

Gascoyne Resources Limited
ABN 57 139 522 900
Notice of Annual General Meeting and
Explanatory Statement

Date of Meeting

Friday, 18 December 2020

Time of Meeting

10:00am (WST)

Place of Meeting

The Celtic Club
48 Ord Street
West Perth WA 6005

and

via telephone conference by dialling +61 8 6500 2107 at 10.00am (WST) on 18 December 2020

In light of potential restrictions on public gatherings arising from the COVID-19 pandemic that may be in place at the date of the Annual General Meeting, Shareholders can attend the Annual General Meeting via telephone conference as set out above. The Company encourages Shareholders to continue to participate in the Annual General Meeting by:

- completing and returning the enclosed Proxy Form, or lodging a vote online, in accordance with the specified instructions below;
- lodging questions in advance of the meeting by emailing questions to coysec@gascoyneresources.com.au;
- attending the meeting via telephone conference call by dialling +61 8 6500 2107 at 10:00am (WST) on 18 December 2020.

A Proxy Form is enclosed.

This Notice of Annual General Meeting and 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 Notice of Annual General Meeting please contact the Company Secretary on +61 8 9481 3434.

If you are unable to attend the Annual General Meeting, please complete and return the enclosed Proxy Form or lodge your vote online in accordance with the specified directions.

Gascoyne Resources Limited

ABN 57 139 522 900

Notice of Annual General Meeting

NOTICE IS GIVEN that an Annual General Meeting of Shareholders of Gascoyne Resources Limited ABN 57 139 522 900 (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia and via telephone conference by dialling +61 8 6500 2107 on Friday, 18 December 2020 at 10:00 am (WST) for the purpose of transacting the business referred to in this Notice.

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice. The Explanatory Statement and Proxy Form both form part of this Notice. Terms used in the Resolutions contained in this Notice have the meaning given to them in the glossary in the Explanatory Statement.

COVID-19 measures

The Company is committed to health and safety, including the health and safety of our Shareholders and our people. To comply with potential Federal and State government restrictions on public gatherings implemented in response to the COVID-19 pandemic, and to otherwise ensure the safety of Shareholders and other participants, the Company may only be able to admit a limited number of persons to the physical Meeting and there is a risk that Shareholders intending to attend the physical Meeting may not be admitted.

Shareholders who are not admitted to the Meeting or who do not wish to physically attend the Meeting will be able to attend the meeting via telephone conference call by dialling +61 8 6500 2107 at 10:00am (WST) on 18 December 2020.

The Company strongly encourages Shareholders to:

- read this Notice of Meeting carefully;
- complete and return the enclosed Proxy Form, or lodge a vote online, in accordance with the specified instructions below;
- lodge questions in advance of the Meeting by emailing questions to coysec@gascoyneresources.com.au;
- attend the meeting via telephone conference call by dialling +61 8 6500 2107 at 10:00am (AWST) on 18 December 2020.

The Company notes that circumstances relating to the COVID-19 pandemic are changing rapidly. The Company will update Shareholders via ASX announcement if any circumstances impact planning for the Meeting.

Agenda

FINANCIAL STATEMENTS AND REPORTS FOR THE PERIOD 1 JULY 2019 TO 30 JUNE 2020

To receive and consider the annual financial statements of the Company, together with the Directors' Report and the Auditor's Report for the year ended 30 June 2020, as set out in the Annual Report.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding ordinary resolution**:

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as set out in the Directors' Report for the financial year ended 30 June 2020 be adopted.”

Voting exclusion statement

The Company will disregard any votes cast on Resolution 1:

- by, or on behalf of, a member of the Company's Key Management Personnel named in the Remuneration Report for the financial year ended 30 June 2020 and their Closely Related Parties (regardless of the capacity in which the vote is cast); or
- as a proxy by a person who is a member of the Company's Key Management Personnel at the date of the Meeting and their Closely Related Parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote:

- in accordance with the directions on the Proxy Form; or
- by the Chairman of the Meeting, in accordance with an express authorisation in the Proxy Form to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF MR GEORGE BAUK AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That Mr George Bauk, having been appointed as a Director of the Company on 5 August 2020, who ceases to hold office in accordance with clause 8.1(d) of the Constitution, and being eligible, offers himself for election, be elected as a Director of the Company.”

