

ASX ANNOUNCEMENT

27 October 2021

WESTGOLD TAKEOVER OFFER UPDATE

Gascoyne Resources Limited ("**Gascoyne**" or the "**Company**") (ASX: GCY) notes the announcement made by Westgold Resources Limited ("**Westgold**") on 26 October 2021 (the "**Westgold Announcement**") in respect of the intention by Gascoyne shareholder NRW Holdings Limited ("**NRW**") to accept the Westgold takeover offer, as updated by Westgold on 25 October 2021 ("**Westgold Offer**").

In the Westgold Announcement, Westgold advises that in the absence of a superior proposal emerging (determined by NRW at its discretion), the current intention of NRW is to accept the Westgold Offer for all the Gascoyne shares it owns or controls prior to the close of the Westgold Offer. NRW has indicated that it owns 36,935,762 Gascoyne shares, representing 14.71% of the Company's issued capital.

Furthermore, Gascoyne has also received a letter on 26 October 2021 from the Company's major shareholder, Deutsche Balaton Aktiengesellschaft ("**Deutsche Balaton**") in relation to the Westgold Offer. Deutsche Balaton has indicated that it holds 55,461,462 Gascoyne shares, representing 22.09% of the Company's issued capital. The letter states that:

- Its previous intention statement that it does not intend to accept the Westgold Offer, in the absence of a superior proposal (as referred to in the Company's announcement of 13 October 2021) no longer applies and that Deutsche Balaton reserves its rights in respect of the Westgold Offer;
- Deutsche Balaton does not support the carrying out of the scheme of arrangement ("**Scheme**") with Firefly Resources Limited ("**Firefly**"), as they do not believe that transaction is in the best interests of Gascoyne shareholders;
- Deutsche Balaton is aware that Westgold has applied for a review of the application it made to the Takeovers Panel and that they want the Takeovers Panel to assist Gascoyne shareholders by ensuring the scheme implementation deed ("**SID**") with Firefly is amended to the extent necessary; and
- Deutsche Balaton considers that the Westgold Offer is superior to the Firefly Scheme.

The Company continues to review the Westgold Offer and is taking advice from its legal and financial advisors. In addition to assessing the value of the Westgold Offer, the Company and its advisors are undertaking a comprehensive assessment of the ability of the Westgold Offer conditions to be met, most notably the condition contained in section 7.2(a) of the Westgold Bidder's Statement regarding the Firefly Scheme not proceeding including as a result of the valid termination of the SID.

Until such time as Gascoyne completes its review, Gascoyne reiterates shareholders should **TAKE NO ACTION** in relation to the Westgold Offer.

Gascoyne notes that the review Panel has decided not to make the interim order requested by Westgold to defer the Firefly Scheme meeting and that the review Panel is still considering whether to conduct proceedings on the review application made by Westgold. Gascoyne also notes that the Firefly Scheme meeting is occurring today, 27 October 2021, and the second Court hearing for the Scheme remains unchanged and is scheduled for 1 November 2021.

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



Trading Halt Announcement

This announcement is the announcement referred to in the Company's trading halt request made on 27 October 2021.

Authorisation

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

END

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BACKGROUND ON GASCOYNE RESOURCES

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

Forward-looking statements

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

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

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