
SUPPLEMENTARY BIDDER'S STATEMENT FOR IMPROVED OFFER CONSIDERATION

Further to separate announcements earlier today and on 25 October 2021, Westgold Resources Limited (ASX: WGX) (**Westgold** or **the Company**) wishes to confirm that in relation to the off-market takeover bid for Gascoyne Resources Limited ACN 139 522 900 (**Gascoyne**) (**Offer**), subject to Westgold obtaining a relevant interest in at least 50.1% of Gascoyne shares by no later than the closing date of the Offer, unless extended or withdrawn (**Improved Consideration Condition**), Westgold will increase the Offer consideration to Gascoyne shareholders to be offered three (3) Westgold shares for every eleven (11) Gascoyne shares held (**Improved Offer Consideration**).

Upon the Improved Offer Consideration being met, the Offer will be formally varied to increase the consideration to the Improved Offer Consideration.

Details of the Improved Offer Consideration are set out in a Supplementary Bidder's Statement dated 29 October 2021 (**Supplementary Bidder's Statement**), a copy of which has been lodged with ASIC today and is attached, and is to be read together with the Bidder's Statement dated 15 October 2021.

As announced earlier today, the Bidder's Statement has been despatched to Gascoyne shareholders. A copy of the Supplementary Bidder's Statement will be despatched to Gascoyne shareholders as soon as practicable.

The Offer is dated 29 October 2021 and is open for acceptance. The Offer is scheduled to close at 5.00pm (Perth time) on 29 November 2021, unless extended or withdrawn.

END

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

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WESTGOLD
RESOURCES LIMITED

Supplementary Bidder's Statement in relation to the Offer

By

Westgold Resources Limited

ACN 009 260 306

To acquire all of your fully paid shares in

Gascoyne Resources Limited

ACN 139 522 900

for conditional Improved Offer Consideration of

1 (one) Westgold Share for every 4 (four) of your Gascoyne Shares, conditionally increasing to **3 (three) Westgold Shares for every 11 (eleven) of your Gascoyne Shares**, if Westgold obtains a relevant interest in at least 50.1% of Gascoyne Shares on or before 5.00pm (Perth time) on the closing date of the Offer, currently scheduled to be 29 November 2021, unless extended or withdrawn.

Important information

This Supplementary Bidder's Statement is dated 29 October 2021 (**Supplementary Bidder's Statement**) and is issued pursuant to section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**) by Westgold Resources Limited ACN 009 260 306 (**Westgold**) to the bidder's statement lodged with the Australian Securities and Investment Commission (**ASIC**) and Australian Securities Exchange (**ASX**) on 15 October 2021 (**Bidder's Statement**) in relation to Westgold's off market takeover offer to acquire all of the ordinary fully paid shares in Gascoyne Resources Limited ACN 139 522 900 (**Gascoyne**).

A copy of this Supplementary Bidder's Statement was lodged with ASIC on 29 October 2021. Neither ASIC nor any of its officers takes any responsibility for the content of this Supplementary Bidder's Statement.

This Supplementary Bidder's Statement supplements, and should be read together with, the Bidder's Statement. Unless the context requires otherwise, terms in this Supplementary Bidder's Statement have the same meaning given in the Bidder's Statement. This Supplementary Bidder's Statement will prevail to the extent of any inconsistency with the Bidder's Statement.

Notice to Foreign Shareholders

The distribution of this Supplementary Bidder's Statement in jurisdictions outside of Australia may be restricted by law, and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Supplementary Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify Westgold or to otherwise permit a public offering of Westgold shares outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer.

You should note that the Offer has been conducted in accordance with the laws enforced in Australia and the ASX Listing Rules. The disclosure requirements in relation to the offer applicable in Australia may differ from those applying in your jurisdiction. Foreign Shareholders may have difficulties in enforcing their rights and any claims they may have arising under the laws of their jurisdiction. It may also be difficult to compel Westgold to subject itself to a foreign court's judgment.