RESOLUTION 3 – RE-ELECTION OF MR ROWAN JOHNSTON AS A DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That Mr Rowan Johnston, having been appointed as a Director of the Company on 5 August 2020, who ceases to hold office in accordance with clause 8.1(d) of the Constitution, and being eligible, offers himself for election, be elected as a Director of the Company.”

RESOLUTION 4 – APPROVAL OF LONG TERM INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)) and section 260C(4) of the Corporations Act, and for all other purposes, approval is hereby given for the Company to adopt a Long Term Incentive Plan for the issue of securities, including ordinary fully paid shares in the capital of the Company, Options, Performance Rights and Restricted Share Units under this Long Term Incentive Plan, from time to time on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a Director;
- a member of the Key Management Personnel;
- an associate of a Director;
- an associate of a Director or of a member of the Key Management Personnel; or
- any other person eligible to participate in the Long Term Incentive Plan.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, the Corporations Act restricts a person who is a member of the Key Management Personnel at the date of the meeting and their Closely Related Parties from voting undirected proxies on this resolution, except in the case of the Chairman of the meeting where the Chairman has been expressly authorised to exercise the proxy.

By order of the Board

Shane McBride / David Coyne

Joint Company Secretaries

Gascoyne Resources Limited

Dated: 13 November 2020

The business of the Annual General Meeting affects your shareholding and your vote is important.

Shareholders should read the Notice of Meeting and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

ASX takes no responsibility for the contents of the Notice of Meeting or this Explanatory Statement.

How to vote

Shareholders can vote by:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote;
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their Proxy Form in person, by email, by post or by facsimile; or
- lodging their vote online at www.advancedshare.com.au/investor-login. Shareholders will need their Security Reference Number (SRN) or Holder Identification Number (HIN) to do so. If a Shareholder is lodging their vote online, they must do so by 10:00am (WST) on Wednesday, 16 December 2020 in order for the vote to be valid.

Voting in person or by attorney

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. A certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Written proof of the representative's appointment (including any authority under which it is signed) must be lodged with, or presented to, the Company before the Meeting.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed

and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).

- A proxy need not be a Shareholder. The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a member of the Key Management Personnel or their Closely Related Parties (as at the date of the Meeting) is appointed as a proxy, will not be able to vote as proxy on Resolutions 1 and 4 unless the Shareholder tells them how to vote, or in the case of the Chairman of the Meeting, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chairman) or a Closely Related Party of a member of the Key Management Personnel as their proxy, the Shareholder should ensure that they direct the member of the Key Management Personnel or the Closely Related Party of a member of the Key Management Personnel how to vote on Resolutions 1 and 4. Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- A Shareholder who returns their Proxy Form with a direction how to vote, but does not nominate the identity of their proxy, will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned with a direction how to vote, but the nominated proxy (who is not Chairman of the Meeting) does not attend the Meeting or does not vote on the relevant Resolution(s), the Chairman of the Meeting will act in place of the nominated proxy and vote on a poll in accordance with any instructions.
- Proxy appointments in favour of the Chairman of the Meeting, the company secretary or any Director that do not contain a direction how to vote are intended be used, where possible, to support each of the Resolutions proposed in this Notice, provided the appointed proxy is entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- Proxies must be received by **10:00am (WST) on**

Wednesday 16 December 2020. Proxies received after this time will be invalid.

- Proxies may be lodged using any of the following methods:
 - **In person:** Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009
 - **By mail:** Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909
 - **By facsimile:** +61 8 6370 4203
 - **By scanning this form and emailing it to:**
admin@advancedshare.com.au

Voting online

A Shareholder may vote directly on the Resolutions considered at the Meeting by lodging their vote with the Company online prior to the Meeting. This enables Shareholders to exercise their voting rights without needing to attend the Meeting or appoint a proxy.

