected proxies on this resolution, except in the case of the Chairperson of the meeting where the Chairperson has been expressly authorised to exercise the proxy.

RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO JOHN HODDER (OR HIS NOMINEE)

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, approval be given to grant 3,000,000 Performance Rights to Mr John Hodder (or his nominee) on the terms described in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr John Hodder (being the Director eligible to participate in the Plan) (or his nominee) or any of their associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with

directions given to the proxy or attorney to vote on the Resolution in that way; or

- the Chairperson of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, the Corporations Act restricts a person who is a member of the Key Management Personnel at the date of the meeting and their Closely Related Parties from voting undirected proxies on this resolution, except in the case of the Chairperson of the meeting where the Chairperson has been expressly authorised to exercise the proxy.

RESOLUTION 8 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

“That, for the purposes of sections 157(1) and 136(2) of the Corporations Act and for all other purposes, approval is given to change the name of Gascoyne Resources Limited to Spartan Resources Limited, effective from the date that ASIC updates its register to reflect the new name, and to replace all references to “Gascoyne Resources Limited” in its Constitution with references to “Spartan Resources Limited”.”

By order of the Board



David Coyne
Director and Company Secretary
Gascoyne Resources Limited

Dated: 4 July 2023

The business of the Extraordinary General Meeting affects your Shareholding and your vote is important.

Shareholders should read the Notice of Meeting and Explanatory Statement carefully before deciding how to vote on the Resolutions.

Voting on the Resolutions will be conducted by poll.

ASX takes no responsibility for the contents of the Notice of Meeting or the Explanatory Statement.

How to vote

Shareholders can vote by:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote;
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their Proxy Form in person, by email, by post, by fax or online; or
- in the case of Shareholders attending the Meeting online, by following the instructions on how to vote during the Meeting as set out in the Online Meeting Guide on the Company's website at www.gascoyneresources.com.au, a copy of which is attached to this Notice of Meeting.

Voting in person or by attorney

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. A certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Written proof of the representative's appointment (including any authority under which it is signed) must be lodged with, or presented to, the Company before the Meeting.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder. The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a member of the Key Management Personnel or their Closely Related Parties (as at the date of the Meeting) is appointed as a proxy, they will not be able to vote as proxy on Resolutions 3 to 7 unless the Shareholder tells them how to vote, or in the case of the Chairperson of the Meeting, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chairperson) or a Closely Related Party of a member of the Key Management Personnel as their proxy, the Shareholder should ensure that they direct the member of the Key Management Personnel or the Closely Related Party of a member of the Key Management Personnel how to vote on Resolutions 3 to 7. Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- A Shareholder who returns their Proxy Form with a direction how to vote, but does not nominate the identity of their proxy, will be taken to have appointed the Chairperson of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned with a direction how to vote, but the nominated proxy (who is not Chairperson of the Meeting) does not attend the Meeting or does not vote on the relevant

Resolution(s), the Chairperson of the Meeting will act in place of the nominated proxy and vote on a poll in accordance with any instructions.

- Proxy appointments in favour of the Chairperson of the Meeting, the company secretary or any Director that do not contain a direction how to vote are intended be used, where possible, to support the Resolutions proposed in this Notice, provided the appointed proxy is entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolution. These rules are explained in this Notice.
- Proxies must be received by **10.00am (WST) on Wednesday, 2 August 2023**. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - **Online:**
<https://investor.automic.com.au/#loginsah>
 - **In person:**
Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000
 - **By mail:**
Automic Group
GPO Box 5193
Sydney NSW 2001
 - **By fax:**
02 8583 3040 (within Australia)
+61 2 8583 3040 (outside Australia)
 - **By scanning the proxy form and emailing it to:**
meetings@automicgroup.com.au

Attending the Meeting via Automic's online meeting platform

The Company strongly recommends that you create an account with Automic well in advance of the Meeting to ensure there is no delay in attending the virtual meeting.

To create an account with Automic, please go to <https://investor.automic.com.au/#/home>, click on 'register' and follow the steps.

Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To attend the Meeting virtually, please follow the below steps to access the Meeting:

1. Open your internet browser and go to: <https://investor.automic.com.au/#/home>
2. Log in using your existing username and password for your Automic account.
3. After logging in, a banner will display at the bottom of your screen to indicate that the Meeting is open for registration. Click on "Register" when this appears.
4. Click on "Register" to register your attendance for the meeting and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the Meeting.
6. Further details on how to attend the Meeting via Automic's online meeting platform are set out in the Online Meeting Guide on the Company's website at www.gascoyneresources.com.au, a copy of which is attached to this Notice of Meeting.

Should you have any difficulties, you can contact the registry by telephone on 1300 288 664 (within Australia) and +61 2 9698 5414 (overseas).

Voting online during the Meeting

Instructions on how to vote on the Resolutions via Automic's online meeting platform are set out in the Online Meeting Guide on the Company's website at www.gascoyneresources.com.au, a copy of which is attached to this Notice of Meeting.

You will need to log-in to Automic's online meeting platform at: <https://investor.automic.com.au/#/home>, using your username and password.

The Chairperson will open the poll shortly after the Meeting commences and Shareholders will be able to vote at any time during the Meeting and for 10 minutes afterwards.

If you have lodged a proxy vote and then vote online again during the Meeting, your first proxy vote will be cancelled.

Shareholders who are entitled to vote

In accordance with regulation 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00pm (WST) on Wednesday, 2 August 2023. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Questions

A Shareholder who is entitled to vote at the Meeting may submit a written question to the Company.

Shareholders who are unable to attend the Meeting or wish to ask questions prior to the Meeting may submit written questions by emailing the Company Secretary at coysec@gascoyneresources.com.au.

We ask that all pre-Meeting questions be received by the Company no later than five business days before the date of the Meeting, being Friday, 28 July 2023.

All Shareholders will have a reasonable opportunity to ask questions during the Meeting. For Shareholders attending the Meeting virtually, there will be a Q&A link at the bottom of your screen.

Technical difficulties

Technical difficulties may arise during the course of the Meeting. The Chairperson of the Meeting has discretion as to whether and how the Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairperson of the Meeting will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected.

Where the Chairperson considers it appropriate, the Chairperson may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy in advance of the Meeting.

Gascoyne Resources Limited

ABN 57 139 522 900

Explanatory Statement

This Explanatory Statement has been prepared in connection with the business to be conducted at the Meeting to be held at 10:00am (WST) on Friday, 4 August 2023 at the Celtic Club, 48 Ord Street, West Perth, WA, 6005 and online using Automic's online meeting platform. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolution.

This Explanatory Statement (including the Schedules) should be read in conjunction with, and forms part of, the accompanying Notice. A Proxy Form accompanies this Explanatory Statement.

Terms used in this Notice have the meaning given to them in the glossary below.

1 Resolution 1 – Approval of conversion of loan to royalty

1.1 Background

As part of the financial restructure announced by the Company on 27 February 2023, the Company and Delphi, an existing major Shareholder of the Company, entered into a loan and royalty deed dated 25 February 2023 (**Delphi Loan and Royalty Deed**), pursuant to which Delphi agreed to provide a \$2.45 million unsecured loan to the Company which is convertible to a royalty on gold extracted or produced from certain tenements (**Conversion**). The Company received the \$2.45 million loan amount from Delphi on 3 March 2023.

This financial restructure also involved a new strategic investment of \$21.3 million by Tembo Capital. Following Shareholder approval being obtained at the extraordinary general meeting of the Company on 18 April 2023, Tranche A of this investment (\$15 million) converted to Shares at an issue price of \$0.10 per Share and Tranche B of this investment (\$6.3 million) converted to a royalty on gold extracted or produced from certain tenements.

The terms of the royalty to be granted to Delphi following Conversion are materially the same as the terms of the royalty granted to Tembo Capital.

Resolution 1 seeks Shareholder approval for the Conversion for the purposes of ASX Listing Rule 10.1 and for all other purposes.

If Resolution 1 is passed, the Company will be able to proceed with the Conversion and Delphi must give a conversion notice to the Company within 5 business days of the Meeting.

If Resolution 1 is not passed, the Company will not be able to proceed with the Conversion. This will mean that the royalty will not be granted to Delphi and the Company will be required to pay the following amounts to Delphi within 12 months of the date of the Delphi Loan and Royalty Deed (being by 25 February 2024):

- (a) the aggregate amount outstanding on the loan together with all accrued interest; and
- (b) an additional loan repayment of \$115,000.

The material terms of the Delphi Loan and Royalty Deed are set out in section 1.3 below.

1.2 ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that a listed entity must not, without shareholder approval, acquire or dispose of a 'substantial asset' from or to certain persons in a position of influence, including a substantial (10%+) holder, being a shareholder who, together with their associates, has a relevant interest (or had a relevant interest at any time in the six months before the transaction) in at least 10% of the total votes attached to voting securities in the entity.

Delphi will be the royalty holder following Conversion. Delphi and its associates have a relevant interest in 15.30% of the ordinary shares in the Company and is therefore a substantial holder for the purposes of ASX Listing Rule 10.1.3.

ASX Listing Rule 10.2 defines 'substantial asset' for the purposes of ASX Listing Rule 10.1 as follows:

An asset is substantial if its value, or the value of the consideration being paid or received by the entity for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity, as set out in the latest accounts given to ASX under the listing rules.

The Company considers that the best current estimate of the value of the royalty is \$2.45 million, being the amount of the loan provided to the Company by Delphi (and which, subject to Shareholder approval being received as contemplated by this Resolution 1, will convert to the royalty). Based on the Company's auditor reviewed interim financial report for the half year ended 31 December 2022, \$2.45 million is 4.8% of total equity interests of the Company (being less than the 5% 'substantial asset' threshold referred to in ASX Listing Rule 10.2).

In any event, the Company has determined to treat the Conversion as a disposal of a 'substantial asset' by the Company for the purposes of ASX Listing Rule 10.1. Accordingly, the purpose of Resolution 1 is to seek Shareholder approval for the Conversion for the purposes of ASX Listing Rule 10.1 and for all other purposes.

1.3 Delphi Loan and Royalty Deed

The grantors under the Delphi Loan and Royalty Deed are: Gascoyne Resources Limited, GNT Resources Pty Ltd, Gascoyne (Ops Management) Pty Ltd, Yalgoo Exploration Pty Ltd, Dalgarranga Exploration Pty Ltd, Firefly Resources Ltd, Lightning Bug Resources Pty Ltd, Gascoyne Resources (WA) Pty Ltd and Egerton Exploration Pty Ltd (**Grantors**).

Following Conversion, Delphi will be the royalty holder under the Delphi Loan and Royalty Deed.

The material terms of the Delphi Loan and Royalty Deed are as follows:

Loan

- (a) The aggregate amount of the loan is \$2.45 million and this amount was received from Delphi on 3 March 2023. The loan is unsecured.
- (b) Interest payable on the loan is at a rate of 15% per annum.
- (c) The Company has agreed to gross up any withholding tax deducted on interest payments made to Delphi in respect of the loan such that Delphi does not bear the cost of withholding tax on interest payments made by the Company.
- (d) The loan is convertible to a royalty on gold extracted or produced from certain tenements. The details of the royalty are described below.
- (e) Conversion of the loan to the royalty is subject to the Company obtaining Shareholder approval (which is the subject of Resolution 1) and Delphi obtaining

approval from the Foreign Investment Review Board in relation to the royalty (which was received on 28 April 2023).

If Conversion has not occurred on or prior to 24 August 2023, the Company is required to pay the following amounts to Delphi within 12 months of the date of the Delphi Loan and Royalty Deed (being by 25 February 2024):

- (1) the aggregate amount outstanding on the loan together with all accrued interest; and
- (2) only in circumstances where Shareholder approval has not been obtained by 24 August 2023, a further loan repayment of \$115,000.

Royalty

As referred to in section 1.1 above, the terms of the royalty to be granted to Delphi following Conversion are materially the same as the terms of the royalty granted to Tembo Capital.

- (f) The royalty only becomes effective once the loan has been converted in accordance with the terms of the Delphi Loan and Royalty Deed.
- (g) The obligation to pay the royalty accrues upon the receipt by the Grantors of revenue received from the sale or other disposal of Products. The **Product** is any gold ore, concentrate, dore or bullion extracted or produced from the relevant tenements.
- (h) The royalty will be calculated and paid on a quarterly basis. Interest is payable in respect of any late royalty payments.
- (i) The royalty payable is calculated as:
 - (1) 0.525% multiplied by the gross revenue in respect of Products extracted or produced from the Yalgoo Tenements, the Glenburgh Tenements and the Mt Egerton Tenements; plus
 - (2) 0.70% multiplied by the gross revenue in respect of Products extracted or produced from the Wholly-owned Dalgaranga Tenements; plus
 - (3) if the Partially-owned Dalgaranga Tenements become 100% owned by Gascoyne, 0.70% multiplied by the gross revenue in respect of Products extracted or produced from the Partially-owned Dalgaranga Tenements.
- (j) Royalties paid to the royalty holder located in a jurisdiction outside of Australia may be subject to Australian withholding tax. Under the terms of the Delphi Loan and Royalty Deed, the Company has agreed to gross-up the amount of the royalty paid to Delphi for a portion of the amount of tax withheld. This gross-up amount is capped at the same percentage rate that applies to the royalty granted to Tembo Capital. The Company expects that the aggregate rate of withholding gross-up to be applied will be approximately 1.5% of the gross amount of each royalty payment.
- (k) The royalty does not apply to the Beebyn Tenement unless and until such time that the non-ferrous mineral rights holder relinquishes its non-ferrous mineral rights in relation to the Beebyn Tenement. The royalty applies to the Tribute Tenement, subject to the terms of the Tribute Agreement.
- (l) Delphi may lodge a caveat to protect its interest under the Delphi Loan and Royalty Deed. Upon the loan converting to a royalty, mining mortgages over the tenements will be put in place to protect the interests of Delphi over the tenements. The security agreement relating to these mining mortgages allows the Company to obtain new debt financing in the future and to use the tenements as security for any such new debt financing.

- (m) Delphi has a right to inspect the relevant tenements at its own cost, provided it does not unduly interfere with mining operations.
- (n) If the Grantors decide to relinquish, surrender or withdraw a tenement, Delphi may elect to be conveyed the tenement free of encumbrances for no consideration. If Delphi does not exercise this right and the tenement is relinquished, surrendered or withdrawn the royalty will no longer apply to the tenement. The royalty is re-enlivened if the tenement is revived within 3 years of its surrender or relinquishment.
- (o) The obligation to pay the royalty will continue until Product can no longer be lawfully recovered from the tenements (or upon termination of the Delphi Loan and Royalty Deed).
- (p) The Delphi Loan and Royalty Deed will terminate on the relinquishment, expiry, surrender, or conveyance to Delphi of the last of the tenements (subject to the 3 year right of revival noted above).
- (q) The Delphi Loan and Royalty Deed contains restrictions on the Grantors' ability to sell, transfer or dispose of all, part of, or any interest or right in, any of the tenements, or any rights in relation to Products. The Grantors indemnify Delphi from all loss resulting from any such breach.
- (r) The Grantors have complete discretion regarding the extent of all exploration, development and mining operations conducted on the tenements.
- (s) The Grantors indemnify Delphi (and its related bodies corporate) for any loss, theft, or destruction of Product to the extent not contributed by that party.
- (t) The Grantors have the right to buy back up to an aggregate of 20% of the royalty at any time in the 4 years after the date of the Delphi Loan and Royalty Deed (that is, up to 0.14% of the royalty (being 20% of the 0.70% royalty) in relation to the Wholly-owned Dalgara Tenements and Partially-owned Dalgara Tenements if they become 100% owned by the Company, and up to 0.105% of the royalty in relation to the Yalgoo Tenements, the Glenburgh Tenements and the Mt Egerton Tenements) (being 20% of the 0.525% royalty). The buy-back price is \$1.23 million, which will be proportionally reduced if the Grantors elect to buy-back less than 20% of the royalty.

1.4 Independent Expert Report

The ASX Listing Rules require the provision of an Independent Expert's Report to accompany any notice of meeting seeking shareholder approval for the purpose of ASX Listing Rule 10.1. The Independent Expert Report must state the Independent Expert's opinion as to whether the transaction (being, in this case, the Conversion) is fair and reasonable to the Shareholders who are not associated with Delphi. The Independent Expert is required to be independent from the Company in accordance with ASIC Regulatory Guide 112 (*Independence of experts*).

The Company has engaged BDO Corporate Finance (WA) Pty Ltd to prepare an Independent Expert Report for this purpose.

The Independent Expert has concluded that that the conversion of the loan to the royalty as contemplated by Resolution 1 is fair and reasonable.

A copy of the Independent Expert Report is contained in Annexure A of this Notice.

1.5 Advantages and disadvantages of the Conversion

The following is a non-exhaustive list of advantages that the Board considers may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the Conversion enables the Company to retain a \$2.45 million cash amount on its balance sheet and deploy these funds to near-term exploration and evaluation activities centred on the high-grade Never Never discovery at the Dalgara Gold Project;
- (b) the \$2.45 million convertible loan is a non-dilutive form of funding; and
- (c) Gascoyne has the ability to exercise its right to buy back up to an aggregate of 20% of the royalty (see section 1.3(t)).

The following is a non-exhaustive list of disadvantages that the Board considers may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (d) the royalty adds to the all-in cost of future production, potentially reducing future earnings of the Company;
- (e) as the royalty is uncapped, the potential returns to Delphi are enhanced; and
- (f) the grant of mining mortgages over certain tenements to Delphi (as security for the royalty) increases the difficulty of the Company dealing in these tenements in the future, potentially adversely affecting the value of these tenements.

Please refer to the Independent Expert Report in Annexure A of this Notice which also contains an assessment of the advantages and disadvantages of the Conversion.

1.6 Information required by ASX Listing Rule 10.5

The following information is provided to Shareholders in relation to conversion of the loan to the royalty for the purposes of ASX Listing Rule 10.5:

- (a) Delphi will be the royalty holder following Conversion. As set out in section 1.2, Delphi is a substantial (10%+) holder for the purposes of ASX Listing Rule 10.1.3.
- (b) Details of the loan and the royalty (and a summary of the material terms of the Delphi Loan and Royalty Deed) are set out in section 1.3.
- (c) The Company intends to use the \$2.45 million loan amount received from Delphi (together with funds raised under the placement and entitlement offer, funds drawn from the Tembo Facility Agreement and existing cash, as described in the Prospectus dated 27 February 2023) as working capital to allow the Company to progress its exploration and evaluation activities with a view to reaching a decision point to recommence mining at the Dalgara Gold Project.
- (d) The timetable for completion of the Conversion is set out in 1.1.
- (e) A voting exclusion statement is included in the Notice of Meeting.
- (f) A copy of the Independent Expert Report is contained in Annexure A of this Notice. The Independent Expert has concluded that that the conversion of the loan to the royalty as contemplated by Resolution 1 is fair and reasonable.

1.7 Recommendation

The Board, with the exception of Mr Plaggemars who abstains from making a recommendation, recommends that Shareholders vote in favour of Resolution 1.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

2 Resolution 2 – Renewal of Long Term Incentive Plan

2.1 Background

As part of the Company's remuneration framework, the Company operates a long term incentive plan (**LTIP**) that provides flexibility for the Company to grant securities (including ordinary fully paid shares in the capital of the Company, Options, Performance Rights and Restricted Share Units) to executives and senior management of the Company.

The LTIP was previously approved by Shareholders on 18 December 2020 at the Company's 2020 annual general meeting.

The purpose of Resolution 2 is to seek renewal of the approval of the LTIP by Shareholders, principally for the purposes of ASX Listing Rule 7.2 (Exception 13(b)) (see section 2.2 below).

The terms and conditions of the LTIP being presented to Shareholders at this Meeting have been updated from those approved at the 2020 annual general meeting to align the operation of the LTIP with Division 1A of Part 7.12 of the Corporations Act (which came into effect on 1 October 2022 and is intended to simplify the employee share scheme process).

2.2 ASX Listing Rule 7.2 (Exception 13(b))

ASX Listing Rule 7.1 provides, in summary, that the Company must not issue or agree to issue equity securities, in any 12 month period equal to more than 15% of the number of issued fully paid ordinary shares of the Company at the beginning of the 12 month period immediately before issue without the approval of Shareholders, unless an exception applies.

One of the exceptions to ASX Listing Rule 7.1 is ASX Listing Rule 7.2 (Exception 13(b)), which provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within 3 years before the date of the issue, Shareholders have approved the issue of securities under the employee incentive scheme as an exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the LTIP does not exceed the maximum number set out in the Notice of Meeting.¹ Exception 13(b) also ceases to be available if there is a material change to the terms of the LTIP from those set out in the Notice of Meeting.

Resolution 2 seeks Shareholder approval under ASX Listing Rule 7.2 (Exception 13(b)) for the approval to issue securities under the LTIP from time to time as an exception to ASX Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to issue securities under the LTIP (without impacting the Company's 15% placement capacity limit in each rolling 12 month period) for a period of 3 years from the date of this Meeting.

If Resolution 2 is not passed, the Company will still be able to issue securities under the LTIP, but any issues of securities will reduce the Company's available 15% placement capacity for the 12 month period following the date of issue.

The LTIP is intended to assist the Company to attract and retain key staff. The Board believes that grants made to eligible participants under the LTIP continue to provide a powerful tool to underpin the Company's employment and engagement strategy. In addition, the Board

¹ The LTIP was previously approved by Shareholders on 18 December 2020 at the Company's 2020 annual general meeting. The maximum number of securities set out in the notice of meeting for the 2020 annual general meeting, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)) was 12,542,906 securities. The Company has issued 12,358,070 under the LTIP since 18 December 2020.

believes it is in the best interests of the Company to preserve maximum flexibility to issue equity securities that is afforded to the Company under the ASX Listing Rules.

The Company will still be required to seek Shareholder approval under ASX Listing Rule 10.14 in respect of any issues of securities under the LTIP to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained (see Resolutions 3 to 7).

2.3 Information required by ASX Listing Rule 7.2 (Exception 13(b))

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.2 (Exception 13(b)):

- (a) A summary of the terms and conditions of the LTIP is set out in Schedule 1 to this Explanatory Statement.

The terms and conditions of the LTIP being presented to Shareholders at this Meeting have been updated from those approved at the 2020 annual general meeting to align the operation of the LTIP with Division 1A of Part 7.12 of the Corporations Act (which came into effect on 1 October 2022 and is intended to simplify the employee share scheme process).

