

ASX ANNOUNCEMENT

8 March 2023

UPDATE ON REINSTATEMENT TO OFFICIAL QUOTATION

Gascoyne Resources Limited (“**Gascoyne**” or the “**Company**”) (ASX: GCY) is pleased to provide the confirmations below in satisfaction of the conditions for the reinstatement of its securities to official quotation as set out in the conditional reinstatement letter from the ASX to the Company on 22 February 2023 and in subsequent correspondence (**Reinstatement Conditions**).

- 1. Confirmation in the form of an announcement to the Market Announcements Platform (“MAP”) that GCY has achieved minimum subscription of, and received cleared funds amounting to, at least \$18,000,000 (less underwriting and lead manager costs) under the underwritten Accelerated, Non-Renounceable Entitlement Offer (“Entitlement Offer”) and Placement.**

Gascoyne will receive approximately \$17.8 million in cleared funds relating to the Placement and the institutional component of the Entitlement Offer around 3pm AEDT on 8 March 2023. Once these funds are received, the achievement of minimum subscription and receipt of cleared funds amounting to approximately \$18,000,000 (less underwriting and lead manager costs) will be met. As announced on 1 March 2023, Gascoyne received firm commitments for \$17.8 million, with the institutional component of the Entitlement Offer making up approximately 51% of the total Entitlement Offer.

- 2. Confirmation in the form of an announcement to MAP that GCY has entered into binding agreements with Tembo Capital Mining Fund III regarding an investment of \$21,300,000 in respect of an investor facility comprised as follows:**

- 2.1. Tranche A: \$15,000,000 by way of a secured loan to convert into fully paid ordinary GCY shares, issued at \$0.10 per share for a total of approximately 163,000,000 shares (inclusive of any issue of shares to account for establishment, advancement and redemption costs of the facility);**

- 2.2. Tranche B: \$6,300,000 by way of a secured loan to convert to a gold royalty.**

(“Investor Facility”)

See GCY’s ASX announcement ‘\$50m funding package to unlock potential of high-grade Never Never discovery and deliver an updated operating plan for the Dalgaranga Gold Project’ dated 27 February 2023.

- 3. Confirmation in the form of an announcement to MAP that GCY has entered into binding agreements with Deutsche Balaton AG (“Delphi”) in respect of a \$2,450,000 unsecured loan to convert to a gold royalty, which is subject to shareholder approval at an extraordinary general meeting (“Delphi Loan”).**

See GCY’s ASX announcement ‘\$50m funding package to unlock potential of high-grade Never Never discovery and deliver an updated operating plan for the Dalgaranga Gold Project’ dated 27 February 2023.

4. Confirmation in the form of an announcement to MAP of GCY's proposed operations and strategy following reinstatement to the satisfaction of ASX, including a proposed use of funds for the next 18 months ("GCY Proposed Announcement").

See GCY's 'Gascoyne Funding Solution – Presentation' released to ASX 27 February 2023 (**Investor Presentation**) and GCY's Prospectus released to ASX on 27 February 2023 (**Prospectus**) for the proposed operations and strategy, and the proposed use of funds for the next 18 months.

5. GCY demonstrating compliance with Listing Rule 12.1 to the satisfaction of ASX.

The Company's confirms that it complies with Listing Rule 12.1 (Level of operations). As can be seen in the Investor Presentation and Prospectus, the Company has a clearly outlined level of operations and activity over the next 12 – 18 months, especially at its flagship Dalgara Gold Project.

6. GCY demonstrating compliance with Listing Rule 12.2 to the satisfaction of ASX, including by provision of the following for release to MAP:

6.1. a 'working capital statement' similar to that required by Listing Rule 1.3.3(a) to the effect that following completion of the Entitlement Offer, GCY will have sufficient working capital at the time of its reinstatement to carry out its objectives, being the objectives detailed in the GCY Proposed Announcement;

See section 3.2 of the Prospectus. Gascoyne re-confirms that it has sufficient working capital at the time of reinstatement to carry out its objectives.