Please note that a Shareholder who has cast their vote online may attend the Meeting, but their attendance cancels the vote unless the Shareholder directs otherwise at the Meeting.

Online votes must be received by 10:00am (WST) on Wednesday, 16 December 2020. Online votes cannot be lodged after this time.

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 4:00pm (WST) on Wednesday, 16

December 2020. 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 in advance of the Meeting.

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 December 2020.

Any questions should be directed to the Company Secretary at coysec@gascoyneresources.com.au.

Technical difficulties

Technical difficulties may arise during the course of the Meeting. The Chairman of the Meeting has discretion as to whether and how the Meeting should proceed if a technical difficulty arises. In exercising this discretion, the Chairman of the Meeting will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where the Chairman considers it appropriate, the Chairman may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy in advance of the Meeting, even if they plan to attend the Meeting in person or via telephone conference (noting that if the Shareholder votes on a Resolution either at the physical Meeting, any proxy appointed by the Shareholder is not entitled to vote, and must not vote, as the Shareholder's proxy on that Resolution).

Gascoyne Resources Limited

ABN 57 139 522 900

Explanatory Statement

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Statement.

ANNUAL FINANCIAL STATEMENTS

The Corporations Act requires the annual financial report for the year ended 30 June 2020, together with the Directors' report and the Auditor's report on the financial report (**Annual Financial Statements**), to be received and considered at the Annual General Meeting. The Annual Financial Statements for the period ended 30 June 2020 are included in the Company's Annual Report, a copy of which can be accessed online at www.gascoyneresources.com.au or on the ASX website. Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company. A representative of the Company's auditor, Grant Thornton Audit Pty Ltd, will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements, and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the content of the Auditor's report and the conduct of the audit may be submitted no later than five business days before the date of the Meeting to the Company Secretary at coysec@gascoyneresources.com.au.

The Chairman will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Background

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report. The Remuneration Report is a distinct section of the Directors' Report which deals with the remuneration of Directors and executives of the Company. More particularly, the Remuneration Report can be found within the Directors' Report in the Company's 30 June 2020 Annual Report. The Annual Report is available on the Company's website at www.gascoyneresources.com.au.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers; and
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2020.

The Chairman of the Annual General Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

Regulatory Requirements

Shareholders are entitled to vote on the question of whether the Remuneration Report is to be adopted. However, the vote on this resolution is advisory only and doesn't bind the Board or the Company.

Under the Corporations Act, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting to spill the Board (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Remuneration Report was approved, other than any Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Company's Remuneration Report did not receive a "no" vote of 25% or more at the Company's previous annual general meeting held on 30 April 2020. Accordingly, if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report, it will not result in the Company putting a Spill Resolution to Shareholders.

RESOLUTION 2 – RE-ELECTION OF MR GEORGE BAUK

Background

On 5 August 2020, Mr George Bauk was appointed as a Director by the Deed Administrators, who were in control of the Company at the time. Clause 8.1(d) of the Constitution requires that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next general meeting following his or her appointment, but is eligible for election at that general meeting. Mr George Bauk therefore retires at the forthcoming annual general meeting, and being eligible, offers himself for election at the Meeting. The Board considers Mr Bauk to be an independent non-executive director.

Mr Bauk is an experienced company director with over 14 years' experience as a listed company director in Australia within the resources industry. Mr Bauk's experience relates to both production and exploration, and the listed companies of which he has been a director held assets in Western Australia, Australia and internationally.

He is an experienced executive, with 30 years' experience in the resources industry. Mr Bauk holds a Bachelor of Business (Accounting and Finance) from Edith Cowan University, is a Fellow of the CPA and has an MBA from the University of New England. Mr Bauk has held global operational and corporate roles with WMC Resources and Western Metals. Mr Bauk has a strong background in strategic management, business planning, building teams, finance and capital/debt raising, and experience with a variety of commodities, in particular rare earths, gold and industrial minerals.

During his time as Managing Director of Northern Minerals, he led its rapid development from a greenfields heavy rare earth explorer to one of a few global producers of high value dysprosium outside of China. Mr Bauk is a passionate member of the WA resources industry, having previously held a number of senior governing positions with the Chamber of Minerals and Energy including Vice President.

