

## DESPATCH OF BIDDER'S STATEMENT

Westgold Resources Limited (ASX: WGX) (**Westgold** or **the Company**) wishes to advise, for the purposes of item 8 of section 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), that in relation to the off-market takeover bid for Gascoyne Resources Limited (**Gascoyne**) (**Offer**), and in accordance with item 6 of section 633(1) of the *Corporations Act*, the bidder's statement dated 15 October 2021 has today been despatched to Gascoyne shareholders (**Bidder's Statement**). A copy of the Bidder's Statement is **attached**.

The Offer is dated 29 October 2021 and is now 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 The Offer is scheduled to close at 5.00pm (Perth time) on 29 November 2021, unless extended or withdrawn.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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## Bidder's Statement

# ACCEPT 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

1 (one) Westgold Share for every 4 (four) of your Gascoyne Shares

If you have any questions about the Offer or this document or about how to accept the Offer, please call the Westgold Resources Limited information line on 1300 395 838 (within Australia) or + 61 3 9415 4068 (outside Australia) between 8.30am to 5.00pm (Sydney time).

This document contains important information and requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your legal, financial, or other professional adviser immediately. The date of the Offer is 29 October 2021 and the Offer will close at 5.00pm (AWST time) on 29 November 2021, unless extended or withdrawn.

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## IMPORTANT DATES

|  |                                   |
|--|-----------------------------------|
| <b>Announcement Date</b>                           | 30 September 2021                 |
| <b>Date of this Bidder's Statement</b>             | 15 October 2021                   |
| <b>Date of Offer (Offer opens)</b>                 | 29 October 2021                   |
| <b>Offer closes (unless extended or withdrawn)</b> | 5.00pm (AWST) on 29 November 2021 |

These dates may vary as permitted under the Corporations Act.

## **IMPORTANT NOTICES**

**Bidder's Statement relating to an offer from Westgold Resources Limited ACN 009 260 306 (ASX:WGX) to acquire all of the ordinary shares in Gascoyne Resources Limited ACN 139 522 900 (ASX:GCY).**

This document is the Bidder's Statement given by Westgold under Part 6.5 of Chapter 6 of the Corporations Act and in compliance with the requirements of sections 636 and 637 of the Corporations Act in relation to the Offer contained in section 7 of this Bidder's Statement.

The document contains the formal terms of the Offer by Westgold and other information relevant to your decision whether to accept the Offer.

### **Australian Securities and Investments Commission**

A copy of this Bidder's Statement was lodged with ASIC on 15 October 2021. Neither ASIC nor any of its officers takes any responsibility for the content of this Bidder's Statement.

### **Date of the Offer**

This Bidder's Statement is dated 15 October 2021. It includes an Offer dated 29 October 2021 in section 7 of this document.

### **Investment Decisions**

This Bidder's Statement does not consider the individual investment objectives, financial situation, taxation implications and particular needs of each Gascoyne Shareholder. You may wish to seek independent financial and taxation advice before deciding as to whether or not to accept the Offer for your Gascoyne Shares.

### **Privacy**

Westgold has obtained your information from the register of Gascoyne Shareholders for the purpose of making the Offer and, if accepted, administering holdings of Westgold Shares. The Corporations Act requires the names and addresses of Westgold Shareholders to be held in a public register. Your information may be disclosed to Westgold's related bodies corporate and external service providers. It may also be required to be disclosed to regulators such as ASIC. The registered address of Westgold is Level 6, 197 St Georges Terrace, Perth, WA 6000.

### **Defined Terms and interpretation**

Unless otherwise noted, terms used in this Bidder's Statement and Offer are defined in section 9.1 below. That section also sets out certain rules of interpretation that apply to this Bidder's Statement.

### **Maps and Diagrams**

Any maps, diagrams, charts, graphs and tables contained in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in maps, diagrams, charts, graphs and tables is based on information available as at the date of this Bidder's Statement.

### **Rounding**

Financial statements figures have been rounded to the nearest A\$1 thousand and the effects of rounding may result in totals in tables not adding. Further, a number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Bidder's Statement.

## Foreign Shareholders

The distribution of the 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 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 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 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.**

Foreign Shareholders in New Zealand and Germany, whom Westgold has determined are entitled to accept the Offer and receive Westgold Shares, should refer to the specific offering and cautionary language below and in section 8.22.

### Warning statement for Gascoyne Shareholders in Germany

This Bidder's Statement has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this Bidder's Statement may not be made available, nor may the Westgold Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Westgold Shares in Germany is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

### Warning statement for Gascoyne Shareholders in New Zealand

This Bidder's Statement is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority.

The offer of Westgold Shares is being made to existing shareholders of Gascoyne in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Bidder's Statement may not contain all the information that a disclosure document is required to contain under New Zealand law.

## **Forward Looking Statements**

This Bidder's Statement includes certain forward-looking statements. If such statements relate to future matters, they are subject to inherent risks and uncertainties. These risks and uncertainties include factors and risks specific to the industry in which Westgold and Gascoyne operates as well as matters such as general economic conditions, many of which are outside the control of Westgold, Gascoyne and their respective Directors. These factors may cause the actual results, performance or achievements of Westgold and Gascoyne, the merged entity of Westgold and Gascoyne if the Offer is successful to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forward-looking statements. The past performance of Westgold and Gascoyne is not a guarantee of future performance. None of Westgold, its officers or employees, any persons named in the Bidder's Statement with their consent, or any person involved in the preparation of the Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement or any events or results, express or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in the Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

## **Non-IFRS Information**

This Bidder's Statement references certain terms commonly used in the mining industry that are not prescribed in the IFRS, including "AISC", and that constitute 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC.

C1 Cash Cost (C1) represents the cost for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment. All-in Sustaining Cost (AISC) is made up of the C1 cash cost plus royalty expense, sustaining capital expense and general corporate and administration expenses. All-in Cost (AIC) is made up of the AISC plus growth (major project) capital and discovery expenditure.

Westgold believes this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of the Company. The non-IFRS financial information does not have a standardised meaning prescribed by the Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with the Australian Accounting Standards. You are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios (if any) included in this Bidder's Statement.

## **Disclaimer as to Gascoyne and Merged Group Information**

Information in this document about Gascoyne has been prepared based on publicly available information. Westgold has not independently verified such information. Accordingly, subject to the Corporations Act, Westgold does not make any representation or give any express or implied warranty as to the accuracy or completeness of such information.

Further information relating to Gascoyne's business may be included in the Target's Statement which Gascoyne must provide to its shareholders in response to this Bidder's Statement.

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Gascoyne, has also been prepared using publicly available information. Accordingly, information in relation to the Merged Group is subject to the foregoing disclaimer to that extent.

## Competent Person(s) Statement

**Mineral Resources Estimates:** The information in this document that relates to Mineral Resource Estimates is compiled by Westgold technical employees and contractors under the supervision of Mr. Jake Russell B.Sc. (Hons), who is a member of the Australian Institute of Geoscientists. Mr Russell is a full time employee of Westgold, and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Russell consents to the inclusion in this document of the matters based on his information in the form and context in which it appears. Mr Russell is eligible to participate in short and long term incentive plans of the Company.

**Ore Reserve Estimates:** The information in this document that relates to Ore Reserve Estimates is based on information compiled by Mr. Anthony Buckingham B.Eng (Mining Engineering) MAusIMM. Mr. Buckingham has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Person as defined in the 2012 Editions of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012)”. Mr. Buckingham consents to the inclusion in this document of the matters based on his information in the form and context in which it appears. Mr. Buckingham is a full time senior executive of Westgold and is eligible to, and may participate in short-term and long-term incentive plans of the Company.

**Letter from the Chairman**

15 October 2021

Dear Gascoyne Shareholder,

**Westgold Offer to acquire all Shares in Gascoyne Resources Limited**

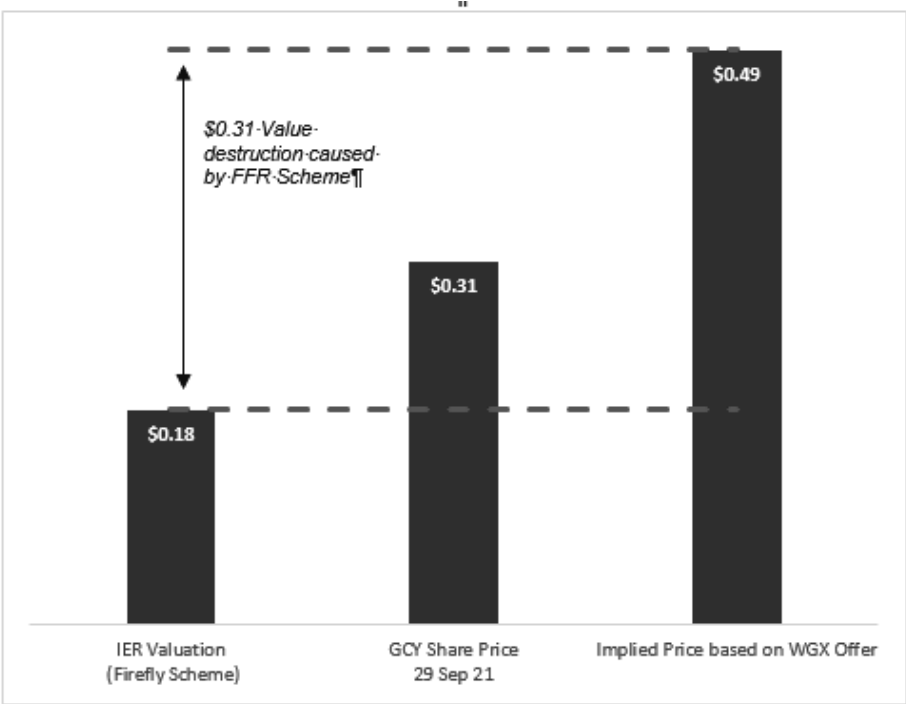
On behalf of Westgold Resources Limited ACN 009 260 306 (**Westgold**), I am pleased to present to you the enclosed Offer from Westgold to acquire all of your shares in Gascoyne Resources Limited ACN 139 522 900 (**Gascoyne**).

Westgold is aware of the current Firefly Scheme with Gascoyne and presents this Offer as a value accretive alternative to join with a well-funded, debt free and growth orientated Western Australian gold producer.

**Our Strategy and Offer**

Westgold’s strategy is to keep Dalgaranga running at full capacity, managed by the current Gascoyne operating team and contractors, to increase gold output by supplementing the ore feed with higher grade ore from our existing Cue mines. Westgold has three operating hubs across the Murchison and is seeking to expand its business by acquiring Dalgaranga. The combined company will become one of the top 5 Australian domestic gold producers creating a wealth of opportunities for stakeholders.

Under the Offer, Gascoyne Shareholders will receive 1 (one) Westgold Share for every 4 (four) Gascoyne Shares. This presents an implied offer value per share of **\$0.49** to you as a Gascoyne Shareholder.<sup>1</sup>



The current implied value of the Offer is **\$0.49** per Gascoyne share which represents an equity value of **approximately \$123 million<sup>2</sup>**. The Westgold Offer represents a premium of **58.1%** to the closing price

<sup>1</sup> Based on the closing prices of Westgold and Gascoyne shares, respectively, as at 14 October 2021. This value will change from time to time in accordance with fluctuations in the price of Westgold and Gascoyne shares.  
<sup>2</sup> Based on current Gascoyne Shares on issue and excludes any new Gascoyne shares to be issued upon exercise or vesting of Gascoyne Performance Rights. The implied offer will change with fluctuations in the WGX share price



of Gascoyne Shares prior to the announcement of Westgold's intention to make an Offer<sup>3</sup> and **55.2%** to the 30-day Volume Weighted Average Price (VWAP) of Gascoyne up to announcement by Westgold of its intention to bid.<sup>4</sup>

**This is a compelling Offer for Gascoyne Shareholders to become a shareholder in Westgold, a profitable, financially secure company with strong trading liquidity that has a stable platform of multiple established gold mines in Western Australia.**

### **The Rationale**

Westgold is a purely Western Australian gold producer and a neighbour of Gascoyne, making consolidation of the two producers a rational strategic outcome with a clear growth path:

- Westgold is the largest gold producer in the Murchison region where it operates multiple open pit and underground mines, three processing plants and has produced more than one million ounces of gold in the past four years.
- Westgold has excess ore mining capacity in the nearby Cue region that is available to supplement the current feed of lower grade Gilbey's ore into the large and under-utilised plant at Dalgarranga and immediately enhance its profitability.
- Westgold's technical capacity and two most northern processing hubs at Meekatharra and Fortnum provide a potential development path to unlock the value Gascoyne's currently stranded Glenburgh and Mt Egerton gold resources.
- Westgold's position as a well-funded, profitable, dividend paying gold producer with no debt will immediately resolve Gascoyne's imminent capital requirements and ongoing weak financial position thereby avoiding further shareholder dilution.
- The combination of Westgold and Gascoyne will create additional scale and liquidity that is likely to result in a further potential share price re-rating.

By accepting the Offer, you will become a shareholder in Australia's fifth largest domestic gold producer with pro-forma production of  $\approx 350,000$  oz per annum. In addition, you will benefit from an enlarged pipeline of near-term development projects that will support the company's growth towards becoming a +500,000 oz Au per annum producer over the medium term.

### **Key Offer Conditions**

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%. A full list of bid conditions is provided in section 7.2 of this Bidder's Statement.

Westgold has also confirmed that it will pay the \$500,000 break fee if it becomes payable to Firefly upon the Firefly Scheme not proceeding.

Westgold does not believe the Firefly assets solve the funding or operational problems ahead for Gascoyne and the Dalgarranga Operation, nor materially improve its resource base. In our view, the price that Gascoyne is proposing to pay for the Firefly assets appears grossly excessive in these circumstances and the hastily adopted and material changes to the Gascoyne Business plan announced on 13 October escalates financial risk to all Gascoyne shareholders.

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<sup>3</sup> Based on Gascoyne closing price of \$0.31 on 29 September 2021, the last trading day prior to WGX announcing its intention to make this Offer, and the closing price of a Westgold Share (\$1.96) as at 14 October 2021. Based on current Gascoyne Shares on issue and excludes any new Gascoyne shares to be issued upon exercise or vesting of Gascoyne Performance Rights. The implied offer value will change with fluctuations in the WGX share price.

<sup>4</sup> VWAP from 19 August 2021 to 29 September 2021, data is sourced from Bloomberg, and the closing price of a Westgold Share (\$1.96) as at 14 October 2021

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 was to complete then the preferred value ascribed by the Independent Expert to the combined group is **\$0.183 per Gascoyne share**.<sup>5</sup>

This compares unfavourably with the highly strategic Westgold Offer which implies a value of **\$0.49 per Gascoyne share**.<sup>6</sup> Accordingly, there is a **\$0.31 differential in value per share** between the Westgold Offer and the Firefly Scheme.

In recognition of this clear value proposition, Westgold has received supportive correspondence from key Gascoyne shareholders led by 10.04% shareholder First Sentier. First Sentier has stated that it considers the Westgold Offer to be superior to the Firefly Scheme and has directly advised the Gascoyne Board of its position in this matter.

**Westgold's Offer will only be available to Gascoyne shareholders if the Firefly Scheme is terminated. As a result, your acceptance of the Westgold Offer is in effect also a vote against the Firefly Scheme. I urge you as a shareholder to lobby the Board of Gascoyne to take all necessary steps to terminate the proposed value destructive merger with Firefly so as to be able to consider and accept the value accretive Westgold Offer.**

### **Next Steps**

The Offer is scheduled to close at 5.00pm (AWST time) on 29 November 2021. To accept the Offer please follow the instructions set out in this document and on the accompanying Acceptance Form.

If you have any questions about the Offer, please don't hesitate to contact your broker or your legal, financial or other professional adviser. You may also call the Westgold information line on 1300 395 838 (within Australia) or +61 3 9415 4068 (outside Australia).

My fellow Directors and I believe that the Offer is in the best interests of both Westgold and Gascoyne Shareholders. I urge you to accept the Offer as soon as possible and we look forward to welcoming you as a Westgold Shareholder.

Yours sincerely,



**Peter Cook**  
**Chairman**  
**Westgold Resources Limited**

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<sup>5</sup>Representing 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]

<sup>6</sup>Based on the Westgold closing price of \$1.96 on 14 October 2021. GCY Shareholders should note that implied valuation will fluctuate depending upon the market values of Westgold and GCY shares.

## Summary of the Offer

This summary of the Offer provides a general overview only and should be read together with the detailed information set out in the remainder of this Bidder's Statement.

|  |  |   |
|--|--|---|
| <p><b>What is Westgold offering to buy?</b></p>              | <p>Westgold is offering to acquire all of the shares in Gascoyne by way of an off-market takeover on the terms and conditions set out in this Bidder's Statement.</p> <p>The Offer relates to all Gascoyne Shares that exist at the Register Date and to all Gascoyne Shares issued before the end of the Offer Period as a result of the exercise or conversion of any Gascoyne Performance Rights that are on issue at the Register Date.</p> <p>You may only accept this Offer in respect of all (and not part) of the Gascoyne Shares held by you.</p> <p>Westgold is not offering to acquire any Gascoyne Performance Rights under the Offer. Instead, Westgold intends to offer to acquire all the Gascoyne Performance Rights on issue in Gascoyne by private treaty arrangements which will be sent independently from the Offer for the fully paid ordinary shares, on terms so as to provide a similar economic effect to the Offer having regard to the value of the performance rights, to the extent those rights are not converted into Gascoyne Shares during the Offer Period. These private treaty offers will be devised on terms so as to provide a similar economic effect to the Offer having regard to the value of the performance rights, but so as not to provide a superior economic benefit to the relevant holders of the Performance Rights when compared to the Offer for the ordinary shares.</p> |   |
| <p><b>What will you receive if you accept the Offer?</b></p> | <p>If you accept the Offer, then subject to satisfaction or waiver of the Conditions to the Offer, for every 4 (four) Gascoyne Shares, you will receive 1 (one) Westgold Share.</p> <p>If you are an Ineligible Foreign Shareholder, you will not be provided Westgold Shares. Instead, you will be paid by the Nominee the net proceeds of the sale of the Westgold Shares you would have been entitled to. See section 7.11 for more details.</p>  |   |
| <p><b>Key Dates</b></p>                                      | <p>Announcement Date</p>   | <p>30 September 2021</p>                                  |
|  | <p>Date of this Bidder's Statement</p>   | <p>15 October 2021</p>                                    |
|  | <p>Date of Offer (Offer opens)</p>   | <p>29 October 2021</p>                                    |
|  | <p>Date Gascoyne's Target Statement due</p>  | <p>No later than 15 days after the date of the Offer.</p> |
|  | <p>Offer scheduled to close (unless extended or withdrawn)</p>   | <p>5.00pm (AWST time) on 29 November 2021</p>             |
| <p><b>When will you receive your Westgold Shares?</b></p>    | <p>Subject to the terms of the Offer in section 7, you will be issued your Westgold Shares following acceptance of the Offer by you (unless you are an Ineligible Foreign Shareholder), by the end of whichever of the following periods ends earlier:</p> <ul style="list-style-type: none"> <li>(a) one month after the last of your acceptance and the date the Offer becomes unconditional; or</li> <li>(b) 21 days after the end of the Offer Period.</li> </ul> <p>Full details of when Westgold Shares will be issued are set out in section 7.</p> <p>Ineligible Foreign Shareholders will be provided with the net proceeds of sale to which they are entitled under the Offer at a different time.</p>   |   |
| <p><b>Will you need to pay brokerage or</b></p>              | <p>Brokerage or stamp duty is not payable by you in respect of your acceptance. If your Gascoyne Shares are registered in a CHESS Holding, or if you are a</p>   |   |

|   |  |
|---|--|
| <b>stamp duty on acceptance?</b>  | beneficial owner whose Gascoyne Shares are registered in the name of a broker, bank custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.   |
| <b>Close of Offer</b>   | The Offer is scheduled to close at 5.00pm (AWST time) on 29 November 2021, unless extended in accordance with the Corporations Act.  |
| <b>Conditions of the Offer</b>  | <p>The Offer is subject to a number of Conditions (unless waived at later date), including as summarised below, that:</p> <ul style="list-style-type: none"> <li>• the Firefly Scheme does not proceed;</li> <li>• Westgold achieves a Relevant Interest in at least 50.1% of all the Gascoyne Shares;</li> <li>• no adverse regulatory action by a Public Authority is made that restrains, impedes or prohibits, or otherwise materially adversely impacts upon, the making of the Offer or the acquisition of Gascoyne Shares under the Offer;</li> <li>• no material adverse change occurs in the Gascoyne Group;</li> <li>• no material acquisitions, disposal or new commitments are made by the Gascoyne Group;</li> <li>• no change of control rights are enlivened;</li> <li>• there is an absence of 'prescribed occurrences' in Gascoyne and/or Gascoyne Group Members; and</li> <li>• all Third Party Consents are obtained in respect of implementation of the Offer.</li> </ul> <p>The Conditions are set out in full in section 7.2 of this Bidder's Statement.</p>   |
| <b>What happens if the Conditions of the Offer are not satisfied or waived?</b> | If the Conditions of the Offer are not satisfied or waived by the Closing Date, the Offer will lapse and your acceptance will be void. This means that the Offer will not proceed, and you will continue to hold your Gascoyne Shares even if you have accepted the Offer.   |
| <b>How to accept the Offer</b>  | <p>You may only accept the Offer in respect of all (and not part) of your Gascoyne Shares.</p> <p><b>Issuer Sponsored Shareholders</b></p> <p>To accept the Offer, please complete, sign and return the enclosed Acceptance Form in accordance with the instructions so that it is received before the end of the Offer Period. A reply-paid envelope has been enclosed for shareholders with Australian addresses to return their completed Acceptance Form. Overseas shareholders should return their Acceptance Form by airmail in accordance with the instructions on the Acceptance Form.</p> <p><b>CHESs shareholders</b></p> <p>If your Gascoyne Shares are registered in a CHESs Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either:</p> <ul style="list-style-type: none"> <li>• completing and signing the Acceptance Form enclosed with this Bidder's Statement and returning it to the address indicated on the form; or</li> <li>• instructing your Controlling Participant (normally your broker) to accept the Offer on your behalf, before the Offer closes.</li> </ul> <p><b>Participants</b></p> |

|   |   |
|---|---|
|   | <p>If you are a Participant, acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes. Full details on how to accept the Offer are set out in section 7.5 of this Bidder's Statement.</p>   |
| <p><b>Can you accept the Offer for part of your Gascoyne Shares?</b></p>          | <p>No. You cannot accept for part of your Gascoyne Shares. You can only accept the Offer for <b>ALL</b> of your Gascoyne Shares.</p>  |
| <p><b>What if you are an Ineligible Foreign Shareholder?</b></p>                  | <p>Ineligible Foreign Shareholders that accept the Offer will not receive Westgold Shares. Rather, the Westgold Shares that Ineligible Foreign Shareholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds attributable to each Ineligible Foreign Shareholder will be paid to them by cheque in Australian dollars drawn on an Australian bank account. Ineligible Foreign Shareholders should read section 7.11 which provides further information on Ineligible Foreign Shareholders and the Nominee sale process. Westgold's determination of whether a Gascoyne Shareholder is an Ineligible Foreign Shareholder will be final.</p>  |
| <p><b>What happens if you do not accept the Offer?</b></p>                        | <p>You will remain a Gascoyne Shareholder and will not receive the consideration under the Offer. If Westgold becomes entitled to compulsorily acquire your Gascoyne Shares, it intends to proceed with compulsory acquisition. If your Gascoyne Shares are compulsorily acquired by Westgold, it will be on the same terms (including the same consideration for each Gascoyne Share acquired) as the Offer. Refer to sections 5.4 and 5.5 for details regarding Westgold's intentions if Westgold does not become entitled to compulsorily acquire your Gascoyne Shares.</p>  |
| <p><b>What is the effect of the offer on the Gascoyne Performance Rights?</b></p> | <p>The Offer relates to Gascoyne Shares only.</p> <p>Westgold intends to offer to acquire all the Gascoyne Performance Rights on issue in Gascoyne by private treaty arrangements which will be made independently from the Offer for the fully paid ordinary shares. These private treaty offers will be devised based upon a valuation of the relevant Gascoyne Performance Rights (to the extent not otherwise exercised or lapsed during the Offer Period) so as not to provide a superior economic benefit to the relevant holders when compared to the Offer for the ordinary shares.</p> <p>If Westgold becomes entitled under Chapter 6A of the Corporations Act to compulsorily acquire all outstanding Gascoyne Shares, Westgold intends to also compulsorily acquiring the Gascoyne Options and/or performance rights.</p> <p>Please refer to section 5.3 for further details.</p> |
| <p><b>Enquiries about the Offer</b></p>   | <p>If you have any questions about the Offer or how to accept the Offer, please call the Westgold information line on 1300 395 838 (within Australia) or + 61 3 9415 4068 (outside Australia) or consult your legal or other financial or professional adviser.</p> <p>For questions regarding your holding of shares in Gascoyne, please call Gascoyne 's share registry.</p>  |
| <p><b>Important Notice</b></p>  | <p>The information is a summary only of Westgold's Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement and the Target Statement that Gascoyne will shortly be sending to you, before deciding whether to accept the Offer.</p>   |

## Reasons to ACCEPT THE OFFER

### OFFER HIGHLIGHTS

- You will become a shareholder in Westgold, a profitable, financially secure company in the GDX company with strong trading liquidity that has an expanding platform of established gold mines in the Murchison Region of Western Australia
- You will receive an attractive premium and value for your Gascoyne shares
- You will benefit from owning shares in a dynamic, growth oriented regional gold miner
- The Offer removes significant funding and technical risks associated with sustaining the Dalgara Operation and addresses Gascoyne's weakening financial position
- In the absence of the Offer, Gascoyne shareholders face imminent capital requirements to sustain Dalgara and develop Melville and further material equity dilution to fund the recently announced enhanced business plan
- You will share in the additional value available to be unlocked from the significant operational and financial synergies between Westgold and Gascoyne
- The Offer is conditional on the highly dilutive proposed Firefly Scheme not proceeding
- You may be eligible for capital gains rollover relief and will not incur costs associated with your acceptance of Westgold's Offer
- The Gascoyne share price may fall if the Offer is unsuccessful – particularly if the Firefly Scheme is allowed to proceed



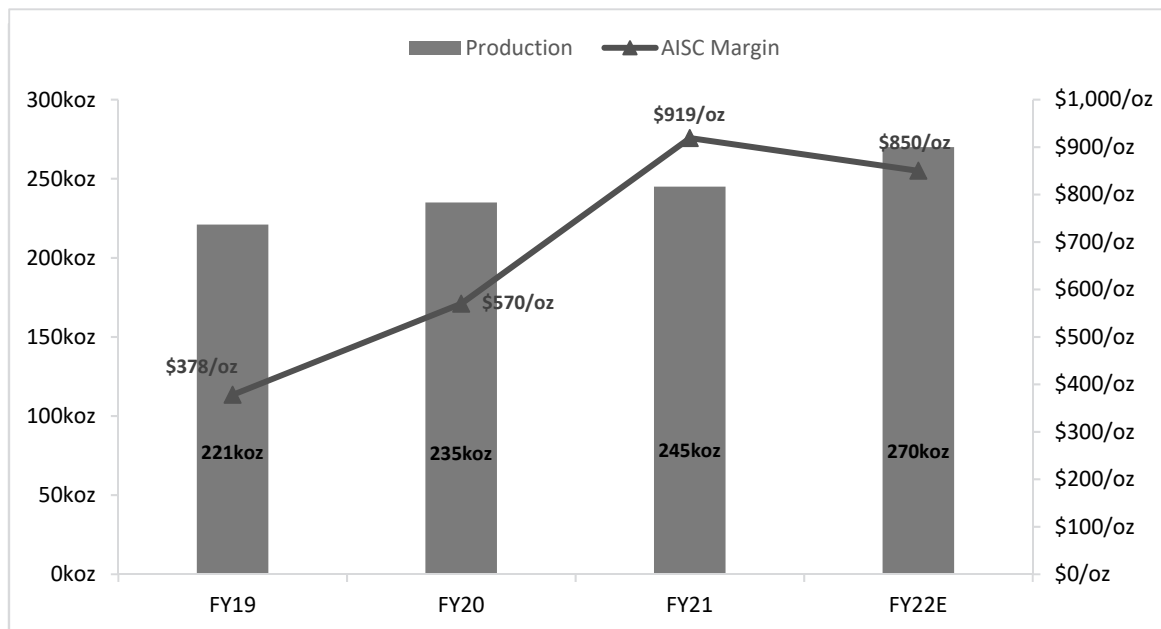
**You will become a shareholder in Westgold, a profitable, financially secure company in the GDX company with strong trading liquidity that has an expanding platform of established gold mines in the Murchison Region of Western Australia**

Westgold Resources Limited (ASX: WGX) is a uniquely Western Australian gold company. With a workforce of over 1,000 people, Westgold is the dominant explorer, developer, operator and gold mining company in the Murchison region in Western Australia. The Company is the owner-operator of all of its underground and open pit mines and as such this vertical integration provides greater cost control and operating flexibility across the Company's assets.

