

8 August 2023

Dear Shareholder,

## Extraordinary General Meeting – Supplementary Information

Gascoyne Resources Limited (“**Gascoyne**” or “**Company**”) (ASX: GCY) announced on 1 August 2023 that the Board resolved to postpone the Company’s Extraordinary General Meeting (“**Meeting**”) to **Friday, 18 August 2023 at 10:00am (WST) at the Parmelia Hilton Perth, 14 Mill Street, Perth, WA, 6000** to allow BDO Corporate Finance (WA) Pty Ltd to prepare a supplementary Independent Expert Report incorporating the updated mineral resource estimate announced by the Company on 24 July 2023.

The Company now wishes to advise Shareholders that a supplementary notice of extraordinary general meeting and explanatory statement (“**Supplementary Notice**”) has been issued by the Company and is enclosed with this letter.

Other than as set out in the Supplementary Notice, all details in relation to the original notice of extraordinary general meeting and explanatory statement dated 4 July 2023 (“**Original Notice**”) remain unchanged. The information in the Supplementary Notice should be read together with the Original Notice.

The Supplementary Notice is accompanied by a new Proxy Form, which has been updated to reflect the details of the postponed Meeting.

Shareholders are advised that:

- if you have already submitted the Proxy Form which was provided with the Original Notice and you do *not* wish to change your vote, you do not need to take any action as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form; and
- if you have already submitted the Proxy Form which was provided with the Original Notice and you wish to change your vote, you must complete and submit the new Proxy Form **by 10:00am (WST) on Wednesday 16 August 2023**; and
- if you have not yet completed and returned a Proxy Form and you wish to vote on the resolutions at the Meeting by proxy, you must complete and submit the new Proxy Form **by 10:00am (WST) on Wednesday 16 August 2023**.

Any new Proxy Form received after **10:00am (WST) on Wednesday 16 August 2023** will not be valid for the Meeting.

The business of the Meeting affects your Shareholding and your vote is important. Shareholders should read the Supplementary Notice carefully before deciding how to vote on the Resolutions. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

### Authorisation

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

**For further information, please contact:**

**Investor inquiries:**

Simon Lawson  
Managing Director and CEO  
+61 8 9481 3434

**Media inquiries:**

Read Corporate  
Nicholas Read  
+61 8 9388 1474

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**Gascoyne Resources Limited**

**ABN 57 139 522 900**

**Supplementary Notice of Extraordinary General Meeting  
and Supplementary Explanatory Statement**

**Date of Meeting**

Friday, 18 August 2023

**Time of Meeting**

10:00am (WST)

**Place of Meeting**

Parmelia Hilton Perth, 14 Mill Street, Perth, WA, 6000

**and**

online using Automic's online meeting platform

**A new Proxy Form is enclosed.**

This Supplementary Notice of Extraordinary General Meeting and Supplementary Explanatory Statement should be read in their entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Supplementary Notice of Extraordinary General Meeting please contact the Company Secretary on +61 8 9481 3434.

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## Gascoyne Resources Limited

ABN 57 139 522 900

### Supplementary Notice of Extraordinary General Meeting

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On 4 July 2023, notice was given that an extraordinary general meeting of Shareholders of Gascoyne Resources Limited (Meeting) would be held on Friday, 4 August 2023 at 10.00am (WST).

On 1 August 2023, the Company announced the Meeting was being postponed and will now be held at 10:00am (WST) on Friday, 18 August 2023 at the Parmelia Hilton Perth, 14 Mill Street, Perth, WA, 6000 and online using Automic's online meeting platform.

This supplementary notice (**Supplementary Notice**) and supplementary explanatory statement (**Supplementary Explanatory Statement**) is supplemental to, and should be read with, the notice of extraordinary general meeting and explanatory statement dated 4 July 2023 (**Original Notice**).

Other than as set out below, all details in relation to the Original Notice remain unchanged.

Unless otherwise indicated, the terms defined in the Original Notice have the same meaning in this Supplementary Notice and Supplementary Explanatory Statement.

#### Notes

##### Voting by Proxy

A new Proxy Form (which has been updated to reflect the details of the postponed Meeting) accompanies this Supplementary Notice.