Directorships of listed entities (last three years):

- Managing Director of Northern Minerals Limited (March 2010 to June 2020)
- Chairman of Lithium Australia NL (July 2015 to current)
- Non-executive Director of BlackEarth Minerals NL (March 2017 to current)
- Executive Chairman of Valor Resources Limited (October 2020 to current)

Board Recommendation

The Directors (other than Mr Bauk) unanimously recommend that Shareholders vote in favour of Resolution 2. In making the recommendation, the Directors (other than Mr Bauk) took into account the desired mix of skills on the Board and Mr Bauk's executive leadership experience, knowledge of capital markets and experience in the mining industry.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 2.

RESOLUTION 3 – RE-ELECTION OF MR ROWAN JOHNSTON

Background

On 5 August 2020, Mr Rowan Johnston was appointed as a Director by the Deed Administrators, who were in control of the Company at that time. Clause 8.1(d) of the Constitution requires that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next general meeting following his or her appointment, but is eligible for election at that general meeting. Mr Rowan Johnston therefore retires at the forthcoming annual general meeting, and being eligible, offers himself for election at the Meeting. The Board considers Mr Johnston to be an independent non-executive director.

Mr Johnston is a mining engineer (graduating from the West Australian School of Mines) with significant experience as an Executive and Non-Executive Director. He is currently a Non-Executive Director of Bardoc Gold Limited and has previously been the Managing Director of Excelsior Gold Limited. Mr Johnston was also the acting Chief

Executive Offer and Executive Director of Operations for Mutiny Gold Limited prior to its takeover by Doray Minerals Limited, and an Executive Director of Integra Mining Limited prior to its merger with Silver Lake Resources Limited.

Mr Johnston has worked and studied in the mining (primarily gold) industry for 40 years throughout Australia and overseas and has experience working for owners, consultants and contractors. He has worked through several feasibility studies, start-ups, constructions, expansions and mergers.

Directorships of listed entities (last three years):

- Managing Director of Excelsior Gold Limited (September 2016 to October 2018)
- Executive Director of Bardoc Gold Limited (October 2018 to November 2019)
- Non-Executive Director of Bardoc Gold Limited (November 2019 to present)

Board Recommendation

The Directors (other than Mr Johnston) unanimously recommend that Shareholders vote in favour of Resolution 3. In making the recommendation, the Directors (other than Mr Johnston) took into account the desired mix of skills on the Board, Mr Johnston's gold mining technical expertise and his extensive history in the gold mining sector.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 3.

RESOLUTION 4 – APPROVAL OF LONG TERM INCENTIVE PLAN

Background

A new remuneration framework for executives is currently being finalised by the Board to provide a mix of fixed remuneration (salary, superannuation and allowances) and variable "at risk" incentive remuneration of both a short term (eg cash bonuses) and long term (ie a proposed long term incentive scheme) nature.

The Board considers that a long term incentive should form a key component of total annual remuneration of executives and senior management which can be achieved by setting a significant portion of total annual remuneration "at risk" to better align interests with those of Shareholders to encourage the production of long term sustainable growth and to assist with retention.

The Board recognises that to preserve Shareholder value it must have in place a fit for purpose long term remuneration structure which ensures executives and senior management are attracted, motivated and retained by the Company.

The Board has reviewed the Company's current Employee Share Option Plan that was approved by Shareholders at its 2016 Annual General Meeting on 24 November 2016 (**2016 Employee Incentive Plan**) and has determined that the most appropriate long term incentive component to implement as part of the Company's remuneration framework should be a long term incentive plan (**LTIP**) that provides flexibility for the Company to grant securities, including ordinary fully paid shares in the capital of the Company, Options, Performance Rights and Restricted Share Units (**RSUs**).