Westgold shareholders benefit from exposure to:

- Six underground mines, several open pits and three processing plants with an installed processing capacity of ≈4 Mtpa
- 7.9Moz resource base across over 1,300km<sup>2</sup> of tenure ready to explore
- High quality Board and management with excellent corporate governance standards
- Strong production profile with FY22 guidance of 270,000koz Au forecast
- \$76.8m after tax net profit FY21 (up 122% year on year)
- Strong financial position being debt free with a cash position of +\$150m<sup>7</sup>
- Maiden dividend of \$0.02 per share recently announced in September 2021<sup>8</sup>
- Member of key equity indices including GDX (VanEck Gold Miners ETF) and GDXJ (VanEck Junior Gold Miners ETF)
- Strong daily share liquidity of ~2m shares, equal to ~14% SOI per month<sup>9</sup>

#### Westgold Gold Production and AISC Margin – Since FY18<sup>10</sup>



<sup>7</sup> As at 30 June 2021

<sup>8</sup> As per ASX announcement dated 30 August 2021 "Maiden Cash Dividend"

<sup>9</sup> Based on current Gascoyne Shares on issue and excludes any new Gascoyne shares to be issued upon exercise or vesting of Gascoyne Options

<sup>10</sup> Per Westgold Investor Presentation dated 14 September 2021, Murchison & Bryah Operations Only

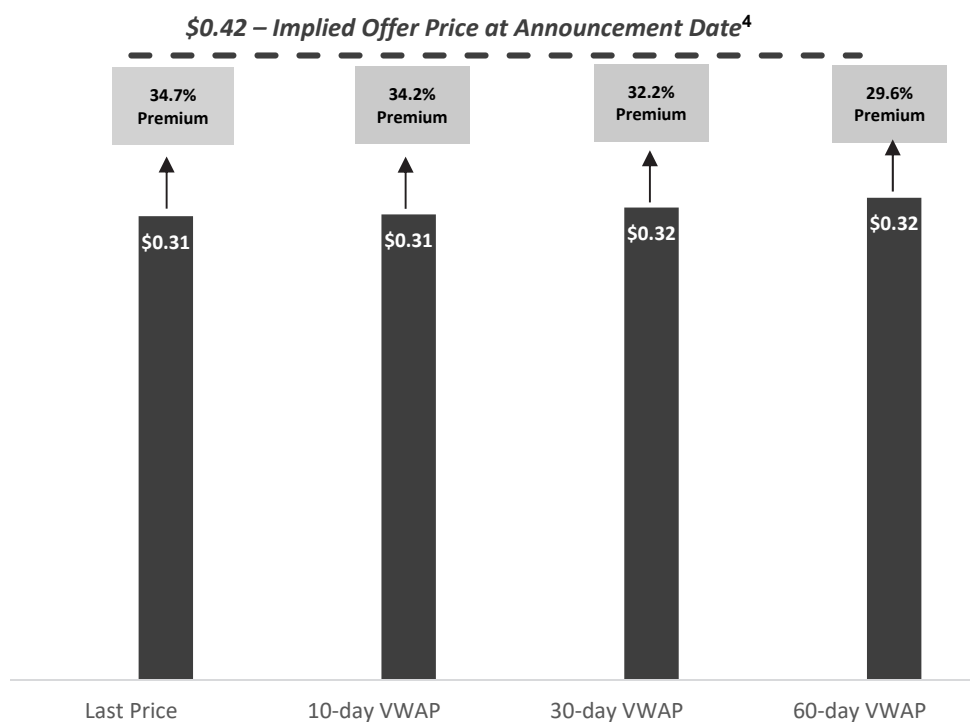
**You will receive an attractive premium and value for your Gascoyne shares**

Westgold is offering a compelling and attractive premium and value for Gascoyne.

The Westgold Offer provides you with a significant market premium for your shares in a transaction that enhances their value through the future expected growth of Westgold. By accepting the Westgold Offer, you will become part of a much larger, well-funded and established group which is already the dominant gold producer in the region.

At the announcement date of the intention to make an Offer, the Westgold Offer represented a premium of:

- **34.7%** to the closing price of Gascoyne Shares on the ASX on 29 September 2021<sup>11</sup>;
- **34.7%** to the 10-day VWAP of Gascoyne Shares on the ASX on 29 September 2021<sup>12</sup>;
- **32.2%** to the 30-day VWAP of Gascoyne Shares on the ASX to 29 September 2021<sup>13</sup>; and
- **29.6%** to the 60-day VWAP of Gascoyne Shares on the ASX to 29 September 2021<sup>14</sup>.



Since Westgold's notification of its intention to make a takeover bid for Gascoyne, the Gascoyne shares have traded strongly showing that Gascoyne shareholders support and endorse the Westgold Offer as opposed to the Firefly Scheme.

<sup>11</sup> Based on Gascoyne closing price of \$0.31 on 29 September 2021, the last trading day prior to WGX announcing its intention to make this Offer. Based on current Gascoyne Shares on issue and excludes any new Gascoyne shares to be issued upon exercise or vesting of Gascoyne Performance Rights. The implied valuation will change with fluctuations in the WGX share price.

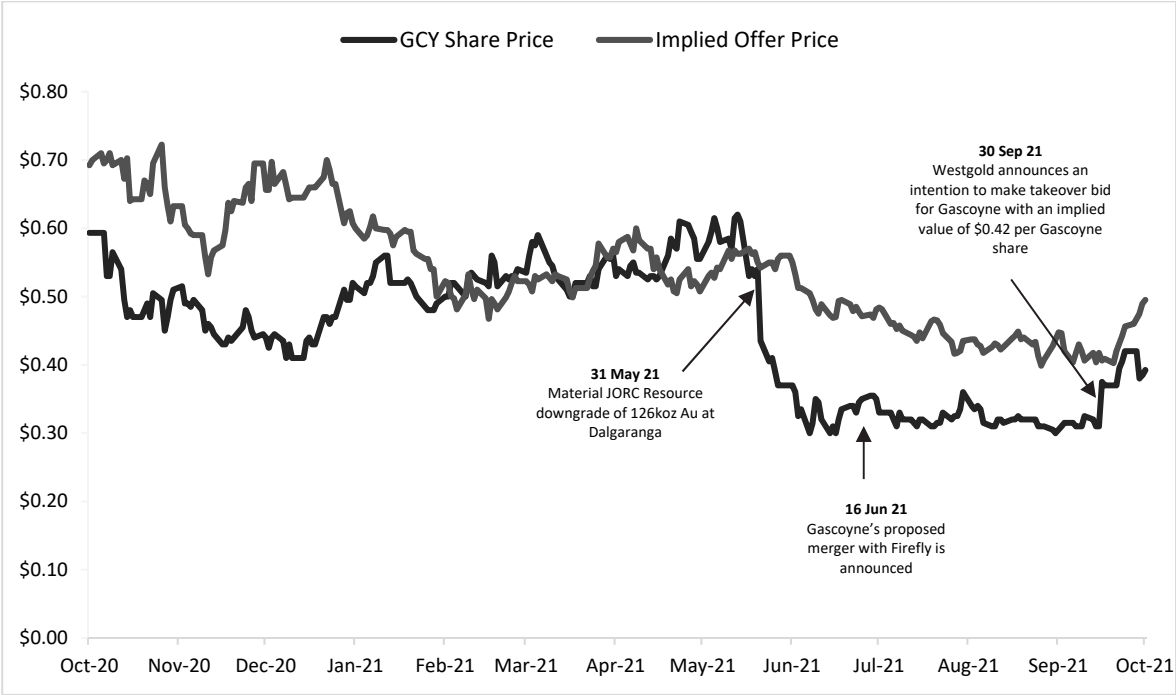
<sup>12</sup> Volume weighted average price (VWAP) of Gascoyne shares is calculated from 16 September 2021 to 29 September 2021, data is sourced from Bloomberg

<sup>13</sup> VWAP from 19 August 2021 to 29 September 2021, data is sourced from Bloomberg

<sup>14</sup> VWAP from 8 July 2012 to 29 September 2021, data is sourced from Bloomberg



**Implied Offer Price & GCY Share Price – LTM<sup>15</sup>**



The current implied value of the Offer is \$0.49 per Gascoyne share which represents an equity value of approximately \$123 million.

This means the Westgold Offer represents an implied premium of 58.1% over the closing price of Gascoyne on the day prior not Westgold announcing its intention to make this Offer.<sup>16</sup>

<sup>15</sup> Data sourced from IRESS, last twelve months from 14 October 2021

<sup>16</sup> The Gascoyne undisturbed price is the Gascoyne last close share price of \$0.31 per share on 29 September 2021 immediately prior to Westgold's announcement of its intention to make a takeover offer for Gascoyne

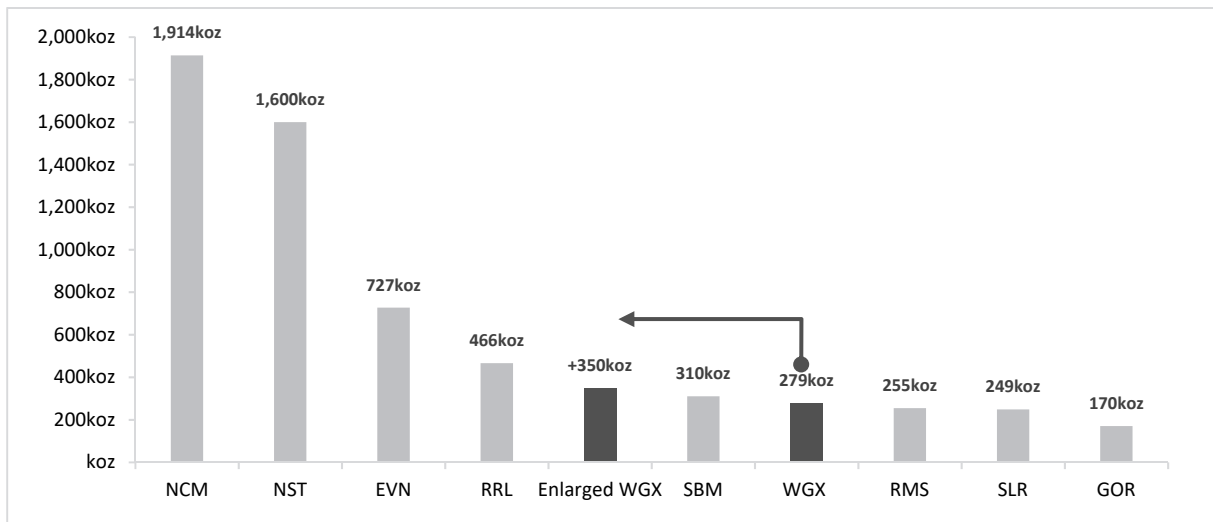
**You will benefit from owning shares in a dynamic, growth oriented regional gold miner**

The Offer provides Gascoyne Shareholders with an opportunity to become part of the dominant gold producer in the Murchison region.

Westgold has already produced more than 1 million ozs of gold in the past four years.

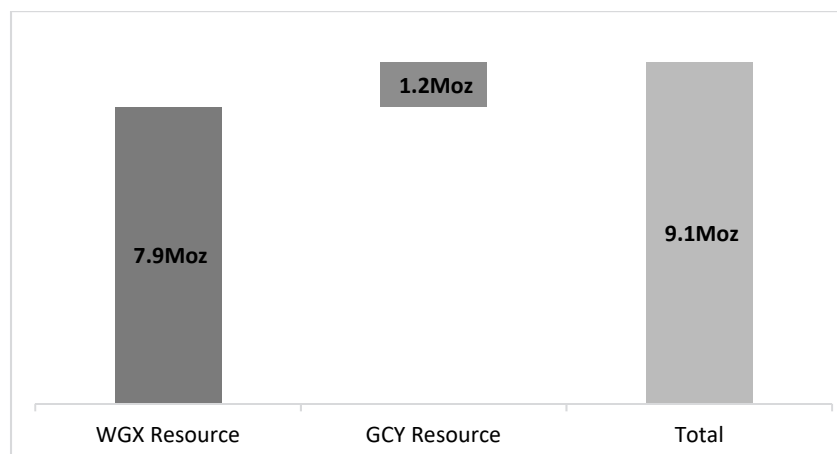
The enlarged Westgold assets will create one of Australia’s five largest ASX listed domestic gold producers with an expected output to move quickly to + 350,000oz Au per annum.

**ASX Listed Australian Gold Producers – FY22E<sup>17</sup>**



The enlarged Westgold will also benefit from a significantly increased Mineral Resource base of 9.1Moz Au<sup>18</sup>.

**Pro-Forma Global Gold Resource of Enlarged WGX<sup>19</sup>**



The enlarged Westgold will also offer shareholders exposure to an enlarged pipeline of near-term development projects across a consolidated c. 3,900km<sup>2</sup> exploration portfolio.

<sup>17</sup> FactSet Estimate of FY22 Gold Production by ASX listed Australian

<sup>18</sup> Based on a simple addition of the currently reported Mineral Resources of the two companies.

<sup>19</sup> Based on a simple addition of the currently reported Mineral Resources of the two companies, based on the most recent Westgold Mineral Resource Statement on 29 September 2021 and Gascoyne Mineral Resource on 31 May 2021

**The Offer removes significant funding and technical risks associated with sustaining the Dalgaranga Operation and addresses Gascoyne's weakening financial position**

Gascoyne shareholders face a range of significant risks as a single asset, standalone mining company.

**Key Risk #1: Gascoyne continues to underperform following its voluntary administration and highly dilutive \$125 million recapitalisation**

Gascoyne is a single asset company reliant on being able to supply adequate ore feed to its 2.5mtpa processing plant at Dalgaranga.

Gascoyne's recent experience of being forced into voluntary administration in June 2019 before ultimately requiring a highly dilutive \$85 million equity raising as part of a broader \$125 million recapitalisation highlights the risks associated with operating Dalgaranga on a standalone basis.

In the last six months Gascoyne has made the following value destructive announcements:

- On 31 May 2021, Gascoyne announced a 152koz Au downgrade of its JORC Resources at Dalgaranga.<sup>20</sup>
- On 4 June 2021, Gascoyne announced a significant impairment of the carrying value of Dalgaranga that resulted in a \$80 million write down.
- On 13 October 2021, Gascoyne announced geotechnical stability issues at its prime Gilbey's open pit when what was referred to as "a weak slip" adversely impacted production for two months during the September quarter.<sup>21</sup>
- On 13 October 2021, Gascoyne announced new "enhanced business plan" (see Key Risk #2 below)
- On 13 October 2021, Gascoyne again downgraded its FY22 All-in Sustaining Cost (AISC) guidance. This represents a 44% cost blowout in a period of approximately 14 months over three separate downgrades as follows:

| Gascoyne FY22 AISC Guidance Downgrades |  |                            |
|--|--|----------------------------|
| Date                                   | Announcement   | FY22 AISC Guidance (\$/oz) |
| 13-Oct-21                              | Updated Business Plan and REJECT Westgold Offer                              | \$1900-\$2000              |
| 4-Jun-21                               | Updated Guidance for FY21 and New FY22 Guidance                              | \$1600-\$1700              |
| 31-Jul-20                              | Dalgaranga Gold Mine - Updated LOM Production Target and Updated Ore Reserve | \$1300-\$1400              |

Most concerning is the withdrawal of the FY23 and FY24 guidance.<sup>22</sup>

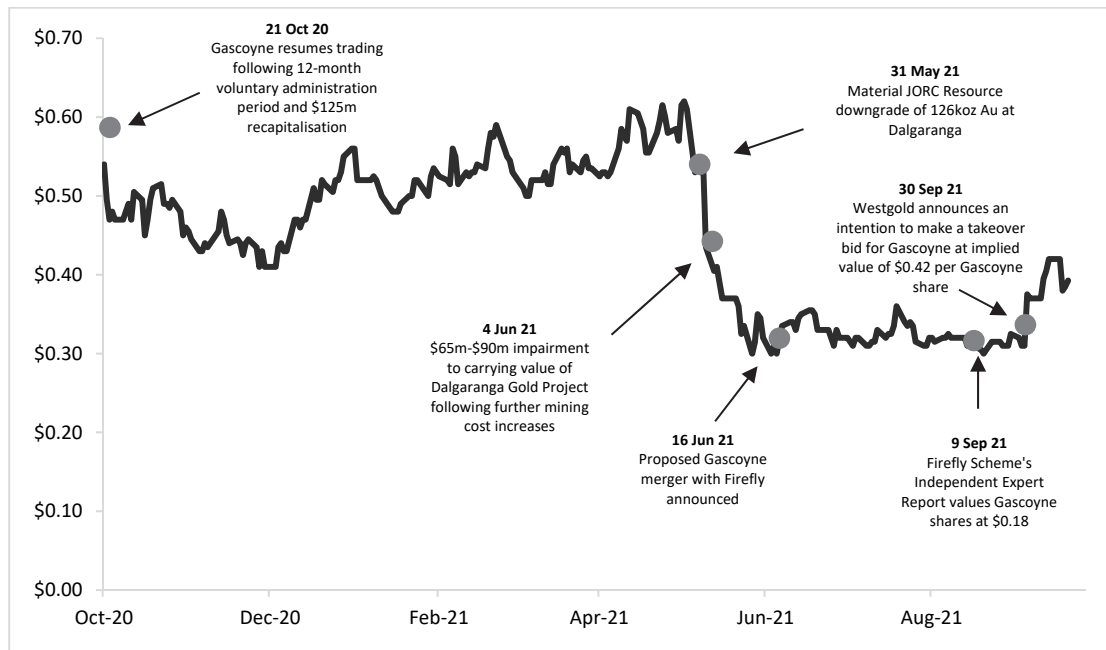
Gascoyne's ongoing operational and financial underperformance is reflected in its poor share price performance since emerging from Voluntary Administration.

<sup>20</sup> Per ASX announcement dated 31 May 2021 "2021 Mineral Resource and Ore Reserve Statements"

<sup>21</sup> Per ASX announcement dated 13 October 2021 "Updated Business Plan and REJECT Westgold Offer"

<sup>22</sup> Per ASX announcement dated 13 October 2021 "Updated Business Plan and REJECT Westgold Offer"

## Gascoyne Share Price Performance Since Re-admission to the ASX on 21 October 2020



In the absence of the Westgold Offer occurring, Gascoyne shareholders face an uncertain outlook and the risk of further material loss of shareholder value.

### **Key Risk #2: Gascoyne has hurriedly announced a new speculative and high-risk business plan**

Gascoyne's new "enhanced business plan" to supply adequate ore feed to the hungry Dalgaranga plant for FY23 and beyond is ill-defined and appears to rely on processing low-grade Gilbey's ore along with unproven satellite mineral resources, low grade stockpiles and undisclosed 'stranded' gold deposits.

The new plan assumes Gascoyne can merge with Firefly and can then quickly access Firefly's 196koz Melville deposit. The Melville deposit represents only a modest, early-stage questionably defined<sup>23</sup> Indicated and Inferred Mineral Resource with no Ore Reserve declared. No detailed mining and metallurgical studies have been released to determine its true economics and support a financial investment decision for its development. The deposit needs to be permitted and a Mining Lease approved and once these milestones are achieved, will likely require a capital-intensive pre-strip to allow mining of ore.

Melville's economics and the capital required by Gascoyne to fund any future potential development is not defined nor disclosed and as such an "enhanced business plan" that relies on a small, unpermitted deposit should be considered speculative and high risk at best.

Fundamentally, Gascoyne and its shareholders are faced with bearing all of the costs associated with its large, hungry Dalgaranga plant without certain as to a long term and sustainable ore source that can underpin a profitable operation.

<sup>23</sup> Refer page 48 SRK Independent Technical Assessment & Valuation Report – August 2021

**Key Risk #3: Weak financial position with significant debt outstanding and a tight working capital position**

In FY21, Gascoyne announced a \$44.1 million financial year loss.<sup>24</sup>

Gascoyne has a last reported cash and working capital position of \$26.4 million and \$12.6 million.<sup>25</sup>

Gascoyne has outstanding bank debt of \$10.5 million<sup>26</sup> with the secured creditors continuing to have priority to any available cashflow to support debt repayment. In addition, Gascoyne also has an outstanding contingent liability payment arrangement that will require repayment of a further \$12.8 million. As a result, Gascoyne has total outstanding debt repayable of \$23.3 million.

Gascoyne's financial position restricts its ability to fund critical capital items to support its short life operations and creates material ongoing financial and operating risk.

This weak financial position has resulted in Gascoyne having to discard its previous mine plan. Gascoyne's discarded plan stated that Dalgaranga would sustain a 70-80,000oz Au per annum operation until the end of calendar year 2024.<sup>27</sup> This mine plan involved the completion of the Stage 3 cutback at Gilbey's openpit, at an estimated capital cost of \$150m which was entirely unfunded. To progress under the discarded plan, Gascoyne would have to raise capital further diluting its value to shareholders.

**Key Risk #4: Gascoyne's operational and financial risks may negatively impact its ability to attract and retain key staff**

Gascoyne faces heightened risks regarding its ability to attract and retain its key staff given its ongoing operational and financial issues. The current tight market for labour in the Western Australian mining sector means Gascoyne may be faced by escalating operational costs, risks associated with a lower skilled workforce and/or operational disruptions or delays.

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<sup>24</sup> FY21 Annual Report to shareholders, ASX released 24 September 2021 and ASX announcement 13 October 2021

<sup>25</sup> FY21 Annual Report to shareholders, ASX released 24 September 2021

<sup>26</sup> Per ASX announcement dated 13 October 2021 "Enhanced Business Plan for Dalgaranga to Significantly Increase Cashflow"

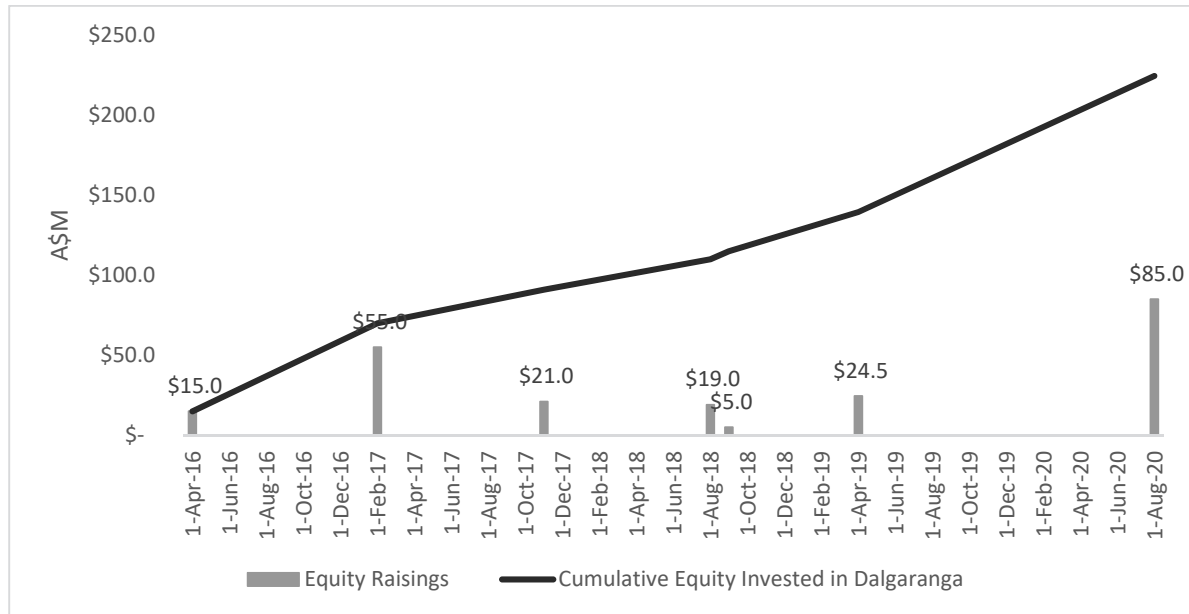
<sup>27</sup> As disclosed in the Gascoyne ASX release of 27 October 2020



**In the absence of the Offer, Gascoyne shareholders face imminent capital requirements to sustain Dalgara and develop Melville and further material equity dilution to fund the recently announced enhanced business plan**

Since release of the Dalgara Pre-Feasibility Study (PFS) in March 2016, Gascoyne have raised equity totalling over \$220 million<sup>28</sup> to fund the development and operation of Dalgara. This is in spite of the Dalgara PFS estimating total capital expenditure at \$75 million<sup>29</sup>.

#### Total Equity raised by Gascoyne since its PFS release



Under Gascoyne's management, Dalgara has been plagued by expensive and ongoing cost over-runs. The consequence of these over-runs has been multiple dilutive capital raisings, that have been consumed by Gascoyne's single producing asset, starving the company of productive exploration.

The Westgold Offer provides Gascoyne shareholders with the opportunity to break this cycle of financial weakness, equity raising and operational underperformance. Without the Westgold Offer, Gascoyne shareholders face material operational uncertainty associated with the ill-defined new mine plan. This heightens the risk of further large scale equity raisings, dilution and loss of shareholder value.

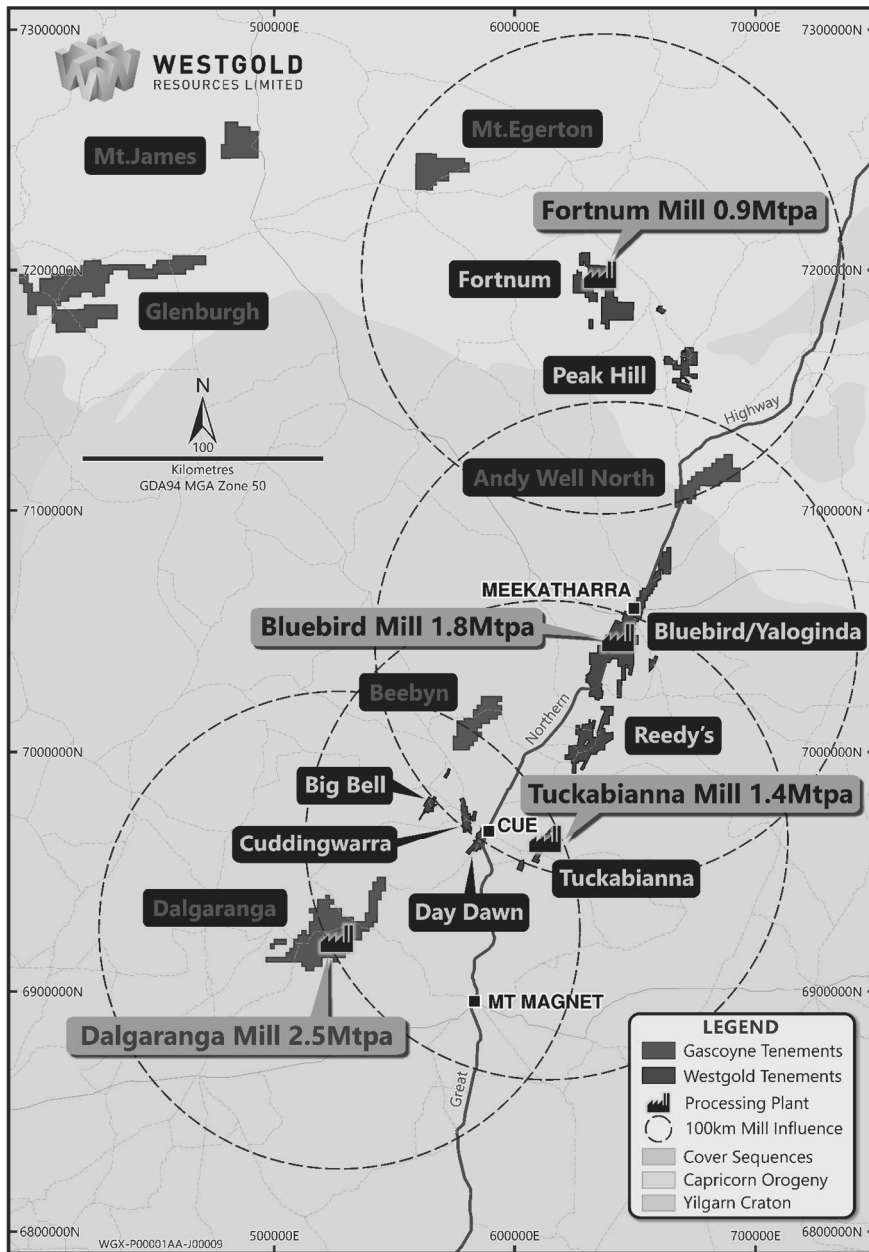
Gascoyne and its Dalgara plant has already been placed into Voluntary Administration once and required a highly dilutive \$125 million recapitalisation in October 2020 to re-emerge as a solvent entity.

<sup>28</sup> Cumulative equity raised since Dalgara PFS announcement on 31 March 2016

<sup>29</sup> ASX release on 31 March 2016

- You will share in the additional value available to be unlocked from the significant operational and financial synergies between Westgold and Gascoyne

Westgold considers the proposed amalgamation with Gascoyne will enable each company's respective shareholders to share in significant value creation available from unlocking the regional synergies across the Murchison region.



**Key identified synergies are:**

**1. Improved and sustainable utilisation of Gascoyne's Dalgaranga infrastructure**

The large, modern and hungry plant at Dalgaranga is an asset to Gascoyne if the company can keep it adequately utilised and a liability if it cannot.

Westgold can remove these operating and financial risks whilst prospectively increasing the Dalgaranga gold production profile to create an improved, sustainable production hub.

Westgold has excess ore immediately available from its nearby Cue Operations (Big Bell and Cuddingwarra) to supplement the current feed of lower grade Gilbey's ore including:

- the increasing production at Big Bell @ circa 3g/t Au;
- the large resource of historic Big Bell @ tailings circa 3.44 million tonnes at 0.76g/t Au; and
- the newly proposed Fender underground mine @ circa 30,000tpm at approx. 3 g/t Au.

Diverting some of this tonnage to Dalgaranga can immediately lift gold production to above 100,000oz Au per annum and extend mine life for many years.

In the medium term, Westgold also has significant undeveloped resources in the southern part of its Cue Operations that may be capable of providing significant and long-term higher grade plant feed to Dalgaranga.

Consolidating excess Westgold available from our Cue operations with the processing infrastructure of Gascoyne's Dalgaranga operations will improve the plants processing capacity seeing an increase in gold output in the short term, creating significant value for both Westgold and Gascoyne shareholders.

## **2. Commercialisation of Gascoyne's other assets**

Gascoyne's Glenburgh and Mt Egerton advanced gold projects do not currently have a development path to commercialisation. These assets are stranded without a processing option within Gascoyne and will require additional capital to advance and potentially develop.

Westgold has 2 processing hubs proximate to the stranded projects and the technical capacity of a much larger mining house to define and support a tangible development path for these projects.

Westgold's process plants at Fortnum and/or Meekatharra could provide a commercial solution unlocking these Gascoyne assets without substantial capital burden, additional debt or further significant dilution of Gascoyne's shareholder interests.

## **3. Strong financial position with no debt**

Westgold is a debt free and well-funded gold producer. Being debt free means that Westgold controls its destiny and has the financial capacity to endure market risks without exposing its shareholders to value erosion through multiple dilutive raises.

Westgold has also now transitioned into a dividend paying company and intends to continue to reward its shareholders through the payment of dividends as appropriate.

By voting to **ACCEPT** the Westgold Offer you will be also voting in favour of ending further dilution of your Gascoyne Shareholding and instead enjoy future dividends as they are declared.

## **4. Equity Re-Rating potential**

The combination of Westgold and Gascoyne will provide further scale, liquidity and unlock significant value attributable to its shareholders. Given Westgold is already included in several major gold equity indices including the GDX Vector Funds, the transaction is likely to result in a further share price re-rating for the enlarged group as the production scale grows.

By voting to **ACCEPT** the Westgold Offer you will be able to benefit in this equity re-rating potential the combined group's value.



