

WESTGOLD ANNOUNCES INTENTION TO MAKE TAKEOVER BID FOR GASCOYNE RESOURCES LIMITED

Westgold Resources Limited [ASX: WGX - **Westgold** or the **Company**] announces its intention to make an off-market takeover offer [**Offer**] for all the issued shares in Gascoyne Resources Limited [ASX: GCY - **Gascoyne**].

Westgold's Offer is one [1] Westgold Share for every four [4] Gascoyne Shares.

This Offer provides Gascoyne shareholders with an opportunity to achieve a significant market premium for their shares by Gascoyne walking away from the proposed highly dilutive merger by scheme with Firefly Resources Limited [**Firefly**]. The Offer also enables Gascoyne shareholders to maintain their exposure to the Gascoyne assets and their growth by becoming part of a much larger, well-funded and established group which is already the dominant gold producer in the region [**Figure 1**].

Specifically, the Westgold Offer price represents premiums of:

- **34.7%** to the closing price of Gascoyne Shares on the ASX on 29 September 2021¹;
- **33.1%** to the one-month VWAP of Gascoyne Shares on the ASX to 29 September 2021²; and
- **30.2%** to the three-month VWAP of Gascoyne Shares on the ASX to 29 September 2021³.

The Offer will be made by Westgold, either directly or via one of its subsidiaries as the bid vehicle.

The Offer will be subject to the merger between Firefly and Gascoyne [Firefly Scheme] announced by Gascoyne on 16 June 2021, not proceeding, including as a result of the valid termination of the Scheme Implementation Deed for the Firefly Scheme.

Westgold Offer Highlights

- Provides a substantially superior financial alternative to Gascoyne shareholders compared with the proposed merger with Firefly given Westgold is bidding a compelling and attractive premium for Gascoyne.
- Removes ongoing funding risk to Gascoyne shareholders as Westgold is debt free and well-funded.
- Consolidates a combined exploration portfolio of ≈3900km² across the Murchison and significantly increases the combined company's Mineral Resource base to ≈9.1 Moz.
- Provides a tangible pathway to commercialise Gascoyne's stranded Mt Egerton and Glenburgh Projects by utilising Westgold's existing milling infrastructure at the Meekatharra and/or Fortnum processing hubs.
- Removes concerns of longevity of the Dalgaranga operations where mining is currently forecast to end in early 2025 by integrating excess mining tonnage available from Westgold's Cue operations.
- Provides Gascoyne the opportunity to join with a larger, financially stronger regional producer and become Australia's 5th largest Australian domestic gold producer [with expected proforma FY22 production of ≈350,000 oz of gold] and a growing pipeline of near-term development projects.

¹ Westgold closing price of \$1.67 and Gascoyne closing price of \$0.31 on 29 September 2021

² Volume weighted average price [VWAP] from 30 August 2021 to 29 September 2021 sourced from Bloomberg

³ VWAP from 29 June 2021 to 29 September 2021 sourced from Bloomberg



- Builds a larger, regionally dominant producer that can leverage its combined mining infrastructure and >6.5Mtpa total milling capacity across four [4] regional processing hubs with the aim to expand the combined production profile towards +500,000 oz Au per annum.
- Elevates the market presence of the combined entity and may result in improved liquidity.

Commenting on the Offer, Westgold's Executive Director, Wayne Bramwell said:

"After several tumultuous years the Gascoyne shareholders now see their company at the crossroads yet again.

The Independent Technical Assessment and Valuation Report in the proposed Firefly Scheme sees Gascoyne merge with a junior explorer offering all the risks associated with early-stage exploration assets. The Firefly Scheme evidences the cost of the transaction is large to Gascoyne shareholders and the independent valuations of the Firefly mineral assets are significantly lower than the price the Gascoyne Board has agreed to pay.

Gascoyne's recently announced financial statements shows that in the last 12 months Gascoyne raised a net \$85.2 million in new share issues, then forced to impair its assets by \$80.2 million⁴, again in Westgold's view, destroying value for its shareholders. The financial statements also detail the Gascoyne's debt burden to its secured and unsecured lenders and their rights to sweep most of Gascoyne's free cash.

It is unclear how the Firefly Scheme will remove these burdens.

The Westgold announced intention to bid provides a clear and logical alternative that reduces uncertainty and risk around the longevity of the Dalgaranga mine, the future of Mt Egerton and Glenburgh and the ongoing funding risks to Gascoyne shareholders.

