

11 August 2020

Update Circular to Creditors

The Deed Administrators* of Gascoyne Resources Ltd and each of its wholly owned subsidiaries (All Subject to Deed of Company Arrangement) (“Gascoyne”, ASX:GKY) provide an update to creditors in relation the extraordinary general meeting held on 5 August 2020. All resolutions put to the extraordinary general meeting were passed by over 99% of the votes lodged by shareholders. Accordingly, the Deed Administrators are proceeding with the recapitalisation and as such the new Directors have now been appointed to the Board of Gascoyne.

The Deed Administrators also provide an update in relation to the Deed of Company Arrangement (“DOCA”), which was entered into on 26 June 2020. Pursuant to clause 4.10 (Claims by other Employees), all claims by these employees have now been paid. The Deed Administrators will continue to keep creditors informed of developments regarding the DOCA.

The Deed Administrators also provide an update to creditors in relation to proceedings that have been commenced against Gascoyne and the Deed Administrators.

On 4 August 2020, Gascoyne received notice that proceedings had been commenced in the Federal Court of Australia by Habrok (Dalgara) Pty Ltd (“Habrok”). Habrok claims that it purchased on 4 August 2020 the unsecured debt of an existing creditor owed approximately \$616k.

These proceedings seek an order terminating the DOCA and orders to the effect that Gascoyne be wound up (i.e. put into Liquidation).

Habrok’s claims relate to alleged deficiencies in the administrators’ report to creditors which resulted in the proposed DOCA, assert that the DOCA is oppressive and unfairly prejudicial to creditors and that it shields the directors and advisors of Gascoyne from appropriate scrutiny and investigations.

Herbert Smith Freehills has been appointed to represent Gascoyne and the Deed Administrators and has been instructed to defend the proceedings.

A preliminary hearing was held on Friday, 7 August 2020 before The Honourable Justice Anastassiou. Orders were made by the Court:

- acknowledging that Gascoyne and the Deed Administrators have provided an undertaking that they will not issue, or cause to be issued, shares to NRW Holdings Ltd and / or NRW Pty Ltd or to the trustees of the creditors’ trust under the DOCA before 1 September 2020 or such later date as may be ordered or agreed so as to enable the proceedings to be determined; and
- scheduling this matter for a **final hearing on 25 and 26 August 2020**.

FTI Consulting (Australia) Pty Limited

ABN 49 160 397 811 | ACN 160 397 811 | AFSL Authorised Representative # 001269325

Level 47, Central Park | 152-158 St George's Terrace | Perth WA 6000 | Australia

Postal Address | PO Box Z5486 | Perth WA 6831 | Australia

+61 8 9321 8533 telephone | +61 8 9321 8544 fax | fticonsulting.com

As a creditor you may wish to make submissions at the hearing. If you wish to make submissions, you will need to seek permission from the Court to intervene in the proceedings.

All court documents relevant to the proceedings are available at: <https://www.fticonsulting-asia.com/creditors/gascoyne-resources-ltd-and-subsidiaries>.

Should you have any queries in relation to this circular please contact the Deed Administrators' office by email at gascoyne_enquiries@fticonsulting.com.

A handwritten signature in black ink, appearing to read 'M Ryan', with a stylized flourish at the end.

Michael Ryan

Deed Administrator