6.2. a pro forma statement of financial position as at 31 December 2022 to the satisfaction of ASX, demonstrating compliance with the 'working capital test' of at least \$1,500,000 following receipt of funds under the ANREO, Placement, Investor Facility and Delphi Loan, similar to that required by Listing Rule 1.3.3(c) ("Pro Forma"); and

Gascoyne's pro forma statement of financial position as at 31 December 2022 is presented below. Gascoyne notes the following key matters associated with the pro forma statement of financial position as at 31 December 2022:

- The statement of financial position, before pro forma adjustments, is unaudited and unreviewed and finalisation of the statement of financial position remains subject to a review by the Company's external auditors and final approval by the Board of Gascoyne upon receiving the review report from the external auditors.
- The Company expects to release its reviewed financial statements for the period ending 31 December 2022 on or about 15 March 2023.
- Pro forma statement of financial position presented in Section 4 of the Prospectus dated 27 February 2023 is based on the audited financial statements as at 30 June 2022.
- Pro forma statement of financial position as at 31 December 2022 is intended to reflect the pro forma financial position on or about the date that the shares in the Company are reinstated to trading on the ASX and includes pro forma adjustments for:
 - Draw down of funds under the Tembo and Delphi facilities, but before conversion of the facilities to their respective shares and/or royalties;
 - Recognition of the amounts drawn under the Tembo and Delphi facilities as financial liabilities until such point in time as they convert to their respective shares and/or royalties;

- Funds received from the Placement and Accelerated Institutional Entitlement Offer;
- Settlement of liabilities owing to creditors and employees incurred prior to or as a result of the decision to suspend operations at the Dalgara Gold project in November 2022 and had not been settled as at 31 December 2022, including \$2.0 million cash settlement to NRW Holdings Limited (“**NRW**”);
- \$2.0 million in equity to be issued to NRW as part of the binding settlement agreement remains as a liability as the pro forma financial position is presented at a point in time (ie, on or about the date that Gascoyne shares are reinstated to trading on ASX) before shareholders vote at a General Meeting on the NRW share issue;
- Reversal of provisions made at 31 December 2022 for aggregate amounts owing to, or claimed by, trade creditors as a result of the November 2022 decision to suspend operations at the Dalgara Gold Project, with such provisions extinguished in full upon making the payments referred to in the preceding bullet point;
- Settlement of liabilities owed to creditors in the ordinary course of business since 31 December 2022 through to 28 February 2023; and
- Settlement of transactions costs associated with the Company's financial restructure, excluding underwriting fees on the yet to be completed Retail component of the Entitlement Offer.

Based on the pro forma statement of financial position as at 31 December 2022, Gascoyne confirms that it is in compliance with the ‘working capital test’ under Listing Rule 1.3.3(c).

(UNAUDITED and UNREVIEWED ACCOUNTS)			
	Consolidated	Pro forma	Consolidated
	Statement of	Adjustments	Statement of
	Financial Position		Financial Position
	at 31 Dec 2022		at 31 Dec 2022
	\$'000		\$'000
Assets			
Current assets			
Cash and cash equivalents	11,935	30,155	42,090
Trade and other receivables	216	-	216
Inventories	5,258	-	5,258
Prepayments and other assets	674	-	674
Other financial assets	-	-	-
Total current assets	18,083	30,155	48,238
Non-current assets			
Mine properties, property, plant and equipment	24,940	(5,017)	19,923
Exploration and evaluation	88,519	-	88,519
Other financial assets	1,548	-	1,548
Total non-current assets	115,007	(5,017)	109,990
Total assets	133,090	25,138	158,228
Liabilities			
Current liabilities			
Trade and other payables	10,420	(5,987)	4,433
Borrowings and lease liabilities	2,680	23,750	26,430
Current tax liabilities	28	-	28
Provisions	18,841	(17,018)	1,823
Other financial liabilities	-	-	-
Total current liabilities	31,969	746	32,715
Non-current liabilities			
Borrowings and lease liabilities	7,441	-	7,441
Provisions	48,046	-	48,046
Other financial liabilities	-	-	-
Total non-current liabilities	55,487	-	55,487
Total liabilities	87,456	746	88,202
Net assets	45,634	24,392	70,026
Equity			
Share capital	324,527	13,575	338,102
Non-controlling interests	1,493	-	1,493
Reserves	3,900	-	3,900
Retained earnings/(Accumulated losses)	(284,286)	10,818	(273,468)
Total equity	45,634	24,392	70,026