Shareholders are advised that:

- if you have already submitted the Proxy Form which was provided with the Original Notice and you do *not* wish to change your vote, you do not need to take any action as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form; and
- if you have already submitted the Proxy Form which was provided with the Original Notice and you wish to change your vote, you must complete and submit the new Proxy Form **by 10:00am (WST) on Wednesday 16 August 2023**; and
- if you have not yet completed and returned a Proxy Form and you wish to vote on the resolutions at the Meeting by proxy, you must complete and submit the new Proxy Form **by 10:00am (WST) on Wednesday 16 August 2023**.

Any new Proxy Form received after **10:00am (WST) on Wednesday 16 August 2023** will not be valid for the Meeting.

The new Proxy Form may be lodged by using any of the following methods:

- **Online:**

<https://investor.automic.com.au/#loginsah>

- **In person:**

Automic Group

Level 5, 126 Phillip Street

Sydney NSW 2000



- **By mail:**  
Automic Group  
GPO Box 5193  
Sydney NSW 2001
- **By fax:**  
02 8583 3040 (within Australia)  
+61 2 8583 3040 (outside Australia)
- **By scanning the proxy form and emailing it to:**  
[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### **Shareholders who are entitled to vote**

In accordance with regulation 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Register of Shareholders as at **5:00pm (WST) on Wednesday, 16 August 2023**. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

#### **Questions**

A Shareholder who is entitled to vote at the Meeting may submit a written question to the Company.

Shareholders who are unable to attend the Meeting or wish to ask questions prior to the Meeting may submit written questions by emailing the Company Secretary at [coysec@gascoyneresources.com.au](mailto:coysec@gascoyneresources.com.au).

We ask that all pre-Meeting questions be received by the Company no later than five business days before the date of the Meeting, being **Friday, 11 August 2023**.

All Shareholders will have a reasonable opportunity to ask questions during the Meeting. For Shareholders attending the Meeting virtually, there will be a Q&A link at the bottom of your screen.

#### **By order of the Board**

**Rowan Johnston**  
Chairperson  
Gascoyne Resources Limited

Dated: 8 August 2023



## Gascoyne Resources Limited

ABN 57 139 522 900

### Supplementary Explanatory Statement

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The Company wishes to add the following to the Explanatory Statement attached to its Original Notice in relation to Resolution 1.

Resolution 1 seeks Shareholder approval, for the purposes of ASX Listing Rule 10.1 and for all other purposes, for the conversion of the \$2.45 million unsecured loan provided by Delphi to the Company to a royalty on gold extracted or produced from certain tenements.

As set out in the Original Notice, if Resolution 1 is passed, the Company will be able to proceed with the Conversion and Delphi must give a conversion notice to the Company within 5 business days of the Meeting. If Resolution 1 is not passed, the Company will not be able to proceed with the Conversion. This will mean that the royalty will not be granted to Delphi and the Company will be required to pay the following amounts to Delphi within 12 months of the date of the Delphi Loan and Royalty Deed (being by 25 February 2024):

- (a) the aggregate amount outstanding on the loan together with all accrued interest at a rate of 15% per annum; and
- (b) an additional loan repayment of \$115,000.

### Supplementary Independent Expert Report

As set out in the Original Notice, the ASX Listing Rules require the provision of an Independent Expert's Report to accompany any notice of meeting seeking shareholder approval for the purpose of ASX Listing Rule 10.1. The Independent Expert Report must state the Independent Expert's opinion as to whether the transaction (being, in this case, the Conversion) is fair and reasonable to the Shareholders who are not associated with Delphi. The Independent Expert is required to be independent from the Company in accordance with ASIC Regulatory Guide 112 (*Independence of experts*).

The Company engaged BDO Corporate Finance (WA) Pty Ltd to prepare an Independent Expert Report for this purpose.

As set out in the Independent Expert Report contained in Annexure A of the Original Notice, the Independent Expert previously concluded that the conversion of the loan to the royalty as contemplated by Resolution 1 is fair and reasonable.

Following the updated Mineral Resource Estimate for the Never Never gold deposit at the Dalgarranga Gold Project, announced by the Company on 24 July 2023, the Independent Expert has prepared a supplementary Independent Expert Report (**Supplementary Independent Expert Report**).

**The Independent Expert has now concluded that that the conversion of the loan to the royalty as contemplated by Resolution 1 is neither fair nor reasonable to the Shareholders who are not associated with Delphi.**

**Shareholders should carefully read the Supplementary Independent Expert Report in full.** A copy of the Supplementary Independent Expert Report is contained in Annexure A of this Notice.



## Advantages and disadvantages of the Conversion

Notwithstanding the conclusion of the Independent Expert that the Conversion is neither fair nor reasonable to the Shareholders who are not associated with Delphi, the Board considers that the advantages and disadvantages of the Conversion remain as set out in the Original Notice.

