

SUPPLEMENTARY TARGET'S STATEMENT

Issued by



Bullseye Mining Limited
(ACN 118 341 736) (Bullseye)

in relation to the takeover offer by **Au Xingao Investment Pty Ltd**
(ACN 603 261 052) (Xingao) for all of the ordinary shares in
Bullseye Mining Limited.

This is an important document and requires your immediate attention.

If you are in doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

Legal Adviser to Bullseye



1. IMPORTANT NOTICE

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth) ("**Act**") and is dated 17 June 2022.

It is the supplementary target's statement (**Supplementary Target's Statement**) to the Target's Statement dated 18 March 2022 issued by Bullseye Mining Limited (ACN 118 341 736) (**Bullseye**) and lodged with ASIC on 18 March 2022, in relation to the Offer by Au Xingao Investment Pty Ltd (ACN 603 261 052) (**Xingao**). Further information relating to the Offer can be obtained from the Bidder's Statement, the Replacement Bidder's Statement, the First Supplementary Bidder's Statement, the Second Supplementary Bidder's Statement, the Third Supplementary Bidder's Statement, the Fourth Supplementary Bidder's Statement, the Fifth Supplementary Bidder's Statement, the Sixth Supplementary Bidder's Statement, the Seventh Supplementary Bidder's Statement, the Eighth Supplementary Bidder's Statement, the Ninth Supplementary Bidder's Statement, the Tenth Supplementary Bidder's Statement, the Eleventh Supplementary Bidder's Statement, the Target's Statement and Bullseye's website at www.bullseyemining.com.au.

You should read this document in its entirety. If you are in any doubt as to how to deal with this document, you should consult your own independent legal, financial, tax or other professional adviser.

The Supplementary Target's Statement supplements, and is to be read with, the Target's Statement. This Supplementary Target's Statement will prevail to the extent of any inconsistency with the Target's Statement.

A copy of this Supplementary Target's Statement was lodged with ASIC on 17 June 2022. Neither ASIC nor any of its respective officers takes any responsibility for the contents of this Supplementary Target's Statement or the merits of the Offer.

This Supplementary Target's Statement has been approved by a resolution passed by the Directors of Bullseye.

Unless the context requires otherwise, the words and phrases defined in this Supplementary Target's Statement have the same meaning as in the Target's Statement.

A copy of this Supplementary Target's Statement and the Target's Statement can be obtained from the Bullseye website at www.bullseyemining.com.au.

2. PURPOSE OF THIS SUPPLEMENTARY TARGET'S STATEMENT

This Supplementary Target's Statement provides additional material information relevant to Bullseye Shareholders in their consideration of the Offer. The purpose of this Supplementary Target's Statement is to provide further disclosure in relation to the Target's Statement, namely to:

- (a) provide additional material information relating to Bullseye's North Laverton Gold Project;
- (b) provide an update on the status of the Offer; and
- (c) provide additional information in relation to material new circumstances which have arisen since the date of the Target's Statement.

3. EMERALD OFFER UPDATE

On 19 May 2022, Emerald Resources NL (**Emerald**) announced it had gained control of Bullseye and held an aggregate voting power in Bullseye of 50.56%. Subsequently, on 3 June 2022, Emerald announced that its aggregate voting power in Bullseye had increased to 58.79%.

As a result of having acquired a controlling stake in Bullseye, on 6 June 2022 Emerald notified Bullseye that it shortly intended to exercise its powers as a majority shareholder to reconstitute the Bullseye Board. The Board has now been duly reconstituted, such that:

- Mr Peter J Burns has resigned as a director and Chairman of Bullseye. The Board are greatly appreciative of the tremendous dedication and service to Bullseye and its shareholders from Mr Burns, over the last 16 years, since founding Bullseye;
- Mr Ian Ladyman has resigned as a director of Bullseye and again, the Board are greatly appreciative of the service and commitment from Mr Ladyman in assisting the Company through a pivotal and transformational stage of Bullseye's development;
- Mr Morgan Hart, Managing Director and CEO of Emerald, has been appointed as a director and Chairman of Bullseye; and
- Mark Clements, Company Secretary of Emerald, has been appointed as a director and Company Secretary of Bullseye.