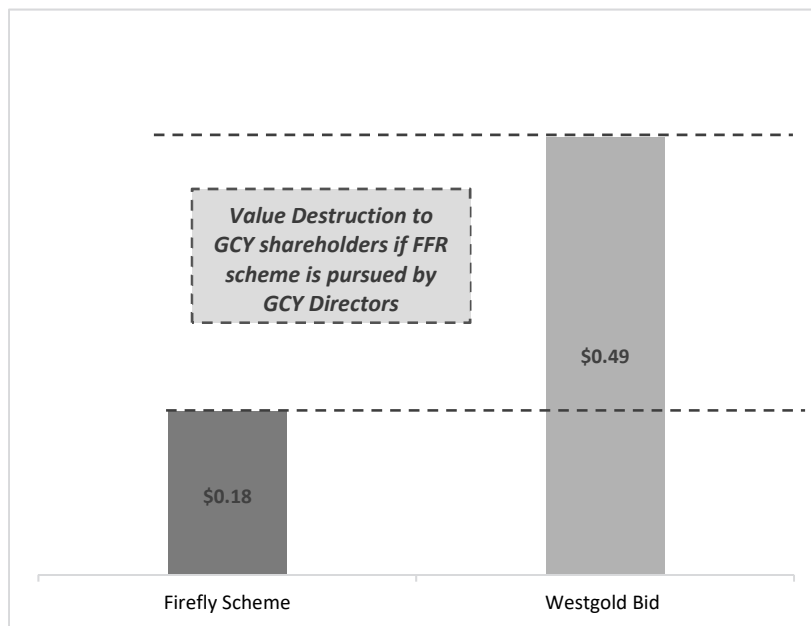
**The Offer is conditional on the highly dilutive proposed Firefly Scheme not proceeding**

### 1. The Firefly Scheme is highly value destructive

Westgold does not share Gascoyne's optimistic view of the Firefly assets and is only making its offer on the basis that this transaction by way of scheme does not proceed. 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 (GCY-Firefly Post Merger Value)**.<sup>30</sup>

This compares with the highly accretive Westgold Offer of one (1) Westgold share for every four (4) Gascoyne Shares which implies a value of **\$0.49 per Gascoyne share**.<sup>31</sup> The below chart demonstrates the **\$0.31 differential in value per share** between the Westgold Offer and the Firefly Scheme.

#### Comparison of value per GCY share between Firefly Scheme and WGX Bid



This means the Westgold Offer represents an implied premium of 168% to the GCY-Firefly Post Merger Value.

Expressed another way, based on the preferred valuation of the proposed merged entity following the Firefly Scheme in the Firefly Independent Expert's Report, Gascoyne's shareholders face an estimated share price fall of approximately \$0.20 per Gascoyne Share or approximately \$51 million of value destruction if the Firefly Scheme proceeds when compared to the implied valuation of the Westgold Offer.<sup>32</sup>

### 2. The Firefly Assets will not resolve Gascoyne's operational and financial issues

The Firefly Scheme if approved will deliver Firefly shareholders a windfall outcome being **33% of Gascoyne** in return for the early stage Yalgoo project and its Melville deposit.<sup>33</sup>

Firefly's last reported cash position was only \$3.9 million as at 30 June 2021.

<sup>30</sup>Representing 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]

<sup>31</sup>Based on the Westgold closing price of \$1.96 on 14 October 2021. GCY Shareholders should note that implied valuation will fluctuate depending upon the market values of Westgold and GCY shares.

<sup>32</sup>Based on the close price of a Gascoyne Share of \$0.39 as at 14 October 2021

<sup>33</sup>Per ASX Announcement 16 Jun 2021 "Gascoyne and Firefly Merger Presentation"

As noted above, the Melville deposit is relatively small, is unpermitted and there has been no disclosed economic evaluation proving its worth and real cost to develop. It should be considered speculative and high risk at best.

It is unclear as to how the Firefly Scheme addresses the immediate funding issues for Gascoyne to sustain operations at Dalgarranga and complete the Gilbey's cutback, nor the development needs for Melville. Instead the Firefly Scheme appears likely to increase the risk of ongoing material dilution to Gascoyne shareholders as significant additional capital is likely to be required.

### **3. Westgold's Offer will only be available to Gascoyne shareholders if the Firefly Scheme does not proceed**

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%.<sup>34</sup> Westgold considers its Offer to be far less conditional than the Firefly Scheme, which remains subject to approximately twenty (20) Scheme Conditions.<sup>35</sup>

In addition, Westgold has also offered to pay the prescribed break fee under the Scheme Implementation Deed to assist Gascoyne.

### **4. Key Gascoyne major shareholder has stated they consider the Westgold Offer is superior to the Firefly Scheme**

Westgold has received a copy of a letter dated 8 October 2021 sent to the Gascoyne Board by Gascoyne major shareholder, First Sentier Investors (Australia) IM Ltd (10.04%), advising that it considers the Westgold Offer to be superior to the Firefly Scheme.

In addition, Westgold has received significant additional positive engagement on its Offer from other Gascoyne shareholders.

Westgold notes that the Gascoyne announcement 13 October 2021 advised that 22.1% shareholder Deutsche Balaton has indicated its intent to "reject the Westgold Offer in the absence of a superior proposal". Gascoyne shareholders should be aware that Deutsche Balaton is also a major shareholder in Firefly, and with a nominee on the board of Gascoyne<sup>36</sup>.

### **5. Gascoyne's Board must listen to their shareholders and provide them the opportunity to ACCEPT the Westgold Offer and in effect vote against the Firefly Scheme**

Westgold notes the Gascoyne Board's recommendation in respect of Westgold's Offer but considers this recommendation is difficult to understand given, as stated above, the **\$0.31 differential in value per share** between the Westgold Offer and the Firefly Scheme.

The Gascoyne Board must act in accordance with its fiduciary duties to its shareholders and take all steps necessary to terminate the highly dilutive 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 highly dilutive Firefly Scheme.

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<sup>34</sup>Refer to Appendix 1 of the Westgold announcement dated 30 September 2021 for a full list of the proposed bid conditions.

<sup>35</sup>Refer FFR ASX announcement dated 8 September 2021 [Scheme Booklet, page 113]

<sup>36</sup> Gascoyne announcement dated 13 October 2021

**The Firefly Scheme structure deprives Gascoyne shareholders of any vote or opportunity to choose in connection with this highly 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.**

On 14 October 2021, Westgold made an application to the Takeovers Panel in relation to the affairs of Gascoyne, and more particularly that the Scheme Implementation Deed operates as an unacceptable lock-up device such that an entity that wishes to acquire a stand-alone or pre-merger Gascoyne is practically prevented from doing so<sup>37</sup>.

Westgold has provided undertakings which prohibit Westgold from directly or indirectly causing, participating in or assisting the canvassing in any media of any issue that is before the Panel (or any issue likely to be before the Panel). Accordingly, Westgold does not intend to comment further on the matter at this stage

**You may be eligible for capital gains rollover relief and will not incur costs associated with your acceptance of Westgold's Offer**

Should the Offer become unconditional and Westgold receives acceptances for 80% of the Gascoyne shares on issue then Gascoyne shareholders may, depending on their individual circumstances, qualify for rollover relief on the share element of the consideration.

By accepting Westgold's Offer, Gascoyne shareholders will not have to pay the brokerage costs usually incurred when selling Gascoyne shares on market.

Information in relation to CGT rollover relief and general Australian taxation implications of accepting the Offer are set out in section 6. You should consult your own independent professional tax advisor for tax advice, taking into account your individual circumstances.

**If you wish to accept this Offer you must do so in accordance with section 7.5 by 5.00pm (AWST time) on the Closing Date, scheduled to be 29 November 2021.**

**The Gascoyne share price may fall if the Offer is unsuccessful - particularly if the Firefly Scheme is approved**

The closing Gascoyne share price on 29 September 2021, being the last trading day prior to the Announcement Date was \$0.31.

Since the Announcement Date, Gascoyne Shares have traded at a level that reflects the implied value of the Offer.

If the Offer is not successful, the Gascoyne Share price may materially decline. As a result, Gascoyne Shareholders who have not accepted the Offer before it lapses may not have another opportunity to sell their Gascoyne shares at prevailing prices.

Based on the preferred valuation of the proposed merged entity following the Firefly Scheme in the Firefly Independent Expert's Report, Gascoyne's shareholders face an estimated share price fall of approximately \$0.20 per Gascoyne share or approximately \$51 million of value destruction if the Firefly Scheme proceeds when compared to the implied valuation of the Westgold Offer.<sup>38</sup>

In addition, should Gascoyne continue as a standalone gold company or complete the Firefly Scheme, then Westgold considers that Gascoyne shareholders will almost certainly be even further diluted as a further material capital raising is likely to be required.

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<sup>37</sup> Refer to Panel Media Release TP21/25 of 14 October 2021

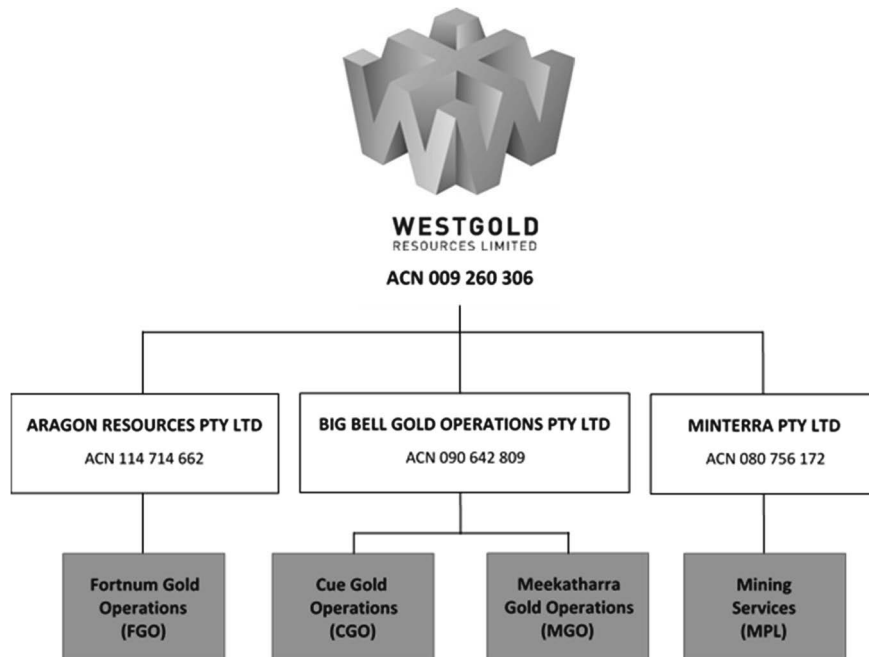
<sup>38</sup> Based on the close price of a Gascoyne share of \$0.39 as at 14 October 2021

## 1. Information on Westgold

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### 1.1 Who is Westgold?

The Bidder under the Offer is Westgold Resources Limited, incorporated in Australia on 27 July 1987 and listing on ASX on 6 December 2016, following a demerger from Metals X Limited. A simplified corporate structure is below.



Westgold (ASX code: WGX) is an Australian gold producer with its key assets in the Murchison region of Western Australia. It is the dominant gold producer in the region with more than 350 mining titles and over 1,300 sq kilometres of mining tenure sitting immediately north and east of the Gascoyne tenure.

Westgold has produced more than 1 million oz of gold in the region in the past four years and operates 3 processing plants with a combined 4 million tonne per annum of processing capacity.

Westgold has 4 accommodation villages in the Murchison region (800 beds) and is the only Australian gold miner who is fully owner operator in its open pit and underground mining operations. Westgold currently operates 6 underground mines and 4 open pits and has forecast FY22 gold output to be 270,000 oz +.

Westgold closed the financial year with a cash balance of \$150.7 million and total current assets of \$222.4 million and carries no corporate debt. Shareholder equity grew 16.4% to \$607.4 million at the same time. In FY21 Westgold booked a net profit after tax of \$76.8 million on revenue of \$571.2 million from the sale of 245,066oz of gold at an average achieved price of A\$2,330/oz.

Westgold has 425.5 million shares on issue which have had a trading range of \$1.665 to \$2.89 per share over the last 12 months delivering a resultant market capitalisation of \$706 million to \$1.225 billion.

Westgold is a top10 Australian domestic gold producer who has the technical capability and financial capacity to develop and advance the combined projects. It is well funded with asset diversity and a market capitalisation, as at the time of this Bidder's Statement, of approximately A\$840 million.

Refer to section 8.11 regarding Westgold and its status as a disclosing entity.

## 1.2 Westgold's Current Capital Structure

| Class of Security           | Number on issue                |
|-----------------------------|--------------------------------|
| Westgold Shares             | 425,496,166                    |
| Westgold Performance Rights | 1,486,500 (refer section 8.13) |
| Westgold Options            | 521,630 (refer section 8.13)   |

## 1.3 Substantial holders in Westgold

As at the date of this Bidder's Statement, so far as known to Westgold based on publicly available information, there are no substantial holders of Westgold except as set out below:

| Substantial holder             | Number of Westgold's Shares held (directly and indirectly) <sup>39</sup> | Voting power |
|--------------------------------|--|--------------|
| Ruffer LLP                     | 38,583,543   | 9.10%        |
| Van Eck Associates Corporation | 38,244,568   | 9.02%        |
| FIL Limited                    | 29,806,384   | 7.09%        |
| L1 Capital Pty Limited         | 21,301,666   | 5.07%        |
| Blackrock Group                | 19,665,671   | 5.05%        |
| Invesco Australia Limited      | 21,216,252   | 5.005%       |

## 1.4 Overview of Westgold's Operations

Westgold is a uniquely Western Australian gold company. With a workforce of over 1000 people, it is the dominant explorer, developer, operator and gold mining company in the Murchison region. With over 1,300 km<sup>2</sup> of tenure across the Murchison and Bryah Basin, it currently operates six underground mines, several open pits and three processing plants with an installed processing capacity of ≈4 Mtpa.

Westgold is the owner-operator of all of its underground and open pit mines and as such this vertical integration provides greater cost control and operating flexibility across the Company's assets. Westgold operates on a 'hub and spoke' model with our Murchison mines being able to feed ore to our Meekatharra and Tuckabianna processing hubs and our Bryah Basin mines sending ore to the Fortnum hub.

Westgold has three processing hubs in the Murchison Region of Western Australia, being the Fortnum Gold Operations, the Meekatharra Gold Operations and the Cue Gold Operations.

### **Meekatharra Gold Operations (MGO)**

MGO is located around the regional town of Meekatharra and encompasses Westgold's central group of assets including the historic gold mining centres of Meekatharra North, Paddy's Flat, Yaloginda, Nannine and Reedy's.

The MGO project hub incorporates the 1.6-1.8 Mtpa Bluebird processing hub, a 420-person village, and associated mining infrastructure required to support a large FIFO and DIDO mining

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<sup>39</sup> Shareholder analysis provided by NASDAQ as at 30 June 2021.

operation. The Bluebird plant receives underground ore from the Paddy's Flat, South Emu - Triton and Bluebird underground mines and supplementary lower grade open pit ore from Five Mile Well, Maid Marion and Aladdin open pits.

The Bluebird underground mine recommenced operations in FY21, following the temporary suspension of development works due to a skilled labour shortage. During the temporary closure, an extensive underground drilling program was completed producing excellent results and extending the resource significantly.

With the recommencement of mining at Bluebird, Westgold now operates three underground mines at MGO, including Paddy's Flat and South Emu – Triton. At steady state production, these three mines are expected to deliver more than 100,000oz per annum to the Bluebird processing plant with potential supplemental ore available from the Aladdin, Albury Heath and Maid Marion deposits.

The Bluebird processing plant processes both underground and open pit ore, performing strongly in FY21 treating more than 1,684,000 tonnes, in line with the plant's capacity of 1.6-1.8 million tonne. The metallurgical recoveries rate for the ore blend was 85.21%.

The Company has recently accelerated new mine exploration activities at MGO with the primary focus being the Meekatharra North, Yaloginda and Reedy's mining centres. This work has recently included the collection of new geophysical datasets and geological re-interpretations leading to the selection of new priority targets for drill testing in the second half of FY22.

### ***Cue Gold Operations (CGO)***

CGO is located around the regional town of Cue and encompasses Westgold's southern-most group of Murchison assets including the historic mining centres of Big Bell, Cuddingwarra, Day Dawn, Tuckabianna and Pinnacles. This package includes two of Australia's most prolific past producers in the Big Bell mine (≈2.6 million ounces) and the Great Fingall mine (≈1.2 million ounces).

CGO incorporates the 1.2-1.4 Mtpa Tuckabianna processing hub, a 136-person village at Big Bell, a 250-person camp at Cue and associated mining infrastructure to support a large FIFO and DIDO mining operation. The Tuckabianna plant receives underground ore from the large Big Bell underground and the smaller Comet underground mines as well ore from the Cuddingwarra open pits.

The Tuckabianna processing hub treated 1,261,129 tonnes of ore, within the mid-range of the plants operating capacity and in line with expectations. The metallurgical recoveries rate for the ore blend was 88.21%.

While Big Bell is the primary producer of ore to the Tuckabianna mill, the Comet underground mine has served well as a supplementary source and is expected to continue as such in FY22. After three years of de-watering, mine rehabilitation and refurbishment, Big Bell mine production began to rise in FY21 with steady state operations expected to be achieved in FY22.

A number of open pits commenced at CGO in FY21 including a new mining hub at Cuddingwarra North and open pits at Jim's Find and City of Chester.

Exploration and viability studies were carried out during FY21 at the previously mined Fender open pit mine on the southern limits of the Big Bell shear, testing the economics of a transition to underground operations with this potential development scheduled to commence during FY22.

In addition to the mining operations, the Company is accelerating exploration activities across CGO with the primary focus being the Cuddingwarra and Day Dawn mining centres. This work has recently included the collection of new geophysical datasets and geological re-interpretations leading to the selection of new priority targets for drill testing in the second half of FY22.

### **Fortnum Gold Operations (FGO)**

FGO is located in the Proterozoic age Bryah Basin stratigraphy approximately 150 km northwest of Meekatharra and represents the northernmost group of Westgold assets. These assets encapsulate the historic mining centres of Labouchere, Fortnum, Horseshoe and Peak Hill which collectively has delivered approximately 2 million ounces of reported gold production.

The FGO project hub incorporates the 0.9 Mtpa Fortnum carbon-in-leach (CIL) processing plant, a 200-person village, airstrip and associated mining infrastructure required to support a remote FIFO operation.

FGO continues to deliver solid outcomes from the Starlight underground mine and additional mill feed sourced from a large, existing stockpile of low-grade. In the past year the Starlight mine has expanded its footprint to take in the additional Moonlight, Twilight North and Trev's lodes.

The process plant performed well, achieving more than 1,260,000 tonnes for the year with metallurgical recoveries at 95%. In FY22 open pit mining will recommence to replace the existing low-grade ore stocks in the mill feed and enhance overall ore grade sent to the FGO processing plant.

In-mine exploration at FGO is focussed on the potential extension of the Starlight orebodies to ensure longevity of the low-cost, high productivity mining model that is the cornerstone of the FGO project. In addition, Westgold has a number of open pit opportunities in the pipeline to supplement underground ore sources at FGO which increase the ore optionality flexibility and mine life across this group's sparsely explored tenement package.

New target mine exploration has similarly been accelerated with the initial primary focus being the Peak Hill mining centre. This work has included data compilation and geological re-interpretations leading to the selection of new priority targets for drill testing in the second half of FY22.

### **FY21 Results and FY22 Guidance**

During FY21 Westgold's three producing assets combined to produce 245,411 oz of gold at a C1 Cash Cost of A\$1,158/oz and an AISC of A\$1,411/oz.<sup>40</sup>

**Production and costs from three key segments during the FY21 year were:**

| <b>Operations</b>        | <b>Gold Sales (oz)</b> | <b>Cash Cost C1/oz</b> | <b>AISC/oz</b> |
|--------------------------|------------------------|------------------------|----------------|
| <b>Fortnum (FGO)</b>     | 60,011                 | A\$1,009               | A\$1,304       |
| <b>Meekatharra (MGO)</b> | 103,728                | A\$1,309               | A\$1,628       |
| <b>Cue (CGO)</b>         | 81,326                 | A\$1,079               | A\$1,222       |

Westgold anticipates total annual production in FY22 to increase to 270,000+ oz at a cash cost of sales in the A\$1,250 – A\$1,400/oz range and an AISC in the range of A\$1500 – A\$1700/oz.

The combined processing hubs of CGO and the MGO are forecast to produce approximately +210,000 oz in FY22. Operations in the Bryah area, including the FGO, are forecast to produce approximately +60,000 oz in FY22.

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<sup>40</sup> C1 Cash Cost and AISC are non-IFRS measures and have not been audited.

The three key operations of Westgold are underpinned by total Mineral Resources of 7.9Moz and Ore Reserves of 2.2Moz<sup>41</sup> (see Tables below for detail).

Westgold has a track record of being able to build and develop new mines and is unique in the Australian gold sector as being wholly owner operator in its underground mining and open pit operations.

Westgold is led and governed by a highly experienced board and successful management team which has a clear strategy to deliver future growth and a demonstrated ability to move quickly to capitalise on strategic growth opportunities.

### Westgold Mineral Resource Estimate Statement – 30 June 2021<sup>42</sup>

| Murchison Gold Operations (MGO and CGO)            |                |             |                   |                |             |                   |                |             |                   |                |             |                   |
|--|----------------|-------------|-------------------|----------------|-------------|-------------------|----------------|-------------|-------------------|----------------|-------------|-------------------|
| Mineral Resource Statement - Rounded for Reporting |                |             |                   |                |             |                   |                |             |                   |                |             |                   |
| 30 June 2021                                       |                |             |                   |                |             |                   |                |             |                   |                |             |                   |
| Project  | Measured       |             |                   | Indicated      |             |                   | Inferred       |             |                   | Total          |             |                   |
|  | Tonnes ('000s) | Grade       | Ounces Au ('000s) | Tonnes ('000s) | Grade       | Ounces Au ('000s) | Tonnes ('000s) | Grade       | Ounces Au ('000s) | Tonnes ('000s) | Grade       | Ounces Au ('000s) |
| Big Bell   | 5,565          | 3.30        | 591               | 10,811         | 2.56        | 891               | 4,667          | 2.57        | 386               | 21,043         | 2.76        | 1,868             |
| Cuddingwarra                                       | 288            | 1.99        | 18                | 1,809          | 1.81        | 106               | 918            | 1.59        | 47                | 3,015          | 1.76        | 171               |
| Day Dawn   | 58             | 1.73        | 3                 | 3,501          | 4.42        | 497               | 3,089          | 2.57        | 256               | 6,648          | 3.54        | 756               |
| Tuckabianna  | 212            | 4.88        | 33                | 3,366          | 2.70        | 292               | 5,835          | 2.33        | 437               | 9,414          | 2.52        | 762               |
| Tuckabianna Stockpiles                             | 67             | 3.04        | 7                 | 3,756          | 0.71        | 85                | 10             | 0.76        | 0                 | 3,833          | 0.75        | 92                |
| Meekatharra North                                  | 0              | 0.00        | 0                 | 246            | 1.57        | 12                | 76             | 2.09        | 5                 | 322            | 1.70        | 18                |
| Nannine  | 68             | 2.55        | 6                 | 1,298          | 2.16        | 90                | 488            | 2.21        | 35                | 1,855          | 2.19        | 130               |
| Paddy's Flat                                       | 991            | 4.32        | 138               | 10,911         | 1.72        | 604               | 2,505          | 2.22        | 179               | 14,408         | 1.99        | 921               |
| Reedy's  | 425            | 3.95        | 54                | 2,993          | 2.53        | 243               | 8,957          | 2.44        | 703               | 12,375         | 2.51        | 1,000             |
| Yaloginda  | 145            | 3.42        | 16                | 8,439          | 1.82        | 494               | 7,053          | 1.46        | 330               | 15,637         | 1.67        | 840               |
| Bluebird Stockpiles                                | 814            | 1.19        | 31                | 0              | 0.00        | 0                 | 0              | 0.00        | 0                 | 814            | 1.19        | 31                |
| <b>Total</b>                                       | <b>8,634</b>   | <b>3.23</b> | <b>896</b>        | <b>47,131</b>  | <b>2.19</b> | <b>3,316</b>      | <b>33,598</b>  | <b>2.20</b> | <b>2,377</b>      | <b>89,363</b>  | <b>2.29</b> | <b>6,589</b>      |

| Bryah (Fortnum Gold Operations)                    |                |             |                   |                |             |                   |                |             |                   |                |             |                   |
|--|----------------|-------------|-------------------|----------------|-------------|-------------------|----------------|-------------|-------------------|----------------|-------------|-------------------|
| Mineral Resource Statement - Rounded for Reporting |                |             |                   |                |             |                   |                |             |                   |                |             |                   |
| 30 June 2021                                       |                |             |                   |                |             |                   |                |             |                   |                |             |                   |
| Project  | Measured       |             |                   | Indicated      |             |                   | Inferred       |             |                   | Total          |             |                   |
|  | Tonnes ('000s) | Grade       | Ounces Au ('000s) | Tonnes ('000s) | Grade       | Ounces Au ('000s) | Tonnes ('000s) | Grade       | Ounces Au ('000s) | Tonnes ('000s) | Grade       | Ounces Au ('000s) |
| Fortnum  | 1,324          | 4.12        | 175               | 6,110          | 2.14        | 421               | 2,423          | 1.97        | 153               | 9,857          | 2.37        | 750               |
| Horseshoe  | 0              | 0.00        | 0                 | 1,266          | 2.09        | 85                | 183            | 1.43        | 8                 | 1,449          | 2.01        | 93                |
| Peak Hill  | 0              | 0.00        | 0                 | 7,547          | 1.55        | 376               | 1,838          | 1.78        | 105               | 9,385          | 1.60        | 481               |
| Stockpiles   | 284            | 1.22        | 11                | 894            | 0.73        | 21                | 16             | 0.54        | 0                 | 1,194          | 0.85        | 32                |
| <b>Total</b>                                       | <b>1,608</b>   | <b>3.61</b> | <b>186</b>        | <b>15,818</b>  | <b>1.78</b> | <b>903</b>        | <b>4,460</b>   | <b>1.86</b> | <b>267</b>        | <b>21,886</b>  | <b>1.93</b> | <b>1,357</b>      |

<sup>41</sup> The information in relation to the Mineral Resources and Ore Reserves is extracted from the Westgold "Resources and Reserves Statement 2021". Refer to the ASX release of 29 September 2021 for the Westgold "Resources and Reserves Statement 2021" and the accompanying assumptions, technical parameters and explanatory notes. Westgold is not aware of any new information or data that materially affects the information included in the original announcement and, in the case of estimates of Mineral Resources or Ore Reserves, considers that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

<sup>42</sup> Refer to footnote 41.



## Westgold Ore Reserve Estimates Statement – 30 June 2021<sup>43</sup>

| Murchison Gold Operations (MGO and CGO)       |                |             |                   |                |             |                   |                |             |                   |
|---|----------------|-------------|-------------------|----------------|-------------|-------------------|----------------|-------------|-------------------|
| Ore Reserve Statement - Rounded for Reporting |                |             |                   |                |             |                   |                |             |                   |
| 30 June 2021                                  |                |             |                   |                |             |                   |                |             |                   |
| Project                                       | Proven         |             |                   | Probable       |             |                   | Total          |             |                   |
|   | Tonnes ('000s) | Grade       | Ounces Au ('000s) | Tonnes ('000s) | Grade       | Ounces Au ('000s) | Tonnes ('000s) | Grade       | Ounces Au ('000s) |
| Big Bell                                      | 4,874          | 2.95        | 462               | 5,005          | 2.64        | 425               | 9,879          | 2.79        | 887               |
| Cuddingwarra                                  | 0              | 0.00        | 0                 | 1,074          | 1.71        | 59                | 1,074          | 1.71        | 59                |
| Day Dawn                                      | 0              | 0.00        | 0                 | 1,398          | 6.55        | 294               | 1,398          | 6.55        | 294               |
| Tuckabianna                                   | 29             | 3.13        | 3                 | 860            | 2.36        | 65                | 889            | 2.39        | 68                |
| Tuckabianna Stockpiles                        | 67             | 3.04        | 7                 | 3,756          | 0.71        | 85                | 3,823          | 0.75        | 92                |
| Meekatharra North                             | 0              | 0.00        | 0                 | 169            | 1.12        | 6                 | 169            | 1.12        | 6                 |
| Nannine                                       | 0              | 0.00        | 0                 | 1,074          | 1.49        | 51                | 1,074          | 1.49        | 51                |
| Paddy's Flat                                  | 222            | 4.71        | 34                | 868            | 3.37        | 94                | 1,090          | 3.64        | 128               |
| Reedy's                                       | 77             | 4.25        | 10                | 845            | 3.07        | 84                | 922            | 3.17        | 94                |
| Yaloginda                                     | 65             | 3.33        | 7                 | 1,000          | 3.14        | 101               | 1,065          | 3.15        | 108               |
| Bluebird Stockpiles                           | 1,029          | 1.23        | 41                | 0              | 0.00        | 0                 | 1,029          | 1.23        | 41                |
| <b>Total</b>                                  | <b>6,363</b>   | <b>2.75</b> | <b>563</b>        | <b>16,050</b>  | <b>2.45</b> | <b>1,265</b>      | <b>22,413</b>  | <b>2.54</b> | <b>1,828</b>      |

| Bryah (Fortnum Gold Operations)               |                |             |                   |                |             |                   |                |             |                   |
|---|----------------|-------------|-------------------|----------------|-------------|-------------------|----------------|-------------|-------------------|
| Ore Reserve Statement - Rounded for Reporting |                |             |                   |                |             |                   |                |             |                   |
| 30 June 2021                                  |                |             |                   |                |             |                   |                |             |                   |
| Project                                       | Proven         |             |                   | Probable       |             |                   | Total          |             |                   |
|   | Tonnes ('000s) | Grade       | Ounces Au ('000s) | Tonnes ('000s) | Grade       | Ounces Au ('000s) | Tonnes ('000s) | Grade       | Ounces Au ('000s) |
| Fortnum                                       | 320            | 4.31        | 44                | 3,252          | 1.79        | 188               | 3,572          | 2.02        | 232               |
| Horseshoe                                     | 0              | 0.00        | 0                 | 761            | 1.84        | 45                | 761            | 1.84        | 45                |
| Peak Hill                                     | 0              | 0.00        | 0                 | 1,122          | 1.95        | 70                | 1,122          | 1.95        | 70                |
| Stockpiles                                    | 284            | 1.22        | 11                | 894            | 0.73        | 21                | 1,178          | 0.85        | 32                |
| <b>Total</b>                                  | <b>603</b>     | <b>2.86</b> | <b>55</b>         | <b>6,029</b>   | <b>1.67</b> | <b>324</b>        | <b>6,633</b>   | <b>1.78</b> | <b>379</b>        |

### 1.5 Westgold Board of Directors

Westgold's Board of Directors have substantial experience acquiring, financing, building and developing operating mines in Australia and overseas. The following persons are Directors of Westgold as at the date of this Bidder's Statement:

#### **Peter Cook - Non-Executive Chairman (appointed 19 March 2007)**

Mr Cook (BSc (Applied Geology), MSc (Min.Econ.), MAusIMM) is a geologist and mineral economist, and has over 37 years of experience in the fields of exploration, project, operational and corporate management of mining companies. A veteran of the resources industry, over his distinguished career Mr Cook has been awarded the GMJ Mining Executive of the year in 2001, the Asia-Mining Executive of the year awarded at the Mines and Money Conference in Hong Kong in 2015, the Mining News CEO of the Year award in 2018 and the Gavin Thomas Mining Award in 2019. During the past three years, Mr Cook has served as a director of the following public listed companies Nelson Resources Limited (appointed 4 June 2013; resigned 1 February 2019), Castile Resources Limited (appointed 7 June 2011), Titan Minerals Limited (appointed 31 August 2021) and Breaker Resources NL (appointed 6 September 2021).