That is, the Board considers that the non-exhaustive list of advantages that may be relevant to a Shareholder's decision on how to vote on Resolution 1 are:

- (a) the Conversion enables the Company to retain a \$2.45 million cash amount on its balance sheet and deploy these funds to near-term exploration and evaluation activities centred on the high-grade Never Never discovery at the Dalgaranga Gold Project in advance of a potential decision to re-start operations;
- (b) the \$2.45 million convertible loan is a non-dilutive form of funding; and
- (c) Gascoyne has the ability to exercise its right to buy back up to an aggregate of 20% of the royalty (see section 1.3(t) of the Original Notice).

In addition to this list of advantages as set out in the Original Notice, the Board also notes there is no guarantee or certainty of any royalty payments being made to Delphi as such future payments will be dependent upon the Company commencing or re-commencing, as the case may be, commercial gold mining and processing operations.

The Board considers that the non-exhaustive list of disadvantages that may be relevant to a Shareholder's decision on how to vote on Resolution 1 are:

- (d) the royalty adds to the all-in cost of future production, potentially reducing future earnings of the Company;
- (e) as the royalty is uncapped, the potential returns to Delphi are enhanced; and
- (f) the grant of mining mortgages over certain tenements to Delphi (as security for the royalty) increases the difficulty of the Company dealing in these tenements in the future, potentially adversely affecting the value of these tenements.

Please refer to section 2 of the Supplementary Independent Expert Report in Annexure A of this Notice which contains the Independent Expert's updated assessment of the advantages and disadvantages of the Conversion.

Shareholders are reminded that if Resolution 1 is not passed, the Company will be required to pay the aggregate amount outstanding on the loan together with all accrued interest at a rate of 15% per annum (and an additional loan repayment of \$115,000) to Delphi within 12 months of the date of the Delphi Loan and Royalty Deed (being by 25 February 2024).

## Board recommendation

Based on the advantages and disadvantages of the Conversion as described above and in the Supplementary Independent Expert Report and notwithstanding the revised conclusion of the Independent Expert that the Conversion is neither fair nor reasonable to the Shareholders who are not associated with Delphi, **the Board continues to recommend that Shareholders vote in favour of Resolution 1** (with the exception of Mr Plaggemars who abstains from making a recommendation).

The Delphi Loan and Royalty Deed was executed on 25 February 2023 and the Company received the \$2.45 million loan amount from Delphi shortly thereafter on 3 March 2023. The Delphi Loan and Royalty Deed was entered into as a key element of the overall financial restructure injecting \$50 million of funding into the Company that also involved a new strategic investment of \$21.3 million by Tembo Capital. As set out in the Original Notice, following Shareholder approval being obtained at the extraordinary general meeting of the Company on 18 April 2023, Tranche A of Tembo's investment (\$15 million) converted to Shares at an issue price of \$0.10 per Share and Tranche B of this investment (\$6.3 million) converted to a royalty on gold extracted or



produced from certain tenements. The terms of the royalty to be granted to Delphi following Conversion are materially the same as the terms of the royalty granted to Tembo Capital.

The Board considers that Delphi provided support during a critical juncture for the Company as it moved to implement a new strategy to secure its long-term future as an Australian gold company, including Delphi subscribing for \$5.8 million in new shares as part of the \$50 million financial restructure announced on 27 February 2023. The Delphi Loan and Royalty Deed was entered into at a time when there were limited funding alternatives available to the Company and this arrangement was entered into on commercial terms commensurate with the risks facing the Company. This support from Delphi, as part of the overall financial restructure terms secured by the Company, allowed the voluntary suspension of trading in Shares to be lifted.

Financial support from Delphi and Tembo was instrumental in enabling the Company to continue drilling at Never Never which has led to the sizeable increase to the Mineral Resource Estimate of the Never Never gold deposit announced by the Company on 24 July 2023. This increase has, in turn, directly led to the Independent Expert increasing the value of the Delphi royalty. The funds provided are also intended to enable the Company to proceed to a decision point to recommence mining.

Accordingly, the Board considers that it is appropriate that the Company honours the terms on which Delphi agreed to provide the \$2.45 million unsecured loan to the Company in early 2023 (that is, on the basis that this loan is convertible to a royalty on gold extracted or produced from certain tenements) and therefore the Board continues to recommend that Shareholders vote in favour of Resolution 1 (with the exception of Mr Plaggemars who abstains from making a recommendation).

