

22 August 2018

Receipt of Fifth Supplementary Target's Statement

Red 5 Limited (ASX: RED) (**Red 5** or the **Company**) acknowledges that Bullseye Mining Limited ACN 118 341 736 (**Bullseye**) has lodged a Fifth Supplementary Target's Statement in respect to the Company's off-market takeover bid for all the fully paid ordinary shares in Bullseye.

The Fifth Supplementary Target's Statement discloses that Bullseye's Independent Board Committee, comprising of directors Mr Peter Joseph Burns, Mr Peter Gerard Burns and Ms Dariena Mullan, has dispatched a Notice of Meeting and Explanatory Statement pursuant to a general meeting to be held on 17 September 2018.

A copy of the Fifth Supplementary Target's Statement, which includes the Bullseye Notice of Meeting and Explanatory Statement, is **attached** to this announcement.

ENDS

For more information:

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This is the Fifth Supplementary Target's Statement under section 644 of the Corporations Act 2001 (Cth) issued by Bullseye Mining Limited ACN 118 341 736 (**Bullseye** or the **Company**) in relation to the off-market takeover bid for all the ordinary shares in the capital of Bullseye, on issue as at 5.00pm (Perth time) on 4 April 2018, by Red 5 Limited ACN 068 647 610 (**Red 5**) through its wholly owned subsidiary Opus Resources Pty Ltd ACN 099 235 533 (**Red 5 Offer**) and was approved by a resolution passed by the directors of Bullseye.

This Fifth Supplementary Target's Statement supplements, and should be read together with, Bullseye's target's statement dated 27 April 2018 (**Target's Statement**), Bullseye's first supplementary target's statement dated 14 May 2018 (**First Supplementary Target's Statement**), Bullseye's second supplementary target's statement dated 28 May 2018 (**Second Supplementary Target's Statement**), Bullseye's third supplementary target's statement dated 19 July 2018 (**Third Supplementary Target's Statement**) and Bullseye's fourth supplementary target's statement dated 27 July 2018 (**Fourth Supplementary Target's Statement**). A copy of this Fifth Supplementary Target's Statement was lodged with ASIC on 21 August 2018. Neither ASIC nor any of its officers take any responsibility for the content of this supplementary target's statement.¹

Signed for and on behalf of Bullseye Mining Limited by



Peter Joseph Burns FCMI (London)
Chairman

Bullseye Mining Limited



FIFTH SUPPLEMENTARY TARGET'S STATEMENT

21 August 2018

Dear Shareholder,

This Fifth Supplementary Target's Statement is to provide further disclosure in relation to the Target's Statement, namely to advise you of a new circumstance that has arisen since the Target's Statement was lodged and that would have been required to be included in the Target's Statement if it had arisen before the Target's Statement was lodged.

That is, the Independent Board Committee (**IBC**) of the Company:

- has dispatched a Notice of Meeting pursuant to which Bullseye has notified its shareholders (**Shareholders**) that a general meeting will be held at the office of Company, 2/5 Brolo Court, O'Connor, Western Australia 6163 on Monday 17 September 2018 at 2:00 pm (**Meeting**). A copy of the Notice of Meeting is annexed to this Fifth Supplementary Target's Statement as **Annexure A (Notice of Meeting)**.

¹ Words and phrases defined in the Target's Statement have the same meaning in this Fifth Supplementary Target's Statement (unless otherwise defined). This Fifth Supplementary Target's Statement will prevail to the extent of any inconsistency with the Target's Statement, the First Supplementary Target's Statement, the Second Supplementary Target's Statement, the Third Supplementary Target's Statement and the Fourth Supplementary Target's Statement.

At the Meeting, Shareholders will be asked to vote on resolutions relating to:

- the Proposed Transactions, a summary of which was included by Bullseye in its Third Supplementary Target's Statement. The Proposed Transactions are the subject of Resolutions 1, 2 and 11 in the Notice of Meeting;
- the election of two new Directors, Mr Brett Clark and Mr Yiyang Qiu and the removal of Mr Peter Joseph Burns, Mr Peter Gerard Burns and Ms Dariena Mullan as Directors of the Company, pursuant to a notice received by the Company under section 249D of the Corporations Act on 23 July 2018 from Fountain Enterprises Int'l Co., Limited and Mr Qiyuan Wu (**Mr Wu**), as disclosed by Bullseye in its Fourth Supplementary Target's Statement. These appointments and removals will be considered by Shareholders as Resolutions 5, 6, 7, 8, 9 and 10 in the Notice of Meeting; and
- the removal of Mr Wu as a Director of the Company, pursuant to a notice received by the Company under section 249D of the Corporations Act on 13 August 2018 from Jullan Pty Ltd, Wildhorse Investments Pty Ltd, Christopher Cygulis and Jessica Cygulis, Wild Horse Super Pty Ltd and Paul Pilawskas. The removal of Mr Wu will be considered by Shareholders as Resolution 5 in the Notice of Meeting.

The Explanatory Memorandum to the Notice of Meeting sets out important background information in relation to each of the Resolutions to be voted on by Shareholders at the Meeting. Shareholders should read the Notice of Meeting and Explanatory Memorandum carefully to understand the advantages, disadvantages and risks of approving the Resolutions;

- has considered the funding proposal put forward by Mr Wu on 20 July 2018 (as briefly discussed in the Third and Fourth Supplementary Target's Statement) (**Wu Proposal**). The IBC has engaged with Mr Wu in relation to the Wu Proposal and resolved to put the Wu Proposal to Shareholders. The IBC provided a draft Notice of Meeting to Mr Wu for comment. Mr Wu subsequently withdrew the Wu Proposal which was anticipated to be the subject of Resolution 3 and 4 in the Notice of Meeting. The reasons for Mr Wu's withdrawal of the Wu Proposal are set out in the Notice of Meeting;
- wishes to correct a statement in its Target's Statement, which is now known to be incorrect and misleading. In the Target's Statement, Bullseye disclosed that Mr Wu had a relevant interest in 13,560,000 Shares, representing a 4.62% interest in Bullseye. The Directors (excluding Mr Wu) have since learned that Mr Wu has a relevant interest in the shareholdings of Fountain Enterprise Int'l Co. Limited (**Fountain**), which at the date of this Fifth Supplementary Target's Statement, holds 15,216,817 Shares, representing a 5.18% interest in Bullseye;
- as disclosed in its Fourth Supplementary Statement, lodged an application with the Takeovers Panel on 27 July 2018 (**Panel Application**). Bullseye sought orders to restrain certain parties from acquiring or disposing of Bullseye shares (**Shares**) and from voting any of their Shares which, taken together would represent more than 20% of voting power in Bullseye. The Takeovers Panel decided not to hear Bullseye's Panel Application on 8 August 2018. The media releases relating to Bullseye's Panel Application are annexed to this Fifth Supplementary Target's Statement as **Annexure B**; and
- understands that the Red 5 Offer has had no acceptances at the date of this Fifth Supplementary Target's Statement.

What should you do now?

You should continue to **REJECT** the Red 5 Offer. To reject the Red 5 Offer, **DO NOT RESPOND** and **DO NOTHING** in relation to any documents sent to you by Red 5.

Shareholders do not need to take any further action in relation to the circumstances outlined above at this time.

Consents

As permitted by ASIC Class Order 13/521, this Fifth Supplementary Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX. Pursuant to this Class Order, the consent of persons to whom such statements are attributed is not required for the inclusion of those statements in this Fifth Supplementary Target's Statement.

Any Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Class Order 13/521 may, during the Offer Period, obtain a copy free of charge (within 2 Business Days of the request) by contacting Bullseye.

Shareholder Information Line

Bullseye shareholders who have questions about the new circumstances set out above can call the Bullseye Shareholder Information Line on +61 (08) 9331 6611.

Approval of Fifth Supplementary Target's Statement

This Fifth Supplementary Target's Statement has been approved by the IBC.

Yours faithfully,



Peter Joseph Burns FCMI (London)
Chairman
Bullseye Mining Limited

Annexure A – Notice of Meeting



BULLSEYE MINING LIMITED
ACN 118 341 736

NOTICE OF GENERAL MEETING

**The general meeting of the Company will be held at the office of Bullseye Mining Limited,
2/5 Brolo Court, O'Connor Western Australia 6163 on Monday, 17 September 2018
at 2:00pm (WST).**

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9331 6611

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.



NOTICE OF GENERAL MEETING

Notice is given that a general meeting of shareholders of Bullseye Mining Limited (**Company**) will be held at the office of Bullseye Mining Limited, 2/5 Brolo Court, O'Connor, Western Australia 6163 on Monday, 17 September 2018 at 2:00pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of this Notice.

The Independent Board Committee of the Company (**IBC**), consisting of Peter Joseph Burns, Dariena Mullan and Peter Gerard Burns, as the body responsible for the issue of this notice has determined in accordance with clauses 10.1.1 to 10.2 of the Company's constitution that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Thursday, 13 September 2018 at 2:00pm (WST).

Shareholders should be aware that the passing of the Resolutions may have an impact on the Red 5 Offer (please refer to the Explanatory Memorandum for details). Accordingly, Shareholders should read this Notice and the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

THE CHAIRMAN INTENDS TO VOTE ALL AVAILABLE AND UNDIRECTED PROXIES IN FAVOUR OF RESOLUTIONS 1, 2, 5 AND 11 AND AGAINST RESOLUTIONS 6, 7, 8, 9 AND 10.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in **Schedule 1**.

A Proxy Form is located at the end of this Explanatory Memorandum.

Your vote is extremely important in shaping the Company's future.

AGENDA

RESOLUTION 1 - ISSUE OF CONVERTIBLE NOTES - MULLAN

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

"That subject to the passing of resolution 2 (and Resolutions 3 and 4 – Now Withdrawn) not being passed Shareholders approve the issue of 150 Mullan Convertible Notes, each with a face value of £100,000 to sophisticated and professional investors including Mr Desmond Mullan, to raise aggregate funds of £15,000,000 via a fully underwritten offer of the Mullan Convertible Notes, on the terms described in the Explanatory Memorandum."

Note: If approved by Bullseye Shareholders, the proposed Mullan fully underwritten placement of £15,000,000 (approximately A\$26.67 million¹) worth of Convertible Notes will provide primarily for: extensional life of mine drilling, process plant licensing, final plant design and costing at the North Laverton Gold Project (NLGP).

This resolution is being put to Shareholders as the issue of the Convertible Notes may give rise to a right of termination of the Red 5 Offer. The issue may result in Red 5 not proceeding with the Red 5 Offer. However, the issue of the Convertible Notes (a reference to **Convertible Notes** is a reference to **Mullan Convertible Notes** (and **Wu Convertible Notes** – Now Withdrawn) may be undertaken if Shareholders are given a choice between the Red 5 Offer and the Convertible Notes, and resolve to proceed with the Convertible Notes.

Shareholders should also be aware that the terms of the Convertible Notes may make the Company less attractive to other potential acquirers of their Bullseye Shares.

The £15,000,000 (approximately A\$26.67 million²) offer of Mullan Convertible Notes is fully underwritten by Mr Desmond Mullan, with no underwriting fee being payable by the Company. Under the Corporations Act Mr Mullan is, by virtue of being the father of a director, a related party who may only deal with the Company on arm's length terms or on terms that are less favourable to him than arm's length terms, in the absence of Shareholder approval. The IBC has resolved that any financial benefit conferred on Mr Mullan by the transactions contemplated by the Mullan Convertible Note Deed are on terms more favourable to the Company than those on which it is reasonable to expect if the Company was dealing at arm's length.

Please refer to the accompanying Explanatory Memorandum for details.

RESOLUTION 2 - APPROVAL OF GOLD PREPAYMENT DEED - MULLAN

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

"That subject to the passing of resolution 1 (and Resolutions 3 and 4 – Now Withdrawn) not being passed Shareholders approve the Company entering into the A\$100 million Mullan Gold Prepayment Deed on the terms described in the Explanatory Memorandum."

Note: If approved by Bullseye Shareholders, and assuming all the conditions precedent to implementation/drawdown of the Mullan Gold Prepayment Deed are satisfied, along with positive

¹ Assumed exchange rate of AUD to GBP of 1:0.5623, being the average exchange rate quoted by the Reserve Bank of Australia over the month of July 2018.

² Assumed exchange rate of AUD to GBP of 1:0.5623, being the average exchange rate quoted by the Reserve Bank of Australia over the month of July 2018.

outcomes of the proposed bankable feasibility study, the proposed A\$100 million Mullan Gold Prepayment Deed gives the Company and Shareholders a significant level of comfort and clarity, that the NLGP can be potentially funded all the way through to production, as a new stand-alone gold mining operation.

This resolution is being put to shareholders as entering into the Gold Prepayment Deed (a reference to **Gold Prepayment Deed** is a reference to **Mullan Gold Prepayment Deed** (and **Wu Gold Prepayment Deed** – Now Withdrawn) may give rise to a right of termination of the Red 5 Offer. Therefore, the issue may result in Red 5 not proceeding with the Red 5 Offer. However, the approval of the Gold Prepayment Deed may be undertaken if Shareholders are given a choice between the Red 5 Offer and the Gold Prepayment Deed, and resolve to proceed with the Gold Prepayment Deed.

The Mullan Gold Prepayment Deed involves entities associated with Mr Desmond Mullan (the Lender) advancing A\$100 million to be repaid by the Company via the delivery of future physical gold ounces to the Lender. Under the Corporations Act Mr Mullan is, by virtue of being the father of a director, a related party who may only deal with the Company on arm's length terms or on terms that are less favourable to him than arm's length terms in the absence of Shareholder approval. The IBC has resolved that any financial benefit conferred on Mr Mullan by the transactions contemplated by the Mullan Gold Prepayment Deed are on terms more favourable to the Company than those on which it is reasonable to expect if the Company was dealing at arm's length.

Resolutions 1 and 2 are collectively referred to as the **Mullan Proposal**.

Please refer to the accompanying Explanatory Memorandum for details.

RESOLUTION 3 - ISSUE OF CONVERTIBLE NOTES - WU

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

"That subject to the passing of resolution 4 and Resolutions 1 and 2, the Company be authorised to issue up to 150 Wu Convertible Notes, each of a face value of \$200,000 to sophisticated and professional investors including Mr Wu Qiyuan, for a total amount of \$30 million via a fully underwritten offer of the Company, as set out in the Explanatory Memorandum."

Note: If approved by Bullseye Shareholders, the Company will issue up to \$30 million worth of Convertible Notes.

This resolution is being put to shareholders as entering into the Wu Convertible Notes (a reference to **Wu Convertible Notes** is a reference to **Wu Convertible Notes** – Now Withdrawn) may give rise to a right of termination of the Red 5 Offer. Therefore, the issue may result in Red 5 not proceeding with the Red 5 Offer. However, the issue may be undertaken if Shareholders are given a choice between the Red 5 Offer and the Wu Convertible Notes, and resolve to proceed with the Convertible Notes.

The Wu Convertible Notes may make the Company less attractive to investors.

Having been denied access to the company's records, Mr Wu no longer promotes an issue of convertible notes. Mr Wu is not consulted on the terms and negotiation of the Mullan Proposal until shareholders have had an opportunity to consider the resolutions subject of the section 249D notice lodged by Mr Wu and Fountain Enterprises. Mr Wu repeats his view that it is not appropriate to consider the resolutions subject of the section 249D notice lodged by Mr Wu and Fountain Enterprises. Mr Wu is not consulted on the terms and negotiation of the Mullan Proposal until shareholders have had an opportunity to consider the resolutions subject of the section 249D notice lodged by Mr Wu and Fountain Enterprises. Mr Wu repeats his view that it is not appropriate to consider the resolutions subject of the section 249D notice lodged by Mr Wu and Fountain Enterprises. Mr Wu is not consulted on the terms and negotiation of the Mullan Proposal until shareholders have had an opportunity to consider the resolutions subject of the section 249D notice lodged by Mr Wu and Fountain Enterprises. Mr Wu repeats his view that it is not appropriate to consider the resolutions subject of the section 249D notice lodged by Mr Wu and Fountain Enterprises.

Please refer to the accompanying Explanatory Memorandum for details.

RESOLUTION 4 - APPROVAL OF GOLD PREPAYMENT DEED - WU

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

"That subject to the passing of resolution 5 and Resolutions 1 and 2 you approve the Company entering into the A\$100 million Wu Gold Prepayment Deed on the terms described in the Explanatory Memorandum."

Note: If approved by Bullseye Shareholders, the implementation/drawdown of the Wu Gold Prepayment Deed is subject to the completion of the proposed bankable feasibility study, the results of which will give the Company and Shareholders a significant indication of whether the Gold Prepayment Deed can be potentially funded all the way through the life of the Gold Prepayment Deed's operation.

This resolution is being put to the Shareholders on the basis that the Gold Prepayment Deed may give rise to a right of termination of the Red 5 Offer. However, the Gold Prepayment Deed may be undertaken if Shareholders are given a choice to approve the Gold Prepayment Deed, and resolve to proceed with the Gold Prepayment Deed.

