

ASX ANNOUNCEMENT

8 October 2021

REVISED – UPDATE ON WESTGOLD INTENTION TO MAKE TAKEOVER BID

Gascoyne Resources Limited (“**Gascoyne**” or the “**Company**”) (ASX: GCY) notes the announcement made by Westgold Resources Limited (“**Westgold**”) today (the “**Westgold Announcement**”) in respect of its unsolicited and conditional takeover offer (“**Offer**”) for all the shares in the Company at an offer ratio of one (1) Westgold share for every four (4) Gascoyne shares.

Gascoyne wishes to advise shareholders that it is diligently and thoroughly assessing the merits and considerations of the Offer that are currently available in the absence of a Bidder’s Statement. The Company has formed a takeover response assessment team with Canaccord Genuity (Australia) Limited as financial adviser and Herbert Smith Freehills as legal adviser.

The Company notes Westgold’s statement today of its intention to lodge its Bidder’s Statement with ASIC during the week commencing 10 October 2021. The Company confirms that it is ready to respond to the receipt of the Bidder’s Statement and will be in a position to provide a formal recommendation to shareholders in respect of the Offer following receipt and review of the Bidder’s Statement in due course. Until such time as Gascoyne provides its formal recommendation, Gascoyne reiterates shareholders should **TAKE NO ACTION** in relation to the Offer.

Importantly, as part of its ongoing assessment of the Offer, the Company notes the following key conditions:

- That the Scheme of Arrangement (“**Scheme**”) effecting the proposed merger of Gascoyne and Firefly Resources Limited (“**Firefly**”), announced by Gascoyne on 16 June 2021, is announced by Gascoyne as not proceeding including as a result of the valid termination of the Scheme Implementation Deed between Gascoyne and Firefly (which was also announced by Gascoyne on 16 June 2021) (“**SID**”); and
- A minimum acceptance condition of 50.1%.

In relation to the first abovementioned key condition, Gascoyne wishes to highlight that the Offer may constitute a Gascoyne Competing Proposal as defined in the SID. Accordingly, the “no talk” restraints contained in clause 11.7(b) of the SID apply in respect of any engagement with Westgold. The no talk restraints are subject to a fiduciary exception contained in clause 11.8 of the SID which only applies if, subject to certain conditions and after taking certain prescribed steps, the Gascoyne Board determines the Offer to be (or could reasonably be expected to become) a Gascoyne Superior Proposal. As advised by the Company in its announcement of 30 September 2021, an assessment of the Offer is underway and the Gascoyne Board will provide an update and recommendation to shareholders as soon as is reasonably practical.

As part of the Board’s assessment process, the Company has been engaging with its major shareholders since receipt of the Offer. Engagement with shareholders over the past couple of months has shown that shareholders recognise the strategic value of the Company’s 2.5-3.0Mtpa Dalgaranga Mill as a highly valuable processing asset for the region, which can unlock material synergistic value from Dalgaranga Resources in combination with Firefly’s Yalgoo Resources and accelerated exploration over a combined 1,200km² of highly prospective exploration ground, in addition to other stranded resources in the region.

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

END

Authorisation

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

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BACKGROUND ON GASCOYNE RESOURCES

Gascoyne was reinstated on the ASX in October 2020 and is focused on production, development and exploration of a number of gold projects in Western Australia underpinned by positive cash flow generated from the Dalgaranga Operation. In financial year 2021, Dalgaranga produced in excess of 77,000 ounces of gold with targeted production over the next 3 years of between 70,000 and 80,000 ounces of gold per annum. On 16 June 2021, Gascoyne entered into a binding agreement to acquire Firefly Resources Limited which holds the Yalgoo project approximately 70km southwest of Dalgaranga. Subject to the transaction completing, the Melville deposit at Yalgoo has the potential to be mined and hauled 110km by road and integrated into the Dalgaranga production plan.

Forward-looking statements

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

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

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