- (b) 12,358,070 securities have been issued under the LTIP since the LTIP was last approved by Shareholders on 18 December 2020.
- (c) The maximum number of equity securities proposed to be issued under the LTIP within the 3 year period from the date following Shareholder approval is 87,701,310 securities. This maximum number is not intended to be a prediction of the actual number of securities to be issued under the New LTIP, simply a ceiling for the purposes of ASX Listing Rule 7.2 (Exception 13(b)).
- (d) A voting exclusion statement is included in the Notice of Meeting.

2.4 Recommendation

The Board, with the exception of Mr Lawson and Mr Coyne who each abstain from making a recommendation, recommends that Shareholders vote in favour of Resolution 2.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

3 Resolutions 3 to 7 – Issue of Performance Rights to Mr Rowan Johnston, Mr Hansjoerg Plaggemars, Mr Simon Lawson, Mr David Coyne and Mr John Hodder (or their respective nominee)

3.1 Background

Resolutions 3 to 7 seek Shareholder approval for the grant of Performance Rights to Mr Rowan Johnston (the Company's Chairperson), Mr Hansjoerg Plaggemars (a non-executive Director of the Company), Mr Simon Lawson (the Company's Managing Director and Chief Executive Officer), Mr David Coyne (a non-executive Director and Company Secretary of the Company) and Mr John Hodder (a non-executive Director) respectively (or their respective nominee).

The Performance Rights are proposed to be granted on terms consistent with the LTIP. For clarity, these Performance Rights will not count towards the maximum number of equity securities issued under the LTIP as contemplated by Resolution 2 and section 2.3 above.

The LTIP forms part of the Company's Equity Incentive Plan (**Plan**), which is structured to reward employees for their contributions towards achieving short-term and long-term group business objectives, align part of employee remuneration to shareholder returns and provide employees the opportunity to share in longer term value creation of the Company through part-ownership of the Company. The Board believes that equity incentives for executives encourage them to pursue the growth and success of the Company without rewarding conduct that is contradictory to the Company's values or risk appetite, consistent with Principle 8 of the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council.

Under ASX Listing Rule 10.14, Shareholder approval is required for the issue of securities under an employee incentive scheme to a director. If Shareholder approval is given for the issue of these securities under Listing Rule 10.14, then Shareholder approval is not required under Listing Rule 7.1 as contemplated by Listing Rule 7.2 (Exception 14).

In addition, Chapter 2E of the Corporations Act regulates the provision of financial benefits by a public company to its related parties. Section 208 of the Corporations Act permits a public company to give a financial benefit to a related party of that public company if shareholders of the public company have approved the giving of that financial benefit to the related party. Section 228 of the Corporations Act provides that a "related party" includes any person who is a Director. Each Director is a related party of the Company for the purposes of Chapter 2E of the Corporations Act by virtue of each of them being a current director of the Company.

The Board has formed the view that remuneration in the form of Performance Rights to be granted to each of the Directors (or their respective nominee) is reasonable given the Company's circumstances and the circumstances of each of the Directors (including their respective responsibilities). In forming this view, the Board considered the recent reduction in non-executive Director cash fees of \$20,000 per annum for the non-executive Chairperson and \$50,000 per annum for each non-executive Director, announced to ASX on 1 June 2023. The Board also took into consideration that the base salary of the Company's Managing Director (Mr Simon Lawson) has not been increased since he joined the Company in November 2021.

The Board is also of the opinion that the terms of issue of the Performance Rights to each of the Directors (or their respective nominee) are reasonable. Notwithstanding this view, the Board considers it prudent to obtain Shareholder approval for the purposes of Chapter 2E of the Corporations Act.

Accordingly, Resolutions 3 to 7 seek Shareholder approval for the grant of Performance Rights to each Director (or their respective nominee) as set out below.

If Resolution 3 is passed, the Company will be able to proceed with the grant of the Performance Rights to Mr Johnston (or his nominee).

If Resolution 4 is passed, the Company will be able to proceed with the grant of the Performance Rights to Mr Plaggemars (or his nominee).

If Resolution 5 is passed, the Company will be able to proceed with the grant of the Performance Rights to Mr Lawson (or his nominee). The Board has determined that Mr Lawson's existing Performance Rights (as described below in section 3.4(e)(3)) will be cancelled upon the new Performance Rights being issued.

If Resolution 6 is passed, the Company will be able to proceed with the grant of the Performance Rights to Mr Coyne (or his nominee).

If Resolution 7 is passed, the Company will be able to proceed with the grant of the Performance Rights to Mr Hodder (or his nominee). In accordance with the terms of Mr Hodder's nomination as a Director by Tembo Capital Mining GP III Ltd, Mr Hodder has nominated Tembo Capital Mining GP III Ltd as his nominee in relation to the proposed grant of these Performance Rights.

If Resolution 3, 4, 5, 6 or 7 is not passed, then the Company will not be able to proceed with the issue of the Performance Rights to the relevant Director (or their respective nominee) and the Company will negotiate with that Director regarding an appropriate alternative payment, seeking further Shareholder approval if required. In this scenario, Mr Lawson's existing Performance Rights as described below in section 3.4(e)(3)) will not be cancelled. This may include a cash payment up to a value equivalent to the Performance Rights which would have been received had Shareholder approval been obtained, subject to achievement of the relevant performance and service conditions.

3.2 Number of Performance Rights

Details regarding the number of Performance Rights to be issued to each Director (or their respective nominee) are set out in the following table:

	Number of Performance Rights
Mr Lawson	18,000,000 Performance Rights, comprising: <ul style="list-style-type: none"> • 2,250,000 Class H Performance Rights; • 2,250,000 Class I Performance Rights; • 9,000,000 Class J Performance Rights; • 2,250,000 Class K Performance Rights; and • 2,250,000 Class L Performance Rights.
Each of: <ul style="list-style-type: none"> • Mr Johnston; • Mr Plaggemars; • Mr Coyne; and • Mr Hodder 	3,000,000 Performance Rights, comprising: <ul style="list-style-type: none"> • 375,000 Class H Performance Rights; • 375,000 Class I Performance Rights; • 1,500,000 Class J Performance Rights; • 375,000 Class K Performance Rights; and • 375,000 Class L Performance Rights.

The Performance Rights to be granted to each of the Directors (or their respective nominee) will have a diluting effect on the percentage interest of existing Shareholders' holding of less than 2.05% (in respect of Mr Lawson) and 0.34% (in respect of each other Director) of the Company's current issued share capital.

3.3 Terms of Performance Rights

All Performance Rights granted will be on terms consistent with the LTIP and the Terms and Conditions of Performance Rights. A summary of the key terms of the LTIP is contained in **Schedule 1**. A copy of the Terms and Conditions of Performance Rights is contained in **Schedule 2**.

No consideration is payable by any of the Directors at the time of grant of the Performance Rights or upon the allocation of Shares to which a Director may become entitled upon Performance Rights vesting.

Each Performance Right will entitle the respective Director (or their respective nominee) to one Share at no cost.

Further details regarding the Performance Rights to be issued to each Director (or their respective nominee) are set out in the following table:

	Vesting term	Vesting milestone
Class H Performance Right	3 year period commencing 1 July 2023	Upon publication of an Ore Reserve for the Never Never deposit of $\geq 2,333,000\text{t}$ @ 4.0g/t gold for at least 300,000 ounces, with such Ore Reserve determined using key assumptions and parameters approved by the Board (note that the proposed vesting hurdle is an Ore Reserve of at least 300,000oz at grade of 4.0g/t gold or greater).
Class I Performance Right	3 year period commencing 1 July 2023	Upon publication of a Mineral Resource Estimate for the Never Never deposit of $\geq 3,732,500\text{t}$ @ 5.0g/t gold for 600,000 ounces at a cut-off grade no less than 0.5g/t Au for open pit and no less than 2.0g/t Au for underground (note that the proposed vesting hurdle is a Mineral Resource Estimate of at least 600,000oz at an average grade of 5.0g/t gold or greater).
Class J Performance Right	3 year period commencing 1 July 2023	When the Share price is equal to or exceeds \$0.30 per Share on a 60-day volume weighted average price basis.
Class K Performance Right	3 year period commencing 1 July 2023	Upon the Board making a Final Investment Decision to restart operations at the Dalgaranga Gold Project after considering the outcomes of a feasibility study that evaluates ore feed from, but not limited to, the Never Never deposit, the Gilbey's Main deposit and the Melville deposit.
Class L Performance Right	3 year period commencing 1 July 2023	Upon production at the Dalgaranga Gold Project averaging 300oz of gold per day over a 45-day period.

In addition, a grantee must remain engaged in their existing role with the Company on the date that a vesting condition is met and have not submitted a notice of resignation prior to this date. Subject to the discretion of the Board, unvested Performance Rights will be forfeited if a grantee ceases to remain in their existing role with the Company or submits a notice of resignation on or before this date.

The LTIP contains clawback provisions that give the Board discretion to determine that unvested and vested entitlements are forfeited in certain circumstances, including where the grantee has acted fraudulently or dishonestly.

3.4 Additional information

The following information is provided to Shareholders for the purposes of ASX Listing Rule 10.15 and Section 219 of the Corporations Act:

- (a) Mr Johnston, Mr Plaggemars, Mr Lawson, Mr Coyne and Mr Hodder are each a related party of the Company by virtue of being a current director of the Company.
- (b) Subject to Shareholder approval being obtained, the maximum number of Performance Rights (and hence Shares) that the Company may issue to:
 - (1) Mr Lawson (or his nominee) will be 18,000,000 Performance Rights; and
 - (2) each of Mr Johnston, Mr Plaggemars, Mr Lawson, Mr Coyne and Mr Hodder respectively (or their respective nominee) will be 3,000,000 Performance Rights.
- (c) The current total remuneration package of each of the Directors is set out below:

Mr Johnston	Fixed remuneration	\$120,000 base salary per annum plus superannuation
	Short-term incentives	Nil
	Long-term incentives	3,000,000 Performance Rights subject to Shareholder approval and on the terms described above
Mr Plaggemars	Fixed remuneration	\$70,000 base salary and nil superannuation per annum
	Short-term incentives	Nil
	Long-term incentives	3,000,000 Performance Rights subject to Shareholder approval and on the terms described above
Mr Lawson	Fixed remuneration	\$375,000 base salary and \$27,000 superannuation per annum
	Short-term incentives	Up to 40% of base salary per annum
	Long-term incentives	18,000,000 Performance Rights subject to Shareholder approval and on the terms described above (in addition to the securities that have previously been issued to Mr Lawson under the Plan as described in section 3.4(e) below, which are to be cancelled if Resolution 5 is passed).
Mr Coyne	Fixed remuneration	Non-Executive Director: \$70,000 base salary per annum plus superannuation Part Time Company Secretary: \$6,000 base salary and \$630 superannuation per calendar month
	Short-term incentives	Nil
	Long-term incentives	3,000,000 Performance Rights subject to Shareholder approval and on the terms described above (in addition to the securities that have previously been issued to Mr Coyne under the Plan as described in section 3.4(e) below).
Mr Hodder²	Fixed remuneration	\$70,000 base salary and nil superannuation per annum
	Short-term incentives	Nil
	Long-term incentives	3,000,000 Performance Rights subject to Shareholder approval and on the terms described above

(d) As at the date of this Notice:

² In accordance with the terms of Mr Hodder's nomination as a Director by Tembo Capital Mining GP III Ltd, Mr Hodder has nominated Tembo Capital Mining GP III Ltd as his nominee in relation to the proposed grant of these Performance Rights. Mr Hodder has also directed the Company to pay all fees arising in relation to his appointment as a Director to Tembo Capital Mining GP III Ltd.

- (1) Mr Johnson has a relevant interest in 100,000 Shares held by Johnston Family Self Managed Super Fund and 300,000 Shares held by Johnston Family Trust;
 - (2) Mr Plaggemars has a relevant interest in 250,000 Shares held by KiCo Invest GmbH;
 - (3) Mr Lawson has a relevant interest in 3,827,234 Shares; and
 - (4) Mr Coyne has a relevant interest in 72,890 Shares held by Mr Coyne in his name and 42,397 Shares held by Coyne Family Super Fund; and
 - (5) Mr Hodder does not have a relevant interest in any Shares.
- (e) As at the date of this Notice:
- (1) no securities have previously been issued to Mr Johnston under the Plan;
 - (2) no securities have previously been issued to Mr Plaggemars under the Plan;
 - (3) the following securities were issued to Mr Lawson under the Plan (following Shareholder approval being obtained at the annual general meeting of the Company on 20 January 2022):
 - (A) 2,000,000 Class D Performance Rights (subject to a vesting condition on or before 12 November 2024);
 - (B) 2,000,000 Class E Performance Rights (subject to a vesting condition on or before 12 November 2024); and
 - (C) 2,000,000 Class G Performance Rights (subject to a vesting condition on or before 12 November 2024).

As noted above in section 3.1, these existing Performance Rights will be cancelled if Resolution 5 is passed;
 - (4) the following securities were issued to Mr Coyne under the Plan prior to his appointment as a Director:
 - (A) 254,273 Class A Performance Rights (vested on 30 June 2022);
 - (B) 100,000 Class B Performance Rights (vested on 1 January 2023); and
 - (C) 154,273 Class C Performance Rights (vesting on 30 June 2023);
 - (5) the following securities were issued to Mr Coyne under the Plan after his appointment as a Director (following Shareholder approval being obtained at the annual general meeting of the Company on 20 January 2022):
 - (A) 1,250,000 Class D Performance Rights;
 - (B) 1,250,000 Class E Performance Rights; and
 - (C) 1,250,000 Class G Performance Rights.

These Performance Rights vested in March 2023 following the termination of Mr Coyne's Executives Services Agreement; and
 - (6) no securities have previously been issued to Mr Hodder under the Plan.
- (a) The Company uses Performance Rights under the Plan because it aligns part of employee remuneration to shareholder returns, as well as encouraging retention

whilst not providing employees with the full benefits of share ownership (such as dividend and voting rights) unless and until the rights vest and are exercised.

- (b) The Company will issue the Performance Rights to each of the Directors (or their respective nominee) as soon as practicable following the Meeting and no later than 12 months after the Meeting.
- (c) No consideration is payable by the Directors at the time of grant of the Performance Rights or upon the allocation of the Shares to which the respective Director (or their respective nominee) may become entitled upon vesting of the Performance Rights.
- (d) A summary of the key terms of the LTIP is contained in **Schedule 1**. A copy of the Terms and Conditions of Performance Rights is contained in **Schedule 2**.
- (e) No loans will be made by the Company in connection with the acquisition of Performance Rights, or Shares upon the vesting of Performance Rights, by the respective Director (or their respective nominee).
- (f) Details of any Performance Rights issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan after Resolutions 3 to 7 are approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.
- (g) The voting exclusion statements in relation to Resolutions 3 to 7 respectively are included in the Notice of Meeting.
- (h) The Performance Rights were independently valued by BDO Corporate Finance (WA) Pty Ltd and details of this valuation are set out in **Schedule 3**.
- (i) In the 12 months prior to the date of this Notice, the Company's trading history was as follows:
 - (1) the highest trading price was \$0.410 on 26 August 2022; and
 - (2) the lowest trading price was \$0.097 on 28 March 2023.
- (j) The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to vote in favour of Resolutions 3 to 7.

3.5 Recommendation

The Directors (other than Mr Johnston) unanimously recommend that Shareholders vote in favour of the issue of Performance Rights to Mr Johnston (or his nominee). None of the Directors making this recommendation have a direct interest in the outcome of Resolution 3.

The Directors (other than Mr Plaggemars) unanimously recommend that Shareholders vote in favour of the issue of Performance Rights to Mr Plaggemars (or his nominee). None of the Directors making this recommendation have a direct interest in the outcome of Resolution 4.

The Directors (other than Mr Lawson) unanimously recommend that Shareholders vote in favour of the issue of Performance Rights to Mr Lawson (or his nominee). None of the Directors making this recommendation have a direct interest in the outcome of Resolution 5.

The Directors (other than Mr Coyne) unanimously recommend that Shareholders vote in favour of the issue of Performance Rights to Mr Coyne (or his nominee). None of the Directors making this recommendation have a direct interest in the outcome of Resolution 6.

The Directors (other than Mr Hodder) unanimously recommend that Shareholders vote in favour of the issue of Performance Rights to Mr Hodder (or his nominee). None of the Directors making this recommendation have a direct interest in the outcome of Resolution 7.

In each case, the Directors' recommendation is on the basis that the grant of Performance Rights aligns the interests of Mr Johnston, Mr Plaggemars, Mr Lawson, Mr Coyne and Mr Hodder respectively with the interests of Shareholders, provides a competitive remuneration package, assists in retention of key executives and other personnel and preserves the Company's cash reserves.

The Chairperson intends to vote undirected proxies in favour of Resolutions 3 to 7.

4 Resolution 8 – Change of Company name

4.1 Background

The Company proposes to change its name from "Gascoyne Resources Limited" to "Spartan Resources Limited". The Board considers that "Spartan Resources Limited" better reflects and aligns with the Company's long-term strategic direction.

The Company's existing "Gascoyne" name was borne from the original tenements that the Company held in the Gascoyne region of Western Australia. With the commissioning of the Dalgaranga Gold Project in 2018, the Company's flagship assets became centred on the Murchison region of Western Australia (with the exploration tenements in the Gascoyne region taking a lower profile). In early 2022, the Company discovered what is now the Never Never high-grade gold deposit (which is located approximately 1 kilometre from the Dalgaranga process plant). The Never Never deposit has quickly become the centre piece of the Company's strategy.

The Board believes adoption of the name "Spartan Resources Limited" for the Company better reflects the nature of the organisation, an organisation that relentlessly tackles and overcomes its challenges, and is fearlessly embarking on transforming the Dalgaranga Gold Project from one that has historically struggled as a result of low grade (sub 1.0 g/t Au) ore feed to one that could re-commence operations with a mine plan based on ore feed grades much higher than historical ore feed grades.

The early 2023 financial restructure has provided the Company with an opportunity to reset its balance sheet and ensure that its near-term exploration and technical studies are fully funded to deliver on the promise that the Never Never deposit holds. Changing and refreshing the name of the Company is another step in the transformation of the Company.

The Company also proposes to change its ASX ticker code from "GCY" to "SPR" accordingly.

Resolution 8 seeks Shareholder approval (by way of a special resolution in accordance with section 157(1) of the Corporations Act) to change the Company's name. Shareholder approval is also being sought in accordance with section 136(2) of the Corporations Act to replace all existing references in the Company's Constitution to "Gascoyne Resources Limited" with "Spartan Resources Limited".

The Company's proposed new name has been reserved with ASIC. If this Resolution 8 is passed, the Company will notify ASIC as soon as practicable and in any event within 14 days of the Meeting. The change in name will take effect when ASIC alters the details of the Company's registration to reflect this change.

4.2 Recommendation

The Board recommends that Shareholders vote in favour of Resolution 8.

The Chairperson intends to exercise all available proxies in favour of Resolution 8.

Glossary

In this Notice of Extraordinary General Meeting and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Term	Meaning
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Beebyn Tenement	EL51/1681.
Board	the board of Directors of the Company from time to time.
Chairperson	the chairperson of the Extraordinary General Meeting.
Closely Related Party	has the meaning given to that term in the Corporations Act.
Company	Gascoyne Resources Limited ABN 57 139 522 900.
Constitution	the constitution of the Company.
Conversion	conversion of the \$2.45 million unsecured loan to a royalty on the terms of the Delphi Loan and Royalty Deed.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Delphi	Deutsche Balaton Aktiengesellschaft.
Delphi Loan and Royalty Deed	the loan royalty deed between the Company and Delphi (amongst others) dated 25 February 2023.
Director	a director of the Company.

Term	Meaning
Entitlement Offer	the accelerated 1-for-2.42 pro rata non-renounceable entitlement offer of approximately 176 million new Shares, which raised approximately \$17.6 million.
Explanatory Statement	the explanatory statement that accompanies this Notice.
Glenburgh Tenements	each of the following tenements: <ul style="list-style-type: none"> • EL09/1325 • EL09/1764 • EL09/1865 • EL09/1866 • EL09/2025 • EL09/2148 • ELA09/2352 • ELA09/2730 • L09/56 • L09/62 • ML09/148 • ML09/181
Independent Expert	BDO Corporate Finance (WA) Pty Ltd, being the independent expert appointed by the Board to prepare the Independent Expert's Report.
Independent Expert's Report	the report from the Independent Expert opining on the fairness and reasonableness of the conversion of the loan to the royalty dated 8 June 2023, as set out in Annexure A.
Key Management Personnel	has the meaning given to that term in the ASX Listing Rules.
LTIP	the Company's long term incentive plan.
Meeting or Extraordinary General Meeting	the extraordinary general meeting convened by this Notice.
Mt Egerton Tenements	each of the following tenements: <ul style="list-style-type: none"> • EL52/2117 • EL52/2515

Term	Meaning
	<ul style="list-style-type: none"> • EL52/3574 • EL52/3756 • EL52/3894 • ML52/343 • ML52/567
Notice or Notice of Extraordinary General Meeting	this Notice of Extraordinary General Meeting.
Option	an option granted under the LTIP conferring an entitlement to receive Shares upon satisfaction of applicable conditions and payment of an applicable exercise price.
Partially-owned Dalgaranga Tenements	each of the following tenements: <ul style="list-style-type: none"> • EL21/195 • EL59/1709 • EL59/1904 • EL59/1906
Performance Right	a right granted under the LTIP conferring an entitlement to receive Shares subject to the satisfaction of applicable conditions.
Placement	the placement to sophisticated and professional investors of approximately 86 million new Shares which raised approximately \$8.6 million.
Plan	the Company's Equity Incentive Plan.
Product	has the meaning given in section 1.3(g).
Prospectus	the prospectus issued by the Company dated 27 February 2023.
Proxy Form	the proxy form enclosed with this Notice.
Resolution	a resolution contained in this Notice.
Share	a fully paid ordinary share in the capital of the Company.

