



ABN 37 118 341 736

# ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023



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# BULLSEYE MINING LIMITED

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## **BULLSEYE MINING LIMITED**

### **CHAIRMAN'S LETTER**

Dear Shareholder,

I am pleased to present Bullseye Mining's Annual Report for the year ended 30 June 2023, for what has been another busy and eventful year for the Company.

The North Laverton Gold Project (NLGP) activities during the year included extensive RC and diamond drilling works with associated pre-development activities. The results continue to demonstrate the potential of this largely underexplored area and gives strong encouragement that the project will develop into a standalone gold producing mine in the coming years.

This exploration program continues to deliver strong gold mineralised intervals in drilling data and, combined with results from previous drilling programs, will be used to estimate an updated JORC compliant Mineral Resource at the NLGP and a maiden Ore Reserve.

We are confident that this drilling campaign will lead to investment in production in the coming year, delivering a strong and growing portfolio of productive gold mining assets for Bullseye.

Significantly, in May 2022, Bullseye commenced discussions with joint venture partner, Blue Cap Equities Pty Ltd (Blue Cap), to disband the Blue Cap Bullseye JV and by October 2022, Bullseye successfully acquired 100% of the joint venture and regained 100% ownership of the Neptune and Bungarra deposits (including approx. 200kt of Bungarra gold ore stockpiles).

Post 30 June 2023, our majority shareholder (57.34%), Emerald Resources NL launched a bid to purchase the remaining Bullseye Mining shares, not currently held by them, and this bid has the support of the Independent Board Committee (IBC) of the Bullseye Board.

At the time of writing this report 76.5% of Bullseye's shares are now held by Emerald, including the acceptances of Xinhe International Investment Company Limited (Xinhe) and Au Xingao Pty Ltd (Au Xingao). This acceptance has also seen the cessation of all legal actions by Xinhe and Au Xingao, enabling the Company to move forward with its development plans. The bid is now unconditional and capable of acceptance. The IBC continues to encourage Bullseye shareholders to accept the offer.

The IBC is currently preparing a Supplementary Target's Statement in accordance with the Takeovers Panel orders of 6 October 2023 which, once released, will determine the closing date of Emerald's offer.

Completing this transaction will enable further investment in the highly prospective North Laverton Gold Project.

I'd like to thank my fellow Board members and all Bullseye employees and contractors for their dedication and support throughout this year, including our exploration team who are on the ground in the goldfields.

The coming year is expected to be exciting and transformational for Bullseye Mining and its shareholders, and I look forward to reporting back to you on the continuing success of our exploration program, with an updated JORC compliant Resource and Reserve at the NLGP.

Yours faithfully,

Morgan Hart  
Chairman



## BULLSEYE MINING LIMITED

### DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2023.

The names of the directors in office at any time during, or since the end of the year are:

Mr Morgan Hart	Non-Executive Chairman
Mr Peter G Burns	Executive Director
Mr Anthony Short	Non-Executive Director
Mr Mark Clements	Non-Executive Director & Company Secretary

#### Information on directors

<b>Morgan Hart</b>	<b>Non-Executive Chairman</b>
Appointed	9 June 2022
Experience	Mr Hart is a Geologist and experienced Mining Executive. He is formerly an Executive Director COO of Regis Resources Ltd, responsible for the development of three gold mines in four years (Moolart Well, Garden Well and Rosemont). Prior to that, Mr Hart was Executive Director COO of Equigold NL, responsible for the development and construction of the Bonikro Gold Project in Ivory Coast West Africa along with the management of the operation of the Mount Rawdon and Kirkalocka gold mines in Australia. Mr Hart is the Managing Director of Bullseye's ultimate parent company, ASX Listed Emerald Resources NL.
Interest in securities	Nil
ASX directorships in the last 3 years	Emerald Resources NL – 30 July 2014 to current
<b>Peter G Burns</b>	<b>Executive Director</b>
Appointed	16 August 2012
Experience	Mr Burns holds a Bachelor of Business degree with a double major in Management and Marketing and is a Fellow of the Australian Marketing Institute and Member of the Australian Institute of Management.  Mr Burns has over 22 years professional experience in the areas of Business Development, Marketing and Management in various roles, held at both state and national levels. Mr Burns has 9 years public company experience, fulfilling the roles of Marketing Manager, General Manager and Executive Director of an ASX listed company. Mr Burns has held the role of Executive Director of Bullseye for over 10 years and has played a key role in the identification, consolidation and successful development of the Company's flagship North Laverton Gold Project, incorporating the entire Dingo Range Greenstone Belt, which is proving to be a substantial asset for the Company.
Interest in securities	Nil
ASX directorships in the last 3 years	Nil



## BULLSEYE MINING LIMITED

### DIRECTORS' REPORT

Anthony Short	Non-Executive Director
Appointed	5 August 2021
Experience	Mr Short is an experienced public company director with over 30 years in the hard rock mining and oil and gas sectors, both internationally and within Australia. Mr Short has an extensive history of working in the venture capital and private equity spaces, along with sound experience in corporate governance in both the public and private sector. Skilled in investor relations, analytical skills, asset management, management and corporate development. Mr Short is a proven business innovator, having been involved with the commercial delivery of cutting-edge proprietary mining technology developed in conjunction with AusIndustry and the University of Adelaide, South Australia. Mr Short is currently the Chairman of a private mining group that is currently operating the Frances Creek Iron Ore Mine in the Northern Territory which has developed proprietary 'World First' ore sorting technology, enabling low-grade Iron Ore to be beneficiated to Direct Shipping Ore (DSO).
Interest in securities	Nil
ASX directorships in the last 3 years	Nil

Mark Clements	Non-Executive Director & Company Secretary
Appointed	9 June 2022
Experience	Mr Clements has extensive experience in corporate accounting and public company administration. He is Company Secretary for a number of diversified ASX listed companies. Mr Clements previously worked for an international accounting firm. He is a Fellow of the Institute of Chartered Accountants in Australia, Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors. Mr Clements is a Non-Executive Director of Bullseye's ultimate parent company, ASX Listed Emerald Resources NL.
Interest in securities	Nil
ASX directorships in the last 3 years	Emerald Resources NL – 12 June 2020 to current Alterra Limited – February 2021 to current MSM Corporation International Ltd – January 2016 to 23 November 2021 (delisted)

All directors have been in office since the start of the financial year to the date of this report.

### Share Options and Performance Rights on Issue at the Date of this Report

The Company has no share options or performance rights on issue at the date of this report.

### Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023 and the number of meetings attended by each director were:

Director	Full Board			Independent Board Committee		
	Held	Eligible to attend	Attended	Held	Eligible to attend	Attended
Morgan Hart	9	9	8	8	-	-
Peter G Burns	9	9	9	8	8	8
Anthony Short	9	9	9	8	8	8
Mark Clements	9	9	9	8	-	-



## **BULLSEYE MINING LIMITED**

### **DIRECTORS' REPORT**

#### **REVIEW OF OPERATIONS**

##### **HIGHLIGHTS**

- **Significant gold mineralisation from Bullseye's resource exploration program on the Boundary and Neptune Prospects continues to demonstrate upside potential:**
  - 15m @ 5.91g/t Au from 291m (RCDD23BDY022);
  - 43m @ 1.17g/t Au from 253m (RC23BDY065);
  - 7.08m @ 6.91g/t Au from 329m (RCDD22BDY001); and
  - 8.88m @ 5.06g/t Au from 313m (RCDD23BDY059).
- **These results have given Bullseye the confidence to accelerate the exploration program by increasing drilling capacity to generate an updated resource during the second half of 2023 with the goal of commencing development activities in 2024.**
- **Cessation of all legal actions by Xinhe and Au Xingao, enabling Bullseye to move forward with development plans.**

##### **CORPORATE**

The total loss for the year, with the inclusion of anomalous legal expenditure of \$3,351,509 (2022: \$5,330,339) was \$9,044,302 (2022: \$9,956,696).

Capitalised exploration expenditure for the financial year amounted to \$10,910,325 (2022: \$1,158,114), excluding expenditure relating to the acquisition of the Blue Cap Bullseye Joint Venture and the Dingo Range Joint Venture.

##### **Changes in Equity**

During the financial year, the Company issued a total of 38,681,662 shares, via entitlements issues at \$0.29 per share, raising a total of \$11,217,682. These issues funded all of the Company's corporate, exploration and operational activities throughout the year.

##### **Takeover Activity**

At the beginning of the year, Emerald Resources NL (Emerald) held a direct equity ownership in Bullseye of 59.32%. Following the two rights issues mentioned above, Emerald's direct equity ownership in Bullseye increased from 59.32% to 60.04% during the financial year. Subsequent to year end, a takeover bid was announced by Emerald to acquire the remaining shares of Bullseye (refer to note 31).

##### **Formation of Independent Board Committee**

On 25 May 2023, in response to the receipt by the Company of a non-binding, confidential, incomplete and indicative proposal from Emerald in relation to a proposed takeover bid, the Bullseye Board resolved to establish an Independent Board Committee (IBC) to represent Bullseye in relation to matters associated with the consideration of, response to and management of the proposed takeover bid.

The formation of the IBC followed established best practice in circumstances where two of the four Directors – Mr Morgan Hart and Mr Mark Clements – are representatives of Emerald and are unable to make an unconflicted assessment as to the merits of the Offer. The Independent Board Committee comprises:

- Mr Anthony Short (IBC Chairman), who is a Non-Executive Director of Bullseye; and
- Mr Peter G Burns, who is an Executive Director of Bullseye.