The LTIP is intended to assist the Company to attract and retain key staff. The Board believes that grants made to eligible participants under the LTIP will provide a powerful tool to underpin the Company's employment and engagement strategy, and that the LTIP will:

- enable the Company to incentivise and retain existing key management personnel and other eligible employees needed to achieve the Company's business objectives;
- enable the Company to recruit, incentivise and retain additional key management personnel and other eligible employees needed to achieve the Company's business objectives;
- link the reward of key staff with the achievement of strategic goals and the long-term performance of the Company;
- align the financial interest of participants of the LTIP with those of Shareholders; and
- provide incentives to participants under the LTIP to focus on superior performance that creates Shareholder value.

No more options will be granted under the 2016 Employee Incentive Plan. 107,000 options issued under the 2016 Employee Incentive Plan remain on issue. The options have an exercise price of \$7.40 and expire on 7 October 2021.

The new LTIP will involve the Company inviting executives and employees (**Eligible Participants**) to be granted securities, including ordinary fully paid shares in the capital of the Company, Options, Performance Rights and RSUs subject to the terms of individual offers and the satisfaction of performance and vesting conditions determined by the Board from time to time. The securities would be issued for no consideration.

The Company shall establish a trust for the LTIP and offers of securities made under the LTIP may utilise this trust.

In each case, however, the Board reserves its discretion provided under the rules of the LTIP to make offers under the LTIP on such terms and conditions as it thinks fit from time to time, having regard to the circumstances

of the Company and the proposed remuneration framework for its executives and employees at the time.

When issuing invitations under the LTIP, the Board will have the discretion to determine the terms and conditions of the securities to be granted to ensure that they are appropriate to the relevant executive or employee.

The Board's discretion will include determining:

- whether an executive or employee will be invited to participate in the LTIP;
- the number of RSUs, Options, Performance Rights or other securities (as applicable) to be granted to the executive or employee; and
- the applicable performance and/or service related conditions including the period of time over which the conditions are to be measured and satisfied.

At the discretion of the Board, any RSUs to which Eligible Participants become entitled pursuant to the LTIP may be satisfied by the acquisition of Shares on-market and subsequent transfer of these Shares to the Eligible Participants, or by the issue of new Shares.

Further details of the LTIP and the offers to be made under it to Eligible Participants are set out below and in the summary of the LTIP in Schedule 1.

Options

An Option is an entitlement to receive Shares upon satisfaction of applicable conditions and payment of an applicable exercise price.

Performance Rights

A Performance Right is an entitlement to receive Shares subject to the satisfaction of applicable conditions.

Restricted Share Units (RSUs)

An RSU is a right to acquire one fully paid ordinary share in the Company, which will initially be held by the trustee of the LTIP. The Eligible Participant will be entitled to receive one Share for each RSU that has vested and which has not lapsed or expired. Until the Eligible Participant's RSUs have vested and they have acquired Shares, an RSU will not give the Eligible Participant a legal interest in any Shares, though the Eligible Participant will be able to participate in dividends and can direct the trustee to vote the underlying Shares in certain circumstances.

RSUs that are granted shall vest as fully paid ordinary shares over a two-year period following the date of earning, with one half vesting each year. After the date of grant, an Eligible Participant must remain employed by or contracted to the Company on each annual vesting date to enable granted RSUs to vest. Upon an RSU vesting, an Eligible Participant shall be invited to subscribe for the equivalent number of fully paid ordinary shares. No consideration is payable by the Eligible Participant at the time of vesting and transfer of fully paid ordinary shares.

Remuneration policy for RSUs to be granted to Eligible Participants under the LTIP

In summary, as part of the proposed remuneration policy and framework for executives and employees, the Board has determined that the following principles will apply for grants of long term incentives:

- (a) the long term incentives will be granted as RSUs under the LTIP to be approved by Shareholders subject to this Resolution 4;
- (b) the RSUs are to be granted annually and will be subject to a maximum percentage of fixed remuneration, with the maximum percentage based on an individual's role and seniority within the Company;
- (c) larger ad hoc grants are to be discouraged, however, they may be granted where considered appropriate by the Board, to attract senior executives who have no significant exposure to equity;
- (d) grant of RSUs each year will be subject to achievement of Board approved performance hurdles;
- (e) subject to an Eligible Participant remaining employed by the Company, RSUs that are granted will vest in equal tranches on the first day of the financial year over the two years following the date of grant;
- (f) the number of the RSUs to be granted will be determined by dividing the long term incentive dollar value of the LTIP RSUs by the fair value of the RSU; and
- (g) the RSUs will be valued at a 30 day VWAP at the time they are granted.