The combination of Westgold and Gascoyne is strategic and value accretive for both groups as we believe the regional integration of mining, processing infrastructure, exploration assets and people can rapidly expand production capacity above 350,000 oz per annum with excess ore from Westgold's Cue operations extending Dalgaranga's operating life.

With the Westgold announced intention to bid before them, the Gascoyne shareholders now have a superior financial and technical proposal that delivers a premium for their stock and finally the win they deserve.

It is now up to the shareholders of Gascoyne to speak and enable this offer to be considered. Westgold encourages the Gascoyne Board to respect their shareholders and take all necessary steps to put the decision as to the future direction of Gascoyne in their hands."

⁴ GCY ASX release 24 September 2021 [Annual Report to Shareholders page 30]

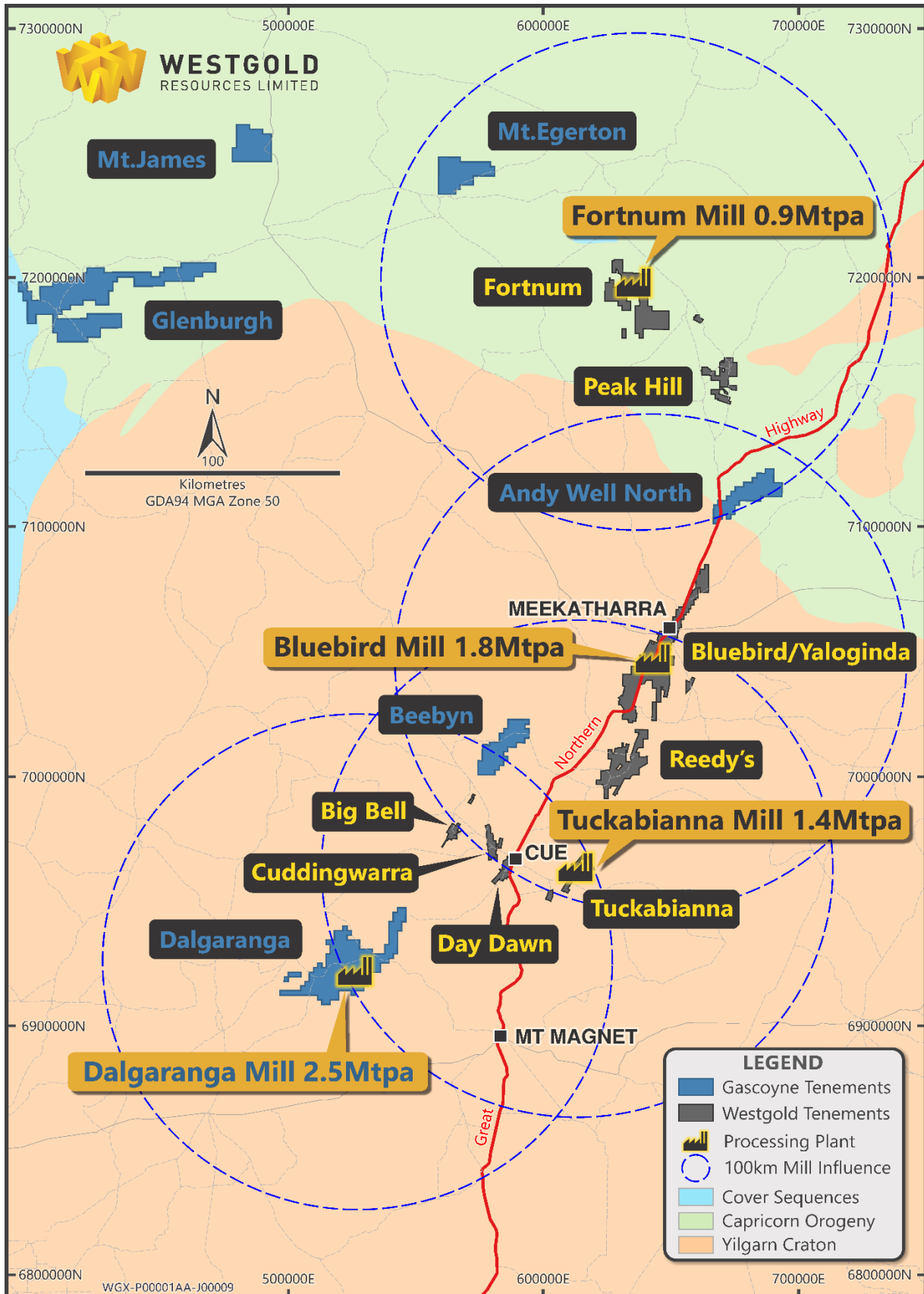


Figure 1: Westgold and Gascoyne Asset Map



Offer Details

In addition to the Firefly Scheme not proceeding, the Offer will be subject to a number of other conditions including a **51%** minimum acceptance condition, and there being no regulatory action, no prescribed occurrences and no material adverse change in respect of Gascoyne, although Westgold reserves the right to waive some or all of these conditions.

A full list of the proposed bid conditions is provided in **Appendix 1** of this announcement.

Further details about the Offer will be contained in Westgold's Bidder's Statement which will be sent to Gascoyne shareholders in accordance with the Corporations Act. The Bidder's Statement will set out important information for Gascoyne shareholders including how to accept the Offer, the key reasons why Gascoyne shareholders should accept the Offer and information about Westgold.

The Westgold Offer and the Transaction Rationale

The Westgold Offer is presented to the Gascoyne Board and shareholders as a substantially superior alternative to the proposed merger between Gascoyne and Firefly.

▪ **Westgold Strategy**

Westgold is a purely West Australian gold producer and one of Gascoyne's neighbours in the Murchison region. Westgold is growth orientated and has produced more than 1 million ounces of gold in the past four years.

Westgold has a strategy of further consolidating the Murchison region and creating value for its shareholders by expanding long-term sustainable gold output above its current levels. Westgold has the capacity and capability to deliver this as it has retained the corporate freedom to do so by limiting external corporate debt and the constraints debt places upon growth plans.

▪ **The Rationale to Combine**