The securities referred to in this Supplementary Bidder's Statement have not been and will not be registered under the US Securities Act of 1933 (Securities Act), as amended, or other securities laws of any jurisdiction of the US and therefore may not be offered or sold in the US without registration or an applicable exemption from the registration requirements of the Securities Act. This Supplementary Bidder's Statement does not constitute an offer to issue or to sell or the solicitation of any offer to buy any such securities or any securities to be issued in exchange for such securities in any jurisdiction in which the issue of shares under the Offer would be unlawful.

All Foreign Shareholders including those in Germany and New Zealand, whom Westgold have determined are entitled to accept the Offer and receive Westgold Shares, should have particular regard to notices included in the Bidder's Statement.

Important Notices

This Supplementary Bidder's Statement does not take into account the individual investment objectives, tax position, financial or other particular needs of any person. It does not contain financial product advice. You should seek independent legal, investment, financial or taxation advice.

SECTION 1 – IMPROVED OFFER CONSIDERATION

On 25 October 2021, Westgold announced that subject to Westgold obtaining a relevant interest in at least 50.1% of Gascoyne Shares by no later than 5.00pm (Perth time) on the closing date of the Offer (**Improved Consideration Condition**), Westgold will increase the Offer consideration with Gascoyne Shareholders to be offered 3 (three) Westgold Shares for every 11 (eleven) Gascoyne Shares held (**Improved Offer Consideration**).

The current Offer consideration is 1 (one) Westgold Share for every 4 (four) Gascoyne Shares held (**Existing Offer Consideration**), with such Offer remaining conditional on all of the considerations set out in section 7.2 of the Bidder's Statement.

Once Westgold receives a relevant interest of at least 50.1%, and subject to satisfaction of the condition in section 7.2(a) of the Bidder's Statement being that the Firefly Scheme does not proceed (refer section 7.2(a) of the Bidder's Statement) Westgold intends to immediately declare the Offer unconditional and payment of the consideration will be made within the time period and in the manner specified in the Bidder's Statement.

Gascoyne Shareholders may accept the Offer using the prior Acceptance Form sent to you with the Bidder's Statement.

If the Improved Offer Consideration is enlivened as above, a variation will be made by Westgold, and it will apply to all Gascoyne Shareholders who accept or have accepted Westgold's Offer.

SECTION 2 – IMPLIED VALUE OF THE IMPROVED OFFER CONSIDERATION AND EXISTING OFFER CONSIDERATION

Based on the prevailing market prices as at 22 October 2021 (being the last trading day immediately prior to Westgold's announcement of its increase to the Existing Offer Consideration), the implied value of the Improved Offer Consideration, is equivalent to:

	Improved Offer Consideration ¹	Existing Offer Consideration
Offer Ratio	3 for 11	1 for 4
Implied Gascoyne Share Price ²	\$0.53	\$0.49
Premium to Gascoyne Close as at 22 October 2021 (\$0.39)	36.4%	25%
Premium to Gascoyne 30 day VWAP as at 22 October 2021 (\$0.38) ³	41.6%	29.8%
Premium to Undisturbed Gascoyne Share Price Pre announcement of Westgold Offer on 30 September 2021 (\$0.31)	71.6%	57.3%

1. Subject to the Improved Consideration Condition being satisfied (and therefore, the Existing Offer Consideration will be paid unless the Improved Consideration Condition is satisfied).
2. Based on Westgold's closing share price of \$1.95 on 22 October 2021.
3. Based on the 30 calendar days preceding, and inclusive of, 22 October 2021

As Westgold Shares are listed on the ASX, the market price of Westgold Shares can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly, there is no guarantee that the Westgold Shares offered will trade at or above pre Offer or prevailing market prices.