No long term incentives were issued in the financial year ending 30 June 2020.

Listing Rule 7.2 (Exception 13(b))

Listing Rule 7.1 provides, in summary, that the Company must not issue or agree to issue Equity Securities, in any 12 month period equal to more than 15% of the number of issued fully paid ordinary shares of the Company at the beginning of the 12 month period immediately before issue without the approval of Shareholders, unless an exception applies.

One of the exceptions to Listing Rule 7.1 is Listing Rule 7.2 (Exception 13(b)), which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within 3 years before the date of the issue, Shareholders have approved the issue of securities under the employee incentive scheme as an exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the LTIP does not exceed the maximum number set out in the Notice of Meeting. Exception 13(b) also ceases to be available if there is a material change to the terms of the LTIP from those set out in the Notice of Meeting.

Resolution 4 seeks Shareholder approval under Listing Rule 7.2 (Exception 13(b)) for the approval to issue securities, including ordinary fully paid shares in the capital of the Company, Options, Performance Rights and Restricted Share Units (and the issue of all resultant shares in the Company that are able to be allocated as a result from the vesting and/or exercise of performance rights or options) under the LTIP from time to time as an exception to Listing Rule 7.1. The impact is that the issue of securities under the LTIP by the Company will be excluded from the number of securities used to determine the Company's annual 15% limit in each rolling 12 month period, for a period of three years from the date of the Annual General Meeting.

The Company will still be required to seek Shareholder approval under ASX Listing Rule 10.14 in respect of any future issues of securities under the LTIP to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

In accordance with Listing Rule 7.2 (Exception 13(b)), the following information is disclosed to Shareholders for the purposes of Resolution 4:

- (a) a summary of the terms and conditions of the LTIP is set out in Schedule 1 to this Explanatory Statement; and
- (b) previous issues under the 2016 Employee Incentive Plan are:

Issue Date	Number of options issued under the 2016 Employee Incentive Plan
16 December 2016	7,850,000 issued, all of which have expired or been cancelled.
8 October 2018	4,180,000 issued, 1,660,000 of which have expired or been cancelled, leaving a balance of 2,140,000 options. On 20 October 2020, following a 20:1 consolidation of share capital, the number of options on issue became 107,000 with each option having an exercise price of \$7.40 and being exercisable on or before 7 October 2021.

- (c) to date, no securities have been issued under the LTIP;
- (d) the maximum number of securities proposed to be issued under the LTIP within the three year period from the date following Shareholder approval is 12,542,906 securities. The maximum number is not intended to be a prediction of the actual number of securities to be issued under the LTIP, simply a ceiling for the purposes of Listing Rule 7.2, (Exception 13(b)); and
- (e) a voting exclusion statement in respect of Resolution 4 is contained in the Resolution.

If Shareholders approve Resolution 4, the issue of securities (and the issue of any new Shares pursuant to those securities) under the LTIP will not be included in the 15% limit imposed by Listing Rule 7.1 for a period of three years from the date of the Annual General Meeting.

If Shareholders do not approve Resolution 4, the Company may still issue securities (and the underlying Shares) under the LTIP, but any such issue will be taken into account when calculating whether the 15% limit under Listing Rule 7.1 has been reached.

Recommendation

The Board (other than Mr Hay who declines to make a recommendation based on his interest in the outcome of Resolution 4) believes that the LTIP is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of the approval of the LTIP.

The Chair intends to vote undirected proxies in favour of Resolution 4.

