

WESTGOLD PREPARES TO LODGE AND OPEN ITS TAKEOVER OFFER FOR GASCOYNE

- No constructive engagement to date from Gascoyne's Board in relation to the Westgold Offer notwithstanding it is clearly superior to the proposed highly dilutive Firefly Scheme
- Significant incoming and positive engagement from Gascoyne shareholders for the Westgold Offer
- Westgold encourages Gascoyne shareholders to demand that its Board act in the best interests of Gascoyne shareholders and be provided the opportunity to consider and accept the Westgold Offer
- Argonaut PCF and HopgoodGanim Lawyers appointed as advisors to Westgold

Westgold Resources Limited [ASX: WGX - **Westgold** or the **Company**] is pleased to provide this update and advise the Company has received significant incoming positive engagement from shareholders of Gascoyne Resources Limited [ASX: GCY - **Gascoyne**] regarding Westgold's announcement of the intention to make an off-market takeover offer for all the issued shares in Gascoyne [**Offer**]. Westgold's Offer is subject to the Firefly Scheme not proceeding and customary off-market takeover bid conditions including, inter alia, a minimum acceptance condition of 50.1%.¹

Westgold advises all shareholders that it is expediting documentation in preparation to launch the Offer and ensure that Gascoyne shareholders are provided with an opportunity to consider and accept its Offer, as a superior technical and commercial alternative to what Westgold considers to be a highly dilutive proposed Scheme of Arrangement for Gascoyne shareholders with Firefly Resources Limited [**Firefly**].

Westgold intends to lodge its Bidders Statement with ASIC during the week commencing 10 October 2021.

Gascoyne shareholders should note however that under the Corporations Act, unless the Gascoyne Board otherwise agree to earlier dispatch, the Bidder's Statement is not permitted to be sent to Gascoyne shareholders (and accordingly, the Westgold Offer cannot open) until at the earliest on the 14th day after the Bidder's Statement has been lodged with ASIC and sent to Gascoyne.

Westgold's Executive Director Wayne Bramwell, commented:

"It has been more than a week since Westgold announced its intention to make a bid on terms that are far superior to Gascoyne's proposed merger with Firefly. Bemusingly, the Gascoyne Board has provided no guidance to Gascoyne's shareholders nor to Westgold regarding the Board's intentions on either the Firefly Scheme or the Westgold Offer.

The silence from the Gascoyne Board in relation to our Offer is in stark contrast with the volume of calls and emails we are receiving from Gascoyne shareholders wanting our Offer to be considered by their Board. Westgold knows the Gascoyne Board is cognisant of its fiduciary duty to its shareholders and would expect the Board to dutifully and proactively act to ensure their loyal shareholders have the opportunity to evaluate and respond to our value accretive proposition."

¹Refer to Appendix 1 of the Westgold announcement dated 30 September 2021 for a full list of the proposed bid conditions.



Based on the Independent Expert’s Report contained in the Firefly Scheme booklet [Scheme Booklet] registered with ASIC on 8 September 2021, if the Firefly Scheme were to complete then the preferred value ascribed by the Independent Expert to the combined group is **\$0.183 per Gascoyne share.**²

This compares with the commercially superior Westgold Offer of one [1] Westgold share for every four [4] Gascoyne Shares which implies a value of **\$0.44 per Gascoyne share.**³

Figure 1 below demonstrates the **\$0.26 differential in value per share** between the Westgold Offer and the Firefly Scheme.