At the macro-level the combination of Westgold and Gascoyne is logical and synergistic. Westgold has excess ore mining capacity in the Cue region that can supplement Gascoyne's Dalgaranga Project needs and enhance its profitability. Additionally, Westgold's two most northern processing hubs at Meekatharra and Fortnum provide a potential development path for Gascoyne's stranded Glenburgh and Mt Egerton gold resources.

By combining, the merged entity becomes Australia's 5th largest domestic gold producer with a pro-forma production of \approx 350,000 oz per annum. The expanded company will also have a pipeline of near-term development projects that can drive the company to +500,000 oz per annum over the medium term.

▪ **Westgold's View of the Competing Firefly Scheme**

Without question, the Firefly Scheme represents a compelling financial result to the Firefly shareholders with the Gascoyne Board recommending a Scheme that delivers this outcome to Firefly Shareholders at significant expense to Gascoyne shareholders.

Westgold believes that the Gascoyne Board is currently recommending a materially dilutive proposal whereby Gascoyne shareholders provide a third of their company in return for early stage Indicated and Inferred resources located more than 100km from the Dalgaranga Plant. The permitting status, resource quality, metallurgy, economics and access to these resources are all factors that can impact any proposed development timetable and ultimately the funding requirements of Gascoyne.



The Firefly Scheme booklet [**Scheme Booklet**] was made available to shareholders on 8 September 2021. The Independent Technical Assessment and Valuation Reports attached to the Independent Expert Report in the Scheme Booklet has valued the Firefly mineral assets in the range of \$8.1-12.9 million with a preferred value of \$10.6 million. Further, the transaction costs are estimated at \$870,000 or ≈8.25% of this value.⁵

The Independent Expert valued Firefly shares at \$0.040 - \$0.057 with a preferred value of **\$0.048** per share⁶. Based upon the Gascoyne ASX announcement of 16 June 2021, the implied offer price from Gascoyne for Firefly is **\$0.145** per share⁷.

Westgold questions the rationale of a Board proceeding with a transaction without its own shareholders having the opportunity to decide on the merits of a proposal that delivers such value to a counterparty?

Westgold also questions why any Board would restrict its ability to seek better alternatives for its own shareholders via agreeing to 'no shop - no talk' restrictions and then upon considering the receipt of a superior announced bid, not seek to take all steps to have the alternate and inferior proposed scheme terminated?

A break fee of \$500,000 is payable by Gascoyne if the Firefly Scheme does not proceed⁸. Westgold confirms it is prepared to remove this liability to Gascoyne and pay this fee as part of its substantially superior Offer.