<sup>43</sup> Refer to footnote 41.

### **Wayne Bramwell - Executive Director (appointed 3 February 2020)**

Mr Bramwell (BSc Extractive Metallurgy, Grad Dip Business, MSc (Min Econ)) is a metallurgist and mineral economist, experienced director and mining executive with extensive project and corporate development, executive management and governance expertise in precious and base metal companies spanning nearly three decades, and is a graduate of the Australian Institute of Company Directors (GAICD). During the past three years, he has served as a director of the following public listed companies CZR Resources Limited (appointed 3 November 2020; resigned 19 February 2021), Azure Minerals Limited (appointed 14 October 2020; resigned 19 February 2021) and Ardea Resources Limited (appointed 29 January 2018; resigned 3 July 2020).

### **Fiona Van Maanen - Independent Non-Executive Director (appointed 6 October 2016)**

Mrs Van Maanen is a CPA, holds a Bachelor of Business (Accounting) degree and a Graduate Diploma in Company Secretarial Practice. Mrs Van Maanen has more than 25 years' experience in corporate governance, accounting and financial management in the mining and resources industry. Mrs Van Maanen also served as the Chief Financial Officer and Company Secretary of Westgold until December 1, 2016, prior to its demerger from Metals X Limited. During the past three years, Mrs Van Maanen has served as a director of the following public listed company, Pantoro Limited (appointed 4 August 2020).

### **Peter Schwann - Independent Non-Executive Director (appointed 2 February 2017)**

Mr Schwann (Assoc. in Applied Geology, FAIG, MSEG) is a highly experienced, internationally recognised geologist and mining executive. Mr Schwann has broad experience across multiple commodities with extensive geological capability as well as significant operational management, and has developed and written scientific papers on gold mineralisation-in-sediments. During the past three years, Mr Schwann has served as a director of the following public listed company, Aruma Resources Limited (appointed 10 February 2010).

### **Gary Davison – Independent Non-Executive Director (appointed 1 June 2021)**

Mr Davison, FAusIMM (CP) is a highly regarded mining engineer with over 40 years of worldwide mining experience. Mr Davison holds a Diploma in Engineering (Mining) and a Masters in Mineral and Energy Economics. Mr Davison's career began at Renison, Tasmania in 1978 and he has worked at senior mine management levels in Tasmania, Western Australia, Victoria and New South Wales – covering principally underground, but also surface mines. He is also the Managing Director of Australia's premier mining consultancy, Mining One Pty Ltd, providing expertise in resource geology, mine planning, geotechnical engineering, conceptual studies, feasibility and corporate strategic advice. During the past three years, Mr Davison has served as a director of the following public listed company, Nagambie Resources Limited (appointed 15 May 2019; resigned 7 September 2021).

## **1.6 Westgold Key Management**

### **Debbie Fullarton – Chief Financial Officer**

Ms Fullarton has over 30 years experience in the resource sector as a Mining Executive and Chartered Accountant. Ms Fullarton was formerly the Chief Financial Officer (CFO), then a director of RNI Limited and remains a non-executive director of Gateway Mining Limited and De Beers Australia Exploration Limited. Ms Fullarton joined Westgold as our CFO in May 2018 and became Chief Executive Officer in July 2020 to steer the Company through the final stage of its evolution as one of Australia's largest owner-miner gold producers.

### **Anthony Buckingham - Chief Operating Officer**

Mr Buckingham is a highly qualified Mining Engineer (UNSW) with over 20-years operational experience in gold and base metal mines. Mr Buckingham was previously Westgold's General Manager at the Fortnum Gold Mine and was appointed Chief Operating Officer in June 2020.

### **Su Hau (Tommy) Heng – Chief Financial Officer**

Mr Heng is a qualified Chartered Accountant and experienced finance and commercial professional with over 25 years of experience in the mining, logistics and services industries in a variety of Senior Finance and Commercial Leadership roles. Mr Heng joined Westgold Resources Limited from fellow ASX gold miner Resolute Mining Limited where he held the position of General Manager Finance.

### **Lisa Smith – Company Secretary & Group Legal Counsel**

Ms Smith holds a Bachelor of Laws and a Bachelor of Commerce and brings over 15 years legal experience across a broad range of practice areas including commercial, corporate, regulation and compliance as well as experience with secretarial duties. Ms Smith has previously acted as principal lawyer for a private resources industry services firm and has substantial policy and advocacy experience.

## **1.7 Financial Information on Westgold**

On 30 August 2021, Westgold released its financial results for the year ending 30 June 2021 (refer Westgold ASX announcement dated 30 August 2021). Highlights include:

- (1) Westgold Group revenue increased by 16% to \$571.2 million;
- (2) Westgold Group's overall NPAT grew by 122% to \$76.8 million;
- (3) The Westgold Group's Net Assets grew by 16% to \$607.4 million;
- (4) The Westgold group closed the year with cash and cash equivalents of \$150.7million plus shareholdings in other entities with a fair value of \$6.42 million;
- (5) Westgold's Net cashflow from operations increased by 60% to \$249.1 million; and
- (6) Westgold declared a maiden dividend of 2cps.

The below are the historical financial information of Westgold and are limited to the last two years. Further historical information can be found on Westgold's website ([www.westgold.com.au](http://www.westgold.com.au)).

### **(b) Basis of Presentation of Historical Financial Information**

The Westgold historical financial information presented in this section does not contain all the presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act and should therefore be read in conjunction with the financial statements of Westgold for the respective periods, including the descriptions of the significant accounting policies contained in those financial statements and the notes to those financial statements. The Westgold historical financial information are extracted from the Westgold audited financial statements for the years ended 30 June 2021 and 30 June 2020, which have been lodged with ASIC and are available from Westgold's website ([www.westgold.com.au](http://www.westgold.com.au)) and the ASX website ([www.asx.com.au](http://www.asx.com.au)).

The significant accounting policies used in the preparation of the Westgold's historical financial information are consistent with those set out in Westgold's annual report for the years ended 30 June 2021 and 30 June 2020. The Westgold historical financial information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards (AAS) (including Australian Accounting Interpretations) adopted by the AASB, which comply with the recognition and measurement principles of the International Accounting Standards Board and interpretations adopted by the International Accounting Standards Board.

(c) **Consolidated Statement of Financial Position**

|  | <b>30 June 2021</b> | <b>30 June 2020</b> |
|--|---------------------|---------------------|
|  | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>CURRENT ASSETS</b>                                  |                     |                     |
| Cash and cash equivalents                              | 150,684             | 137,565             |
| Trade and other receivables                            | 7,466               | 7,231               |
| Inventories  | 59,129              | 43,948              |
| Prepayments  | 4,036               | 3,370               |
| Other financial assets                                 | 1,149               | 1,149               |
| <b>Total current assets</b>                            | <b>222,465</b>      | <b>193,264</b>      |
| <b>NON-CURRENT ASSETS</b>                              |                     |                     |
| Financial assets at fair value through profit and loss | 6,423               | 13,000              |
| Property, plant and equipment                          | 166,748             | 161,893             |
| Mine properties and development                        | 407,336             | 298,513             |
| Exploration and evaluation expenditure                 | 89,739              | 78,875              |
| Right-of-use assets                                    | 7,259               | 11,943              |
| <b>Total non-current assets</b>                        | <b>677,505</b>      | <b>564,223</b>      |
| <b>TOTAL ASSETS</b>                                    | <b>899,970</b>      | <b>757,487</b>      |
| <b>CURRENT LIABILITIES</b>                             |                     |                     |
| Trade and other payables                               | 83,783              | 69,665              |
| Provisions   | 11,405              | 9,787               |
| Interest-bearing loans and borrowings                  | 22,962              | 23,735              |
| Unearned income  | -                   | 199                 |
| <b>Total current liabilities</b>                       | <b>118,151</b>      | <b>103,385</b>      |
| <b>NON-CURRENT LIABILITIES</b>                         |                     |                     |
| Provisions   | 77,119              | 78,490              |
| Interest-bearing loans and borrowings                  | 22,114              | 14,092              |
| Deferred tax liabilities                               | 75,227              | 39,659              |
| <b>Total non-current liabilities</b>                   | <b>174,459</b>      | <b>132,241</b>      |
| <b>TOTAL LIABILITIES</b>                               | <b>292,610</b>      | <b>235,626</b>      |
| <b>NET ASSETS</b>                                      | <b>607,360</b>      | <b>521,861</b>      |
| <b>EQUITY</b>  |                     |                     |
| Issued capital   | 364,078             | 356,130             |
| Retained earnings (accumulated losses)                 | 46,523              | (30,229)            |
| Share-based payments reserve                           | 15,266              | 14,466              |
| Other reserves   | 181,494             | 181,494             |
| <b>TOTAL EQUITY</b>                                    | <b>607,360</b>      | <b>521,861</b>      |

(d) **Consolidated Statement of Profit and loss and comprehensive income**

|  | <b>30 June 2021</b> | <b>30 June 2020</b> |
|--|---------------------|---------------------|
|  | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>Continuing operations</b>                               |                     |                     |
| Revenue  | 571,170             | 492,268             |
| Cost of sales  | (455,456)           | (462,753)           |
| <b>Gross profit</b>  | <b>115,714</b>      | <b>29,516</b>       |
| Other income   | 2,292               | 5,921               |
| Gain on demerger of subsidiary                             | -                   | 8,728               |
| Finance costs  | (347)               | (919)               |
| Other expenses   | (10,882)            | (7,916)             |
| Fair value gain on financial assets                        | 5,202               | 8,889               |
| Exploration and evaluation expenditure written off         | (86)                | (356)               |
| <b>Profit before income tax from continuing operations</b> | <b>111,893</b>      | <b>43,862</b>       |
| Income tax expense   | (35,141)            | (9,255)             |
| <b>Net Profit for the year</b>                             | <b>76,752</b>       | <b>34,607</b>       |
| <b>Other comprehensive profit for the year, net of tax</b> | <b>-</b>            | <b>-</b>            |
| <b>Total comprehensive profit for the year</b>             | <b>76,752</b>       | <b>34,607</b>       |
| <b>Total comprehensive profit attributable to:</b>         | <b>76,752</b>       | <b>34,607</b>       |
| members of the parent entity                               | <b>76,752</b>       | <b>34,607</b>       |

(e) **Consolidated statement of cashflows**

|   | <b>30 June 2021</b> | <b>30 June 2020</b> |
|---|---------------------|---------------------|
|   | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>OPERATING ACTIVITIES</b>                                       |                     |                     |
| Receipts from customers   | 570,971             | 466,596             |
| Interest received   | 334                 | 692                 |
| Receipts from other income  | 1,957               | 2,603               |
| Payments to suppliers and employees                               | (322,934)           | (311,534)           |
| Interest paid   | (1,240)             | (2,294)             |
| Income tax refunded (paid)  | 53                  | (332)               |
| <b>Net cash flows from operating activities</b>                   | <b>249,142</b>      | <b>155,732</b>      |
| <b>INVESTING ACTIVITIES</b>                                       |                     |                     |
| Payments for property, plant and equipment                        | (32,352)            | (31,486)            |
| Payments for mine properties and development                      | (182,396)           | (132,909)           |
| Payments for exploration and evaluation                           | (14,250)            | (14,049)            |
| Payments for financial assets                                     | (5,986)             | (2,058)             |
| Proceeds from sale of financial assets                            | 17,765              | 56,114              |
| Proceeds from sale of property, plant and equipment               | 3,413               | 1,939               |
| Proceeds from disposal of a subsidiary                            | -                   | (87)                |
| Payments for performance bond facility                            | -                   | 258                 |
| <b>Net cash flows used in investing activities</b>                | <b>(213,805)</b>    | <b>(122,278)</b>    |
| <b>FINANCING ACTIVITIES</b>                                       |                     |                     |
| Payments of hire purchase arrangements                            | (22,245)            | (19,332)            |
| Payments for lease liabilities                                    | (8,346)             | (7,754)             |
| Proceeds from share issue   | 8,374               | 66,206              |
| Payments for share issue costs                                    | -                   | (2,205)             |
| <b>Net cash flows used in financing activities</b>                | <b>(22,218)</b>     | <b>36,915</b>       |
| Net increase (decrease) in cash and cash equivalents              | 13,119              | 70,369              |
| Cash and cash equivalents at the beginning of the financial year  | 137,565             | 67,196              |
| <b>Cash and cash equivalents at the end of the financial year</b> | <b>150,684</b>      | <b>137,565</b>      |

1.8 **Other Assets**

As part of its strategy to focus on and be a dominant holder in the Murchison region, Westgold from time to time holds interests in other listed entities including a present substantial interest (14.78%) in Alto Metals Limited (ASX:AME).

1.9 **Westgold ASX Announcements**

The Westgold financial statements for the year ended 30 June 2021 were released on 30 August 2021. A list of announcements made between 1 July 2021 and the date of this Bidder's Statement are set out in Attachment 2. This information may be relevant to your assessment of the Offer. Copies of the announcements are also available from ASX [www.asx.com.au](http://www.asx.com.au) by searching the Westgold code (ASX:WGX) or through the Company's website: [www.westgold.com.au](http://www.westgold.com.au)

### 1.10 Stock Market Trading

The consideration to be offered in exchange for shares in Gascoyne consists of fully paid ordinary shares in Westgold. Shares of the same class are traded on the ASX (ASX:WGX).

### 1.11 Share price performance of Westgold

|  |                   |
|--|-------------------|
| 30-day volume weighted average Westgold Share price up to the day prior to the Announcement Date         | \$1.68 per share  |
| Closing price on 29 September 2021, being the day prior to Announcement Date                             | \$1.67 per share  |
| Closing price on 14 October 2021, being the day immediately prior to the date of this Bidder's Statement | \$1.96 per share  |
| 52 week high   | \$2.98 per share  |
| 52 week low  | \$1.575 per share |
| Dividend declared on 30 August 2021  | \$0.02 per share  |

Gascoyne Shareholders are being offered consideration under the Offer that consists of a specified number of Westgold Shares, rather than a number of Westgold Shares with a specified market value. As a result, the value of the consideration offered will fluctuate depending upon the market value of the Westgold Shares.

### 1.12 Rights of Westgold's Shares

The rights attaching to Westgold shares are governed by the Constitution of Westgold, a copy of which may be inspected at Westgold's registered office (details of which are set out in the Corporate Directory).

Set out in section 8.3 of this document is a summary of the principal rights attaching to the Westgold Shares offered as consideration.

### 1.13 Further information on Westgold

Further information about Westgold can be found on the ASX website ([www.asx.com.au](http://www.asx.com.au), ASX:WGX), or alternatively Westgold's website (<https://www.westgold.com.au/>).

## **2. Information on Gascoyne**

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### **2.1 Disclaimer**

The following information in this document about Gascoyne has been prepared based on publicly available information. Subject to the Corporations Act, Westgold does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information and such information has not been independently verified.

The information on Gascoyne in this Bidder's Statement should not be considered comprehensive. Certain information and risks in relation to Gascoyne may exist in relation to which Westgold is unaware.

Westgold and its Directors make no representation about the accuracy or otherwise of information published by Gascoyne (including but not limited to Mineral Resource and Ore Reserve statements).

In addition, the Corporations Act requires the Directors of Gascoyne to provide a Target's Statement to Gascoyne Shareholders in response to this Bidder's Statement setting out certain material information concerning Gascoyne.

### **2.2 Overview of Gascoyne**

Gascoyne (ASX code: GCY) is a public company listed on ASX and incorporated in Australia for gold exploration and development purposes. Gascoyne's primary focus is on exploration and gold production from its Dalgaranga Operations in the southwest Murchison region of Western Australia, approximately 700km north-northeast of Perth.

Gascoyne has published that it has a total Mineral Resources at Dalgaranga of 648,900 oz, at Glenburg of 510,100 oz and Mt Egerton of 27,000 oz. It has published Ore Reserves at Dalgaranga of 339,000 oz<sup>44</sup>.

Gascoyne announced the Firefly Scheme on 16 June 2021. It is a condition to this Offer that the Firefly Scheme not proceed (refer section 7.2(a) and section 8.1).

### **2.3 Gascoyne Directors and Key Management**

As at the date of this Bidder's Statement, the directors and key management of Gascoyne are:

- (a) Mr. George Bauk, Non-executive Chairman;
- (b) Mr. Richard Hay, Managing Director and CEO;
- (c) Mr. Rowan Johnston, Independent Non-Executive Director;
- (d) Mr. Hansjoerg Plaggemars, Non-Executive Director;
- (e) Mr. David Coyne, Company Secretary & CFO;
- (f) Mr. David Baumgartel, Executive General Manager;
- (g) Ms Tejal Magan, Head of Finance; and
- (h) Mr Julian Goldsworthy – Chief Geologist.

Profiles of Gascoyne's directors are available on Gascoyne's website at <https://gascoyneresources.com.au/company-overview/board-of-directors/>

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<sup>44</sup> Refer to the ASX release by Gascoyne dated 24 September 2021



## 2.4 Gascoyne's current capital structure

| <b>Class of security</b> | <b>Number on issue</b> |
|--------------------------|------------------------|
| Shares                   | 251,042,964            |
| Performance Rights       | 2,531,492              |

The terms of the Gascoyne Performance Rights are publicly stated by Gascoyne to be those adopted at the Gascoyne Annual General Meeting of 2020.

The Offer relates to all Gascoyne Shares that exist at the Register Date and to all Gascoyne Shares issued before the end of the Offer Period as a result of the exercise or conversion of any Gascoyne Performance Rights that are on issue at the Register Date. Westgold has not determined whether the Performance Rights are subject to automatic vesting (whether at all, in full or part) on a change of control event or whether such determination would be subject to a discretion being exercised by the Gascoyne board, if permitted.

## 2.5 Substantial holders in Gascoyne

As at the date of this Bidder's Statement, so far as known to Westgold based on publicly available information, there are no substantial holders of Gascoyne except as set out below:

| <b>Substantial holder</b>                    | <b>Number of Gascoyne's Shares held (directly and indirectly)</b> | <b>Voting power</b> |
|--|---|---------------------|
| Deutsche Balaton AG                          | 55,461,463  | 22.11               |
| NRW Holdings Limited                         | 36,935,762  | 14.72               |
| First Sentier Investors Holdings Pty Limited | 25,174,140  | 10.04               |

## 2.6 Financial information on Gascoyne

On 24 September 2021, Gascoyne issued its financial statements for the year ended 30 June 2021. The following has been extracted from those financial statements.

### (a) Consolidated Statement of Financial Position

|  | 30 June 2021   | 30 June 2020   |
|--|----------------|----------------|
|  | \$'000         | \$'000         |
| <b>Current assets</b>                          |                |                |
| Cash and cash equivalents                      | 23,448         | 5,640          |
| Trade and other receivables                    | 5,504          | 4,196          |
| Inventories                                    | 13,029         | 15,255         |
| Other financial assets                         | -              | 633            |
| Prepayments                                    | 1,697          | 1,375          |
| <b>Total current assets</b>                    | <b>43,678</b>  | <b>27,099</b>  |
| <b>Non-current assets</b>                      |                |                |
| Mine properties, property, plant and equipment | 112,575        | 179,747        |
| Exploration and evaluation                     | 32,881         | 30,114         |
| Other financial assets                         | 407            | 380            |
|  | <b>145,863</b> | <b>210,241</b> |
| <b>Total assets</b>                            | <b>189,541</b> | <b>237,340</b> |
| <b>Current liabilities</b>                     |                |                |
| Trade and other payables                       | 9,736          | 43,608         |
| Borrowings and lease liabilities               | 16,769         | 71,532         |
| Provisions                                     | 2,650          | 2,958          |
| Other Financial Liability (NRW arrangement)    | 1,894          | 24,995         |
|  | <b>31,049</b>  | <b>143,093</b> |
| <b>Non-current liabilities</b>                 |                |                |
| Borrowings and lease liabilities               | 11,526         | 10,678         |
| Provisions                                     | 28,147         | 26,200         |
| Other financial liabilities                    | 10,929         | -              |
|  | <b>50,602</b>  | <b>36,878</b>  |
| <b>Total liabilities</b>                       | <b>81,651</b>  | <b>179,971</b> |
| <b>Net assets</b>                              | <b>107,890</b> | <b>57,369</b>  |
| <b>Equity</b>                                  |                |                |
| Share capital                                  | 266,196        | 171,583        |
| Non controlling Interest                       | 1,352          | 1,125          |
| Reserves                                       | 672            | 861            |
| Retained earnings (accumulated losses)         | (160,330)      | (116,200)      |
| <b>Total equity</b>                            | <b>107,890</b> | <b>57,369</b>  |

(b) **Consolidated Statement of Profit and loss and comprehensive income**

|   | <b>30 June 2021</b> | <b>30 June 2020</b> |
|---|---------------------|---------------------|
|   | <b>\$'000</b>       | <b>\$'000</b>       |
| Revenue   | 203,149             | 171,489             |
| Cost of sales   | (150,145)           | (149,940)           |
| <b>Gross profit</b>   | <b>53,004</b>       | <b>21,549</b>       |
| Other income  | 1,354               | 3                   |
| Impairment Expense  | (80,232)            | -                   |
| Other Expenses  | (11,955)            | (12,873)            |
| <b>Operating (loss)/profit</b>                                  | <b>(37,829)</b>     | <b>8,679</b>        |
| Finance income  | 2                   | 15                  |
| Finance costs   | (3,863)             | (6,556)             |
| (Loss)/profit before tax  | <b>(41,690)</b>     | <b>2,138</b>        |
| Income tax expense  | (2,440)             | (149)               |
| <b>(Loss)/profit for the year after income tax</b>              | <b>(44,130)</b>     | <b>1,989</b>        |
| Total other comprehensive income                                | -                   | -                   |
| <b>Total comprehensive (loss)/income for the year</b>           | <b>(44,130)</b>     | <b>1,989</b>        |
| (Loss)/profit for the year after income tax attributable to:    |                     |                     |
| Owners of the Company   | (44,130)            | 1,989               |
| Non-controlling interests                                       | -                   | -                   |
|   | <b>(44,130)</b>     | <b>1,989</b>        |
| Total comprehensive (loss)/profit for the year attributable to: |                     |                     |
| Owners of the Company   | (44,130)            | 1,989               |
| Non-controlling interests                                       | -                   | -                   |
|   | <b>(44,130)</b>     | <b>1,989</b>        |

(c) **Consolidated statement of cashflows**

|   | <b>30 June 2021</b> | <b>30 June 2020</b> |
|---|---------------------|---------------------|
|   | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>Cashflows from operating activities</b>                  |                     |                     |
| Receipts from customers                                     | 199,826             | 171,489             |
| Payments to suppliers and employees                         | (121,280)           | (119,742)           |
| Other revenue received                                      | 15                  | 3                   |
| Finance charges paid  | (57)                | (146)               |
| Interest received   | 2                   | 14                  |
| Interest paid   | (3,434)             | (695)               |
| <b>Net cash flows from operating activities</b>             | <b>75,072</b>       | <b>50,923</b>       |
| <b>Cash flows from investing activities</b>                 |                     |                     |
| Payments for exploration and evaluation                     | (3,306)             | (1,147)             |
| Payments for mine properties, property, plant and equipment | (61,117)            | (44,763)            |
| Transfer to security deposits                               | (27)                | -                   |
| <b>Net cash flows used in investing activities</b>          | <b>(64,450)</b>     | <b>(45,910)</b>     |
| <b>Cash flows from financing activities</b>                 |                     |                     |
| Proceeds from issue of shares                               | 85,243              | -                   |
| Share issue costs   | (8,134)             | (497)               |
| Proceeds from borrowings                                    | 40,000              | -                   |
| Repayment of borrowings                                     | (105,864)           | (12,245)            |
| Repayment of lease liabilities                              | (3,008)             | (3,360)             |
| Payments for borrowings transaction costs                   | (1,051)             | -                   |
| <b>Net cash flows used in financing activities</b>          | <b>7,186</b>        | <b>(16,102)</b>     |
| Net change in cash and cash equivalents                     | 17,808              | (11,089)            |
| Cash and cash equivalents at 1 July                         | 5,640               | 16,729              |
| <b>Cash and cash equivalents at 30 June</b>                 | <b>23,448</b>       | <b>5,640</b>        |

The Gascoyne financial results announcements are available via the ASX announcements website<sup>45</sup>.

2.7 **Share price performance of Gascoyne**

|  |                    |
|--|--------------------|
| 30-day volume weighted average Gascoyne Share price up to the day prior to the Announcement Date         | \$0.3157 per share |
| Closing price on Announcement Date, being 30 September 2021  | \$0.3750 per share |
| Closing price on 14 October 2021, being the day immediately prior to the date of this Bidder's Statement | \$0.39 per share   |
| 52 week high   | \$0.6750 per share |
| 52 week low  | \$0.2800 per share |

No dividend was paid or recommended for the financial year end 30 June 2021 (and no dividend has been paid by Gascoyne).

<sup>45</sup> Refer to ASX announcement by Gascoyne on 24 September 2021.

## 2.8 **Important note on sources of information**

The information on Gascoyne has been prepared by Westgold based on publicly available information. The information has not been independently verified and Westgold does not make any representation or warranty, express or implied, as to the accuracy or completeness of that information.

The information on Gascoyne in this Bidder's Statement should not be considered comprehensive.

## 2.9 **Further information on Gascoyne**

Further information relating to Gascoyne's business will be included in Gascoyne's Target's Statement, which Gascoyne must provide to Gascoyne's Shareholders in response to this Bidder's Statement.

Further information about Gascoyne can be found on Gascoyne's website at <http://www.gascoyneresources.com.au>.

### **3. Information on the Merged Group**

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#### **3.1 Introduction**

The profile of the Merged Group will vary depending on the outcome of the Offer. Unless otherwise indicated, the description of the Merged Group in this section 3 assumes that Gascoyne is a wholly-owned subsidiary of Westgold. If this is not the case, some of the benefits that would otherwise accrue to Westgold if Gascoyne were to become a wholly owned subsidiary of Westgold may not be fully realised.

#### **3.2 Profile of the Merged Group**

Following the completion of the Offer, the Merged Group will have an expanded portfolio of diversified growth opportunities, across various stages of exploration, development and production on the basis of a combination of the assets held by both Gascoyne and Westgold.

#### **3.3 Pro-forma consolidated financial statements of the Merged Group**

This section 3.3 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. For the purposes of this statement, the acquisition of the relevant ownership interest in Gascoyne is assumed to be immediate and not staged.

The fair value of the consideration for Gascoyne has been calculated using Westgold's VWAP on the ASX of \$1.6422 being the 5-day VWAP as at 30 September 2021. The Offer consideration is subject to change as the price of Westgold Shares changes between the Announcement Date and the expiration of the Offer Period.

The net assets of Westgold are estimated to increase by \$96.7m post acquisition (based off the notes to the pro-forma balance sheet for 100% ownership).

##### **(a) Basis of presentation of pro forma financial information**

The audited balance sheet of Westgold as at 30 June 2021.

The audited balance sheet of Gascoyne as at 30 June 2021.

Acquisition accounting based on the terms of the Offer set out in section 7.1.

Accounting policies and matters of significant judgement based on publicly available information.

(b) **Pro forma consolidated statement of financial position and consolidated statement of comprehensive income of the Merged Group (assuming 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<br>\$'000 | 30 June 2021<br>\$'000 | Adjustment 1<br>\$'000 | Adjustment 2<br>\$'000 | 30 June 2021<br>\$'000 |
| <b>CURRENT ASSETS</b>                                  |                        |                        |                        |                        |                        |
| 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                  |
| <b>Total current assets</b>                            | <b>222,465</b>         | <b>43,678</b>          | <b>-</b>               | <b>(6,325)</b>         | <b>259,818</b>         |
| <b>NON-CURRENT ASSETS</b>                              |                        |                        |                        |                        |                        |
| 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                 | (4,900)                | -                      | 475,977                |
| 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                    |
| <b>Total non-current assets</b>                        | <b>677,505</b>         | <b>145,863</b>         | <b>(4,900)</b>         | <b>-</b>               | <b>818,468</b>         |
| <b>TOTAL ASSETS</b>                                    | <b>899,970</b>         | <b>189,541</b>         | <b>(4,900)</b>         | <b>(6,325)</b>         | <b>1,078,286</b>       |
| <b>CURRENT LIABILITIES</b>                             |                        |                        |                        |                        |                        |
| 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                  |
| <b>Total current liabilities</b>                       | <b>118,151</b>         | <b>31,049</b>          | <b>-</b>               | <b>-</b>               | <b>149,200</b>         |
| <b>NON-CURRENT LIABILITIES</b>                         |                        |                        |                        |                        |                        |
| 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                 |
| <b>Total non-current liabilities</b>                   | <b>174,459</b>         | <b>50,602</b>          | <b>-</b>               | <b>-</b>               | <b>225,061</b>         |
| <b>TOTAL LIABILITIES</b>                               | <b>292,610</b>         | <b>81,651</b>          | <b>-</b>               | <b>-</b>               | <b>374,261</b>         |
| <b>NET ASSETS</b>                                      | <b>607,360</b>         | <b>107,890</b>         | <b>(4,900)</b>         | <b>(6,325)</b>         | <b>704,025</b>         |
| <b>EQUITY</b>  |                        |                        |                        |                        |                        |
| Issued capital   | 364,078                | 266,196                | (163,206)              | 2,158                  | 469,225                |
| 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                |
| <b>TOTAL EQUITY</b>                                    | <b>607,360</b>         | <b>107,890</b>         | <b>(4,900)</b>         | <b>(6,325)</b>         | <b>704,025</b>         |

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

|  | WGX                    | GCY                    | Pro-Forma Adjustment 1 | Adjustments Adjustment 2 | Merged Group           |
|--|------------------------|------------------------|------------------------|--------------------------|------------------------|
|  | 30 June 2021<br>\$'000 | 30 June 2021<br>\$'000 | \$'000                 | \$'000                   | 30 June 2021<br>\$'000 |
| <b>Continuing operations</b>                               |                        |                        |                        |                          |                        |
| Revenue  | 571,170                | 203,149                | -                      | -                        | 774,319                |
| Cost of sales  | (455,456)              | (150,145)              | -                      | -                        | (605,601)              |
| <b>Gross profit</b>  | <b>115,714</b>         | <b>53,004</b>          | -                      | -                        | <b>168,718</b>         |
|  | -                      |                        |                        |                          |                        |
| 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)                   |
| <b>Profit before income tax from continuing operations</b> | <b>111,893</b>         | <b>(41,690)</b>        | -                      | -                        | <b>70,203</b>          |
|  | -                      |                        |                        |                          |                        |
| Income tax expense   | (35,141)               | (2,440)                | -                      | -                        | (37,581)               |
| <b>Net Profit for the year</b>                             | <b>76,752</b>          | <b>(44,130)</b>        | -                      | -                        | <b>32,622</b>          |

**Notes:**

- (1) Pro forma adjustment 1 assuming 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 SID 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.