Pursuant to Bullseye's Constitution, in circumstances where the Board is deadlocked on a particular matter, the Chairman has an additional casting vote.

4. XINGAO OFFER UPDATE

(a) Section 3 – Additional Information

The information in section 3 of the Target's Statement relating to the Xingao Offer is supplemented as follows:

(b) Section 3.7 – Intentions of Xingao

On 2 June 2022, Xingao issued its Ninth Supplementary Bidder's Statement. Notwithstanding the fact that Emerald now holds a relevant interest in Bullseye in excess of 50%, Xingao stated in its Ninth Supplementary Bidder's Statement that it intended to continue with its takeover bid, with a view to increasing its interest in Bullseye.

Subsequently, by way of its Eleventh Supplementary Bidder's Statement dated 16 June 2022, Xingao provided additional information in relation to its intentions, stating that if the Xingao Offer were to close without Xingao having acquired voting power in Bullseye of more than 20%, it would, within 3 months of the Xingao Offer closing, seek to acquire additional Bullseye shares from shareholders who might wish to sell their shares up to the limit currently permitted under the Corporations Act, at a price of at least \$0.35 in cash. Based on publicly available information, Bullseye understands that Xingao's voting power in Bullseye remains unchanged at 15.3% as at the date of this Supplementary Target's Statement.

The offer period for the Xingao Offer has been extended several times, most recently in its Eleventh Supplementary Bidder's Statement. As at the date of this Supplementary Target's

Statement, the Xingao Offer remains open for acceptance until **5:00pm (AWST) 1 July 2022**, unless withdrawn or further extended.

(c) Section 3.6 - Conditions to the Xingao Offer

In its Ninth Supplementary Bidder's Statement, Xingao waived the majority of the Conditions to which the Xingao Offer was previously subject. Following such waiver, the Xingao Offer is now subject to the following Conditions, both of which remain outstanding as at the date of this Supplementary Target's Statement:

- (i) there is no objection to Xingao acquiring Bullseye Shares under the FATA (ie the "FIRB approval" condition); and
- (ii) none of the prescribed occurrences listed in section 652 of the Corporations Act happen in relation to Bullseye during the period from the Announcement Date to the date that is three Business Days after the end of the Offer Period (each inclusive).

(d) Section 3.6(c) – Additional Information regarding Conditions

In its Tenth Supplementary Bidder's Statement dated 10 June 2022, Xingao advised that the statutory deadline for Xingao's application to FIRB to be considered had been extended to 30 June 2022. No further information has been provided as to the progress of Xingao's application or whether it is likely to be accepted by FIRB (although Xingao has stated that FIRB has not given it reason to believe the application will be unsuccessful).

5. WITHDRAWAL RIGHTS UNDER THE XINGAO OFFER

Bullseye Shareholders who have previously accepted the Xingao Offer now have the right to withdraw their acceptance under sections 650D and 650E of the Corporations Act. Any such Bullseye Shareholders who wish to withdraw their acceptance should refer to Xingao's Ninth Supplementary Bidder's Statement for additional information as to the withdrawal process.

6. INFORMATION RELATING TO BULLSEYE

(a) Section 7.1 – Additional Information

The information in section 6.2 of the Emerald Offer Target's Statement, section 6.4 of the Emerald Offer Supplementary Target's Statement and section 7 of the Target's Statement is supplemented as follows:

(b) Bungarra Project Update

The Blue Cap Bullseye Joint Venture (**Joint Venture**) completed a successful third processing campaign of Bungarra ore at the Wiluna Gold Processing Centre (**Wiluna**) in April, with final reconciliation and gold sales taking place throughout May. Continuing inclement weather events and shire road closures throughout March and April, along with a shorter than anticipated processing campaign window at Wiluna, resulted in Campaign 3 ultimately processing less ore than the originally forecast 84,000 dry metric tonnes.