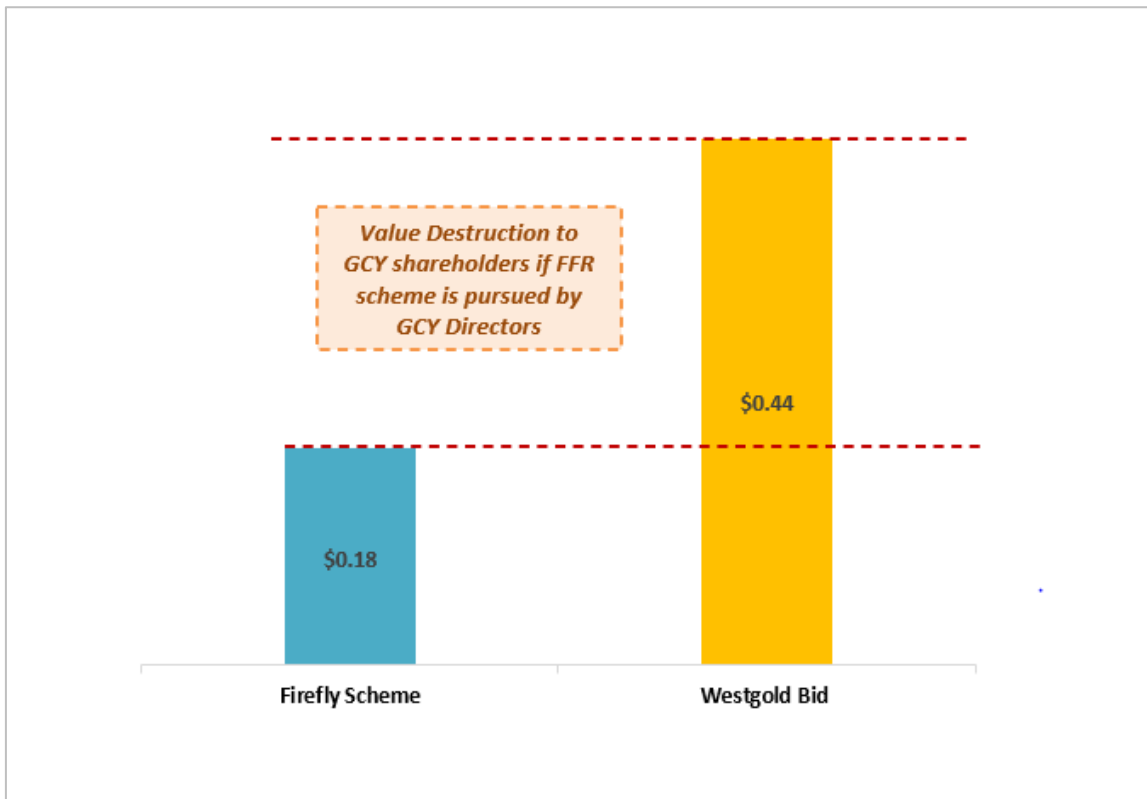


Figure 1: Comparison of value per GCY share between Firefly Scheme and Westgold Offer

The Westgold Offer is subject to the Firefly Scheme not proceeding and customary off-market takeover bid conditions including, inter alia, a minimum acceptance condition of 50.1%.⁴ Westgold considers its Offer to be far less conditional than the Firefly Scheme, which remains subject to approximately twenty (20) Scheme Conditions.⁵

²Representing the Independent Expert’s sum-of-parts preferred valuation of the proposed merged entity following the Firefly Scheme. Refer FFR ASX announcement dated 8 September 2021 [Scheme Booklet, Independent Expert’s Report, page 200]

³Based on the Westgold closing price of \$1.77 and the GCY closing price of \$0.405 on 7 October 2021. GCY Shareholders should note that implied valuation will fluctuate depending upon the market values of Westgold and GCY shares.

⁴Refer to Appendix 1 of the Westgold announcement dated 30 September 2021 for a full list of the proposed bid conditions.

⁵Refer FFR ASX announcement dated 8 September 2021 [Scheme Booklet, page 113]



The Gascoyne Board must act in accordance with its fiduciary duties to its shareholders and take all steps necessary to terminate the inferior proposed Firefly Scheme. At the very least, Westgold considers that the Gascoyne Board must postpone the proposed Firefly Scheme meeting to allow its shareholders the opportunity to consider the merits of the Westgold Offer, as compared to the dilutive Firefly Scheme.

The Firefly Scheme structure denies Gascoyne shareholders any vote or choice on this value destructive transaction. Westgold considers that once given the choice, a Gascoyne shareholder's acceptance of the Westgold Offer is in effect also a vote against the Firefly Scheme.

Westgold encourages Gascoyne shareholders to demand that its Board act in its shareholder's best interests and provide an opportunity for Gascoyne shareholders to consider and accept the Westgold Offer. Westgold is committed to ensuring that Gascoyne shareholders are provided an opportunity to consider and accept the compelling Westgold Offer and has appointed an advisory team of Argonaut PCF and HopgoodGanim Lawyers to assist with the preparation of our Offer.

Westgold will keep all shareholders updated as to progress.

ENDS

THIS ANNOUNCEMENT IS AUTHORISED FOR RELEASE TO THE ASX BY LISA SMITH, COMPANY SECRETARY.

Investor Relations Enquiries:

Wayne Bramwell | Executive Director
wayne.bramwell@westgold.com.au

+61 8 9462 3400
www.westgold.com.au

Media Enquiries:

Peter Klinger | Cannings Purple
pklinger@canningspurple.com.au

+61 411 251 540