Term	Meaning
Shareholder	a holder of a Share.
Tembo Capital	together, Tembo Capital Mining Fund III LP, Tembo Capital Mining Fund III (Non-US) LP and Tembo Capital Mining Fund III (F&F) LP, each acting by its general partner Tembo Capital Mining GP III Limited (or any of their related body or bodies corporate (including Tembo Capital Holdings UK Limited)).
Tembo Facility Agreement	the facility agreement between the Company and Tembo dated 25 February 2023.
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) as amended from time to time.
Tribute Tenement	E59/2077.
Wholly-owned Dalgaranga Tenements	each of the following tenements: <ul style="list-style-type: none"> • EL59/2053 • EL59/2150 • L59/141 • L59/142 • L59/151 • L59/152 • L59/153 • L59/167 • L59/168 • L59/169 • L59/170 • ML59/749 • ELA59/2769 • LA59/214
WST	Australian Western Standard Time.
Yalgoo Tenements	each of the following tenements: <ul style="list-style-type: none"> • EL59/2077

Term	Meaning
	<ul style="list-style-type: none"> • EL59/2140 • EL59/2230 • EL59/2252 • EL59/2284 • EL59/2289 • EL59/2295 • EL59/2363 • EL59/2364 • EL59/2456 • EL59/2458 • EL59/2468 • EL59/2469 • EL59/2534 • ELA59/2457 • ELA59/2459 • ELA59/2460 • ELA59/2478 • ELA59/2543 • ELA59/2544 • ELA59/2615 • ELA59/2616 • EL59/2688 • LA59/200 • LA59/201 • LA59/212 • ML59/0057 • ML59/0384 • MLA59/767 • PL59/2040 • PL59/2042 • PL59/2086 • PL59/2087 • PL59/2134 • PL59/2158

Schedule 1 – KEY TERMS OF THE LONG TERM INCENTIVE PLAN

The full terms of the LTIP may be inspected at the registered office of the Company during normal business hours. A summary of the key terms of the LTIP is set out below.

- (a) The Board may invite eligible employees (including executive directors) of the Company and its related bodies corporate and other persons determined by the Board to subscribe for or acquire securities (**Offers**). In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the LTIP.
- (b) The Offers will be in such form and content and with such terms and conditions as the Board determines, including:
 - (i) the basis upon which a participant has earned or otherwise becomes entitled to receive an Offer;
 - (ii) the type of securities, including ordinary fully paid shares in the capital of the Company, Options, Performance Rights and Restricted Share Units (RSUs);
 - (iii) the number of Shares for which each participant may apply for;
 - (iv) the acquisition price (if any) and date that any entitlements accrued under the LTIP are allocated to participants;
 - (v) whether the Shares are subject to any vesting conditions or disposal restrictions; and
 - (vi) whether the Shares are to be acquired, delivered and/or held by the trustee of the Trust (defined below).
- (c) Unless otherwise specified in an offer document, the Board has the discretion to settle Options or Performance Rights or RSU's with a cash equivalent payment.
- (d) The operation of the LTIP may involve a trust being established to acquire Shares which will be held on behalf of participants (**Trust**) or eventually transferred to participants for the purposes of the LTIP. The trustee of the Trust (**Trustee**) will act in accordance with instructions issued by the Board and subject to the terms and conditions of a trust deed (**Trust Deed**).
- (e) Where the Trustee holds Shares for the benefit of a participant in accordance with an Offer, the Company will issue the participant with one Restricted Share Unit for each Share held by the Trustee. The Company will direct the Trustee to:
 - (i) pay to participants any dividends attributable to the underlying Shares; and
 - (ii) accept instructions from participants to vote the underlying Shares in a particular manner at a General Meeting of the Company,in accordance with the Trust Deed.
- (f) RSUs will be cancelled by the Company when the underlying Shares vest in a participant and are transferred to the participant by the Trustee, or when the Trustee sells (or otherwise deals with) Shares and pays the proceeds of such sale or dealing to the participant, or where a Share which relates to an RSU is forfeited under the LTIP.
- (g) Shares may be subject to disposal restrictions determined by the Board at the time of the Offer. In addition, Shares are subject to forfeiture events which are set out in the LTIP and

the Board may, in certain circumstances, declare that a participant shall forfeit any right or interest in the Shares or other entitlements accrued under the LTIP. A participant has no right to the proceeds of sale of forfeited Shares or to the associated entitlements of forfeited Shares.

- (h) Vesting of the incentives is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the LTIP and the terms of the specific offer document, incentives will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied. Subject to the terms and conditions of the Offer, all of the unvested entitlements of a participant are to vest on such date as the Board determines that the entitlements of a participant have vested or on the occurrence of any of the accelerated vesting events which are set out in the LTIP. Options must be exercised by the employee and the employee is required to pay any exercise price applicable, unless the Board permits cashless exercise. Performance Rights may also have an exercise mechanism; however, no exercise price is payable.
- (i) Options and Performance Rights do not carry any dividend or voting rights. RSUs do have dividend and voting rights.
- (j) The LTIP provides the Board with broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
- (k) Unvested incentives will automatically vest if there is a change of control. Individual offer documents may provide for a different treatment.
- (l) The LTIP includes specific provisions dealing with rights issues, bonus issues, corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions. Participants are not entitled to participate in new issues of securities by the Company prior to the vesting (and exercise if applicable) of their Options or Performance Rights. In the event of a bonus issue, Options or Performance Rights will be adjusted in the manner allowed or required by the ASX Listing Rules.
- (m) Prior to vesting, the LTIP provides that, subject to the Board's discretion to determine otherwise, participants must not dispose of or deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to the trading policy.
- (n) Subject to the terms of the LTIP, the Company may not issue any Shares under an Offer for nil consideration if, at the time of making the Offer, the Company has reasonable grounds to believe that the number of Shares that have or may be issued for nil consideration in any of the following circumstances would exceed 10% of the number of Shares on issue:
 - (i) the number of Shares that may be issued under the Offer; and
 - (ii) the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 years pursuant to an employee or share option scheme extended to either or both employees and directors of the Company and its related bodies.

Schedule 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The following provides a summary of the terms and conditions applying to the issue of Performance Rights:

1. Entitlement

Subject to the terms and conditions set out below and the GCY Equity Incentive Plan (**Plan**), each Performance Right, once vested, entitles the holder, on conversion, to the issue of one (1) fully paid ordinary share in the capital of Gascoyne (**Share**).

2. Vesting Milestones

Class H Performance Rights: During the 3 year period commencing 1 July 2023 through to 30 June 2026, the Class H Performance Rights shall vest upon publication of an Ore Reserve for the Never Never deposit of $\geq 2,333,000\text{t}$ @ 4.0g/t gold for at least 300,000 ounces, with such Ore Reserve determined using key assumptions and parameters approved by the Board (note that the proposed vesting hurdle is an Ore Reserve of at least 300,000oz at grade of 4.0g/t gold or greater) (**Class H**);

Class I Performance Rights: During the 3 year period commencing 1 July 2023 through to 30 June 2026, the Class I Performance Rights shall vest upon publication of a Mineral Resource Estimate for the Never Never deposit of $\geq 3,732,500\text{t}$ @ 5.0g/t gold for 600,000 ounces at a cut-off grade no less than 0.5g/t Au for open pit and no less than 2.0g/t Au for underground (note that the proposed vesting hurdle is a Mineral Resource Estimate of at least 600,000oz at an average grade of 5.0g/t gold or greater) (**Class I**);

Class J Performance Rights: During the 3 year period commencing 1 July 2023 through to 30 June 2026, the Class J Performance Rights shall vest when the Gascoyne share price is equal to or exceeds A\$0.30 per share on a 60-day volume weighted average price basis (**Class J**);

Class K Performance Rights: During the 3 year period commencing 1 July 2023 through to 30 June 2026, the Class K Performance Rights shall vest upon the Gascoyne Board making a Final Investment Decision to restart operations at the Dalgaranga Gold Project after considering the outcomes of a feasibility study that evaluates ore feed from, but not limited to, the Never Never deposit, the Gilbey's Main deposit and the Melville deposit (**Class K**); and

Class L Performance Rights: During the 3 year period commencing 1 July 2023 through to 30 June 2026, the Class L Performance Rights shall vest upon production at the Dalgaranga Gold Project averaging 300oz of gold per day over a 45-day period (**Class L**).

A Participant must remain employed by the Company (or one of its subsidiaries) on the date each vesting condition is met and have not submitted a resignation on notice prior to or on the date that the relevant vesting condition has been met. Subject to the discretion of the Board in accordance with the Plan, a Participant who has ceased employment with the Company, or who has submitted their notice of resignation, on or before the date that a vesting condition has been met, shall forfeit unvested Performance Rights.

3. Consideration

The Performance Rights will be granted to a Participant for nil cash consideration.

4. Exercise Price

The Exercise Price of each vested Performance Right is nil.

5. Expiry Date

Each Performance Right within Class H, Class I, Class J, Class K and Class L will expire on the earlier to occur of:

- a. 5:00pm (AWST) on 30 June 2036; and
- b. The Performance Right lapsing and being forfeited under the Plan or these terms and conditions,

(Expiry Date). For the avoidance of doubt, any vested but unexercised Performance Rights will automatically lapse on the Expiry Date.

6. Conversion

Upon vesting, each Performance Right will, at the participant's election, convert into one (1) Share. The Participant may apply to exercise vested Performance Rights at any time prior to the Expiry Date by filling out a notice of exercise in a form provided by the Company and returning it to the Company Secretary (**Notice of Exercise**).

7. Timing of Issue of Shares and Quotation of Shares on Exercise

As soon as practical after a valid Notice of Exercise by a holder has been received by the Company, the Company will:

- a. issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled (in the Board's discretion);
- b. if required, issue a substitute certificate for any remaining unexercised Performance Rights held by the holder;
- c. if required, and subject to paragraph 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- d. do all such acts, matters and things to obtain the grant of quotation of the Shares by the ASX in accordance with the ASX Listing Rules and subject to the expiry of any restriction period that applies to Shares under the Corporations Act or ASX Listing Rules.

8. Restrictions on Transfer of Shares

If the Company is required but is unable to give the ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

9. Shares Issued on Exercise

All Shares issued upon exercise of Performance Rights will upon issue rank *pari passu* in all respects with the then Shares of the Company.

10. Transfer

The Performance Rights are not transferable unless they have vested and only with the prior written approval of the Board, and subject to compliance with the ASX Listing Rules and Corporations Act.

11. Quotation

No application for quotation of the Performance Rights will be made by the Company.

12. Voting and Dividend Rights

The Performance Rights do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

13. Participation in Entitlements and Bonus Issues

Subject always to the rights under paragraphs 14 and 15, holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

14. Adjustment for Bonus Issues

If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the ASX Listing Rules at the time of the bonus issue.

15. Reorganisation of Capital

In the event that the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all the holder's rights as a holder of Performance Rights will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.

16. Leaver

Where the holder of the Performance Rights (or the relevant Participant in the case of a permitted nominee holder of the Performance Rights) is no longer employed, or their office or engagement is discontinued with the Company:

- a. as a result of Accelerated Vesting Conditions (as defined in the Plan), unvested Performance Rights will be exercisable from the date that an Accelerated Vesting Condition occurred; and
- b. in all other circumstances, any unvested or unexercised Performance Rights will automatically lapse and be forfeited by the holder,

unless the Board otherwise determines in its discretion in accordance with the Plan.

17. Change of Control Event

If a Change of Control Event (as defined in the Plan) occurs, then:

- a. any unvested Performance Rights will automatically vest; and
- b. to the extent Performance Rights have not been converted into Shares following satisfaction of Vesting conditions, Performance Rights will automatically convert to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue in the Company, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue at that time. Performance Rights that are not converted into Shares will continue to be held by the holder on the same terms and conditions.

Schedule 3 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to the Directors as contemplated by Resolutions 3 to 7 have been independently valued by BDO Corporate Finance (WA) Pty Ltd.

Based on the assumptions set out below, the Performance Rights were ascribed the following values:

	Class H	Class I	Class J	Class K	Class L	Total
Valuation date	26 May 2023	26 May 2023	26 May 2023	26 May 2023	26 May 2023	
Expiry date	30 June 2036	30 June 2036	30 June 2036	30 June 2036	30 June 2036	
Methodology	Black Scholes option pricing model	Black Scholes option pricing model	Barrier up-and-in trinomial pricing model with a Parisian barrier adjustment	Black Scholes option pricing model	Black Scholes option pricing model	
Share price	\$0.125	\$0.125	\$0.125	\$0.125	\$0.125	
Exercise price	Nil	Nil	Nil	Nil	Nil	
VWAP barrier	N/A	N/A	\$0.30	N/A	N/A	
Risk-free rate	3.440%	3.440%	3.440%	3.440%	3.440%	
Volatility	75%	75%	75%	75%	75%	
Dividend yield	Nil	Nil	Nil	Nil	Nil	
Valuation per Performance Right	\$0.125	\$0.125	\$0.071	\$0.125	\$0.125	
Mr Rowan Johnston	\$46,875	\$46,875	\$106,500	\$46,875	\$46,875	\$294,000
Mr Hansjoerg Plaggemars	\$46,875	\$46,875	\$106,500	\$46,875	\$46,875	\$294,000
Mr Simon Lawson	\$281,250	\$281,250	\$639,000	\$281,250	\$281,250	\$1,764,000
Mr David Coyne	\$46,875	\$46,875	\$106,500	\$46,875	\$46,875	\$294,000
Mr John Hodder	\$46,875	\$46,875	\$106,500	\$46,875	\$46,875	\$294,000

ANNEXURE A



GASCOYNE RESOURCES LIMITED
Independent Expert's Report

OPINION: FAIR AND REASONABLE

8 June 2023



Financial Services Guide

8 June 2023

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Gascoyne Resources Limited ('Gascoyne') to provide an independent expert's report on the proposal to convert an unsecured loan of \$2.45 million provided by Delphi Unternehmensberatung AG and its associates (collectively referred to as 'Delphi'), a substantial shareholder of Gascoyne, to a 0.7% gold royalty over the 100% owned Dalgara tenements and a 0.525% gold royalty over all 100% owned Yalgoo, Glenburgh and Mt Egerton tenements. You are being provided with a copy of our report because you are a shareholder of Gascoyne 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 Notice of Meeting required to be provided to you by Gascoyne to assist you in deciding on whether or not to approve the proposed transaction.

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 \$55,000.

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 Gascoyne.

Other Assignments

In the two years prior to the date of this report, BDO Corporate Finance (WA) Pty Ltd provided valuation and advisory services to Gascoyne for total fees of approximately \$140,000.

Further, BDO Corporate Finance (WA) Pty Ltd prepared an independent experts report for Firefly Resources Limited ('Firefly') dated 13 August 2021 which related to the scheme of arrangement between Firefly and Gascoyne. The fee for the preparation of this report and the supplementary report dated 15 October 2021 was approximately \$110,000.

BDO Corporate Tax (WA) Pty Ltd provided taxation compliance and consulting services to Gascoyne during 2021 and 2022 for total fees of approximately \$300,000.

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 Gascoyne 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. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	www.afca.org.au
Email:	info@afca.org.au
Interpreter Service:	131 450

TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	2
3.	Scope of the Report	5
4.	Outline of the Proposed Transaction and Funding Package	6
5.	Profile of Gascoyne	8
6.	Profile of Delphi	21
7.	Economic analysis	21
8.	Industry analysis	23
9.	Valuation approach adopted	28
10.	Value of the Delphi Loan	30
11.	Valuation of the Delphi Royalty	30
12.	Is the Proposed Transaction fair?	39
13.	Is the Proposed Transaction reasonable?	41
14.	Conclusion	43
15.	Sources of information	43
16.	Independence	44
17.	Qualifications	44
18.	Disclaimers and consents	45

Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Discount Rate

© 2023 BDO Corporate Finance (WA) Pty Ltd

8 June 2023

The Independent Directors
Gascoyne Resources Limited
Level 1, 41-47 Colin Street
West Perth WA 6005

Dear Independent Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 27 February 2023, Gascoyne Resources Limited ('Gascoyne' or 'the Company') announced a \$50 million funding package ('the Funding Package') which comprised:

- a fully underwritten equity capital raising of \$26.3 million ('Equity Raising') which comprised:
 - an \$8.6 million placement to sophisticated and professional investors at an issue price of \$0.10 per share ('Placement'); and
 - a \$17.6 million 1-for-2.42 non-renounceable entitlement offer also at a price of \$0.10 per share ('Entitlement Offer').
- a \$21.3 million investment from Tembo Capital Mining Fund III ('Tembo Capital') in two tranches, being:
 - Tranche A: a \$15 million secured loan that mandatorily converted to fully paid ordinary shares in Gascoyne at \$0.10 per share ('Tranche A') following receipt of shareholder approval on 18 April 2023; and
 - Tranche B: a \$6.3 million secured loan that mandatorily converted to a gold royalty ('Tranche B'), upon conversion of Tranche A; and(collectively, 'Tembo Capital Investment')
- an unsecured loan of \$2.45 million from Deutsche Balaton AG ('Delphi Loan') from. In addition, Delphi Unternehmensberatung AG and its associates Deutsche Balaton AG, Sparta AG and 2invest AG ('Delphi') participated in the Equity Raising by committing a total amount of \$5.8 million (together, the 'Delphi Investment').

Following the receipt of requisite shareholder approvals and other conditions precedent, the unsecured loan of \$2.45 million provided by Delphi ('the Delphi Loan') mandatorily converts to a 0.7% gold royalty over all 100% owned tenements of the Dalgara Project and a 0.525% gold royalty over all 100% owned tenements of the Yalgoo, Glenburgh and Mt Egerton projects.

The conversion of the Delphi Loan into the aforementioned royalties ('Delphi Royalty') is referred to as the 'Proposed Transaction'.

Given that Delphi is a substantial holder of the Company (greater than a 10% interest), the Proposed Transaction is considered to be captured within the related party provisions of the ASX Listing Rules. Therefore, pursuant to ASX Listing Rule 10.1, approval from Gascoyne shareholders not associated with Delphi (**'Shareholders'**) is required for the Proposed Transaction to proceed. Consequently, the Company is seeking approval from Shareholders for the conversion of the Delphi Loan into the Delphi Royalty.

Further details of the Proposed Transaction are set out in Section 4 of our Report.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Gascoyne 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 Proposed Transaction is fair and reasonable to the non associated shareholders of Gascoyne (**'Shareholders'**).

Our Report is prepared pursuant to ASX listing rule 10.1 and 10.5.10 and is to be included in the Notice of Meeting for Gascoyne in order to assist Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (**'ASIC'**) Regulatory Guides Regulatory Guide 76 'Related party transactions' (RG 76'), 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 Proposed Transaction as outlined in the body of this report. We have considered:

- How the value of the Delphi Royalty compares to the value of the Delphi Loan;
- The likelihood of an alternative offer being made to Gascoyne;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction; and
- The position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to Shareholders.

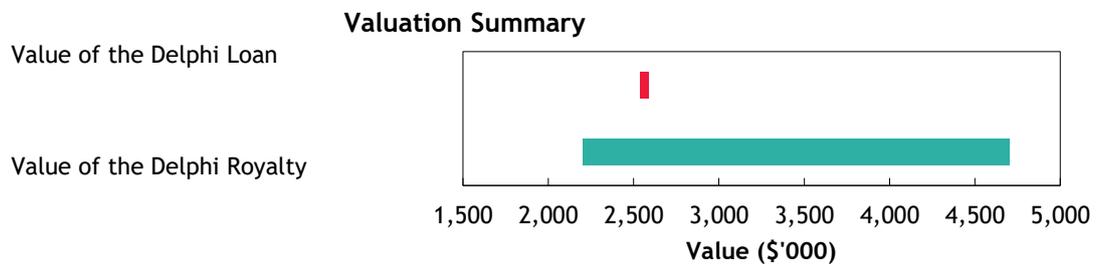
2.4 Fairness

In section 12 we determined that the Delphi Loan as part of the Proposed Transaction compares to the value of the Delphi Royalty, as detailed below.

	Ref	Low \$'000	High \$'000
Value of the Delphi Loan	10	2,565	2,565
Value of the Delphi Royalty	11	2,200	4,700

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO analysis

Given that the value of the Delphi Loan falls within our assessed range of values for the Delphi Royalty, we consider the Proposed Transaction to be fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both:

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3	The Proposed Transaction is fair	13.4	The Delphi Royalty is uncapped, therefore the total cash flows paid to Delphi may exceed the balance of the loan
13.3	The Proposed Transaction allows the Company to preserve cash by converting the loan to a royalty, rather than repaying the balance of the Delphi Loan	13.4	The Proposed Transaction may limit the Company's ability to use royalties on the Company's projects in the future as a means of attracting funding
13.3	The Delphi Royalty has value if production is achieved from the respective project areas. In this instance, Shareholders will also participate in any upside (should it materialise) associated with holding shares in a company with a producing asset	13.4	Although the Proposed Transaction is fair for Shareholders, the value of the Delphi Loan is on the lower end of the range of values for the Delphi Royalty
13.3	It is possible that the Delphi Royalty does not result in any cash outflows for Gascoyne, in which case, the Delphi Loan is being released for nil cash consideration		
13.3	If Gascoyne were to exercise its Buy-back Right (detailed in Section 4.1), the amount payable on the Delphi Royalty will be reduced and Shareholders will have the opportunity to participate in a potential greater upside of the producing assets		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposals
13.2	Consequences of not approving the Proposed Transaction

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a party falling within one of the categories in Listing Rules 10.1.1 to 10.1.5 (including a substantial (10%+) holder in the Company).

Delphi and its related entities hold a relevant interest in 15.3% of Gascoyne, and is therefore considered to be a substantial holder in the Company per Listing Rule 10.1.3. Based on the reviewed accounts as at 31 December 2022, the loan balance does not exceed 5% of the book value of equity of Gascoyne. However, given that the Delphi Royalty is uncapped, the value of the royalty may exceed 5% of the book value of equity of Gascoyne. Therefore, the Delphi Loan and Delphi Royalty are considered to be a substantial asset/liability for the purposes of the ASX Listing Rules.

Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Proposed Transaction. Under RG 111 the report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Gascoyne.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act 2001 ('Corporations Act' or 'the Act') defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1 this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Proposed Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Transaction as if it were not a control transaction.

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. In the case of Gascoyne, the Delphi Royalty is the subject of the transaction. 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. RG 111 states that when considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Proposed Transaction is a control transaction. As such, we have not included a premium for control when considering the value of the Delphi Royalty.

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 alternate options.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of the Delphi Loan (inclusive of the loan repayment premium) that will be forgiven and the value of the Delphi Royalty (fairness - see Section 12 'Is the Proposed Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Transaction Reasonable?').

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 Proposed Transaction and Funding Package

On 27 February 2023, Gascoyne announced the Funding Package comprising:

- an Equity Raising which constitutes:
 - the Placement; and
 - the Entitlement Offer;
- the Tembo Capital Investment; and
- the Delphi Investment.