# BULLSEYE MINING LIMITED

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS

### OPERATIONS

Figure 1 | North Laverton Gold Project Location

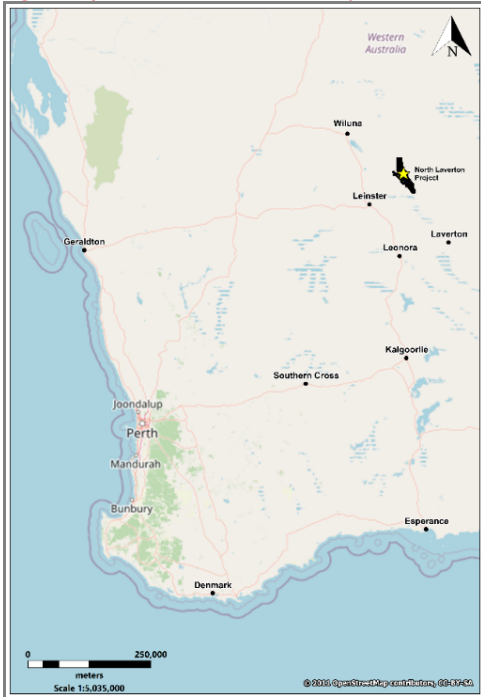


Figure 2 | North Laverton Gold Project Location

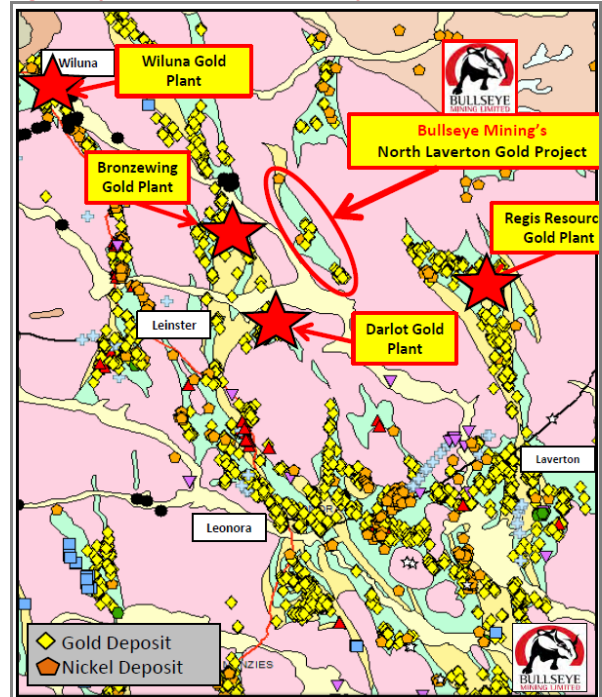


Figure 3 | Known gold mineralisation zones

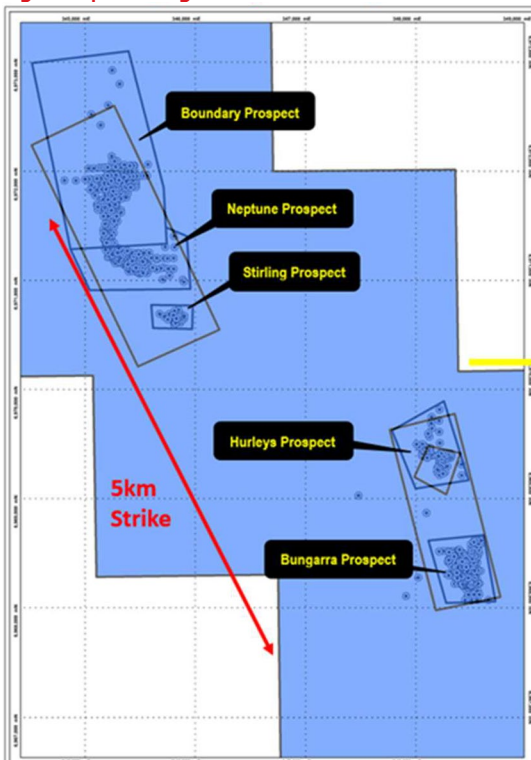
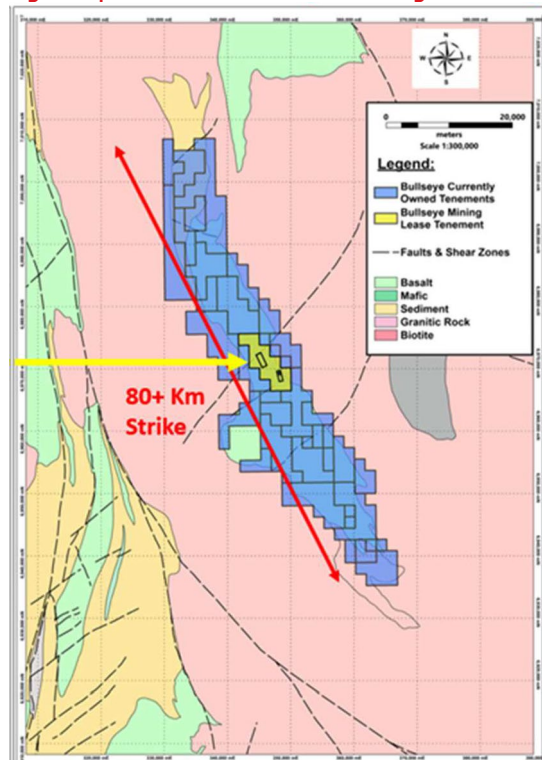


Figure 4 | North Laverton Tenure Holding





## **BULLSEYE MINING LIMITED**

### **DIRECTORS' REPORT**

#### **REVIEW OF OPERATIONS**

##### **Boundary & Neptune Gold Prospects**

During the year, the Company completed ~35,400m of the planned ~90,000m RC and diamond resource drill program. The drill program is designed to follow up existing significant results across ~114,000m of existing drilling completed to an average depth of ~120m.

The Company focused on the resource definition of the Boundary (73 collars – 12,640m RC and 3,264m diamond), Neptune (89 collars – 12,396m RC and 3,339m diamond) and Stirling (15 collars – 1,839m RC) prospects. The significant results reported by the Company during the year include:

##### **Boundary**

- 13m @ 2.54g/t Au from 76m including 1m @ 19.30g/t Au from 81m (RC22BDY001)<sup>(1)</sup>;
- 38m @ 1.65g/t Au from 56m including 1m @ 16.60g/t Au from 92m (RC22BDY009)<sup>(2)</sup>;
- 5m @ 6.33g/t Au from 100m including 2m @ 14.70g/t Au from 100m (RC22BDY016)<sup>(2)</sup>;
- 14m @ 1.98g/t Au from 49m (RC23BDY029)<sup>(3)</sup>;
- 4m @ 7.12g/t Au from 22m including 1m @ 25.97g/t Au from 25m (RC23BDY047)<sup>(3)</sup>;
- 15m @ 1.13g/t Au from 76m (RC23BDY051)<sup>(3)</sup>;
- 5m @ 3.23g/t Au from 54m including 1m @ 14.34g/t Au from 58m (RC23BDY031)<sup>(3)</sup>;
- 3m @ 5.13g/t Au from 352m including 1m @ 13.30g/t Au from 354m (RCDD23BDY041)<sup>(3)</sup>;
- 15m @ 5.91g/t Au from 291m (RCDD23BDY022)<sup>(4)</sup>;
- 43m @ 1.17g/t Au from 253m (RC23BDY065)<sup>(4)</sup>;
- 7m @ 6.91g/t Au from 329m (RCDD22BDY001)<sup>(4)</sup>; and
- 9m @ 5.06g/t Au from 313m (RCDD23BDY059)<sup>(4)</sup>.

##### **Neptune**

- 12m @ 4.94g/t Au from 62m including 1m @ 9.07g/t Au from 69m and 1m @ 42.90g/t Au from 72m (RC22NPT003)<sup>(1)</sup>;
- 15m @ 2.48g/t Au from 108m including 1m @ 7.39g/t Au from 116m and 2m @ 7.79g/t Au from 118m (RC22NPT004)<sup>(1)</sup>;
- 9m @ 7.35g/t Au from 59m including 1m @ 58.27g/t Au from 61m and 1m @ 16.02g/t Au from 73m (RC22NPT027)<sup>(2)</sup>; and
- 14m @ 2.37g/t Au from 115m including 4m @ 4.63g/t Au from 117m (RC22NPT020)<sup>(2)</sup>.

(1) Refer EMR ASX announcement 7 October 2022;

(2) Refer EMR ASX announcement 21 January 2023;

(3) Refer EMR ASX announcement 28 April 2023;

(4) Refer EMR ASX announcement 4 July 2023





# BULLSEYE MINING LIMITED

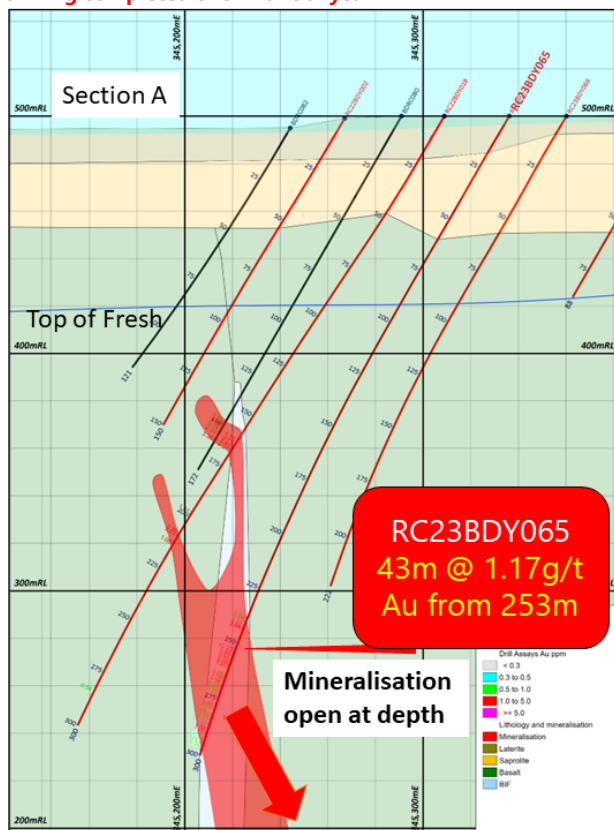
## DIRECTORS' REPORT

### REVIEW OF OPERATIONS

Results from drilling to date continue to delineate mineralised high-grade structures. Mineralisation remains open at depth and along strike across all prospects (refer Figures 5, 6, 7 and 9).