(c) **Pro forma consolidated statement of financial position and consolidated statement of comprehensive income of the Merged Group (assuming 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<br>\$'000 | 30 June 2021<br>\$'000 | \$'000                | \$'000         | 30 June 2021<br>\$'000 |
| <b>CURRENT ASSETS</b>                                  |                        |                        |                       |                |                        |
| 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                  |
| <b>Total current assets</b>                            | <b>222,465</b>         | <b>21,883</b>          | <b>-</b>              | <b>(6,325)</b> | <b>238,023</b>         |
| <b>NON-CURRENT ASSETS</b>                              |                        |                        |                       |                |                        |
| 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                 | (2,455)               | -              | 441,725                |
| 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                    |
| <b>Total non-current assets</b>                        | <b>677,505</b>         | <b>73,077</b>          | <b>(2,455)</b>        | <b>-</b>       | <b>748,127</b>         |
| <b>TOTAL ASSETS</b>                                    | <b>899,970</b>         | <b>94,960</b>          | <b>(2,455)</b>        | <b>(6,325)</b> | <b>986,150</b>         |
| <b>CURRENT LIABILITIES</b>                             |                        |                        |                       |                |                        |
| 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                    |
| <b>Total current liabilities</b>                       | <b>118,151</b>         | <b>15,556</b>          | <b>-</b>              | <b>-</b>       | <b>133,706</b>         |
| <b>NON-CURRENT LIABILITIES</b>                         |                        |                        |                       |                |                        |
| 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                 |
| <b>Total non-current liabilities</b>                   | <b>174,459</b>         | <b>25,352</b>          | <b>-</b>              | <b>-</b>       | <b>199,810</b>         |
| <b>TOTAL LIABILITIES</b>                               | <b>292,610</b>         | <b>40,907</b>          | <b>-</b>              | <b>-</b>       | <b>333,517</b>         |
| <b>NET ASSETS</b>                                      | <b>607,360</b>         | <b>54,053</b>          | <b>(2,455)</b>        | <b>(6,325)</b> | <b>652,633</b>         |
| <b>EQUITY</b>  |                        |                        |                       |                |                        |
| Issued capital   | 364,078                | 133,364                | (81,766)              | 2,158          | 417,833                |
| 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                |
| <b>TOTAL EQUITY</b>                                    | <b>607,360</b>         | <b>54,053</b>          | <b>(2,455)</b>        | <b>(6,325)</b> | <b>652,633</b>         |

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

|  | WGX                    | GCY                    | Pro-Forma Adjustment 1 | Adjustments Adjustment 2 | Merged Group           |
|--|------------------------|------------------------|------------------------|--------------------------|------------------------|
|  | 30 June 2021<br>\$'000 | 30 June 2021<br>\$'000 | \$'000                 | \$'000                   | 30 June 2021<br>\$'000 |
| <b>Continuing operations</b>                               |                        |                        |                        |                          |                        |
| Revenue  | 571,170                | 101,778                | -                      | -                        | 672,948                |
| Cost of sales  | (455,456)              | (75,223)               | -                      | -                        | (530,679)              |
| <b>Gross profit</b>  | <b>115,714</b>         | <b>26,555</b>          | -                      | -                        | <b>142,269</b>         |
| 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)                   |
| <b>Profit before income tax from continuing operations</b> | <b>111,893</b>         | <b>(20,887)</b>        | -                      | -                        | <b>91,006</b>          |
| Income tax expense   | (35,141)               | (1,222)                | -                      | -                        | (36,364)               |
| <b>Net Profit for the year</b>                             | <b>76,752</b>          | <b>(22,109)</b>        | -                      | -                        | <b>54,643</b>          |

**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 in section 3.3(b).

**3.4 Prospective Financial Information of the Merged Group**

Westgold has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Merged Group. The Westgold Board has concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the effect that variations in key variable inputs may have on future earnings performance.

**3.5 Merged Group Capital Structure**

Assuming that Westgold acquires 100% of the Gascoyne Shares, the following table shows the securities of Westgold as it will be immediately following completion of the Offer.

| Class of Security            | Completion of Offer            |
|------------------------------|--------------------------------|
| Westgold Shares <sup>1</sup> | 488,210,698                    |
| Performance Rights           | 1,486,500 (refer section 8.13) |
| Options                      | 521,630 (refer section 8.13)   |

**Notes:**

1 - Assuming no Gascoyne Performance Rights or Westgold Performance Rights are exercised. If the 2,531,492 Gascoyne Performance Rights were converted to Gascoyne Shares during the Offer Period, a further 632,873 Shares would be on issue. Refer also section 8.13 as to intention to issue further equity incentives to Westgold staff.

### **3.6 Major shareholders of Merged Group**

Assuming that Westgold acquires 100% of the Gascoyne Shares, Westgold considers the substantial holders of Westgold Shares will remain per section 1.3 (but the relevant percentage of the Merged Group held by such substantial shareholders will vary dependent upon the number of Westgold Shares issued pursuant to the Offer).

### **3.7 Risks associated with the Merged Group**

There are a number of risks associated with the Merged Group. These are summarised in section 4.

### **3.8 Merged Group's register**

In accordance with Australian law, Westgold's register of shareholders will be maintained in Australia by the Share Registry.

## **4. Risk factors**

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### **4.1 Introduction**

In deciding whether or not to accept the Offer, you should read this entire Bidder's Statement carefully. You should also carefully consider the risk factors outlined in this section 4. The future performance of Westgold and the future investment performance of its securities may be influenced by a wide range of factors, many of which are outside the control of Westgold. The future value of Westgold and the prices at which its securities trade on the ASX may be influenced by some or all of these factors.

If the Offer becomes unconditional, Gascoyne Shareholders who accept the Offer will become Westgold Shareholders, and Westgold will acquire an interest in Gascoyne. In that event, Gascoyne Shareholders will continue to be indirectly exposed to the risks associated with having an interest in Gascoyne's assets and general economic, share market and industry risks. There are also additional risks relating to Westgold and the Merged Group, to which Gascoyne Shareholders will be exposed through their holding of Westgold Shares.

The activities of Westgold, as in any business, are subject to risks which may impact on its future performance. Westgold has actions, systems and safeguards for known risks; however, some are outside its control.

Prior to making any decision to accept the Offer, Gascoyne Shareholders should carefully consider the risk factors outlined in this section 4, which Westgold has previously disclosed (many of which are listed below), as well as those risks of which the Gascoyne Shareholder is aware, or should be aware of through their own knowledge and enquiries.

There are a number of risks, both specific to Westgold and of a general nature, which may, either individually, or in combination, affect the future operational and financial performance of Westgold and the value of its shares. Some of the risks may be mitigated by Westgold using safeguards and appropriate systems and taking certain actions. However, as noted above and previously, some of the risks are outside the control of Westgold and are not capable of mitigation. There are also general risks associated with any investment in shares.

The risks listed below (and previously disclosed by Westgold) should not be taken as exhaustive of the risks faced by Westgold. Westgold however, considers that these risks represent key risks to an investment in Westgold. Additional risks and uncertainties that Westgold is unaware of, or that Westgold considers to be immaterial, may also become key risks that can adversely affect Westgold's operational and financial performance in the future. Factors, other than those listed, may in the future materially affect the financial performance of Westgold and the value of Westgold shares. These key investment risks are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor. Gascoyne Shareholders should read this Bidder's Statement in its entirety and consult their stockbroker, accountant or other professional advisor without delay before deciding whether to accept the Offer.

### **4.2 Risks Relating to the Offer and the Creation of the Merged Group**

#### **(a) Issue of Westgold Shares as Consideration**

Gascoyne Shareholders are being offered consideration under the Offer that consists of a specified number of Westgold Shares (rather than a number of Westgold Shares with a specified market value). The market value of Westgold Shares at the time at which they are received by Gascoyne Shareholders may vary from their market value on the date that Gascoyne Shareholders accept the Offer.

Accordingly, market fluctuations could affect the value of the consideration paid (in the form of Westgold Shares) under the Offer and the value of an accepting shareholder's investment in Westgold. Westgold is not obliged to make any adjustment in the consideration payable under the Offer if the value of Westgold Shares changes during the Offer Period.

Some Gascoyne Shareholders may not intend to continue to hold Westgold Shares and may wish to sell them on the ASX. There is a risk that if Shareholders seek to sell their Westgold Shares in volumes greater than average daily liquidity then such volume weighting may cause the share price of Westgold to be adversely impacted. Further, Westgold Shares issued to certain Ineligible Foreign Shareholders will be sold on the ASX (refer to section 7.11).

Unless Westgold acquires at least 80% of the Gascoyne Shares under the Offer, CGT scrip for scrip rollover relief will not be available in respect of the Westgold Shares received in exchange for the Gascoyne Shares.

(b) **Reliance on publicly available information regarding Gascoyne**

In respect of information relating to Gascoyne presented in, or omitted from, this Bidder's Statement, including all Gascoyne financial information, Westgold has relied upon publicly available information. Any inaccuracy in the Gascoyne information could adversely affect the anticipated results of operations of the Merged Group.

(c) **Merger Integration Risks**

Integrating two companies such as Westgold and Gascoyne may produce some risks, including integrating management, information systems and work practices. The integration may take longer than expected and the anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

(d) **Synergy Risks**

Whilst the Directors of Westgold expect to realise certain synergy benefits from the merger, achievement of these synergies is not certain. The synergies may not be realised to their full extent or may be realised over a longer period of time than the Directors of Westgold expect. This could have a material adverse impact on the financial performance of Westgold.

(e) **Change in Risk and Investment Profile**

Gascoyne Shareholders who accept the Offer will be exposed to risk factors relating to Westgold, and to certain additional risks relating to the Merged Group and the integration of the two companies. These include risks relating to a broader suite of assets held by the Merged Group.

(f) **Risks Associated with Retention of a Minority Stake**

There are some risks associated with the Offer for Gascoyne Shareholders who do not accept the Offer and remain Gascoyne Shareholders.

If, in connection with or following the Offer, Westgold acquires between 90% and 100% of the Gascoyne Shares, Westgold may be entitled to compulsorily acquire the remaining shares of the Gascoyne Shareholders.

If, in connection with the Offer, Westgold acquires more than 50.1% but less than 90% of the Gascoyne Shares, Westgold will hold a controlling interest in Gascoyne. The remaining Gascoyne Shareholders will be in a minority position in a company with a large controlling shareholder whose objectives for the company may differ from their own. They could also encounter a lower level of liquidity in Gascoyne Shares than exists today, which could result in a lower price for those Gascoyne Shares should they wish to sell them in the future.

If, following the Offer, Westgold does not acquire a Relevant Interest of at least 50.1% of the Gascoyne Shares, it may choose to waive the 50.1% condition of its Offer resulting in Westgold holding a non-controlling interest of between 0% and 50.1% of Gascoyne. If this occurred, it is possible that Westgold and another person or persons could each

hold large minority interests in Gascoyne. In such a situation, any commercial misalignment between large minority shareholders could impact on the efficient and effective governance of Gascoyne and could adversely affect its ongoing performance.

A risk also exists that the final level of ownership acquired by Westgold is less than 50.1%, which could have an impact on Westgold's intentions regarding Gascoyne (refer to section 5). This impact could have a material adverse effect on Gascoyne.

(g) **Limited Withdrawal Rights**

Once you have accepted the Offer for your Gascoyne Shares, you have the right to withdraw your acceptance of the Offer only in limited circumstances. This means that a decision to accept the Offer may be irrevocable. Under Australian law, if after you have accepted the Offer and while it remains subject to conditions, the Offer is varied (such as by an extension of the Offer Period) so as to postpone for more than one month the time when Westgold must meet its obligations under the Offer, you will be able to withdraw your acceptance. Otherwise, you will be unable to withdraw your acceptance of the Offer even if the market value of Westgold Shares varies significantly from their value on the date of your acceptance of the Offer.

(h) **Change of Control**

Westgold is not aware of any pre-emptive rights or change of control provisions affecting Gascoyne's assets or agreements which would be triggered by Westgold obtaining control of Gascoyne, save to the extent change of control triggers or review events may exist in the Investec Finance Facility and the NRW Agreement. However, Gascoyne may be a party to agreements that contain pre-emptive rights or change of control provisions that may be triggered if Westgold acquires Gascoyne Shares representing a majority of the voting rights of Gascoyne. The operation of these change of control provisions, if triggered, could have negative consequences including requiring Gascoyne to renegotiate its financings, or sell joint venture interests. These provisions may be waived with the consent of the other party and Westgold would consider seeking such waivers if it discovered that pre-emptive rights or change of control provisions affecting Gascoyne's assets or agreements would be triggered upon Westgold obtaining control of Gascoyne. In the absence of these waivers, the operation of any of these changes of control provisions could adversely affect the operations of the Merged Group, this may include the acceleration of payments that may be due under the Investec Finance Facility and the NRW Agreement.

(i) **Accounting for the Offer**

Westgold will be required to perform a fair value assessment of all Gascoyne's assets and liabilities if the Offer is successful. This assessment may result in increased non-cash depreciation and amortisation changes. There is a risk that these changes may be substantially greater than those that would exist in Westgold and Gascoyne as separate businesses. This may reduce the future earnings of the Merged Group.

(j) **Dividends**

On 30 August 2021, Westgold declared a maiden dividend of 2cps. The payment of dividends (if any) by Westgold is determined by the Westgold Board from time to time at its discretion, and is dependent upon factors including the profitability and cash flow of Westgold's business at the relevant time. Any dividends paid by Westgold in the future will be subject to similar considerations.

The Merged Group will operate in a cyclical sector, in which financial characteristics (such as commodity prices, foreign exchange rates and energy costs) vary and as a result will have an impact on profit and cash flow generation. This may result in variations in the capability of the Merged Group to make dividend payments to shareholders through varying business cycles.

(k) **Acquisitions**

Westgold regularly identifies and assesses potential opportunities for acquisitions and growth initiatives where it considers the opportunities may create shareholder value. The Merged Group will continue to identify and assess such opportunities. While the Merged Group intends to undertake appropriate due diligence to properly assess any such opportunities, these transactions involve inherent risks. These risks could cause the Merged Group not to realise the benefits anticipated to result from such transactions (or the benefits may take longer than expected to be realised), which may have a material adverse effect on the Merged Group's ability to grow and on its financial position and financial performance. In addition, acquisitions may be funded by the issue of additional Westgold Shares, which may dilute Westgold shareholders, or by debt, which will affect the Merged Group's balance sheet accordingly.

(l) **Financing risks and capital requirements**

The Merged Group's capital requirements will depend on a number of factors. While Westgold expects the Merged Group to have sufficient funding in relation to its existing operations (based on existing estimates of funding requirements), funding requirements may change in the future depending on multiple factors including (without limitation) further acquisitions, divestments and commodity prices. The Merged Group may be required to seek additional financing (either in the form of debt or equity) and there is no guarantee that the Merged Group will be able to secure the required level of funding. Any debt financing, if available, may involve restrictions on the Merged Group's financing and operating activities, or its business strategy and additional equity financing may dilute shareholders and may be undertaken at lower prices than the current market price. No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Merged Group or at all. If the Merged Group is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on Westgold's operations and financial position. In the ordinary course of operations and development, Westgold will be required to issue financial assurances, particularly assurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. Westgold's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

(m) **Potential unavailability of CGT scrip for scrip rollover relief**

Gascoyne Shareholders who accept the Offer and receive Westgold Shares may, in some circumstances (particularly where Westgold does not obtain 80% or more of the Gascoyne Shares under the Offer) have a CGT liability but will not be able to claim CGT scrip for scrip rollover relief in respect of the Westgold Shares received in exchange for the Gascoyne Shares. The Australian taxation implications of accepting the Offer are discussed in greater detail in section 6.

#### 4.3 **Risks Relating to Industry Activities**

(a) **Exploration Risk**

Exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project, there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Merged Group from successfully exploiting the resource.

(b) **Share Price Fluctuation Risk**

The value of Westgold's shares will be determined by the stock market and will be subject to varied and often unpredictable influences in the share market beyond the Westgold's control. These factors include, but are not limited to, the demand for, and availability of Westgold Shares, movements in interest rates, exchange rates, and rates of inflation, fluctuations in the Australian and international stocks markets, changes in fiscal, monetary and regulatory policies, and general domestic and international and economic activity. Depending on general market conditions and Westgold's share price, Westgold may not be able to attract new investors or raise capital as and when required.

(c) **Commodity Price Risk**

The main source of revenue for Westgold is through the sale of gold. Accordingly, the financial performance of the Merged Group will be exposed to fluctuations in the gold price. Gold prices are affected by numerous factors beyond the control of the parties including the level of production costs in major gold producing regions, global and regional demand for, and supply of, gold and macroeconomic factors such as expectations regarding inflation and interest rates. The parties cannot provide any assurance as to the prices that may be achieved for gold.

Future production from the Merged Group's mineral properties will be dependent upon commodity prices being adequate to make these properties economic. Future serious price declines in the market value of gold could cause the development of, and any commercial production from, a project to be rendered uneconomic. This would materially and adversely affect production, profitability and the Merged Group's financial position.

A decline in the market prices of gold may also require the Merged Group to write down its Ore Reserves and Mineral Resources which would have a material and adverse effect on its earnings and profitability. Should any significant write-down in Ore Reserves and Mineral Resources be required, material write-down of the Merged Group's investment in the affected mining properties and increased amortisation may also be required.

(d) **Exchange Rate Risk**

The revenue of the Merged Group will be derived from the sale of gold and other minerals which are typically priced in US dollars. However, the costs of the Merged Group will mostly be in Australian dollars, exposing the Merged Group to the fluctuations and volatility of the exchange rate between the US and Australian dollars. The risks associated with such fluctuations and volatility may be minimised by any currency hedging the Merged Group may undertake.

(e) **Development and Mining Risk**

The Merged Group's projects are at various stages of exploration, development and production. Ultimate and continuous success of activities is dependent on a number of factors including:

- (1) the discovery and/or acquisition of economically recoverable Ore Reserves;
- (2) access to adequate capital to fund and develop its projects;
- (3) construction of efficient development and production infrastructure within capital expenditure budgets;
- (4) securing and maintaining title to interests;
- (5) obtaining regulatory consents and approvals necessary for the conduct of mineral exploration, development and production; and
- (6) retention of appropriately skilled and experienced employees, contractors and consultants.

The Merged Group's operations may be delayed or prevented as a result of factors including weather conditions, mechanical difficulties or a shortage of technical expertise or equipment. There may be difficulties with obtaining government and/or third-party



approvals, operational difficulties encountered with construction, extraction and production activities, unexpected shortages or increase in the price of consumables, plant and equipment, cost overruns or lack of access to required levels of funding. The Merged Group's operations may be curtailed or disrupted by a number of risks beyond its control such as environmental hazards, industrial accidents and disputes, technical failures, unusual or unexpected geological conditions, adverse weather conditions, fires, explosions and other accidents.

The Merged Group's operations may be adversely affected by higher than anticipated treatment costs, worse than anticipated metallurgical conditions, fluctuations in metal prices or lack of availability of treatment plant capacity. The occurrence of any of these circumstances could result in the Merged Group not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Merged Group's financial and operational performance.

(f) **Tenure and Access Risk**

Mining and exploration tenements are subject to periodic renewal. There can be no guarantee that current or future tenements, or current or future production tenements will be approved. Tenements are subject to numerous State-specific legislative conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Merged Group.

(g) **Compulsory Work Obligations Risk**

Tenements are subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. These commitments may be varied by the tenement holder but any such variation is at the sole discretion of the minister administering the relevant State mining legislation. If no variation is approved, and there is a failure to meet the commitments, this could lead to forfeiture of the tenement.

(h) **Reserve and Resource Estimates Risk**

The Mineral Resources and Ore Reserves of the Merged Group are estimates only and no assurance can be given that any particular level of recovery of gold or other minerals will in fact be realised or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited.

Mineral Resources which are not Ore Reserves may not have demonstrated economic viability. These estimates are prepared in accordance with the JORC Code 2012 and are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience which could in turn affect the Merged Group's mining plans and ultimately its financial performance and value. Estimates that are valid when made may change significantly when new information becomes available. In addition, gold price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render Reserves and Resources uneconomic and so may materially affect the estimates.

(i) **Environmental Risk**

The operations and activities of the Merged Group are subject to the environmental laws and regulations of Australia and any other places it may conduct business in the future. As with all mining operations and exploration projects, the Merged Group's operations and activities are expected to have an impact on the environment. The development of future projects could be expected to have numerous environmental impacts which would require various statutory approvals to be put in place. There is no guarantee that such approvals would be granted. The Merged Group intends to conduct its operations in an environmentally responsible manner and in accordance with relevant legislation.

However, the Merged Group is unable to predict the effect of future changes to environmental legislation or policy and the cost effect of such changes on its operations and financial position. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Merged Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the Merged Group's business, financial condition and performance.

(j) **Native Title and Aboriginal Heritage**

The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Merged Group to carry out exploration or obtain production tenements. In applying for certain production tenements, the Merged Group must observe the provisions of Native Title legislation (where applicable) and Aboriginal Heritage legislation which protects Aboriginal sites and objects of significance. In certain circumstances the consent of registered Native Title claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the conditions imposed by Native Title claimants on such consent may be on terms unacceptable to the Merged Group. If any known, or currently as yet undiscovered, Aboriginal Heritage sites are present on the tenements of the Merged Group there is a risk that the presence of such sites may limit or prevent exploration or mining activity on the affected areas of those tenements. The failure to obtain the approval of the relevant minister to impact Aboriginal Heritage sites can result in offences being committed and significant fines or orders to stop work being made.

(k) **Exploitation of Discoveries Risk**

It may not always be possible for the Merged Group to exploit successful discoveries that may be made in areas in which it has an interest. Exploitation involves obtaining the necessary licences, permits and regulatory consents and authorisations. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may differ from the Merged Group's.

(l) **Governmental Risk**

The impact of actions by governments may affect Westgold's operations including matters such as necessary approvals, land access, sovereign risk, additional or increased taxation and royalties which are payable on the proceeds of the sale of any successful exploration. Further, the approval of contractual arrangements in relation to exploration permits as well as the renewal of exploration permits is each a matter of governmental discretion and no guarantee can be given in this regard. A failure to obtain any approval would mean that the ability of Westgold to participate in or develop any project may be limited or restricted either in part or absolutely. Industry profitability can be affected by changes in tax policies and the interpretation and application thereof.

(m) **Contractual Dispute Risk**

The Merged Group will rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders. The Merged Group will also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed. The Merged Group could be adversely affected by changes to such relationships or difficulties in forming new ones.

(n) **Competition Risk**

The Merged Group will compete with other companies, including major gold companies in Australia and internationally. Some of these companies will have greater financial and other resources than the Merged Group and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Merged Group can compete effectively with these companies.

#### 4.4 General Risks

(a) **Investment in Publicly Quoted Securities Risk**

Prospective investors should be aware that the value of Westgold Shares may go down as well as up and that the market price of Westgold Shares may not reflect the underlying value of Westgold. Investors may therefore realise less than, or lose all of, their investment.

(b) **Potentially Volatile Share Price and Liquidity Risk**

The share price of emerging companies quoted on public exchanges such as the ASX can be highly volatile and shareholdings illiquid. The price at which Westgold Shares are quoted and the price at which investors may realise their Westgold Shares may be influenced by a significant number of factors, some specific to Westgold and its operations and some which affect quoted companies generally. These factors could include the performance of Westgold, large purchases or sales of Westgold Shares, legislative changes and general, economic, political or regulatory conditions.

(c) **Market Perception Risk**

The market price of Westgold Shares could be subject to significant fluctuations due to a change in sentiment in the market following implementation of the Offer.

Any such fluctuations could result from national and global economic and financial conditions, the market's response to the Merger, changes in metal prices, market perceptions of Gascoyne or Westgold, regulatory changes affecting the Merged Group's operations, variations in the Merged Group's operating results, business developments of the Merged Group or its competitors and liquidity of financial markets.

The operating results and prospects of the Merged Group from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of Westgold Shares.

(d) **Economic Conditions Risk**

Changes in the general economic climate in which Gascoyne and Westgold operate may adversely affect the financial performance of the Merged Group. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Merged Group, industrial disruption, the rate of growth of gross domestic product in Australia, interest rates and the rate of inflation.

(e) **Force Majeure Events Risk**

Events may occur within or outside Australia that could impact upon the Australian economy, Westgold's operations and the price of Westgold Shares. These events include, but are not limited to, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, uranium concentrate risk or other natural or man-made events or occurrences that can have an adverse effect on the demand for Westgold's products and its ability to operate its assets. Westgold has only a limited ability to insure against some of these risks.

(f) **Changes in Government Policies and Legislation**

Any material adverse changes in government policies or legislation of Australia may affect the viability and profitability of the Merged Group.

(g) **Litigation**

As at the date of this Bidder's Statement, Westgold is not aware of any material disputes or litigation being undertaken. However, it is possible that the Merged Group may be involved in disputes and litigation in the course of its future operations. There is a risk that any material or costly dispute or litigation and compensation or damages could adversely impact the financial position or performance of the Merged Group.

## **5. Intentions of Westgold**

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### **5.1 Introduction**

This section sets out Westgold's intentions in relation to the following:

- (a) the continuation of the business of Gascoyne
- (b) any major changes to the business of Gascoyne and any redeployment of the fixed assets of Gascoyne, and
- (c) the future employment of the present employees of Gascoyne.

These intentions have been formed on the basis of facts and information concerning Gascoyne, and the general business environment, which are known to Westgold and Gascoyne at the time of preparing this Bidder's Statement.

Westgold's final decisions may be varied in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and are subject to possible variation as new information becomes available or circumstances change.

The articulation and formulation of Westgold's intentions are necessarily limited by virtue of the fact that Westgold has only had limited access to information relating to Gascoyne and its affairs. These intentions are based on the information concerning Gascoyne, its business and the general business environment, which is known to Westgold at the time of the preparation of this Bidder's Statement.

### **5.2 Overview and rationale for the Offer**

Westgold has decided to make this Offer in recognition of, and to consolidate, the companies' respective regional interests in prospective and synergistic gold exploration and future gold production.

### **5.3 Specific intention concerning Gascoyne Performance Rights**

The Offer does not extend to Gascoyne Performance rights which are not converted or not crystallised as a result of the Offer.

After the end of the Offer Period, Westgold may seek to acquire any remaining Gascoyne Performance Rights by doing one or more of the following (at its election):

- (a) making a private offer to holders of those Gascoyne Performance Rights to acquire them (to the extent those Gascoyne Performance Rights have not converted into Gascoyne Shares during the Offer Period); or
- (b) if Westgold becomes entitled under Chapter 6A of the Corporations Act to compulsorily acquire all outstanding Gascoyne Shares, compulsorily acquiring the Gascoyne Performance Rights.

### **5.4 Intentions upon acquisition of a Relevant Interest in less than 50% of Gascoyne Shares**

The Offer is subject to a number of Conditions set out in section 7.2 of this Bidder's Statement, including, a minimum ownership Condition requiring Westgold at or before the end of the Offer Period to have a Relevant Interest in at least 50.1% of all the Gascoyne Shares.

Subject to Corporations Act requirements, Westgold may be able to waive the benefit of some or all of the Conditions in section 7.2. Westgold's current intention is that, unless the Conditions described in section 7.2 are satisfied, the acquisition of Gascoyne Shares under this Bidder's

Statement will not proceed. Westgold reserves its right to review and reconsider this position as the Offer Period proceeds.

In the event that Westgold acquires less than 50% of the Gascoyne Shares it is Westgold's present intention that it would request representation on the Board of Gascoyne (commensurate with its shareholding in Gascoyne) and, thereby, gain a more detailed appreciation of the opportunities and challenges faced by Gascoyne and contribute to realisation of those opportunities to the greatest extent possible. In these circumstances, Westgold does not expect to be in a position to give effect to the intentions set out in sections 5.5 and 5.6 (other than as noted to request representation on the Board of Gascoyne ).

#### **5.5 Intentions for Gascoyne as a partly controlled entity**

If, as a result of acceptances under the Offer, Westgold acquires a Relevant Interest in Gascoyne of between 50.1% and 90% then:

- (a) Westgold will control Gascoyne but will not be entitled to proceed to compulsory acquisition of outstanding Gascoyne Shares in accordance with Part 6A.1 of the Corporations Act;
- (b) Gascoyne will not become a wholly owned subsidiary of Westgold at the end of the Offer Period; and
- (c) existing Gascoyne Shareholders who have accepted the Offer will hold, in aggregate, between approximately 6.9% and 11.7% of Westgold Shares.<sup>46</sup>

In the circumstance described above it is Westgold's current intention that it will endeavour to implement the current intentions set out below to the extent it is able to do so by law.