The Deed is being entered into with Mr Wu Qiyuan (the Lender) advancing the Gold Prepayment Deed on terms that are less favourable to him than arm's length terms. The IBC has resolved that any financial benefit conferred on those on which it is reasonable to expect if the Company was dealing at arm's length are collectively referred to as the **Wu Proposal – Withdrawn**.

Please refer to the accompanying Explanatory Memorandum for details.

This resolution has been withdrawn – The same issue as to Resolution 3 pertains to resolution 4.

RESOLUTION 5 – REMOVAL OF DIRECTOR – WU

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

"That Mr Wu Qiyuan be removed as a director of the Company effective immediately on the close of the meeting and passing of this resolution."

Note: on 13 August 2018, the Company received a notice dated 13 August 2018 pursuant to Section 249D of the Corporations Act (**Section 249D Notice** or **Notice**) from Jullan Pty Ltd, Wildhorse Investments Pty Ltd, Christopher Cygulis and Jessica Cygulis, Wild Horse Super Pty Ltd and Paul Pilawskas being Shareholders who currently hold more than 5% of the shares in the capital of the Company.

At the time of printing this Notice of Meeting, the requisitioning shareholders have not provided a statement setting out the reasons for the Notice, or the reasons to have Mr Wu removed as a Director of the Company. The Section 249D Notice requested that the Directors convene a general meeting to consider and vote on Resolution 5.

Accordingly, the Directors have called and arranged to hold the General Meeting convened by this Notice pursuant to the Notice and in accordance with Section 249D of the Corporations Act.

Please refer to the accompanying Explanatory Memorandum for details.

RESOLUTION 6 – APPOINTMENT OF DIRECTOR – BRETT CLARK

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

“That Mr Brett Clark be appointed as a director of the Company effective immediately on the close of the meeting and passing of this resolution.”

Note: on 23 July 2018, the Company received an undated notice pursuant to Section 249D of the Corporations Act (**Wu Section 249D Notice** or **Wu Notice**) from Mr Wu and Fountain Enterprises Int Co Limited (**Fountain**) being Shareholders, who currently hold more than 5% of the shares in the capital of the Company.

At the time of printing this Notice of Meeting, the requisitioning shareholders have not provided a statement setting out the reasons for the Notice, or the reasons to have Mr Clark, Mr Qui appointed and Mr PJ Burns, Mr PG Burns and Ms Mullan removed as a Directors. The Section 249D Notice requested that the Directors convene a general meeting to consider and vote on Resolution 6.

Accordingly, the Directors have called and arranged to hold the General Meeting convened by this Notice pursuant to the Notice and in accordance with Section 249D of the Corporations Act.

Please refer to the accompanying Explanatory Memorandum for details.

RESOLUTION 7 – APPOINTMENT OF DIRECTOR – YIYANG QUI

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

“That Mr Yiyang Qui be appointed as a director of the Company effective immediately on the close of the meeting and passing of this resolution.”

Note: on 23 July 2018, the Company received the **Wu Section 249D Notice** from Mr Wu and Fountain being Shareholders, who currently hold more than 5% of the shares in the capital of the Company.

At the time of printing this Notice of Meeting, the requisitioning shareholders have not provided a statement setting out the reasons for the Notice, or the reasons to have Mr Clark, Mr Qui appointed and Mr PJ Burns, Mr PG Burns and Ms Mullan removed as a Directors. The Section 249D Notice requested that the Directors convene a general meeting to consider and vote on Resolution 7.

Accordingly, the Directors have called and arranged to hold the General Meeting convened by this Notice pursuant to the Notice and in accordance with Section 249D of the Corporations Act.

Please refer to the accompanying Explanatory Memorandum for details

RESOLUTION 8 – REMOVAL OF DIRECTOR – PETER J BURNS

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

“That Mr Peter Joseph Burns be removed as a director of the Company effective immediately on the close of the meeting and passing of this resolution.”

Note: on 23 July 2018, the Company received the **Wu Section 249D Notice** from Mr Wu and Fountain being Shareholders, who currently hold more than 5% of the shares in the capital of the Company.

At the time of printing this Notice of Meeting, the requisitioning shareholders have not provided a statement setting out the reasons for the Notice, or the reasons to have Mr Clark, Mr Qui appointed and

Mr PJ Burns, Mr PG Burns and Ms Mullan removed as a Directors. The Section 249D Notice requested that the Directors convene a general meeting to consider and vote on Resolution 8.

Accordingly, the Directors have called and arranged to hold the General Meeting convened by this Notice pursuant to the Notice and in accordance with Section 249D of the Corporations Act.

Please refer to the accompanying Explanatory Memorandum for details

RESOLUTION 9 – REMOVAL OF DIRECTOR – PETER G BURNS

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

“That Mr Peter Gerard Burns be removed as a director of the Company effective immediately on the close of the meeting and passing of this resolution.”

Note: on 23 July 2018, the Company received the **Wu Section 249D Notice** from Mr Wu and Fountain being Shareholders, who currently hold more than 5% of the shares in the capital of the Company.

At the time of printing this Notice of Meeting, the requisitioning shareholders have not provided a statement setting out the reasons for the Notice, or the reasons to have Mr Clark, Mr Qui appointed and Mr PJ Burns, Mr PG Burns and Ms Mullan removed as a Directors. The Section 249D Notice requested that the Directors convene a general meeting to consider and vote on Resolution 9.

Accordingly, the Directors have called and arranged to hold the General Meeting convened by this Notice pursuant to the Notice and in accordance with Section 249D of the Corporations Act.

Please refer to the accompanying Explanatory Memorandum for details

RESOLUTION 10 – REMOVAL OF DIRECTOR – DARIENA MULLAN

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

“That Ms Dariena Mullan be removed as a director of the Company effective immediately on the close of the meeting and passing of this resolution.”

Note: on 23 July 2018, the Company received the **Wu Section 249D Notice** from Mr Wu and Fountain being Shareholders, who currently hold more than 5% of the shares in the capital of the Company.

At the time of printing this Notice of Meeting, the requisitioning shareholders have not provided a statement setting out the reasons for the Notice, or the reasons to have Mr Clark, Mr Qui appointed and Mr PJ Burns, Mr PG Burns and Ms Mullan removed as a Directors. The Section 249D Notice requested that the Directors convene a general meeting to consider and vote on Resolution 10.

Accordingly, the Directors have called and arranged to hold the General Meeting convened by this Notice pursuant to the Notice and in accordance with Section 249D of the Corporations Act.

Please refer to the accompanying Explanatory Memorandum for details

RESOLUTION 11 – APPROVAL OF SHARE ISSUE TO OLGENT PTY LTD

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

“That Shareholders approve the issue of 767,297 Bullseye Shares at an issue price of \$0.27 per share to Olgen Pty Ltd on the terms described in the Explanatory Memorandum.”

Note: Shares are being issued to Olgen Pty Ltd in lieu of drilling works undertaken at the NLGP by Challenge Drilling. If approved by Bullseye Shareholders, the proposed share issue will conserve the Company’s cash reserves assisting to fund further drilling and exploration. Please refer to the accompanying Explanatory Memorandum for details.

This resolution is being put to Shareholders as the issue of new shares may give rise to a right of termination of the Red 5 Offer. Therefore, the issue may result in Red 5 not proceeding with the Red 5 Offer. However, the issue of the Convertible Notes may be undertaken if Shareholders are given a choice between the Red 5 Offer and the new share issue, and resolve to proceed with the new share issue.

Please refer to the accompanying Explanatory Memorandum for details.

IMPORTANT

In considering these Resolutions, Shareholders should be aware that, if passed:

- **Red 5 may take the view that a condition of its Red 5 Offer is incapable of being satisfied and decide not to proceed with the Red 5 Offer;**
- **Red 5 may be deterred from increasing its offer price; and**
- **a competing bidder (if any) may be deterred from making a takeover offer for the Company.**

The Board established an independent board committee (IBC) to review the Wu Proposal which is Now Withdrawn. The withdrawn Wu Proposal is set out in Schedule 6 and discussed at Section 3.2 of the Explanatory Memorandum.

Dated: Monday 20 August 2018

By order of the Board



Peter Gerard Burns
Executive Director
Company Secretary

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EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared by the Independent Board Committee (**IBC**), consisting of Peter J Burns, Dariena Mullan and Peter G Burns, for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the office of Bullseye Mining Limited, 2/5 Brolo Court, O'Connor, Western Australia 6163 on Monday, 17 September 2018 at 2:00pm (WST).

The IBC took the view that it was in the best interests of Bullseye shareholders that there be one meeting to deal with all the various matters that were to be considered by Shareholders.

On 17 August after being provided with an advanced copy of this notice of meeting Mr Wu through his solicitor notified the IBC that:

“Mr Wu no longer promotes an issue of convertible notes. Having been denied access to the company's records, improperly been the subject of an application by fellow directors in the name of the company (utilising company expenditure) before the Takeovers Panel and in circumstances where Mr Wu is not consulted on the terms and negotiation of the Mullan Convertible Notes, no resolution is presently put forward by Mr Wu.

However, Mr Wu will promote an issue of convertible notes and fund raising only after the section 249D resolutions have been considered by shareholders. Mr Wu repeats his view that it is not appropriate to consider let alone proceed with any investment plans including the Mullan Proposal until shareholders have had an opportunity to consider the resolutions subject of the section 249D notice lodged by Mr Wu and Fountain Enterprises.”

Given the late notice the IBC resolved to proceed with the notice of meeting as drafted, noting where necessary that Mr Wu no longer promotes an issue of convertible notes. The IBC remains of the view that it should issue the notice of meeting as originally planned so that if Shareholders decide that they want to leave the majority of the Board in place they can also vote on the Mullan funding proposal – including the comparison to the now withdrawn Wu proposal.

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms on which the Resolutions will be voted.

Your Independent Board Committee (**IBC**) has taken the view that it will not make a recommendation to Shareholders on the basis that the matters are relatively simple, (if Mr Wu enters into long form binding documents honouring the obligations described in this document – Now Withdrawn) then Shareholders have essentially three options:

1. vote in favour of the Mullan Proposal;
2. vote in favour of the Wu Proposal – Now Withdrawn; or

3. do nothing – ie support neither the Wu Proposal (now withdrawn) nor the Mullan Proposal and preserve the ability to accept the Red 5 Offer;

“Mr Wu believes that shareholders have more than 3 options. They do not have to vote in favour of the Mullan Proposal and that there is now no Wu Proposal to vote in favour of.”

Subject to comments made elsewhere in this document the IBC believes that passing either of the Resolutions in support of the Mullan Proposal (or Wu Proposal – Now Withdrawn) the **Funding Resolutions** being Resolutions 1 and 2 (Mullan Proposal) (and 3 and 4 Wu Proposal – Now Withdrawn) are in the best interests of Shareholders and, if passed, will provide a strong framework for stability and growth for your Company.

The passing of the Funding Resolutions 1 and 2 will provide the Company with funding for development of the Company’s flagship North Laverton Gold Project (**NLGP**), via further large-scale drill programs targeting extension of the overall life-of-mine (**LOM**) and assuming satisfactory results, completion of the Bankable Feasibility Study (**BFS**) at the NLGP.

In addition to planned further large-scale extensional LOM drilling and development works at the NLGP, the passing of the Resolutions will also advance the Company’s parallel development pathway towards gold production via the planned establishment of a stand-alone, Company owned, gold processing plant and associated infrastructure at the NLGP, as well as providing development capital for the Company’s other projects, in particular, the Southern Cross Gold Project and the Aurora Gold Project.

If all the necessary conditions are satisfied, passing of the Funding Resolutions will provide a potential fully funded pathway right through to gold production for the Company.

The director resolutions being Resolutions 5 to 10 are also simple choices either:

1. leave the existing Board in place, being Peter J Burns, Dariena Mullan and Peter G Burns – less Mr Wu; or
2. appoint two new directors to work with Mr Wu to manage your Company and remove the existing directors.

A Proxy Form is located at the end of this Explanatory Memorandum and your vote is vital to the shape of the Company’s future.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

Shareholders should be aware that that the passing of the Funding Resolutions may have an impact on the Red 5 Offer (please refer to Section 6 below for details).

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

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and

encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- b) a proxy need not be a member of the Company; and
- c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10.00am (WST) on Thursday, 13 September 2018, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

YOUR VOTE IS EXTREMELY IMPORTANT IN SHAPING THE COMPANY'S FUTURE.

3. RESOLUTION 1 (& 3 – Now Withdrawn) - ISSUE OF CONVERTIBLE NOTES

3.1 Background

As discussed in the Company's Target Statement³, Bullseye's 2017 drill program was successful. The purpose of the 2017 drill program was to focus on deeper drilling and further delineation of the gold deposit at Boundary, as well as to commence the delineation of the Hurleys deposit. Bullseye also tested a new area of potential gold mineralisation, Neptune, identified through the North Laverton Gold Project (NLGP) geochemical soil sampling campaign. Drill results for Neptune confirmed new gold mineralisation to be present.

Stage 3 of the exploration strategy at North Laverton (as outlined in Bullseye's Target's Statement) was undertaken in both 2016 and 2017 with NLGP geochemical soil sampling and drilling at Boundary, Neptune and Hurleys. Mineral Resource modelling is currently underway.

The NLGP has been developed by the Company to include five new areas of gold mineralisation. The best economic production solutions for the NLGP are associated with an optimal mining, haulage and processing rate that can achieve the lowest cost profile. The NLGP is approaching the scale where, with further drilling and feasibility works, the Project potentially may support its own onsite gold processing plant.

Stage 4 of the exploration strategy is to commence in 2018 with further, extensional drilling of Boundary and Neptune. Drilling is also planned for the new NLGP targets at Boundary North,

³ The Company has issued the following relevant takeover documents:

- target's statement dated 27 April 2018
- first supplementary target's statement dated 14 May 2018
- second supplementary target's statement dated 28 May 2018
- third supplementary target's statement dated 19 July 2018
- fourth supplementary target's statement dated 25 July 2018

Freemans, Eclipse, St. Francis and Red Cloud. These targets are located along strike of the regional shear zones that control mineralisation at the NLGP. Drilling is planned on an initial 50m x 50m spacing or greater, and if successful, will be followed by tighter spaced drilling. Drilling is expected to include aircore, RC and diamond with holes also likely to be drilled for metallurgical, hydrogeological and geotechnical purposes.

This drilling has the objective of potentially expanding the resources and extending the LOM at the NLGP with a view, if successful, to supporting a low-cost operating solution associated with an on-site plant - proposed to be funded via the Gold Prepayment Deed, the subject of Resolution 2 (or 4 – Now Withdrawn) in this Notice of Meeting.

Pending successful extension of the NLGP resource and LOM from Stage 4, the Company plans to investigate proceeding to a BFS for a stand-alone mining and processing operation at the NLGP.

The BFS will incorporate, but is not limited to the following:

- geotechnical assessment of mining parameters and slope designs;
- surface hydrology and water management;
- hydrogeology and water demands for on-site processing plant;
- all aspects relating to mine planning and mine scheduling;
- metallurgical test work and process flow design;
- comprehensive process plant design, costing and implementation scheduling;
- tailings dam design, costing and operating procedures;
- all site operational infrastructure and services;
- environmental impact and management;
- native title, heritage, social and community;
- operations and human resources;
- capital and operating costs;
- detailed financial modelling, analysis and cash flow forecasting;
- risks and opportunities; and
- overall project implementation plan.

If Resolution 1 (or 3 – Now Withdrawn) are passed the issue of the Convertible Notes will allow the Company to advance the next stages of its exploration strategy including further drilling and assuming satisfactory results then proceed to undertaking of the BFS.

Assuming the BFS contains positive results and financing is approved by Shareholders and available upon conditions met via the proposed Gold Prepayment Deed, the subject of Resolution 2 (or 4 – Now Withdrawn), the Company would then look to proceed to develop the NLGP as a new standalone gold mining operation.

3.2 The Wu Proposal

When the Mullan Proposal was negotiated, documented, finalised and tabled to the Board of Bullseye, on 16 July 2018 one of the Directors, Mr Wu Qiyuan (**Mr Wu**) made an alternative offer to the Board (the **Wu Proposal** – Now Withdrawn). That offer was on the terms set out in **Schedule 7**. That offer has not been documented beyond the material in **Schedule 7**. No assurances can be given that Mr Wu will enter into binding long form documents.

Establishment of the IBC

By unanimous resolution of the Board, the Company established an Independent Board Committee (**IBC**) to consider the Wu Proposal. The IBC was comprised of three Directors of the Company – Peter G Burns, Peter J Burns and Dariena Mullan.