The Chairperson intends to exercise all available proxies in favour of Resolution 1.



## Glossary

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In this Supplementary Notice and Supplementary Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Term	Meaning
<b>Original Notice</b>	the original notice of extraordinary general meeting and explanatory statement dated 4 July 2023.
<b>Supplementary Explanatory Statement</b>	the supplementary explanatory statement that accompanies this Supplementary Notice.
<b>Supplementary Independent Expert's Report</b>	the report from the Independent Expert opining on the fairness and reasonableness of the conversion of the loan to the royalty dated 7 August 2023, as set out in Annexure A.
<b>Supplementary Notice</b>	this supplementary notice of extraordinary general meeting.



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ANNEXURE A

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**GASCOYNE RESOURCES LIMITED**  
**Supplementary Independent Expert's**  
**Report**

**OPINION: NEITHER FAIR NOR**  
**REASONABLE**

7 August 2023





## Financial Services Guide

7 August 2023

**BDO Corporate Finance (WA) Pty Ltd** ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) was engaged by Gascoyne Resources Limited ('Gascoyne' or 'the Company') to provide an independent expert's report on the proposal to convert an unsecured loan of \$2.45 million provided by Delphi Unternehmensberatung AG and its associates (collectively referred to as 'Delphi'), a substantial shareholder of Gascoyne, to a 0.7% gold royalty over the 100% owned Dalgaranga tenements and a 0.525% gold royalty over all 100% owned Yalgoo, Glenburgh and Mt Egerton tenements. You were provided with a copy of our report dated 8 June 2023 ('our Report') because you are a shareholder of Gascoyne and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

As part of our obligations as an Expert under RG 111 paragraphs 119 - 121, we have monitored market and Company specific circumstances that drive valuation assumptions and consequential opinions. On 24 July 2023, Gascoyne announced an upgrade to its mineral resource estimate for its Never Never Gold Deposit which we consider to have a material effect on the information contained within our Report. As such, we are providing a Supplementary to our Report ('Supplementary Report'). The Supplementary Report is attached.

### Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ♦ Who we are and how we can be contacted;
- ♦ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ♦ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ♦ Any relevant associations or relationships we have; and
- ♦ Our internal and external complaints handling procedures and how you may access them.

### Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider



the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

**Fees, commissions and other benefits that we may receive**

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for our Report was approximately \$55,000. We approximate our fees for the provision of the Supplementary Report to be approximately \$15,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Gascoyne.

**Other Assignments**

The prior engagements for Gascoyne are set out in our Report. We do not consider that these prior engagements, or the preparation of this Supplementary Report, impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

**Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Gascoyne for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

**Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

**Complaints resolution***Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

**Referral to External Dispute Resolution Scheme**

We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	<a href="http://www.afca.org.au">www.afca.org.au</a>
Email:	<a href="mailto:info@afca.org.au">info@afca.org.au</a>
Interpreter Service:	131 450

You may contact us using the details set out on page 1 of the accompanying report.



7 August 2023

The Independent Directors  
Gascoyne Resources Limited  
Level 1, 41-47 Colin Street  
West Perth WA 6005

Dear Independent Directors

## SUPPLEMENTARY INDEPENDENT EXPERT'S REPORT

### 1. Summary

BDO Corporate Finance (WA) Pty Ltd ('BDO' or 'we' as appropriate) prepared an independent expert report dated 8 June 2023 (our 'Report') which was included in the Notice of Meeting dated 4 July 2023 that was issued to the shareholders of Gascoyne Resources Limited ('Gascoyne' or 'the Company').

Based on the analysis detailed in our Report, we considered the Proposed Transaction to be fair and reasonable to the non-associated shareholders of Gascoyne ('Shareholders').

On 24 July 2023, Gascoyne announced an increase of its Mineral Resource Estimate ('MRE') for its Never Never Gold Deposit. The quantum of the uplift to the MRE and the details underpinning it can be found in the Company's announcement on 24 July 2023. The updated MRE tables are set out in section 4 of this Supplementary Independent Expert's Report ('Supplementary Report').

After factoring in this increase to the MRE, as well as changes to the economic assumptions underpinning our discounted cash flow model ('DCF') between the date of our Report and this Supplementary Report, we consider it appropriate to provide Shareholders with a Supplementary Report. This is because we consider the aforementioned changes to the circumstances surrounding our Report to have a material effect on the information contained in our Report. The Supplementary Report is provided to Shareholders in accordance with Australian Securities Investments Commission's ('ASIC') guidance in paragraphs 119 to 121 of Regulatory Guide 111 'Content of Expert's Reports' ('RG 111').