#### ***Corporate matters***

At the end of the Offer Period, Westgold intends, subject to the Corporations Act and the constitution of Gascoyne, to replace some of the members of the Board of Gascoyne with nominees of Westgold so that the proportion of such nominees is broadly similar to the voting power of Westgold. The identity of replacement board members will be dependent upon circumstances at the time and has therefore not yet been decided by Westgold.

#### ***General operational review and employees***

Westgold will propose that Gascoyne conduct an immediate, broad-based review of Gascoyne's structure, corporate functions and operations to identify areas for improvement and subsequently to establish a plan to achieve or exceed best opportunity for wealth creation for all the shareholders of Gascoyne.

#### **5.6 Intentions for Gascoyne as a wholly owned controlled entity**

If Westgold acquires a relevant interest in 90% or more of the Gascoyne Shares, it will become entitled to proceed to compulsory acquisition of outstanding Shares in accordance with Part 6A.1 of the Corporations Act. In this circumstance, Westgold's current intentions are set out below.

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<sup>46</sup> Assuming no dilution occurs (for example pursuant to the exercise of existing Westgold Performance Rights).

### **Corporate matters**

Westgold intends to:

- (a) proceed with compulsory acquisition of the outstanding Gascoyne Shares in accordance with the provisions of Part 6A.1 of the Corporations Act;
- (b) replace all Directors of Gascoyne with its own nominees. The identity of replacement board members will be dependent upon circumstances at the time and has therefore not yet been decided by Westgold; and
- (c) apply for Gascoyne to be removed from the official list of the ASX.

### **Conduct of business and deployment of assets**

A further review of the operating structure, systems and activities of Gascoyne will be undertaken upon completion of the Offer. The review will evaluate the performance, profitability, prospects and strategic relevance of the Merged Group in the context of the objective to grow the merged business and enhance profitability. This may lead to changes of existing structures, staffing, systems and activities.

Currently, but subject to completion of the review referred to above, Westgold intends to:

- (a) continue operating the Gilbey's open pit and Dalgaranga operations at full capacity under the current Gascoyne site based operating teams and contractors supplemented with several Westgold personnel;
- (b) commence optimisation studies to determine timing and logistics of ore delivery from current Westgold operations to the Dalgaranga operations ROM pad, including supplementing the ore feed with ore readily available from Westgold's Cue Gold Operations;
- (c) undertake a full geological review of the Gilbey's, Sly Fox, Plymouth, Mt Egerton and Glenburgh exploration projects so as to be able to fully integrate these assets into the company's strategic planning model;
- (d) honour all existing debt and service contracts known and disclosed by Gascoyne at the date of this Bidder's Statement, the open pit contracts as they exist with NRW and other supplier agreements as disclosed; and
- (e) review all existing debts and facilities and other assets in the region to enhance and expand the operating business of Gascoyne in the region

### **Employees**

Westgold notes the current mining industry high demand for employees and as such is committed to retaining and/or redeploying as many Gascoyne employees as possible to support not only the Dalgaranga operation, but Westgold's current Murchison operations. In some instances, opportunities for training and promotion of Gascoyne employees as possible.

Following the acquisition of Gascoyne, it is presently proposed that:

- (a) Westgold's and Gascoyne's corporate operations will be consolidated so as to realise any potential cost savings. Gascoyne's and Westgold's corporate offices will be co-located;
- (b) Gascoyne's existing operational and technical service providers will be retained as employees or on a contract basis so as to ensure continuity of operations that their knowledge and expertise can be utilised in management and oversight of the combined Westgold and Gascoyne exploration portfolio;

- (c) Corporate administrative services will be provided by Westgold's existing service providers; and
- (d) Westgold will seek, wherever possible or practicable, to allocate alternative responsibilities to any employees currently employed with Gascoyne and whose employment will no longer be required as a result of this centralisation of corporate administration functions or generally.

However, Westgold acknowledges that it may not be feasible to allocate alternative responsibilities to some of the Gascoyne employees whose responsibilities would be duplicated following a successful acquisition or whose roles are not required, following Westgold's review of the Gascoyne businesses. In such circumstances, Westgold expects that such employees would be made redundant (through voluntary redundancy schemes if possible) and would be paid their full entitlements.

Following completion of the Offer, and as part of the operational review described above, Westgold will consider whether, in order to further develop Gascoyne's assets, additional management and technical resources from external sources will be required.

#### **5.7 Other intentions**

Other than as set out in this section 5, it is the present intention of Westgold:

- (a) to continue the businesses of Gascoyne as at the date of the Bidder's Statement;
- (b) not to redeploy any of the fixed assets necessarily required to perform the business of Gascoyne; and
- (c) subject to the completion of its review referred to above, to maintain employment of Gascoyne's existing operational employees.

#### **5.8 Limitations on intentions**

Westgold will only make a final decision on the matters set out above following receipt of appropriate legal and financial advice.

Westgold's intentions must be read as being subject to the duty of the Gascoyne Board, including any nominees of Westgold, to have regard to the interests of all Gascoyne Shareholders and would therefore be subject to its obligations to comply with the applicable provisions of the Corporations Act and the law generally.

## **6. Tax Considerations**

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### **6.1 Introduction**

The following is a summary of the potential Australian income tax (including capital gains tax (CGT)), Goods and Services tax (GST) and stamp duty consequences generally applicable to Gascoyne Shareholders who dispose of Gascoyne Shares under the Offer. This summary is based on the law and practice in effect on the date of this Bidder's Statement.

The following summary is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of every Gascoyne Shareholder. In particular, this summary focuses on Gascoyne Shareholders that are Australian residents for income tax purposes and hold their Gascoyne Shares on capital account for investment purposes and only considers the Australian tax position. For completeness, general high-level tax comments on the Australian tax implications for non-Australian residents are also included below.

This summary does not apply to Gascoyne Shareholders:

- (a) who hold their Gascoyne Shares as trading stock or as revenue assets;
- (b) who acquired their Gascoyne Shares as part of an employee share scheme operated by Gascoyne;
- (c) that may be subject to special tax rules, such as financial institutions, insurance companies, partnerships (except where expressly stated), tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- (d) who are subject to the taxation of financial arrangements rules in relation to gains and losses on their Gascoyne Shares.

All Gascoyne Shareholders are advised to seek independent professional advice about their particular circumstances and non-Australian resident Gascoyne Shareholders should seek their own advice on the Australian and foreign taxation consequences of any sale of their Gascoyne Shares.

### **6.2 CGT consequences on the disposal of Gascoyne Shares for Australian resident shareholders**

A Gascoyne Shareholder that accepts the Offer and whose Gascoyne Shares are subsequently transferred to Westgold, is taken to have disposed of their Gascoyne Shares for CGT purposes. On disposal of their Gascoyne Shares, Gascoyne Shareholders make a capital gain to the extent that the market value of the Offer consideration exceeds the tax cost base of their Gascoyne Shares (subject to the availability of the CGT discount (see below) and any tax losses available to be offset against the capital gain).

The capital proceeds received for the disposal of the Gascoyne Shares should be calculated by reference to the market value of the Westgold Shares that each Gascoyne Shareholder will receive.

The sum of all capital gains incurred by a Gascoyne Shareholder in the year in which the transaction occurs, reduced by any capital loss incurred during that year, or carried forward from prior years (known as the net capital gain), should be included in the assessable income of the Gascoyne Shareholder.

Alternatively, Gascoyne Shareholders make a capital loss on the transfer of their shares to Westgold to the extent that the reduced cost base of their Gascoyne Shares exceeds the capital proceeds (i.e. the value of shares in Westgold) they receive under the Offer. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year (subject to the satisfaction of certain loss recoupment tests which apply if the Gascoyne Shareholder is a company).



### 6.3 **Cost base of Gascoyne Shares generally**

Generally, the cost base of Gascoyne Shares should be equal to the amount paid to acquire the Gascoyne Shares. Other incidental costs incurred by a Gascoyne Shareholder in respect of their acquisition or ownership of Gascoyne Shares (such as brokerage and undeducted borrowing costs) may also be included in the cost base of the Gascoyne Shares they own.

Gascoyne Shareholders should be aware that the CGT cost base may be different if they have previously applied a CGT rollover in respect of their Gascoyne Shares.

### 6.4 **CGT rollover**

Gascoyne Shareholders who make a capital gain from the disposal of their Gascoyne Shares may be eligible to choose scrip for scrip CGT rollover relief (provided certain conditions are met). Broadly, scrip for scrip CGT rollover relief enables Gascoyne Shareholders to disregard the capital gain they make from the disposal of their Gascoyne Shares.

For scrip for scrip CGT rollover relief to be available, Westgold must become the owner of 80% or more of the shares in Gascoyne and the Gascoyne Shareholder must make a capital gain on the disposal of their Gascoyne Shares. If a capital loss arises, no scrip for scrip CGT rollover relief is available.

The benefit of choosing scrip for scrip CGT rollover relief will depend on the individual circumstances of each Gascoyne Shareholder and therefore Gascoyne Shareholders should discuss this with their tax advisers.

Where scrip for scrip CGT rollover relief is chosen, the tax cost base of the Westgold Shares received by the Gascoyne Shareholders should equal the tax cost base of the Gascoyne Shares subject to disposal. This tax cost base will be allocated on a proportionate basis across the Westgold Shares received and will be relevant in determining any future CGT liability in respect of the subsequent disposal of the Westgold Shares.

For the purposes of determining whether the CGT discount applies on any subsequent disposal of the Westgold Shares, the date on which the Gascoyne Shareholders will be deemed to have acquired the Westgold Shares will be the day they acquired their original Gascoyne Shares.

Generally, the preparation of Gascoyne Shareholders' income tax return on the basis that the scrip for scrip CGT rollover has been applied will be sufficient evidence of making the choice to obtain CGT rollover relief.

In certain circumstances, it may be necessary for Westgold to make a joint election with Gascoyne Shareholders in order for CGT rollover relief to apply. To the extent a joint election is necessary for CGT rollover relief to apply then, at the request of the Gascoyne Shareholder and provided the Gascoyne Shareholder has informed Westgold in writing of the cost base of their Gascoyne Shares, Westgold may make the joint election. Westgold confirms that it will not make any choice or election under the CGT rollover provisions that would prevent Gascoyne Shareholders from obtaining CGT rollover relief where available.

### 6.5 **CGT discount**

Any Gascoyne Shareholder who is an individual, the trustee of a trust or a complying superannuation entity that does not choose CGT rollover relief may be entitled to a "CGT discount" in calculating the net capital gain to be included in their assessable income.

Some Gascoyne Shareholders will be eligible for the CGT discount provided that:

- (a) the Gascoyne Shares were held, or were taken to have been held, for at least 12 months (not including the date of acquisition or the date of disposal) before disposal to Westgold;
- (b) the Gascoyne Shareholder did not choose to index the cost base of their Gascoyne Shares; and
- (c) the CGT discount is applied to the capital gain after any available capital losses are first applied to reduce the capital gain.

The CGT discount allows a Gascoyne Shareholder who is an individual to discount the capital gain by 50%, thereby including only the remaining 50% of the capital gain in the taxable income of that individual.

A Gascoyne Shareholder that is a complying superannuation entity may discount the capital gain by 1/3, thereby only including 2/3 of the capital gain in the taxable income of that complying superannuation entity.

The CGT discount is not available to a Gascoyne Shareholder that is a company. In addition, to the extent that the integrity rules relating to disposal of shares in an entity apply, then relevant shareholders may be denied access to the general CGT discount.<sup>47</sup>

The CGT discount rules relating to trusts are complex. Accordingly, Westgold recommends trustees seek their own independent advice on how the CGT discount applies to them and the trust's beneficiaries.

## 6.6 **CGT consequences on the disposal of Gascoyne Shares for non-Australian resident Shareholders**

If you are a non-Australian resident shareholder and accept this Offer you will not be entitled to receive Westgold Shares in exchange for your Gascoyne Shares unless Westgold determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to issue you with Westgold Shares on acceptance of the Offer; and
- (b) is not unlawful for you to accept the Offer by the law of the relevant place outside Australia or its external territories.

As set out in section 7.11 of this Bidder's Statement, the nominee will arrange for the Westgold Shares that are exchanged for your Gascoyne Shares to be sold. You will receive the proceeds of sale (less brokerage and sale expenses) of the Westgold Shares calculated in accordance with the formula in section 7.11.

Broadly, non-Australian residents are not entitled to claim any CGT discount on disposal of a CGT asset that was acquired after 8 May 2012. The CGT discount is apportioned if you acquired a CGT asset on or before 8 May 2012. The CGT discount is explained further above.

For a Gascoyne Shareholder who:

- (a) is a non-Australian resident for Australian tax purposes;
- (b) holds their Gascoyne Shares on capital account; and
- (c) does not hold their Gascoyne Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Gascoyne Shares will generally only result in Australian CGT implications if the Gascoyne Shares are considered to be indirect Australian real property interests. This will occur where:

- (d) the shareholder together with its associates held 10% or more of Gascoyne's Shares at the time of disposal or for any continuous 12-month period within two years preceding the disposal; and
- (e) more than 50% of Gascoyne's asset market values are due to direct or indirect interests in Australian real property, including Australian mining and exploration leases and licences,

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<sup>47</sup> The integrity rules relating to disposal of shares in an entity may apply if Gascoyne acquired more than 50% of its underlying assets in the 12 months before the disposal of Gascoyne Shares.

Pursuant to the foreign resident CGT withholding tax rules, unless an exemption applies, Westgold is required to withhold 12.5% of the capital proceeds paid for the acquisition of Gascoyne Shares from foreign shareholders. In order to avoid any withholding, foreign residents that consider their Gascoyne Shares to not be indirect Australian real property interests (and therefore not subject to CGT) should complete a Foreign resident capital gains withholding – vendor declaration form and provide this to Westgold prior to the applicable payment date.

This should apply to the proceeds distributed to non-Australian resident Gascoyne Shareholders in accordance with the process referred to in section 7.11. Non-Australian resident Gascoyne Shareholders should seek their own advice in relation to the vendor declaration and the application of an exemption from CGT withholding in respect of this transaction.

A non-Australian resident Gascoyne Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on ceasing to be a resident will be subject to the Australian CGT consequences on disposal of their Gascoyne Shares as set out in the above sections. However, scrip for scrip CGT roll-over relief may not be available and such shareholders should seek independent advice in relation to their individual circumstances.

#### **6.7 Stamp duty**

The transfer of shares in Gascoyne or the issue of Westgold Shares is not expected to give rise to any stamp duty liabilities for existing Gascoyne Shareholders.

#### **6.8 Goods and Services Tax (GST)**

The sale of Gascoyne Shares by existing shareholders as contemplated will not attract GST. Similarly, no GST will be payable on the acquisition of Westgold Shares.

Where shareholders are registered or required to be registered for GST, any GST incurred on expenses that relate to the sale of existing shares or the acquisition of new shares may not be recoverable if the individual shareholder exceeds the financial acquisitions threshold as set out in the relevant GST legislation. However, a reduced input tax credit equal to 75% of the GST incurred may still be available if the acquisition constitutes a reduced credit acquisition.

Where Gascoyne Shareholders are not registered, or required to be registered for GST, no GST implications should arise in relation to the Offer.

#### **6.9 Obtain your own taxation advice**

Do not rely on the comments or the statements contained in this Bidder's Statement as advice about your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Bidder's Statement.

Accordingly, consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, Westgold does not accept any responsibility for the tax implications applicable to individual Gascoyne Shareholders.

Westgold is not a registered tax agent under the Tax Agent Services Act 2009 (Cth) and cannot provide tax advice to specific Gascoyne Shareholders. Gascoyne Shareholders should obtain tax advice from a registered tax agent in relation to the tax consequences of accepting the Offer.

## 7. Terms of Offer

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### 7.1 The Offer

- (a) Westgold hereby offers to acquire all of your Gascoyne Shares (together with all Rights attaching to them) on and subject to the terms and conditions set out in this section 7.
- (b) The consideration under the Offer is 1 (one) Westgold Shares for every 4 (four) Gascoyne Shares. If this calculation results in an entitlement to a fraction of a Westgold Share, then that fraction will be rounded down to the next whole number of Westgold Shares.
- (c) If, at the time this Offer is made to you, you are an Ineligible Foreign Shareholder, you will not receive Westgold Shares. Instead, you are offered and will receive a cash amount determined in accordance with section 7.11.
- (d) The Westgold Shares to be issued are ordinary shares in Westgold and will be credited as fully paid and have the rights summarised in section 8.3.
- (e) By accepting this Offer, you undertake to transfer to Westgold not only the Gascoyne Shares to which the Offer relates, but also all Rights attached to those Gascoyne Shares (refer section 7.8).
- (f) The Offer is dated the Offer Date.
- (g) For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

### 7.2 Conditions of the Offer

Subject to section 7.3, the completion of this Offer and any contract that results from an acceptance of this Offer are subject to the fulfilment of the Conditions set out below:

(a) **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.

(b) **Minimum relevant interest**

At or before the end of the Offer Period, Westgold and its Related Bodies Corporate together have Relevant Interests in at least 50.1% of all the Gascoyne Shares.

(c) **No Regulatory Action**

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

- (1) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (2) no action or investigation is commenced by any Public Authority; and
- (3) no application is made to any Public Authority (other than by Westgold 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 Gascoyne Shares

under the Offer or any transaction contemplated by the Bidder's Statement, the Offer or the rights of Westgold in respect of Gascoyne, or requires the divestiture by any entity within the Westgold Group of any Gascoyne Shares, or requires the divestiture of any assets of the Westgold Group or Gascoyne Group.

(d) **No material adverse change**

Between the Announcement Date and the end of the Offer Period (each inclusive), no act, omission, event, change 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:

(1) a material adverse effect on:

- (A) the assets, financial or trading position, profitability or prospects of the Target Group, taken as a whole; or
- (B) 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:

- (C) required or permitted by the Offer or the transactions contemplated by them;
- (D) fully and Fairly Disclosed by the Target in an ASX announcement;
- (E) which do not relate specifically to the Target Group and which are beyond the control of Target and which arise from:
  - (i) changes in commodity prices, exchange rates or interest rates; or
  - (ii) general economic, political or business conditions; or
  - (iii) changes in laws, regulations and standards (including accounting standards); or
- (F) which took place with the prior written consent of the Bidder,

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.

(e) **No material acquisitions, disposals or new commitments**

Between the Announcement Date and the end of the Offer Period (each inclusive), neither Gascoyne or any Subsidiary of Gascoyne other than with the prior written consent of the Bidder:

- (1) 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;
- (2) 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;

- (3) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement, joint venture or partnership that:
  - (A) requires payments, expenditure or the foregoing of revenue by Gascoyne and/or any of its Subsidiaries of an amount in excess of \$A250,000 on any individual basis or which is, in aggregate, greater than the Specified Amount; or
  - (B) is material in the context of the Gascoyne Group and is not in the ordinary course of business;
- (4) 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 Gascoyne and/or any of its Subsidiaries incurring costs greater than \$A250,000 on an individual basis or in-aggregate, greater than the Specified Amount for the entire term of such contract, commitment or arrangement;
- (5) provides or agrees to provide financial accommodation or a guarantee, other than to entities within the Gascoyne Group for any amount, or receives financial accommodation other than from entities within the Gascoyne Group for any amount;
- (6) 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 Gascoyne;
- (7) 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 Gascoyne 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 Gascoyne.
- (8) 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;
- (9) does any of the following in respect of the Tenements:
  - (A) 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;
  - (B) relinquishes, sells or disposes of any interest or creates any Encumbrance over any of the Tenements;
  - (C) 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
  - (D) 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
- (10) without limiting sub-paragraphs (1) to (9) above:
  - (A) enters into, offers to enter into, agrees to enter into or announces any agreement for any transaction; or
  - (B) 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 Gascoyne Group,

- (11) announces an intention to do any of the matters referred to in sub-paragraphs (1) to (10) above,

other than as fully and Fairly Disclosed by the Target in an ASX announcement prior to the Announcement Date.

(f) **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 Westgold making the Offer or announcing its intention to make the Offer, or acquiring Gascoyne Shares under the Offer, to:

- (1) acquire, or require the disposal of, or require any entity within the Gascoyne Group to offer to dispose of, any material asset of any entity within the Gascoyne Group;
- (2) terminate, or vary the terms or performance of, any material agreement with any entity within the Target Group;
- (3) terminate, or vary the terms of any material approvals, licences or permits issued by any Public Authority to any entity within the Target Group; or
- (4) require repayment of any moneys borrowed by or any other indebtedness of any entity within the Gascoyne Group earlier than its stated maturity date, or withdraw or inhibit the ability of any entity within the Gascoyne 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.

(g) **No prescribed occurrences**

During the period from the date on which the Bidder's Statement is given to Gascoyne and the end of the Offer Period (each inclusive), none of the following events occur:

- (1) Gascoyne converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Gascoyne or a Subsidiary of Gascoyne resolves to reduce its share capital in any way;
- (3) Gascoyne or a Subsidiary of Gascoyne 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;
- (4) Gascoyne or a Subsidiary of Gascoyne issues shares (other than as a result of the exercise of Gascoyne Performance Rights) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (5) Gascoyne or a Subsidiary of Gascoyne issues, or agrees to issue, convertible notes;
- (6) Gascoyne or a Subsidiary of Gascoyne disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (7) Gascoyne or a Subsidiary of Gascoyne charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (8) Gascoyne or a Subsidiary of Gascoyne resolves to be wound up;
- (9) a liquidator or provisional liquidator of Gascoyne or of a Subsidiary of Gascoyne is appointed;
- (10) a court makes an order for the winding up of Gascoyne or of a Subsidiary of Gascoyne ;

- (11) an administrator of Gascoyne or of a Subsidiary of Gascoyne is appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) Gascoyne or a Subsidiary of Gascoyne executes a deed of company arrangement; or
- (13) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Gascoyne or a Subsidiary of Gascoyne,

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

(h) **No prescribed occurrences between the Announcement Date and 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 subparagraphs (1) to (13) of paragraph (g) happen.

(i) **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.

### 7.3 Conditions Generally

- (a) **(Conditions are separate)** Each of the Conditions contained in section 7.2 is a distinct and separate Condition and shall not merge on completion of any contract arising from acceptance of this Offer.
- (b) **(Conditions subsequent)** Each of the Conditions contained in section 7.2 is a condition subsequent. The non-fulfilment of such a Condition subsequent does not, until the end of the Offer Period (or in the case of the Condition in section 7.2(g), until the end of the third Business Day after the end of the Offer Period) prevent a contract to purchase your Gascoyne Shares arising from your acceptance of this Offer. However, if at the end of the Offer Period (or in the case of the Condition in section 7.2(g), at the end of the third Business Day after the end of the Offer Period), the Conditions in section 7.2 have not been fulfilled and Westgold has not declared the Offer (or it has not become) free from those Conditions, all contracts resulting from the acceptance of the Offers and all acceptances that have not resulted in binding contracts, are automatically void.
- (c) **(Benefit of conditions)** Subject to the provisions of the Corporations Act, Westgold alone is entitled to the benefit of the Conditions contained in section 7.2 and any breach or non-fulfilment of any of those Conditions may be relied upon only by Westgold, and Westgold may waive (generally or in respect of a particular event) the breach or non-fulfilment of that Condition.
- (d) **(Freeing Offer from conditions)** Westgold may free this Offer, and any contract resulting from its acceptance, from all or any of the Conditions in section 7.2, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Gascoyne and to the ASX declaring this Offer to be free from the relevant Condition or Conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:
  - (1) in the case of the Condition in section 7.2(g), not later than three Business Days after the end of the Offer Period; and
  - (2) in the case of all the other Conditions in section 7.2, not less than seven days before the end of the Offer Period.
- (e) **(Status notice)** The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is 22 November 2021 (subject to extension in accordance with section 630(2) if the Offer Period is extended).



#### 7.4 Offer Period

- (a) Unless withdrawn, this Offer will remain open for acceptance by you during the period commencing on the Offer Date and ending at 5.00pm (AWST time) on the later of:
  - (1) 29 November 2021; or
  - (2) any date to which the Offer Period is extended.
- (b) Westgold reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last seven days of the Offer Period, either of the following events occurs:
  - (1) the Offer is varied to improve the consideration offered; or
  - (2) Westgold's Voting Power in Gascoyne increases to more than 50%,then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

#### 7.5 How to accept this Offer

- (a) **General**
  - (1) You may accept this Offer in respect of all (but not less than all) of your Gascoyne Shares.
  - (2) You may accept this Offer at any time during the Offer Period.
  - (3) If you have any questions about how to accept this Offer or need a replacement Acceptance Form, please contact the Share Registry. Alternatively, you may consult your broker or other financial or professional adviser.
- (b) **Gascoyne Shares held in your name on Gascoyne 's issuer sponsored sub-register**

To accept this Offer for Gascoyne Shares held in your name on Gascoyne 's issuer sponsored sub-register (in which case your Securityholder Reference Number or 'SRN' will commence with 'I'), you must:

  - (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
  - (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is sent and received before the end of the Offer Period, to the address shown on the Acceptance Form.
- (c) **Gascoyne Shares held in your name in a CHESS Holding**
  - (1) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number or 'HIN' will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Gascoyne Shareholders who are not institutions this is normally the stockbroker either through whom you bought your Gascoyne Shares or through whom you ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
  - (2) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

- (3) Alternatively, to accept this Offer for Gascoyne Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is sent and received before the end of the Offer Period, to the address shown on the Acceptance Form.
  - (4) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.
- (d) **Gascoyne Shares of which you are entitled to be registered as holder**
- To accept this Offer for Gascoyne Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:
- (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
  - (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is sent and received before the end of the Offer Period, to the address shown on the Acceptance Form.
- (e) **Acceptance Form and other documents**
- (1) The Acceptance Form forms part of the Offer.
  - (2) When using the Acceptance Form to accept this Offer in respect of Gascoyne Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by Westgold in time for Westgold to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
  - (3) A reply-paid envelope is enclosed for shareholders with Australian addresses to return their completed Acceptance Form. Overseas shareholders should return their Acceptance Form by airmail.
  - (4) The method chosen to deliver the Acceptance Form and other documents is at the risk of each accepting shareholder. Westgold may, however, in its sole discretion waive at any time, prior to the end of the Offer Period, all or any of those requirements.
- (f) **Authority to accept Offer**
- When accepting this Offer, you should also ensure that if the accepting shareholder:
- (1) is a corporation, the Acceptance Form is signed by two Directors, a Director and company secretary, or by the sole director in the case of an Australian company with a sole director who is also the sole company secretary;
  - (2) is deceased, the Acceptance Form is signed by the person or persons authorised to administer the estate of the deceased shareholder;
  - (3) is one or two or more joint holders, all such holders sign the Acceptance Form; or
  - (4) is accepting through an attorney under power:
    - (A) the power of attorney has not been revoked;
    - (B) the donor of the power of attorney has not died;
    - (C) the power of attorney has been validly executed;

- (D) the power of attorney duly empowers the attorney to sign such a form;  
and
- (E) the attorney duly signs the Acceptance Form.

## 7.6 **Westgold Shares**

Westgold Shares to be allotted under the terms of this Offer will be fully paid ordinary shares ranking equally in all respects from the date of their issue with the existing ordinary shares in Westgold.

Westgold has been admitted to the official list of the ASX and shares of the same class as those to be issued as consideration under this Offer have been granted official quotation by the ASX.

Westgold will apply to the ASX for official quotation of the Westgold Shares to be issued under the Offer within seven days after the date on which the Bidder's Statement is given to Gascoyne.

In accordance with section 625(3) of the Corporations Act, the Offer is subject to a condition that application for admission to quotation of the Westgold Shares issued under the Offer is made within seven days after the date on which the Bidder's Statement is given to Gascoyne and permission for admission to quotation will be granted no later than seven days after the end of the Offer Period. This condition may not be waived.

## 7.7 **Entitlement to Offer**

### **Offer made to holders of Shares**

This Offer is made to you as the holder of the Gascoyne Shares which are registered in your name in the register of members of Gascoyne at 7.00pm (Sydney time) on the Register Date. If at any time during the Offer Period another person is or is entitled to be registered as the holder of some or all of those Gascoyne Shares, then in accordance with section 653B(1)(a) of the Corporations Act:

- (a) an offer corresponding to this Offer is deemed to have been made to that person for the Gascoyne Shares of which that person is, or is entitled to be, so registered as holder;  
and
- (b) this Offer is deemed to have been made to you for the remainder (if any) of the Gascoyne Shares that were registered in your name at 7.00pm (Sydney time) on the Register Date.

The Gascoyne Shares in respect of which this Offer is made or deemed to be made to you, in accordance with this paragraph, are referred to in this document as "your Gascoyne Shares".

### **Shares held in separate parcels**

If at any time during the Offer Period and before you accept this Offer, your Gascoyne Shares to which this Offer relates consist of two or more separate and distinct parcels for the purposes of section 653B of the Corporations Act (for example because you are a trustee or nominee for several distinct beneficial owners), then in accordance with section 653B of the Corporations Act:

- (a) this Offer shall be deemed at that time to consist of separate and distinct corresponding offers made to you in relation to the respective separate and distinct parcels of Gascoyne Shares; and
- (b) an acceptance by you of any of those separate and distinct corresponding offers is ineffective unless:
  - (1) you have given to Westgold notice indicating that your Gascoyne Shares consist of separate and distinct parcels; and
  - (2) the acceptance indicates the number of Gascoyne Shares in the separate and distinct parcels to which acceptance relates,

provided that you may at the one time, accept two or more such separate corresponding offers as if they were a single offer in relation to separate parcels of shares.

If this applies to you, contact the Share Registry for such additional copies of this Bidder's Statement and Acceptance Form as are necessary.

### **Shares registered to broker or another nominee**

Beneficial owners whose Gascoyne Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance and details as to whether they will impose service costs for their role in accepting this Offer.

