GASCOYNE RESOURCES LIMITED

(Administrators Appointed) ABN 57 139 522 900

24 June 2020

Australian Securities Exchange Limited
Via ASX Market Announcements Platform

Update on DOCA Proposal

The Voluntary Administrators* of Gascoyne Resources Ltd and each of its wholly owned subsidiaries (All Administrators Appointed) ("Gascoyne", ASX:GCY) have recommended that unsecured creditors of Gascoyne approve a Deed of Company Arrangement ("DOCA") as part of a broader recapitalisation and relisting plan ("GCY Proposal"), which was set out in a report to creditors.

The Voluntary Administrators confirm that an alternative DOCA, recapitalisation and relisting plan for Gascoyne has been received from Hanking Australia Investment Pty Ltd ("Hanking") on 22 June 2020 ("Hanking Proposal"). The Hanking Proposal, and Hanking's responses to further queries from the Voluntary Administrators, are now available on the FTI Consulting website at https://www.fticonsulting-asia.com/creditors/gascoyne-resources-ltd-and-subsidiaries

A Circular to Creditors comparing the Hanking Proposal to the GCY Proposal has now been issued and is also available at the website address above. Creditors will determine the next steps for Gascoyne at the second meeting of creditors to be held on Thursday 25 June 2020.

One of the key risks associated with the Hanking Proposal, as detailed in the Circular to Creditors, is the delay to the recapitalisation and relisting timeline and potential completion risk, particularly due to Hanking's requirement for FIRB approval. Hanking has confirmed to the Voluntary Administrators that an application for FIRB approval has not yet been lodged.

Given that the Voluntary Administrators' report to creditors and associated materials (as described in the announcement of 18 June 2020) were prepared prior to the Hanking Proposal being received, it is not considered possible for creditors to approve the Hanking Proposal at the forthcoming creditors meeting. Creditors will have the option to adjourn this meeting to facilitate further investigation of the Hanking Proposal. Alternatively, creditors will also have the option to approve the GCY Proposal and continue without delay.

The Voluntary Administrators recommendation to creditors set out in their report to creditors on 18 June 2020 that it would be in the creditor's interests for each GCY group company to execute a DOCA on the terms proposed remains given the uncertainty and probable delays associated with the Hanking Proposal. Creditors will now determine next steps.

*Michael Ryan, Kathryn Warwick and Ian Francis all Senior Managing Directors of FTI Consulting were appointed as Voluntary Administrators of Gascoyne on 2 June 2019.

This announcement has been authorised for release to the ASX by the Joint and Several Voluntary Administrators of Gascoyne.

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