The proceeds of the Funding Package are to fund planned exploration activities at the Company's Never Never gold deposits ('**Never Never Deposits**'), care and maintenance costs at the Company's Dalgaranga gold project ('**Dalgaranga Project**') and for working capital. In addition, the Company will commit funds to progress the Yalgoo deposit ('**Yalgoo Deposit**') to provide additional ore to supplement ore from the Never Never Deposits and the Dalgaranga Project.

The Company plans to deliver an updated operating plan for the 2.5 million tonne per annum ('**Mtpa**') processing plant ('**Dalgaranga Processing Plant**') at the Dalgaranga Project with the aim of informing a decision to be made on whether to restart mining operations at the project during the second half of

2024. Additional detail on each of the components of the Funding Package can be found in Section 5.6.5 of our Report.

4.1 The Proposed Transaction

Terms of the Delphi Loan and Delphi Royalty

On 25 February 2023, Gascoyne entered a Loan and Royalty Deed with Delphi ('the Deed') to provide a \$2.45 million unsecured loan which mandatorily converts to the Delphi Royalty (subject to the conditions precedent set out below). The Delphi Loan amount of \$2.45 million was received by Gascoyne on 3 March 2023.

The Delphi Loan matures upon the earlier of conversion of the Delphi Loan to the Delphi Royalty and 12 months from 25 February 2023. Interest is payable on the Delphi Loan on a monthly basis in arrears in cash at a rate of 15% per annum. The interest is payable regardless of the outcome of Shareholders' decision on whether to approve the Proposed Transaction but would cease upon conversion of the loan to a royalty.

The royalty payable by Gascoyne to Delphi under the Deed is the amount equal to:

- a) 0.525% of gross revenue in respect of gold products extracted or produced from the tenements of the wholly-owned Yalgoo Project, the Glenburgh Project and the Mt Egerton Project; and
- b) 0.70% of gross revenue in respect of gold products extracted or produced from the tenements of the wholly-owned Dalgaranga Project; and
- c) 0.70% of gross revenue in respect of gold products extracted or produced from the partially owned tenements of the Dalgaranga Project, only from the point in which these partially owned tenements become fully owned by Gascoyne.

In addition to the above amounts payable under the Deed, the other key terms of the Delphi Loan and Delphi Royalty, are set out below:

- Gascoyne is not obliged to pay the royalty unless and until the partially owned tenements of the Dalgaranga Project becomes wholly owned by the Company;
- Conversion of the Delphi Loan to the Delphi Royalty is subject to Delphi obtaining approval from the Foreign Investment Review Board in relation to the royalty, which was received on 28 April 2023;
- In the event that the requisite shareholder approval is not obtained, Gascoyne is required to repay the aggregate amount outstanding on the Delphi Loan, including any unpaid accrued interest and a loan repayment premium of \$115,000 ('**Loan Repayment Premium**') within 12 months of the date of the Deed (being by 25 February 2024);
- In the event that an amount is payable pursuant to the terms of the Delphi Royalty and it is not paid by the due date, interest is payable on the unpaid amount at a rate of 10% per annum, calculated on a daily basis. Further, Gascoyne is required to pay all costs and expenses incurred by Delphi as a result of Gascoyne's failure to pay the royalty;
- The Delphi Royalty is a continuing obligation over the period in which the gold can be lawfully extracted;
- The gold mined from the tenements, the subject of the Delphi Royalty, will be processed and refined by Gascoyne and the royalty will be payable on the refined gold that is sold. Alternatively,

if Gascoyne sells the gold ore to a third party, the royalty will be payable on the sale price of the gold ore (unprocessed);

- If tailings from the tenements that are the subject of the Delphi Royalty are processed or are re-processed, then the royalty will also be payable on the tailings;

Buy-back Right

In addition to the above terms, pursuant to the Deed, Gascoyne has the right to buy-back up to 20% of the royalty that is payable to Delphi over a four year period (**'Buy-back Right'**). The consideration payable to exercise this right, is a maximum cash payment of \$1.225 million (**'Buy-back Price'**). The Buy-back Right may only be exercised in respect of the royalty payable under all tenements, such that the maximum reduction in the royalty payable is:

- 0.105% in relation to the royalty payable from the Yalgoo, Glenburgh and Mt Egerton tenements (being 20% of the 0.525%);
- 0.14% in relation to the royalty payable from the wholly-owned Dalgaranga Tenements (being 20% of the 0.7%); and
- 0.14% in relation to the royalty payable from the partially owned Dalgaranga Tenements (being 20% of the 0.7%).

Gascoyne may exercise the Buy-back Right in whole, or in part, at any point within four years of entering into the Deed, giving an expiry date of the Buy-back Right of 25 February 2027. Where Gascoyne exercises less than its 20% Buy-Back Right, the amount payable is adjusted on a pro-rata basis. Gascoyne is not limited in the number of elections it makes to exercise, however it is subject to the maximum 20% for each tenement area.

5. Profile of Gascoyne

5.1 History

Gascoyne is an Australian Securities Exchange (**'ASX'**) listed gold company with operations located in Western Australia. Gascoyne's flagship asset is the Dalgaranga Project, located approximately 65 kilometres (**'kms'**) from Mount Magnet, with a 2.5Mtpa processing plant (**'Dalgaranga Processing Plant'**) was placed on care and maintenance in November 2022. Since then, the Company has focused on developing an updated operating plan to incorporate high-grade ore from Gilbey's North and Never Never deposits located immediately adjacent to the Dalgaranga Processing Plant, collectively known as the Never Never Deposits.

In addition, Gascoyne focuses on exploration and evaluation at its Yalgoo Gold Project (**'Yalgoo Project'**), which was acquired following the acquisition of Firefly Resources Limited (**'Firefly'**) via a scheme of arrangement in November 2021, the Glenburgh Gold Project (**'Glenburgh Project'**) and the Mt Egerton Gold Project (**'Mt Egerton Project'**). During the 2022 financial year, Gascoyne strategically focussed on mineral resources proximal to the Dalgaranga Processing Plant and subsequently sold its former Mumbakine Well Gold Project (**'Mumbakine Well Project'**) to Capricorn Metals Limited (**'Capricorn'**) in May 2022, and its gold and other mineral rights (excluding iron ore and ferrous minerals) from its Beebyn Project (**'Beebyn Project'**) to E79 Gold Mines Limited (**'E79 Gold'**) in October 2022.

On 27 February 2023, Gascoyne outlined a new 18-month exploration and strategic plan targeting a 300 thousand ounce ('koz') gold reserve and a 600koz gold resource at the Never Never Deposits, in addition to the development of a 5 year mine plan aimed at delivering 130 to 150koz per annum at the Dalgaranga Project.

The current directors of Gascoyne are:

- Mr Simon Lawson - Managing Director and Chief Executive Officer;
- Mr Rowan Johnston - Independent Non-Executive Chairman;
- Mr Hansjoerg Plaggemars - Non-Executive Director;
- Mr David Coyne - Non-Executive Director; and
- Mr John Hodder - Non-Executive Director.

5.2 Dalgaranga Project

The Dalgaranga Project is located in the Murchison gold mining region of Western Australia and covers the majority of the Dalgaranga greenstone belt. After discovery in the early 1990's, the project was initially developed and produced 229,000 ounces ('oz') 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 included a 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 the same month, 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 a cash shortfall from operations over

the subsequent six months. With a lack of sufficient funding the Board placed Gascoyne into voluntary administration (see section 5.6 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 of gold (assumed A\$1,800/oz gold price). Over the period of 2019 and 2020 the Dalgaranga Project underwent operational improvements.

In October 2020, Gascoyne came out of voluntary administration through undertaking a \$125 million recapitalisation, which constituted a \$50 million retail entitlement offer, \$35 million placement and \$40 million debt facility, prior to its reinstatement to trading on the ASX on 21 October 2020.

In June 2021, it was announced that Gascoyne and Firefly had entered into a binding scheme implementation deed, pursuant to which Gascoyne would acquire the entire issued capital of Firefly through a Scheme of Arrangement ('Scheme'). Both companies cited the consolidation of mineral resources and the integration of the Yalgoo Project into the production plan for the Dalgaranga Project as a primary reason for the Scheme. In October 2021, Gascoyne announced a revised business plan for the Dalgaranga Project, involving ore from the Dalgaranga Project being processed from financial year ('FY') 2022 through to FY2024, with additional ore sourced from FY2023 onwards when first production from the Yalgoo Project was expected ('Melville Integration Plan'). The Scheme was implemented in November 2021.

On 20 December 2021, Gascoyne announced that it was undertaking near mine exploration activity aimed at identifying higher grade sources of ore feed for the Dalgaranga mill. In February 2022, Gascoyne announced that it had discovered new areas of mineralisation immediately north of the main open pit at the Dalgaranga Project and less than 1km from the Dalgaranga Processing Plant, including what was later named the Never Never Deposits which comprise of the Never Never deposit ('Never Never Deposit') and Gilbey's north deposits ('Gilbey's North Deposits').

Higher levels of production in the March quarter of 2022 included a record month of production of 7,900oz in January 2022 which in turn, allowed Gascoyne to reduce its debt by 50% following a \$10 million debt prepayment made to Delphi.

In March 2022, Gascoyne completed a \$15 million placement to institutional, professional and sophisticated investors at an issue price of \$0.30 per share, in addition to a share purchase plan which raised \$1.7 million, where proceeds were committed to repay the Company's debt facility and deliver the next phase of its exploration and production growth strategy.

During the 2022 financial year, the Company produced 71,153 oz of gold and therefore achieved its full-year production guidance range of 70,000 - 80,000 oz. In the last quarter of the 2022 financial year, Gascoyne sold 16,882 oz of gold at an average realised price of \$2,620/oz.

On 8 September 2022, Gascoyne announced its maiden Mineral Resource Estimate ('MRE') for the Gilbey's North Deposit and Never Never Deposit (collectively known as the Never Never deposits).

Subsequent to further drill results from diamond drilling at the Never Never Deposits, Gascoyne announced that the Western Australian Department of Mining, Industry Regulation and Safety ('DMIRS') approved an updated mining proposal for the Dalgaranga Project which incorporated mining of the Never Never Deposit and Gilbey's North Deposit, which was then planned to commence in November 2022.

On 8 November 2022, Gascoyne suspended the open pit mining and ore processing operations at the Dalgaranga Project and transitioned the Dalgaranga Processing Plant to care and maintenance. The reasons for placing the project on care and maintenance included reduced production levels, higher production costs and negative cash flows from its operations from July 2022 to November 2022.

Gascoyne continued its work on its Never Never Deposits and in late January 2023, announced an updated MRE where the total resource had increased by 183%.

5.3 Yalgoo Project

The Yalgoo Project is located 110kms west of Mount Magnet in the Murchison region of Western Australia. The Yalgoo Project covers approximately 800 square kilometres ('km²') and includes the Melville Deposit in addition to eight other advanced gold prospects, including 'Applecross', 'City of Melbourne', 'Enchanted' and 'Don Bradman'.

Gascoyne acquired the Yalgoo Project in November 2021, through the acquisition of Firefly. The Yalgoo Project also contains an additional tenement package in the Yalgoo Goldfield, comprising five tenements, two mining licenses and three prospecting licenses.

A Maiden drill program commenced at the Yalgoo Project in August 2020, involving 10,000 metres ('m') of reverse circulation ('RC') drilling across the Melville Deposit and some of the advanced gold prospects. Shortly, a Maiden JORC Code compliant MRE was reported for the Melville Deposit in March 2021. A second drill campaign, involving 30,000m of RC drilling commenced in 2021, with the intention of establishing JORC Code compliant Mineral Resource Estimates for seven of its prospects.

As a result of the second drilling campaign, in December 2021, Gascoyne announced a 24% increase in the Yalgoo Project MRE to a total resource of 5.238Mt for approximately 243,000 ounces of gold. The increase comprised a Maiden JORC Code compliant MRE for the Applecross Gold Deposit as well as an updated "grade control" MRE for the Melville Deposit.

5.4 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.

Since the release of an initial MRE for the Glenburgh Project in mid-2014, Gascoyne subsequently announced an updated MRE in 2018 and 2020 of approximately 500,000 ounces of gold. Gascoyne continues to carry out exploration drilling in the Glenburgh area by targeting extensions to the existing MRE.

5.5 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. The most recent MRE for the Mt Egerton Project includes approximately 27,000 ounces of gold.

The Gaffney's Find Prospect is included within the Mt Egerton Project 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.

5.6 Mineral Resource Estimates

The most recently available MREs for each of Gascoyne's projects as at the date of our Report are set out below.

Project	MRE Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Dalgaranga - Wholly-owned	Measured	0.50	1.0	15.2
	Indicated	10.73	1.5	501.4
	Inferred	3.67	2.1	248.4
	Total	14.9	1.6	765.1
Yalgoo	Measured	-	-	-
	Indicated	3.35	1.5	160.4
	Inferred	1.88	1.4	83.2
	Total	5.2	1.5	243.6
Glenburgh	Measured	-	-	-
	Indicated	13.50	1.0	430.7
	Inferred	2.80	0.9	79.4
	Total	16.3	1.0	510.1
Mt Egerton	Measured	-	-	-
	Indicated	0.23	3.4	25.0
	Inferred	0.04	1.5	2.0
	Total	0.3	3.1	27.0

Source: Gascoyne ASX announcement on 23 January 2023

We note that as at the date of our Report, the partially-owned tenements within the Dalgaranga Project do not have a defined MRE.

The MRE for the Dalgaranga Project as set out above includes the Never Never Deposit, however set out below is the most recently available MRE for the Never Never Deposit.

Deposit	MRE Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Never Never	Measured	-	-	-
	Indicated	1.33	3.7	157.3
	Inferred	0.71	6.4	145.8
	Total	2.0	4.6	303.1

Source: Gascoyne ASX announcement on 23 January 2023

We note that as at the Valuation Date, neither projects hosted any JORC compliant Ore Reserves.

5.7 Recent Corporate Events

5.7.1 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 comprising:
 - An institutional placement of 1,400,000,000 new shares in Gascoyne at \$0.025 per share to raise \$35 million;
 - A two-for-one accelerated pro rata non renounceable entitlement offer of 2,009,729,910 new shares to raise approximately \$50 million;
 - 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;
 - 120,000,000 shares to the Trustee of the Creditors Trust at nil consideration, in accordance with the terms of the DOCA; and
 - 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 ('Investec Facility') with Investec Bank Plc ('Investec'), to fund the remaining balance due under the SFA. The main terms of the Investec Facility were:
 - Three year facility to be repaid in quarterly instalments commencing 31 December 2020;
 - Variable interest rate based on the BBSY rate plus a margin of 5.25% per annum;
 - Investec to have senior security over the assets of Gascoyne and certain subsidiaries; and
 - 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.

Following the successful completion of the equity raising, 20-to-1 share consolidation and finalisation of the Investec 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.

5.7.2 Firefly Merger and Westgold Takeover Bid

On 16 June 2021, Gascoyne announced that it had entered a binding Scheme Implementation Deed ('SID') with Firefly, under which it was proposed that Gascoyne would acquire the entire issued capital of Firefly. Under the Scheme, Firefly shareholders received 0.34 Gascoyne shares for each Firefly share held at the Scheme date. In conjunction with the Scheme, Gascoyne and Firefly agreed upon the demerger of their copper-gold and lithium exploration assets, into a new company named Firetail Resources Limited ('Firetail').

On 30 September 2021, Westgold Resources Limited ('Westgold') announced its intention to make an off-market takeover offer for all the shares in Gascoyne ('Westgold Offer'). Westgold offered Gascoyne shareholders one Westgold share for every four Gascoyne shares held. The Westgold Offer was conditional upon, among other things, the Scheme not proceeding. Following this, the Board of Gascoyne announced that the Westgold Offer did not represent a superior alternative to the Scheme with Firefly and recommended that shareholders 'reject' the Westgold Offer. On 14 October 2021 the Takeovers Panel announced the receipt of an application from Westgold in relation to the Scheme, in which Westgold requested an interim order for the adjournment, deferral or postponement of the Scheme meeting and for the SID to be amended to include a termination right for Gascoyne in the event of a superior proposal. Following this, the Takeovers Panel announced that in light of the Gascoyne Board determining that the Westgold Offer was not a superior proposal to the Scheme, there was no reasonable prospect that it would make a declaration of unacceptable circumstances and declined to conduct proceedings.

In response to the Takeover Panel's decision to not conduct proceedings, Westgold announced an improved offer of three Westgold shares for every eleven Gascoyne shares held ('Improved Offer'), which required the Board of Gascoyne to consider whether it would change its recommendation and take steps to allow its shareholders to participate in the Improved Offer. On 26 October 2021, the Takeovers Panel announced it had received an application for the review of their decision to not conduct proceedings. On the same day NRW Holdings Limited and Balaton Group, holding a combined 36.80% of the Company's issued capital on 26 October 2021, outlined their intention to accept the Improved Offer in the absence of a superior offer.

On 29 October 2021, the Takeovers Panel declined to conduct proceedings in relation to the review application submitted by Westgold, concluding there was no reasonable prospect that it would make a declaration of unacceptable circumstances. On 1 November 2021, the Supreme Court of Western Australia approved the Scheme, despite the Board of Gascoyne determining that if the Improved Offer was capable of being completed, it would be superior in value for Gascoyne shareholders compared to the Scheme. Following this, Westgold received ASIC consent for the withdrawal of their offer effective from 9 November 2021. On 10 November 2021 the Scheme was implemented and Gascoyne shares were issued to Firefly shareholders.

5.7.3 Funding Package

On 27 February 2023, the Company announced the \$50 million Funding Package, which comprised:

- the Equity Raising of \$26.3 million including:
 - an \$8.6 million Placement at an issue price of \$0.10 per share; and
 - a \$17.6 million 1-for-2.42 Entitlement Offer also at a price of \$0.10 per share.
- the \$21.3 million investment from Tembo Capital in two tranches, being:
 - Tranche A: a \$15 million secured loan that mandatorily converts to fully paid ordinary shares in Gascoyne at \$0.10 per share; and
 - Tranche B: a \$6.3 million secured loan that mandatorily converts to a gold royalty; and
- the Delphi Loan of \$2.45 million and participation in the Equity Raising by an amount of \$5.8 million.

The Entitlement Offer was divided into two components:

- an accelerated institutional component (**'Institutional Entitlement Offer'**); and
- a retail component (**'Retail Entitlement Offer'**).

Three out of four members of the Gascoyne board participated in the Equity Raising for an estimated aggregate amount of \$60,000.

Additionally, Delphi subscribed for 31.34 million shares in the Institutional Entitlement Offer and due to a shortfall, a total of 26.99 million shares in the Retail Entitlement Offer, via its sub-underwriting.

On 30 March 2023, the Company announced the results of the Retail Entitlement Offer and outlined the total raise of approximately \$2.8 million. There was a shortfall under the Retail Entitlement Offer of approximately \$5.7 million, which was subscribed to by the underwriter Canaccord Genuity (Australia) Limited (**'Canaccord'**). Outlined in Gascoyne's quarterly activities report for the period ended 31 March 2023, Gascoyne announced the completion of its \$50 million Funding Package.

We note the Company held an Extraordinary General Meeting (**'EGM'**) on 18 April 2023, where shareholder approval was obtained for the ratification of issue of shares under the Placement and the participation of Rowan Johnston and Hansjoerg Plaggemars in the Placement.

Tembo Capital Investment

On 25 February 2023 the Company entered into a facility agreement with Tembo Capital for a \$21.3 million funding package. The Tembo Capital Investment is split across two tranches as follows:

- Tranche A: a \$15 million secured loan (plus establishment fee and 5% redemption premium) to mandatorily convert to fully paid ordinary shares in Gascoyne at \$0.10 per share; and
- Tranche B: a \$6.3 million secured loan (**'Tembo Capital Loan'**) to mandatorily convert to a 1.8% gold royalty over all 100% owned Dalgara tenements and a 1.35% gold royalty over all 100% owned Yalgoo, Glenburgh and Mt Egerton tenements, upon Conversion of Tranche A (**'Tembo Capital Royalty'**).

Shareholder approval was obtained for the conversion of Tranche A at the Company's EGM held on 18 April 2023 and subsequently, Tembo Capital was issued a total of 162,825,000 shares. The drawdown of the Tembo Capital Investment occurred in the first quarter of 2023.

Creditor Settlement

As part of the Company's financial restructure and alongside the \$50 million Funding Package, Gascoyne implemented a full and final settlement of all amounts owing to NRW Holdings Limited ('NRW'). Following the approval of a DOCA by creditors of Gascoyne on 26 June 2020, a settlement arrangement was entered into between the Company, its wholly owned subsidiary GNT Resources Pty Ltd ('GNT'), NRW and NRW Pty Ltd ('NRW Settlement Arrangement').

Prior to the appointment of voluntary administrators, FTI Consulting (Australia) Pty Limited, for Gascoyne on 3 June 2019, the total pre-administration debt owing to NRW amounted to \$34.8 million. The NRW Settlement Arrangement initially included the following:

- An upfront cash payment of \$7.0 million; and
- Issue of 480,000,000 shares at a deemed price of \$0.025 per share to settle \$12.0 million of the liability; and
- Entry into an interest-free liability payment arrangement ('LPA') for the remaining balance.

In the Company's prospectus dated 27 February 2023, the Company outlined the settlement to include a full release of claims between NRW and Gascoyne. The key commercial terms of the settlement were:

- A payment of \$2.0 million out of the proceeds of the Funding Package. We note that Gascoyne made this payment in March 2023; and
- Issue of 20 million shares at a deemed price of \$0.10 per share (equivalent to the Offer Price). Following shareholder approval being obtained at the Company's EGM on 18 April 2023, Gascoyne issued the shares to NRW on 24 April 2023.