## **7.8 Effect of Acceptance**

By signing and returning an Acceptance Form in accordance with the procedures set out in section 7.5 and the Instructions on the Acceptance Form, or otherwise accepting this Offer pursuant to section 7.5, you will be deemed to have:

- (a) irrevocably accepted this Offer (and any variation of it) in accordance with its terms in respect of all of your Gascoyne Shares;
- (b) subject to this Offer being declared free of the Conditions set out in section 7.2 or such Conditions being fulfilled or waived, authorised the transfer of your shares to Westgold for the consideration specified in this Offer;
- (c) represented and warranted to Westgold that on the date of registration of the transfer of your Gascoyne Shares to Westgold, your Gascoyne Shares shall be fully paid up and free from all mortgages, charges, liens and other encumbrances (whether legal or equitable) of any kind and that you have full power and authority to sell your Gascoyne Shares to Westgold;
- (d) irrevocably authorised Westgold (by its Directors, officers, servants or agents) to complete on the Acceptance Form correct details of your Gascoyne Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form as may be necessary to make the Acceptance Form an effective acceptance of this Offer and enable registration of the transfer of your Gascoyne Shares to Westgold;
- (e) if you signed the Acceptance Form in respect of Gascoyne Shares which are held in a CHESS Holding, irrevocably authorised Westgold (or any Director, secretary, nominee or agent of Westgold) to:
  - (1) instruct your Controlling Participant to initiate acceptance of this Offer in respect of your Gascoyne Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
  - (2) give any other instructions in relation to your Gascoyne Shares to your Controlling Participant, as determined by Westgold acting in its own interests as a beneficial owner and intended registered holder of those Westgold Shares;
- (f) authorised Westgold (by its Directors, officers, servants or agents) to alter the number of Gascoyne Shares said to be held by you if it is otherwise than as set out in the enclosed Acceptance Form;
- (g) represented and warranted to Westgold, and agreed with Westgold that your Gascoyne Shares will be purchased by Westgold with all Rights and that you will execute all such instruments as may be required for the purpose of vesting in it any such Rights;
- (h) irrevocably authorised and directed Gascoyne to pay to Westgold or to account to Westgold for all Rights, subject however to any such Rights received by Westgold being accounted for by Westgold to you in the event that this Offer is withdrawn or the contract resulting from your acceptance of this Offer is rendered void;
- (i) except where Rights have been paid or accounted for under paragraph 7.8(h), irrevocably appointed Westgold and its Directors from time to time jointly and severally as your attorney in your name and on your behalf, with effect from the Offer Date, or any

contract resulting from your acceptance of this Offer, becomes unconditional, to execute all such instruments as Westgold may require for the purpose of vesting in it any such Rights;

- (j) represented and warranted to Westgold that, unless you have notified in accordance with section 7.7 (Shares held in separate parcels), your Gascoyne Shares do not consist of separate parcels of Gascoyne Shares;
- (k) upon this Offer or any contract resulting from your acceptance of this Offer becoming unconditional, have irrevocably appointed each of Westgold and each of the Directors of Westgold from time to time jointly and each of them severally as your attorney to:
  - (1) attend and vote (and otherwise participate) in respect of your Gascoyne Shares at any and all general meetings of Gascoyne, to receive notices of all such meetings and to requisition or join with other holders of Gascoyne Shares in requisitioning or to convene or to join with other holders of Gascoyne Shares in convening a general meeting or general meetings of Gascoyne;
  - (2) demand a poll for any vote to be taken at any meeting of Gascoyne Shareholders;
  - (3) propose or second any resolutions to be considered at any and all meetings of Gascoyne Shareholders;
  - (4) complete and execute all forms, notices, instruments (including instruments appointing Westgold or a Director of Westgold as a proxy or representative in respect of any of those Gascoyne Shares), transfers (including further transfers of any of those Gascoyne Shares to any person) and resolutions relating to those Gascoyne Shares and generally to exercise all powers and rights which you may have as the registered holder or beneficial owner thereof;
  - (5) to request Gascoyne to register the name of Westgold any of your Gascoyne Shares which you hold on any register of Gascoyne;
  - (6) generally, to exercise all your powers and rights in relation to your Gascoyne Shares; and
  - (7) have agreed that in exercising the powers conferred by that power of attorney Westgold and any such Director shall be entitled to act in the interests of Westgold as the beneficial owner and intended registered holder of your Gascoyne Shares;
- (l) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 7.8(k), the attorney will be entitled to act in the interests of Westgold as the beneficial owner and intended registered hold of your Gascoyne Shares;
- (m) irrevocably authorised Westgold (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer your Gascoyne Shares to Westgold's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer; and
- (n) agreed to accept the Westgold Shares to which you have become entitled by acceptance of this Offer subject to the Constitution of Westgold and have authorised Westgold to place your name on its register of shareholders in respect of those Westgold Shares.

### **Effect if Rights not received by Bidder**

If, for any reason, Westgold does not receive any Rights referred to in paragraph 7.8(h), Westgold will be entitled to reduce the amount of consideration payable in accordance with this Offer by the amount of value (as reasonably assessed by Westgold) of such Rights.

### **Invalid acceptance**

If you comply with some but not all, of the requirements for acceptance, Westgold may in its absolute discretion treat the Acceptance Form as valid despite your failure to comply with all requirements.

### **Partially valid acceptance**

Where the requirements for acceptance have been complied with in respect of some but not all of the Gascoyne Shares, Westgold may in its sole discretion deem your acceptance of this Offer complete in respect of those Gascoyne Shares for which the requirements have been complied with (**Relevant Shares**) but not in respect of the remainder, despite any other terms of this Offer. In that event, Westgold must provide the consideration of the Relevant Shares but not any of the other Gascoyne Shares you may hold, notwithstanding any other terms of this Offer.

### **Indemnity, undertakings and authorisations**

Westgold will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might otherwise be incurred or undertaken as a result of the exercise by an attorney of any powers under this section 7.8. This appointment, being given for valuable consideration to secure the interest acquired in your Gascoyne Shares, is irrevocable and terminates upon registration of a transfer to Westgold of your Gascoyne Shares and you will be deemed to have:

- (a) agreed not to attend or vote in person at any general meeting of Gascoyne or to purport to exercise any of the powers conferred on Westgold or its nominee in paragraph 7.8(k) above;
- (b) agreed to indemnify Westgold in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or in consequence of the transfer of your Gascoyne Shares being registered by Gascoyne without production of your Holder Identification Number for your Gascoyne Shares; and
- (c) authorised Westgold to notify Gascoyne on your behalf that your place of address for the purpose of serving notices upon you in respect of your Gascoyne Shares in respect of which you have accepted this Offer is at the address of Westgold as specified by Westgold the notification, and that all such notices are to be marked care of Westgold and to have directed Gascoyne to serve all correspondence, payments or notifications in respect of any Rights and other communications and documents whatsoever in respect of those Gascoyne Shares to Westgold at that address.

### **Duration of authorisations and undertakings**

The undertakings and authorities referred to in this section 7.8 will (unless otherwise provided in this document) remain in force after you receive the consideration for your Gascoyne Shares acquired by Westgold and after Westgold becomes registered holder of them.

## 7.9 Provision of Consideration

- (a) Subject to section 7.11, the consideration for the acquisition of your Gascoyne Shares under the Offer is to be satisfied wholly by the issue of Westgold Shares.
- (b) Subject to this section 7.9 and section 7.11, Westgold shall provide the consideration for your Gascoyne Shares on or before the earlier of:
  - (1) 21 days after the expiry of the Offer Period; or
  - (2) one month after the later of your acceptance and the date the Offer becomes unconditional.
- (c) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
  - (1) if that document is given with your Acceptance Form, Westgold will provide the consideration in accordance with section 7.9(b);
  - (2) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, Westgold will provide the consideration due to you on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
  - (3) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, Westgold will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period;
  - (4) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, Westgold will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition, that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Westgold will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (d) The obligation of Westgold to issue and allot any Westgold Shares to you to which you are entitled under the Offer will be satisfied by Westgold:
  - (1) entering your name on the register of members of Westgold; and
  - (2) despatching or procuring the despatch to you of an uncertificated holding statement as set forth in section 7.10 below.

## 7.10 Dispatch of Westgold Shares

Subject to this section 7, an uncertificated holding statement in respect of the Westgold Shares to which you will become entitled by accepting this Offer will be posted to you at your risk by ordinary mail addressed to you at your address as shown in the Acceptance Form, or such other address as you may notify in writing to Westgold.

## 7.11 Foreign Shareholders

If you are a resident of a jurisdiction other than Australia and its external territories, and New Zealand or Germany, or your address shown in Gascoyne's register of members is a place outside Australia and its external territories, and New Zealand or Germany, or you are acting on behalf of such a person, then you are an **"Ineligible Foreign Shareholder"**.

Gascoyne Shareholders resident in New Zealand and Germany are entitled to accept the Offer and receive Westgold Shares and should refer to the specific offering and cautionary language below in section 8.22.

If, at the time of acceptance of this Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any consideration under this Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the *Banking (Foreign Exchange) Regulations 1959* (Cth) or otherwise), or of the Australian Taxation Office, have been obtained.

If you are an Ineligible Foreign Shareholder then unless Westgold otherwise determines that:

- (a) it is lawful and not unduly onerous or not unduly impractical to make the Offer to you and to issue you with Westgold Shares on acceptance of the Offer; and
- (b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, and its external territories or New Zealand,

then you will not be entitled to receive Westgold Shares as part of the consideration for your Gascoyne Shares. Westgold may seek legal advice as to the ability to issue Westgold Shares to various Ineligible Foreign Shareholders in particular foreign jurisdictions, depending on a number of factors, including the number of Gascoyne Shares held by those Ineligible Foreign Shareholders.

If Westgold does not decide that particular Foreign Shareholders can be issued Westgold Shares, then by reason of acceptance of the Offer by such Ineligible Foreign Shareholders, Westgold will:

- (a) arrange for the allotment to a nominee for all accepting Ineligible Foreign Shareholders approved by ASIC (**Nominee**) of the Westgold Shares to be issued in accordance with the Offer to which you and all other Ineligible Foreign Shareholders would have been entitled but for this section 7.11;
- (b) cause the Nominee to offer for sale those Westgold Shares within five Business Days after the end of the Offer Period in the manner, at the price and on other terms as are determined by the Nominee (at the risk of the Ineligible Foreign Shareholders); and
- (c) pay to you the amount ascertained in accordance with the following formula:

$$\text{Proceeds of sale} \times \frac{A}{B}$$

where:

- **Proceeds of sale** is the amount which is received by the Nominee upon the sale of all Westgold Shares under this section less brokerage, fees, taxes and other sale expenses;
  - **A** is the number of Westgold Shares which Westgold would otherwise be required to procure to be issued to you as a result of your acceptance of the Offer; and
  - **B** is the total number of Gascoyne Shares issued to the Nominee under this section 7.11.
- (d) You will receive your share of the net proceeds of the sale of the Westgold Shares calculated in accordance with Section 7.11 in Australian currency.
  - (e) Payment will be made by cheque in Australian currency. The cheque will be sent to you at your risk by pre-paid air-mail to your address as shown on the copy of the Gascoyne register maintained by Westgold. Under no circumstances will interest be paid on the proceeds of this sale, regardless of any delay in remitting these proceeds to you.
  - (f) Despite anything else contained in this Bidder's Statement, Westgold is under no obligation to spend any money, or undertake any action, in order to satisfy itself of the eligibility of Foreign Shareholders to receive Westgold Shares.
  - (g) The Nominee may sell the Westgold Shares in such manner, at such price or prices and on such terms as the Nominee determines, and at the risk of the Ineligible Foreign Shareholders.



- (h) As the market price of Westgold Shares will be subject to change from time to time, the sale price of the Westgold Shares sold by the Nominee and the proceeds of those sales cannot be guaranteed. Neither Westgold nor the Nominee gives any assurance as to the price that will be achieved for the sale of the Westgold Shares by the Nominee.
- (i) The Nominee will be appointed by, and will provide the Nominee services to, Westgold. In acting as Nominee, the Nominee will not be acting as agent or sub-agent of any Ineligible Foreign Shareholder, does not have duties or obligations (fiduciary or otherwise) to any Ineligible Foreign Shareholder and does not underwrite the sale of the Westgold Shares.
- (j) If Westgold determines, acting reasonably and in good faith, that it must pay an amount to the Commissioner of Taxation pursuant to Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**TAA**) with respect to the acquisition of the Gascoyne Shares from a Gascoyne Shareholder, Westgold will, for any such Gascoyne Shareholder:
  - (1) determine the amount to be paid to the Commissioner (**Payment Amount**);
  - (2) procure that Westgold remits the Payment Amount to the Commissioner within the time required under the TAA; and
  - (3) reduce the amount of consideration payable by Westgold to that Gascoyne Shareholder by the Payment Amount for the purposes of this Offer.
  - (4) For the avoidance of any doubt, where the conditions in section 7.11(j) are satisfied, Westgold will, for the purposes of this Offer, be deemed to have satisfied its obligations to pay the consideration to a Gascoyne Shareholder if the amount paid to the Gascoyne Shareholder is the amount of the consideration that would have otherwise been payable to the Gascoyne Shareholder pursuant to the Offer, less the Payment Amount for that Gascoyne Shareholder.

## 7.12 **Withdrawal**

### **Power to withdraw**

Subject to compliance with section 652B of the Corporations Act, Westgold may only withdraw this Offer with the written consent of ASIC which consent may be given subject to such conditions (if any) as are specified in the consent of ASIC. If this happens, Westgold will comply with any conditions imposed by ASIC and send a notice of withdrawal to ASX and Gascoyne and to each person to whom the Offer has been made at their address as set out in the register of members of Gascoyne .

### **Effect of withdrawal**

If, at the time this Offer is withdrawn, all the Conditions in section 7.2 have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.

If this Offer is withdrawn and the Offer remains subject to one or more conditions in section 7.2, all contracts arising from its acceptance become void.

## 7.13 **Extension of Offer Period**

Westgold may at any time, and from time to time, vary this Offer by extending the Offer Period, in accordance with section 650C of the Corporations Act.

## 7.14 **Variation**

Westgold reserves the right to vary this Offer in accordance with the provisions of section 650D of the Corporations Act.

## 8. Additional Information

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### 8.1 The Firefly Scheme and status of the applicable Westgold Condition

This Offer is conditional on the conditions set out in Section 7.2, including in particular the Section 7.2(a), that the Firefly Scheme does not proceed. This would include the Firefly Scheme not being approved by shareholders of Firefly, not being approved by the Court or the Scheme Implementation Deed being validly terminated. As at the time of lodgement of this Bidder's Statement the Firefly scheme meeting is scheduled for 21 October 2021 and the second Court hearing on 1 November 2021, although these dates are subject to extension or change.

On 14 October 2021, Westgold made an application to the Takeovers Panel in relation to the affairs of Gascoyne, and more particularly that the Scheme Implementation Deed operates as an unacceptable lock-up device such that an entity that wishes to acquire a stand-alone or pre-merger Gascoyne is practically prevented from doing so.

Westgold has provided undertakings which prohibit Westgold from directly or indirectly causing, participating in or assisting the canvassing in any media of any issue that is before the Takeovers Panel (or any issue likely to be before the Takeovers Panel). Accordingly, Westgold does not intend to comment further on the matter at this stage.

The Takeovers Panel will provide updates in relation to this matter on its website, being [www.takeovers.gov.au/](http://www.takeovers.gov.au/).

### 8.2 Westgold's prior approach to Gascoyne rejected

On 17 August 2021, Westgold hand delivered a confidential non-binding indicative offer to acquire 100% of the Shares in Gascoyne (**NBIO**) to the Chair of Gascoyne. The NBIO provided that Westgold would offer one (1) Westgold share for every four (4) Gascoyne shares and included conditions, including a 90% minimum acceptance condition and no commitment to pay the Firefly break fee. The NBIO included a condition that Gascoyne not proceed with the Scheme Implementation Deed executed with Firefly. The Chairman of Gascoyne advised he could not entertain into any discussion due to no talk and no shop provisions in the Firefly SID.

On 24 August 2021, Gascoyne announced in response to an article in the Australian Financial Review dated 24 August 2021, that it confirmed it had previously received an unsolicited, non-binding and indicative proposal (**NBIP**) from the Rivet Group (**Rivet**). The NBIP contained a proposal by Rivet for Gascoyne to acquire the gold rights at Rivet's 100%-owned Snake Well gold project. The NBIP included a condition that Gascoyne not proceed with the SID executed with Firefly. Gascoyne stated to ASX that following review, the Gascoyne Board unanimously determined that the NBIP was not a superior proposal to the merger with Firefly.

On 24 August 2021, Gascoyne wrote to Westgold confirming receipt of the NBIO and advising that following consultation with its advisers, the Gascoyne Board had unanimously determined that the Westgold proposal contained in the NBIO was not a "Gascoyne Superior Proposal" (as that term is defined in the Scheme Implementation Deed).

The receipt and rejection of the NBIO from Westgold was not announced by Gascoyne.

On 30 September 2021, Westgold announced its intention to bid for 100% of the Gascoyne Shares on the terms of the Offer and including a condition, amongst others, that the Firefly Scheme not proceed.

### 8.3 **Rights and liabilities attaching to Westgold Shares**

From their date of issue, the Westgold Shares to be issued pursuant to the Offer will rank equally with the existing Westgold Shares.

The rights and restrictions attaching to Westgold Shares are set out in Westgold's Constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law. Under section 140(1) of the Corporations Act, the Constitution of Westgold has effect as a contract between Westgold and each member and between a member of Westgold and each other member. Accordingly, if Gascoyne Shareholders accept the Offer and are allotted Westgold Shares as consideration, they will become contractually bound to comply with the Constitution of Westgold.

A summary of the principal rights attaching to Westgold Shares based is set out below. It does not purport to be exhaustive or to constitute a definitive statement of the rights attaching to Westgold Shares. Such rights involve complex questions of law arising from interaction of the Constitution and statutory and common law requirements. Shareholder should seek their own advice when trying to establish their rights in specific circumstances.

#### **Shares**

Westgold's Board may allot, issue or otherwise dispose of shares to any persons, on such terms and conditions and with such rights and privileges attached and at such times as the Westgold Board thinks fit.

The Westgold Directors may at any time after allotment, make calls on Westgold Shareholders in respect of any money which remains unpaid on their Westgold Shares except where the conditions of allotment in respect of the Westgold Shares made payments payable at fixed times.

#### **Alteration or variation of rights**

Subject to the Corporations Act and the terms of issue of a class of Westgold Shares, the rights attaching to any class of Westgold Shares may be varied.

Variation of Westgold Shares will be with the written consent of shareholders with at least 75% of the Westgold Shares issued in that class, or with the approval of a special resolution passed at a meeting of holders of the shares of that class.

#### **Share transfers**

A Westgold Shareholder may transfer all or any shares:

- (a) in the case of an ASTC - Regulated Transfer, in any manner required or permitted by the ASX Listing Rules or the ASX Settlement Operating Rules; or
- (b) in any other case, by way of a transfer form duly prepared and executed in accordance with clause 16.2 of the Constitution.

#### **Meeting procedure**

Notice of every annual general meeting, general meeting or meeting of any class of shareholders must be given in the manner provided by the Constitution and the Corporations Act to the shareholders and those persons who are otherwise entitled to receive notices. Two members present in person shall be a quorum for a general meeting. If a quorum is not present within 15 minutes, any meeting convened on a requisition of shareholders is dissolved and any other meeting stands adjourned to the same day in the next week at the same time and place, but no notice of such adjournment is required to be given to shareholders. If at the adjourned meeting a quorum is not present within held an hour from the time appointed for the meeting, the meeting will proceed with whatever may be the number of shareholders present, and those shareholders present will be deemed to constitute a quorum.

The Westgold Board may convene a general meeting of Westgold:

- (a) on the requisition of a majority of Directors;
- (b) on the requisition of such other person as shall be entitled to requisition such meeting under the law; or
- (c) on the Westgold Board so resolving.

### **Voting rights**

Each Westgold Shareholder has the right to receive notices of, attend and vote at general meetings of Westgold and receive all notices, accounts and other documents required to be sent to Westgold Shareholders under the Westgold Constitution, Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules.

Subject to the Westgold Constitution, every Westgold Shareholder is entitled, on a show of hands, to one vote and on a poll, to one vote for each fully paid share held by that shareholder and a fraction of a vote for each partly paid share.

Voting may be in person or by proxy, attorney or representative.

### **Remuneration of Directors**

The remuneration of the Directors is determined by the Board and must not include a commission on or percentage of operating revenue. The total amount of Director's fees payable by the Company to non-executive Directors must not exceed the maximum amount determined by shareholders at a general meeting.

### **Directors – appointment and removal**

At the first annual general meeting, all Directors must retire from office, and at subsequent annual general meetings, one third of the Directors, or if their number is not a multiple of three, then the greater of one or the number nearest to but not exceeding one-third, must retire.

A retiring Director is eligible for re-election. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting. The Company may elect a person as a Director by resolution passed at a general meeting.

### **Winding Up**

Upon paying the application monies, Westgold Shareholders will have no further liability to make payments to Westgold in the event of Westgold being wound up pursuant to the provisions of the Corporations Act.

### **Dividends**

The Westgold Shares will rank equally with all other issued Westgold Shares in the capital of Westgold and will participate in dividends out of profits earned by Westgold from time to time. Subject to the rights of holders of Westgold Shares of any special preferential or qualified rights attaching thereto, the profits of Westgold are divisible amongst the holders of Westgold Shares in proportion to the Westgold Shares held by them and in proportion to the amounts paid up on such Westgold Shares as at the date of declaration of the dividend. The Directors may from time to time pay to Westgold Shareholders such interim dividends as in their judgement the position of Westgold justifies.

#### **8.4 No brokerage**

You will not incur brokerage if you accept the Offer.

#### **8.5 Relevant interests of Westgold in Gascoyne Shares**

As at the date of this Bidder's Statement and the date immediately before the first Offer was sent, Westgold held no (0%) Relevant Interest in Gascoyne.

#### **8.6 Voting power in Gascoyne**

As at the date of this Bidder's Statement and as at the date immediately before the first Offer was sent, Westgold's Voting Power in Gascoyne was 0%.

#### **8.7 Acquisitions in Gascoyne Shares by Westgold**

During the period commencing four months before the date on which this Bidder's Statement is lodged with ASIC and ending the day immediately before the date of the Offer, neither Westgold nor any Associate of Westgold has provided or agreed to provide consideration for Gascoyne Shares under any purchase or agreement.

#### **8.8 No escalation agreements**

Neither Westgold, nor any associate of Westgold, has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

#### **8.9 Other benefits**

During the four months prior to the date of this Bidder's Statement, Westgold nor any of their associates gave, offered to give, or agreed to give another person a benefit which was likely to induce the other person, or an associate of the other person, to:

- (a) accept an Offer under the bid; or
- (b) dispose of Gascoyne Shares,

that was not offered to all holders of Gascoyne Shares under the Offer.

#### **8.10 ASIC Matters - Class Orders and Legislative Instruments**

ASIC has published various Class Order and Legislative Instruments providing for modifications and exemptions that apply generally to all persons, including Westgold, in relation to the operation of Chapter 6 of the Corporations Act.

Westgold has also relied on the modification to section 619(3) of the Corporations Act as set out in paragraph 4 of ASIC Class Order 13/521 in relation to the appointment of a nominee in respect of the Ineligible Foreign Shareholders. Westgold will cause an entity to be appointed either before or after the date of this Bidder's Statement, with the prior approval of ASIC, to act as the Nominee appointed by Westgold in relation to the Offer for the sales referred to in section 7.11.

Westgold has relied on other modifications to the Corporations Act as referred to in section 8.19.

#### **8.11 Westgold is a disclosing entity**

Due to the fact that Westgold is offering Westgold Shares as consideration for the acquisition of Gascoyne Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Westgold Shares under sections 710 to 713 of the Corporations Act. Westgold does not need to issue a prospectus for the Offer of the Westgold Shares as the Offer is occurring under a takeover bid.

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.

Westgold Shares have been quoted on the ASX during the 12 months prior to the date of this Bidder's Statement. For this reason, Westgold is only required to disclose information in this Bidder's Statement that would usually be required where its shares have been continuously quoted securities.

In general terms, where Westgold Shares are continuously quoted securities the Bidder's Statement is only required to contain information in relation to the effect of the Offer on Westgold and the rights and liabilities attaching to the Westgold Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of Westgold unless such information has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and it is information:

- (a) that investors and their professional advisors would reasonably require for the purposes of making an informed assessment of such matters; and
- (b) relating to the rights and liabilities attaching to the Westgold Shares.

Information that is already in the public domain has not been reported in this Bidder's Statement other than that information which is considered necessary to make this Bidder's Statement complete.

Westgold, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to Westgold (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
  - (1) the financial statements of Westgold for the 12 months ended 30 June 2021 (being the annual financial report most recently lodged by Westgold with ASIC); and
  - (2) all continuous disclosure notices given by Westgold after the lodgement of that annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

Requests for free copies of these documents may be made by calling the Westgold information line on 1300 395 838 (within Australia) or + 61 3 9415 4068 (outside Australia) between 8.30am to 5.00pm (Sydney time).

Copies of all documents lodged with ASIC and referred to in this Bidder's Statement can be inspected at the registered office of Westgold during normal office hours. Westgold also has a website, <https://www.westgold.com.au/> which includes a wide range of information on Westgold (including copies of the above documents) and its activities. A list of announcements made by Westgold on ASX between 1 July 2021 and the date of this Bidder's Statement, appears in Attachment 2.

Shareholders are encouraged to monitor announcements made to the ASX after the date of this Bidder's Statement for updates regarding Westgold and its activities.

## 8.12 Corporate Governance

The Westgold Group has adopted corporate governance policies (**Corporate Governance Policies**) in order to implement and maintain a culture of good corporate governance practices

both internally and in its external dealings. In adopting the Corporate Governance Policies, the Westgold Board is mindful of the Revised Corporate Governance Principles and Recommendations (Fourth Edition) published by the ASX (**ASX Guidelines**).

The Corporate Governance Policies are available in the corporate governance section of Westgold web-site at <https://www.westgold.com.au/>.

### 8.13 Westgold Performance Rights and Options

As at the date of this Bidder's Statement, Westgold has the following Westgold Performance Rights and Options on issue:

| Security           | Number    | Expiry Date                       |
|--------------------|-----------|-----------------------------------|
| Performance Rights | 1,486,500 | 30 June 2023                      |
| Options            | 521,630   | 30 June 2022 (nil exercise price) |

Notes:

1 – Westgold is intending to issue up to a further 2,081,378 Performance Rights in Westgold (expiring on 30 June 2024) within the near term as long-term incentives for staff.

2 – Refer to Westgold 2020 Notice of Annual General Meeting for a summary of the terms and conditions of the Performance Rights and Incentive Options be issued pursuant to the Plan.

Westgold adopted an employee share option plan (**Plan**) on 20 November 2020. The key terms of the Plan are summarised below:

- (a) The Plan is to extend to eligible persons or eligible associate (as the case may be) of Westgold or an associated body corporate of Westgold as the board of Westgold may in its discretion determine.
- (b) The total number of securities which may be offered by Westgold under the Plan shall not at any time exceed 5% of Westgold's total issued shares when aggregated with the number of securities issued or that may be issued as a result of offers made at any time during the previous 3 year period under:
  - (i) an employee incentive scheme covered by ASIC CO 14/1000; or
  - (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
- (c) The shares are to be issued subject to performance hurdles at a price determined by the Westgold board.
- (d) The options are to be issued for no consideration and may be issued subject to such performance hurdle (if any) as determined by the Westgold board at its sole discretion.
- (e) The exercise price of an option is to be determined by the Westgold board at its sole discretion.
- (f) The option commencement date will be any such date or dates with respect to the options or tranches of options (as the case may be) as may be determined by the Westgold board prior to the issuance of the relevant options.
- (g) The option period commences on the option commencement date and ends on the earlier of:
  - (i) The expiration of such period nominated by the Westgold board at its sole discretion at the time of the grant of the option but being not less than two years;
  - (ii) if an eligible person's employment or engagement with Westgold or an associated body corporate ceases because of an Uncontrollable Event, the earlier of:
    - (A) the expiry of the option period; or

- (B) six months (or such other period as the Westgold board shall, in its absolute discretion, determine) from the date on which the eligible person ceased that employment or engagement;
  - (iii) if an eligible person's employment or engagement with Westgold or an associated body corporate ceases because of a Controllable Event, the earlier of:
    - (A) the expiry of the option period; or
    - (B) three months (or such other period as the Westgold board shall, in its absolute discretion, determine) from the date on which the eligible person ceased that employment or engagement; or
  - (iv) the Westgold board determining in its absolute discretion that the eligible person ceasing to be employed or engaged by Westgold or an associated body corporate of Westgold due to fraud, dishonesty or being in material breach of their obligations to Westgold or an associated body corporate.
- (h) If an eligible person's employment or engagement with the Company ceases because of an Uncontrollable Event, the Westgold Board in its absolute discretion may determine to reduce, vary or waive any Performance Hurdle that has not been satisfied as at the date of the Uncontrollable Event so that the options subject to the Performance Hurdle may be exercised and, unless so determined by the Westgold Board in its absolute discretion, if an eligible person's employment or engagement with the Company ceases because of a Controllable Event, options the subject of any unsatisfied Performance Hurdle shall lapse as at the date of the Controllable Event.
  - (i) Eligibility to participate is determined by the Westgold board. Eligibility is restricted to eligible persons (or their eligible associates where applicable) of Westgold or an associated body corporate of Westgold. The Westgold board is entitled to determine:
    - (i) subject to paragraph (b) above, the total number of shares and options to be offered in any one year to eligible persons or eligible associates;
    - (ii) the eligible persons to whom offers will be made; and
    - (iii) the terms and conditions of any shares and options granted, subject to the Plan.
  - (j) In respect of options, option holders do not participate in dividends or in bonus issues unless the options are exercised.
  - (k) Option holders do not have any right to participate in new issues of securities in Westgold made to shareholders generally. Westgold will, where required pursuant to the Listing Rules, provide option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the options, in accordance with the requirements of the Listing Rules.
  - (l) In the event of a pro rata issue (except a bonus issue) made by Westgold during the term of the options, Westgold may adjust the exercise price for the options in accordance with the formula in the terms of the Plan.
  - (m) The Westgold board has the right to vary the entitlements of participants to take account of the effect of capital reorganisations, bonus issues or rights issues.
  - (n) The terms of the options shall only be changed if holders (whose votes are not to be disregarded) of shares in Westgold approve of such a change. However, the terms of the options shall not be changed to reduce the exercise price, increase the number of options or change any period for exercise of the options, unless so permitted by the ASX.
  - (o) The Westgold board may impose as a condition of any offer of shares and options under the Plan, any restrictions on the transfer or encumbrance of such shares and options as it determines.
  - (p) The Westgold board may vary the Plan.



- (q) Any offer made pursuant to this Plan will specify whether subdivision 83A-C of the applicable Tax Laws applies to that offer such that any tax payable by a participant under the offer will be deferred to the applicable deferred taxing point described in that subdivision.