SECTION 3 – PRO FORMA CAPITAL STRUCTURE OF THE MERGED GROUP

Assuming Westgold acquires 100% of the Gascoyne Shares, the following shows the issued and fully paid share capital, options and performance rights of Westgold and Gascoyne as at the date of this Supplementary Bidder's Statement and as it will be immediately following completion of the Offer (assuming 100%), taking into account both the Existing Offer Consideration and the Improved Offer Consideration:

Current Capital Structure	# of securities	
Westgold		
Westgold Shares on issue	425,496,166	
Westgold Performance Rights	3,527,080	
Westgold Options	521,630	
Gascoyne		
Gascoyne Shares on issue	251,042,964	
Gascoyne Performance Rights	2,531,492	
Proforma Capital Structure	# of securities at Conditional Offer Consideration	# of securities at Existing Offer Consideration
Westgold Shares currently on issue	425,496,166 ¹	425,496,166 ¹
Westgold Shares issued to Gascoyne Shareholders assuming 100% acceptance of Offer	68,466,263 ²	62,760,741
Pro-Forma Westgold Shares²	493,962,429²	488,256,907
Westgold Performance Rights	3,527,080	3,527,080
Westgold Options	521,630	521,630

1. Assumes no Gascoyne Performance Rights or Westgold Performance Rights and Westgold Options are exercised. Refer also to Section 8.13 of the Bidder's Statement as to Westgold Performance Rights and Westgold Options.
2. Subject to rounding.

SECTION 4 – PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF THE MERGED GROUP

The following provides an overview of the unaudited pro forma balance sheet of Westgold as at 30 June 2021 to show the effect of **100% ownership** of Gascoyne by Westgold, and also to show **50.1% ownership** of Gascoyne by Westgold taking into account the Improved Offer Consideration. The pro forma financial information using the Existing Offer Consideration is set out in the Bidder's Statement.

The net assets of Westgold are estimated to increase by **\$106.1 million** post acquisition (based on the notes to the pro-forma balance sheet for 100% ownership).

(a) **Pro forma consolidated statement of financial position and consolidated statement of comprehensive income of the Merged Group (assuming the Improved Consideration Condition is satisfied and 100% of Gascoyne Shares are acquired)**

Consolidated Statement of Financial Position as at 30 June 2021

	WGX	GCY	Pro-Forma Adjustments		Merged Group		
			30 June 2021 \$'000	30 June 2021 \$'000		Adjustment	Adjustment
						1	2
			\$'000	\$'000	30 June 2021 \$'000		
CURRENT ASSETS							
Cash and cash equivalents	150,684	23,448	-	(6,325)	167,807		
Trade and other receivables	7,466	5,504	-	-	12,970		
Inventories	59,129	13,029	-	-	72,158		
Prepayments	4,036	1,697	-	-	5,733		
Other financial assets	1,149	-	-	-	1,149		
Total current assets	222,465	43,678	-	(6,325)	259,818		
NON-CURRENT ASSETS							
Financial assets at fair value through profit and loss	6,423	-	-	-	6,423		
Property, plant and equipment	166,748	25,877	-	-	192,625		
Mine properties and development	407,336	73,541	4,545	-	485,422		
Exploration and evaluation expenditure	89,739	32,881	-	-	122,620		
Right-of-use assets	7,259	13,157	-	-	20,416		
Other financial assets (Term deposits)	-	407	-	-	407		
Total non-current assets	677,505	145,863	4,545	-	827,913		
TOTAL ASSETS	899,970	189,541	4,545	(6,325)	1,087,731		
CURRENT LIABILITIES							
Trade and other payables	83,783	9,736	-	-	93,519		
Provisions	11,405	2,650	-	-	14,055		
Interest-bearing loans and borrowings	22,962	16,769	-	-	39,731		
Other Financial Liability (NRW arrangement)	-	1,894	-	-	1,894		
Total current liabilities	118,151	31,049	-	-	149,200		
NON-CURRENT LIABILITIES							
Provisions	77,119	28,147	-	-	105,266		
Interest-bearing loans and borrowings	22,114	11,526	-	-	33,640		
Other Financial Liability (NRW arrangement)	-	10,929	-	-	10,929		
Deferred tax liabilities	75,227	-	-	-	75,227		
Total non-current liabilities	174,459	50,602	-	-	225,061		
TOTAL LIABILITIES	292,610	81,651	-	-	374,261		
NET ASSETS	607,360	107,890	4,545	(6,325)	713,471		
EQUITY							
Issued capital	364,078	266,196	(153,761)	2,158	478,671		
Retained earnings (accumulated losses)	46,523	(160,330)	160,330	(8,483)	38,040		
Non controlling Interest (joint venture)	-	1,352	(1,352)	-	-		
Share-based payments reserve	15,266	1,712	(1,712)	-	15,266		
Other reserves	181,494	(1,040)	1,040	-	181,494		
TOTAL EQUITY	607,360	107,890	4,545	(6,325)	713,471		