Westgold notes that Gascoyne's business is also constrained by a formal debt recovery schedule with its secured lender and a significant unsecured debt owed to its major creditor which remains contingent on gold production and gold output⁹. It is Westgold's view that these outstanding debts continue to constrain Gascoyne's ability to grow and create wealth for Gascoyne's shareholders.

It is unclear how the proposed Firefly Scheme removes this burden.

▪ **The Westgold Offer**

The Westgold Offer provides Gascoyne shareholders a substantial premium to the Gascoyne share price. As detailed in the Scheme Booklet, the Independent Expert valued the Dalgaranga Project and residual resources in the range of \$44.9 - \$105.1 million with a preferred value of \$76 million¹⁰ or **\$0.303** per share¹¹. This excludes the estimated present value of corporate costs, other assets and liabilities, and transaction cost associated with the Firefly Scheme.¹²

If the Firefly Scheme were to complete the average value ascribed by the Independent Expert to the combined group is just **\$0.183** per share, making the Westgold Offer absolutely compelling¹³.

⁵ FFR ASX release 9 September 2021 [Scheme Booklet, Independent Expert's Report page 187]

⁶ FFR ASX release 9 September 2021 [Scheme Booklet, Independent Expert's Report page 187]

⁷ GCY ASX release 16 June 2021 [Gascoyne and Firefly Agree to Merger]

⁸ FFR ASX release 16 June 2021 [Scheme Implementation Deed page 70]

⁹ GCY ASX release 24 September 2021 [Annual Report to Shareholders page 77]

¹⁰ FFR ASX release 9 September 2021 [Scheme Booklet, Independent Expert's Report page 200 ref 12.1.1, 12.1.2]

¹¹ Based upon 251,042,964 GCY shares on issue GCY ASX release 24 September 2021 [Annual Report to Shareholders page 111]

¹² Calculated as GCY other assets and liabilities Note 12.1.5, and GCY's proportion 66% of the Present value of corporate costs of the Proposed Merged Entity and Transaction Costs = (\$6.49M)

¹³ FFR ASX release 9 September 2021 [Scheme Booklet, Independent Expert's Report page 200]



Conclusion

With the Westgold intention to bid now announced, the Gascoyne Board must consider the two competing options for its shareholders.

Westgold believes that the Firefly Scheme is value destructive to Gascoyne shareholders and they do not get to vote on the Scheme.

The Westgold Offer provides a superior outcome for Gascoyne shareholders and delivers them a substantial premium for their shares and the opportunity to become shareholders of a larger, dynamic, and well-funded gold company that will be the 5th largest domestic Australian gold producer.

On this basis, Westgold encourages the Gascoyne Board to take steps to ensure the currently recommended Scheme does not proceed, then provide the opportunity for their shareholders to decide on the merits on the Westgold Offer. As noted above, Westgold agrees to compensate Gascoyne for break fee costs validly arising, so Gascoyne will not incur this cost.

Westgold urges both the Gascoyne Board and shareholders to consider Westgold's announced intention to bid [conditional upon the Firefly Scheme not proceeding] carefully and exert their rights to decide the future of their company.

ENDS

Authorised for release by Lisa Smith, Company Secretary and Group Legal Counsel for and on behalf of the Board of Directors of Westgold Resources Limited.

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Forward Looking Statements

These materials prepared by Westgold Resources Limited (or “the Company”) include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company.

Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances.



Appendix 1 – Bid Conditions

The following are the bid conditions referred to in the accompanying announcement by Westgold Resources Limited, however Westgold Resources Limited (the Bidder) reserves the right to waive any bid condition below:

1.1 Firefly Scheme does not proceed

At or before the end of the Offer Period, the merger between Gascoyne and Firefly Resources Limited (**Firefly Scheme**) announced by Gascoyne on 16 June 2021, being announced by Gascoyne as not proceeding including as a result of the valid termination of the Scheme Implementation Deed for the Firefly Scheme.

1.2 Minimum relevant interest

At or before the end of the Offer Period, the Bidder and its Related Bodies Corporate together have Relevant Interests in at least 51% of all the Target Shares.