Mr Wu objected to Dariena Mullan forming part of the IBC on the grounds of independence. However, the balance of the Board believed that Ms Mullan's independence was not compromised. In particular, the Board resolved that, having regards to the statements and explanations made by Ms Mullan, she did not have a material personal interest in the matters being considered by the Board and was able to make a valuable contribution to the IBC.

The powers of the IBC include full authority to consider the Wu Proposal and the Mullan Proposal, including broad powers to oversee the arrangements and the conduct of the matter on behalf of Bullseye such as:

- engaging appropriate advisers;
- entering into confidentiality agreements with one or more parties;
- convening a meeting, terminating or postponing a meeting of shareholders;
- engaging an expert;
- issuing notifications to ASIC or other regulatory authority; and
- soliciting alternative proposals from potential rival bidders or the existing proposals.

The IBC protocol established processes to ensure that:

- the consideration by Bullseye and management of the Wu Proposal was and was seen as being undertaken solely in the interests of all the Bullseye shareholders;
- there was an orderly process for negotiating outcomes in relation to the Wu Proposal; and
- the consideration of the Wu Proposal was free from any actual or appearance of influence from a Director or significant shareholder.

The IBC considered whether it needed external advice to supplement the experience of the IBC to consider the Wu Proposal, which essentially mirrors Mr Mullan's proposal, apart from the amendment of a number of terms. Given that the Executive Directors in particular, had already utilised the expertise of numerous external consultants and advisors in negotiating and finalising Mr Mullan's offer, the IBC felt that it did not require further external advice to assess the Wu Proposal.

IBC discussions

The IBC met on five occasions to consider the Wu Proposal. At the first meeting of the IBC, the IBC considered several features of the Wu Proposal were attractive, including:

Convertible Notes

	Wu Proposal – Now Withdrawn	Mullan Proposal
Issue amount	A\$30 million	£15 million (approx. A\$26.67 million ⁴)
Maturity Date	24 months	18 months
Coupon	6% per annum	8% per annum
Underwriting	Fully underwritten by Mr Wu of his nominee	Fully underwritten by Mr Mullan
Matters requiring Investor consent	Bullseye does not require the prior written consent of the Majority Noteholder to make any change to the Board or key management of Bullseye.	Bullseye requires the consent of the Majority Noteholder to make any change to the Board or key management of Bullseye.
Conversion price	A\$0.30 per share.	A\$0.26 per share.
Redemption	If Notes are not converted, cash redemption maturity (24 months from the date of issue) at A\$200,000 per Note plus accumulated interest.	If Notes are not converted, cash redemption upon maturity (18 months from the date of issue) at £100,000 per Note.
Early Redemption Premium	Noteholders can request Early Redemption (at no premium), upon an event of default or breach of covenant.	Noteholders can request Early Redemption at a 10% premium to face value, upon an event of default or breach of covenant.
Event of Default	An Event of Default triggers Early Redemption within 90 days of notice. An Event of Default does not include a change of control of Bullseye.	An Event of Default triggers Early Redemption within 90 days of notice. An Event of Default includes a change of control of Bullseye.
Default Options	Following an Event of Default, all Noteholders will be entitled to be issued with unlisted options with a strike price of A\$0.30 per share and 3 years to maturity. This could mean that up to 374,533 options could be issued to each Noteholder.	Following an Event of Default, all Noteholders will be entitled to be issued with unlisted options with a strike price of A\$0.26 per share and 3 years to maturity. This could mean that up to 384,137 options could be issued to each Noteholder.

The key common terms between the Convertible Notes are:

- **(Interest terms)** Interest payable may be satisfied, at the discretion of the Company (prior to the relevant interest payment date) and subject to the Corporations Act, by the issue of shares.
- **(Security):** the Company will grant the Noteholders a first ranking security over the mining leases M37/1309, M37/108, M37/519 and M37/1167, to be shared pari passu with the Lender of the Gold Prepayment Deed. The Noteholders will become beneficiaries under a security trust structure to be implemented and will remain in place to reflect the Convertible Notes as secured money until either converted or repaid in full.
- **(Conversion Price):** if the Company issues new equity at a price lower than the conversion price during the term of the note (other than the allotment to Olgen Pty Ltd (Challenge Drilling), referred to in Resolution 11, incentive securities, or securities to fund an acquisition) the conversion price is adjusted to a 20% discount to the new equity issue price.

⁴ Assumed exchange rate of AUD to GBP of 1:0.5623, being the average exchange rate quoted by the Reserve Bank of Australia over the month of July 2018.

- **(Conversion):** full or partial conversion at any time prior to 15 days before maturity at Noteholder's discretion. Conversion to shares at Company's discretion during the 15 days prior to maturity.
- **(Transferability):** the Convertible Notes are transferrable.

A detailed summary of the terms is set out in **Schedule 3**. The issue of the Convertible Notes is conditional on:

- approval by Shareholders;
- execution of a first ranking security over the mining leases M37/1309, M37/108, M37/519 and M37/1167 in favour of the Noteholders, to be shared pari passu with the Lender of the Gold Prepayment Deed, under a security trust structure;
- execution of a priority and inter-creditor deed with each Noteholder;
- FIRB approval (if required); and
- the Company obtaining all necessary approvals and consents required in connection with the subscription for the Convertible Notes.

Mr Wu has yet to enter into binding long form documents (Now Withdrawn).

Gold Prepayment Deed

	Wu Proposal – Now Withdrawn	Mullan Proposal
Buyer	Mr Qu or his nominee	Desmond Mullan (or entities associated with Desmond Mullan)
Facility Rate (Margin)	8%	9.8%
Royalty	No royalty applicable	NSR Royalty of 2.5% - Capped. Royalty ceases once the Seller has delivered 12,000 ounces to the Buyer.
Conditions Precedent to initial Gold Prepayment	Seller's Shareholder Approval granted for the issue of Convertible Notes to the value of A\$30 million	Seller's Shareholder Approval granted for the issue of Convertible Notes to the value of £15 million (approx. A\$26.67million ⁵).

In order to be able to properly assess the merits of the Wu Proposal, the IBC resolved to attempt to elicit further information from Mr Wu on a number of matters concerning the Wu Proposal, including in relation to long-form documentation, the availability of funds, the identity of the nominee underwriter and the parties to whom Wu Convertible Notes would be issued.

The IBC required this further information because of previous failed attempts to negotiate satisfactory financing with Mr Wu, meaning that the IBC had serious concerns about the Company's ability to access the funds contemplated by the Wu Proposal. The IBC made several attempts to obtain this additional information from Mr Wu however the IBC did not receive any response or further information from Mr Wu.

Mr Mullan was given the opportunity to improve his proposal in line with the Wu Proposal but declined to do so and expressed concern as to how Mr Wu was able to use his position as a Director to have access to Mr Mullan's funding proposal to then formulate Mr Wu's own personal bid.

⁵ Assumed exchange rate of AUD to GBP of 1:0.5623, being the average exchange rate quoted by the Reserve Bank of Australia over the month of July 2018.

Relevant considerations

Ultimately, the IBC determined that:

- Both the Mullan Proposal (and the Wu Proposal – Now Withdrawn) could potentially have significant control implications for the Company. However, in the IBC’s view, it had greater visibility over Mr Mullan’s potential interest in Shares, particularly in light of Mr Mullan’s assurances to the Company that the Convertible Notes would be sufficiently widely spread among independent third party investors, such that there would be no need for any approvals in advance of the conversion of the Convertible Notes to Shares. By contrast, the IBC had not received any response or the same level of comfort from Mr Wu and remained uncertain as to whom the Convertible Notes would be issued.
- It held concerns as to the availability of funds under the Wu Proposal. The IBC members considered the Company’s prior history with Mr Wu and the serious delays that they had had in obtaining promised funds despite his awareness of the need for funds by the Company. In particular, the IBC noted the substantial delay the Company experienced in the receipt of funding – pursuant to a Convertible Note Agreement in 2015 and for a Drilling Program that the Company undertook in 2017.
- Mr Wu’s enthusiasm for funding the Company seemed to the IBC to be at odds with his previous discussions with the Company about the difficulty in sourcing funding from China.
- Mr Wu had declined to respond to the IBC’s queries, particularly in relation to the IBC’s query about the control implications of the Convertible Notes under the Wu Proposal. The IBC felt that the absence of a response from Mr Wu raised reasonable questions regarding Mr Wu’s commitment to the Wu Proposal.
- Mr Wu had not entered into binding long form documents for his commitment, while Mr Mullan had done so.

However, given the relative balance of the parties the IBC formed the view that it would make no recommendation to Shareholders. The IBC resolved that it would instead provide as much information as reasonably possible on the two proposals and to let the Shareholders decide.

The IBC was formed to consider the Wu Proposal, (Now Withdrawn) and it has been replaced by Mr Wu and Fountains’ proposal to replace the management of the Company. In the interests of funding the future needs of the Company the IBC has resolved to proceed with this notice of meeting substantially in the form provided to Mr Wu.

3.3 Purpose of Resolution 1 (& 3 – Now Withdrawn)

The Company proposes to conduct a capital raising through a fully underwritten issue of Convertible Notes to various sophisticated and professional investors to raise up to £15,000,000 (approx. A\$26.67 million⁶) under the Mullan Proposal and \$30,000,000 under the Wu Proposal (Now Withdrawn) through the issue of up to 150 convertible notes, each with a face value of

⁶ Assumed exchange rate of AUD to GBP of 1: 0.5623, being the average exchange rate quoted by the Reserve Bank of Australia over the month of July 2018.

£100,000 in the case of the Mullan Proposal and \$200,000 in the case of the Wu Proposal (both **Convertible Notes**). The underwriter is Desmond Mullan and by Mr Wu or his nominee in accordance with the terms of the Mullan Underwriting Agreement (set out in **Schedule 4**) and as contemplated in the yet to be formally documented Wu Proposal – Now Withdrawn (set out in **Schedule 7**). No underwriting fee is payable to either underwriter.

Both Mr Mullan and Mr Wu are deemed by the Corporations Act to be a related party of the Company and therefore they may only deal with the Company on terms at least as favourable to the Company as if they were dealing at arm's length. The IBC has carefully considered the proposed arrangements and is comfortable that, when taken as a whole, the terms are more favourable to the Company than those on which it is reasonable to expect if the Company was dealing at arm's length and at least as favourable as would be available in the market generally for a company in similar circumstances.

At maturity, the Company has the option to either convert or redeem the Convertible Notes. Noteholders will be able to convert all or part of their Convertible Notes into Bullseye Shares at an issue price of \$0.26 per Bullseye Share in the case of the Mullan Proposal and \$0.30 in the case of the Wu Proposal (Now Withdrawn).

3.4 No IBC recommendation

The IBC realises that Shareholders are effectively required to make a choice between:

- the Mullan Proposal;
- the Wu Proposal (Now Withdrawn); and
- the Red 5 Offer.

The reason that Shareholders are required to choose between the Mullan Proposal and the Wu Proposal and the Red 5 Offer is that if the Company completes the Mullan Proposal or the Wu Proposal, the Red 5 Offer Conditions will not be capable of being satisfied and accordingly Red 5 may elect not to proceed with the Red 5 Offer. Similarly, if approved the Mullan Proposal will replace the Wu Proposal and it will no longer be capable of being effected.

Despite the implication that the Red 5 Offer may potentially not proceed, taking into account all of the background information set out above and the facts and circumstances set out below, the IBC recommends that Shareholders vote in favour of either of the Funding Resolutions.

The IBC makes no recommendation as between the Mullan Proposal and the Wu Proposal (Now Withdrawn) and its reasoning is based on its analysis of all the relevant facts and circumstances that included:

- the nature of the Convertible Notes and their conversion terms;
- the price of Bullseye's Shares especially having regard to the Red 5 Offer;
- comparison of the conversion price under the Convertible Notes to the price of the most recent share placements and the Red 5 Offer;
- the overall terms of the Convertible Notes and the modification of the pre-existing arrangements with Mr Mullan as set out in Section 3.6;
- the level of control being seeded to the Noteholders from the issue of the Bullseye Shares on conversion;
- the terms of the Wu Proposal and the nature of the parties who have sponsored the Wu Proposal; and

- the Company's need for funding and alternative sources of funds and funding options.

In addition, the IBC had regard to the following factors that may be relevant in concluding that the Red 5 Offer will not be successful including that:

- the Red 5 Offer has been open since 12 April 2018 and the Company is not aware of any acceptances by Shareholders;
- despite no acceptances, Red 5 has not increased the bid price;
- the Red 5 Offer is opposed by key shareholders – relevantly approximately 72% of Shareholders have provided written undertakings that they will not accept the Red 5 Offer in its current form; and
- while Red 5 has reduced the minimum ownership condition to 50% the Board is not aware of any Shareholder who has accepted the Red 5 Offer.

Given the above and that there has been no material uplift of the Red 5 Offer, it is reasonable for the IBC to believe that the Red 5 Offer has virtually no chance of success. This suggests that the Red 5 Offer does not represent a genuine opportunity for Shareholders to dispose of their shares. Nonetheless, the Board have decided to seek Shareholder approval to the two alternative proposed underwritten placements of Convertible Notes - (Wu Proposal Now Withdrawn).

The nature of the convertible debt securities is such that it provides the holder with a right to convert the face value of the debt to shares in the issuer at a particular price at some time in the future. A key feature of the conversion right is that it generally provides the holder with the right but not the obligation to convert the debt to equity. Accordingly, while the Noteholders have the right to convert the Convertible Note there is no guarantee that they will. That position is moderated by the terms of the Convertible Notes that provide for conversion of the Convertible Notes at maturity if the Company elects to do so. This means that assuming the Company does not breach the Convertible Note Deed, it may elect to convert the Notes at maturity and not have to repay the debt in cash.

It follows that, in most circumstances, a rational investor would only exercise the right to convert if the conversion price was less than the value of the company's underlying shares at the time of conversion. Accordingly, it would be expected that for the Convertible Notes to be converted by the Noteholder, at the time of conversion Bullseye's Shares would have to be valued at prices equal to or above the conversion price of A\$0.26 (or A\$0.30 – Now Withdrawn) as the case may be or there was a strong likelihood of that occurring on a sustainable basis. At maturity, the Company can require the Noteholder to convert, regardless of the underlying value of Bullseye's Shares (subject to early redemption rights not being triggered by a breach of the Convertible Note Deed). This constitutes a significant risk for the Noteholder.

Further Noteholder risk arises in that the NLGP resource or any of the Company's other projects may not warrant further development. Under this scenario, it would be unlikely that:

- the Noteholder would elect to convert the Convertible Notes (but may be required to do so by the Company at maturity);
- the Company would have the financial capacity to repay the £15 million (approx. \$26.67 million) (or \$30 million – Now Withdrawn) as the case may be, in the event that redemption was triggered through a breach of the Convertible Note Deed; or
- the security offered under the Note Terms would be of sufficient value to repay the value of the Convertible Notes.

The existence of these risks and the Noteholders' willingness to provide the funding on these terms, may reflect the confidence the Noteholders have in the NLGP being successfully developed.

The Convertible Notes have conversion prices that represent a significant premium to the implied value of the Red 5 Offer, but are consistent with recent placements.

The IBC believes that terms of the Convertible Notes are extremely attractive when compared to other convertible note issues and to normal terms on which debt facilities are generally provided. Securing funding under these terms is a significant benefit to Shareholders.

Prior to negotiating the Mullan Convertible Notes with the Noteholders, the Company had approached a number of parties with respect to different funding options. Because of the relatively early stage of development of the NLGP and the absence of a bankable feasibility study, none of the financiers approached were willing to provide funding to the Company. The Company also had extensive discussions with a major shareholder for the provision of funding, however this did not materialise.

In recommending the underwritten Convertible Notes but not a preference for the Mullan Proposal (or the Wu Proposal – Now Withdrawn), the IBC believes that the advantages of the proposed transaction to Shareholders are greater than the disadvantages. In particular, the following were key considerations in favour of the underwritten Convertible Notes:

Advantages of the Convertible Note Facility	
Advantage	Description
Certainty of Funding to Complete all Pre-Production and BFS Works	The Convertible Note Facility provides the Company and Shareholders with a significant level of comfort and security that the Company is now well funded to advance all required Pre-Production Works and the Bankable Feasibility Study for a stand-alone Gold mining operation at the Company's flagship NLGP.
Ability to Undertake all Pre-Production Works	The Convertible Note Facility provides a substantial level of funding to enable the Pre-Production works, rather than the stop-start nature akin to most junior exploration companies, that can only raise relatively small tranches of funding for each progressive stage of their development.
Attractive Terms	The overall terms of the Convertible Note Facility are attractive and are on terms more favourable to the Company than arm's length terms.
Fully Underwritten	The entire Convertible Note Facility is fully underwritten, providing the Company with a high-level of confidence in the availability of funds, following approval of the facility by Bullseye Shareholders.
No Underwriting Fee Payable	There is no underwriting fee payable on the Convertible Note Facility.
Bullseye has Ultimate Right to Convert the Notes	If the Convertible Notes are not converted by the note-holders within the term of the notes, being 18 months or 24 months as the case may be, then Bullseye has the ultimate right to convert the notes into Bullseye shares, ensuring the Company is not in a position to have to repay the debt in cash.
Security Limited to Mining Leases only	The security offered by the Company has been negotiated to be restricted to mining leases M37/1309, M37/108, M37/519 and M37/1167, rather than over the entire assets of the Company.
Focus Management time and Energy on Project Development and Production	Capital raising and financing activities consume a significant amount of time for the Company's Board and management. Having the Convertible Note Facility in place will free up time for the Board and management to focus on developing the Company's projects and advance towards potential production at the NLGP.