6.3. a statement confirming all known creditor claims relating to GCY's shutdown of its Dalgara processing facility and mining operations have been accounted for in the Pro Forma.

Gascoyne confirms that all known creditor claims relating to the shutdown of the Dalgara processing facility and mining operations have been accounted for in the Pro Forma. Gascoyne is pleased to advise that the remaining amounts to be settled in cash under binding agreements with creditors were remitted to the respective creditors on 7 March 2023.

7. GCY demonstrating that, at the time of reinstatement, it will be funded for at least 12 months.

See slide 13 of the Investor Presentation which shows the Use of Funds through to end June 2024 including payments during this period for Dalgara care and maintenance costs, corporate costs and a working capital (cash) buffer of at least \$3 million.

8. In respect of the Investor Facility and Delphi Loan, confirmation in the form of an announcement to MAP that:

8.1. GCY has drawn down the full value of each of the Investor Facility and Delphi Loan; and

8.2. the date on which GCY receipted cleared funds under each of the Investor Facility and Delphi Loan.

Gascoyne confirms that it has drawn down in full the amounts available under the Tembo Investor Facility and the Delphi Loan. On 3 March 2023, the Company received \$21.3 million under the Tembo Investor Facility and \$2.45 million under the Delphi Loan.

9. In respect of the settlement of trade creditor claims, confirmation in the form of an announcement to MAP of the material terms of any material agreement for the settlement of trade creditor claims in respect of the transition of the Dalgara processing facility from operating to care and maintenance.

See section 7.7 of the Prospectus. The NRW Settlement Arrangement (as that term is defined in the Prospectus) is the only material agreement for the settlement of trade creditor claims in respect of the transition of the Dalgara processing facility from operating to care and maintenance. A summary of arrangements with other creditors is also provided in section 7.8 of the Prospectus.

10. In respect of the underwriting agreement(s), confirmation in the form of an announcement to MAP:

10.1. of the material terms of any underwriting or sub-underwriting agreement in respect of the Entitlement Offer and Placement; and

See section 7.4 of the Prospectus.

10.2. stating that conditions precedent to the underwriter's obligation to underwrite the full value of the Entitlement Offer have not been waived unless agreed by ASX, and in turn that the underwriter is contractually obliged to proceed with underwriting the full value of the Entitlement Offer.

See statement made on page 2 in the ASX dated 1 March 2023 'Gascoyne Successfully Completes Placement and Institutional Entitlement Offer' confirming that the conditions precedent to the underwriter's obligations to underwrite the full value of the Retail Entitlement Offer have been met and the underwriter is contractually obliged to proceed with underwriting the full value of the Retail Entitlement Offer.

As at the date of this announcement, Gascoyne re-confirms that the underwriter remains obligated to underwrite the full value of the Retail Entitlement offer.

11. Lodgement of all outstanding Appendices 2A and 3B with ASX for any new issues of securities.

The Company has lodged all Appendices 2A and 3B with ASX for issues of new securities. See the three Appendices 3B dated 27 February 2023 and Appendix 2A lodged on 8 March 2023 (relating to the Placement and institutional component of the Entitlement Offer). Further Appendices 2A will be submitted at the appropriate time for the retail component of the Entitlement Offer, issue of shares to Rowan

Johnston and Hansjoerg Plaggemars (as a result of subscribing for New Shares in the Placement that are subject to shareholder approval), issue of shares to NRW and issue of shares to Tembo.