Glossary

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

2016 Employee Incentive Plan	the Company's current Employee Share Option Plan that was approved by Shareholders at its 2016 Annual General Meeting on 24 November 2016.
Annual Report	the Company's annual report for the financial year ended 30 June 2020.
ASX	ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	the board of Directors.
Chairman	the chairman of the Annual General Meeting.
Closely Related Party	has the meaning given to that term in the Corporations Act.
Company or Gascoyne	Gascoyne Resources Limited ACN 139 522 900.
Constitution	constitution of the Company, as amended from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Deed Administrators	the joint and several deed administrators appointed under the deed of company arrangement entered into by the Company on 26 June 2020 and which was effectuated on 20 October 2020.
Director	director of the Company.
Directors' Report	the annual directors' report of the Company set out in the Annual Report.
Equity Securities	has the meaning given to that term in the Listing Rules.
Explanatory Statement	the explanatory statement that accompanies this Notice.
Key Management Personnel	has the meaning given to that term in the Listing Rules.
Listing Rules	listing rules of the ASX.
LTIP	the Company's new long term incentive plan.
Meeting or Annual General Meeting	the annual general meeting convened by this Notice.
Notice or Notice of Annual General Meeting or Notice of Meeting	this Notice of Annual General Meeting.
Option	an option granted under the LTIP conferring an entitlement to receive Shares upon satisfaction of applicable conditions and payment of an applicable exercise price.
Performance Right	a right granted under the LTIP conferring an entitlement to receive Shares subject to the satisfaction of applicable conditions.
Proxy Form	the proxy form enclosed with this Notice.
Remuneration Report	the Company's remuneration report for the year ended 30 June 2020, set out in the Annual Report.
Resolution	a resolution contained in this Notice.
Restricted Share Unit or RSU	a right granted under the LTIP conferring an entitlement to acquire one fully paid ordinary share in the Company subject to dealing restrictions, vesting conditions or other restrictions or conditions.
Share	fully paid ordinary share in the capital of the Company.
Shareholder	holder of a Share in the Company.
Spill Resolution	has the meaning given to that term on Page 6 of this Notice.
Spill Meeting	has the meaning given to that term on Page 6 of this Notice.
VWAP	volume weighted average market price as defined in the Listing Rules.
WST	Australian Western Standard Time.

SCHEDULE 1 – KEY TERMS OF THE LONG TERM INCENTIVE PLAN

The full terms of the LTIP may be inspected at the registered office of the Company during normal business hours. A summary of the key terms of the LTIP is set out below.

- (a) The Board may invite eligible employees (including executive directors) of the Company and its related bodies corporate and other persons determined by the Board to subscribe for or acquire securities (**Offers**). In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the LTIP.
- (b) The Offers will be in such form and content and with such terms and conditions as the Board determines, including:
 - (i) the basis upon which a participant has earned or otherwise becomes entitled to receive an Offer;
 - (ii) the type of securities, including ordinary fully paid shares in the capital of the Company, Options, Performance Rights and Restricted Share Units (RSUs);
 - (iii) the number of Shares for which each participant may apply for;
 - (iv) the acquisition price (if any) and date that any entitlements accrued under the LTIP are allocated to participants;
 - (v) whether the Shares are subject to any vesting conditions or disposal restrictions; and
 - (vi) whether the Shares are to be acquired, delivered and/or held by the trustee of the Trust (defined below).
- (c) Unless otherwise specified in an offer document, the Board has the discretion to settle Options or Performance Rights or RSU's with a cash equivalent payment.
- (d) The operation of the LTIP will involve a trust being established to acquire Shares which will be held on behalf of participants (**Trust**) or eventually transferred to participants for the purposes of the LTIP. The trustee of the Trust (**Trustee**) will act in accordance with instructions issued by the Board and subject to the terms and conditions of a trust deed (**Trust Deed**).
- (e) Where the Trustee holds Shares for the benefit of a participant in accordance with an Offer, the Company will issue the participant with one Restricted Share Unit for each Share held by the Trustee. The Company will direct the Trustee to:
 - (i) pay to participants any dividends attributable to the underlying Shares; and
 - (ii) accept instructions from participants to vote the underlying Shares in a particular manner at a General Meeting of the Company,in accordance with the Trust Deed.
- (f) RSUs will be cancelled by the Company when the underlying Shares vest in a participant and are transferred to the participant by the Trustee, or when the Trustee sells (or otherwise deals with) Shares and pays the proceeds of such sale or dealing to the participant, or where a Share which relates to an RSU is forfeited under the LTIP.
- (g) Shares may be subject to disposal restrictions determined by the Board at the time of the Offer. In addition, Shares are subject to forfeiture events which are set out in the LTIP and the Board may, in certain circumstances, declare that a participant shall forfeit any right or interest in the Shares or other entitlements accrued under the LTIP. A participant has no right to the proceeds of sale of forfeited Shares or to the associated entitlements of forfeited Shares.
- (h) Vesting of the incentives is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Subject to the LTIP and the terms of the specific offer document, incentives will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied. Subject to the terms and conditions of the Offer, all of the unvested entitlements of a participant are to vest on such date as the Board determines that the entitlements of a participant have vested or on the occurrence of any of the accelerated vesting events which are set out in the LTIP. Options must be exercised by the employee and the employee is required to pay any exercise price applicable, unless the Board permits cashless exercise. Performance Rights may also have an exercise mechanism; however, no exercise price is payable.