Based on the analysis detailed in our Supplementary Report, we consider the Proposed Transaction to be **neither fair nor reasonable to Shareholders**.

This Supplementary Report should be read in conjunction with our Report dated 8 June 2023, the Company's previous Notice of Meeting dated 4 July 2023 and the updated Supplementary Notice and Explanatory Statement to be dated on or around 7 August 2023.

All terms and conclusions remain consistent with those defined and stated in our Report dated 8 June 2023, unless stated otherwise.



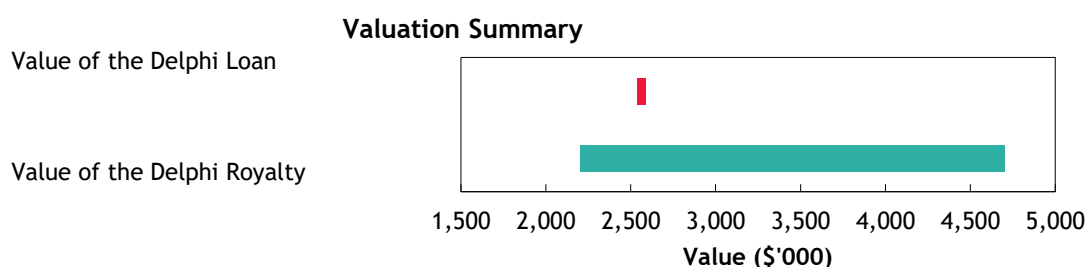
## 2. Opinion

### 2.1 Fairness

In our Report dated 8 June 2023, we concluded that the Proposed Transaction was fair and reasonable to Shareholders, with the value ranges set out in the table and chart below.

	Low	High
	\$'000	\$'000
Value of the Delphi Loan	2,565	2,565
Value of the Delphi Royalty	2,200	4,700

Source: Our Report, BDO analysis



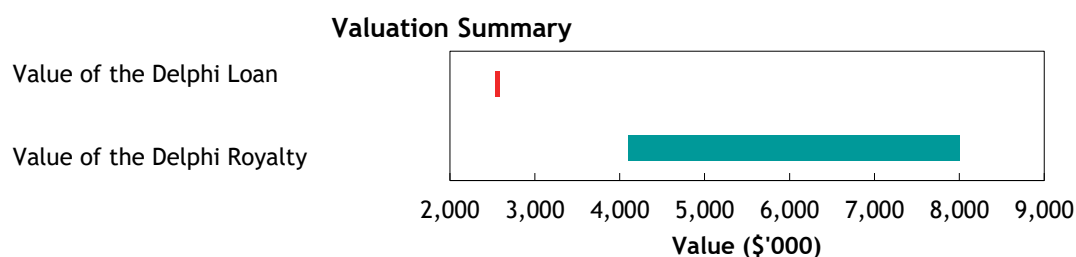
Source: Our Report, BDO analysis

We have replaced the fairness section in our Report with the following:

	Low	High
	\$'000	\$'000
Value of the Delphi Loan	2,565	2,565
Value of the Delphi Royalty	4,100	8,000

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO analysis

In our analysis, the value of the Delphi Loan is unchanged between Our Report and Our Supplementary Report however, our assessment of the value of the Delphi Royalty has increased. The above pricing



indicates that, in the absence of any other relevant information, the Proposed Transaction is **not fair for Shareholders**.

## 2.2 Reasonableness

For our assessment of the reasonableness of the Proposed Transaction, we refer to our reasonableness assessment of the Proposed Transaction in our Report.

However, set out below are the reasonableness factors that have changed as a result of the aforementioned significant changes in circumstances following the release of our Report. We note that the assessment of reasonableness below should be read in conjunction with the reasonableness assessment in our Report.

In section 13.1 of our Report, we state “We are unaware of any alternative proposal that might offer the Shareholders of Gascoyne a premium over the value resulting from the Proposed Transaction”. Given that our opinion has changed from the Proposed Transaction being fair and reasonable to being neither fair nor reasonable for Shareholders, we consider it appropriate to remove this statement. Based on the information available as at the date of our Supplementary Report, this statement no longer holds true because the Company may be able to obtain alternative financing arrangements in order to repay the Delphi Loan. The alternative financing terms may be on terms that are more favourable to Gascoyne than the terms of the Delphi Loan and Delphi Royalty.