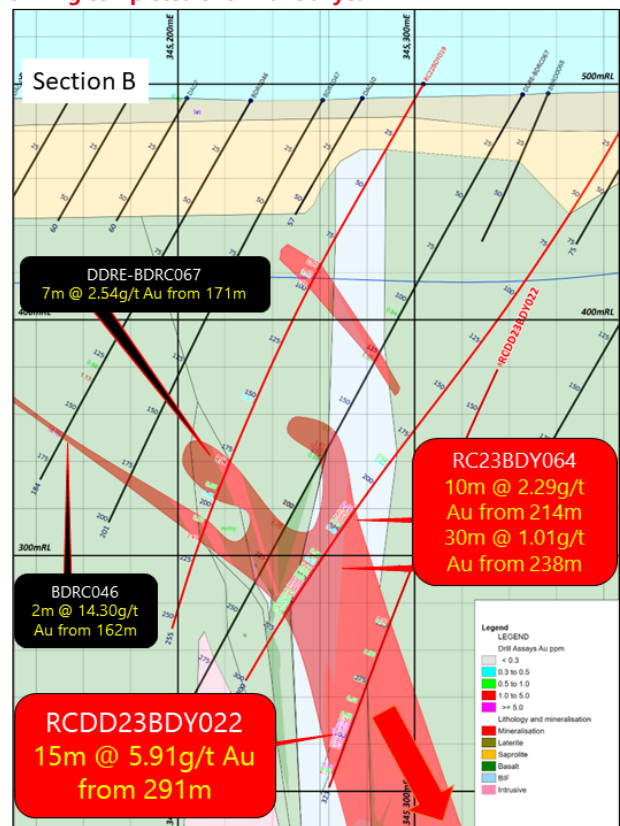
**Figure 5 | Cross section of northernmost section of the Boundary prospect showing wide, high-grade zones of continuous mineralisation which is untested at depth and to the north of this section.**

Black drill traces are historic drilling and Red drill traces are drilling completed this financial year



**Figure 6 | Cross section 50m south of the cross section shown in Figure 5 in the Boundary prospect showing wide, high-grade zones of continuous mineralisation which is untested at depth.**

Black drill traces are historic drilling and Red drill traces are drilling completed this financial year

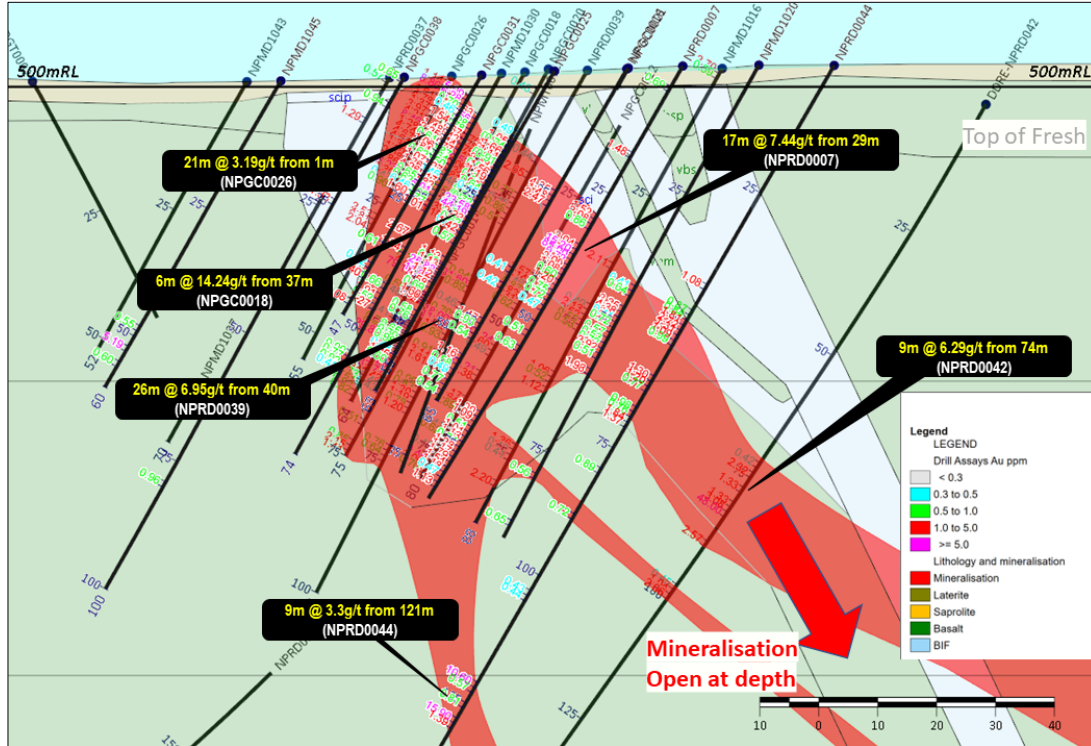




## BULLSEYE MINING LIMITED DIRECTORS' REPORT

### REVIEW OF OPERATIONS

**Figure 7 | Typical Cross section of Neptune prospect showing wide, high-grade zones of continuous mineralisation, with existing drilling limited to ~80m depth**



### North Laverton Project Historic Significant Intersections

Bullseye's current resource drill program is designed to test the strike and down dip extension of historic significant intersections. These previous drill programs include 84,028m (80,684m RC and 3,344m diamond) completed by Bullseye since 2014 and 45,583m of drilling completed by various previous tenement holders (34,695m RC, 4,587m diamond, 432m AC and 5,869m RAB) (refer Figure 8). Drill result highlights from both programs include:

#### Boundary<sup>(1)</sup>:

- 5m @ 60.25g/t Au from 171m (WDDH8);
- 45m @ 6.07g/t Au from 73m (BDRC058);
- 27m @ 9.34g/t Au from 153m (BDRC035);
- 53m @ 3.44g/t Au from 66m (WRC17) (EOH);
- 47m @ 3.42g/t Au from 93m (BDRD0025);
- 30m @ 5.16g/t Au from 151m (WDDH10);
- 19m @ 7.89g/t Au from 58m (BRC1002);
- 8m @ 17.14g/t Au from 38m (BDRC060);
- 40m @ 3.17g/t Au from 55m (BDRD0022);
- 27m @ 4.53g/t Au from 62m (BDRC014);
- 9m @ 13.55g/t Au from 42m (WDDH1);
- 30m @ 3.82g/t Au from 179m (BDRD0043);
- 9m @ 12.55g/t Au from 42m (WRC23);
- 27m @ 4.07g/t Au from 62m (BDRD0094).

#### Stirling<sup>(1)</sup>:

- 26m @ 5.83g/t Au from 33m (STRD0016);
- 38m @ 2.62 g/t Au from 16m (SRC7);
- 31m @ 2.75g/t Au from 35m (STRD0008);
- 27m @ 2.30g/t Au from 59m (STRD0007);
- 27m @ 2.25g/t Au from 31m (STRD0019).

#### Hurleys<sup>(1)</sup>:

- 12m @ 3.30g/t Au from 13m (HRRD0020);
- 12m @ 2.77g/t Au from 47m (HRRD0050);
- 3m @ 9.00g/t Au from 62m (HRRD0062);
- 9m @ 2.27g/t Au from 64m (HRRD0032).

#### Neptune<sup>(2)</sup>:

- 22m @ 4.87g/t Au from 17m (NPRD0056);



# BULLSEYE MINING LIMITED

## DIRECTORS' REPORT

### REVIEW OF OPERATIONS

#### Bungarra<sup>(1)</sup>:

- 14m @ 31.46g/t Au from 33m (LAVRD0126);
- 19m @ 13.41g/t Au from 32m (DRP495);
- 17m @ 13.28g/t Au from 49m (LAVRD0132);
- 3m @ 67.37g/t Au from 30m (BFRC15);
- 5m @ 39.41g/t Au from 31m (LAVRD0133);
- 9m @ 17.02g/t Au from 33m (BFRC13);
- 6m @ 23.26g/t Au from 89m (LAVRD0054);
- 9m @ 15.45g/t Au from 39m (LAVRD0142);
- 14m @ 9.74g/t Au from 30m (LAVGW0003);
- 9m @ 14.58g/t Au from 75m (LAVRD0054);
- 6m @ 19.28g/t Au from 53m (LAVRD0135).

- 9m @ 9.44g/t Au from 82m (NPRD0078);
- 33m @ 3.82g/t Au from 37m (NPMD1019);
- 15m @ 6.60g/t Au from 67m (NPMD1007);
- 3m @ 29.85g/t Au from 45m (NPMD1026);
- 25m @ 5.24g/t Au from 0m (NPGC0053);
- 40m @ 2.98g/t Au from 14m (NPGC0025);
- 6m @ 14.24g/t Au from 37m (NPGC0018);
- 9m @ 9.36g/t Au from 7m (NPGC0045).