5.8 Historical Balance Sheet

Statement of Financial Position	Reviewed as at 31-Dec-22	Audited as at 30-Jun-22	Audited as at 30-Jun-21
	\$'000	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	11,935	30,862	23,448
Trade and other receivables	216	1,509	5,504
Inventories	5,258	15,985	13,029
Prepayments	674	1,874	1,697
TOTAL CURRENT ASSETS	18,083	50,230	43,678
NON-CURRENT ASSETS			
Mine properties, property, plant and equipment	30,597	31,803	112,575
Exploration and evaluation	88,519	84,782	32,881
Other financial assets	1,548	3,127	407
TOTAL NON-CURRENT ASSETS	120,664	119,712	145,863
TOTAL ASSETS	138,747	169,942	189,541
CURRENT LIABILITIES			
Trade and other payables	10,420	12,366	9,736
Borrowings and lease liabilities	2,680	3,228	16,769
Current tax liabilities	28	28	-
Provisions	18,841	3,695	2,650
Other financial liabilities	-	4,718	1,894
TOTAL CURRENT LIABILITIES	31,969	24,035	31,049
NON-CURRENT LIABILITIES			
Borrowings and lease liabilities	7,441	8,309	11,526
Provisions	48,046	47,309	28,147
Other financial liabilities	-	4,833	10,929
TOTAL NON-CURRENT LIABILITIES	55,487	60,451	50,602
TOTAL LIABILITIES	87,456	84,486	81,651
NET ASSETS	51,291	85,456	107,890
EQUITY			
Share capital	324,527	324,496	266,196
Non-controlling interests	1,493	1,479	1,352
Reserves	3,900	2,076	672
Accumulated losses	(278,629)	(242,595)	(160,330)
TOTAL EQUITY	51,291	85,456	107,890

Source: Gascoyne's reviewed financial statement for the half year ended 31 December 2022 and audited financial statements for the years ended 30 June 2022 and 30 June 2021

We note that Gascoyne's auditor included an emphasis of matter in its review report for the half year ended 31 December 2022 relating to the material uncertainty around the ability of Gascoyne to continue as a going concern. The emphasis of matter was raised on the basis of the Company incurring a net loss of \$36.0 million, an operating cash outflow of \$10.4 million and net cash outflow (before financing activities)

of \$17.3 million during the half year ended 31 December 2022 and, as of that date, Gascoyne's working capital deficit of \$13.9 million. However, the review opinion was not modified in respect of this matter.

Commentary on Historical Statement of Financial Position

- Cash and cash equivalents decreased from \$30.86 million as at 30 June 2022 to \$11.94 million as at 31 December 2022. The decrease of \$18.93 million was primarily the result of a net outflow from mining operations (payments to suppliers and employees of \$67.21 million and receipts from customers of \$57.14 million), payments for exploration and evaluation of \$5.86 million and payments for mine properties, property, plant and equipment of \$1.84 million. This was partially offset by proceeds from the sale of equity investments of \$1.42 million, which relate to proceeds from the sale of all shares held by the Company in ASX listed Capricorn Metals Limited.
- Inventories of \$5.26 million as at 31 December 2022 primarily comprised consumable stores of which \$5.25 million related to items purchased to maintain normal production levels prior to the decision to place the Dalgaranga Project on care and maintenance.
- Mine properties, property, plant and equipment of \$112.56 million as at 30 June 2021 decreased to \$31.80 million as at 30 June 2022 primarily due to an impairment expense relating to historically capitalised costs at the Dalgaranga Project of \$47.70 million. Mine properties, property, plant and equipment of \$30.60 million as at 31 December 2022 related to owned assets of \$25.18 million and right-of-use-assets of \$5.41 million, each comprised primarily of plant and equipment. The Company recognised the transition of the operations at the Dalgaranga Project to care and maintenance as an indicator for impairment at 31 December 2022 and impaired its right-of-use asset of approximately \$1.8 million to nil.
- Other financial assets of \$3.13 million as at 30 June 2022 related to the Company's equity investment in Capricorn, which was subsequently disposed of in November 2022. Other financial assets of \$1.55 million as at 31 December 2022 comprised term deposits and an equity investment of 925,925 shares in E79 Gold which was received as partial consideration for the sale of the gold and other mineral rights of the Beebyn Project to E79 Gold in October 2022.
- Trade and other payables of \$0.22 million as at 31 December 2022 primarily related to agreed amounts payable per the binding agreements entered into with key creditors, as a result of the decision to suspend operations at the Dalgaranga Project.
- Current borrowings and lease liabilities of \$16.78 million as at 30 June 2021 primarily related to the outstanding balance of the Investec Facility of \$13.54 million, which was repaid in full on 20 December 2021. Current and non-current borrowings and lease liabilities of \$2.68 million and \$7.44 million, respectively, as at 31 December 2022 relates to the leasing of power generating and storage facilities, plant and equipment.
- Current provisions of \$18.84 million as at 31 December 2022 primarily comprised a creditor settlement provision of \$16.14 million relating to creditor payments that (at the time) may have been required if the funding portion of the financial restructure did not complete by 31 March 2023. Following the successful completion of the financial restructure and fulfilment of cash settlement obligations under each binding agreement, the provision was reversed in full.
- Current and non-current other financial liabilities of \$4.72 million and \$4.83 million, respectively, as at 30 June 2022 related to a liability payment arrangement with NRW which is included within the creditor settlement provision as at 31 December 2022.

5.9 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-22 \$'000	Audited for the year ended 30-Jun-22 \$'000	Audited for the year ended 30-Jun-21 \$'000
Revenue	57,142	184,692	203,149
Cost of sales	(61,265)	(208,397)	(150,145)
Gross profit	(4,123)	(23,705)	53,004
Other income	387	2,222	1,354
Restructure and transition to care and maintenance	(26,435)	-	-
Impairment expense	-	(47,699)	(80,232)
Other expenses	(4,701)	(9,032)	(11,955)
Operating loss	(34,872)	(78,214)	(37,829)
Finance income	66	9	2
Finance costs	(1,234)	(3,145)	(3,863)
Loss before income tax	(36,040)	(81,350)	(41,690)
Income tax expense	-	(28)	(2,440)
Loss for the period after income tax	(36,040)	(81,378)	(44,130)
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
Changes in fair value of equity investments	(429)	22	-
Total other comprehensive income/(loss) for the period	(429)	22	-
Total comprehensive loss for the year	(36,469)	(81,356)	(44,130)

Source: Gascoyne's reviewed financial statement for the half year ended 31 December 2022 and audited financial statements for the years ended 30 June 2022 and 30 June 2021

We note that Gascoyne's auditor included an emphasis of matter in its review report for the half year ended 31 December 2022 relating to the material uncertainty around the ability of Gascoyne to continue as a going concern. The matter was raised on the basis of the Company incurring a net loss of \$36.0 million, an operating cash outflow of \$10.4 million and net cash outflow (before financing activities) of \$17.3 million during the half year ended 31 December 2022 and, as of that date, Gascoyne's working capital deficit of \$13.9 million. However, the review opinion was not modified in respect of this matter.

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

- Revenue of \$57.14 million for the half year ended 31 December 2022 primarily related to the sale of 22,129 oz of gold at an average price of approximately \$2,558/oz in addition to the sale of 14,117 oz of silver for revenue of approximately \$0.40 million. This is a decrease from the previous period on an annualised basis, due to the Dalgaranga Project being placed on care and maintenance in November 2022.
- Gross profit decreased from \$53.00 million for the year ended 30 June 2021 to a loss of \$23.71 million for the year ended 30 June 2022. The decrease was largely due to a reduction in gold production and a marginal decrease in the average realised gold price. In addition, the increase in the cost of sales was due to a decrease in the proportion of mining costs capitalised to deferred

waste and the write-off of the remaining unamortised capitalised deferred waste stripping costs relating to operations at the Company's Gilbey's main pit. The loss incurred at the gross margin level for the half year ended 31 December 2022 of \$4.123 million was a result of the decrease in gold production following the cessation of mining and processing operations at the Dalgaranga Project, which was partially offset by a higher realised gold price for those gold ounces sold.

- Restructure and transition to care and maintenance costs of \$26.43 million for the half year ended 31 December 2022 relate to the transition of the Dalgaranga Project operations to care and maintenance. These costs primarily comprised of a creditor settlement provision of \$16.14 million, an inventory write-off of stockpiles of \$8.14 million that are unlikely to be processed into a saleable form and sold at a profit in the medium term and employee redundancy payments of \$4.94 million. This was partially offset by a net gain on the settlement of the liability payment arrangement with NRW of \$7.07 million.
- Impairment expenses for all reporting periods relates to the Dalgaranga Project. At the end of each reporting period, the Company assessed each of its assets at the Dalgaranga Project for the existence of indicators of impairment. The following factors were considered as potential indicators of impairment:
 - deferral of the planned operations at the Gilbey's main pit;
 - industry-wide cost increases in the mining sector, particularly in the areas of labour, energy, reagents and equipment parts; and
 - increased cost estimates for rehabilitation and restoration.

5.10 Capital Structure

The share structure of Gascoyne as at 24 April 2023 is outlined below:

	Number
Total Ordinary Shares on Issue	877,013,106
Top 20 Shareholders	639,871,951
Top 20 Shareholders - % of shares on issue	72.96%

Source: Gascoyne share registry data

The ordinary shares held by the most significant shareholders as at 24 April 2023 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Tembo Capital Holdings UK Limited	162,825,000	18.57%
Deutsche Balaton (Delphi Group)	134,181,843	15.30%
Citicorp Nominees Pty Ltd	105,373,383	12.02%
NRW Holdings Limited	56,935,762	6.49%
Subtotal	459,315,988	52.37%
Others	417,697,118	47.63%
Total ordinary shares on Issue	877,013,106	100.00%

Source: Gascoyne share registry data

6. Profile of Delphi

Our report is required pursuant to ASX Listing Rule 10.1 because Delphi is a substantial shareholder of Gascoyne, holding a 15.3% interest in the Company. Delphi is the counterparty to the Proposed Transaction and as such set out below is a brief profile of Delphi.

Based in Heidelberg, Germany, Delphi is an investment company, which makes investments in both listed and unlisted companies.

Among its other investments, Delphi holds an interest in the following resource companies:

- Pacific Ridge Exploration Limited (TSVX:PEX);
- Rokmaster Resources Corporation (TSXV: RKR);
- Kin Mining NL (ASX:KIN);
- Geopacific Resources Limited (ASX:GPR);
- Corazon Mining Limited (ASX:CZN);
- Marvel Gold Limited (ASX:MVL); and
- Perpetual Resources Limited (AX:PEV).

7. Economic analysis

Gascoyne will primarily be exposed to the risks and opportunities of the Australian market through its operations and its listing on the ASX. As such, we have presented an analysis on the Australian economy.

7.1 Australia

In its May 2023 Monetary Policy Decision, the Reserve Bank of Australia ('RBA') stated that the economy is expected to continue growing over the next two years, albeit at a below-pace trend. Currently, the combination of heightened interest rates, cost-of-living pressures and a prior decline in housing prices is leading to a substantial deceleration in household spending. Australia's gross domestic product ('GDP') is anticipated to increase by 1.25% over the remainder of 2023 and by 2% over the year to mid-2025.

The rebound from the COVID-19 pandemic waned throughout 2022, contributing to a slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed on demand in Australia. In addition, in 2023 and 2024, it is anticipated that GDP growth in Australia's key trading partners will remain substantially below historical norms. However, downside risks to growth in the major global economies have lessened in recent months helped by China's reversal of its COVID-19 measures in December 2022, which has diminished such risks and stabilised the supply chain recovery trajectory.

Inflation was 7.8% over the 2022 calendar year, the highest year-end inflation figure since 1990, and significantly higher than the RBA's inflation target of 2-3%. However, the RBA has stated that the monthly consumer price index ('CPI') indicator suggests inflation has peaked in Australia, with the growth in CPI declining to 7.0% over the twelve months to March 2023. As a result, the central bank's forecast is for inflation to decline to around 4.50% over 2023 before returning to the upper end of target levels by mid-2025.

Since May 2022, the RBA has executed monthly cash rate rises at each of its meetings, with the exception of April 2023, where the RBA decided to hold interest rates steady to provide additional time to assess the impact of the recent interest rate rises on the economy. Despite a welcome decline in inflation, in its May 2023 meeting, the RBA increased the cash rate to 3.85%, with the intention to return inflation to its target range in an accelerated timeframe. The RBA increased its cash rate by 25 basis points in its June meeting to 4.1%.

The S&P/ASX 200 index had risen approximately 2.5% over the calendar year to early June 2023. The recent banking system crisis in the United States and Switzerland has resulted in volatility in financial markets and a reassessment of the outlook for global interest rates. These problems are also expected to influence tighter financial conditions, forming an additional headwind for the global economy. However, the RBA considers the Australian banking system to be strong, well capitalised and highly liquid. It is, therefore, well placed to provide the credit that the economy needs.

Since November 2022, the size of the balance sheet remains little changed, declining slightly to around \$618 billion as at the end of April 2023. The RBA's balance sheet is expected to decline more significantly over the coming years as funding provided under the Term Funding Facility and the RBA's government bond holdings mature.

The labour market remains very tight, with the unemployment rate around 3.5%, close to a 50-year low. Both job vacancies and job advertisements are at high levels but have fallen recently. Notwithstanding, many firms continue to express difficulty hiring workers, although some report an easing in labour shortages, as job vacancies have plateaued in recent months. As economic growth slows, the unemployment rate is expected to gradually rise, reaching 4.5% by mid-2025.

Wage growth has accelerated, particularly in the private sector, in response to the tight labour market and high inflation. The RBA states at the aggregate level, wages growth is in line with the inflation target, provided productivity growth picks up. The RBA remains alert to the risk of a prices-wages spiral, given the limited spare capacity in the economy and the historically low rate of unemployment, and will continue to pay close attention to both the evolution of labour costs and the price-setting behaviour of firms.

Outlook

Economic growth in Australia is forecast to be hampered by rising interest rates, higher living costs and declining real wealth. As a result, the forecast declining trajectory of inflation in Australia remains uncertain and the high inflation environment is expected to continue weighing on real household incomes for the short term. The composition of inflation in Australia is also likely to shift, with higher inflation expected in more persistent and non-discretionary items, such as rent, in the coming years. However, despite inflationary concerns, aggregate household incomes have been sustained by solid labour demand, which has underpinned the health of household balance sheets. Although the balance of risks has improved in recent months, the pathway forward remains uncertain, with upside and downside scenarios equally plausible.

Resource exploration and development companies are not immune to the effects of inflation, with rising drilling and corporate costs impacting the level of capital required to fund exploration programs. Additionally, a tight labour market may make it more difficult for explorers to source labour and advance exploration.

Sources: www.rba.gov.au Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 2 May 2023 and prior periods, www.rba.gov.au Statement on Monetary Policy February 2023 and prior periods, Bloomberg and BDO analysis.

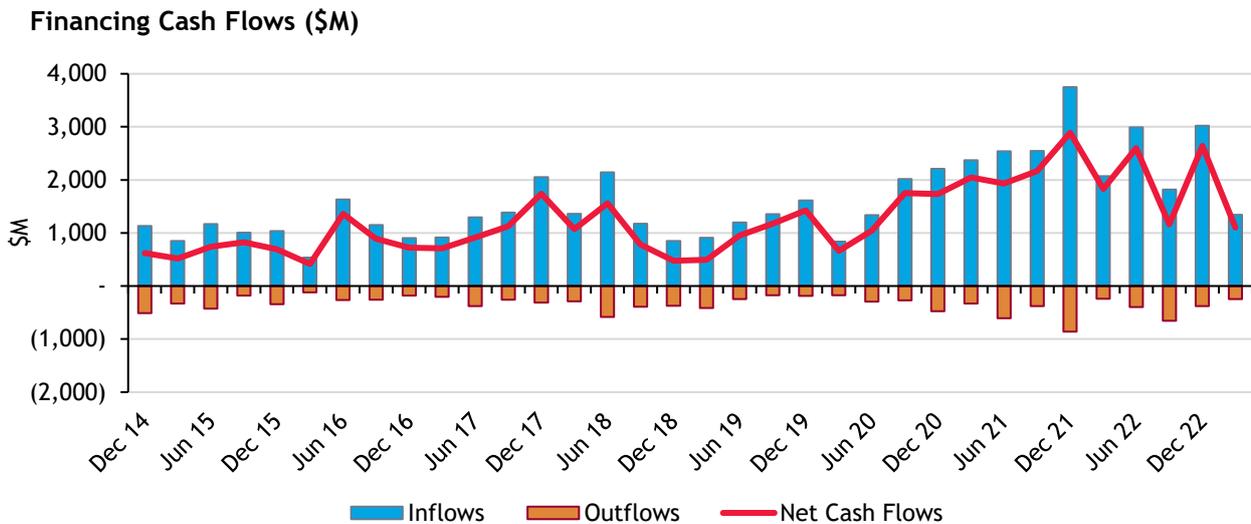
8. Industry analysis

Gascoyne operates in the gold mining industry with operations in exploration. As such, we have presented an industry analysis on the Australian exploration sector, as well as an industry analysis on the gold mining industry.

8.1 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 2023 suggests that volatile financial markets have constrained the ability of the sector to raise funds, which in turn, has resulted in subdued operations and investment.

Financing cash inflows for the March 2023 quarter declined 55%, reaching \$1.35 billion, while the average financing inflows per company dipped by 53% when compared to the two-year average. Notably, the proportion of companies raising over \$1 million decreased as smaller-scale fund raises became more prominent. The observed trends indicate a distinct decline in the capacity to secure funding, which BDO attributes to growing stringency of prevailing market conditions.



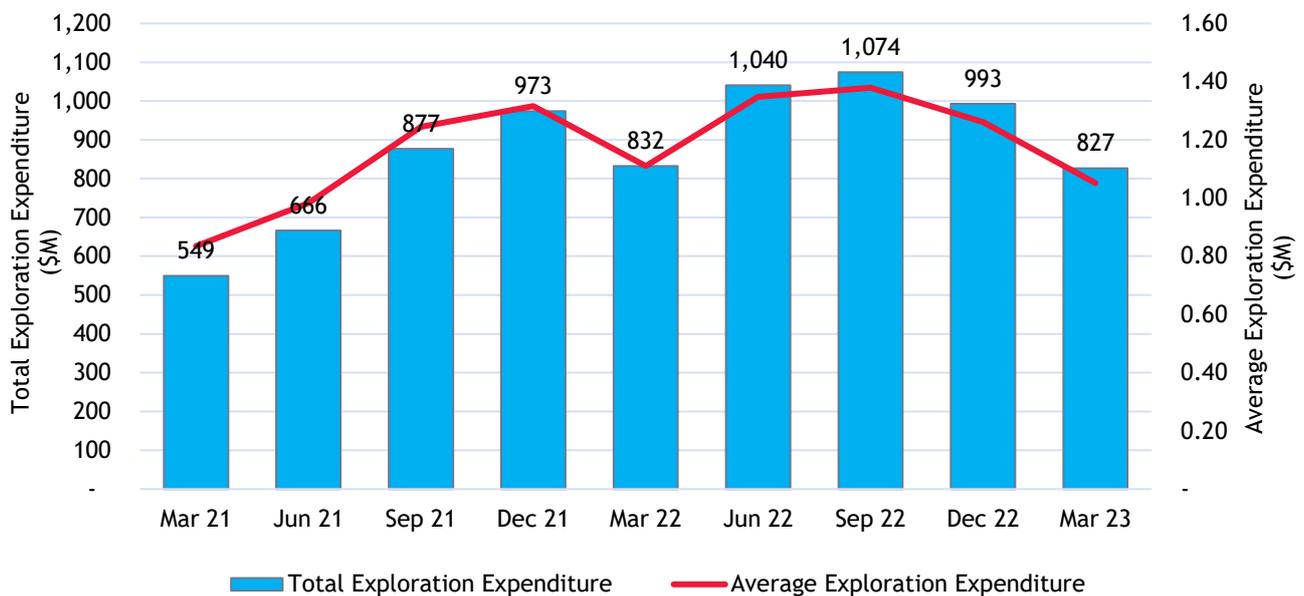
In the March 2023 quarter, 34 companies (which we have termed 'Fund Finders') raised capital exceeding \$10 million, down from 51 in the previous quarter. The Fund Finders still underpinned the financing inflows for the March 2023 quarter, contributing 69% of the total funds raised by the sector, marginally down from the 76% in the December 2022 quarter. Within these fund raisings, gold explorers raised the most funds over the March 2023 quarter as persistent inflation, geopolitical uncertainty and market volatility continued to drive demand. Lithium and graphite explorers sourced the second and third most funds, respectively, as part of their application in the lithium-ion batteries and the EV supply chain.

Explorers' cash positions showed resilience despite the upward inflationary pressure, with the average cash balance declining from \$11.1 million in the December 2022 quarter to \$10.2 million at the end of the March 2023 quarter. The overall cash position still remained strong when compared to historical levels, with 81% of exploration companies reporting a cash balance of over \$1 million as at 31 March 2023, which

is still significantly above the historical averages since the commencement of BDO’s analysis in the June 2013 quarter.

Total exploration expenditure declined for the second consecutive quarter, receding from the record \$1 billion spend in the June and September quarters of 2022. The March 2023 quarter’s \$827 million exploration spend represented a 17% decrease from the December 2022 quarter, with explorers seeking to manage their expenses more efficiently considering the rise in exploration costs and potentially subdued access to future funding. The average exploration spend per company reached a new low of \$1.05 million since June 2021, but the range between \$1.05 million and \$1.38 million over the past year, remained high relative to historical levels.

Total Exploration Expenditure - Last Two Years (\$M)



The top ten exploration spending companies comprised four lithium companies, three oil and gas companies, two gold companies and one nickel-copper company. Gold and oil and gas typically account for the largest portion of the top 10 exploration spends, however, this quarter, we have also observed growth in exploration spending for lithium that has likely been driven by the sustained demand for renewable energy sources to meet future requirements.

The results from the March 2023 quarter show that despite the noticeable industry wide slowdown due to deteriorating global macroeconomic conditions, including inflation and wavering commodity prices, the sector has shown resilience and adaptability. Gold has remained a popular safe haven investment, whilst Government incentives supporting critical minerals explorers and the anticipated growth in the electric vehicle industry has seen sustained investor interest towards battery metals. The Australian gold mining sector remains in a favourable position given the current economic circumstances and its continuing ability to attract funding.

Source: BDO Explorer Quarterly Cash Update: March 2023 and prior releases.

8.2 Gold

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence, and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years, however more recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine, and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

The nature of the ore deposit determines the mining and mineral processing techniques applied. Gold contained in oxide ore deposits are typically of low grade and are simple to extract and readily amenable by cyanidation. Consequently, highly disseminated gold can be contained within sulphide minerals which require mining, crushing, grinding and to be followed by gravity separation to recover the gold, subject to flotation to concentrate the sulphide mineral fraction containing the gold. Inherently, the costs associated with the treatment of oxide ore are significantly less than of sulphide ores.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2017	2018	2019	2020	2021	2022
Mine production	3,573	3,655	3,594	3,474	3,570	3,612
Net producer hedging	(26)	(12)	6	(39)	(23)	(2)
Recycled gold	1,112	1,132	1,276	1,293	1,136	1,144
Total supply	4,660	4,775	4,876	4,728	4,683	4,755

Source: World Gold Council 2022 Statistics, 31 January 2023

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 COVID-19 outbreak caused the price of gold to rally, as investors demanded the high liquidity that gold provides.