1.3 No regulatory action

Between the Announcement Date and the end of the Offer Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (b) no action or investigation is commenced by any Public Authority; and
- (c) no application is made to any Public Authority (other than by the Bidder or any of its Related Bodies Corporate),

(other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of Chapter 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act in consequence of, or in connection with, the Offer) which restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impacts upon, the making of the Offer, the acquisition of Target Shares under the Offer or any transaction contemplated by the Bidder's Statement, the Offer or the rights of the Bidder in respect of the Target, or requires the divestiture by any entity within the Bidder Group of any Target Shares, or requires the divestiture of any assets of the Bidder Group or Target Group.

1.4 No material adverse change

Between the Announcement Date and the end of the Offer Period (each inclusive), no act, omission, event, change, matter, circumstance or condition occurs, is announced or becomes known to the Bidder (whether or not it becomes public) where (whether individually or aggregated with other acts, omissions, events, changes, matters, circumstances) has or has resulted in, or could reasonably be expected to have or result in:

- (a) a material adverse effect on:
 - (1) the assets, financial or trading position, profitability or prospects of the Target Group, taken as a whole; or
 - (2) the status or terms of any material approvals, licences, tenements or permits issued by any Public Authority to any entity within the Target Group,

other than changes, events or conditions:



- (3) required or permitted by the Offer or the transactions contemplated by them;
 - (4) fully and Fairly Disclosed by the Target in an ASX announcement;
 - (5) which do not relate specifically to the Target Group and which are beyond the control of Target and which arise from:
 - (A) changes in commodity prices, exchange rates or interest rates; or
 - (B) general economic, political or business conditions; or
 - (C) changes in laws, regulations and standards (including accounting standards); or
 - (6) which took place with the prior written consent of the Bidder,
- (b) save that, the termination or non-implementation of the Firefly Scheme, or the payment or obligation to pay of the break fee pursuant to the Firefly Scheme, would not constitute a material adverse change.

1.5 No material acquisitions, disposals or new commitments

Between the Announcement Date and the end of the Offer Period (each inclusive), neither the Target nor any Subsidiary of the Target, other than with the prior written consent of the Bidder:

- (a) acquires, offers to acquire or agrees to acquire one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount in aggregate greater than the Specified Amount;
- (b) disposes of, offers to dispose of or agrees to dispose of one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount, or in respect of which the book value is, in aggregate, greater than the Specified Amount;
- (c) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement, joint venture or partnership that:
 - (1) requires payments, expenditure or the foregoing of revenue by the Target and/or any of its Subsidiaries of an amount in excess of A\$250,000 on any individual basis or which is, in aggregate, greater than the Specified Amount; or
 - (2) is material in the context of the Target Group and is not in the ordinary course of business;
- (d) enters into or agrees to enter into, terminates or agrees to terminate a contract, commitment or arrangement for the provision of services or a licence to a third party that is a new or existing customer that results in the Target and/or any of its Subsidiaries incurring costs greater than A\$250,000 on an individual basis or is, in aggregate, greater than the Specified Amount for the entire term of such contract, commitment or arrangement;
- (e) provides or agrees to provide financial accommodation or a guarantee, other than to entities within the Target Group for any amount, or receives financial accommodation other than from entities within the Target Group for any amount;
- (f) enters into, amends, or agrees to enter into or amend any material contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act) of the Target;
- (g) incurs, agrees to incur or bring forward the time for incurring, or granting to a third party a right the exercise of which would involve the Target or a Subsidiary incurring or agreeing to incur an



amount of capital expenditure in excess of the Specified Amount, other than capital expenditure that has been announced by the Target to ASX prior to the Announcement Date;

- (h) gives or agrees to give any Encumbrance over any of its assets (or an interest in any of its assets), other than liens in the ordinary and usual course of business;
- (i) does any of the following in respect of the Tenements:
 - (1) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement (including without limitation any ore sale, ore processing, joint venture, partnership, farm-in, royalty, marketing, or off-take agreement) in relation to any of the Tenements;
 - (2) relinquishes, sells or disposes of any interest or creates any Encumbrance over any of the Tenements;
 - (3) takes any action or omits to take any action that results in or may reasonably be expected to result in a breach of the terms any of the Tenements or any environmental authority relating to any of the Tenements; or
 - (4) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Tenements or any environmental authority relating to any of the Tenements; or
- (j) without limiting sub-paragraphs (a) to (i) above:
 - (1) enters into, offers to enter into, agrees to enter into or announces any agreement for any transaction; or
 - (2) is otherwise affected by any transaction or proposal,

under which any third party would acquire any legal or economic interest in, or there would be any material diminution in, the rights granted under any tenement held by any entity within the Target Group,
- (k) announces an intention to do any of the matters referred to in sub-paragraphs (a) to (i) above, other than as fully and Fairly Disclosed by the Target in an ASX announcement prior to the Announcement Date.