The Bullseye Shares held by the most significant shareholders as at 20 August 2018 are:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Hong Kong Xinhe International Investment Company Limited	63,807,693	21.74
Fountain Enterprise Intl. Co. Limited	15,216,817	5.18
Total ordinary shares on Issue	293,553,798	100%

The effect of conversion of the Mullan Convertible Notes on the Bullseye Shares held by the most significant shareholders as at 13 August 2018 are detailed below (assuming Resolution 11 is also approved and the Bullseye Shares issued to Olgen Pty Ltd (Challenge Drilling):

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Hong Kong Xinhe International Investment Company Limited	63,807,693	15.59
Fountain Enterprise Intl. Co. Limited	15,216,817	3.72
Total ordinary shares on Issue	409,233,748	100%

The effect of conversion of the Wu Convertible Notes (Now Withdrawn) on the Bullseye Shares held by the most significant shareholders as at 20 August 2018 are detailed below (assuming Resolution 11 is also approved and the Bullseye Shares issued to Olgen Pty Ltd (Challenge Drilling):

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Hong Kong Xinhe International Investment Company Limited	63,807,693	15.69
Fountain Enterprise Intl. Co. Limited	15,216,817	3.74
Total ordinary shares on Issue	406,681,095	100%

If the Mullan Proposal is approved, assuming all Convertible Notes remain unconverted until maturity and accrue 8% interest per annum and are all then converted at \$0.26 per share, then on conversion the Noteholders may hold a maximum interest of approximately 28.14%.

If the Wu Proposal resolutions are approved, assuming all the Wu Convertible Notes remain unconverted until maturity and accrue 6% interest per annum and are all then converted at \$0.30

per share, then on conversion the Noteholders may hold a maximum interest of approximately 27.63% (Now Withdrawn).

Both proposals involve a significant dilutionary effect for Shareholders and should be considered in light of the following potential disadvantages to Shareholders that were considered by the IBC, if the Convertible Notes are approved:

Disadvantages of approving the Convertible Note issue	
Disadvantage	Description
Regulatory approval	The issue of the Convertible Notes is subject to regulatory approval - it is likely that foreign applicants will need foreign investment approval.
Termination of the Red 5 Offer	As discussed above, the approval of the Convertible Notes may entitle Red 5 to withdraw its bid.
Currency Risk ⁷	The Mullan Convertible Notes are denominated in GBP and both interest payments (if not paid in Bullseye Shares) and redemption will require the Company to acquire GBP. This exposes the Company to an unhedged currency risk. The risk is mitigated by the ability of the Company to settle its obligations in Bullseye Shares.
New Offers	Incoming investors may be discouraged from offering to acquire Bullseye Shares by a significant outstanding issue of Convertible Notes.
Proceedings be initiated before the Takeovers Panel and the Takeovers Panel determining that the Convertible Note issue constitutes "frustrating actions" that amount to "unacceptable circumstances"	Whether a frustrating action gives rise to unacceptable circumstances will depend on its effect on shareholders and the market generally. If the Panel makes a declaration of unacceptable circumstances it has broad powers to make orders in respect of the actions taken. While the Convertible Note issue will trigger a defeating condition in the Red 5 Offer, because that offer does not seem to present Shareholders with a genuine opportunity to dispose of their shares, the Board believes that should not of itself found a declaration by the Takeovers Panel of unacceptable circumstances. By seeking Shareholder approval for its actions, the Company is giving Shareholders a choice between the Red 5 Offer and conducting the issues of Bullseye Shares and Convertible Notes and entry into the Gold Prepayment Deed. As a result, the Panel is unlikely to consider that any such frustrating action will give rise to unacceptable circumstances.

3.5 Use of funds

If Resolution 1 (or 3 – Now Withdrawn) are passed the issue of the Convertible Notes will allow the Company to advance the next stages of its exploration strategy including further drilling and undertaking of the BFS. Works are anticipated to include:

- extensional life-of-mine drilling at NLGP;
- process plant licensing, final design and construction costings for the NLGP;
- exploration and development of any existing project or tenement held by the Company; or

⁷ Assumed exchange rate of AUD to GBP of 1: 0.5623, being the average exchange rate quoted by the Reserve Bank of Australia over the month of July 2018. There can be no assurance that this rate will apply at the relevant time

- for general working capital purposes.

3.6 Participation of Mr Desmond Mullan and Mr Wu Qiyuan

Chapter 2E of the Corporations Act regulates the provision of “financial benefits” to “related parties” by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

The proposed issue of Convertible Notes to sophisticated and professional investors will be underwritten by Mr Desmond Mullan, the father of Director Dariena Mullan.

The Convertible Notes to be issued to Mr Mullan (the subject of Resolution 1) will replace and supersede the Share Subscription Agreement entered into (but not completed) between the Company and Mr Mullan on 10 May 2018. Under that agreement, Mr Mullan agreed to subscribe for \$3 million of Bullseye Shares at an issue price of \$0.30 per Bullseye Share. On balance, the increased size of the investment represents a better opportunity for the Company.

Similarly, the Convertible Note issue will replace the \$1 million loan facility advanced by Mr Mullan to the Company under the terms of a Loan Facility Agreement. The \$1 million advanced under the Loan Facility Agreement (together with accrued interest) will be directed to partial payment of the subscription price for the Convertible Notes. The Loan Facility Agreement will then be terminated.

A “related party” is widely defined under the Corporations Act, and includes the Directors and parents of any Director. Accordingly, Mr Mullan is a related party of the Company for the purposes of s 208 of the Corporations Act.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, s 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities to a related party.

One of the nominated exceptions to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm’s length (or on terms less favourable than arm’s length to the related party).

The proposed issue of Convertible Notes to Mr Mullan will be exactly the same as the terms of the Convertible Notes to be issued to unrelated parties of the Company. The key terms of the Convertible Notes are set out in Section 3.

As noted in the key terms, the conversion price of the Mullan Convertible Notes is A\$0.26. Mr Mullan intends to subscribe for up to GBP£6,000,000 of the Mullan Convertible Notes. Accordingly, if all Convertible Notes issued to Mr Mullan remain unconverted until maturity and accrue 8% interest per annum and are all then converted at \$0.26 per share, it would result in approximately 46,096,389 Shares being issued. The Company currently has 293,553,798 Bullseye Shares on issue.

If all Mullan Convertible Notes issued to Mr Mullan remain unconverted until maturity and accrue 8% interest per annum and are all then converted at \$0.26 per share, assuming no other convertible securities are exercised or converted, Mr Mullan's voting power in the Company would be 13.57%. However, assuming all Mullan Convertible Notes to be issued under Resolution 1 remain unconverted until maturity and accrue 8% interest per annum and are all then converted at \$0.26 per share, Mr Mullan's voting power in the Company would be 11.23%.

As noted in the key terms, the conversion price of the Wu Convertible Notes is A\$0.30 (Now Withdrawn). Despite the IBC writing to Mr Wu, Mr Wu has failed to provide any details of how he intends to distribute subscribers for the Wu Convertible Notes. Accordingly, the IBC has assumed for the purpose of this document that all Wu Convertible Notes will be issued to Mr Wu and remain unconverted until maturity and accrue 6% interest per annum if they are all then converted at \$0.30 per share, it would result in approximately 112,360,000 Shares being issued. The Company currently has 293,553,798 Bullseye Shares on issue, and as at the date of this Notice, Mr Wu had a relevant interest in 28,776,817 Bullseye Shares, equating to voting power of approximately 9.80% in the Company – (Wu Proposal Now Withdrawn).

If all Wu Convertible Notes issued to Mr Wu remain unconverted until maturity and accrue 6% interest per annum and are all then converted at \$0.30 per share, assuming no other convertible securities are exercised or converted, Mr Wu's voting power in the Company would be 37.43%. As that holding exceeds that statutory maximum of 20% the Company could not allow conversion of all of the Wu Convertible Notes in the absence of a relevant exception such as disinterested shareholder approval.

The IBC have resolved that the arm's length exception applies to the proposed issue of Convertible Notes to Mr Mullan and Mr Wu, as the proposed issue is part of the Convertible Notes issue the subject of Resolution 1 (and Resolution 3 – Now Withdrawn) and the terms of the Convertible Notes will be exactly the same as the Convertible Notes to be issued to unrelated parties the subject of Resolution 1. Accordingly, Shareholder approval under Chapter 2E of the Corporations Act for the issue of Convertible Notes to Mr Mullan or Mr Wu is not required.

Shareholder approval is being sought as the issue of Convertible Notes is in breach of the Red 5 Offer Conditions. Therefore the issues may result in Red 5 not proceeding with the Red 5 Offer and so constitutes a "frustrating action" for the purposes of takeovers law. However, pursuant to Panel policy, the issue of the Convertible Notes may be undertaken if Shareholders are given a choice between the Red 5 Offer and the Convertible Notes, and resolve to proceed with the Convertible Notes.

4. RESOLUTION 2 (& 4 - WITHDRAWN) APPROVAL OF GOLD PREPAYMENT DEED

4.1 Background

As outlined in the Background to Resolution 1 (& 3 – Now Withdrawn), the NLGP has been developed by the Company to include five new areas of gold mineralisation. The best economic production solution for the NLGP is associated with an optimal mining, haulage and processing rate that can achieve the lowest cost profile. The NLGP is approaching the scale where, with further drilling and feasibility works, the Project may potentially support its own onsite gold processing plant.

Assuming the Company's drilling success to date continues and the outcomes of the BFS (as outlined in the Background to Resolution 1 (and 3 – Now Withdrawn) are positive, it would be

the intention of the existing Board to then proceed to develop the NLGP as a new stand-alone mining operation, with an onsite gold processing plant and associated infrastructure.

The development of a new stand-alone gold mine can be a very capital-intensive undertaking, however if Resolution 2 (or 4 – Withdrawn) are passed, it could potentially provide the Company with a fully funded pathway to mine development and ultimately gold production at the NLGP.

4.2 Purpose of Resolution 2 (& 4 – Now Withdrawn)

The Company proposes to enter into a Gold Prepayment Deed and associated agreements with entities associated with Mr Desmond Mullan (**Mullan Gold Prepayment Deed**), or a Gold Prepayment Deed and associated agreements with entities associated with Mr Wu (**Wu Gold Prepayment Deed – Now Withdrawn**) (each of Mr Wu and Mr Mullan is **Lender**), whereby the Lender will advance up to A\$100 million to be repaid by the Company via the delivery of future physical gold ounces to the Lender (each of the Mullan Gold Prepayment Deed and the Wu Gold Prepayment Deed are a **Gold Prepayment Deed**).

As discussed Mr Wu and Mr Mullan are deemed by the Corporations Act to be a related party of the Company and they may therefore only deal with the Company on terms at least as favourable to the Company as if they were dealing at arm's length.

The IBC has carefully considered the proposed arrangements and is comfortable that, when taken as a whole, the terms are more favourable to the Company than those on which it is reasonable to expect if the Company was dealing at arm's length, and, at least as favourable as would be available in the market generally for a company in similar circumstances particularly given the current stage of development of the Company's NLGP.

The use of funds from the Gold Prepayment Deed will be primarily utilised to support the capital expenditure program relating to the expansion, process plant construction, mine development and ultimate production of the NLGP as a new stand-alone gold mine as well as funding the Company's general working capital requirements.

Whilst the priority use of funds under the Gold Prepayment Deed will primarily be focussed on the NLGP, the Board may, with the Lender's prior written consent, channel any excess funds (if available) from the Gold Prepayment Deed towards the development of the Company's other projects, including the Southern Cross Gold Project and the Aurora Gold Project.

4.3 Key common terms of the Gold Prepayment Deed

The key common terms of the Gold Prepayment Deed are as follows:

- **(Gold Prepayment Deed Amount):** A\$100 million. The Gold Prepayment Deed Amount is to be advanced by the Lender and repaid by the Company via the delivery of future physical gold ounces to the Lender.
- **(Purpose - Use of Funds):** primarily utilised to support the capital expenditure program relating to the expansion, process plant construction, mine development and ultimate production of the North Laverton Gold Project as a new stand-alone gold mine.
- **(Fees):** Fees and charges in line with standard commercial rates and customary of a document of this nature.
- **(Upfront Option Period of Lender):** the Lender, at their election, is granted an upfront option period of 10 Months from date of execution of the Gold Prepayment Deed, or

other such term as agreed between the Parties, to elect to proceed with advancing of funds under the Gold Prepayment Deed. The Lender is not obliged to advance funds until it has exercised this option.

- **(Spot Price for Gold Prepay Calculations):** A\$1,700 per ounce.
- **(Funds Utilisation - First Drawdown):** Anticipated to be 10 months from execution of the Gold Prepayment Deed and upon the Lender exercising their Upfront Option and the Conditions Precedent (see below) for Gold Prepayment drawdown being satisfied.
- **(Gold Repayment Delivery Schedule):** The gold and all associated fees and charges must be repaid via quarterly deliveries of gold, anticipated to commence within 24 months of first drawdown and across a delivery period of up to 48 months. A contract will be entered into between the Lender and the Company which will contain the relevant terms relating to the delivery of the gold.
- **(Security):** The Company will grant the Lender a first ranking security over the mining leases M37/1309, M37/108, M37/519 and M37/1167, to be shared pari passu with the Convertible Note Holders. The Lender will become a beneficiary under a security trust structure to be implemented and will remain in place to reflect the Gold Prepayment Deed Amount as secured money until repaid in full.
- **(Financial Covenant):** The Gold Prepayment Deed includes a Forward Delivery Cover Ratio financial covenant which requires the aggregate of the remaining gold value (as detailed in an annual report) to exceed outstanding principal and capitalised interest by 2:1. This will be tested at the end of each quarter.
- **(Accelerated Delivery):** With approval from the Lender, upon 5 business days' prior written notice the Company may elect to deliver additional ounces of gold in reduction of the overall outstanding gold ounces to be delivered.
- **(No Cancellation or Prepayment in Cash):** The Company may not repay in cash or cancel all or any part of unutilised funds under the Gold Prepayment Deed except with the consent of the Lender.

A detailed summary of the terms is set out in **Schedule 5**. The Gold Prepayment Deed is conditional on:

- Approval of the Gold Prepayment Deed by Shareholders.
- Approval of the Convertible Notes the subject of Resolution 1 (or 3 – Now Withdrawn) by Shareholders.

Conditions Precedent to the drawdown of the Gold Prepayment Deed include:

- Exercise of the Upfront Option by the Lender within the Upfront Option Period.
- Delivery by the Company of a BFS or equivalent level document providing sufficient evidence that the Company has the capability to repay the Gold Prepayment Deed Amount.

Until the Upfront Option is exercised by the Lender within the Upfront Option Period there is no certainty that the Company will have access to the funds contemplated by the Gold Prepayment Deed.

Mr Mullan has entered into long form contracts for the Mullan Proposal. Mr Wu has yet to enter into binding long form documents so no assurances can be given as to the terms of the Wu Gold Prepayment Deed however Mr Wu has indicated a willingness to transact with the

Company on the same terms as Mr Mullan. (Mr Wu has now withdrawn his support for an alternative funding proposal).

4.4 IBC's recommendation

The IBC realises that Shareholders are effectively required to make a choice between:

- Mullan Proposal;
- the Wu Proposal – (Now Withdrawn); and
- the Red 5 Offer.

The reason that Shareholders are required to choose between the Mullan Proposal, the withdrawn Wu Proposal and the Red 5 Offer is that if the Company completes the withdrawn Wu Proposal or the Mullan Proposal, the Red 5 Offer Conditions will not be capable of being satisfied and accordingly Red 5 may elect not to proceed with the Red 5 Offer.

Mr Wu has a material personal interest in the withdrawn Wu Proposal. Other than that, none of the Directors have a material personal interest in any of the Resolutions. Despite the implication that the Red 5 Offer may potentially not proceed, taking into account the background information set out above and the facts and circumstances set out below, the IBC Directors recommend that Shareholders vote in favour of Resolutions 1, 2, 5 and 11 from the perspective of them being a potential frustrating action.

The IBC Directors intend to vote their Bullseye Shares in favour of the Mullan Proposal.

THE CHAIRMAN INTENDS TO VOTE ALL AVAILABLE AND UNDIRECTED PROXIES IN FAVOUR OF RESOLUTIONS 1, 2, 5 AND 11 AND AGAINST RESOLUTIONS 6, 7, 8, 9 AND 10.