12. Payment of all ASX fees, including listing fees, applicable and outstanding (if any).

The Company confirms that it has paid all ASX fees and is not aware of any outstanding ASX fees, including listing fees.

13. Lodgement of Director's Interest Notices, being either Appendix 3Xs, 3Ys or 3Zs, as required.

The Company confirms that all Director Interest Notices have been lodged and are up to date. Appendix 3Ys will be lodged for Messrs Lawson and Coyne following issue of the Retail Entitlement Offer shares. Appendix 3Ys for Messrs Johnston and Plaggemars will be lodged following shareholder approval of the issue of Placement shares subscribed for by each (shareholder approval for the issue of these Placement shares will be sought at the General Meeting to be held in mid-April 2023). An Appendix 3X for Mr John Hodder will be lodged upon Mr Hodder joining the Board, which is subject to shareholders approving the conversion of Tranche A of the Tembo facility to shares (shareholder approval for the issue of these shares to Tembo will be sought at the General Meeting to be held in mid-April 2023).

14. Confirmation that there are no legal, regulatory or contractual impediments to GCY undertaking the activities the subject of its proposed use of funds.

The Company confirms that there are no legal, regulatory or contractual impediments to GCY undertaking the activities the subject of its proposed use of funds. For completeness, we note that the Company will be required to progressively obtain additional regulatory approvals and permits to conduct its exploration activities, however, these are considered to be ordinary course of business approvals and permits.

15. Provision of an undertaking that GCY will, upon completion and settlement of the Entitlement Offer and Placement that it will lodge the following to MAP:

15.1. a statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.

A statement shall be lodged on ASX on or about the morning of Thursday, 9 March 2023 following the allotment of New Shares issued under the Placement and Institutional Entitlement Offer.

15.2. a distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories.

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

A distribution schedule shall be lodged on ASX on or about the morning of Thursday, 9 March 2023 following the allotment of New Shares issued under the Placement and Institutional Entitlement Offer.

15.3. a statement outlining GCY's capital structure, following the issue of the Entitlement Offer and Placement shares.

Gascoyne's capital structure as at the date of this announcement (ie, following completion of the Placement and Accelerated Institutional Offer) is:

Fully paid ordinary shares (GCY)	603,909,456
Unquoted performance rights (GCYAD)	25,293,678

15.4. a statement confirming GCY is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

Gascoyne confirms that it is in compliance with the Listing Rules, including Listing Rule 3.1.

15.5. any other information required or requested by ASX, including but not limited to, in relation to any issues that may arise from ASX's review of:

15.5.1. the Pro Forma as at 31 December 2022; and

15.5.2. information provided by GCY as pre-reinstatement disclosure, or to satisfy any of the above conditions to reinstatement.

Gascoyne is not aware of any further information required or requested by ASX.

15.6. any further documents and confirmations that ASX may determine are required to be released to the market as pre-quotation disclosure.

Gascoyne is not aware of any further documents or confirmations required or requested by ASX.

Authorisation

This announcement has been authorised for release by the Board of Gascoyne Resources Limited.

For further information, please contact:

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BACKGROUND ON GASCOYNE RESOURCES

Gascoyne is an ASX-listed gold company located in the tier-1 mining jurisdiction of Western Australia. The Company's flagship asset is the 100%-owned Dalgara Gold Project, located approximately 65km north-west from Mt Magnet in the Murchison District.

Dalgara produced over 70,000oz of gold in FY2022 before being placed on care and maintenance in November 2022 pending the development of a new strategic operating plan aimed at delivering a sustainable gold production profile.

This new operating plan is focused on undertaking Resource development and exploration programs to establish a +5-year solid mine plan based on reserves, encompassing a blend of higher-grade sources with “baseload” ore feed capable of underpinning a sustainable production profile.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements which may be identified by words such as "believes", "estimates", "expects", "intends", "may", "aim", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.