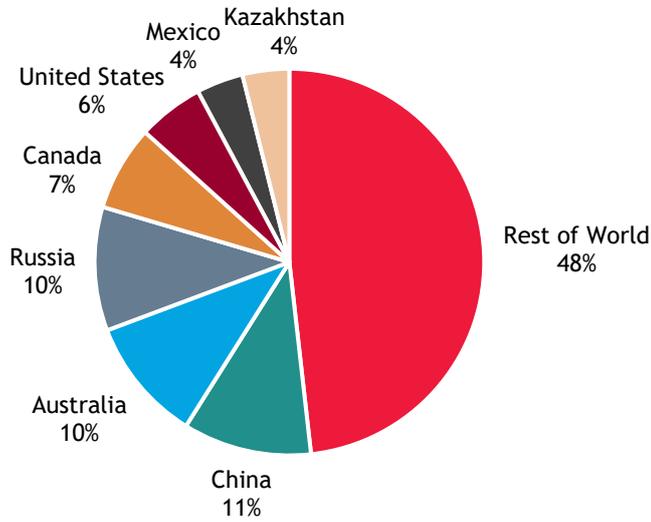
The World Gold Council expects that the interplay between financial uncertainty, rising interest rates, high inflation, weakening global economic growth and gold price volatility will continue to drive gold demand in the near term.

Gold ore mining trends

Gold ore mining is a capital intensive and high-cost process, which becomes increasingly difficult and more expensive as the quality of ore reserves diminish. 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.

The gold industry is geographically diverse as China, Australia and Russia lead global gold production. According to the USGS, total estimated global gold ore mined for 2022 was approximately 3,090 metric tonnes. The chart below illustrates the estimated global gold production by country for 2022.

Gold Production by Country 2022

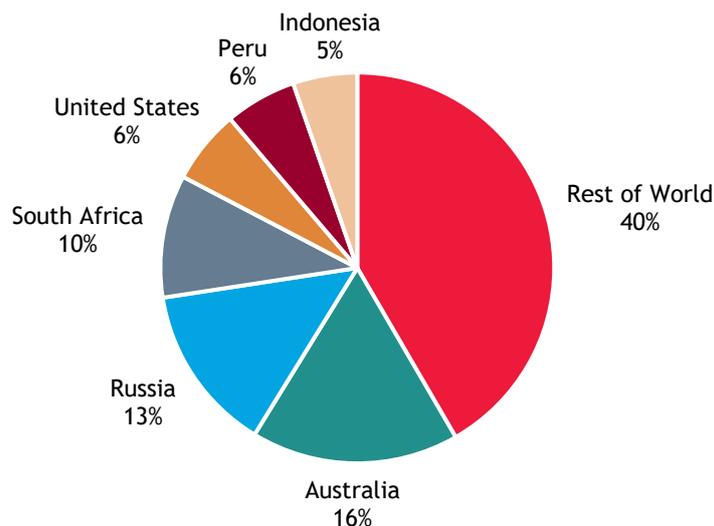


Source: 2023 USGS and BDO analysis

According to the World Gold Council, global gold production fell by 7% in 2021 following the prolonged effects of COVID-19 creating global investor uncertainty. The decrease in supply was hardest felt in the United States as production fell by 13%, whilst production also fell by 5% in Russia.

Despite China leading global gold production in 2022, 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 39% of global gold reserves.

Gold Reserves by Country 2022



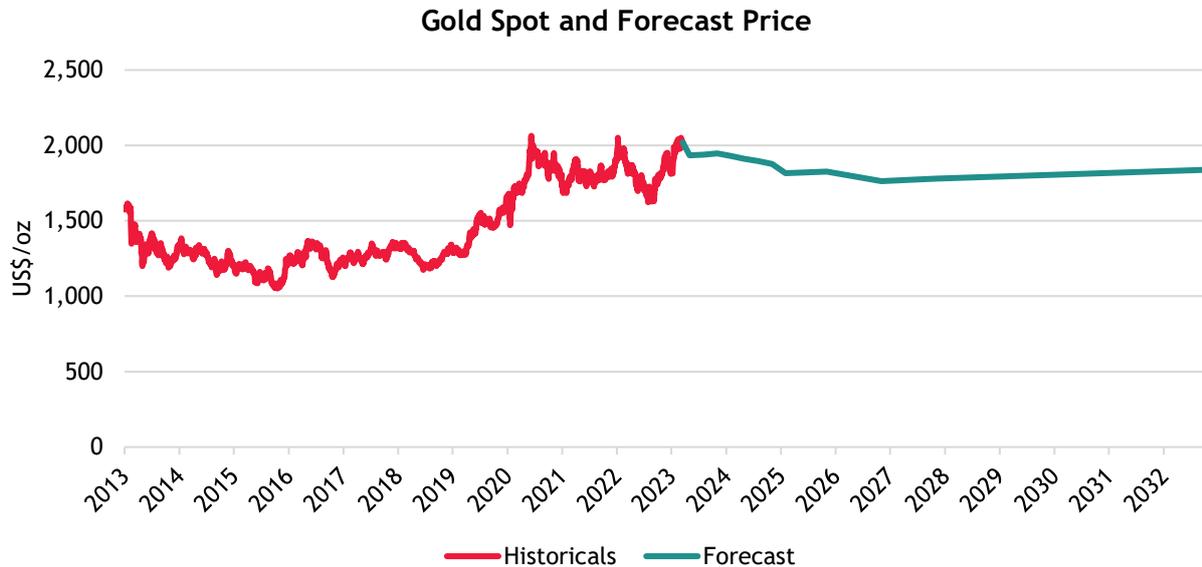
Source: 2023 USGS and BDO analysis

According to the 2023 USGS, Australia’s gold reserves amount to 8,400 tonnes, representing 16% of global reserves and the largest percentage held by any one country. IBISWorld estimates domestic industry revenue will fall by an annualised 0.8% over the five-year period through to 2026-27, to approximately \$32 billion.

This is largely expected to be the result of a forecast decline in domestic gold prices and a stronger Australian dollar.

Gold prices

The gold spot price since 2013 and forecast prices through to 2032 are depicted in the graph below.



Source: Bloomberg and Consensus Economics

The price of gold was around US\$1,500 at the start of 2013, before entering a declining trend. The downturn represented the beginning of a correction in the gold price, which had almost tripled in the two-year period prior to the European crisis in 2011. Over the period from 2014 through to 2019, the gold price fluctuated primarily between US\$1,100 and US\$1,400.

Gold prices 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 in late July and early August to exceed US\$2,000. The COVID-19 crisis was the primary driver of the gold price, as central banks injected trillions of dollars into financial markets and investors prioritised safe haven assets. Additionally, the prevailing low interest rate environment across 2020 increased access to capital, which further spurred investment in gold.

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. For the rest of 2021, the price of gold traded between US\$1,600 and US\$1,900 as demand fluctuated throughout the year. Rising US treasury yields initially threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. However, concerns regarding the spread of the Delta variant increased gold's safe haven appeal, and subsequently, the price of gold climbed back above the US\$1,800 mark in early July 2021. This was quickly reversed in the following months as the US Federal Reserve signalled policy tightening sooner than anticipated which drove US treasury yields and a stronger US dollar. Towards the end of the year, gold prices significantly strengthened following the US

Federal Reserve's announcement to reduce purchases of Government bonds and the release of US inflation data which revealed an annualised inflation rate of 6.2%, its highest level since 1990.

The invasion of Ukraine by Russia in February 2022 saw gold prices reach a 15-month high, with prices climbing above US\$1,900 and peaking at US\$2,039 during March, in response to a number of economic sanctions on Russia and the release of US inflation data which indicated an annualised inflation rate of 8.5%. In May 2022, the price of gold weakened to US\$1,800 following the US Federal Reserve's aggressive monetary tightening in an attempt to control rising inflation. On 26 September 2022, the price of gold was at its lowest since 30 April 2020 at US\$1,622. Since the low in September 2022, the gold price has been on a general incline, reaching US\$1,904 in mid-March 2023. According to Consensus Economics, the gold price rally from September 2022 is attributed to a combination of slowing US inflation, depreciation of the US dollar, and increased gold demand by central banks for reserve diversification. Given the current geopolitical climate, continued volatility of the gold price is expected for the short term.

In March 2023, Credit Suisse Group AG secured a US\$54 billion bail out from the Swiss National Bank after poor performance lost the company 75% of its value in the 12 months prior. In the same month, federal regulators in the US closed Silicon Valley Bank when the lender was unable to meet demands from depositors for their money, as a result of having a high proportion of uninsured deposits invested in hold-to-maturity securities.

Early April 2023 saw gold prices surpass US\$2,000 as investors speculated a nearing of the end of interest rate tightening in the US. The increased viability of gold as a hedge against current inflation and emerging market central banks continuing to purchase gold to diversify from the US dollar and US bonds have also contributed to the price hike. Gold continues to be a safe haven asset relied upon during times of volatility.

Consensus Economics forecasts the price of gold to exhibit a declining trend over the period to the end of 2026, from which point it is expected to stabilise over the longer term and remain high in comparison to historical levels. Future price movements are expected to depend on interest rates, inflation and the extent to which geopolitical risks resurface.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business, asset 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 approach

A summary of each of these methodologies is outlined in Appendix 2.

As outlined in section 3.3 of our Report, in order to determine whether the Proposed Transaction is fair, we have compared the value of the Delphi Loan, including the Loan Repayment Premium, with the value of the Delphi Royalty.

9.1 Value of the Delphi Loan

We have valued the Delphi Loan, inclusive of the Loan Repayment Premium because in the event that the Proposed Transaction is not approved, the amount payable by Gascoyne will be the amount owing on the Delphi Loan plus the Loan Repayment Premium. We note that accrued interest is repayable regardless of whether the Proposed Transaction is approved by Shareholders, therefore this has not been incorporated in either side of the fairness assessment.

9.2 Value of the Delphi Royalty

In our assessment of the value of the Delphi Royalty we have chosen to employ the DCF methodology to calculate the net present value ('NPV') of the expected future cash flows associated with the Delphi Royalty.

We have chosen this methodology because the cash out flows associated with the Delphi Royalty are most suitably valued using a DCF approach given that the Delphi Royalty payments are directly linked to the production schedule of Gascoyne's mining assets with finite lives. We have considered the appropriateness of the use of a market based approach to value the Delphi Royalty, however we concluded that it would not be appropriate because the value of a royalty over a mining asset is a non-homogenous asset, the value of which will depend on (among other things):

- the royalty rate;
- the commodity of the project;
- market sentiment for that commodity at the time of the royalty transaction;
- company specific factors, such as the availability of alternatives for that company (or the royalty holder) entering into a royalty transaction;
- stage of development of the underlying asset; and
- risk profile of the underlying asset.

Further, the other commonly used valuation approaches that are outlined above, such as FME, QMP or NAV are used when valuing a business or Company, but are not appropriate for valuing a royalty.

We also considered the application of ASIC's regulatory guides, specifically Regulatory Guide 170 'Prospective Financial Information' ('RG 170') and Information Sheet 214: Mining and Resources: Forward-looking Statements ('IS 214') in selecting an appropriate valuation approach. Although Gascoyne does not currently consider its Mineral Resource to be a Reserve in accordance with the JORC Code, there is sufficient historical operations on which to forecast revenue cash flows for Gascoyne's mining assets. We have also given consideration to IS 214 and RG 170 in determining the categories of Gascoyne's mineral resource that we would have reasonable grounds for including in the DCF valuation of the Delphi Royalty. Based on this regulatory guidance, we have excluded the inferred material from our DCF valuation as there is insufficient reasonable grounds to assume that this will be mined economically.

We note that if we were to adopt the contrary view that there was insufficient reasonable grounds on which to base a DCF valuation of the Delphi Royalty, it would be valued at nil. We do not consider this to provide relevant information to Shareholders and would not help inform their decision on whether to approve the Proposed Transaction. Therefore, for the aforementioned reasons, we have elected to value the Delphi Royalty using a DCF approach.

10. Value of the Delphi Loan

The value of the Delphi Loan is the principal of \$2,450,000 plus the Loan Repayment Premium of \$115,000.

As outlined in section 9.1, we have not included the accrued interest payments in the valuation of the Delphi Loan because these interest payments are settled in cash, and are required to be paid regardless of whether the Proposed Transaction is approved by Shareholders.

Therefore, the value of the Delphi Loan is \$2,565,000.

11. Valuation of the Delphi Royalty

We have prepared a revenue cash flow model for each of the relevant tenements in order to forecast the cash flows that Gascoyne would be liable to pay under the terms of the Delphi Royalty ('the Model'). We have confirmed the reasonableness of each of our assumptions with management and cross checked it against management's possible future production scenario forecast, with any material differences investigated.

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 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.

Given the uncertainty surrounding each assumption that underpins the Model, we have considered a range of valuation scenarios in determining the value of the Delphi Royalty. We have based these valuation scenarios on historical operating metrics such as resource conversion rates and recovery rates, our professional experience in valuing mining assets and have confirmed the factual accuracy of the basis for our views through discussions with management of Gascoyne.

The Model was prepared based on estimates of the production profile of the mineral assets of the Dalgaranga Project that are the subject of the Delphi Royalty, which is assumed to be processed at the Dalgaranga Processing Facility. The main assumptions underpinning the Model include:

- Mining and processing volumes;
- Production start date (given that the Dalgaranga Project is currently on care and maintenance);
- Mineral Resources included in the Model;
- Conversion rates of Mineral Resource into production;
- Recovery rates;
- Grade;
- Commodity price;
- Foreign exchange rates;
- Terms of the Delphi Royalty; and
- Discount rate.

We have also performed a sensitivity analysis, flexing the relevant key inputs in the Model in order to determine the impact on the value of the Delphi Royalty to movements in these key inputs.

11.1 Economic Assumptions

Gold prices

In forming our view of the forecast gold price, we have had regard to both the historical gold price from Bloomberg as well consensus analyst views on forecast pricing, as published by Consensus Economics.

Based on our analysis, we have adopted the following nominal forecast gold prices over the forecast period:

Gold price	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032+
Gold (US\$/oz)	1,938	1,867	1,755	1,700	1,706	1,792	1,792	1,792	1,792	1,792

Source: Consensus Economics, Bloomberg and BDO analysis

The forecast gold prices obtained from our research sources are quoted on a nominal basis up to and including 2032. From 2032 onwards, we have applied a forecast inflation rate of 2.5% per annum to the nominal pricing set out above.

Foreign exchange rate

Gold prices obtained from our research are quoted in nominal USD terms. We have converted the gold prices from USD to AUD at the following forecast exchange rates for their respective calendar year ('CY') periods:

Exchange rates	2023	2024	2025	2026	2027	2028+
AUD/USD	0.69	0.72	0.73	0.74	0.75	0.75

Source: Bloomberg and BDO analysis

Inflation

The Consensus Economics forecast pricing are quoted on a nominal basis however the pricing only extends to 2032. We have therefore applied a long term inflation estimate of 2.5% to the forecast pricing beyond 2032. This inflation estimate is the midpoint of the RBA's inflation target of 2% to 3%. However, we note that as a result of the discount rate adopted, the inputs beyond 2032 do not have a material impact on the value of the Delphi Royalty. We also note that inflation does not impact the cash flows (other than long term pricing), because the royalty is on revenue, therefore the inflating of costs does not impact the cash flows from the Delphi Royalty.

11.2 Royalty

As outlined in Section 4.2, the rates that are forecast to be payable on the Delphi Royalty are as follows:

1. a 0.7% gold royalty over the tenements of the Dalgaranga Project; and
2. a 0.525% gold royalty over all the tenements of the Yalgoo Project, Glenburgh Project and Mt Egerton Project.

The royalty on the partially owned Dalgaranga tenements currently do not have a MRE and therefore are not included in the forecast cash flows. Further, Gascoyne are only liable to pay a royalty on gold produced from these tenements upon the tenements becoming wholly-owned.

11.3 Discount rate

In our assessment of an appropriate discount rate to apply to the Delphi Royalty, we consider the most appropriate discount rate to be pre-tax cost of equity. This is because Gascoyne currently does not hold any debt obligations and the discount rate is to be applied to the Delphi Royalty which is derived from Gascoyne's projected revenue from operations, which is pre-tax.

We reviewed the discount rate of ASX-listed gold producers which operate primarily in Western Australia. A detailed description of these companies is attached as Appendix 3.

We have selected a nominal pre-tax discount rate to be applied to the Delphi Royalty in the range of 16% to 20% per annum to discount the cash flows of the Delphi Royalty to their present value. We have used a rounded midpoint discount rate of 18% in our base case.

In selecting this range of discount rates, we have considered the following:

- The risk profile of Gascoyne as compared to the comparable companies identified;
- The uncertainty regarding future production given the Company's announcement in January 2023 regarding the viability of its reserve; and
- The technical and operational issues faced historically by Gascoyne.

A detailed consideration of how we arrived at the adopted discount range is shown in Appendix 3.

11.4 Technical Assumptions

Mineral Resource

In forecasting the cash flows from the Delphi Royalty, we have included those tenements that are wholly-owned by Gascoyne and that have a measured or indicated resource. Those tenements that are partly owned do not have a JORC compliant mineral resource and the Delphi Royalty is only payable on those tenements from the point that they become wholly-owned.

We have considered the categories of mineral resource that have been defined in the Company's most recent MRE in determining an approach to forecasting production at each of its deposits. Based on the guidance contained in IS 214 and RG 170, we concluded that, based on the past operational issues experienced by Gascoyne, we do not have sufficient reasonable grounds to include the Company's inferred mineral resource estimate in a DCF valuation of the Delphi Royalty. We have however incorporated Gascoyne's measured and indicated resources in our DCF valuation of the Delphi Royalty. The Company's most recent MRE, by category of resource, can be found in section 5.6 of our Report.

Resource to Reserve conversion ratio

As a result of the Company's decision to place the Dalgaranga Processing Facility on care and maintenance and suspend its mining operations in November 2022, Gascoyne withdrew its ore reserve estimate for the Dalgaranga Project on 23 January 2023.

The production profile in the Model assumes the current MREs for each of the projects subject to the Delphi Royalty are to be converted at a historical ratio of conversion from Mineral Resource to ounces mined. Based on our experience in valuing mining companies, as well as our research into the operational issues faced by Gascoyne, we consider a range of Mineral Resource conversion ratios ranging between 20% and 60% to be appropriate. We have selected a base case conversion ratio of Mineral Resource to production of 40% in the Model. The top end of our range of conversion ratios is based on the approximate proportion of the life of mine production included in the valuation model relative to the total resource at

the time that we prepared the IER which expressed our opinion on the Scheme and can be found in the associated scheme booklet. For details of the events that have transpired since the Scheme was implemented, refer to section 5 of our Report. However, specifically we have considered the following in assessing a low resource conversion factor to apply:

- There has been mining depletion since the preparation of the mineral resource statement prepared in May 2021, which is the basis for the high resource conversion ratio we have adopted of 60%. We have assumed that the more well defined ore bodies and those that have a greater level of geological confidence would have been mined first, suggesting that the resource conversion rate is likely to be lower than previous estimates;
- The operational issues faced by Gascoyne, which in combination with worsening economic conditions and rising costs, resulted in the Company placing Dalgaranga into care and maintenance; and
- The Never Never Deposit which accounts for approximately 47% of the NPV of the Delphi Royalty cash flows has not previously had a reserve, is in the Indicated and Inferred category and was not previously considered in the life of mine modelling. Therefore, given this uncertainty, the conversion ratios on this deposit are likely to be lower than those observed on a Mineral Resource that was backed by a Reserve.

Based on the above factors, we have adopted a low end of our resource conversion ratio to be 20% thereby giving an adopted range of 20% to 60%.

We have sensitised the resource conversion ratio based on the above assessed range, in our sensitivity analysis outlined in the following sections.

Metallurgical recovery

Gascoyne has illustrated historical metallurgical recoveries of gold at the Dalgaranga Processing Plant to fluctuate between 80% and 90%. According to Gascoyne's announcement on 23 January 2023, the Company outlined a gold recovery of approximately 87% in fresh material, 90% in traditional and 93% in oxide ore was most recently reported at the Dalgaranga Processing Plant. We have selected recovery rates for each of the project areas based on recovery rates that have been estimated by management, which are based on initial test results. The recovery rates that we have used in the Model for our base case vary between project areas, but are in the range of approximately 85% to 90%, which is broadly consistent with recovery rates observed historically.

Production commencement date

In our base case valuation scenario, we have assumed production commencement in the first half of 2025. However, given the mining restart decision is expected to be made in the second half of 2024, we have assumed that only 50% of the maximum capacity can be mined and processed during the half year ended 30 June 2025. In the delay scenarios considered in our scenario analysis (section 11.6), we have assumed full production in the first period of production on the basis that the delay would allow Gascoyne the time to employ the staff required for maximum production.

Maximum throughput

An additional assumption which underpins our production profile is the maximum throughput at the Dalgaranga Processing Plant. Although the Dalgaranga Processing Plant has operated above its 2.5Mtpa nameplate capacity historically, we have selected a base case maximum production of 2.5Mt of gold to be

processed each year in our production profile in the Model. Discussions with management of Gascoyne have confirmed this assumption is reasonable upon the restart of mining operations. We have also assessed the value of the Delphi Royalty under reduced throughput scenarios of 2.0 Mtpa and 1.6Mtpa as reduced throughput scenarios are currently being contemplated by management in order to improve recoveries. These valuation scenarios are detailed in section 11.6.