The IBC is not aware of Mr Wu's voting intentions.

The IBC's recommendation is based on its analysis of all the relevant facts and circumstances that included:

- the nature and terms of the Gold Prepayment Deed;
- ongoing dilution considerations for Bullseye Shareholders;
- the current stage of development of the North Laverton Gold Project;
- prevailing market conditions and future gold price forecasts;
- flexibility in financing options to assist in potentially mitigating risks associated with transitioning into production;
- access to the Convertible Note funding for extension of LOM and completion of BFS at the NLGP; and
- the Company's overall need for funding and alternative sources of funds and funding options.

In addition, the Board had regard to the following factors that may be relevant in concluding that the Red 5 Offer will not be successful including that:

- the Red 5 Offer has been open since 12 April 2018 and the Company is not aware of any acceptances by Shareholders;
- despite no acceptances, Red 5 has not increased the bid price;

- the Red 5 Offer is opposed by key shareholders – relevantly approximately 72% of Shareholders have provided written undertakings that they will not accepted the Red 5 Offer in its current form; and
- while Red 5 has reduced the minimum ownership condition to 50% the Board is not aware of any Shareholder who has accepted the Red 5 Offer.

Given the above and that there has been no material uplift of the Red 5 Offer, it is reasonable for the Board to believe that the Red 5 Offer has virtually no chance of success. This suggests that the Red 5 Offer does not represent a genuine opportunity for Shareholders to dispose of their shares.

Prior to negotiating the Gold Prepayment Deed with the Lender, the Company had approached a number of parties with respect to long term funding options for the NLGP. None of the lenders the Company approached were willing to provide debt funding to the Company because of the relatively early stage of development of the NLGP and the absence of a BFS for a stand-alone gold mining operation.

Given the current development status of the NLGP and the absence of a bankable feasibility study for a stand-alone gold mining operation at the NLGP, the IBC believes that the terms of the Gold Prepayment Deed are extremely attractive when compared to other similar debt funded mine development options.

The IBC is also of the view that securing of potentially substantial mine development debt funding via the Gold Prepayment Deed on terms more favourable to the Company than arm's length and at least as favourable as would be available in the market generally for a company in similar circumstances, offers the significant further benefit of minimising further dilution to Shareholders.

In recommending the Gold Prepayment Deed for approval by Shareholders, the IBC assessed the potential advantages of this option against the potential disadvantages and risks, and ultimately formed the view that, based on the available information, the advantages offered to Shareholders by the proposed Gold Prepayment Deed outweigh the disadvantages and risks.

Advantages of Approving the Gold Prepayment Deed

A summary of key potential advantages of approving the Gold Prepayment Deed, as determined by the Board, are detailed, but not limited to below:

Advantages of approving the Gold Prepayment Deed	
Advantage	Description
Certainty of Funding & Minimises Development Financing Risk	Assuming all the conditions precedent to implementation/drawdown of the Gold Prepayment Deed are satisfied, including that the Lender has exercised their upfront option within 10 months of the Gold Prepayment Deed and the proposed BFS demonstrating that the Company has the ability/capacity to repay the Gold Prepayment Deed, the Gold Prepayment Deed gives the Company and Shareholders a significant level of comfort and certainty that the NLGP can be potentially fully funded all the way to production, as a new stand-alone gold mining operation.
Minimal Further Dilution to Bullseye Shareholders	A key benefit of the Gold Prepayment Deed is that it is effectively a loan/debt facility and does not require the Company to issue further shares. It potentially provides the Company with substantial funds to

	develop the Company with minimal further dilution to Bullseye Shareholders.
Attractive Terms	The overall terms of the Gold Prepayment Deed are attractive and in line with competitive market rates, particularly considering the current stage of development of the NLGP and no hedging requirement from the Lender.
Favourable and Flexible Delivery Repayment Schedule	The contract to be entered into in relation to the delivery of gold will provide that the delivery of gold ounces for repayment can be accelerated with agreement from the Lender.
Attractive Gold Price	The spot gold price used for base calculations of the Gold Prepayment Deed is set at A\$1,700 per ounce - a near all-time high for the A\$ gold price.
Lender Accepts Gold Price Downside Risk	As the Gold Prepayment Deed repayments are made in physical gold, the Lender accepts all downside risk on any drop in the gold price.
No Gold Hedging Requirement	The Gold Prepayment Deed does not have any mandatory hedging requirement on the Company. The Company is then free to have all non-Gold Prepay committed ounces exposed to the prevailing open market, whilst also having the flexibility to hedge or part-hedge these ounces at the Company's discretion, if required.
Maximises Cashflow Potential	By having no hedging requirement and also a repayment delivery term of up to 48 months, the Company has flexibility to maximise its cash flow on a monthly basis, especially to assist in dealing with any unforeseen production issues.
Security Limited to Mining Leases only	The security offered by the Company has been negotiated to be restricted to mining leases M37/1309, M37/108, M37/519 and M37/1167, rather than over the entire assets of the Company.
Less Onerous Conditions	The IBC is of the view that the terms of the Gold Prepayment Deed are potentially less onerous and more flexible than the bank debt terms that would have been available to the Company.
Focus Management time and Energy on Project Development and Production	Capital raising and financing activities consume a significant amount of time for the Company's Board and management. Having the Gold Prepayment Deed in place will free up time for the Board to focus on developing the Company's projects and advance towards potential production at the NLGP.

Disadvantages and Risks of Approving the Gold Prepayment Deed

Whilst there are significant potential benefits of the Gold Prepayment Deed, Shareholders must be aware that there are also numerous potential disadvantages and risks, which may be apparent today, or could arise in the future. Such disadvantages could have a significant negative impact on the Company and its future performance.

A summary of key potential disadvantages and risks of approving the Gold Prepayment Deed, as determined by the IBC, are detailed, but not limited to below:

Disadvantages and Risks of approving the Gold Prepayment Deed	
Disadvantage/Risk	Description
Lender Does Not Exercise Upfront Option	There is risk that if the Lender does not exercise its Upfront Option within the agreed time period, then the Company will not have access to the proposed Gold Prepayment Deed and will have to seek other forms of project development financing at that time.

Limited Trading History of the Lender	The Lender of the Gold Prepayment Deed is a newly incorporated entity in Malta. Being newly incorporated, there is limited trading history in place.
Enforceability of overseas contracts	The Lender of the Gold Prepayment Deed is located outside Australia and enforceability of contractual rights may be more difficult.
BFS Does Not Deliver the Outcomes Required to Drawdown the Gold Prepayment Deed	If the proposed BFS does not deliver the required outcomes to demonstrate that the Company has the ability/capacity to repay the Gold Prepayment Deed, the Company will not be able to drawdown on the Gold Prepayment Deed and may have to seek other forms of project development financing at that time.
Security Required	By proceeding to drawdown the Gold Prepayment Deed, the Company will be required to provide security over a number of key mining leases (M37/1309, M37/108, M37/519 and M37/1167) at the North Laverton Gold Project. There is the risk that if the Company cannot satisfy the repayment terms and conditions of the Gold Prepayment Deed, the Lender could move to call in the security and Shareholders would lose exposure to these potentially valuable assets.
Development and Production Expectations Not Met	There are many inherent risks in mining and production in general. Development of an exploration project towards production, particularly as a stand-alone operation with a processing plant, carries large potential execution risk. There are also the potential risks that the actual production outcomes negatively do not match the expectations of the bankable feasibility study. Such unforeseen execution and production risks could have a severe negative impact on Shareholders, potentially resulting in the loss of the Company's key mining leases.
Better Terms Could Potentially have been Negotiated if Project was More Advanced	There is a possibility that if the NLGP was at a more advanced stage and with a bankable feasibility study completed, further more favourable terms could potentially have been negotiated on the Gold Prepayment Deed, or a superior form of alternative project development financing may have been available.
Loss of Exposure to Gold Price Increase on Gold Ounces Committed for Repayment	The physical gold ounces to be delivered for repayment under the Gold Prepayment Deed are essentially locked in at the agreed rate of A\$1,700 per ounce. Should the gold price increase above this level, the Company would not be exposed to the increase in price, potentially making the repayment of the Gold Prepayment Deed Amount more expensive to the Company.
Termination of the Red 5 Offer	The approval of the Gold Prepayment Deed may entitle Red 5 to withdraw its bid.
New Offers	Incoming investors may be discouraged from offering to acquire Bullseye Shares if they do not deem the terms of the Gold Prepayment Deed to be attractive, or prevailing market conditions move against the agreed terms of the Gold Prepayment Deed.

<p>Proceedings be initiated before the Takeovers Panel and the Takeovers Panel determining that the Gold Prepayment Deed constitutes "frustrating actions" that amount to "unacceptable circumstances"</p>	<p>Whether a frustrating action gives rise to unacceptable circumstances will depend on its effect on shareholders and the market generally. If the Takeovers Panel makes a declaration of unacceptable circumstances it has broad powers to make orders in respect of the actions taken.</p> <p>While approval of the Gold Prepayment Deed will trigger a defeating condition in the Red 5 Offer, because that offer does not seem to present Shareholders with a genuine opportunity to dispose of their shares, the Board believes that should not of itself found a declaration by the Takeovers Panel of unacceptable circumstances.</p> <p>By seeking Shareholder approval for its actions, the Company is giving Shareholders a choice between the Red 5 Offer and the Gold Prepayment Deed. As a result, the Panel is unlikely to consider that any such frustrating action will give rise to unacceptable circumstances.</p>
<p>Prepayment in cash and cancellation</p>	<p>The Company may not repay in cash or cancel all or any part of the Gold Prepayment Deed except with the consent of the Lender.</p> <p>If, for example, the Company only needs to utilise 80% of the funds under the Gold Prepayment Deed, the Company is unable to cancel the remaining 20% without the consent of the Lender. This means that the Company will be required to pay the commitment fee on the unused 20%, notwithstanding those funds are no longer required and will not be drawn.</p> <p>In such circumstances, the commitment fee on the unused funds will be payable until the unused commitment is cancelled at the end of the availability period (which is 36 months from the first utilisation date).</p>

The IBC acknowledges that there is a significant potential funding risk relating to the Gold Prepayment Deed if the Lender does not exercise its Upfront Option within the agreed time period. However, the IBC has formed the view that if the Lender decided not to exercise its Upfront Option in relation to the Gold Prepayment Deed, the Company would still have the benefit of use of the Convertible Note funding to substantially advance the NLGP and BFS. The Company would likely be in a stronger position at that time to secure alternative project development financing from other sources, had it not had access to the Convertible Notes funding.

Whilst the acceptance of the Gold Prepayment Deed could be considered to be early in the development lifecycle of the NLGP, the IBC is of the view that its terms are more favourable to the Company than arm's length, and, are at least as favourable as would be available in the market generally for a company in similar circumstances. Assuming all the conditions precedent to implementation/drawdown of the Gold Prepayment Deed are satisfied, including the proposed BFS demonstrating that the Company has the ability/capacity to repay the Gold Prepayment Deed, the Gold Prepayment Deed gives the Company and Shareholders a significant level of comfort and clarity that the NLGP can be potentially fully funded all the way to production, as a new stand-alone gold mining operation - offering a great outcome for Shareholders.

4.5 Use of funds

If Resolution 2 (or 4 – Now Withdrawn) are passed by Bullseye Shareholders, the use of funds from the Gold Prepayment Deed will be primarily utilised to support the capital expenditure program relating to the expansion, process plant construction, mine development and ultimate production of the NLGP as a new stand-alone gold mine and to fund the Company's general working capital requirements.

Whilst the priority use of funds under the Gold Prepayment Deed will be focussed on the NLGP, the Board may, with the prior written consent of the Lender, channel any excess funds (if available) from the Gold Prepayment Deed towards the development of the Company's other projects, including the Southern Cross Gold Project and the Aurora Gold Project.

4.6 Participation of Mr Desmond Mullan and Mr Wu

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- prior shareholder approval is obtained to the giving of the financial benefit.

The proposed Mullan Gold Prepayment Deed is to be entered into with entities associated with Mr Desmond Mullan, the father of Director Dariena Mullan.

A "related party" is widely defined under the Corporations Act, and includes the Directors and parents of any Director. Accordingly, Mr Mullan is a related party of the Company for the purposes of s 208 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, s 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit.

One of the nominated exceptions to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length (or on terms less favourable than arm's length terms to the related party).

The Mullan Gold Prepayment Deed involves entities associated with Mr Mullan (the **Lender**) advancing A\$100 million to be repaid by the Company via the delivery of future physical gold ounces to the Lender.

The proposed Wu Gold Prepayment Deed (Now Withdrawn) is to be entered into with entities associated with Mr Wu a director of the Company.

A "related party" is widely defined under the Corporations Act, and includes the directors. Accordingly, Mr Wu is a related party of the Company for the purposes of s 208 of the Corporations Act.

The Wu Gold Prepayment Deed (Now Withdrawn) involves entities associated with Mr Wu (the **Lender**) advancing A\$100 million to be repaid by the Company via the delivery of future physical gold ounces to the Lender.

The IBC have resolved that the arm's length exception applies to the Gold Prepayment Deed, as the proposed arrangements have been negotiated on arm's length terms and in good faith. Accordingly, Shareholder approval is not required under Chapter 2E of the Corporations Act for entry into the definitive Gold Prepayment Deed and associated agreements with entities associated with Mr Mullan or Mr Wu.

Shareholder approval is being sought as entry into the Gold Prepayment Deed is in breach of the Red 5 Offer Conditions. Therefore, approval of the Gold Prepayment Deed may result in Red 5 not proceeding with the Red 5 Offer and so constitutes a "frustrating action" for the purposes of takeovers law. However, pursuant to Takeovers Panel policy, the Gold Prepayment Deed may proceed if Shareholders are given a choice between the Red 5 Offer and the Gold Prepayment Deed, and resolve to proceed with the Gold Prepayment Deed.

5. RESOLUTIONS 5 - 10

These resolutions relate to two separate compliant notices served on the Company requisitioning meetings pursuant to section 249D of the Corporations Act (**Section 249D Notice**).

A general meeting is required to be called on the request of members with at least 5% of the votes that may be cast at a general meeting of the Company.

The Shareholders that requisitioned this meeting are seeking to make changes to the Board through the proposed removal of Mr Wu on one hand and on the other hand by Mr Wu and Fountain seeking to remove the Company's Chairman, Mr Peter J Burns, Mr Peter G Burns and Ms Dariena Mullan and the appointment of Mr Brett Clark and Mr Yiyang Qiu as Directors.

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company has convened the General Meeting to allow Shareholders to vote on these resolutions to make changes to the Board.

6. RESOLUTION 11 - APPROVAL OF SHARE ISSUE TO OLGEN PTY LTD

6.1 Background

On 21 April 2017 the Company entered into an understanding with Mr Jamie Seed, Managing Director of Challenge Drilling. In accordance with that agreement, the parties agreed that a percentage of drilling costs undertaken by Challenge Drilling would be settled by issuing Bullseye Shares at an issue price of \$0.27 per Bullseye Share. This arrangement extended the Company's available cash reserves resulting in additional drill metres during the 2017 drill program.

On 8 March 2018, Challenge Drilling invoiced the Company with \$207,170.11 to be settled by issue of Bullseye Shares, to be issued to Olgen Pty Ltd at the direction of Mr Jamie Seed.

The Company notes that Challenge Drilling nor Olgen Pty Ltd is not a related party of the Company and is not associated with any related party of the Company.

6.2 Purpose of Resolution 11

Resolution 11 seeks the approval of Shareholders for the issue of 767,297 Bullseye Shares to Olgen Pty Ltd as partial payment for the drilling services provided by Challenge Drilling at the NLGP.

The Bullseye Shares are being issued in satisfaction of the invoice for drilling services and will be issued on the same terms as existing Bullseye Shares. The Company intends to issue the Bullseye Shares as soon as practicable after the Meeting.

6.3 Shareholder approval

Shareholder approval is only being sought as the issue of Bullseye Shares is in breach of the Red 5 Offer Conditions. Therefore the issue may result in Red 5 not proceeding with the Red 5 Offer. However, the issue of the Bullseye Shares may be undertaken if Shareholders are given a choice between the Red 5 Offer and the Bullseye Shares, and resolve to proceed with the Bullseye Shares.

7. RESOLUTIONS AND THE RED 5 OFFER

7.1 Red 5 Offer

On 19 February 2018 Red 5 Limited (ASX:RED) (**Red 5**) announced to the market its intention to make a conditional off-market takeover bid under the Corporations Act (Red 5 Offer) for all of the Bullseye Shares.

Pursuant to the Red 5 Offer, Shareholders are offered one fully paid ordinary share in Red 5 for every five Bullseye Shares.