#### Neptune<sup>(3)</sup>:

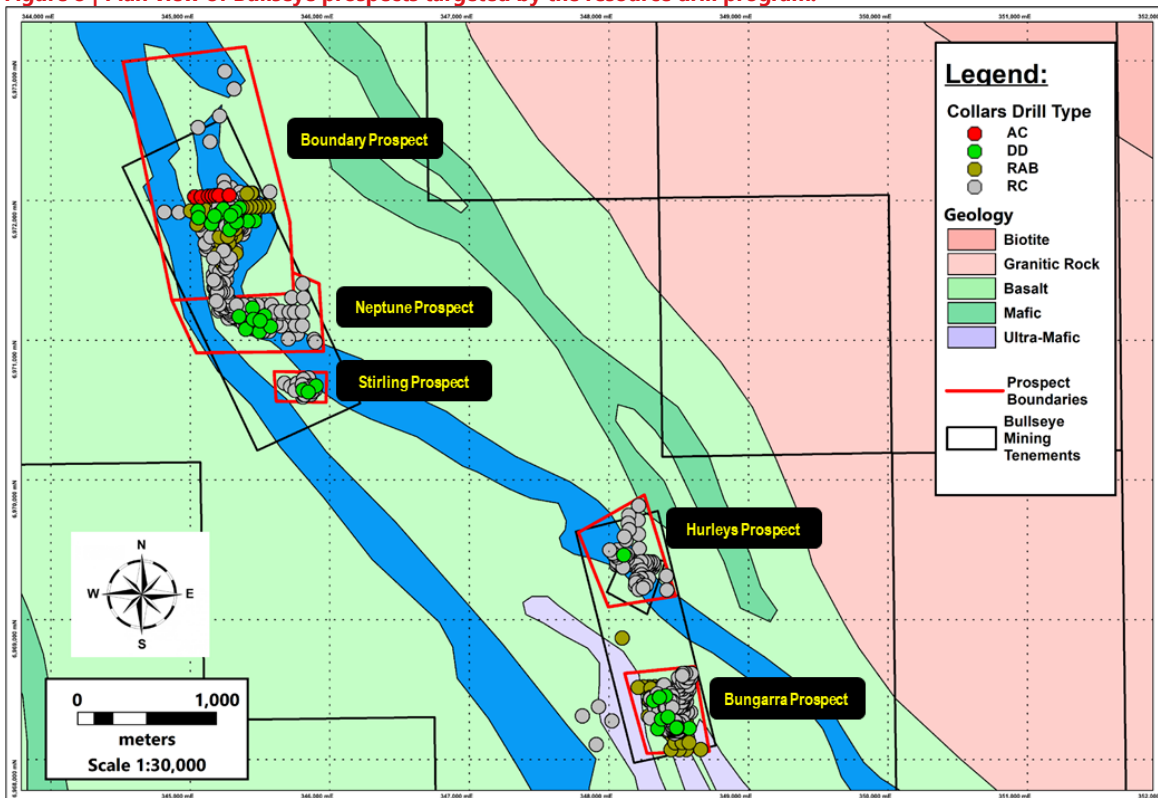
- 26m @ 6.95g/t Au from 40 (NPRD0039);
- 16m @ 10.10g/t Au from 63m (NPRD0026);
- 17m @ 7.44g/t Au from 29m (NPRD0007).

(1) Refer EMR ASX announcement 7 October 2022.

(2) Refer EMR ASX announcement 5 July 2022.

(3) Refer EMR ASX announcement 31 January 2023.

**Figure 8 | Plan view of Bullseye prospects targeted by the resource drill program.**



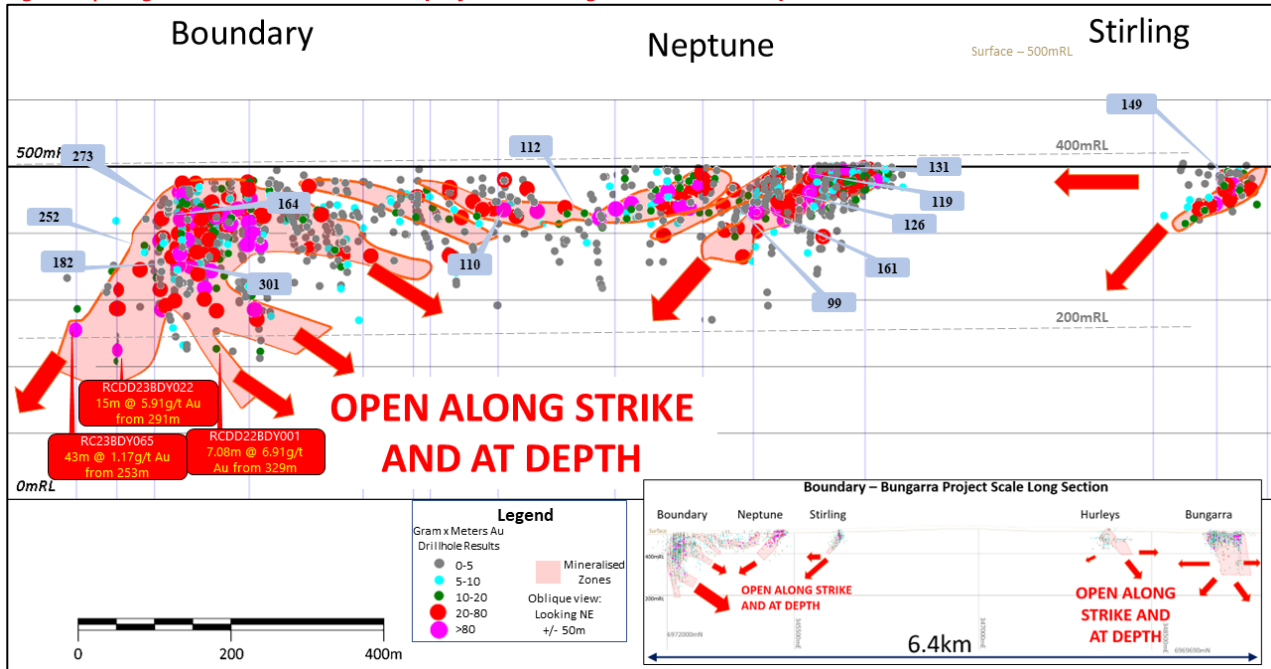


## BULLSEYE MINING LIMITED

### DIRECTORS' REPORT

#### REVIEW OF OPERATIONS

**Figure 9 | Long section of North Laverton project with Au gram metre intercepts (with new drill results in red)**



During the year, the Company completed two separate geochemical sampling programs across selected areas of potential mineralisation. 2,085 samples from a previously completed MMI sampling program were resubmitted for low-level multielement analysis around the current resource drill prospects. In addition, 983 control shallow soil samples were collected to test the validity of the areas with historical geochemical anomalism. At the time of writing several results were outstanding and the data set had yet to be fully assessed.

The Company also engaged a contractor that provided geophysical analytical services. To date they have reprocessed and provided targeting data across 713km<sup>2</sup> of Bullseye's current exploration licences.

Once all information has been collated, the Company will commence targeting regional areas for follow up exploration programs including infill geochemical surveys, geophysical surveys and drill testing.

During the year, Bullseye Mining Limited acquired Blue Cap's 30% interest in the Blue Cap Bullseye Joint Venture (BCBJV). Upon settlement, Bullseye assumed 100% ownership of all on-site Bungarra gold ore stockpiles and retained 100% rights to the Bungarra gold project and Neptune gold deposit.

Bullseye acquired Blue Cap's 30% interest in the following:

- i) The shares of Blue Cap Bullseye Joint Venture Pty Ltd;
- ii) The units in Blue Cap Bullseye Joint Venture Trust; and
- iii) The shares in Dingo Range Pty Ltd.

#### Southern Cross and Aurora Gold Projects

A program of fine-fraction (-125µm) soil sampling (681 samples) was completed during the year across the Aurora tenements to test structural, geochemical and/or lithological (Greenstone contact) targets following on from the compilation of geophysical data and full litho-structural interpretation. Assays for this work are pending.





## BULLSEYE MINING LIMITED

### DIRECTORS' REPORT

#### REVIEW OF OPERATIONS

Additionally high-level outcrop mapping and some minor rock chip sampling was also completed across the Aurora, Mt Rankin, Marvel Loch and the Hopes Hill tenements. Bullseye has now identified a number of structural, geochemical and/or lithological (Greenstone contact) targets across this tenure and a program of fine-fraction (-125µm) soil sampling has been planned to test the validity of the previous sampling and the defined targets.

The Company is currently assessing a number of opportunities for the divestment of the Southern Cross Gold Project. Further updates will be provided to shareholders in due course, as and when terms for any divestment proposal materialise.

#### FINANCING ACTIVITIES

##### Capital Raising

Funds were raised through two pro-rata non-renounceable entitlements issues during the year. In December 2022, \$6,206,564 was raised by issuing 21,401,944 shares at \$0.29 per share. In March 2023 a further \$5,011,118 was raised, by issuing 17,279,718 shares at \$0.29 per share.

##### Short-Term Working Capital Loan

In order to ensure Bullseye met its working capital requirements (including ongoing drilling and development), Emerald provided several short-term working capital loan facilities to Bullseye throughout the year. Details of the loans are below:

Loan	Facility Amount	Drawn down in FY23	Interest rate	Amount repaid (incl interest)	Date repaid
Loan #1	\$3,000,000	\$3,000,000	12%	\$3,033,205	14 Dec 2022
Loan #2	\$1,750,000	\$1,750,000	12%	\$1,773,335	24 Mar 2023
Loan #3	\$7,000,000	\$1,750,000	12%	nil	n/a

The loan facilities are unsecured, non-convertible and carry an interest rate of 12% per annum, to be capitalised and paid upon facility repayment.

#### OTHER MATTERS

##### Significant Changes in the State of Affairs

On 21 September 2022 the Company announced that it entered into a binding agreement with Blue Cap's to acquire their 30% interest in the Blue Cap Bullseye Joint Venture, which was subsequently completed on 4 October 2022.

There were no other significant changes in the Group's state of affairs during the financial year.

##### Principal Activities

The principal activity of the Group is mineral exploration and development in Western Australia.



## **BULLSEYE MINING LIMITED**

### **DIRECTORS' REPORT**

#### **REVIEW OF OPERATIONS**

##### **Likely Developments and Expected Results**

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

##### **Environmental Regulation**

The Company's operations are subject to various environmental laws and regulations under relevant government legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve. Instances of environmental non-compliance are identified either by external compliance audits or inspections by relevant government authorities. There have been no known breaches of environmental laws and regulations by the Company during the financial year.

##### **Greenhouse Gas and Energy Data Reporting Requirements**

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which required entities to report annual greenhouse gas emissions and energy use. The directors have assessed that there are no current reporting requirements but may be required to do so in the future.

##### **Dividends**

No dividends were paid during the year. The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

##### **Indemnity and Insurance of Officers**

The Company has entered into a Deed of Indemnity, Insurance and Access for all Directors (past and current) listed in this financial report that requires the Company to:

- (a) indemnify each Indemnified Person during their Office and after the cessation of that Office, in respect of certain claims made against that Indemnified Person in relation to the period of their Office to the extent allowable under the Corporations Act;
- (b) use its reasonable endeavours (subject to cost and availability) to maintain an insurance policy and pay the premiums of insurance as assessed at market rates for each Indemnified Person to the extent available under the Corporations Act, in respect of certain claims made against him or her in relation to the period of his or her Office (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company) and to continue to pay those premiums for a period of up to seven years following the termination of their Office; and
- (c) provide each Indemnified Person with access, upon ceasing to hold Office and for a period of up to seven years ('Retention Period') following that cessation, to any Group Company records which are either prepared by or provided to the Indemnified Person during the Retention Period.