The first advantage considered in our Report was that the Proposed Transaction is fair, because pursuant to RG 111, an offer is reasonable if it is fair. However, based on the circumstances that have arisen following the release of our Report and the analysis in our Supplementary Report, we consider the Proposed Transaction to be **not fair for Shareholders**. Therefore, this no longer represents an advantage to Shareholders.

Further, in our Report we presented the following disadvantage to Shareholders.

Disadvantage	Description
Although the Proposed Transaction is fair for Shareholders, the value of the Delphi Loan is on the lower end of the range of values for the Delphi Royalty	As set out in section 12, the value of the Delphi Loan is within the range of values for the Delphi Royalty, therefore we consider the Proposed Transaction to be fair for Shareholders. Notwithstanding, our valuation analysis in section 11 of our Report shows that we consider the value of the Delphi Royalty to be in the range of \$2.2 million to \$4.7 million. Therefore, although the Proposed Transaction is fair, the value of the Delphi Loan is on the lower end of the valuation range for the Delphi Royalty. This means that depending on Shareholders’ view of the assumptions underpinning the valuation of the Delphi Royalty, Shareholders may consider themselves to be worse off from a valuation perspective as a result of converting the Delphi Loan into the Delphi Royalty.



Given that our assessment of the value of the Delphi Royalty has increased the Proposed Transaction is now considered to be **not fair for Shareholders**, therefore the above disadvantage is replaced with the following:

Disadvantage	Description
The Proposed Transaction is not fair for Shareholders	As set out in section 2 of our Supplementary Report, the value of the Delphi Loan is below the low end of the range of values of the Delphi Royalty, therefore we consider the Proposed Transaction to be not fair for Shareholders. Therefore, a disadvantage of approving the Proposed Transaction is that the value of Shareholders' interests in Gascoyne will decrease following the conversion of the Delphi Loan into the Delphi Royalty.

Our overall conclusion on reasonableness in section 2.5 of our Report, was:

*"In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Proposed Transaction is reasonable for Shareholders".*

However, based on the above analysis, we amend the aforementioned conclusion to be:

In our opinion, the position of Shareholders if the Proposed Transaction is not approved is more advantageous than the position if the Proposed Transaction is approved. Accordingly, in the absence of any other relevant information, we believe that the Proposed Transaction is **not reasonable for Shareholders**.

### 3. Impact of the Buy-back right

As detailed in section 4 of our Report, the Company has the right to buy back up to 20% of the royalty for an amount of \$1.225 million in cash. Our assessment of whether the Proposed Transaction is fair in section 12 of our Report states that the fairness assessment does not incorporate the value of the Buy-back right, however it can be assumed that this Buy-back right has some value, in which case any value ascribed to it would result in the Proposed Transaction being more fair for Shareholders.

However, given that our opinion has changed to the Proposed Transaction being **not fair for Shareholders**, we must determine whether the value of the Buy-back right is likely to cause the value of the Delphi Royalty to overlap with the value of the Delphi Loan.

We have therefore assessed the value of the Delphi Royalty under the assumption that the Buy-back right is exercised and under the assumption that it is not exercised (refer section 5 of the Supplementary Report). We have aggregated 80% of the value of the Delphi Royalty and the amount of cash to be paid to exercise the Buy-back right and compared this to the value of the Delphi Loan to determine whether the Buy-back right impacts our opinion on whether the Proposed Transaction is fair, as set out below.



Value if the Buy-back right is exercised	Low \$'000	High \$'000
Value of the Delphi Loan	2,565	2,565
Value of the Delphi Royalty (80%)	3,280	6,400
Add: Amount to be paid to exercise the Buy-back right (20%)	1,225	1,225
<b>Total value of the Delphi Royalty assuming exercise of the Buy-back right</b>	<b>4,505</b>	<b>7,625</b>

Source: BDO analysis

The above analysis shows that our assessed range of values of the Delphi Royalty assuming exercise of the Buy-back right is above the value of the Delphi Loan, therefore the Buy-back Right does not impact our opinion of whether the Proposed Transaction is fair. We have not adjusted our assessment of whether the Proposed Transaction is fair to reflect the Buy-back Right because the low value presented above (which is the basis for our opinion being not fair) shows that the Buy-back right is currently out-of-the money. We do not consider that we would have sufficient reasonable grounds to assume a future exercise or partial exercise of the Buy-back Right, nor to make the assumptions required for a real option valuation.