- (i) Options and Performance Rights do not carry any dividend or voting rights. RSUs do have dividend and voting rights.
- (j) The LTIP provides the Board with broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.
- (k) Unvested incentives will automatically vest if there is a change of control. Individual offer documents may provide for a different treatment.
- (l) The LTIP includes specific provisions dealing with rights issues, bonus issues, corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions. Participants are not entitled to participate in new issues of securities by the Company prior to the vesting (and exercise if applicable) of their Options or Performance Rights. In the event of a bonus issue, Options or Performance Rights will be adjusted in the manner allowed or required by the ASX Listing Rules.
- (m) Prior to vesting, the LTIP provides that, subject to the Board's discretion to determine otherwise, participants must not dispose of or deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to the trading policy.
- (n) Subject to the terms of the LTIP, the Company may not issue any Shares under an Offer if, at the time of making the Offer, the Company has reasonable grounds to believe that the number of Shares that have or may be issued in any of the following circumstances would exceed 5% of the number of Shares on issue:
 - (i) the number of Shares that may be issued under the Offer; and
 - (ii) the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 years pursuant to an employee or share option scheme extended to either or both employees and directors of the Company and its related bodies.

LODGE YOUR PROXY APPOINTMENT ONLINE

-  **ONLINE PROXY APPOINTMENT**
www.advancedshare.com.au/investor-login
-  **MOBILE DEVICE PROXY APPOINTMENT**
Lodge your proxy by scanning the QR code below, and enter your registered postcode.
It is a fast, convenient and a secure way to lodge your vote.

IMPORTANT NOTE: In light of potential restrictions on public gatherings arising from the COVID-19 pandemic that may be in place at the date of the Annual General Meeting, Shareholders can attend the Annual General Meeting via telephone conference as set out in the Notice of Annual General Meeting.

2020 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Gascoyne Resources Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chairman of the Meeting **OR**  **PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **The Celtic Club, 48 Ord Street, West Perth WA 6005 on 18 December 2020 at 10:00am (WST)** and at any adjournment or postponement of that Meeting.

Chairman's voting intentions in relation to undirected proxies: The Chairman intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chairman may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman.

VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Adoption of Remuneration Report (Non-Binding Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Mr George Bauk as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-Election of Mr Rowan Johnston as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

COVID-19: GASCOYNE RESOURCES LIMITED ANNUAL GENERAL MEETING

Due to the rapidly evolving COVID-19 outbreak, the Company encourages Shareholders to consider participating in the teleconference Meeting or voting by proxy. Please dial +618 6500 2107 to join the teleconference. The dialling number is ready to receive calls 30 minutes before the meeting. All questions must be lodged by no later than 11 December 2020 to the Company Secretary by Email at coysec@gascoyneresources.com.au. To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1 and 4, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1 and 4.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chairman may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company you a that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10:00 am (WST) on 16 December 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033