## **BULLSEYE MINING LIMITED**

### **DIRECTORS' REPORT**

#### **REVIEW OF OPERATIONS**

The Company has paid an insurance premium during the year in respect of liability for any past, present or future directors, secretary and officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company.

The Company has not provided any insurance or indemnification for the Auditor of the Company.

#### **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

##### **Short-Term Working Capital Loan**

Bullseye has drawn down a further \$5,000,000 from the Emerald short-term working capital loan facility since the end of the financial year.

##### **Settled Legal Matters**

On 26 July 2023, Bullseye, Hong Kong Xinhe International Investment Company Limited (Xinhe) and Au Xingao Investment Pty Ltd (Au Xingao) and various other parties signed Settlement Deeds to settle the following matters:

- a) Hongkong Xinhe International Investment Company Limited v Bullseye Mining Limited and Ors COR 83 of 2020 in the Supreme Court of Western Australia;
- b) Hongkong Xinhe International Investment Company Limited v Bullseye Mining Limited and Ors COR 139 of 2021 in the Supreme Court of Western Australia;
- c) Hongkong Xinhe International Investment Company Limited and Anor v Bullseye Mining Limited and Ors COR 159 of 2022 in the Supreme Court of Western Australia;
- d) Hongkong Xinhe International Investment Company Limited and Anor v Bullseye Mining Limited and Ors COR 22 of 2023 in the Supreme Court of Western Australia;
- e) Cheng v Bullseye Mining Limited CIV1987 of 2020 (District Court of Western Australia), the settlement of which is limited to the counterclaim made by Bullseye against Xinhe and Mr Huang.

As consideration for the Settlement, Bullseye issued a total of 22,800,000 Bullseye shares to Au Xingao on 17 August 2023 and all parties agreed to bear their own legal costs of the various matters referred to above.

##### **Takeover bid**

On 27 July 2023, Bullseye entered into a Bid Implementation Agreement with Emerald pursuant to which, Bullseye's Independent Board Committee recommended that Bullseye shareholders accept the off-market takeover offer ('Offer'), in the absence of a superior proposal. Under the Offer, Bullseye shareholders will receive 1 new Emerald share for every 4 Bullseye shares held.

On 18 August 2023, Emerald released a Bidder's Statement. On 21 August 2023, Bullseye shareholder, Mr Desmond Mullan made an application for interim orders to the Australian Government Takeovers Panel (Takeovers Panel).

On 6 September 2023, the Company released a Target's Statement, in which the IBC unanimously recommended that shareholders accept the offer from Emerald in the absence of a superior proposal. The Target's Statement included an Independent Expert's Report by BDO Corporate Finance (WA) Pty Ltd, who concluded that the Emerald Offer of 1 Emerald Share for every 4 Bullseye Shares held is both fair and reasonable and is above the Independent Expert's estimated fair market value.



## **BULLSEYE MINING LIMITED**

### **DIRECTORS' REPORT**

#### **REVIEW OF OPERATIONS**

On 6 October 2023, the Takeovers Panel made a Declaration of Unacceptable Circumstances. The Takeovers Panel made orders that (among other things) the Company:

- (a) not process acceptances from Xinhe and Au Xingao until 5 business days after the date of the Orders (being 13 October 2023);
- (b) offer withdrawal rights to any Bullseye shareholders (other than Xinhe and Au Xingao) who have accepted the Offer as at 5:00pm (AWST) on the date of Bullseye's Supplementary Target's Statement for a period that is 10 business days after the date of Bullseye's Supplementary Target's Statement (being the withdrawal rights period). Bullseye is required to issue a Supplementary Target's Statement which includes an independent expert's report on the Share Settlement and whether Xinhe and Au Xingao have been provided with a benefit that has not otherwise been provided to other Bullseye shareholders;
- (c) dispatch a notice which explains to Bullseye shareholders the effect of the Panel's declaration and orders and includes details of how to and when they can exercise the right of withdrawal offered. This notice will explain that a Bullseye shareholder who accepts into the Offer and disposes of any Emerald shares issued to them as consideration is deemed to have forfeited their withdrawal right; and
- (d) extend the closing date of the Offer to 5:00pm (AWST) on the date that is 10 business days after the date of Bullseye's Supplementary Target's Statement.

On 13 October 2023, Emerald issued 24,278,125 shares in consideration for 97,112,500 Bullseye shares and increased its percentage to 76.50%. The Takeover Bid is due to close on 27 October 2023 (subject to further extensions to be made by Emerald to ensure the Offer remains open until 5:00pm (AWST) on the date that is 10 business days after the date of Bullseye's Supplementary Target's Statement).

At the date of this report, the preparation for the Company's Supplementary Target's Statement is underway.

#### **Change of Auditor**

On 22 August 2023, the Company advised it had received approval from the Australian Securities and Investments Commission to change its auditor to HLB Mann Judd (HLB). Accordingly, the Company accepted the resignation of BDO Audit (WA) Pty Ltd and a resolution will be placed at the Company's Annual General Meeting to ratify the appointment of HLB.

#### **LEGAL MATTERS**

##### **Matter CIV 1989 of 2020**

In May 2020, Mr Sam Cheng and Mr Eddy Cheng, as trustees of the NEZA Trust (the Plaintiffs), brought an action in the District Court of Western Australia, CIV 1989 of 2020, against Bullseye, seeking payment of capital raising fees from Bullseye in the amount of \$366,000.

On 1 June 2023, judgement was ordered in favour of Mr Sam Cheng and Mr Eddy Cheng in the sum of \$518,113 (being the sum of \$366,000 plus \$152,113 in interest).

On 19 June 2023, Bullseye filed an Appeal Notice in the Supreme Court of Western Australia (Court of Appeal) appealing against part of the judgement, which is yet to be resolved.





## **BULLSEYE MINING LIMITED**

### **DIRECTORS' REPORT**

#### **REVIEW OF OPERATIONS**

##### **Matter CIV 1987 of 2020 – District Court of Western Australia**

In May 2020, Mr Sam Cheng brought an action in the District Court of Western Australia, CIV 1987 of 2020, against Bullseye, alleging that Bullseye has breached a contract between Bullseye and Mr Cheng, entered into around 9 October 2013, by failing or refusing to pay monthly consulting fees to Mr Cheng in the amount of \$580,000 during the period from June 2018 until May 2020.

Bullseye has lodged a defence and counterclaim against Mr Sam Cheng and other parties, seeking unliquidated damages for:

- conspiring to cause harm and injury to Bullseye (against all defendants by counterclaim); and
- breach of contract and fiduciary duties owed to Bullseye (against Mr Cheng only).

The matter is in the interlocutory stages of the Court process and trial dates for this action have not yet been set.

##### **Dispute with Inca Minerals Limited**

Bullseye and Inca Minerals Limited are in dispute in relation to nickel rights on two of Bullseye's non-core tenements within Bullseye's North Laverton Gold Project. The parties attended a mediation session, facilitated by his Honour Rene Le Miere KC on 6 December 2022. A resolution to the dispute was not reached and the mediation was adjourned until a further date, yet to be set. This matter is not deemed material to Bullseye.

##### **Applications For Forfeiture and Objections to Exemption**

From 27 June 2019 through to 12 March 2020, applications for forfeiture (Plaints) were lodged against many of the Company's North Laverton Gold Project and Southern Cross tenements. A total of 18 Plaints were lodged against the Company's mining and exploration tenements by Golden Soak Enterprises Pty Ltd, however each of these were subsequently withdrawn in August 2023.

A total of 55 Plaints were lodged by West Australian Prospectors Pty Ltd (WAP) and Mr Zygmund Wolski (Wolski), collectively, against mining and exploration tenements held by Bullseye and its subsidiaries. Of those 55 Plaints, the Plaints relating to the North Laverton Gold Project have been lodged by Wolski and those relating to the Southern Cross Gold Project have been lodged by either Wolski or WAP.

In addition to the above, 14 objections to exemption from expenditure applications have been lodged by WAP or Wolski against 17 mining and exploration tenements held by Bullseye and its subsidiaries. The objections to exemption from expenditure applications were heard in the Perth Warden's Court, before Warden Cleary, on 28 and 29 March 2023, with the decision of Warden Cleary now pending.

In December 2022 and January 2023, objections to exemption from expenditure applications and applications for forfeiture were lodged by Turner River Holdings Pty Ltd (Turner River) against two tenements held by Bullseye's wholly owned subsidiary EGF Nickel Pty Ltd. Bullseye will pursue the grant of a certificate of exemption as a defence to the proceedings brought by Turner River.