#### 4. Changes to the MRE

Section 5.6 of our Report presented the MREs for the Company's Dalgaranga Project. As a result of the MRE increase announced by the Company on 24 July 2023, the MRE tables are to be replaced with the following.

Project	MRE Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Dalgaranga - Wholly-owned	Measured	0.50	1.0	15.2
	Indicated	12.36	2.1	892.5
	Inferred	3.85	1.9	275.7
	<b>Total</b>	<b>16.7</b>	<b>1.6</b>	<b>1,183.4</b>
Yalgoo	Measured	-	-	-
	Indicated	3.35	1.5	160.4
	Inferred	1.88	1.4	83.2
	<b>Total</b>	<b>5.2</b>	<b>1.5</b>	<b>243.6</b>
Glenburgh	Measured	-	-	-
	Indicated	13.50	1.0	430.7
	Inferred	2.80	0.9	79.4
	<b>Total</b>	<b>16.3</b>	<b>1.0</b>	<b>510.1</b>
Mt Egerton	Measured	-	-	-
	Indicated	0.23	3.4	25.0
	Inferred	0.04	1.5	2.0
	<b>Total</b>	<b>0.27</b>	<b>3.1</b>	<b>27.0</b>

Source: Gascoyne ASX announcement on 24 July 2023



Deposit	MRE Category	Tonnes (Mt)	Grade (g/t)	Contained Metal (koz Au)
Never Never	Measured	-	-	-
	Indicated	2.95	5.78	548.4
	Inferred	0.88	6.10	172.9
	<b>Total</b>	<b>3.83</b>	<b>5.85</b>	<b>721.2</b>

Source: Gascoyne ASX announcement on 24 July 2023

## 5. Adjustments to the value of the Delphi Royalty

As outlined in section 1 of our Supplementary Report, on 24 July 2023, the Company announced an increase to its MRE. We have assessed the impact that the revised MRE for Never Never has on the value of the Delphi Royalty. Given that our Report was previously issued on 8 June 2023, we also consider it appropriate to update the material economic inputs underpinning our DCF valuation that have changed since the preparation of our Report.

Specifically, we have made the following adjustments to the inputs to our DCF valuation:

- Increased the mining volumes to reflect the increase to the MRE that was announced on 24 July 2023. The updated MRE that was used in our valuation is set out in section 4 of this Supplementary Report;
- Where applicable, adjusted the grade to reflect the grades disclosed in the revised MRE;
- Changed the valuation date from 28 April 2023 to 1 August 2023;
- Amended the forecast gold price to incorporate the most recent analyst consensus pricing, as published by Consensus Economics for July 2023; and
- Amended the forecast USD/AUD exchange rates to reflect the most recent analyst consensus forecasts, sourced from Bloomberg.

We considered changes to our assessed discount rate, however we concluded that it has not changed materially, therefore we have left our assessed discount rate unchanged at 18%.

In addition to the above changes to the inputs to our DCF valuation, we also assessed the impact of these changes on our sensitivity analysis and scenario analysis.

### 5.1 Changes to the inputs of our DCF valuation

#### Gold prices

Based on our analysis, we have adopted the following nominal forecast gold prices over the forecast period:

Gold price	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032+
Gold (US\$/oz)	1,934	1,946	1,884	1,832	1,827	1,902	1,902	1,902	1,902	1,902

Source: Consensus Economics and BDO analysis



The forecast gold prices obtained from our research sources are quoted on a nominal basis up to and including 2032. From 2032 onwards, we have applied a forecast inflation rate of 2.5% per annum to the nominal pricing set out above.

#### Foreign exchange rate

Gold prices obtained from our research are quoted in nominal USD terms. We have converted the gold prices from USD to AUD at the following forecast exchange rates for their respective calendar year ('CY') periods:

Exchange rates	2023	2024	2025	2026	2027	2028+
AUD/USD	0.68	0.72	0.73	0.74	0.75	0.75

Source: Bloomberg and BDO analysis

## 5.2 Sensitivity analysis

The descriptions and limitations of the sensitivity analysis can be found in our Report. Set out below are the tables which replace the tables in section 11.5 of our Report.