Order of mining

We have considered Gascoyne's recently announced projections surrounding the restart of mining operations and formed an assumption in relation to the order of mining of the projects subject to the Delphi Royalty. We understand Gascoyne is in the process of preparing an operating plan for the Never Never Deposit, which is located adjacent to the Dalgaranga Processing Plant. For each of the projects subject to the Delphi Royalty, we have further considered its proximity to the Dalgaranga Processing Plant and Mineral Resource JORC category composition to arrive at the following order to be mined:

1. Never Never Deposits (Underground and open pit)
2. Residual resource at the Dalgaranga Project
3. Yalgoo Project (which includes the Melville Deposit)
4. Glenburgh Project
5. Mt Egerton Project

11.5 Sensitivity analysis

The valuation of the Delphi Royalty is sensitive to change in forecast commodity prices, foreign exchange rates, production profile, resource conversion rates and discount rate assumptions. Therefore, we have included a sensitivity analysis to consider the incremental value of the Delphi Royalty under various scenarios and in applying:

- A change of +/- 10% to the gold price
- A change of +/- 10% to the AUD/USD exchange rate
- A discount rate in the range of 16% to 20%
- A Resources to Reserves conversion ratio in the range of 20% to 60%
- A change of +/- 6% to the metallurgical recovery rate

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the incremental value of the Delphi Royalty resulting from the Funding Package if our base case assumptions change:

Gold price and exchange rate (AUD/USD)

Currency: \$000's		Sensitivity Analysis of the value of the Delphi Royalty	
Percentage change	Gold price (US\$/oz)	Exchange rate (AUD/USD)	
-10%	3,222	3,978	
-8%	3,294	3,892	
-6%	3,366	3,809	
-4%	3,437	3,730	
-2%	3,509	3,654	
0%	3,580	3,580	
2%	3,652	3,510	
4%	3,724	3,443	
6%	3,795	3,378	
8%	3,867	3,315	
10%	3,939	3,255	

Source: Model and BDO analysis

Discount rate

Discount rate					
Discount rate (%)	16.0%	17.0%	18.0%	19.0%	20.0%
Value of the Delphi Royalty (\$'000)	3,779	3,678	3,580	3,487	3,397

Source: Model and BDO analysis

Resources to Reserves Conversion ratio

Resources to Reserves Conversion ratio					
Conversion ratio (%)	20%	30%	40%	50%	60%
Value of the Delphi Royalty (\$'000)	2,038	2,856	3,580	4,215	4,766

Source: Model and BDO analysis

Metallurgical recovery rate

Currency: \$'000 Sensitivity Analysis of the value of the Delphi Royalty	
Percentage change	Metallurgical recovery rate (%)
-6%	3,330
-4%	3,413
-2%	3,497
0%	3,580
2%	3,664
4%	3,748
6%	3,831

Source: 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).

11.6 Scenario Analysis

Given the level of uncertainty in the forecast production schedule in our Model, we have further considered a number of different scenarios and assessed the impact on the value of the Delphi Royalty should these scenarios eventuate. We have confirmed the basis for selecting the following scenarios through discussions with management of Gascoyne.

Delay in the mining recommencement of production

The mining commencement date in our base case valuation scenario is for the first half of 2025 on the basis that Gascoyne will immediately recommence mining operations after its mining restart decision that is scheduled to be made during the second half of 2024. As outlined in section 11.4, we have assumed a ramp up of 50% capacity for the half year ending 30 June 2025, however we have assumed full capacity from mining commencement for the delay scenarios set out below. This is on the basis that the delays should allow Gascoyne with sufficient time to employ the people required to reach its intended production rate in the first six month period. We have prepared the following valuation scenarios which factor in a mining recommencement delay period of 6 months to 24 months:

Delay in the commencement of production				
Delay period	6 months	12 months	18 months	24 months
Value of the Delphi Royalty (\$'000)	3,421	3,100	2,867	2,650

Source: Model and BDO analysis

Maximum production of gold per annum

We have considered the event where the maximum production of gold per annum from the Dalgaranga Processing Plant is reduced from its nameplate capacity level of 2.5 Mtpa, following a discussion with Management of Gascoyne. We understand that management are considering a scenario whereby the Dalgaranga Processing Plant will be run at a lower than capacity throughput of 1.6 Mtpa in order to improve recoveries. We have prepared the following valuation scenarios in which factor in a maximum production level of gold of 1.6 Mtpa and 2 Mtpa:

Maximum production per annum		
Maximum production	1.6 Mtpa	2.0 Mtpa
Value of the Delphi Royalty (\$'000)	2,434	3,008

Source: Model and BDO analysis

Given that the 1.6 Mtpa is a scenario that has been identified by management as an option that is currently being evaluated, we have also presented our sensitivity analysis tables under this reduced throughput scenario, as set out below.

Gold price and exchange rate (AUD/USD)

Currency: \$000's	Sensitivity Analysis of the value of the Delphi Royalty	
Percentage change	Gold price (US\$/oz)	Exchange rate (AUD/USD)
-10%	2,190	2,704
-8%	2,239	2,645
-6%	2,288	2,589
-4%	2,336	2,535
-2%	2,385	2,484
0%	2,434	2,434
2%	2,483	2,386
4%	2,531	2,340
6%	2,580	2,296
8%	2,629	2,254
10%	2,677	2,213

Source: Model and BDO analysis

Discount rate

Discount rate					
Discount rate (%)	16%	17%	18%	19%	20%
Value of the Delphi Royalty (\$'000)	2,560	2,496	2,434	2,374	2,317

Source: Model and BDO analysis

Resources to Reserves Conversion ratio

Resources to Reserves Conversion ratio					
Conversion ratio (%)	20%	30%	40%	50%	60%
Value of the Delphi Royalty (\$'000)	1,388	1,942	2,434	2,866	3,252

Source: Model and BDO analysis

Metallurgical recovery rate

Currency: \$'000 Sensitivity Analysis of the value of the Delphi Royalty	
Percentage change	Metallurgical recovery rate (%)
-6%	2,267
-4%	2,323
-2%	2,378
0%	2,434
2%	2,489
4%	2,545
6%	2,600

Source: Model and BDO analysis

We note that under the 1.6 Mtpa scenario, we have increased the recoveries by 2% across all deposits, as a result of the likely improvement in recoveries resulting from running the plant below its capacity.

11.7 Assessment of the value of the Delphi Royalty

The results of the valuations performed are summarised in the table below:

Assessment of the Delphi Royalty	Low \$'000	High \$'000
Value of the Delphi Royalty	2,200	4,700

Source: BDO analysis

Our valuation range was selected upon an assessment of the impact on the value of the Delphi Royalty under a series of valuation scenarios, in particular, delaying the time when mining operations are to recommence and reducing the maximum throughput per annum (and the resulting increase in recovery), in combination with the results of our sensitivity analysis around our base case assumptions in the Model.

The exchange rate and commodity price drive the forecast Australian Dollar denominated gold price on which Gascoyne derives its revenue, however, our sensitivity analysis shows that the value of the Delphi Royalty is most sensitive to which part of a reasonable range of resource conversion ratios is applied to the valuation. As such, we have formed our assessed value range for the Delphi Royalty based largely on the sensitivities of the resource conversion ratio on our base case valuation, but also the sensitivities of the

economic inputs such as commodity price and exchange rates. The scenario analysis has also been considered in concluding on the range of values, with the sensitivity analysis on the reduced throughput scenario also impacting our conclusion on value.

After considering the level of uncertainty behind key assumptions underpinning this DCF valuation and the sensitivity of the value to these subjective assumptions, as well as there being a range of scenarios which may eventuate (to which sensitivities could also apply), we consider it appropriate to adopt a wide range of values around our base case valuation.

Based on the above analysis we consider the value of the Delphi Royalty to be in range of \$2.2 million and \$4.7 million. We note that given that Gascoyne is yet to announce its decision upon when mining operations are to restart and further details of its mine plan, we have no reason to prefer either end of the range and have therefore concluded with a low to high value range without a preferred value.

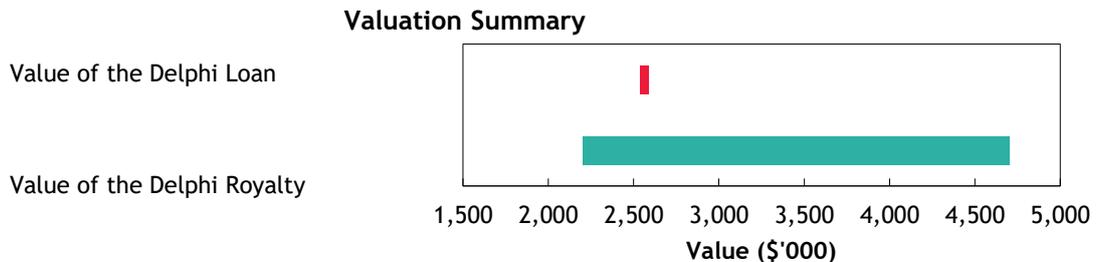
12. Is the Proposed Transaction fair?

The value of the Delphi Royalty and the Loan provided by Delphi is compared below:

	Ref	Low \$'000	High \$000's
Value of the Delphi Loan	10	2,565	2,565
Value of the Delphi Royalty	11	2,200	4,700

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO analysis

We note from the table above that the value of the Delphi Loan is within the assessed range of values for the Delphi Royalty. Therefore, we consider that the Proposed Transaction is fair.

As outlined in Section 4.1, Gascoyne has the right to buy-back up to 20% of each of the Delphi Royalty over a four year period. The above fairness assessment does not incorporate the value of the Buy-back right, however it can be assumed that this Buy-back right has some value, in which case any value ascribed to it would result in the Proposed Transaction being more fair for Shareholders.

Cross check of the fairness assessment of the Proposed Transaction

As a cross-check to our assessment of whether the Proposed Transaction is fair, we have considered the balance of the Tembo Capital Loan, which is an arm's length transaction, relative to the royalty rate of

the Tembo Capital Royalty. As detailed in section 5.7.3. the Tembo Capital Investment comprised a \$6.3 million secured loan provided by Tembo Capital which mandatorily converted to a 1.8% gold royalty over all 100% Dalgaranga tenements and a 1.35% gold royalty over all 100% owned Yalgoo, Glenburgh and Mt Egerton tenements. We note the projects subject to the Delphi Royalty are identical to the projects subject to the Tembo Capital Royalty, however we note the royalty rates differ.

Accordingly, we have calculated an implied ratio of the balance of the Tembo Capital Loan to its royalty rates in the table below:

	Dalgaranga Project	Yalgoo, Glenburgh and Mt Egerton Projects
Balance of the Tembo Capital Loan (\$'000)	6,300	6,300
Royalty rate applicable to the tenements (%)	1.80%	1.35%
Ratio of the balance of the Tembo Capital Loan per percentage point of the Tembo Capital Royalty (\$'000)	3,500	4,667

Source: BDO analysis

We have applied the above implied ratios of the balance of the Tembo Capital Loan and Tembo Capital Royalty to the royalty rates of the Delphi Royalty. Based on this implied ratio, we have calculated an implied value of the Delphi Loan as follows:

	Dalgaranga Project	Yalgoo, Glenburgh and Mt Egerton Projects
Royalty rate applicable to the tenements (%)	0.700%	0.525%
Ratio of the balance of the Tembo Capital Loan per percentage point of the Tembo Capital Royalty (\$'000)	3,500	4,667
Balance of the Delphi Loan (\$'000)	2,450	2,450

Source: BDO analysis

Our cross check of the amount paid for the Delphi Royalty, which yielded an implied value of \$2.45 million, shows that the Delphi Royalty was granted on a proportionately consistent basis to the Tembo Capital Royalty. This supports our view of the Proposed Transaction to be fair.

13. Is the Proposed Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Gascoyne a premium over the value resulting from the Proposed Transaction.

13.2 Consequences of not Approving the Proposed Transaction

Repayment of Delphi Loan

In the event that Shareholders do not approve the Proposed Transaction, Gascoyne is required to repay the principal amount of \$2.45 million, plus accrued interest and the Loan Repayment Premium of \$115,000 by 25 February 2024, being 12 months after the signing of the Deed.

May impact the Company's ability to raise funds from Delphi in the future

If the Proposed Transaction is not approved by Shareholders, it may jeopardise the ongoing relationship between Delphi (a substantial shareholder of Gascoyne) and Gascoyne. This may limit the Company's ability to raise funds in the future from Delphi, or reduce the appetite of Delphi to maintain or increase its investment in Gascoyne in the future.

13.3 Advantages of Approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction is fair	As set out in Section 12 the Proposed Transaction is fair. RG 111 states that an offer is reasonable if it is fair.
The Proposed Transaction allows the Company to preserve cash by converting the loan to a royalty, rather than repaying the balance of the Delphi Loan	The Proposed Transaction allows the Company to retain its cash for working capital purposes and to part-fund exploration activities, rather than repaying the balance of the Delphi Loan. Further, the Proposed Transaction allows the Company to effectively delay the repayment of the liability to when (and if) the Company's projects are generating cash flows. Whereas, if the Proposed Transaction is not approved, the Delphi Loan is repayable regardless of whether the Company's projects reach production.
The Delphi Royalty has value if production is achieved from the respective project areas. In this instance, Shareholders will also participate in any upside (should it materialise) associated with holding shares in a company with a producing asset	Shareholders will have the opportunity to participate in the potential upside of Gascoyne's producing assets. Should the exploration and development of the Company's Yalgoo Project, Glenburgh Project and Mt Egerton Project be successful, Shareholders will be exposed to the potential upside of those assets.

Advantage	Description
<p>It is possible that the Delphi Royalty does not result in any cash outflows for Gascoyne, in which case, the Delphi Loan is being released for nil cash consideration</p>	<p>In the event where Gascoyne is unable to restart mining operations at the projects subject to the Delphi Royalty, the value of the royalty payable to Delphi will therefore be nil and the Delphi Loan would have been released for nil cash consideration.</p>
<p>If Gascoyne were to exercise its Buy-back Right (detailed in Section 4.1), the amount payable on the Delphi Royalty will be reduced and Shareholders will have the opportunity to participate in more of the upside of the producing assets</p>	<p>In the event where Gascoyne exercises its Buy-back Right, Shareholders will have the opportunity to participate in more of the upside of Gascoyne’s producing assets.</p> <p>We also note that there is no downside to this Buy-back Right, in that if there are positive test results and it is looking likely that production will be imminent across most of the deposits, Gascoyne can exercise its Buy-back Right by paying the Buy-back price. Given that this remains at the sole election of Gascoyne, it can be assumed that Gascoyne would only exercise this right if it was value accretive. Therefore, the Buy-back Right (if exercised) can be assumed to be value accretive, and if it is not exercised, Shareholders are no worse off.</p> <p>We also note that the Buy-back Right has not been valued in our fairness assessment as we would not have sufficient reasonable grounds to assume if and when it would be exercised, but given it has at least some value, the Buy-back Right makes the Proposed Transaction more fair.</p>

13.4 Disadvantages of Approving the Proposed Transaction

If the Proposed Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
<p>The Delphi Royalty is uncapped, therefore the total cash flows paid to Delphi may exceed the balance of the loan</p>	<p>In the scenario where a new significant discovery is made within the tenement package or where the economic or technical factors underpinning a life of mine model turn out to be better than those anticipated at the time of entering into the Deed, the uncapped nature of the royalty could result in Delphi receiving future royalties in excess of the value of the Delphi Loan.</p>
<p>The Proposed Transaction may limit the Company’s ability to use royalties on the Company’s projects in the future as a means of attracting funding</p>	<p>If the Proposed Transaction is approved and the Delphi Loan converts to the Delphi Royalty, a portion of the future cash flows from the Company’s projects will be spoken for. It is not uncommon for exploration and development companies to grant</p>

Disadvantage	Description
	<p>royalties over their projects as a source of funding, or to use royalties as a form of security or incentive to debt financiers when seeking debt financing. However, by converting the Delphi Loan to the Delphi Royalty, the ability of the Company to grant royalties over its projects is reduced as these cash flows would be spoken for. This may reduce the flexibility of the Company and may limit its financing options in the future.</p>
<p>Although the Proposed Transaction is fair for Shareholders, the value of the Delphi Loan is on the lower end of the range of values for the Delphi Royalty</p>	<p>As set out in section 12, the value of the Delphi Loan is within the range of values for the Delphi Royalty, therefore we consider the Proposed Transaction to be fair for Shareholders. Notwithstanding, our valuation analysis in section 11 of our Report shows that we consider the value of the Delphi Royalty to be in the range of \$2.2 million to \$4.7 million. Therefore, although the Proposed Transaction is fair, the value of the Delphi Loan is on the lower end of the valuation range for the Delphi Royalty. This means that depending on Shareholders' view of the assumptions underpinning the valuation of the Delphi Royalty, Shareholders may consider themselves to be worse off from a valuation perspective as a result of converting the Delphi Loan into the Delphi Royalty.</p>

14. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to the Shareholders of Gascoyne.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Reviewed financial statements of Gascoyne for the half year ended 31 December 2022;
- Audited financial statements of Gascoyne for the years ended 30 June 2022 and 30 June 2021;
- The Loan and Royalty Deed between Gascoyne and Delphi dated 25 February 2023;
- Never Never Met Testwork Summary (draft slides), provided by management of Gascoyne;
- Draft 5 year physicals plan, provided by management;
- Share registry information;
- Information in the public domain including:
 - Consensus Economics, April edition
 - Gascoyne ASX MRE announcement 23 January 2023;
 - Bloomberg data;
 - S&P Capital IQ data;

- IBISWorld- Gold Industry;
- ASX Quarterly Cash Flow Report data - Dec 2022 and prior periods;
- World Gold Council 2022 Statistics, January 2023;
- 2023 USGS; and
- Discussions with Directors and management of Gascoyne.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$55,000 (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 Gascoyne in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Gascoyne, 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 Gascoyne and Delphi 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 Gascoyne and Delphi and their respective associates.

A draft of this report was provided to Gascoyne 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.

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17. 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 35 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 500 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 25 years in the audit 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 and is a CA BV Specialist. Ashton has over eleven 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.

18. Disclaimers and consents

This report has been prepared at the request of Gascoyne for inclusion in the Notice of Meeting which will be sent to all Gascoyne Shareholders. Gascoyne engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider if the conversion of the Delphi Loan to the Delphi Royalty is fair and reasonable to Shareholders.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. 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 Notice of Meeting 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 the Proposed Transaction. 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 Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Gascoyne, or any other party.



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 meeting or during the offer period.

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
ABS	Australian Bureau of Statistics
The Act	The Corporations Act 2001 Cth
Administrators	Michael Ryan, Kathryn Warwick and Ian Francis of FTI Consulting were appointed as joint and several Voluntary Administrators of Gascoyne
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
Beebyn Project	The Company's formerly owned Beebyn Project in which gold and other mineral rights (excluding iron ore and ferrous minerals) were sold to E79 Gold in October 2022
Buy-back Price	The consideration payable to exercise this right, is a maximum cash payment of \$1.225 million
Buy-back Right	Gascoyne's right to buy-back up to 20% of the royalty that is payable to Delphi over a four year period
Canaccord	Canaccord Genuity (Australia) Limited
CAPM	Capital Asset Pricing Model
Capricorn	Capricorn Metals Limited
CIL	Carbon-in-leach
Conversion	Conversion of the Tranche A loan to fully paid ordinary shares in Gascoyne at \$0.10 per share
CYXX	Calendar Year ended 31 December 20XX
Dalgaranga Processing Plant	The Company's the 2.5Mt processing plant at the Dalgaranga Project
Dalgaranga Project	Company's Dalgaranga gold project

Reference	Definition
DCF	Discounted Future Cash Flows
The Deed	Gascoyne's \$2.45 million unsecured loan with Delphi which mandatorily converts to the Delphi Royalty
Delphi	Delphi Unterehmensberatung AG and its associates Deutsche Balaton AG, Sparta AG and Zinvest
Delphi Loan	The unsecured loan of \$2.45 million from Delphi
DMIRS	Western Australian Department of Mining, Industry Regulation and Safety
Delphi Royalty	A 0.7% gold royalty over all 100% owned tenements of the Dalgaranga Project and a 0.525% gold royalty over all 100% owned tenements of the Yalgoo, Glenburgh and Mt Egerton projects
DOCA	Deed of Company Arrangement
E79 Gold	E79 Gold Mines Limited
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGM	Extraordinary General Meeting
Entitlement Offer	The \$17.6 million 1-for-2.42 non-renounceable entitlement offer also at a price of \$0.10 per share
EPC	Engineering, procurement and construction
Equity Raising	The fully underwritten equity capital raising of \$26.3 million
Firefly	Firefly Resources Limited
Firetail	Firetail Resources Limited
The Funding Package	The \$50 million funding package comprised of the Equity Raising, the Tembo Capital Investment and the Delphi Loan
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FS	Bankable Feasibility Study
FSG	Financial Services Guide
FYXX	Financial Year ending 30 June 20XX

Reference	Definition
Gascoyne	Gascoyne Resources Limited
GDP	Gross Domestic Product
GDP	Gross Domestic Product
Gilbey's North Deposits	Comprise part of the Company's Never Never Deposits at the Dalgaranga Project
Glenburgh Project	Glenburgh Gold Project
GNT	GNT Resources Pty Ltd
GR Engineering	GR Engineering Services Limited
Improved Offer	Offer of three Westgold shares for every eleven Gascoyne shares held
the Index	S&P/ASX All Ordinaries Gold Index
Institutional Entitlement Offer	Accelerated institutional component of the Entitlement Offer
Investec	Investec Bank Plc
Investec Facility	The \$40 million amortising debt facility with Investec Bank Plc
IS 214	Information Sheet 214: Mining and Resources: Forward-looking Statements
km ²	Square Kilometres
kms	Kilometres
koz	thousand ounce
Loan Repayment Premium	Premium of \$115,000 that forms part of the Compensation that will have to be paid Gascoyne in event that the requisite shareholder approval is not obtained
LPA	Liability payment arrangement
LUC	Localised Uniform Conditioning
m	metres
Melville Integration Plan	Revised business plan at Dalgaranga Project
the Model	Revenue cash flow model for each of the relevant tenements forecasting the cash flows that Gascoyne would be liable to pay under the terms of the Delphi Royalty
MRE	Mineral Resource Estimate
Mt	Million tonnes

Reference	Definition
Mt Egerton Project	Mt Egerton Gold Project
mtpa	million tonnes per annum
Mumbakine Well Project'	Mumbakine Well Gold Project sold by the Company to Capricorn in May 2022
NAV	Net Asset Value
Never Never Deposit	The Company's Never Never Deposits at the Dalgaranga Project
NPV	Net Present Value
NRW	NRW Holdings Limited
NRW Settlement Arrangement	Settlement arrangement entered into between the Company, its wholly owned subsidiary GNT, NRW and NRW Pty Ltd
our Report	This Independent Expert's Report prepared by BDO
oz	ounces
ozpa	ounces per annum
Placement	The \$8.6 million placement to sophisticated and professional investors at an issue price of \$0.10 per share
Proposed Transaction	Conversion of the Delphi Loan into the Delphi Royalty
QMP	Quoted market price
RBA	Reserve Bank of Australia
RC	Reverse circulation drilling
Retail Entitlement Offer	A retail component of the Entitlement Offer
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Prospective Financial Information
RG 74	Acquisitions Approved by Members
RG 76	Related party transactions
Scheme	Scheme of Arrangement by which Gascoyne would acquire the entire issued capital of Firefly
SDF	Syndicated debt facility

Reference	Definition
Shareholders	Gascoyne shareholders not associated with Delphi
SID	Scheme Implementation Deed
Tembo Capital	Tembo Capital Mining Fund III
Tembo Capital Loan	A \$6.3 million secured loan provided by Tembo Capital
Tembo Capital Investment	The two tranche \$21.3 million investment from Tembo Capital
Tembo Capital Royalty	A 1.8% gold royalty over all 100% owned Dalgaranga tenements and a 1.35% gold royalty over all 100% owned Yalgoo, Glenburgh and Mt Egerton tenements
Tranche A	The \$15 million secured loan that mandatorily converts to fully paid ordinary shares in Gascoyne at \$0.10 per share
Tranche B	The \$6.3 million secured loan that mandatorily converts to a gold royalty
WACC	Weighted Average Cost of Capital
Westgold	Westgold Resources Limited
Westgold Offer	Westgold's off-market takeover offer for all the shares in Gascoyne
Yalgoo deposit	Company's Yalgoo Gold Deposit
Yalgoo Project	Yalgoo Gold Project acquired from Firefly by Gascoyne via a scheme of arrangement in November 2021

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For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors

BDO Corporate Finance (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2

5 Spring Street

Perth, WA 6000

Australia

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.