## **BULLSEYE MINING LIMITED**

### **DIRECTORS' REPORT**

#### **REVIEW OF OPERATIONS**

The Auditors' Independence Declaration can be found on page 18.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors:

**Peter G Burns**  
**Executive Director**

27 October 2023

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Bullseye Mining Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia  
27 October 2023



L Di Giallonardo  
Partner

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

# BULLSEYE MINING LIMITED



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated 30 June 2023 \$	Consolidated 30 June 2022 \$
Revenue from continuing operations	3	134,500	1,226,961
Cost of sale		(23,203)	(147,180)
Accountancy expenses		(184,090)	(434,007)
Consultant fees		(895,818)	(664,212)
Depreciation and amortisation expenses	4	(1,058,195)	(75,569)
Employee benefits expenses	5	(96,342)	(1,588,631)
Written off exploration and evaluation expenses	14	(866,768)	(129,537)
Written off development assets	15	(1,860,856)	-
Finance costs		(258,699)	(1,169,123)
Other expenses	6	(3,934,831)	(6,975,398)
Loss before tax		(9,044,302)	(9,956,696)
Income tax expense	7	-	-
<b>Loss for the year after income tax expense</b>		<b>(9,044,302)</b>	<b>(9,956,696)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(9,044,302)</b>	<b>(9,956,696)</b>

*The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*



# BULLSEYE MINING LIMITED



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Consolidated 30 June 2023 \$	Consolidated 30 June 2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	600,563	5,417,723
Trade and other receivables	9	741,271	458,897
Financial assets at amortised cost	10	-	2,500,000
Inventories	11	98,649	-
Asset held for sale	12	825,852	756,366
<b>TOTAL CURRENT ASSETS</b>		<b>2,266,335</b>	<b>9,132,986</b>
<b>NON-CURRENT ASSETS</b>			
Inventories	11	1,561,153	-
Property, plant and equipment	13	658,076	250,042
Exploration and evaluation assets	14	28,581,700	15,605,486
Development expenditure	15	-	2,865,900
<b>TOTAL NON-CURRENT ASSETS</b>		<b>30,800,929</b>	<b>18,721,428</b>
<b>TOTAL ASSETS</b>		<b>33,067,264</b>	<b>27,854,414</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	3,423,612	1,616,972
Interest-bearing liabilities	17	1,757,793	51,113
Provisions	18	27,845	90,477
Other current liabilities	19	205,401	514,721
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,414,651</b>	<b>2,273,283</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	18	284,503	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>284,503</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>5,699,154</b>	<b>2,273,283</b>
<b>NET ASSETS</b>		<b>27,368,110</b>	<b>25,581,131</b>
<b>EQUITY</b>			
Issued capital	20	75,160,669	64,329,388
Reserves	21	5,734,672	5,734,672
Accumulated losses	22	(53,527,231)	(44,482,929)
<b>TOTAL EQUITY</b>		<b>27,368,110</b>	<b>25,581,131</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



## BULLSEYE MINING LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

Consolidated	Contributed Equity	Share-based payment reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	64,329,388	5,734,672	(44,482,929)	25,581,131
Loss for the year	-	-	(9,044,302)	(9,044,302)
<b>Total comprehensive (loss)</b>	-	-	<b>(9,044,302)</b>	<b>(9,044,302)</b>
Issue of shares	11,217,682	-	-	11,217,682
Share-based payments	-	-	-	-
Exercised options	-	-	-	-
Transaction costs	(386,401)	-	-	(386,401)
<b>Balance at 30 June 2023</b>	<b>75,160,669</b>	<b>5,734,672</b>	<b>(53,527,231)</b>	<b>27,368,110</b>
<b>Balance at 1 July 2021</b>	35,413,363	7,124,940	(36,611,635)	5,926,668
Loss for the year	-	-	(9,956,696)	(9,956,696)
<b>Total comprehensive (loss)</b>	-	-	(9,956,696)	(9,956,696)
Issue of shares	27,081,090	-	-	27,081,090
Share-based payments	2,506,000	695,134	-	3,201,134
Exercised options	-	(2,085,402)	2,085,402	-
Transaction costs	(671,065)	-	-	(671,065)
<b>Balance at 30 June 2022</b>	<b>64,329,388</b>	<b>5,734,672</b>	<b>(44,482,929)</b>	<b>25,581,131</b>

*The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*



# BULLSEYE MINING LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated 30 June 2023 \$	Consolidated 30 June 2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(5,361,551)	(8,360,099)
Interest received		43,738	14,607
Interest paid		(57,034)	(12,208)
Other income received		-	223,640
<b>Net cash (outflow) from operating activities</b>	<b>23</b>	<b>(5,374,847)</b>	<b>(8,134,060)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(470,489)	(2,254)
Proceeds from sale of plant and equipment		31,373	-
Payments for asset held for sale		(69,486)	(126,000)
Payments for exploration & evaluation costs		(8,095,305)	(983,450)
Payments for development exploration		-	(75,395)
Payments for investment in joint venture		-	(7,070)
Payments for acquisition of remaining 30% of BCBJV		(3,688,567)	-
Proceeds/(payments) for financial assets at amortised cost – JV loan receivable		(105,000)	1,545,768
Proceeds received upon acquisition of BCBJV		37,454	-
<b>Net cash (outflow) / inflow from investing activities</b>		<b>(12,360,020)</b>	<b>351,599</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share issues (net of transaction costs)		11,218,820	26,302,549
Proceeds from borrowings		6,500,000	-
Repayment of borrowings		(4,783,460)	(15,272,403)
Repayment of lease liabilities		(17,653)	(51,332)
Payment from funds received for shares not yet issued		-	(636,930)
<b>Net cash inflow from financing activities</b>		<b>12,917,707</b>	<b>10,341,884</b>
Net (decrease)/increase in cash & cash equivalents held		(4,817,160)	2,559,423
Cash & cash equivalents at beginning of year		5,417,723	2,858,300
<b>Cash &amp; cash equivalents at end of year</b>	<b>8</b>	<b>600,563</b>	<b>5,417,723</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



# BULLSEYE MINING LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 1. Statement of Significant Accounting Policies

#### **New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards or Interpretations did not have any significant impact on the performance or position of the consolidated entity.

The financial report covers Bullseye Mining Limited as an individual entity as well as the consolidated entity consisting of Bullseye Mining Limited and its subsidiaries.

Bullseye Mining Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report of Bullseye Mining Limited also complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Accounting Standards; Simplified Disclosures issued by the AASB and the Corporations Act 2001 appropriate for for-profit oriented entities.

#### **Reporting basis and conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.



# BULLSEYE MINING LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 1. Statement of Significant Accounting Policies (continued)

#### Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

During the year the consolidated entity (also referred to as the 'Group') incurred a net loss of \$9,044,302 and incurred net cash outflows from operating activities of \$5,374,847. At 30 June 2023, the Group had net current liabilities of \$3,148,316.

Bullseye's largest shareholder, Emerald Resources NL ('Emerald') has issued a Letter of Financial Support to Bullseye and indicated its intention to take up its full entitlement in any future entitlement issues to fund the development of Bullseye, meet costs associated with continuing legal actions and for general working capital. Emerald has also provided a loan facility to Bullseye to fund short-term working capital requirements. Emerald is an ASX-listed company with a market capitalisation of over \$1 billion and net cash inflows from operating activities of \$95 million for the year ending 30 June 2023.

Accordingly, the Directors believe the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

#### Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bullseye Mining Limited ('Company' or 'Parent Company') as at 30 June 2023 and the results of all subsidiaries for the year then ended.

Bullseye Mining Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. All controlled entities have a June financial year end.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as exploration acquisition costs. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.





## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 1. Statement of Significant Accounting Policies (continued)

##### **Income Tax**

The charge for current income tax expenses is based on the profit or loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

##### **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

##### *Depreciation*

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss.



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 1. Statement of Significant Accounting Policies (continued)

The depreciation rates are as follows:

Leasehold improvements	2.50% - 10.00%
Plant and equipment	2.50% - 14.29%
Motor vehicles	10.0% - 20.00%
Buildings & infrastructure	6.67% - 10.00%
Furniture & fittings	5.00% - 33.33%

#### Financial Instruments

##### *Recognition and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risk and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### *Classification and initial measurement of financial assets*

Financial assets are classified according to their business model and the characteristics of their contractual cash flows and are initially measured at fair value adjusting for transaction costs (where applicable).

##### *Subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

##### *Financial assets at amortised cost*

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and other receivables fall into this category of financial instruments.

##### *Impairment*

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 1. Statement of Significant Accounting Policies (continued)

The Group considers a financial asset in default when contractual payments are 90 days overdue. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

##### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

##### **Revenue**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a service to a customer.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Other revenue is measured at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

##### **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

##### **Exploration and evaluation expenditure**

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either:

- a) The exploration and evaluation activities are expected to be recouped through the successful development and exploitation of the area of interest or alternatively, by its sale; or
- b) or exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relevant to, the area of interest are continuing.

##### *Impairment*

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 1. Statement of Significant Accounting Policies (continued)

The carrying amount of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of the carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

Plainted tenements continue to have carrying values as the Group is confident that all complaints will be successfully defeated. The Group will continue to actively explore tenements to maximise their value.

#### **Development Expenditure**

Capitalised mining development costs include expenditure incurred to develop new ore bodies, to define further mineralisation in existing ore bodies and to expand the capacity of a mine. Mining development also includes costs transferred from exploration and evaluation phase once development commences in the area of interest.

Development costs are capitalised until production commences. When commercial production commences development expenditure is transferred to mine properties, at which time it is amortised on a unit of production basis based on ounces produced over the estimated resources in the area of interest.

#### **Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Contributed equity includes cash received for shares that are yet to be allotted at the reporting date where the company has no discretion as to the method of settlement and the acquiring entity does not have a contractual right to demand cash from the company.

#### **Trade and Other Receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 90 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 1. Statement of Significant Accounting Policies (continued)

##### Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

##### Impairment of Assets

Assets, other than exploration and evaluation expenditure, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

##### Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resource embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contributions are made to an employee superannuation fund and are charged as expenses when incurred.

##### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Borrowings are classified as non-current liabilities where there is a right to defer settlement of the liability for at least 12 months after the reporting date.

##### Share-based Payments

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes model.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-base payment arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 1. Statement of Significant Accounting Policies (continued)

##### Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the net profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Distributions received from joint venture entities reduces the carrying amount of the investment.

##### Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The following are the key estimates and judgements made in the preparation of the financial report.

##### Contingent Liability

Judgement is exercised in assessing the legal matters per note 30 and management deem it appropriate to disclose these matters as contingent liabilities in accordance with AASB 137.

##### Income Taxes

The Company is subject to income taxes in Australia. The Company estimates its tax liabilities based on the Company's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made. In addition, the Company has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and against which the unused tax losses can be utilised. However, utilisation of tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

##### Exploration and Evaluation of Assets

###### *Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the cost will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.





# BULLSEYE MINING LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 1. Statement of Significant Accounting Policies (continued)

#### Impairment of Assets

##### Exploration assets

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of exploration assets. Where an impairment trigger exists, the asset should be carried at its recoverable amount either through use, as supported by discounted future cash flows, or through its sale value less costs.

##### Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### Going Concern

The preparation of the financial statements has required significant judgements by the directors in assessing the application of the going concern assumption. Further details are disclosed above.