In the Plan:

**Controllable Event** means cessation of employment or engagement other than by an Uncontrollable Event.

**Incentive Option** issued under the ESOP is an Option issued subject to Performance Hurdles.

**Performance Hurdle** means criterion, condition or other requirement that must be satisfied.

**Performance Right** issued under the ESOP means a Share issued subject to Performance Hurdles.

**Uncontrollable Event** means:

- (a) death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;
- (b) forced early retirement, retrenchment or redundancy; or
- (c) such other circumstances which results in an Eligible Person leaving the employment of or ceasing their engagement with the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

#### 8.14 **Dividend Policy**

Westgold's key financial objective is to deliver superior shareholder value. One mechanism is by a potential return of capital to our shareholders in the form of a reasonable dividend. Premised upon this the Westgold Board has set the dividend policy as a maximum annual dividend of 30% of net profit after tax, with the policy reviewed annually. Any payment is at the full discretion of the Board and will be considered in light of market conditions, balance sheet strength and company growth plans.

Westgold also has a dividend reinvestment plan (**DRP**) which provides eligible Westgold shareholders with the option to elect to reinvest all or part of any dividends payable on their Westgold Shares to acquire further Westgold Shares.

Under the **DRP** Rules, the market price of a Share to be acquired under the **DRP** is calculated as the average of the daily volume weighted average price (**VWAP**) of Shares sold on ASX during the five trading days commencing on and including the trading day after the relevant dividend record date. A discount may be applied to the market price at the discretion of the Westgold Board from time to time. A maiden dividend was declared on 30 August 2021 and allotted Shares in respect of the **DRP** were issued at a discount of up to 7.5% of the daily **VWAP** of Westgold's Share. An eligible shareholder who elects to participate in the **DRP** will not pay brokerage or commission.

## 8.15 Interests of Westgold Directors in Westgold Shares

The table below shows the interests of the Directors of Westgold in Westgold Shares at the date of this Bidder's Statement.

| Name*                       | Number of Westgold Shares held prior to Offer | Number of Westgold Performance Rights held prior to the Offer | Number of Westgold Options held prior to the Offer |
|-----------------------------|---|---|--|
| Peter Cook                  | 10,596,241                                    | 233,506   | 153,810  |
| Wayne Bramwell <sup>1</sup> | 34,150  | -   | -  |
| Fiona Van Maanen            | 435,521                                       | -   | -  |
| Peter Schwann               | -   | -   | -  |
| Gary Davison                | -   | -   | -  |

Notes:

1 – Subject to issue of the annual general meeting notice and shareholder approval intended to be sought at the upcoming annual general meeting, 202,435 Performance Rights in Westgold will be issued to Mr Wayne Bramwell (expiring on 30 June 2024).

## 8.16 Remuneration of Westgold Directors

The Constitution of Westgold provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by Westgold in general meeting (which is currently \$600,000 per annum and subject to shareholder approval proposed to be sought at the next annual general meeting, \$750,000).

The Directors are entitled to be paid all reasonable travelling, hotel and other expenses incurred by them in connection with the business of the Company and within the execution of their duties as Directors. Details of remuneration (including any contingent or deferred compensation) and benefits provided to Directors and their associated entities during the past two financial years is as follows:

### 1 July 2020 to 30 June 2021

| Director          | Fees/Salaries | Super  | Other benefits and shares | Total     |
|-------------------|---------------|--------|---------------------------|-----------|
|                   | \$            | \$     | \$                        | \$        |
| Peter Cook (exec) | 610,101       | 24,999 | 396,488                   | 1,031,588 |
| Wayne Bramwell    | 102,500       | 9,738  | 135,820                   | 248,058   |
| Fiona Van Maanen  | 102,500       | 9,738  |                           | 112,238   |
| Peter Schwann     | 100,000       | 9,500  | 0                         | 109,500   |
| Gary Davison      | 7,083         | 673    | 0                         | 7,756     |

## 1 July 2019 to 30 June 2020

| Director                | Fees/Salaries | Super  | Other benefits and shares | Total   |
|-------------------------|---------------|--------|---------------------------|---------|
|                         | \$            | \$     | \$                        | \$      |
| <b>Peter Cook</b>       | 609,585       | 24,999 | 179,393                   | 813,977 |
| <b>Wayne Bramwell</b>   | 36,500        |        |                           | 36,500  |
| <b>Fiona Van Maanen</b> | 80,000        | 7,600  |                           |         |
| <b>Peter Schwann</b>    | 80,000        | 7,600  |                           |         |
| <b>Suresh Shet</b>      | 40,000        |        |                           |         |
| <b>Peter Newton</b>     | 33,333        |        |                           |         |

During the current financial year, the remuneration (excluding superannuation) of Peter Cook (non-executive from 1 July 2021) is \$175,000 and the other non-executive directors are \$100,000.

### 8.17 Disclosure of interests of certain persons

Other than as set out in this Bidder's Statement no:

- (a) Director or proposed Director of Westgold;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of Westgold; or
- (d) underwriter to the issue of Westgold Shares or financial services licensee named in this Bidder's Statement as being involved in the issue of Westgold Shares,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in:

- (e) the formation or promotion of Westgold;
- (f) property acquired or proposed to be acquired by Westgold in connection with its formation or promotion, or the offer of Westgold Shares under the Offer; or
- (g) the offer of Westgold Shares under the Offer.

### 8.18 Disclosure of fees and benefits received by certain persons

Except as set out in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a Director or proposed Director of Westgold to induce him or her to become, or to qualify as, a Director of Westgold; or
- (b) for services provided by an Interested Person in connection with the formation or promotion of Westgold or the offer of Westgold Shares under the Offer.

HopgoodGanim Lawyers has acted as legal advisor to Westgold in relation to the Offer (except in relation to taxation advice). The fee for professional services paid or payable to HopgoodGanim Lawyers to date in connection with the Offer is approximately \$150,000.

Argonaut PCF has acted as corporate advisor to Westgold in relation to the Offer. The fee for professional services paid or payable to Argonaut PCF in connection with the Offer (subject to a discretionary element) is approximately \$300,000.

## 8.19 Consents

The Directors of Westgold have given and have not, before the lodgement of this Bidder's Statement with ASIC, withdrawn their consent to be named in this Bidder's Statement in the form and context in which they are named.

The following persons have given and have not, before the date of this Bidder's Statement, withdrawn their consent to the following in this Bidder's Statement in the form and context in which it appears, and to all references in this Bidder's Statement to that information in the form and context in which it appears:

- (a) HopgoodGanim Lawyers, to be named as legal advisor to Westgold (except in relation to taxation advice);
- (b) Argonaut PCF, to be named as corporate advisor in relation to strategy.
- (c) Computershare Investor Services Limited (**Computershare**), to be named as the Share Registry.
- (d) To the maximum extent permitted by law, HopgoodGanim Lawyers, Computershare and Argonaut PCF expressly disclaim and take no responsibility for any part of this Bidder's Statement, other than a reference to their respective names.
- (e) As permitted by ASIC Class Order [CO 13/521] (**Class Order**), this Bidder's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX as set out below:

| Entity          | Announcement   | Date of Announcement |
|-----------------|--|----------------------|
| Takeovers Panel | Gascoyne Resources Limited – Panel Receives Application                      | 14 October 2021      |
| Gascoyne        | Updated Business Plan and REJECT Westgold Offer                              | 13 October 2021      |
| Gascoyne        | REVISED - Update on Westgold Intention to Make Takeover Bid                  | 8 October 2021       |
| Gascoyne        | Update on Westgold Intention to Make Takeover Bid                            | 8 October 2021       |
| Gascoyne        | Receipt of Unsolicited Takeover Offer  | 30 September 2021    |
| Gascoyne        | Annual Report to shareholders  | 24 September 2021    |
| Firefly         | Scheme Booklet registered with ASIC  | 8 September 2021     |
| Gascoyne        | Dalgaranga Gold Mine - Updated LOM Production Target and Updated Ore Reserve | 31 July 2021         |
| Gascoyne        | Scheme Implementation Deed   | 16 June 2021         |
| Gascoyne        | Gascoyne and Firefly Agree to Merger   | 16 June 2021         |
| Firefly         | Gascoyne and Firefly Agree to Merger   | 16 June 2021         |
| Gascoyne        | Updated Guidance for FY21 and New FY22 Guidance                              | 4 June 2021          |

| Entity   | Announcement  | Date of Announcement |
|----------|---|----------------------|
| Gascoyne | 2021 Mineral Resource and Ore Reserve Statements          | 31 May 2021          |
| Gascoyne | Quarterly Activities Report                               | 27 October 2020      |
| Gascoyne | Dalgaranga Pre-Feasibility Confirms Exceptional Economics | 16 March 2016        |

- (f) Pursuant to the Class Order, the consent of the parties making those statements is not required for, and those persons have not consented to, the inclusion of such statements in this Bidder's Statement. On request by a Gascoyne Shareholder during the Offer Period, Westgold will provide a copy of those documents (or the relevant parts of those documents) free of charge and within 2 Business Days of such request. A request should be made in writing to Westgold using the details set out in the Corporate Directory.
- (g) As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Bidder's Statement may include or be accompanied by certain statements:
- which fairly represent what purports to be a statement by an official person; or
  - which are a correct and fair copy of, or extract from, what purports to be a public official document; or
  - which are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.
- (h) First Sentier has consented to statements attributable to it in this Bidder's Statement.

## 8.20 Ineligible Foreign Shareholders

Gascoyne Shareholders who are Ineligible Foreign Shareholders will not be entitled to receive Westgold Shares as consideration for their Gascoyne Shares pursuant to the Offer, unless Westgold otherwise determines. A Gascoyne Shareholder is an Ineligible Foreign Shareholder for the purposes of the Offer if their address as shown in the register of members of Gascoyne is in a jurisdiction other than Australia, its external territories or New Zealand or Germany. However, such a person will not be an Ineligible Foreign Shareholder if Westgold is satisfied that it is not legally or practically constrained from making the Offer to a Gascoyne Shareholder in the relevant jurisdiction and to issue Westgold Shares to such a shareholder on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

Notwithstanding anything else in this Bidder's Statement, Westgold is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters. The Westgold Shares which would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to a Nominee approved by ASIC, who will sell these shares. The net proceeds of the sale of such shares will then be remitted to the relevant Ineligible Foreign Shareholders. See section 7.11 for further details.

## 8.21 Stock exchange announcements

A list of announcements made by Westgold to the ASX between 1 July 2021 and the date of this Bidder's Statement is set out in Attachment 2. This information may be relevant to your assessment of the Offer. Copies of the announcements are available from the ASX or at <https://www.westgold.com.au/>.

## 8.22 **Offering language for particular Foreign Shareholders / Notice to shareholders resident outside Australia**

This Bidder's Statement does not constitute an offer of Westgold Shares in any jurisdiction in which it would be unlawful. In particular, this Bidder's Statement may not be distributed to any person, and the Westgold Shares may not be offered or sold, in any country outside Australia except to existing Gascoyne shareholders to the extent permitted below.

### **Germany**

This Bidder's Statement has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this Bidder's Statement may not be made available, nor may the Westgold Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Westgold Shares in Germany is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

### **New Zealand**

This Bidder's Statement is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority.

The offer of Westgold Shares is being made to existing shareholders of Gascoyne in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Bidder's Statement may not contain all the information that a disclosure document is required to contain under New Zealand law.

### **United States**

This Bidder's Statement has not been filed with, or reviewed by, the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the offer of Westgold Shares or the accuracy, adequacy or completeness of this document. Any representation to the contrary is a criminal offence.

The Westgold Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The Westgold Shares are not being offered in any US state or other jurisdiction where it is not legally permitted to do so.

Gascoyne shareholders should note that the Offer is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of the Australian Securities Exchange. The Offer is subject to the disclosure requirements of Australia that are different from those of the 10 United States. Any financial statements included in the Bidder's Statement have been prepared in accordance with Australian accounting standards and may not be comparable to the financial statements of US companies.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since Westgold is incorporated in Australia and most of its officers and directors are residents of Australia. You may not be able to sue Westgold or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel Westgold and its affiliates to subject themselves to a US court's judgment.

You should be aware that Westgold may purchase securities other than under the Offer, such as in privately negotiated purchases.

Any pro forma historical financial information included in this Bidder's Statement does not purport to be in compliance with Article 11 of the SEC's Regulation S-X. The pro forma adjustments made in arriving at the pro forma historical financial information included in this Bidder's Statement may not be permissible under the SEC's rules and regulations on pro forma financial presentations.

**8.23 Further information**

Further information about Westgold can be found on Westgold's website at <https://www.westgold.com.au/>.

**8.24 Other material information**

Except as disclosed in this Bidder's Statement, there is no other material information known to Westgold which is material to the making of the decision by a Gascoyne Shareholder as to whether to accept the Offer.

The Corporations Act only requires that Westgold disclose information which is as up to date as is reasonable in the circumstances. Further, Westgold is not required to disclose information in this Bidder's Statement if it would be unreasonable to require Westgold to do so because the information had previously been disclosed to holders of Westgold Shares.

**8.25 Costs and expenses**

All costs and expenses of the preparation and circulation of this Bidder's Statement and the Offer contained within, and all transfer duty or brokerage charges payable on transfer of your Gascoyne Shares will be paid by Westgold.

**8.26 Governing Law**

This Bidder's Statement and Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Western Australia.

**8.27 Expiry Date**

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

**8.28 Offer Date**

The date of this Offer (**Offer Date**) is 29 October 2021.

## 9. Definitions and interpretations

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### 9.1 Defined Terms

In this Bidder's Statement, the following words have these meanings unless the contrary intention or the context otherwise requires:

**Acceptance Form** means the form of acceptance and transfer enclosed with this Bidder's Statement and forms part of the Offer (the Instructions on which are for guidance only and do not form part of this Offer).

**AISC** means "all in sustaining cost" and is made up of the C1 Cash Cost plus royalty expense, sustaining capital expense and general corporate and administration expenses.

**Announcement Date** means the date of announcement of Westgold's intention to make the Offer, being 30 September 2021.

**ASIC** means Australian Securities and Investments Commission.

**Associate** has the meaning given to that term in the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange it operates, as the context requires.

**ASX Listing Rules** or **Listing Rules** means the Official Listing Rules of ASX.

**ASX Settlement** means ASX Settlement Pty Limited ABN 49 008 504 532.

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement which govern the administration of CHES.

**ASTC - Regulated Transfer** has the meaning given under r 1.0.02 of the *Corporations Regulations 2001* (Cth).

**Au** means the chemical formula for the mineral gold.

**A\$** or **\$** means Australian dollars.

**Bidder's Statement** or **Statement** means this document, being the statement of Westgold including any supplementary bidder's statements under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

**Board of Gascoyne** or **Gascoyne Board** means the board of Directors of Gascoyne.

**Board of Westgold** or **Westgold Board** means the board of Directors of Westgold.

**Broker** means a person who is a share broker and a participant in CHES.

**Business Day** means a day on which banks are open for business in Perth excluding a Saturday, Sunday or public holiday.

**C1 Cash Cost** represents the cost for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment.

**CGT** means Capital Gains Tax.

**CHES** means Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities in Australia.

**CHES Holding** means a holding of Gascoyne Shares on the CHES Subregister of Gascoyne.

**CHES Subregister** has the meaning set out in the ASX Settlement Operating Rules.



**Conditions** means the conditions to the Offer as set out in section 7.2 of this Bidder's Statement.

**Controlling Participant** in relation to Shares has the same meaning as in the ASX Settlement Operating Rules.

**Constitution** means the constitution of Westgold or Gascoyne (as the context requires) from time to time.

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

**Cue Gold Operations** or **CGO** means one of the operations of Westgold located in the Murchison region, as described in Section 1.4.

**Dalgaranga Project** or **Dalgaranga** means the principal operation of Gascoyne, located in the Murchison region.

**Directors** means the directors of Gascoyne or Westgold (as the context requires) from time to time.

**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.

**Firefly** means Firefly Resources Limited ACN 118 522 124.

**Firefly Scheme** means the scheme of arrangement between Firefly and Gascoyne as set out in the Scheme Implementation Deed.

**First Sentier** means First Sentier Investors (Australia) IM Ltd, a Gascoyne shareholder (10.4%)

**Foreign Shareholder** means a Gascoyne Shareholder who is a resident of a jurisdiction other than Australia and its external territories or whose address shown in Gascoyne's register of members is a place outside Australia and its external territories.

**Fortnum Gold Operations** or **FGO** means one of the operations of Westgold located in the Murchison region, as described in Section 1.4.

**Gascoyne** or **Target** means Gascoyne Resources Limited ACN 139 522 900.

**Gascoyne Group** or **Target Group** means Gascoyne and its Subsidiaries.

**Gascoyne Performance Right** means a performance right issued by Gascoyne prior to the Announcement Date to subscribe for one Gascoyne Share.

**Gascoyne Shareholder** means a holder of Gascoyne Shares.

**Gascoyne Shares** or **Shares** means the issued fully paid ordinary shares in the capital of Gascoyne and includes all Rights attaching to them and the term Gascoyne Share or Share have a corresponding meaning.

**g/t Au** means gold grade in grams per tonne.

**Government Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.

**IASB** means International Accounting Standards Board.

**IFRS** means International Financial Reporting Standards issued by the IASB.

**Indicated Mineral Resources** has the meaning given in the JORC Code.

**Inferred Mineral Resources** has the meaning given in the JORC Code.

**Ineligible Foreign Shareholders** has the meaning given in section 7.11.

**Instructions** means those instructions on how to accept the Offer set out more particularly on the Acceptance Form.

**Investec Finance Facility** means the finance facility 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.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.

**Meekatharra Gold Operations** or **MGO** means one of the operations of Westgold located in the Murchison region, as described in Section 1.4.

**Mineral Resources** has the meaning given in the JORC Code.

**Merged Group** means Westgold and its affiliated companies (including Gascoyne and Gascoyne's Subsidiaries) which will exist as a result of the takeover bid as constituted by this Offer, should the Offer be 100% successful.

**Net Assets** means an amount equal to the net assets (being total assets less total liabilities) of the Gascoyne Group (on a consolidated basis), determined in accordance with Australian Accounting Standards as applied in the most recent financial statements of Gascoyne prior to the Announcement Date.

**Nominee** has the meaning given in section 7.11.

**NRW** means NRW Holdings Limited.

**NRW Agreement** means the agreement between Gascoyne, NRW Holdings Limited and GNT Resources Pty Ltd dated 17 June 2020 to settle the then approximately ~\$32.7 million owing to NRW Holdings Limited by the Target Group, which based on publicly available information Westgold understand is \$12.8 million as at the date of this Bidder's Statement.

**Offer** means the Bidder's offer to acquire Gascoyne Shares as contained in section 7 of this Bidder's Statement.

**Offer Date** means the date on which the Offer was first made to shareholders of Gascoyne, being 29 October 2021.

**Offer Period** means the period during which the Offer remains open for acceptance by Gascoyne Shareholder as set out in section 7.4 of this Bidder's Statement.

**Ore Reserve** has the meaning given in the JORC Code.

**Participant** has the meaning set out in the ASX Settlement Operating Rules.

**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.

**Register** means the Register of Gascoyne Shareholders maintained by Gascoyne in accordance with the Corporations Act.

**Register Date** means 20 October 2021, being the date set by the Bidder under section 633(2) of the Corporations Act.

**Regulatory Approvals** means any consent, registration, filing, agreement, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Governmental Agency necessary to implement the Offer.

**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.

**Rights** means all accretions, rights or benefits of whatever kind attaching to or arising from Gascoyne Shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared or paid by Gascoyne or any of its subsidiaries.

**Scheme Implementation Deed** means the scheme implementation deed between Gascoyne and Firefly dated 15 June 2021, announced to the ASX by Gascoyne on 16 June 2021.

**Share Registry** has the meaning given to that term in the Corporate Directory.

**Specified Amount** means A\$300,000.

**Subsidiary** has the meaning ascribed to it in the Corporations Act.

**Takeovers Panel** means the takeovers panel having powers under Part 6.10 of the Corporations Act.

**Tenements** means the Gascoyne tenements as listed in the annexure to the announcement made by Westgold to the ASX on 30 September 2021.

**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 Finance Facility.

**Takeover Transferee Holding** has the same meaning as in the ASX Settlement Operating Rules.

**Target's Statement** means the Target's Statement to be issued by Gascoyne in response to this Bidder's Statement as required under the Corporations Act.

**Third Party** means a person other than an entity within the Westgold Group.

**Voting Power** has the meaning given to that term in the Corporations Act.

**VWAP** means volume weighted average price.

**Westgold** or **Bidder** means Westgold Resources Limited ACN 009 260 306.

**Westgold Group** or **Bidder Group** means Westgold and its Subsidiaries.

**Westgold Option** means an option issued by Westgold to acquire by way of issue a Westgold Share.

**Westgold Shareholder** means a holder of Westgold Shares.

**Westgold Shares** means ordinary fully paid shares in Westgold.

## 9.2 Interpretation

Terms used in this Bidder's Statement and Offer have the meaning (if any) given to them in Chapter 6 of the Corporations Act unless that term is otherwise defined or that meaning is inconsistent with the context in which the term is used.

In this Offer unless the context otherwise requires:

- (a) headings are for convenience of reference only and do not affect the meaning of the sections they introduce;
- (b) the singular includes the plural and vice versa;
- (c) words importing any gender include all other genders;
- (d) references to persons include corporations;
- (e) appendices and annexures to this Offer form part of this Offer;
- (f) references to paragraphs are to paragraphs in this Offer; and
- (g) references to "dollar" or "\$" are references to Australian currency.

### 9.3 Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution passed by the Directors of Westgold.

Signed for and on behalf of  
**Westgold Resources Limited**

A handwritten signature in black ink, appearing to read 'Peter Cook', is positioned above a horizontal line.

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Peter Cook  
Non-Executive Chairman

Dated: 15 October 2021

## Attachment 1: Corporate Directory - Westgold

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| <b>Directors</b>   | <b>Australian Legal Advisers to the Offer</b>   |
|--|---|
| Peter Cook (Non-Executive Chairman)<br>Wayne Bramwell (Executive Director)<br>Fiona Van Maanen (Indep. Non-exec Director)<br>Peter Schwann (Indep. Non-exec Director)<br>Gary Davison (Indep. Non-exec Director) | HopgoodGanim Lawyers<br>Level 27, Allendale Square<br>77 St George's Terrace<br>Perth Western Australia 6000  |
| <b>Company Secretary</b>   | <b>Corporate Adviser</b>  |
| Lisa Smith   | Argonaut PCF<br>Level 30, Allendale Square<br>77 St George's Terrace<br>Perth Western Australia 6000  |
| <b>Registered office</b>   | <b>Share Registry</b>   |
| Level 6, 197 St Georges Terrace<br>PERTH WA 6000   | Computershare Investor Services Limited<br>172 St Georges Terrace<br>Perth Western Australia 6000<br><b>Telephone:</b> 1300 395 838 (within Australia)<br>+61 3 9415 4068 (outside Australia)<br><b>Website:</b> <a href="http://www.computershare.com/au">www.computershare.com/au</a> . |

## Attachment 2: Announcements in relation to Westgold since 1 July 2021

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Westgold has lodged the following announcements with ASX since 1 July 2021:

| Date       | Heading   |
|------------|---|
| 15.10.2021 | Westgold Update on Gascoyne Takeover Offer                  |
| 13.10.2021 | Application for quotation of securities - WGX               |
| 12.10.2021 | Update – Dividend / Distribution - WGX                      |
| 08.10.2021 | Date of AGM and Director Nominations                        |
| 08.10.2021 | WGX: Westgold Prepares to Lodge its Gascoyne Takeover Offer |
| 30.09.2021 | Receipt of Unsolicited Takeover Offer                       |
| 30.09.2021 | WGX: Westgold to Make Takeover Bid for Gascoyne Resources   |
| 29.09.2021 | Westgold Resources and Reserve Update 2021                  |
| 24.09.2021 | Dividend/Distribution – WGX                                 |
| 14.09.2021 | Denver Gold Presentation 2021                               |
| 08.09.2021 | Market Update   |
| 06.09.2021 | Dividend Reinvestment Plan                                  |
| 03.09.2021 | S&P DJI Announces September 2021 Quarterly Rebalance        |
| 30.08.2021 | Maiden Cash Dividend  |
| 30.08.2021 | Pause in Trading  |
| 30.08.2021 | Financial Statements  |
| 03.08.2021 | FY22 Guidance   |
| 03.08.2021 | Diggers & Dealers Presentation 2021                         |
| 30.07.2021 | Board Changes   |
| 30.07.2021 | June 2021 Quarterly Report                                  |
| 29.07.2021 | Appendix 3X   |
| 21.07.2021 | Mining Commences at Triton                                  |
| 07.07.2021 | Bluebird Underground Recommences                            |
| 02.07.2021 | Application for quotation of securities – WGX               |
| 01.07.2021 | Appendix 3Y & Cancellation Options                          |
| 01.07.2021 | Application for quotation of securities - WGX               |

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# Westgold Resources Limited

ACN 009 260 306

## Return your Acceptance Form:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:



### Phone:

(within Australia) 1300 395 838  
(outside Australia) +61 3 9415 4068

GCYTKO

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Acceptance Form

## ISSUER

### Your Acceptance Form must be received by the end of the Offer Period.

This Acceptance Form and the Bidder's Statement are important documents that require your immediate attention. This Acceptance Form relates to an offer ("Offer") by Westgold Resources Limited ("Westgold") (ACN 009 260 306) to acquire all of your Shares in Gascoyne Resources Limited ("Gascoyne") (ACN 139 522 900) the terms of which are set out in the Bidder's Statement from Westgold dated 15 October 2021 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this Acceptance Form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this Acceptance Form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Gascoyne register, as provided to Westgold. The current address recorded by Westgold is printed above and overleaf. If you have recently bought or sold Gascoyne Shares your holding may differ from that shown. If you have already sold all your Gascoyne Shares, do not complete or return this Acceptance Form.

### Step 2: Accept the Offer

Only sign and return this Acceptance Form if you wish to accept the Offer for ALL of your Gascoyne Shares.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this Acceptance Form.

**Companies:** Where the holding is in the name of a Company, this Acceptance Form must be signed in accordance with the Corporations Act, either as:

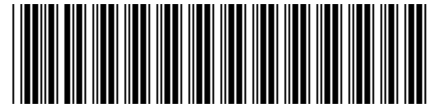
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the Acceptance Form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this Acceptance Form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the Acceptance Form** ➔



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# Acceptance Form

For your security keep your SRN/  
HIN confidential.

## STEP 1 Registration Name & Offer Details

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

**Offer Details:** Securityholding as at Register Date:

**2000**

You are accepting the Offer for ALL the Gascoyne Shares as recorded by Westgold as being held by you at the date your acceptance is processed (even if different to the number stated above).

## STEP 2 Accept the Offer

Only sign and return this Acceptance Form if you wish to accept the Offer for ALL of your Gascoyne Shares. The consideration applicable is set out in the terms of Westgold's Offer.

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Westgold Shares and will be provided with the net proceeds of sale of the Westgold Shares, to which you would otherwise have become entitled to receive as a consequence of accepting the Offer (see Section 7.11 of the Bidder's Statement).

## STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Westgold for Gascoyne Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Gascoyne Shares as per the above instruction.

**Individual or Securityholder 1**

**Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary  
(cross out titles as applicable)**

**Contact  
Name** \_\_\_\_\_

**Contact  
Daytime  
Telephone** \_\_\_\_\_

**Date**    /    /

## Privacy Notice

The personal information you provide on this Acceptance Form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Westgold Resources Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this Acceptance Form or by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Westgold Resources Limited or to third parties upon direction by Westgold Resources Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.



# Westgold Resources Limited

ACN 009 260 306

GCYTKO

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Return your Acceptance Form:



### To Your Controlling Participant:

Return this Acceptance Form directly to your stockbroker



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:

### Phone:



(within Australia) 1300 395 838  
(outside Australia) +61 3 9415 4068

## Acceptance Form

CHES

 **Your Acceptance Form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This Acceptance Form and the Bidder's Statement are important documents that require your immediate attention. This Acceptance Form relates to an offer ("Offer") by Westgold Resources Limited ("Westgold") (ACN 009 260 306) to acquire all of your Shares in Gascoyne Resources Limited ("Gascoyne") (ACN 139 522 900) the terms of which are set out in the Bidder's Statement from Westgold dated 15 October 2021 as replaced or supplemented (the "Bidder's Statement"). Capitalised terms used in this Acceptance Form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this Acceptance Form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Gascoyne register, as provided to Westgold. The current address recorded by Westgold is printed above and overleaf. If you have recently bought or sold Gascoyne Shares your holding may differ from that shown. If you have already sold all your Gascoyne Shares, do not complete or return this Acceptance Form.

### Step 2: Accept the Offer

Only sign and return this Acceptance Form if you wish to accept the Offer for ALL of your Gascoyne Shares.

As your Gascoyne Shares are in a CHES holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Westgold to contact your Controlling Participant on your behalf, sign and return this Acceptance Form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Westgold and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this Acceptance Form, you warrant to Westgold (and authorise Westgold to warrant on your behalf) that you have full legal and beneficial ownership of the Gascoyne Shares to which this Acceptance Form relates and that Westgold will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or Westgold to initiate the acceptance of Westgold's Offer on your behalf. Neither Westgold or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this Acceptance Form.

**Companies:** Where the holding is in the name of a Company, this Acceptance Form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

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**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this Acceptance Form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the Acceptance Form →**



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IND

# Acceptance Form

For your security keep your SRN/  
HIN confidential.

## STEP 1 Registration Name & Offer Details

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

**Offer Details:** Securityholding as at Register Date:

**2000**

You are accepting the Offer for ALL the Gascoyne Shares as recorded by Westgold as being held by you at the date your acceptance is processed (even if different to the number stated above).

## STEP 2 Accept the Offer

Only sign and return this Acceptance Form if you wish to accept the Offer for ALL of your Gascoyne Shares. The consideration applicable is set out in the terms of Westgold's Offer.

If you are an Ineligible Foreign Shareholder, you will not be entitled to receive Westgold Shares and will be provided with the net proceeds of sale of the Westgold Shares, to which you would otherwise have become entitled to receive as a consequence of accepting the Offer (see Section 7.11 of the Bidder's Statement).

## STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Westgold for Gascoyne Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Gascoyne Shares as per the above instruction.

**Individual or Securityholder 1**

**Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary  
(cross out titles as applicable)**

**Contact Name** \_\_\_\_\_

**Contact  
Daytime  
Telephone** \_\_\_\_\_

**Date** \_\_\_\_ / \_\_\_\_ / \_\_\_\_

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