

ASX ANNOUNCEMENT

18 October 2021

UPDATE ON WESTGOLD OFFER AND PROPOSED MERGER WITH FIREFLY RESOURCES

Gascoyne Resources Limited (“**Gascoyne**” or the “**Company**”) provides the following update with respect to:

- The lodgement by Westgold of its Bidder’s Statement on 15 October 2021 (“**Bidder’s Statement**”)
- An announcement made to the ASX by Westgold Resources Limited (“**Westgold**”) on 15 October 2021 directing shareholders to a statement entitled “Material Changes To Gascoyne Business Plan Escalates Operational and Financial Risks at Dalgarranga”
- An announcement made to the ASX by Firefly Resources Limited (“**Firefly**”) on 15 October 2021 providing an update on the proposed Scheme of Arrangement with Gascoyne (“**Scheme**”)

Westgold’s Bidder’s Statement and Announcement

Gascoyne notes that Westgold lodged a Bidder’s Statement relating to its unsolicited takeover offer for Gascoyne (“**Westgold Offer**”) with ASIC on 15 October 2021. Gascoyne, alongside its financial and legal advisers, are currently reviewing the Bidder’s Statement and Gascoyne expects to be in a position to issue its Target’s Statement by no later than 29 October 2021.

The Company continues to recommend that shareholders **REJECT** the Westgold Offer and take no action in response to all correspondence from Westgold.

Gascoyne also notes that Westgold made an announcement to the ASX earlier on 15 October 2021 which directed shareholders to a separate statement on its website (the “**Westgold Statement**”). The Westgold Announcement was indicated to have been made in response to Gascoyne’s announcement regarding a revised Business Plan for Dalgarranga (refer to Gascoyne ASX announcement of 13 October 2021).

Gascoyne considers that key aspects of the Westgold Statement are misleading and strenuously refutes the statements made by Westgold that the revised Business Plan escalates operational and financial risk to the Company.

Firefly Scheme

On 15 October 2021, Firefly released supplementary disclosure relating to the Scheme Booklet and announced that the Scheme Meeting had, with the approval of the Supreme Court of Western Australia, been postponed in order to allow Firefly shareholders a reasonable time to consider the supplementary disclosure. Firefly confirmed that the Scheme Meeting will now be held at 2.00pm (WST) on Wednesday, 27 October 2021. The date for the second Court hearing for the Scheme, 1 November 2021, remains unchanged.



The Board of Firefly also reaffirmed its unanimous recommendation that Firefly shareholders vote in favour of the Scheme, in the absence of a superior proposal and the independent expert continuing to conclude that the Scheme is in the best interests of Firefly shareholders. The Board of Gascoyne continues to support the proposed Scheme with Firefly.

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. On 16 June 2021, Gascoyne entered into a binding Scheme Implementation Deed 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.