1.6 No change of control rights

Between the Announcement Date and the end of the Offer Period (each inclusive), no person has or will have any right as a result of the Bidder making the Offer or announcing its intention to make the Offer, or acquiring Target Shares under the Offer, to:

- (a) acquire, or require the disposal of, or require any entity within the Target Group to offer to dispose of, any material asset of any entity within the Target Group;
- (b) terminate, or vary the terms or performance of, any material agreement with any entity within the Target Group;
- (c) terminate, or vary the terms of any material approvals, licenses or permits issued by any Public Authority to any entity within the Target Group; or



- (d) require repayment of any moneys borrowed by or any other indebtedness of any entity within the Target Group earlier than its stated maturity date, or withdraw or inhibit the ability of any entity within the Target Group to borrow moneys or incur indebtedness,

other than a right in respect of which a written, enforceable, irrevocable and unconditional waiver has been obtained and disclosed to the ASX or as fully and Fairly Disclosed by the Target.

1.7 **No prescribed occurrences**

During the period from the Announcement Date and the end of the Offer Period (each inclusive), none of the following events occur:

- (a) the Target converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) the Target or a Subsidiary of the Target resolves to reduce its share capital in any way;
- (c) the Target or a Subsidiary of the Target enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) the Target or a Subsidiary of the Target issues shares (other than as a result of the exercise of Target Options or Target Performance Rights) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) the Target or a Subsidiary of the Target issues, or agrees to issue, convertible notes;
- (f) the Target or a Subsidiary of the Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Target or a Subsidiary of the Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) the Target or a Subsidiary of the Target resolves to be wound up;
- (i) a liquidator or provisional liquidator of the Target or of a Subsidiary of the Target is appointed;
- (j) a court makes an order for the winding up of the Target or of a Subsidiary of the Target;
- (k) an administrator of the Target or of a Subsidiary of the Target is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Target or a Subsidiary of the Target executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Target or a Subsidiary of the Target,

provided that a prescribed occurrence will not include any matter, the undertaking of which the Bidder has previously approved in writing.

1.8 **No prescribed occurrences between the Announcement Date and the date of the Bidder's Statement**

During the period from the Announcement Date to the date that is the day before the date of the Bidder's Statement (each inclusive), none of the events listed in sub-paragraphs (a) to (m) of paragraph 1.7 happen.

1.9 **Third Party Consents**

Prior to the end of the Offer Period, all Third Party Consents are obtained (and are not withdrawn or revoked) in respect of implementation of the Offer.



Definitions for Bid Conditions

Announcement Date means the date of announcement of the Bidder's intention to make the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited or the Australian Securities Exchange as appropriate.

Bidder means Westgold Resources Limited ACN 009 260 306.

Bidder Group means the Bidder and its Subsidiaries.

Bidder's Statement means the bidder's statement to be prepared in relation to the Offer and includes any supplementary or replacement bidder's statement.

Corporations Act means the *Corporations Act 2001* (Cth).

Encumbrance means a mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having a similar effect.

Fairly Disclosed means sufficient information has been disclosed that a sophisticated investor, experienced in transactions of the nature of the Takeover Bid and familiar with the business of the Target would be aware of the substance and significance of the information.

Firefly Scheme means the merger between the Target and Firefly Resources Limited as set out in the Firefly Scheme Deed.

Firefly Scheme Deed means the scheme implementation deed executed between Firefly and the Target dated 15 June 2021.

Investec Facility Agreement means the agreement entitled 'Syndicated Facility Agreement' dated 13 August 2020 between Gascoyne (as Borrower), Investec Bank Plc, Australia Branch (as Agent), Investec Australia Limited (as Technical Agent and Security Trustee) and others.

NRW Agreement means the agreement between the Target Group and NRW Holdings Limited to settle approximately ~\$32.7 million owing to NRW Holdings Limited by the Target Group.

Offer means an off-market offer to be made by the Bidder under Chapter 6 of the Corporations Act to acquire all of the Target Shares on the terms announced by the Bidder on the Announcement Date or subsequently amended and announced by the Bidder.