Overall, a total of 81,321 dry metric tonnes of Bungarra ore were processed in Campaign 3, generating 7,786 recovered gold ounces, with a recovery of 91.3%. The overall grade of 3.25 g/t was slightly lower than the forecast of 3.41g/t for this particular campaign, noting that

further ore remains stockpiled on the Bungarra ROM pad for a potential further future processing campaign.

The 7,786 gold ounces from Campaign 3 were sold during May, realising an average sale price of A\$2,648 per ounce, generating gross revenue for the Joint Venture of A\$20.62 million.

A comparison of the actual outcomes of Campaign 3 as against the forecast values previously disclosed in the Target's Statement is provided below:

	Tonnes Milled (dmt)	Contained Ounces	Head Grade	Recovery	Recovered Ounces	Gold Price	Revenue
Forecast April 22	84,000	9,197.9	3.41	94%	8,646.0	A\$2,600/oz	\$A22.5m
Actual Completed	81,321	8,510	3.25	91.3%	7,786.2	A\$2,648/oz	\$A20.62m
Percentage achieved	96.81%	92.52%	95.31%	97.13%	90.06%	101.85%	91.64%

The Joint Venture is currently considering the possibility of undertaking one or more further toll treatment campaigns, with any decision in that regard to be made having regard to matters including the economics of retaining the remaining Bungarra ore stockpiles on-site with a view to processing through a future on-site gold processing plant at the North Laverton Gold Project and the economics of third party toll treatment (whether via Wiluna or other processing facilities within an economically viable distance from the Bungarra Project).

In summary, as at the date of this Supplementary Target's Statement, the following ore has been processed or stockpiled from the Bungarra Project:

		Tonnes Milled (dmt)	Contained Ounces	Head Grade	Recovery	Recovered Ounces
Campaign 1	Actual Completed	38,106	5,996	4.87	94.8%	5,656
Campaign 2	Actual Completed	84,794	7,341	2.69	94.3%	6,923
Campaign 3	Actual Completed	81,321	8,510	3.25	91.3%	7,786.2
Total		204,221	21,817	3.32	94.3%	20,365.2
Bungarra Stockpile	Available for processing	190,338 (est)	6,221 (est)	1.02 (est)	93% (est)	5,784.1 (est)

All in Sustaining Costs (AISC) for the Bungarra Project across Campaigns 1, 2 and 3 remained materially in line with previous guidance and were recently revised slightly, to the range of A\$1,760 to A\$1,800 per ounce (excluding development costs), with some cost impacts relating to the sharp increases in the cost of diesel fuel flowing through to project costs, particularly in relation to ore haulage.

(c) Blue Cap Bullseye Joint Venture

With net proceeds now being available from the recent Campaign 3 gold sales, funds will be progressively remitted by Blue Cap Bullseye Joint Venture Pty Ltd (**BCBJV**) against the various loans provided by Bullseye and Blue Cap Equities Pty Ltd (**Blue Cap**), consistent with the terms of those relevant loans.

Pending a decision whether or not the Joint Venture will continue with future mining and processing operations, the Board of BCBJV will determine the extent to which it is appropriate to retain monies within the Joint Venture structure for future working capital and operational requirements.

7. ADDITIONAL INFORMATION IN RELATION TO NEW CIRCUMSTANCES

(a) Section 8 – Additional Information

Additional information in relation to material new circumstances which have arisen since the date of the Target's Statement is as follows:

(b) Proposed Boundary/Bungarra drilling programme

As stated in Emerald's letter to Bullseye shareholders dated 6 June 2022, Bullseye is currently in the process of formulating an extensive further drilling programme at the NLGP which it intends to commence in the coming weeks in relation to the Boundary through Bungarra mineralised zone. The proposed programme is anticipated to comprise in the order of 98,000 metres of RC and diamond drilling (collectively) and is in the final stages of planning.

The overall drill program is anticipated to cost in the range of \$10million to complete. Further details in relation to this programme, including as to the number, depth and location of holes anticipated to be drilled, overall costs, timing and source of funds, will be provided as they are finalised.