Appendix 3 - Discount Rate

Determining the correct discount rate, or cost of capital, for a project requires the identification and consideration of a number of factors that affect the returns and risks of a project, as well as the application of widely accepted methodologies for determining the returns of a project.

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 project.

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 Delphi Royalty, we consider the most appropriate discount rate to be the cost of equity as Gascoyne does not currently have debt.

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	$= R_f + \beta \times (R_m - R_f)$
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
β	= equity beta

The individual components of CAPM are discussed below.

Risk Free Rate (Rf)

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.

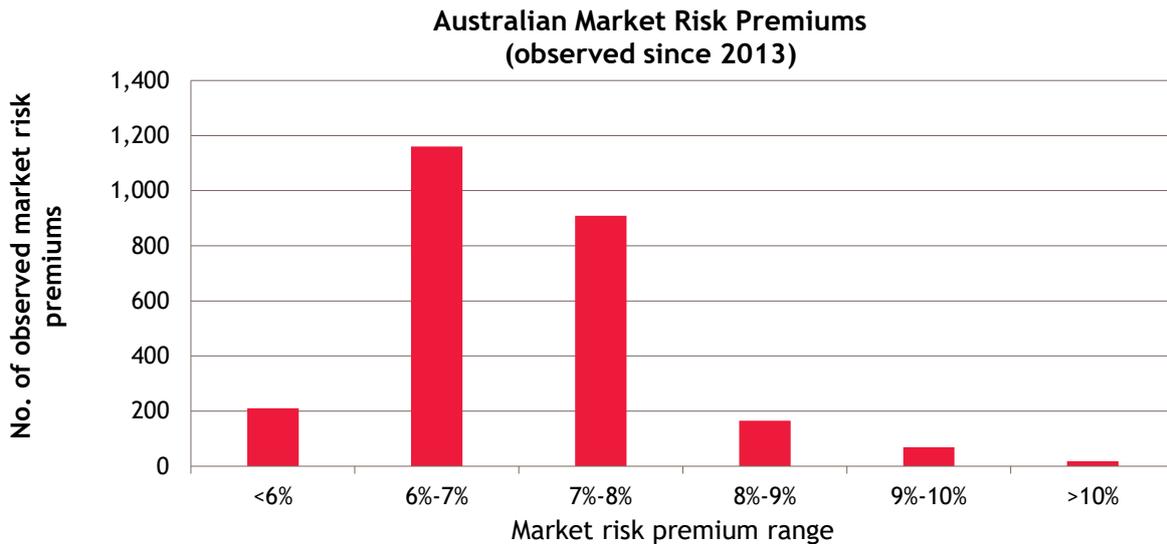
In determining an appropriate ten-year bond rate to use as a proxy for the risk free rate we have given consideration to the ten-year Australian Government Bond rate and projections of the ten-year Australian Government Bond rate based on forecasts sourced from Bloomberg. Based on this analysis, we have used a risk-free rate of 3.4% in our analysis.

Market Risk Premium (Rm - Rf)

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.

In addition to the above historical analysis, we maintain a database of market risk premiums adopted by other valuation practitioners. This database indicates that 6% is the median market risk premium adopted by reputable valuation practitioners in Australia, with the mean being 6.1%.

Based on the above analysis, and our professional judgement, we have used 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 (β_a) by applying the following formula:

Asset beta (β_a)	
β_a	= $B / (1 + (D/E \times (1-t)))$
Where:	
β_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 Gascoyne, we have had regard to the equity beta of ASX-listed gold producers with assets primarily located in WA. The ASX-listed companies identified have similar operations to Gascoyne, in respect of commodity type and location.

The betas have been assessed over a two-year period using weekly returns, against the S&P/ASX All Ordinaries Gold Index (‘the Index’). We have assessed returns against the Index as we deem the Index to better capture the systematic risks associated with investing in ASX-listed gold explorers 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 companies we selected are set out below.

Company	Market Capitalisation as at 28-Apr-23 (A\$m)	Gearred Beta (B)	Gross D/E (%)	Ungearred Beta (β_a)	R ²
Beacon Minerals Limited (ASX: BCN)	123.97	0.71	2%	0.70	0.38
Gold Road Resources Limited (ASX: GOR)	2,022.04	1.07	15%	0.97	0.73
Ora Banda Mining Limited (ASX:OBM)	233.62	0.87	140%	0.44	0.11
Ramelius Resources Limited (ASX: RMS)	1,148.32	1.22	5%	1.18	0.70
Red 5 Limited (ASX: RED)	588.11	1.15	41%	0.89	0.45
Regis Resources Limited (ASX:RRL)	1,608.21	1.18	22%	1.03	0.78
St Barbara Limited (ASX: SBM)	494.01	1.22	24%	1.05	0.52
Westgold Resources Limited (ASX: WGX)	722.27	1.15	6%	1.10	0.58
Mean	842.78	1.03	0.29	0.90	0.48
Median	644.45	1.15	0.15	0.97	0.52

Source: Bloomberg and BDO analysis

In selecting an appropriate beta for Gascoyne, we have considered the similarities and differences of the projects that are subject to the Delphi Royalty compared to the set of comparable companies as set out above. The comparable similarities and differences noted are:

- the comparable companies all have gold operations in the production phase;
- the comparable companies all operate gold mines located in Western Australia;
- the comparable companies have variable risk profiles depending on the number of operating mines they hold, the maturity of the assets, 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
- the comparable companies identified have varying size and scale profiles, with Gold Road Resources Limited, Ramelius Resources Limited and Regis Resources Limited all having market capitalisations in excess of \$1 billion, which is a reflection of these companies in particular being larger and more diversified businesses than Gascoyne.

As set out in the table above, the ungeared beta for the list of comparable companies, based on the two-year period, ranges from 0.44 to 1.18 with a mean and median of 0.90 and 0.97, respectively. Descriptions of the comparable companies are provided at the end of this appendix.

In selecting an appropriate ungeared beta for Gascoyne, we have considered the unregulated betas of the companies listed and the factors discussed above. We have also placed a higher weighting on those companies with more meaningful ungeared betas. Based on our analysis, we consider an appropriate ungeared beta to be in the range of 1.00 to 1.10 for Gascoyne.

Inherent Risk Adjustment (alpha)

In our assessment of certain additional risk factors of the projects pertinent to the Delphi Royalty, particularly the Dalgarranga Project, we have elected to apply an inherent risk adjustment in deriving our cost of equity.

An inherent risk adjustment or “alpha” is used to measure returns on a risk-adjusted basis and is applied in relation to a benchmark to gauge performance. In our assessment of the cost of equity, we consider the following inherent risk additional to the risk factors captured in our selected Beta to justify the application of an additional inherent risk adjustment.

Given the current stage of the Dalgarranga Project recently being placed in care and maintenance which includes the Dalgarranga Processing Plant, Gascoyne is therefore currently not generating any revenue from the sale of any recovered gold. Although the cash flows in the Model are on the basis that operations at the Dalgarranga Project restart at the start of 2025, when compared to our set of comparable companies which own producing gold operations that currently are revenue generating, Gascoyne faces additional risk in attaining these future cash flows.

As a result, we consider it appropriate to account for the additional project-specific risks by applying an inherent risk adjustment factor of 2%.

Cost of Equity

We have assessed the post-tax cost of equity of Gascoyne to be in the range of 11.20% to 14.40%, with midpoint of 12.80%.

Input	Value adopted	
	Low	High
Risk free rate of return	3.40%	3.40%
Equity market risk premium	6.00%	8.00%
Inherent risk adjustment (alpha)	2.00%	2.00%
Beta (ungeared)	1.00	1.10
Cost of Equity	11.40%	14.20%

Source: Bloomberg and BDO analysis

We have adopted an effective tax rate of 30% based on Australia's corporate tax rate for base rate entities. To calculate an implied nominal pre-tax cost of equity, we divided the nominal post-tax cost of equity by (1-tax rate). We derived an implied pre-tax cost of equity range of 16% to 20%. Based on the rounded midpoint of this range, we consider a pre-tax cost of equity of 18.00% to be appropriate for our use.

Set out below are the company descriptions of the companies we considered in our comparable company analysis.

Company Name	Business Description
Beacon Minerals Limited (ASX: BCN)	Beacon Minerals Limited, together with its subsidiaries, engages in the mineral exploration, development and production of gold, in Western Australia. The company holds a 100% interest in the Jaurdi gold project located to the northwest of Coolgardie and holds interest in the MacPhersons project. The company was incorporated in 2006 and is based in Boulder, Australia.
Gold Road Resources Limited (ASX: GOR)	Gold Road Resources Limited engages in the exploration, development and production of gold in Western Australia. The company owns 50% interest in the Gruyere gold mine, which was developed in joint venture with Gold Fields Limited. The company also controls 100% of tenements known as the Golden Highway situated across the Yamarna Greenstone Belt. Gold Road Resources Limited was incorporated in 2004 and is based in West Perth, Australia.
Ora Banda Mining Limited (ASX: OBM)	Ora Banda Mining Limited engages in the exploration, development and production of mineral properties, being primarily gold, in Western Australia. The company holds an interest in the Davyhurst Gold project comprising 92 tenements covering an area of approximately 1,200 square kilometres located in Kalgoorlie, Western Australia. Ora Banda Mining Limited was incorporated in 2002 and is based in West Perth, Australia.
Ramelius Resources Limited (ASX: RMS)	Ramelius Resources Limited engages in the exploration, development and production of mineral properties, being primarily gold, in Western Australia. The company owns and operates the Mt Magnet, Edna May, Vivien, Marda, Tampia, Rebecca and Penny gold mines located in Western Australia. It also develops Symes' Find prospect located in the Southern Cross Province of the Eastern Goldfields. Ramelius Resources Limited was incorporated in 1979 and is headquartered in East Perth, Australia.
Red 5 Limited (ASX: RED)	Red 5 Limited engages in the exploration, development and production of mineral properties, being primarily gold, in the Philippines and Australia. The company holds a royalty interest in the Siana Gold project located in the Island of Mindanao in the Philippines and operates the producing King of the Hills gold project located in the Eastern Goldfields of Western Australia and the Darlot gold mine situated in the

Company Name	Business Description
<p>Regis Resources Limited (ASX:RRL)</p>	<p>north-east of Perth in Western Australia. The company was incorporated in 1995 and is based in West Perth, Australia.</p> <p>Regis Resources Limited, together with its subsidiaries, engages in the exploration, development and production of gold in Australia. The company owns the Duketon gold project located in the north-eastern Goldfields of Western Australia and the McPhillamys gold project situated in the Central Western region of New South Wales. In addition, the company holds a 30% interest in the Tropicana gold project. Regis Resources Limited was incorporated in 1986 and is based in Subiaco, Australia.</p>
<p>St Barbara Limited (ASX:SBM)</p>	<p>St Barbara Limited engages in the exploration, development and production of mineral properties, being primarily gold, in Australia, Papua New Guinea and Canada. The company also explores for silver deposits. The company's properties include the Gwalia underground mine located in Leonora of Western Australia, the Simberi gold mine located in New Ireland province of Papua New Guinea and Atlantic Gold operations in Nova Scotia of Canada. St Barbara Limited was incorporated in 1986 and is based in Perth, Australia.</p>
<p>Westgold Resources Limited (ASX: WGX)</p>	<p>Westgold Resources Limited engages in the exploration, development and production of gold, in Western Australia. The company's assets include the Bryah Operations, Murchison Operations, Meekatharra Gold Operations and Cue Gold Operations covering 1,300 square kilometres in the Central Murchison region. Westgold Resources Limited is based in Perth, Australia.</p>

Source: S&P Capital IQ and BDO analysis

Proxy Voting Form

If you are attending the virtual Meeting
please retain this Proxy Voting Form
for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 2 August 2023**, 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 Key Management Personnel.

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:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

STEP 1 – How to vote

APPOINT A PROXY:
 I/We being a Shareholder entitled to attend and vote at the Extraordinary General Meeting of Gascoyne Resources Limited, to be held at to be held virtually and at **the Celtic Club, 48 Ord Street, West Perth, WA, 6005 at 10.00am (WST) on Friday, 4 August 2023** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
 Unless indicated otherwise by ticking the "for," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 2 – 7 (Inclusive) (except where I/we have indicated a different voting intention below) even though Resolutions 2 – 7 (inclusive) are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

VIRTUAL PARTICIPATION AT THE AGM:
 The Company is pleased to provide Shareholders with the opportunity to attend and participate in the General Meeting through an online meeting platform powered by Automic, where Shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to **investor.automic.com.au**
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 virtual meeting**

Further details on how to attend the Meeting via Automic's online meeting platform are set out in the Online Meeting Guide on the Company's website at www.gascoyneresources.com.au, a copy of which is attached to the Notice of Meeting. The Explanatory Statement that accompanies the Notice of Meeting contains information in relation to each of the Resolutions

STEP 2 – Your voting direction

Resolutions	For	Against	Abstain
1. Approval of Conversion of the Delphi Loan to a Royalty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Renewal of Long-Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Issue of Performance Rights to Rowan Johnston (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Performance Rights to Hansjoerg Plaggemars (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Performance Rights to Simon Lawson (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Performance Rights to David Coyne (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Performance Rights to John Hodder (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution and your votes will not be counted.

GCY

STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
<input type="text"/>		
Email Address:		
<input type="text"/>		
Contact Daytime Telephone	Date (DD/MM/YY)	
<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	

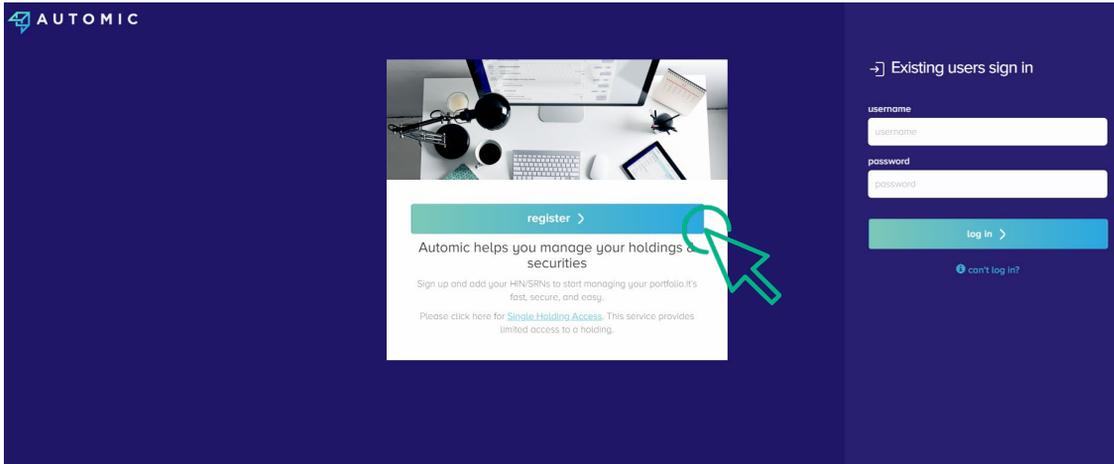
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

Virtual Meeting Registration and Voting

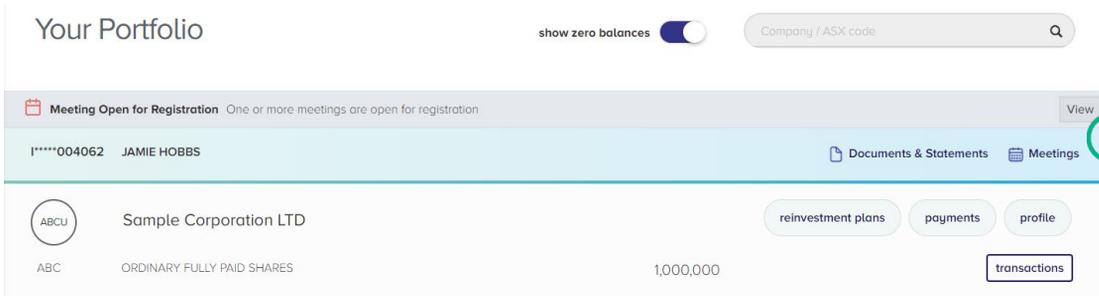


REGISTRATION

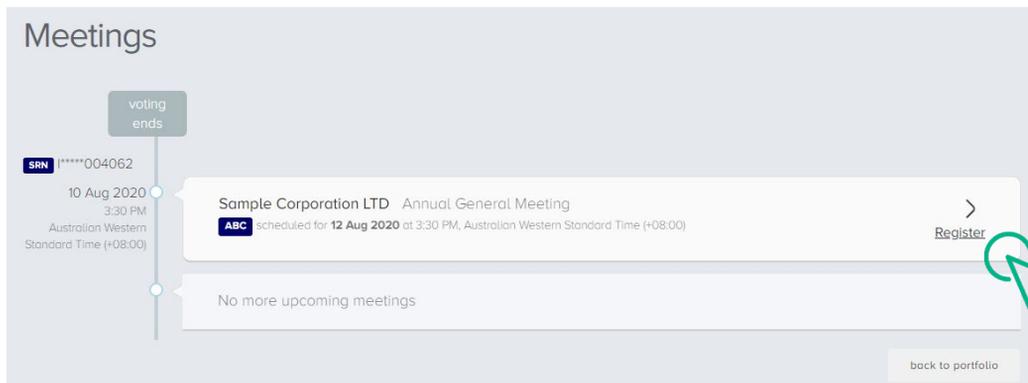
- Go to: <https://investor.automic.com.au/#/home>.
- Log in using your existing username and password or click on “register” and follow the on-screen prompts to create your login credentials.



- Once logged in you will see that the meeting is open for registration. Click on “view”.



- Click on “register” to register your attendance for the meeting.



REGISTRATION

- Select “yes, I would like to vote” and then click “next”.

The screenshot shows a web interface titled "Registration" for "Sample Corporation LTD - Annual General Meeting". A progress bar at the top indicates the current step is "Registration" (with a document icon) and the final step is "Complete" (with a checkmark icon). Below the progress bar, the heading "Registration - Step 1 of 2" is displayed. The main content area contains a question: "Will you be registering to vote?". Below the question, there are two instructions: "If you have already lodged a Proxy Form and wish for your proxy vote to stand, please select 'NO, I will not be voting'" and "If you have lodged a Proxy Form and wish to amend your vote, please select 'YES, I would like to vote'". There are two radio button options: "YES, I would like to vote" (which is selected) and "NO, I will not be voting". A blue "next" button is located at the bottom right of the form. Green arrows point to the selected radio button and the "next" button.

- You will be placed on a holding page until voting opens for the meeting. From here you can access the meeting video/audio by selecting the meeting URL.
- Once the Chair of the Meeting declares voting open, you should select “refresh”.

The screenshot shows a web interface titled "Registration" for "Sample Corporation LTD - Annual General Meeting". A progress bar at the top indicates the current step is "Registration" (with a document icon) and the final step is "Complete" (with a checkmark icon). Below the progress bar, the heading "Complete - Step 2 of 2" is displayed. The main content area contains a green checkmark icon followed by the text "Registration Complete!". Below this, it says "The voting is not open yet. Refresh this page or come back here later." A blue "Refresh" button is located at the bottom right. A light blue box contains the text "You can join the meeting online using the following link" followed by the URL: <https://us02web.zoom.us/j/84986335645?pwd=QTFUUGhjbjYyZjNQd2xVWXdlMGgwZz09>. Green arrows point to the "Refresh" button and the meeting URL.

VOTING

- The next screen will display the resolutions to be put to the meeting.
- The Chair of the meeting will provide instructions on when to mark your vote.
- You record your vote by selecting either “for”, “against” or “abstain” next to the appropriate resolution.
- Once voting has been declared closed you must select “next” to submit your vote.

Voting

Sample Corporation LTD - Annual General Meeting

Registration Poll Review Complete

Poll - Step 2 of 4

You can join the meeting online using the following link
<https://us02web.zoom.us/j/84986335645?pwd=QTFUUGhjbLYzNkQd2xVWXdIMGgwZz09>

Resolutions
You must vote on all resolutions, except for those marked as withdrawn.

1	Remuneration Report	for	against	abstain
2	Re-Election of Mr Robert Smith as Director	for	against	abstain

prev next

- On the next screen, check your vote is correct and select the box next to “declaration” – you cannot confirm your vote unless you select this box.
- Select “confirm” to confirm your vote – you CANNOT amend your vote after pressing the “confirm” button.

Review - Step 3 of 4

Confirmation
Please review and confirm.

1	Remuneration Report	for	against	abstain
2	Re-Election of Mr Robert Smith as Director	for	against	abstain

Declaration PLEASE NOTE: You will not be able to change your votes after pressing the confirm button.
By pressing confirm you agree that this online voting form has been signed, authorised and submitted by you, in your capacity as a registered holder (or legally authorised representative) of the Company, in accordance with the requirements under the Company's Constitution, the Corporations Act 2001 (Cth) and Automic's terms and conditions.

prev confirm

VOTING COMPLETE

- Your vote is now lodged and is final.

Voting

Sample Corporation LTD - Annual General Meeting

Progress: Poll (0) — Review (1) — Complete (2)

Complete - Step 3 of 3

 Complete

You have successfully submitted your vote.

You can join the meeting online using the following link

<https://us02web.zoom.us/j/85784417406?pwd=TFE0TTdGTEhGSENIbUN5NzF3bUUQT09;>