The Red 5 Offer values the total equity in the Company at approximately \$4.016 million, based on a 5 day VWAP of the trading price of Red 5 shares of \$0.0684 or 6.8 cents, as at close of trading on 16 February 2018, the last trading day before the announcement of the Red 5 Offer.

At the date of this Notice, the Red 5 Offer values each Bullseye Share at \$0.0122 or 1.22 cents, based off the closing price of Red 5 shares on 20 August 2018 (\$0.061). Under the Red 5 Offer Shareholders will not be paid cash for their Bullseye Shares by Red 5.

On 20 July 2018, Red 5 announced that it had decided to extend the period during which its offer will remain open, so the Red 5 Offer will now close at 5:00pm WST on 31 August 2018.

7.2 Red 5 Offer Conditional

The Red 5 Offer is currently subject to the fulfilment or waiver of a number of conditions (**Red 5 Offer Conditions**) including:

- a) Red 5 obtaining a minimum ownership of a relevant interest in at least 90% of all Bullseye Shares on issue (Minimum Ownership Condition);
- b) the Company not making any material acquisitions or disposals;
- c) no material adverse change occurring with respect to the Company;
- d) the Company providing due diligence material (confidential information in respect of the Company) to Red 5 if it provides such information to another third party;
- e) that the Company does not make or declare any distributions (by way of dividend, capital reduction or otherwise);
- f) that the Company does not enter into a buy-back agreement or resolve to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
- g) that the Company does not issue any shares, or grant an option over its shares (Share Issue Condition);
- h) that the Company does not issue any convertible notes (Convertible Note Condition);

- i) that the Company does not change its constitution or pass any special resolution without the prior written consent of Red 5; and
- j) that the Company does not enter into any agreement with a third party that would require expenditure of the Company in excess of \$400,000, without the prior written consent of Red 5.

If any of the Red 5 Offer Conditions are not fulfilled or waived (by Red 5), Red 5 may elect not to proceed with the Offer. At the date of this Notice, only the Foreign Investment Review Board Approval condition has been fulfilled or waived by Red 5.

On 23 May 2018, Red 5 advised the market of its intention to waive the Minimum Ownership Condition if it obtains a relevant interest in at least 50% (by number) of all Bullseye Shares on issue.

The current Red 5 Offer Conditions are set out in full in **Schedule 2**.

7.3 Effect of the Resolutions on the Red 5 Offer

In light of the Red 5 Offer, before deciding whether or not to approve the Resolutions, Shareholders should consider the effect of the Resolutions on the Red 5 Offer.

If the Resolutions are approved by Shareholders, those actions would be in breach of the Red 5 Offer Conditions, specifically the Share Issue Condition and the Convertible Note Condition. As detailed in Section 7.2 and **Schedule 2**, those conditions provide that the Company must not issue or agree to issue new shares or convertible notes during the Red 5 Offer Period (as defined in **Schedule 2**).

Accordingly, Red 5 may elect not to proceed with the Red 5 Offer if the actions contemplated by the Resolutions take place.

In light of the above, Shareholders should consider whether to approve the Resolutions in the context that they are effectively being given a choice between the Red 5 Offer, and the transactions contemplated by the Resolutions.

In making that decision, Shareholders should bear in mind that **the Board does not support the Red 5 Offer** and that, pursuant to the Red 5 Offer, Shareholders would receive one Red 5 share for every five Bullseye Shares they hold, effectively valuing each Bullseye Share at 1.2 cents at the date of this Notice.

The transactions contemplated by the Resolutions are all committed at a share price between \$0.26 to \$0.27 per Bullseye Share – **more than 20 times the value** of the Red 5 Offer.

7.4 Consequences of Shareholders not approving the Resolutions

If Shareholders do not approve the Resolutions, amongst other things, the Company may not be able to gain access to equity capital to be able to progress its activities in a timely and cost-effective manner. The IBC considers that this will be detrimental to the Company, particularly in light of the opportunistic Red 5 Offer.

The Company has considered a number of alternate financing arrangements and has concluded that the issue of Convertible Notes to various sophisticated and professional investors and issue of Bullseye Shares to Olgen Pty Ltd as well as the Gold Prepayment Deed is a fair and reasonable option for Shareholders to consider. There can be no guarantee that the Company

will be able to obtain finance on terms appropriate to the Company (as per the Funding Resolutions) in the future.

SCHEDULE 1: DEFINITIONS

\$ and **A\$** means Australian Dollars.

£ means British Pound.

ASX means the Australian Securities Exchange.

BFS means Bankable Feasibility Study.

Board means the board of Directors.

Bullseye Share means a fully paid ordinary share in the capital of the Company.

Chairman means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Company means Bullseye Mining Limited (ACN 118 341 736).

Convertible Notes means Mullan Convertible Notes (and Wu Convertible Notes - Now Withdrawn).

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

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Funding Resolutions means Resolutions 1 to 2 (3 & 4 Now Withdrawn).

Gold Prepayment Deed means Mullan Gold Prepayment Deed and Wu Gold Prepayment Deed – Now Withdrawn.

IBC means the independent board committee established by the Board consisting of the Directors other than Mr Wu. The committee was established to oversee the development and application of an appropriate protocol and processes for the consideration of the now withdrawn Wu Proposal as specified in **Section 3.2**.

Lender means Mr Mullan and Mr Wu (Now Withdrawn).

LOM means life-of-mine.

Mullan Convertible Notes means convertible notes to be issued by the Company each with a face value of £100,000 and on the terms in Section 3.

Mullan Gold Prepayment Deed means the deed to be entered into by the Company with entities associated with Mr Mullan advancing A\$100 million to be repaid by the Company via the delivery of future physical gold ounces to the Lender and on the terms in Section 4.3.

Mullan Proposal means Resolutions 1 and 2.

NLGP means North Laverton Gold Project.

Notice means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Red 5 Offer has the meaning given in Section 7.1.

Red 5 Offer Condition has the meaning given in Section 7.2.

Proxy Form means the proxy form attached to the Notice.

Red 5 means Red 5 Limited (ACN 068 647 610).

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Shareholder means a shareholder of the Company.

VWAP means volume weighted average price.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.

Wu Convertible Notes means convertible notes to be issued by the Company each with a face value of \$200,000 and on the terms in Section **Error! Reference source not found.** – Now Withdrawn.

Wu Gold Prepayment Deed means the deed to be entered into by the Company with entities associated with Mr Wu advancing A\$100 million to be repaid by the Company via the delivery of future physical gold ounces to Mr Wu the Lender and on the terms in Section 4.3.

Wu Proposal means Resolutions 3 and 4 – Now Withdrawn.

SCHEDULE 2: RED 5 OFFER CONDITIONS

Any Offer by Red 5 will be subject to a number of conditions, contained in Red 5's ASX announcement of 19 February 2018.

The current Red 5 Offer Conditions (with definitions and interpretation for this Schedule at the end of this Schedule) are:

1. Conditions

The Red 5 Offer and any contract arising from the acceptance of the Red 5 Offer will be subject to fulfilment or waiver of the following conditions before the end of the Red 5 Offer Period.

(a) (**minimum ownership**) during, or at the end of, the Red 5 Offer Period, the number of Target Shares in which Bidder and its associates together have relevant interests is at least 90% (by number) of all Target Shares on issue;

(b) (**no Public Authority intervention**) between the Announcement Date and the end of the Red 5 Offer Period:

(1) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and

(2) no application is made to any Public Authority (other than by any member of Bidder and any of its Subsidiaries); and

(3) no action or investigation is instituted or threatened by any Public Authority with respect to any member of the Target Group, in consequence of or in connection with the Red 5 Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of Chapter 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act in consequence of, or in connection with, the Red 5 Offer), which:

(4) restrains or prohibits (or, if granted, could restrain or prohibit), or otherwise materially adversely affect the making of the Red 5 Offer or the completion of any transaction contemplated by the Red 5 Offer (whether subject to conditions or not) or the rights of Bidder in respect of Target and the Target Shares to be acquired under the Red 5 Offer; or

(5) requires the divestiture by any member of the Bidder Group of any Target Shares, or the divestiture of any material assets of the Target Group or any member of the Bidder Group;

(c) (**no material acquisitions, disposals, cancellations or new commitments**) except for any proposed transaction or item fairly disclosed in writing to the Bidder, none of the following events occurs between the Announcement Date and the end of the Red 5 Offer Period:

(1) Target or another member of the Target Group acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets, other than an interest in a member of the Target Group which is held by another person for the benefit of any other member of the Target Group) or makes an agreement for an amount or consideration in excess of AUD 400,000 for any individual item or in excess of AUD 2,000,000 in aggregate;

(2) Target or another member of the Target Group disposes of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) or makes an agreement for an amount or consideration in excess of AUD 400,000 for any individual item or in excess of AUD 800,000 in aggregate;

(3) a member of the Target Group enters into or agrees to enter into any farm-in, farm-out, joint venture or partnership or other management agreement that requires or is reasonably likely to involve payments, expenditure or the foregoing of revenue, by a member of the Target Group in excess of AUD 400,000 in aggregate; or

(4) a tenement, permit or licence granted to or held by any member of the Target Group relating to the Target Projects is revoked, surrendered, relinquished or terminated or a member of the Target Group agrees to the same without there being a reasonable likelihood of such tenement, permit or licence being allowed to continue, renewed or extended on terms which are no less favourable to the member of the Target Group;

(d) **(no material adverse change)** – between the Announcement Date and the end of the Red 5 Offer Period there is no event, change, matter, circumstance or thing which occurs whether individually or when aggregated with all such events, changes, matters, circumstances or things of a like kind that:

(1) has had, or would be reasonably likely to have, a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Target taken as a whole, as determined by an independent expert appointed by the Bidder;

(2) has caused, or would be reasonably likely to cause, a diminution in the total non-current assets of the Target by at least AUD 400,000 compared to the approximately AUD 16,600,000 of non-current assets stated in the Target's 30 June 2017 financial statements, as determined by an independent expert appointed by the Bidder;

(3) has caused, or would be reasonably likely to cause, a diminution in the net assets of the Target by at least AUD 400,000 compared to the approximately AUD 17,500,000 of net assets stated in the Target's 30 June 2017 financial statements (as lodged with ASIC), as determined by an independent expert appointed by the Bidder;

(4) has resulted, or will result, in the Target or another member of the Target Group entering into or terminating a material agreement or instrument where the consideration is in excess of AUD 400,000 for any individual item or in excess of AUD 4,000,000 in aggregate, other than those events, changes, matters, circumstances or things:

(5) required or permitted by the Red 5 Offer; or

(6) done or not done at the prior written request or with the prior written acknowledgement and approval of the Bidder;

(e) **(rehabilitation liability)** – the rehabilitation liabilities in respect of the Target Projects do not exceed \$2,500,000 in aggregate as at the Announcement Date or at the end of the Red 5 Offer Period;

(f) **(data room access)** - within 3 Business Days of the Target establishing or compiling a due diligence data room (whether in physical, virtual or electronic form) capable of access by any third party (Data Room) comprising due diligence material in connection with the Target Group or the Target Projects, the Target provides access to the Bidder to that Data Room;

(g) **(no persons exercising rights under certain agreements or instruments)** between the Announcement Date and the end of the Red 5 Offer Period, no person exercises any rights under any provision of any agreement or other instrument to which a member of the Target Group is a party, or by or to which a member of the Target Group or any of its assets may be bound or be subject (which, if exercised, will have or is reasonably likely to have a material adverse effect on the Target Group taken as a whole), to:

- (1) require monies borrowed by, or other financial accommodation provided to, a member of the Target Group to be paid or repaid immediately or earlier than the repayment or maturity date stated in such agreement or other instrument;
- (2) terminate or modify any such agreement or instrument or require that any action be taken thereunder (including the acceleration of the performance of any obligation thereunder);
- (3) terminate or modify the interest of a member of the Target Group in any farm-in, farmout, partnership, joint venture, trust, corporation or other entity (or any arrangements relating to such interest); or
- (4) require that any assets, shares or business of a member of the Target Group be sold, transferred or offered for sale or transfer, including under any pre-emptive rights or similar provisions, as a result of the acquisition of Target Shares by Bidder;

(h) **(no change of control rights)** between the Announcement Date and the end of the Red 5 Offer Period, no person has or will have any right as a result of the Bidder making the Red 5 Offer or announcing its intention to make the Red 5 Offer, or acquiring Target Shares under the Red 5 Offer, to:

- (1) acquire, or require the disposal of, or require any entity within the Target Group to offer to dispose of, any material asset of any entity within the Target Group;
- (2) terminate, or vary the terms or performance of, any material agreement with any entity within the Target Group;
- (3) terminate, or vary the terms of any material approvals, licenses or permits issued by any Public Authority to any entity within the Target Group; or
- (4) require repayment of any moneys borrowed by or any other indebtedness of any entity within the Target Group earlier than its stated maturity date, or withdraw or inhibit the ability of any entity within the Target Group to borrow moneys or incur indebtedness, other than as fully and fairly disclosed by the Target to the Bidder prior to the Announcement Date;

(i) **(distributions)** between the Announcement Date and the end of the Red 5 Offer Period, Target does not make or declare any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);

(j) **(prescribed occurrences)** between the Announcement Date and the end of the Red 5 Offer Period, none of the following events happen:

- (1) Target converts all or any of its shares into a larger or smaller number of shares;
- (2) a member of the Target Group resolves to reduce its share capital in any way;

(3) a member of the Target Group:

(1) enters into a buy-back agreement; or

(2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;

(4) a member of the Target Group issues Shares, or grants an option over its Shares, or agrees to make such an issue or grant such an option;

(5) a member of the Target Group issues, or agrees to issue, convertible notes;

(6) a member of the Target Group disposes, or agrees to dispose, of the whole, or a substantial part, of the Target Group's business or property;

(7) a member of the Target Group resolves to be wound up;

(8) a liquidator or provisional liquidator of a member of the Target Group is appointed;

(9) a court makes an order for the winding up of a member of the Target Group;

(10) an administrator of a member of the Target Group is appointed under sections 436A, 436B or 436C of the Corporations Act;

(11) a member of the Target Group executes a deed of company arrangement;

(12) a receiver or a receiver and manager is appointed in relation to the whole, or a substantial part, of the property of a member of the Target Group; or

(13) a member of the Target Group grants or agrees to grant an Encumbrance in or over the whole, or a substantial part, of the Target Group's business or property;

(k) **(share capital)** as at the Announcement Date:

(1) there are no more than 285,553,798 Target Shares on issue; and

(2) there are no securities convertible into Target Shares other than the 20,000,000 Target Options and 8,000,000 Target Performance Rights on issue as at 31 January 2018;

(l) **(conduct of Target's affairs)** between the Announcement Date and the end of the Red 5 Offer Period no member of the Target Group without the prior written consent of the Bidder:

(1) changes its constitution or passes any special resolution;

(2) enters into any guarantee, indemnity or guarantee and indemnity on behalf of any member of the Target Group in relation to an amount in excess of AUD 400,000;

(3) increases the remuneration or otherwise materially varies the engagement terms of or employment arrangements with any director of a member of the Target Group or any key management personnel of the Target Group where the total annual employment cost of that director or employee equals or exceeds AUD 200,000, except in accordance with contractual arrangements in existence on the Announcement Date or any

determination of a board of a member of the Target Group made prior to the Announcement Date; or

(4) without prejudice to conditions 1(c) and 1(d) above and paragraphs 1(l)(1) to 1(m)(3) above enters into or agrees to enter into any agreement or commitment with a third party that would require expenditure, the foregoing of revenue or the incurring of a liability by one or more members of the Target Group in excess of AUD 400,000.

2. Definitions

The following definitions apply in interpreting the Bid Conditions:

Announcement Date means the date on which the Red 5 Offer was announced to ASX by Red 5, being 19 February 2018;

Associate has the meaning given to that term in the Corporations Act;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ABN 98 008 624 691;

Bid or Takeover Bid means an off-market takeover bid by Bidder for all Target Shares under Chapter 6 of the Corporations Act;

Bidder means Red 5 Limited and/or one of its wholly owned subsidiaries;

Bid Condition means each condition set out above;

Bidder Group means the Bidder and each of its 'related bodies corporate' (as defined in the Corporations Act);

Bidder's Statement means the bidder's statement to be issued by Bidder in respect of the Bid;

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

Encumbrance means an interest or power:

(a) reserved in or over any interest in any asset including any retention of title; or

(b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, by way of security for the payment of debt or any other monetary obligation or the performance of any other obligation and includes any agreement to grant or create any of the above;

Red 5 Offer means each offer to acquire Target Shares to be made by Bidder to Target Shareholders in connection with the Bid;

Red 5 Offer Period means the period during which Red 5 Offers are open for acceptance;

Public Authority means any federal, provincial, state or other government, governmental or public department, court, tribunal, administrative, statutory or judicial entity, arbitral body, securities commission or stock exchange (such as ASX);

Register means the register of Target Shareholders maintained by Target in accordance with the Corporations Act;

Subsidiary has the meaning given in the Corporations Act;

Takeovers Panel means the Takeovers Panel referred to in Division 2, Part 6.10 of the Corporations Act;

Target Board means the board of directors of Target;

Target Group means Target and each of its Subsidiaries;

Target means Bullseye Mining Limited ACN 118 341 736;

Target Options means the 20,000,000 options to acquire Target Shares as disclosed to the Bidder prior to the Announcement Date pursuant to a register dated 31 January 2018 on the following terms: 10,000,000 at \$0.30 exercisable on or before 10 December 2020, 6,000,000 at \$0.40 exercisable on or before 10 December 2020 and 4,000,000 at \$0.50 exercisable on or before 10 December 2020;

Target Performance Rights means the 8,000,000 performance rights to acquire, for nil consideration, Target Shares as disclosed to the Bidder prior to the Announcement Date pursuant to a register dated 31 January 2018 (subject to stipulated and automatic vesting conditions);

Target Projects means the Laverton Project, Southern Cross Gold Project, Aurora Gold Project, Johnston Range Iron & Gold Project, Newfield Project, Mt. Clara Copper Project, Leonora Nickel Project and Boorabbin Project, including any other mining tenements granted in lieu of or in connection with the project(s);

Target Shares means fully paid ordinary shares in Target; and

Target Shareholder means a person who is registered as the holder of Target Shares in the Register.