### 2. Key Management Personnel Compensation

Names and positions held of the key management personnel in office at any time during the financial year are:

Key Management Person	Position
<b>Directors</b>	
Morgan Hart	Non-Executive Chairman
Peter G Burns	Executive Director
Anthony Short	Non-Executive Director
Mark Clements	Non-Executive Director and Company Secretary

#### 2023 – Key Management Personnel – Compensation

	Short term employee benefits		Post employment benefits		Termination benefit	Total
	Salary & fees	Other	Super-annuation benefit	Annual & long service leave		
	\$	\$	\$	\$	\$	\$
Morgan Hart <sup>(i)</sup>	-	-	-	-	-	-
Peter G Burns <sup>(ii)</sup>	347,347	-	4,971	7,287	-	359,605
Anthony Short <sup>(iii)</sup>	189,000	-	-	-	-	189,000
Mark Clements <sup>(iv)</sup>	60,000	-	-	-	-	60,000
	<b>596,347</b>	<b>-</b>	<b>4,971</b>	<b>7,287</b>	<b>-</b>	<b>608,605</b>

(i) Mr Hart did not draw a salary or director's fee.

(ii) Mr Burns received a package of \$350,000 including superannuation, of which \$300,000 was paid to an associated entity, Grange Consulting & Investments.

(iii) Mr Short was paid consulting fees of \$120,000, independent legal instruction fees of \$45,000 and director's fees of \$24,000 to an associated entity, Fay Holdings Pty Ltd.

(iv) Mr Clements was paid company secretarial fees to an associated entity, Balion Pty Ltd.



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 2. Key Management Personnel Compensation (continued)

##### 2022 – Key Management Personnel – Compensation

	Short term employee benefits		Post employment benefits		Termination benefit	Total
	Salary & fees	Other	Super-annuation benefit	Annual & long service leave		
	\$	\$	\$	\$	\$	\$
Morgan Hart <sup>(i)</sup>	-	-	-	-	-	-
Peter G Burns	345,455	6,068 <sup>(ii)</sup>	4,555	5,702	-	361,780
Anthony Short	206,500	-	-	-	-	206,500
Mark Clements <sup>(iii)</sup>	3,666	-	-	-	-	3,666
Peter J Burns <sup>(iv)</sup>	160,000	-	-	-	22,500 <sup>(iv)</sup>	182,500
Ian Ladyman	182,897	-	-	-	-	182,897
Dariena Mullan	534,365	-	22,539	-	326,432	883,336
	<b>1,432,883</b>	<b>6,068</b>	<b>27,094</b>	<b>5,702</b>	<b>348,932</b>	<b>1,820,679</b>

(i) Appointed 9 June 2022. Mr Hart did not draw a salary or director's fee.

(ii) The short-term employee benefits included the use of a Bullseye Mining Limited vehicle during the financial year. Private use of the vehicle was minimal and has since ceased at the date of this report. As no logbook was maintained the benefit was calculated using a statutory formula provided by the Australian Taxation Office. The motor vehicle benefit calculated using the formula was \$6,068.

(iii) Appointed 9 June 2022. Represents company secretarial services provided for June 2022, accrued but not paid at 30 June 2022.

(iv) Represents company 3 months' notice period accrued but not paid during the financial year 1 July 2021 to 30 June 2022.

#### Option and Performance Right Holdings

There were no options or performance rights held by Key Management Personnel during the year ended 30 June 2023 (30 June 2022: nil).

#### 2023 - Shareholdings

There were no shares held by Key Management Personnel during the year ended 30 June 2023.

#### 2022 - Shareholdings

Number of shares held by Key Management Personnel:

	Balance 1 July 2021	Received as compensation	Options/rights exercised	Net change other	Balance 30 June 2022
<u>Directors</u>					
Peter J Burns	12,746,565	-	-	(12,746,565)	-
Peter G Burns	6,617,131	-	-	(6,617,131)	-
Dariena Mullan	4,210,000	-	-	(4,210,000)	-
<b>Total</b>	<b>23,573,696</b>	<b>-</b>	<b>-</b>	<b>(23,573,696)</b>	<b>-</b>

#### Other transactions with Key Management Personnel

Please refer to note 26 which details other transactions with parties related to Key Management Personnel.



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
<b>3. Revenue</b>		
<i>Revenue from operating activities</i>		
Sale of goods – recognised at point in time	-	147,180
<b>Total revenue from operating activities</b>	<b>-</b>	<b>147,180</b>
<i>Other revenue</i>		
Gain on disposal of assets	17,106	-
Other income	9,474	86,575
Interest received	107,920	993,206
<b>Total other revenue</b>	<b>134,500</b>	<b>1,079,781</b>
<b>Total revenue</b>	<b>134,500</b>	<b>1,226,961</b>
<b>4. Depreciation and Amortisation Expenses</b>		
Depreciation of property, plant and equipment	53,151	28,323
Depreciation of right-of-use-asset	-	47,246
Amortisation of development assets	1,005,044	-
<b>Total depreciation and amortisation expenses</b>	<b>1,058,195</b>	<b>75,569</b>
<b>5. Employee Benefit Expenses</b>		
Salaries and wages expense	76,763	1,791,755
Provision for annual leave	7,550	(230,050)
Provision for long service leave	5,975	(57,102)
Superannuation contribution	6,054	84,028
<b>Total employee benefit expenses</b>	<b>96,342</b>	<b>1,588,631</b>
<b>6. Other Expenses</b>		
Auditors' remuneration	85,069	138,415
Bookkeeping fees	-	70,055
Foreign exchange gains/(losses)	4,415	-
Legal costs	3,351,509	5,330,339
Payroll tax <sup>(i)</sup>	(72,494)	91,264
Share-based payments	200,000	1,178,050
Other expenses	366,332	167,275
<b>Total other expenses</b>	<b>3,934,831</b>	<b>6,975,398</b>

(i) Includes adjustment for payroll tax estimates relating to prior financial years

# BULLSEYE MINING LIMITED



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
<b>7. Income Tax Expense</b>		
<b>(a) The components of tax expense comprise:</b>		
<b>Income tax expense</b>		
Current tax expense	-	-
Deferred tax expense	-	-
Total income tax expense per income statement	-	-
Numerical reconciliation of income tax expense to prima facie tax payable		
<b>Income (loss) before income tax</b>	<b>(9,044,302)</b>	<b>(9,956,696)</b>
Corporate tax rate applicable	30.00%	25.00%
<b>Income tax expense/(benefit) on above at applicable corporate rate</b>	<b>(2,713,291)</b>	<b>(2,489,174)</b>
Increase/(decrease) in income tax due to tax effect of:		
Share based payments expense	60,000	-
Non-deductible expenses	885,245	1,334,509
Current year tax losses not recognised	1,794,772	1,154,665
Deductible equity raising costs	(26,726)	-
Income tax expense attributable to entity	-	-
<b>Deferred tax assets and liabilities</b>		
<b>(b) Recognised deferred tax assets and liabilities:</b>	30.00%	25.00%
<b>Deferred tax assets</b>		
Employee provisions	9,074	22,247
Other provisions & accruals	12,059	17,932
Rehabilitation assets & liabilities	83,521	69,601
Plant & equipment	14,004	-
Blackhole – previously expensed	2,140,573	1,553,572
Tax losses	4,737,942	2,938,910
	<b>6,997,173</b>	<b>4,602,262</b>
Set-off of deferred tax liabilities	(6,997,173)	(4,602,262)
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>

# BULLSEYE MINING LIMITED



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
<b>7. Income Tax Expense (continued)</b>		
<i><b>Deferred tax liabilities</b></i>		
Prepayments	(494)	(339)
Exploration & mine properties	(6,996,679)	(4,598,998)
Plant & Equipment	-	(2,925)
	<b>(6,997,173)</b>	<b>(4,602,262)</b>
Set-off of deferred tax assets	6,997,173	4,602,262
Net deferred tax liabilities	-	-
<b>8. Cash and cash equivalents</b>		
<b>Current</b>		
Cash at bank	600,063	5,417,221
Cash on hand	500	502
<b>Total cash and cash equivalents</b>	<b>600,563</b>	<b>5,417,723</b>
<b>9. Trade and other receivables</b>		
<b>Current</b>		
Deposit – rental bond	4,000	4,000
Fuel tax credits receivable	45,451	-
Other receivable	250,510	31,630
GST receivable	289,246	205,037
Prepayments	152,064	218,230
<b>Total trade and other receivables</b>	<b>741,271</b>	<b>458,897</b>
<b>10. Financial assets at amortised cost</b>		
<b>Current</b>		
Joint venture loan	-	2,500,000



# BULLSEYE MINING LIMITED



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
<b>11. Inventories</b>		
<b>Current</b>		
Diesel	98,649	-
<b>Non-current</b>		
Ore stockpiles (note 25)	1,561,153	-
<b>Total inventories</b>	<b>1,659,802</b>	<b>-</b>
<b>12. Asset held for sale</b>		
Carrying amount at beginning of year	756,366	-
Transfer from property, plant and equipment	-	630,366
Additions	69,486	126,000
<b>Total asset held for sale</b>	<b>825,852</b>	<b>756,366</b>



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 13. Property, plant and equipment

Consolidated 2023	Plant & equipment	Motor vehicles	Furniture and fittings	Leasehold improvements	Buildings & infrastructure	Capital work- in-progress	Total
\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>209,618</b>	<b>21,642</b>	<b>7,877</b>	<b>10,905</b>	-	-	<b>250,042</b>
Additions	2,370	-	1,490	-	-	471,183	475,043
Transfers between classes	137,641	190,000	33,270	-	110,272	(471,183)	-
Disposals	(11,701)	(1,999)	(158)	-	-	-	(13,858)
Depreciation expense	(26,973)	(17,820)	(4,190)	(438)	(3,730)	-	(53,151)
<b>Balance at 30 June 2023</b>	<b>310,955</b>	<b>191,823</b>	<b>38,289</b>	<b>10,467</b>	<b>106,542</b>	-	<b>658,076</b>
At cost	557,960	409,089	46,915	17,194	110,272	-	1,141,430
Accumulated depreciation	(247,005)	(217,266)	(8,626)	(6,727)	(3,730)	-	(483,354)
<b>Total</b>	<b>310,955</b>	<b>191,823</b>	<b>38,289</b>	<b>10,467</b>	<b>106,542</b>	-	<b>658,076</b>