Consolidated Statement of Comprehensive Income for the year ended 30 June 2021

	WGX	GCY	Pro-Forma Adjustments		Merged Group
			Adjustment 1	Adjustment 2	
	30 June 2021 \$'000	30 June 2021 \$'000	\$'000	\$'000	30 June 2021 \$'000
Continuing operations					
Revenue	571,170	203,149	-	-	774,319
Cost of sales	(455,456)	(150,145)	-	-	(605,601)
Gross profit	115,714	53,004	-	-	168,718
	-				
Other income	2,292	1,356	-	-	3,648
Gain on demerger of subsidiary	-	-	-	-	-
Finance costs	(347)	(3,863)	-	-	(4,210)
Other expenses	(10,882)	(11,955)	-	-	(22,837)
Fair value gain on financial assets	5,202	-	-	-	5,202
Impairment Expense	-	(80,232)	-	-	(80,232)
Exploration and evaluation expenditure written off	(86)	-	-	-	(86)
Profit before income tax from continuing operations	111,893	(41,690)	-	-	70,203
	-				
Income tax expense	(35,141)	(2,440)	-	-	(37,581)
Net Profit for the year	76,752	(44,130)	-	-	32,622

Notes:

- (1) Pro forma adjustment 1 assuming Improved Consideration Condition is satisfied and 100% of Gascoyne Shares are acquired;
- (2) Pro forma adjustment 2 for subsequent event transactions included that have occurred post balance date (30 June 2021) for Westgold being the dividends announcement on 24 September 2021 with dividend payment on 15 October 2021;
- (3) Transaction costs associated with the takeover including the payment of the \$500,000 break fee payable on termination of the Scheme Implementation Deed between Gascoyne and Firefly have been excluded;
- (4) Equity assumes no conversion or adjustments for any Gascoyne Performance Rights;
- (5) Tax effect accounting has not been adjusted;
- (6) The pro forma balance sheet is indicative only and will vary in aggregate as well as asset and liability classes following the comprehensive fair value assessment of the Gascoyne assets and liabilities upon completion of the Offer including fair value purchase price allocation and related tax effect accounting.

(b) **Pro forma consolidated statement of financial position and consolidated statement of comprehensive income of the Merged Group (assuming Improved Offer Consideration Condition is satisfied and 50.1% of Gascoyne Shares are acquired)**