SCHEDULE 3: SUMMARY OF MULLAN CONVERTIBLE NOTE TERMS

Securities Offered	<ul style="list-style-type: none"> Secured Convertible Notes
Issue Amount	<ul style="list-style-type: none"> £15,000,000 (approx. A\$26.67 million⁸) 150 x £100,000 Secured Convertible Notes
Maturity Date	<ul style="list-style-type: none"> 18 months from the date of issue
Coupon	<ul style="list-style-type: none"> 8% per annum
Underwriting	<ul style="list-style-type: none"> Fully Underwritten
Conditions Precedent	<ul style="list-style-type: none"> Approval by the Board of Directors and Shareholders of Bullseye. Execution of a first ranking security over Mining Leases - M37/1309, M37/108, M37/519 and M37/1167 in favour of the Noteholders. Execution of a priority and intercreditor deed with each Noteholder. FIRB approval (if required). Bullseye obtaining all necessary approvals and consents required in connection with the subscription for the Convertible Notes. The Company and Desmond Mullan (or entities associated with Desmond Mullan) entering the Gold Prepayment Deed.
Matters requiring Investor consent	<ul style="list-style-type: none"> Bullseye must not (among other things), without the prior written consent of the Majority Noteholder: <ul style="list-style-type: none"> make any change to the Board of Directors or key management of Bullseye; create any encumbrance over an asset or undertaking; sell significant asset or assets worth more than 25% of Bullseye's market value; take any step to dissolve or wind up any Group company; or issue any securities other than incentives securities or securities in connection with the Gold Prepayment Deed and associated agreements.
Conversion	<ul style="list-style-type: none"> Full or partial conversion at any time prior to 15 days before Maturity Date at Noteholder's discretion, at A\$0.26 per share. Full or partial conversion in the 15 days prior to Maturity Date at Company's discretion, at A\$0.26 per share. If the Company issues additional equity at a price lower than A\$0.26 during the term of the Note (excluding the securities the subject of Resolution 1, incentive securities, securities in relation to the Gold Prepayment Deed and associated agreements or securities to fund an acquisition), the conversion price is adjusted to a 20% discount to the new equity issue price.
Redemption	<ul style="list-style-type: none"> If Notes are not converted, cash redemption upon maturity (18 months from the date of issue) at £100,000 per Note.

⁸ Assumed exchange rate of AUD to GBP of 1:0.5623, being the average exchange rate quoted by the Reserve Bank of Australia over the month of July 2018.

	<ul style="list-style-type: none"> • Noteholders can request Early Redemption at a 10% premium to face value following the material breach of any of the following covenants: <ul style="list-style-type: none"> ○ Failure to maintain appropriate insurances; ○ Failure to comply with material laws under relevant jurisdiction where failure to do so would have a material adverse effect on Bullseye; ○ Without Majority Noteholder's approval, sell significant asset or assets worth more than 25% of Bullseye's market value ; or ○ Security Interests ceasing to have purported priority or becoming ineffective. <p>Bullseye then has 90 days to redeem the Notes.</p>
Event of Default	<ul style="list-style-type: none"> • An Event of Default triggers Early Redemption at a 15% premium to face value (plus applicable interest) within 90 days of notice, being: <ul style="list-style-type: none"> ○ Failure to issue conversion shares or other breach of these terms; ○ Insolvency event; ○ Change of control of Bullseye; or ○ Sale of the business or main undertaking of Bullseye.
Default Options	<ul style="list-style-type: none"> • Following an Event of Default, all Noteholders will be entitled to be issued with unlisted options with a strike price of A\$0.26 per share and 3 years to maturity. • The number of options to be issued will be calculated as being the equivalent of 50% of the number of conversion shares the Noteholder would have been entitled to had the Event of Default not occurred.
Warranties	<ul style="list-style-type: none"> • Warranties customary for a document of this nature.
Governing Law	<ul style="list-style-type: none"> • Western Australia

SCHEDULE 4: MULLAN UNDERWRITING AGREEMENT

Mr Desmond Mullan
29 Franjo Tudmana,
Bigackovici,
Medjugorje,
Bosnia Hertegovinia

UNDERWRITING AGREEMENT

The Directors
Bullseye Mining Limited
c/o Aspen Corporate
Level 2, 102 Beaufort Street,
Perth, Western Australia, 6000

11 July 2018

Dear Directors,

Proposed £15,000,000 Private Placement of Convertible Notes by Bullseye Mining Limited

The matters set out in this document are strictly confidential. They concern a proposal by Bullseye Mining Limited (ACN 118 341 736) (**Company**) to undertake a £15,000,000 Private Placement of Convertible Notes (**C-Note Placement**) in accordance with the terms of the deed entered into by the Company on 11 July 2018 (**C-Note Deed**) and my commitment to fully underwrite the C-Note Placement.

- 1 The Company's C-Note Placement is proposed to be issued at a face value of £100,000 to raise approximately £15 million.
- 2 I agree to underwrite the whole of C-Note Placement. This obliges me to subscribe for all notes offered in the C-Note Placement for which the Company does not hold valid subscriptions within the timeframe required by the Deed (**Shortfall Securities**).
- 3 I will be notified by the Company of the final number of the Shortfall Securities.
- 4 I will lodge with the Company application money in immediately available cleared funds and valid applications for the Shortfall Securities within four business days of the Company issuing me a shortfall notice. I acknowledge the Company has established a GBP trust account to accept application money.
- 5 By entering into this document, I agree that I have made my own enquiries regarding the Company. The Company make no representations or inducements to me other than as set out in this document. My decision to enter into this obligation is based on my own enquiries and investigation, including the merits and risks involved.
- 6 I confirm that I will be converting my existing loan facility of A\$1,000,000 (plus applicable interest) into application proceeds for the C-Note Placement. This will necessitate cancelling the Subscription Agreement and Loan Agreement between the Company and me (both dated 10 May 2018).
- 7 I confirm that no underwriting fee is payable to me with respect to my obligation or otherwise in connection with this document or the transactions contemplated by this document.
- 8 I am responsible for paying all costs, expenses and charges incurred arising out of or in relation to this document.

9 This document is governed by the laws of Western Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

Yours sincerely,


Desmond Mullan

Accepted and agreed



.....
Bullseye Mining Limited

..... 17th July 2018

3452-0072-7300v2

SCHEDULE 5: KEY TERMS OF THE MULLAN GOLD PREPAYMENT DEED

Seller:	Bullseye Mining Limited
Buyer:	Desmond Mullan (or entities associated with Desmond Mullan)
Gold Prepayment Deed Amount:	A\$100 million Prepayment to be advanced by the Buyer and repaid by the Seller via delivery of gold ounces in line with the agreed terms.
Purpose (Use of Funds):	To support the capital expenditure programme relating to the expansion, process plant construction, mine development and ultimate production of the Seller's North Laverton Gold Project and to fund the Seller's general working capital requirements.
Interest Rate (margin):	9.80% per annum
Fees:	Fees and charges in line with standard commercial rates and customary of a document of this nature.
Upfront Option Period to Proceed with Gold Prepayment:	10 Months from execution of the Gold Prepayment Deed at the election of the Buyer, or other such date as agreed between the Parties.
Spot Price for Gold Prepay Calculation/s:	A\$1,700 per ounce.
Conditions Precedent to initial Gold Prepayment:	Conditions Precedent to the initial Gold Prepayment being made will include, but are not limited to: <ul style="list-style-type: none"> - Seller's Shareholder Approval granted for the issue of Convertible Notes to the value of GBP£15M - Exercise of the Upfront Option by the Buyer within the Upfront Option period; - Delivery of a BFS or equivalent level document providing sufficient evidence that the Seller has the capability to meet the proposed Gold Repayment Delivery Schedule.
Funds Utilisation (First Drawdown):	Anticipated to be 10 months from execution of the Gold Prepayment Deed and upon Conditions Precedent to Gold Prepayment being satisfied.
Availability Period:	Up to 36 months from the date of First Drawdown.
Gold Repayment Delivery Schedule:	The Gold Prepayment Deed Amount, interest and all associated fees and charges will be repaid via quarterly deliveries of gold, anticipated to commence within 24 months of First Drawdown and across a Delivery Period of up to 48 months.
Security:	First ranking security over mining leases M37/1309, M37/108, M37/519 and M37/1167, to be shared pari passu with the Seller's Convertible Note Holders. The Buyer will become a beneficiary under a security trust structure to be implemented and will remain in place to reflect the Gold Prepayment Deed Amount as secured money.
Reduced Prepayment Amount:	The net Gold Prepayment Deed Amount outstanding at any point in time taking into account all gold ounces delivered to date.
Accelerated Delivery:	With approval of the Lender, upon 5 business days' prior written notice the Seller may elect to deliver additional ounces of gold in reduction of the overall outstanding gold ounces to be delivered.
Failure to Deliver:	In case of late delivery the number of gold ounces due but not delivered on the delivery date will be converted to a dollar amount using the prevailing gold spot price on the delivery date. The Seller shall pay the Buyer (or deliver gold equivalent to) that amount and, if not paid immediately, interest shall accrue on the amount at the Overdue Rate until payment of the overdue amount is made in full.
Overdue Rate:	Interest Rate (margin) + 2.00%
Representations and Warranties:	Representations, Warranties and Undertakings customary for a secured funding of this nature.
Covenants:	Includes positive, negative, and financial, covenants and undertakings and events of default customary for a secured funding of this nature.

Project:	North Laverton Gold Project
Independent Technical Consultant (“ITC”):	Kirk Mining Consultants Pty Ltd or such other independent technical consultant appointed by the Company.
Gold Prepayment Deed:	The transaction described in this Term Sheet.
Publicity:	Any publicity regarding the Gold Prepayment Deed is to be agreed in advance by the Buyer and Seller.
Fees and Expenses:	Each party will be responsible for their own costs relating to the negotiation, preparation and documentation of the Gold Prepayment Deed, associated documentation and its ongoing implementation. The Company shall be responsible for costs associated with amendments, waivers or consents it requests to the Gold Prepayment Deed and related finance documents and any costs associated with enforcement.
Governing Law & Jurisdiction:	This term sheet and all documentation related to the Gold Prepayment Deed shall be governed and construed in accordance with the laws, and under the jurisdiction of the courts, of Western Australia.

SCHEDULE 6: Information from Wu Qiyuan

The following messages have been inserted at the request of Mr Wu Qiyuan and his solicitors. The IBC are of the opinion that the messages below contain numerous misstatements and inaccuracies which the IBC will address separately in due course.

Fool's Gold

Dear Fellow Shareholder,

Why we should remove Messrs Burns and Ms Mullan as directors

I have moved for the removal of Messrs Burns and Ms Mullan as directors at a time when they have purported to deliver to you “*The News You Have Been Waiting For!!!!*” Put simply, in my opinion, this is ‘fake news’. Ms Mullan’s father’s dilutive proposal is disastrous news for all current investors. I have lost the trust of my fellow directors to deliver on their promises or to treat shareholders in a fair and equal manner.

The Mullan Proposal is disastrous

If the Mullan Proposal is approved, I believe the company will be hamstrung from obtaining alternative funding and will be hostage to Mr Mullan and his associates. It will be an event of default for the company if Messrs Burns or Ms Mullan cease to be directors. Could one of them put the company in default simply by resigning?

The proposal creates a significant contingent financial risk against Bullseye if it cannot deliver gold within a set time period pursuant to a pre-payment agreement with some unidentified company in Malta in respect of which no due diligence has been done. This is simply unacceptable for shareholders.

I asked for this proposal to be reviewed by an independent “Big 4” accounting firm. I again ask that shareholders get the benefit of such an opinion.

Money Burns

I have assisted in raising over \$20 million for the company. What have these directors done with our money?!

Messrs Burns and Ms Mullan promise to do a better job spending £15 million. I have no doubt they have the ability to spend it, but I now doubt their ability to achieve results.

For example, Messrs Burns and Ms Mullan launched a Takeovers Panel application against me which was summarily dismissed. They made various allegations against me personally without having the decency to ask me about them first. They attacked other major investors in the company who were unnecessarily dragged into this by Messrs Burns and Ms Mullan. I am investigating how much shareholder money was wasted on this attack.

Further, ask yourself whether you have had adequate disclosure of their fees, consultancy charges, performance rights and achievement of milestones, commissions on loans they raised or they claimed to have raised or of any other payments to directors made without disclosure? The expenditure of the company to date is not appropriate for an unlisted public mining exploration company.

The directors have no experience

Messrs Burns have no mining or geological qualifications or experience. Ms Mullan has a geology qualification but has no relevant production experience. None of them have taken an exploration company to production. They have refused to deal with any third parties who might have assisted the company move to production and have resisted attempts to enter into joint ventures with other companies with experience in this area.

I have been excluded from management

My fellow directors negotiated the Mullan Proposal for months before putting it to me for my consideration the day before a board meeting. They then purported to form an “Independent Board Committee” without me. How is Ms Mullan independent? The answer I received was that Ms Mullan would not vote in favour of the Mullan Proposal. Why did Ms Mullan put her name to promotional material spruiking the Mullan Proposal?

Is this the sort of judgment and insight we expect of public company directors?

When I have expressed my concerns surrounding the company’s expenditure and requested further information from the directors, I have not been provided the information despite repeated promises made to me, I have been refused entry to the company office to inspect the books and records of the company which is my fundamental right as a director, and have been told that I did not “need to know” since I am a non-executive Director. Why deny me access to company records when I have obligations at law to the company and its shareholders?

The company has not progressed

The company has failed to secure various opportunities to progress into production as well as obtain a market listing in Singapore. After 6 years of waiting, shareholders have seen neither a listing of the company which was promised since 2012, nor any gold bars, just a “gold” envelope. Our shares can not be traded or valued by the market.

Getting the company back on track

I lodged a 249D meeting notice to bring this conduct to the attention of the shareholders, in the hope that a board can be formed. I believe it’s not the right time to proceed with any investment plans, at least not until the board is formed of members from mining, exploration, financial and management fields.

I have proposed that Mr Brett Clark be appointed as a director of our company. Mr Clark has relevant experience as a director of ASX-listed mining companies and investment banking I believe Mr Clark has the skills and experience to take our company through to production.

I have also proposed Mr Yiyang “Luke” Qiu as a director. Luke is the representative of a substantial shareholder of Bullseye with access to overseas capital.

I am not seeking to benefit from removing these directors. I am seeking to protect the investments all shareholders have made and stand by ready to financially support a focused board which has the experience to bring your company into production.

With my very kindest best wishes,

Wu Qiyuan

The Golden Truth

Dear Fellow Shareholder,

Why I should not be removed as a director

I believe my fellow directors continue to fail you. As the only director who is not entrenched in the board’s self-serving decision making, I have been responsible for bringing their conduct to the attention of shareholders in an attempt to prevent the company from being led.

The other directors have failed the company

In 2012, I was contacted by Bullseye who was in urgent need of money to fund drilling programs and to progress with a planned IPO. I decided to invest in this small unlisted company mainly because of my friendship with Mr Burns.

Since then, my fellow directors have failed to deliver on their promises, have acted to place the company at significant financial risk and acted unconscionably towards me. As a result, I have lost confidence in the board and their ability to successfully lead the company into a prosperous future.

I have only ever acted to assist the company

The other directors will tell you they have secured the financial future of the company through the Mullan Proposal. The proposal is not adequately costed or analysed.

I have questioned the decisions made by my fellow directors, even proposing a counter offer to the Mullan Proposal on terms which I considered to be much more favourable to the company. My proposal was not even considered by the “Independent Board Committee” which the directors purported to form without me. I have continuously requested access to information from the directors

in an effort to vet their decision making. My enquiries have been met with blatant disregard by the other directors and my requests for further information have either been ignored or simply refused.