Offer Period means the period during which the Offer remains open for acceptance by Target Shareholders.

Option means an option, issued by the Target prior to the Announcement Date, to subscribe for one Target Share.

Performance Rights means performance rights issued by the Target prior to the Announcement Date and pursuant to which, subject to terms and conditions of the applicable plan, the holder may be issued Target Shares.

Public Authority means any government or any governmental, semi-governmental, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Interest has the meaning given to that term in the Corporations Act.

Specified Amount means A\$300,000.

Subsidiary has the meaning given to that term in the Corporations Act.



Target means Gascoyne Resources Limited ACN 139 522 900.

Target Group means the Target and its Subsidiaries.

Target Share means an ordinary share issued in the capital of the Target.

Target Shareholder means a person who is the registered holder of one or more Target Shares.

Tenements means the tenements owned and controlled by the Target as at the Announcement Date, including those in Schedule 1.

Third Party means a person other than the Bidder or a member of the Bidder Group.

Third Party Consents means any consent, agreement, licence, waiver or approval required from a Third Party in relation to a contract of the Target or Target Group, including, to the extent required, pursuant to the NRW Agreement and the Investec Facility Agreement.



Schedule 1 – Tenements

Tenement	Tenement name	Mineral targeted	Location	Gascoyne ownership interest
ELA09/2352	Bassit Bore	Gold	Gascoyne Region	100%
EL21/195	Dalgaranga	Gold	Murchison Region	80%
EL59/1709	Dalgaranga	Gold	Murchison Region	80%
EL59/1904	Dalgaranga	Gold	Murchison Region	80%
EL59/1906	Dalgaranga	Gold	Murchison Region	80%
L59/141	Dalgaranga	Gold	Murchison Region	100%
L59/142	Dalgaranga	Gold	Murchison Region	100%
L59/151	Dalgaranga	Gold	Murchison Region	100%
L59/152	Dalgaranga	Gold	Murchison Region	100%
L59/153	Dalgaranga	Gold	Murchison Region	100%
L59/167	Dalgaranga	Gold	Murchison Region	100%
L59/168	Dalgaranga	Gold	Murchison Region	100%
L59/169	Dalgaranga	Gold	Murchison Region	100%
L59/170	Dalgaranga	Gold	Murchison Region	100%
ML59/749	Dalgaranga	Gold	Murchison Region	100%
EL59/2150	Dalgaranga	Gold	Murchison Region	100%
EL59/2053	Dalgaranga	Gold	Murchison Region	100%
EL59/2289	Dalgaranga	Gold	Murchison Region	100%
EL52/3531	Mumbakine Well	Gold	Pilbara Region	100%
EL09/1325	Glenburgh	Gold	Gascoyne Region	100%
EL09/1764	Glenburgh	Gold	Gascoyne Region	100%
EL09/1865	Glenburgh	Gold	Gascoyne Region	100%
EL09/1866	Glenburgh	Gold	Gascoyne Region	100%
EL09/2025	Glenburgh	Gold	Gascoyne Region	100%
EL09/2148	Glenburgh	Gold	Gascoyne Region	100%
L09/56	Glenburgh	Gold	Gascoyne Region	100%
L09/62	Glenburgh	Gold	Gascoyne Region	100%
ML09/148	Glenburgh	Gold	Gascoyne Region	100%
MLA09/181	Glenburgh	Gold	Gascoyne Region	100%



Tenement	Tenement name	Mineral targeted	Location	Gascoyne ownership interest
EL51/1648	Andy Well Nth	Gold	Murchison Region	100%
EL51/1681	Beebyn	Gold	Murchison Region	100%
EL52/2117	Mt Egerton	Gold	Gascoyne Region	100%
EL52/2515	Mt Egerton	Gold	Gascoyne Region	100%
EL52/3574	Mt Egerton	Gold	Gascoyne Region	100%
ML52/343	Mt Egerton	Gold	Gascoyne Region	100%
ML52/567	Mt Egerton	Gold	Gascoyne Region	100%
EL52/3490	Mt James	Gold	Gascoyne Region	100%

Abbreviation's key:

EL	Exploration Licence
ELA	Exploration Licence Application
L	Miscellaneous Licence
ML	Mining Lease
MLA	Mining Lease Application