Consolidated Statement of Financial Position as at 30 June 2021

	WGX	GCY	Pro-Forma Adjustments		Merged Group
			Adjustment 1	Adjustment 2	
	30 June 2021 \$'000	30 June 2021 \$'000	\$'000	\$'000	30 June 2021 \$'000
CURRENT ASSETS					
Cash and cash equivalents	150,684	11,747	-	(6,325)	156,107
Trade and other receivables	7,466	2,758	-	-	10,224
Inventories	59,129	6,528	-	-	65,657
Prepayments	4,036	850	-	-	4,886
Other financial assets	1,149	-	-	-	1,149
Total current assets	222,465	21,883	-	(6,325)	238,023
NON-CURRENT ASSETS					
Financial assets at fair value through profit and loss	6,423	-	-	-	6,423
Property, plant and equipment	166,748	12,964	-	-	179,713
Mine properties and development	407,336	36,844	2,277	-	446,457
Exploration and evaluation expenditure	89,739	16,473	-	-	106,212
Right-of-use assets	7,259	6,592	-	-	13,851
Other financial assets (Term deposits)	-	204	-	-	204
Total non-current assets	677,505	73,077	2,277	-	752,860
TOTAL ASSETS	899,970	94,960	2,277	(6,325)	990,882
CURRENT LIABILITIES					
Trade and other payables	83,783	4,878	-	-	88,661
Provisions	11,405	1,328	-	-	12,733
Interest-bearing loans and borrowings	22,962	8,401	-	-	31,363
Other Financial Liability (NRW arrangement)	-	949	-	-	949
Total current liabilities	118,151	15,556	-	-	133,706
NON-CURRENT LIABILITIES					
Provisions	77,119	14,102	-	-	91,220
Interest-bearing loans and borrowings	22,114	5,775	-	-	27,888
Other Financial Liability (NRW arrangement)	-	5,475	-	-	5,475
Deferred tax liabilities	75,227	-	-	-	75,227
Total non-current liabilities	174,459	25,352	-	-	199,810
TOTAL LIABILITIES	292,610	40,907	-	-	333,517
NET ASSETS	607,360	54,053	2,277	(6,325)	657,366
EQUITY					
Issued capital	364,078	133,364	(77,034)	2,158	422,565
Retained earnings (accumulated losses)	46,523	(80,325)	80,325	(8,483)	38,040
Non controlling Interest (joint venture)	-	677	(677)	-	-
Share-based payments reserve	15,266	858	(858)	-	15,266
Other reserves	181,494	(521)	521	-	181,494
TOTAL EQUITY	607,360	54,053	2,277	(6,325)	657,366

Consolidated Statement of Comprehensive Income for the year ended 30 June 2021

	WGX	GCY	Pro-Forma Adjustments		Merged Group
			Adjustment 1	Adjustment 2	
	30 June 2021 \$'000	30 June 2021 \$'000	\$'000	\$'000	30 June 2021 \$'000
Continuing operations					
Revenue	571,170	101,778	-	-	672,948
Cost of sales	(455,456)	(75,223)	-	-	(530,679)
Gross profit	115,714	26,555	-	-	142,269
	-	-	-	-	-
Other income	2,292	679	-	-	2,972
Gain on demerger of subsidiary	-	-	-	-	-
Finance costs	(347)	(1,935)	-	-	(2,283)
Other expenses	(10,882)	(5,989)	-	-	(16,871)
Fair value gain on financial assets	5,202	-	-	-	5,202
Impairment Expense	-	(40,196)	-	-	(40,196)
Exploration and evaluation expenditure written off	(86)	-	-	-	(86)
Profit before income tax from continuing operations	111,893	(20,887)	-	-	91,006
	-	-	-	-	-
Income tax expense	(35,141)	(1,222)	-	-	(36,364)
Net Profit for the year	76,752	(22,109)	-	-	54,643

Notes:

- (1) Pro forma adjustments assuming 50.1% of Gascoyne Shares are acquired; and
- (2) All other notes are consistent with notes 2-6 above.