While I have assisted in raising over \$20 million for the company and have personally invested significant monies in the company myself, my fellow directors have wasted funds on superfluous 'corporate expenses' including the gold envelope you received recently which reflects, in my opinion, an absolute waste of company money not authorised by me. Disclosure of directors fees, consultancy charges, and performance rights of my fellow directors has been minimal. In contrast, I have never sought nor received any fees or payments whatsoever from the company for my role as a director, nor have I sought reimbursement of my airfares or other costs I have incurred as a director on your behalf. The same cannot be said for the other directors.

If I had not required the other directors to call a meeting to bring their conduct to your attention, would this have ever been made known to you? How else would the nature of the board's decision making been brought to light? This is not the sort of judgment and insight that you should expect nor accept of public company directors.

A distraction from reality

I stand by my belief that it is not the right time to proceed through any major financial borrowing, at least not until the board is consisted of members from mining, exploration, financial or management fields. I have been proactive in my attempts to fulfil my duties and obligations to the company. My attempts have been ignored by the board. Rather than answering my enquiries, the board brought an application to the Takeovers Panel against me falsely alleging as a foreign shareholder, I have formed associations to unlawfully take over the company. This application was swiftly dismissed by the Takeovers Panel. Some shareholders seek to remove me from the board.

By my section 249D notice, I am not seeking to benefit from removing these directors. I am seeking to protect the investments all shareholders have made and stand by ready to financially support a focused board who has the experience to bring your company into production.

As a substantial shareholder in Bullseye, I have hopes and expectation for the company like each of us.

As a director of the company, I have obligations and duties to be responsible to each of us.

As an investor who has witnessed the growth of the company, I wish for the company to develop toward success, in a way to benefit and profit each of us and I stand by my commitment to the company.

If you do not have an independent director on your Board who will speak out against these other directors?

With my very kindest best wishes,

Wu Qiyuan

SCHEDULE 7: THE WITHDRAWN WU PROPOSAL

The Directors
Bullseye Mining Limited
Offers: Convertible Note & Gold Prepayment Facility

16 July 2018

Dear Directors,

After receiving the information back for the board meeting on Monday 16 July 2018, I've had considered the position and wish to submit an offer that provides a better result to all shareholders.

I submit my offer to the board in the attached documents.

- SUMMARY OF CONVERTIBLE NOTE TERMS;
- SUMMARY OF TERMS FOR GOLD PREPAYMENT FACILITY;

I hereby confirm and submit my OFFERS to Bullseye Mining Limited. The terms and conditions of the OFFERS will be on the same terms and conditions in the "Convertible Notes" offered by Mr Mullan, and the Gold Prepayment Deed offered by Saghtar Holdings Limited, other than the changes made and marked up in the attached documents, which benefit the Company as follows:

- Increase of the Issue Amount from approx. AUD\$26.84 million to AUD\$30 million
- Removal of exchange rate risk by having the Issue Amount in AUD
- Extension of Maturity Date from 18 months to 24 months
- Reduction of coupon from 8% to 6%
- Increase of conversion price from \$0.26 to \$0.30 (and therefore less dilutive to shareholders)
- Elimination of early redemption premium on the occurrence of a material breach or an event of default
- Reduction of Facility Rate on gold prepayment agreement from 9.8% to 8.0%
- Elimination of Event of Default being triggered by change of control of the company.
- Elimination of NSR Royalty of 2.5%

I recommend to the board the acceptance of this offer, and it being submitted to shareholders as soon as possible for approval.

Yours Sincerely,

Qiyuan Wu



This resolution has been withdrawn. Mr Wu no longer promotes an issue of convertible notes. Having been denied access to the company's records, improperly been the subject of an application by fellow directors in the name of the company (involving company expenditure) before the Takeovers Panel and in circumstances where Mr Wu is not consulted on the terms and conditions of the Mullan Convertible Notes, no resolution is presently put forward by Mr Wu. However, Mr Wu will promote an issue of convertible notes and fund raising only after the section 249D resolutions have been considered by shareholders. Mr Wu repeats his view that it is not appropriate to consider 249D notice lodged by Mr Wu and Fountain Enterprises.

SUMMARY OF CONVERTIBLE NOTE TERMS

Securities Offered	<ul style="list-style-type: none"> Secured Convertible Notes
Issue Amount	<ul style="list-style-type: none"> GBP£15,000,000 (approx. A\$26.84 million) AUD \$30.00million 150 x AUD200,000 Secured Convertible Notes
Maturity Date	<ul style="list-style-type: none"> 18 months 24 months from the date of issue
Coupon	<ul style="list-style-type: none"> 8% 6% per annum
Underwriting	<ul style="list-style-type: none"> Fully Underwritten by Mr Qiyuan Wu or his nominee
Conditions Precedent	<ul style="list-style-type: none"> Approval by the Board of Directors and Shareholders of Bullseye. Approval by Shareholders of the AUD\$100 million Gold Prepayment Facility. The Company granting the Noteholders a first ranking security over the mining leases M37/1309, M37/108, M37/519 and M37/1167, to be shared pari passu with the Lender of the Gold Prepayment Facility. Execution of a priority and inter-creditor deed with each Noteholder. FIRB approval (if required). Bullseye obtaining all necessary approvals and consents required in connection with the subscription for the Convertible Notes.
Matters requiring Investor consent	<p>Bullseye must not (among other things), without the prior written consent of the Majority Noteholder:</p> <ul style="list-style-type: none"> make any change to the Board of Directors or key management of Bullseye; create any encumbrance over an asset or undertaking; sell significant asset or assets worth more than 25% of Bullseye's market value; take any step to dissolve or wind up any Group company; or issue any securities other than incentives securities;
Conversion	<ul style="list-style-type: none"> Full or partial conversion at any time prior to 15 days before Maturity Date at Noteholder's discretion, at A\$0.26 A\$0.30 per share. Full or partial conversion in the 15 days prior to Maturity Date at the Company's discretion, at A\$0.26 A\$0.30 per share. If the Company issues additional equity at a price lower than A\$0.26 A\$0.30 during the term of the Note (excluding the securities the subject of Resolution 3 in the Notice of General Meeting or incentive securities), the conversion price is adjusted to a 20% discount to the new equity issue price.
Redemption	<ul style="list-style-type: none"> If Notes are not converted, cash redemption upon maturity (18 24 months from the date of issue) at \$AUD200,000 AUD200,000 per Note plus accumulated interest.

Early Redemption	<ul style="list-style-type: none"> • Noteholders can request Early Redemption at a 10% premium to face value following the material breach of any of the following covenants: <ul style="list-style-type: none"> ◦ Failure to maintain appropriate insurances; ◦ Failure to comply with material laws under relevant jurisdiction where failure to do so would have a material adverse effect on Bullseye; ◦ Without Majority Noteholder's approval, sell significant asset or assets worth more than 25% of Bullseye's market value ; or ◦ Security Interests ceasing to have purported priority or becoming ineffective. <p>Bullseye then has 90 days to redeem the Notes.</p>
Event of Default	<ul style="list-style-type: none"> • An Event of Default triggers Early Redemption at a 15% premium to face value (plus applicable interest) within 90 days of notice, being: <ul style="list-style-type: none"> ◦ Failure to issue conversion shares or other breach of these terms; ◦ Insolvency event; ◦ Change of control of Bullseye; or ◦ Sale of the business or main undertaking of Bullseye.
Default Options	<ul style="list-style-type: none"> • Following an Event of Default, all Noteholders will be entitled to be issued with unlisted options with a strike price of A\$0.25 A\$0.30 per share and 3 years to maturity. • The number of options to be issued will be calculated as being the equivalent of 50% of the number of conversion shares the Noteholder would have been entitled to had the Event of Default not occurred.
Warranties	<ul style="list-style-type: none"> • Warranties customary for a facility of this nature.
Governing Law	<ul style="list-style-type: none"> • Western Australia

SUMMARY OF TERMS FOR GOLD PREPAYMENT FACILITY

Seller:	Bullseye Mining Limited
Buyer:	Mr. Qiyuan Wu or his nominee
Gold Prepayment Facility Amount:	A\$100 million Prepayment to be advanced by the Buyer and repaid by the Seller via delivery of gold ounces in line with the agreed terms.
Purpose (Use of Funds):	To support the capital expenditure programme relating to the expansion, process plant construction, mine development and ultimate production of the Seller's North Laverton Gold Project.
Facility Rate (Margin):	9.8% -8.0%
Fees:	Fees and charges in line with standard commercial rates and customary of a facility of this nature.
Royalty:	NSR Royalty of 2.5% – Capped. Royalty ceases once the Seller has delivered 12,000 ounces of Gold to the Buyer.
Upfront Option Period to Proceed with Gold Prepayment:	10 Months from execution of the Gold Prepayment Deed at the election of the Buyer, or other such date as agreed between the Parties.
Spot Price for Gold Prepay Calculation/s:	A\$1,700 per ounce.
Conditions Precedent to initial Gold Prepayment:	Conditions Precedent to the initial Gold Prepayment being made will include, but not be limited to: <ul style="list-style-type: none"> - Seller's Shareholder Approval granted for the issue of Convertible Notes to the value of AUD\$30 million; - Exercise of the Upfront Option by the Buyer within the Upfront Option period; - Delivery of a BFS or equivalent level document providing sufficient evidence that the Seller has the capability to meet the proposed Gold Repayment Delivery Schedule.
Funds Utilisation (First Drawdown):	Anticipated to be 10 months from execution of the Gold Prepayment Deed and upon Conditions Precedent to Gold Prepayment being satisfied.
Availability Period:	Up to 36 months from the date of First Drawdown.
Gold Repayment Delivery Schedule:	Gold Prepayment Facility, Margin and all associated fees and charges will be repaid via quarterly deliveries of gold, anticipated to commence within 24 months of First Drawdown and across a Delivery Period of up to 48 months.
Security:	First ranking security over mining leases M37/1309, M37/108, M37/519 and M37/1167, to be shared pari passu with the Seller's Convertible Note Holders. The Buyer will become a beneficiary under a security trust structure to be implemented and will remain in place to reflect this facility as secured money.

Reduced Prepayment Amount:	The net Gold Prepayment Facility Amount outstanding at any point in time taking into account all gold ounces delivered to date.
Accelerated Delivery:	Upon 5 business days' prior written notice the Seller may elect to deliver additional ounces of gold in reduction of the overall outstanding gold ounces to be delivered.
Failure to Deliver:	In case of late delivery the number of gold ounces due but not delivered on the delivery date will be converted to a dollar amount using the prevailing gold spot price on the delivery date. Subject to the approval of the Buyer, the Seller shall pay (or deliver gold equivalent to) the Buyer that amount and, if not paid immediately, interest shall accrue on the amount at the Overdue Rate until payment of the overdue amount is made in full.
Overdue Rate:	Facility Margin Rate + 2.00%
Project:	North Laverton Gold Project (NLGP)
Independent Technical Consultant ("ITC"):	Kirk Mining Consultants Pty Ltd or other such ITC nominated by the Company acting reasonably.
Governing Law & Jurisdiction:	This term sheet and all documentation related to the Gold Prepayment Deed shall be governed and construed in accordance with the laws, and under the jurisdiction of the courts, of Western Australia.

PROXY FORM

The Company Secretary, Bullseye Mining Limited

By Delivery:

2/5 Brolo Court
 O'Connor WA 6163

By Post:

P.O. Box 455
 Fremantle WA 6959

By Facsimile:

+61 8 9385 0323

By E-mail:

peter.burns@bullseyemining.com.au

Name of Shareholder:

Address of Shareholder:

Number of Shares entitled to vote:

Please mark to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 - Appoint a Proxy to Vote on Your Behalf

The Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is 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 Meeting of the Company to be held at 2:00pm (WST) on Monday, 17 September 2018, at 2/5 Brolo Court, O'Connor WA 6163 and at any adjournment or postponement of that Meeting. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is _____% of the Shareholder's votes / _____ of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Important – If the Chairman is your proxy or is appointed as your proxy by default

The Chairman intends to vote available and undirected proxies: **'For'** Resolutions 1, 2, 5 and 11 and **'Against'** Resolutions 6, 7, 8, 9 and 10.

If the Chairman is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to the Resolutions, you will be expressly authorising the Chairman to vote in accordance with the Chairman's voting intentions on all Resolutions.

Step 2 - Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Issue of Mullan Convertible Notes			
Resolution 2	Approval of Mullan Gold Prepayment Deed			
Resolution 3	Issue of Wu Convertible Notes	WITHDRAWN		
Resolution 4	Approval of Wu Gold Prepayment Deed	WITHDRAWN		
Resolution 5	Removal of director – Wu			
Resolution 6	Appointment of director – Clark			
Resolution 7	Appointment of director – Qui			
Resolution 8	Removal of director – Peter J Burns			
Resolution 9	Removal of director – Peter G Burns			
Resolution 10	Removal of director – Dariena Mullan			
Resolution 11	Approval of Share issue to Olgen Pty Ltd			

THE CHAIRMAN INTENDS TO VOTE ALL AVAILABLE AND UNDIRECTED PROXIES IN FAVOUR OF RESOLUTIONS 1, 2, 5 AND 11 AND AGAINST RESOLUTIONS 6, 7, 8, 9 AND 10.

Authorised signature/s

This section *must* be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name	Contact Daytime Telephone	Date
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Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

- Joint Holding: where the holding is in more than one name all of the holders must sign.
- Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
- Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company (2/5 Brolo Court, O'Connor WA 6163 or (08) 9385 0323 if faxed from within Australia or +618 9385 0323 if faxed from outside Australia or by email at peter.burns@bullseyemining.com.au) not less than 48 hours prior to the time of commencement of the Meeting (WST).

Annexure B – Media Releases relating to the Takeovers Panel Application



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP18/55

Friday, 27 July 2018

Bullseye Mining Limited - Panel Receives Application

The Panel has received an application from Bullseye Mining Limited in relation to its affairs. Bullseye (an unlisted public company) is currently the subject of an off-market takeover bid by Opus Resources Pty Ltd, a wholly owned subsidiary of Red 5 Limited (ASX:RED).

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

Red 5's bid is currently scheduled to close at 5pm (Perth time) on 31 August 2018.

On 23 July 2018, Bullseye received separate requisitions from Mr Wu Qiyuan (a director of Bullseye) and Fountain Enterprise Int'l Co., Limited under s249D of the Corporations Act 2001 (Cth) to call and arrange a general meeting to consider resolutions to remove the other Bullseye directors and appoint Mr Brett Clark and Mr Yiyang Qiu as directors.

Bullseye submits that Mr Wu Qiyuan is associated with Fountain and other Bullseye shareholders¹ (Associated Parties), and that these circumstances are unacceptable because (among other things) there has been a breach of s606.

Bullseye seeks interim orders to the effect that each of the Associated Parties be restrained from acquiring or disposing of any shares in Bullseye (including accepting into Red 5's bid) and be restrained from voting any of their Bullseye shares which, taken together, would represent more than 20% of the voting power in Bullseye.

Bullseye seeks final orders to the effect that 15,216,817 Bullseye shares held by Fountain and 13,560,000 Bullseye shares held by Mr Wu Qiyuan be vested in ASIC

¹ Hongkong Xinhe International Investment Company Limited, Ping Zhao, R-East International Ltd, Xinlei Wu and Cong Bo

for sale. Bullseye also seeks final orders to the effect that the Associated Parties not acquire further Bullseye shares for 6 months, not be permitted to take into account any vested shares for the purposes of the creep exception in item 9 of s611, and disclose their voting power in Bullseye.

Allan Bulman
Director, Takeovers Panel
Level 10, 63 Exhibition Street
Melbourne VIC 3000
Ph: +61 3 9655 3500
takeovers@takeovers.gov.au



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP18/58

Wednesday, 8 August 2018

Bullseye Mining Limited – Panel Declines to Conduct Proceedings

The Panel has declined to conduct proceedings on an application dated 27 July 2018 from Bullseye Mining Limited (an unlisted public company with over 50 members) in relation to its affairs.

The application concerned whether Mr Wu Qiyuan and Fountain Enterprises Int'l Co., Limited (who separately requisitioned to call and arrange a general meeting of Bullseye) were associated with each other and other Bullseye shareholders (see [TP18/55](#)). The Panel considered there was an insufficient body of material to justify the Panel making further enquiries as to whether Mr Wu Qiyuan and Fountain were associated with other Bullseye shareholders that would result in an acquisition of a relevant interest in breach of s606.

The sitting Panel was Richard Hunt (sitting President), Rory Moriarty and Neil Pathak.

The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

Allan Bulman
Director, Takeovers Panel
Level 10, 63 Exhibition Street
Melbourne VIC 3000
Ph: +61 3 9655 3500
takeovers@takeovers.gov.au