#### Gold price and exchange rate (AUD/USD)

Currency: \$000's			Sensitivity Analysis of the value of the Delphi Royalty		
Percentage change	Gold price (US\$/oz)		Exchange rate (AUD/USD)		
-10%	5,760		7,111		
-8%	5,888		6,957		
-6%	6,016		6,809		
-4%	6,144		6,667		
-2%	6,272		6,531		
0%	6,400		6,400		
2%	6,528		6,275		
4%	6,656		6,154		
6%	6,784		6,038		
8%	6,912		5,926		
10%	7,040		5,818		

Source: Model and BDO analysis

#### Discount rate

Discount rate					
Discount rate (%)	16.0%	17.0%	18.0%	19.0%	20.0%
Value of the Delphi Royalty (\$'000)	6,701	6,548	6,400	6,258	6,120

Source: Model and BDO analysis



### Resources to Reserves Conversion ratio

Resources to Reserves Conversion ratio					
Conversion ratio (%)	20%	30%	40%	50%	60%
Value of the Delphi Royalty (\$'000)	3,614	5,082	6,400	7,598	8,705

Source: Model and BDO analysis

### Metallurgical recovery rate

Currency: \$'000      Sensitivity Analysis of the value of the Delphi Royalty	
Percentage change	Metallurgical recovery rate (%)
-6%	5,953
-4%	6,102
-2%	6,251
0%	6,400
2%	6,549
4%	6,698
6%	6,847

Source: Model and BDO analysis

## 5.3 Scenario analysis

The descriptions and basis for our scenario analysis can be found in our Report. Set out below are the tables which replace the tables in section 11.6 of our Report.

Delay in the commencement of production				
Delay period	6 months	12 months	18 months	24 months
Value of the Delphi Royalty (\$'000)	6,181	5,327	4,917	4,519

Source: Model and BDO analysis

Maximum production per annum		
Maximum production	1.6 Mtpa	2.0 Mtpa
Value of the Delphi Royalty (\$'000)	4,396	5,433

Source: Model and BDO analysis



Management have confirmed that the Company is still evaluating the 1.6Mtpa scenario, therefore set out below are the sensitivity tables under this reduced throughput scenario.

Currency: \$000's		Sensitivity Analysis of the value of the Delphi Royalty	
Percentage change	Gold price (US\$/oz)	Exchange rate (AUD/USD)	
-10%	3,957	4,885	
-8%	4,045	4,779	
-6%	4,132	4,677	
-4%	4,220	4,579	
-2%	4,308	4,486	
0%	4,396	4,396	
2%	4,484	4,310	
4%	4,572	4,227	
6%	4,660	4,147	
8%	4,748	4,071	
10%	4,836	3,997	

Source: Model and BDO analysis

#### Discount rate

Discount rate					
Discount rate (%)	16%	17%	18%	19%	20%
Value of the Delphi Royalty (\$'000)	4,582	4,487	4,396	4,308	4,223

Source: Model and BDO analysis

#### Resources to Reserves Conversion ratio

Resources to Reserves Conversion ratio					
Conversion ratio (%)	20%	30%	40%	50%	60%
Value of the Delphi Royalty (\$'000)	2,452	3,471	4,396	5,210	5,945

Source: Model and BDO analysis



### Metallurgical recovery rate

Currency: \$'000      Sensitivity Analysis of the value of the Delphi Royalty	
Percentage change	Metallurgical recovery rate (%)
-6%	4,096
-4%	4,196
-2%	4,296
0%	4,396
2%	4,496
4%	4,596
6%	4,696

Source: Model and BDO analysis

### 5.4 Assessment of the value of the Delphi Royalty

Based on the above analysis, our updated assessment of the value of the Delphi Royalty is summarised in the table below.

Assessment of the Delphi Royalty	Low \$'000	High \$'000
Value of the Delphi Royalty	4,100	8,000

Source: BDO analysis

The basis for our assessed range of values remains unchanged and can be found in section 11.7 of our Report.



## 6. Conclusion

We have considered the changes in circumstances detailed in the body of this Supplementary Report and the analysis in our Report and have concluded that the Proposed Transaction is **neither fair nor reasonable to Shareholders**.

This represents a change of opinion from the Proposed Transaction from being fair and reasonable to it being **neither fair nor reasonable to Shareholders**.

Yours faithfully

**BDO CORPORATE FINANCE (WA) PTY LTD**



**Sherif Andrawes**  
Director



**Adam Myers**  
Director

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The Directors

BDO Corporate Finance (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2

5 Spring Street

Perth, WA 6000

Australia



# Proxy Voting Form

If you are attending the virtual Meeting  
please retain this Proxy Voting Form  
for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 16 August 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise, if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at  
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



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