SECTION 5 – STATUS OF FIREFLY SCHEME CONDITION

Westgold refers to section 8.1 of the Bidder's Statement as to the status of the condition to its Offer that the Firefly Scheme does not proceed (such condition being set out in section 7.2(a) of the Bidder's Statement). As at the date of this Supplementary Bidder's Statement, this condition has not been satisfied. The matter has been before the Takeovers Panel pursuant to an application for review made by Westgold to seek orders that the Scheme Implementation Deed between Gascoyne and Firefly Resources Limited has created an unacceptable lock up (against the interests of Gascoyne shareholders) and to seek the express right for Gascoyne to terminate the Scheme Implementation Deed upon a superior proposal for Gascoyne emerging. On 29 October 2021, the Takeovers Panel issued a media release advising of its decision to decline to conduct proceedings on Westgold's application for review. The second Court hearing for the Firefly Scheme is scheduled for 1 November 2021, unless adjourned. Westgold's present intention is to seek to appear at the second Court hearing to oppose the approval by the Court of the Firefly Scheme.

SECTION 6 – WESTGOLD'S ADOPTION OF A NEW CONSTITUTION

On 25 October 2021, Westgold released its Notice of Annual General Meeting and Explanatory Memorandum to ASX (**Notice of Meeting**). Assuming Westgold Shareholders vote in favour of Resolution 6 of the Notice of Meeting, the existing Westgold Constitution (**Existing Constitution**) will be replaced with a new Westgold Constitution (**New Constitution**) with effect from 26 November 2021. The Notice of Meeting includes a copy of the New Constitution as well as a summary of the differences between the Existing Constitution and the New Constitution, none of which are considered material by the Westgold Board.

SECTION 7 – WESTGOLD AS A DISCLOSING ENTITY

As set out in the Bidder's Statement, Westgold is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, Westgold is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of Westgold Shares.

Shareholders are encouraged to monitor announcements made to the ASX after the date of this Supplementary Bidder's Statement for updates regarding Westgold and its activities. A list of announcements made by Westgold to the ASX between 15 October 2021 and the date of this Supplementary Bidder's Statement is set out below. This information may be relevant to your assessment of the Offer. Copies of the announcements below and made after the date of this Supplementary Bidder's Statement are available from the ASX or at <https://www.westgold.com.au/>.

Date	Heading
29.10.2021	TOV: GCY Review Panel Declines to Commence Proceedings
29.10.2021	Form 603 – Notice of Initial Substantial Holder in GCY
29.10.2021	Despatch of Bidder's Statement
28.10.2021	Appendix 4G & Corporate Governance Statement
28.10.2021	Annual Report to Shareholders
27.10.2021	September Quarterly – Investor Update Presentation
27.10.2021	TOV: GCY Review Panel Declines to Make Interim Order
27.10.2021	September Quarterly Report
26.10.2021	WGX: Important Update to Gascoyne Offer
26.10.2021	TOV: GCY Panel Receives Review Application
25.10.2021	September Quarterly Webcast
25.10.2021	Notice of General Meeting/Proxy Form
25.10.2021	Improved Consideration for Gascoyne Takeover
22.10.2021	TOV: GCY Panel Declines to Conduct Proceedings
22.10.2021	Proposed Issue of Securities – WGX
21.10.2021	Change in Directors Interest Appendix 3Y
21.10.2021	Change in Directors Interest Appendix 3Y
21.10.2021	Notification Regarding Unquoted Securities – WGX
19.10.2021	Change in Substantial Holding
18.10.2021	Westgold's Bidder Statement for Gascoyne Resources

SECTION 8 – FURTHER INFORMATION

If you are in any doubt as to how to deal with this Supplementary Bidder's Statement, you should contact your broker or your legal, financial or other professional adviser.

If you have any questions about the Offer or how to accept it, please call the Westgold Shareholder Information Line on 1300 395 838 from within Australia, or on +61 3 9415 4068 from outside Australia between 8.30am to 5.00pm (Sydney time). Please note that these calls may be recorded.

SECTION 9 – APPROVAL OF SUPPLEMENTARY BIDDER'S STATEMENT

This Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the board of directors of Westgold. Signed for and on behalf of Westgold Resources Limited

by:



Peter Cook
Non Executive Chairman

Date: 29 October 2021