Consolidated 2022	Plant & equipment	Motor vehicles	Furniture and fittings	Leasehold improvements	Buildings & infrastructure	Capital work- in-progress	Total
\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>857,289</b>	<b>28,607</b>	<b>9,227</b>	<b>11,354</b>	-	-	<b>906,477</b>
Additions	2,254	-	-	-	-	-	2,254
Transfers between classes	-	-	-	-	-	-	-
Classified as held for sale	(630,366)	-	-	-	-	-	(630,366)
Disposals	-	-	-	-	-	-	-
Depreciation expense	(19,559)	(6,965)	(1,350)	(449)	-	-	(28,323)
<b>Balance at 30 June 2022</b>	<b>209,618</b>	<b>21,642</b>	<b>7,877</b>	<b>10,905</b>	-	-	<b>250,042</b>
At cost	591,636	298,893	73,559	17,194	-	-	981,282
Accumulated depreciation	(382,018)	(277,251)	(65,682)	(6,289)	-	-	(731,240)
<b>Total</b>	<b>209,618</b>	<b>21,642</b>	<b>7,877</b>	<b>10,905</b>	-	-	<b>250,042</b>



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
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#### 14. Exploration and evaluation assets

##### *Exploration and evaluation phase:*

Carrying amount at beginning of year net of impairment	15,605,486	14,576,909
Additions	8,651,399	1,158,114
Acquisition of joint ventures (refer note 25)	5,191,583	-
Amounts impaired (exploration write-off)	(866,768)	(129,537)
<b>Carrying amount at end of year net of impairment</b>	<b>28,581,700</b>	<b>15,605,486</b>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation or sale of respective areas.

#### 15. Development expenditure

##### ***Development***

Carrying amount at beginning of year net of impairment	2,865,900	2,790,505
Additions	-	75,395
Amounts amortised	(1,005,044)	-
Amounts impaired (development write-off) <sup>(i)</sup>	(1,860,856)	-
<b>Carrying amount at end of year net of impairment</b>	<b>-</b>	<b>2,865,900</b>

(i) Upon cessation of the Bungarra mining campaigns, costs relating to Bungarra development (net of amortisation) were written off during the period, as the Group is not currently in a development phase.

#### 16. Trade and other payables

Trade creditors	1,123,831	868,520
Accruals	2,056,593	377,122
Other creditors	243,188	371,330
<b>Total trade and other payables</b>	<b>3,423,612</b>	<b>1,616,972</b>

# BULLSEYE MINING LIMITED



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
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### 17. Interest-bearing liabilities

#### Current

NAB Business Mastercard	-	215
Loan - convertible note	-	33,738
Fee Funding	-	17,652
Less unexpired interest charge	-	(492)
Loan - unsecured	1,757,793	-
	<b>1,757,793</b>	<b>51,113</b>

The Group holds an unsecured loan facility with its parent company, Emerald Resources NL, with a face value of \$1,750,000 at 30 June 2023. The facility attracts an interest rate of 12% per annum which is capitalised into the loan.

	Loan: unsecured \$	Loan: Convertible note \$
At the beginning of reporting date - 1 July 2022	-	33,738
Add Interest	64,333	-
Proceeds received from borrowings	6,500,000	-
Less repayment of borrowings and interest	(4,806,540)	(33,738)
<b>At reporting date - 30 June 2023</b>	<b>1,757,793</b>	<b>-</b>

	Consolidated 2023 \$	Consolidated 2022 \$
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### 18. Provisions

#### Current

Superannuation contribution	3,696	1,488
Provision for annual leave	24,149	88,989
	<b>27,845</b>	<b>90,477</b>

#### Non-current

Provision for rehabilitation	278,404	-
Provision for long service leave	6,099	-
	<b>284,503</b>	<b>-</b>

<b>Total Provisions</b>	<b>312,348</b>	<b>90,477</b>
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# BULLSEYE MINING LIMITED



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
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### 19. Other current liabilities

#### Current

Accrued wages	-	36,673
Payroll tax payable	-	294,185
Other payables	205,401	183,863
<b>Total other current liabilities</b>	<b>205,401</b>	<b>514,721</b>

### 20. Issued capital

Fully paid ordinary shares	75,160,669	64,329,388
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Fully paid ordinary shares	\$/share	No. of shares	\$ Value
Balance at 1 July 2022		445,599,851	64,329,388
Shares issued under the December 2022 non-renounceable pro-rata entitlements issue	\$0.29	21,401,944	6,206,564
Shares issued under the March 2023 non-renounceable pro-rata entitlements issue	\$0.29	17,279,718	5,011,118
Less transaction costs arising on share issue		-	(386,401) <sup>(i)</sup>
<b>Balance at 30 June 2023</b>		<b>484,281,513</b>	<b>75,160,669</b>

(i) Share issue transactions costs include payment of \$366,000 to NEZA trust for capital raising fees in relation to Matter CIV 1989 of 2020





## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 20. Issued capital (continued)

Fully paid ordinary shares	\$/share	No. of shares	\$ Value
Balance at 1 July 2021		316,941,139	35,413,363
Shares issued during the year	\$0.20	12,977,529	2,595,506
Shares issued during the year on conversion of funds previously advanced	\$0.20	3,272,880	654,576
Shares issued during the year in lieu of capital raising services provided	\$0.20	861,391	172,278
Shares issued during the year in lieu of interest owed on funds advanced	\$0.20	1,535,112	307,023
Shares issued during the year in lieu of ball mill finder's fee	\$0.20	630,000	126,000
Shares issued during the year in lieu of consulting and advisory services provided	\$0.20	9,700,000	1,940,000
Shares issued during the year in lieu of consulting and advisory services provided	\$0.23	1,913,043	440,000
Shares issued during the year on options exercise	\$0.23	26,086,956	6,000,000
Shares issued during the year on redemption of convertible notes	\$0.23	26,558,684	6,108,497
Shares issued during the year in lieu of capital raising services provided	\$0.24	1,784,713	429,300
Shares issued during the year on redemption of convertible notes	\$0.25	20,709,397	5,177,349
Shares issued during the year	\$0.27	645,356	174,246
Shares issued during the year in lieu of capital raising services provided	\$0.27	38,722	10,455
Shares issued during the year on conversion of loan facility	\$0.22	6,345,533	1,396,017
Shares issued during the year on conversion of loan facility	\$0.26	15,599,396	4,055,843
Less transaction costs arising on share issue		-	(671,065)
<b>Balance at 30 June 2022</b>		<b>445,599,851</b>	<b>64,329,388</b>

	Consolidated 2023 \$	Consolidated 2022 \$
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#### 21. Reserves

##### Share-based payments reserve

Opening balance	5,734,672	7,124,940
Options issued during the year (refer note 32)	-	695,134
Options exercised during the year	-	(2,085,402)
<b>Closing Balance</b>	<b>5,734,672</b>	<b>5,734,672</b>

The share-based payment reserve is used to recognise the fair value of options not yet exercised and performance rights not yet vested.



# BULLSEYE MINING LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
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### 22. Accumulated losses

Accumulated losses at the beginning of the financial year	(44,482,929)	(36,611,635)
Transfer from share payments reserve to exercised options	-	2,085,402
(Loss) for the year attributable to members of the Company	(9,044,302)	(9,956,696)
<b>Accumulated losses at the end of the financial year</b>	<b>(53,527,231)</b>	<b>(44,482,929)</b>

### 23. Cash flow information

#### Reconciliation of cash flows from operating activities with loss after tax:

Loss after income tax	(9,044,302)	(9,956,696)
<i>Adjustments for:</i>		
Depreciation & amortisation	1,058,195	75,569
Profit on disposal of assets	(17,106)	-
Share based payments expense	200,000	1,178,050
Write off of exploration and evaluation expenditure	866,768	129,537
Write off of development assets	1,860,856	-
<i>Changes in assets and liabilities:</i>		
Decrease in trade and other receivables	7,953	155,464
(Decrease)/ increase in trade and other payables	(313,310)	571,168
(Decrease)/ increase in provisions	6,099	(287,152)
<b>Net cash flows used in operating activities</b>	<b>(5,374,847)</b>	<b>(8,134,060)</b>



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
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#### 24. Parent entity disclosures

##### Financial position

##### Assets

Current assets	2,232,397	9,597,646
Non-current assets	30,923,157	18,663,081
<b>Total assets</b>	<b>33,155,554</b>	<b>28,260,727</b>

##### Liabilities

Current liabilities	5,240,780	2,269,002
Non-current liabilities	6,099	-
<b>Total liabilities</b>	<b>5,246,879</b>	<b>2,269,002</b>

##### Equity

Issued capital	75,160,667	64,329,388
Reserves	5,734,672	5,734,672
Accumulated losses	(52,986,664)	(44,072,335)
<b>Total equity</b>	<b>27,908,675</b>	<b>25,991,725</b>

##### Financial performance

Loss for the year	(8,914,329)	(9,943,956)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(8,914,329)</b>	<b>(9,943,956)</b>

#### 25. Blue Cap Bullseye Joint Venture Acquisition

On 19 September 2022, Bullseye Mining Limited ('Bullseye') entered into an agreement with Blue Cap Equities Pty Ltd ATF Blue Capital Trust No.2 to acquire their 30% interest in the Blue Cap Bullseye Joint Venture, giving Bullseye 100% ownership of the joint venture and associated entities.

##### Value of investment

Initial investment for 70% interest already held	7,140	7,140
Purchase cost to acquire remaining 30% interest	3,060	-
<b>Total value of investment</b>	<b>10,200</b>	<b>7,140</b>

The Group determined that the transaction did not constitute a business combination in accordance with AASB 3 Business Combinations. The acquisition of the net assets has therefore been accounted for as an asset acquisition. When an asset acquisition does not constitute a business combination, the assets and liabilities acquired are allocated a carrying amount, based on their relative fair values.

The value of the assets acquired and liabilities assumed has been allocated on a fair value basis.



# BULLSEYE MINING LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
<b>25. Blue Cap Bullseye Joint Venture Acquisition (continued)</b>		
Details of the purchase consideration and the net liabilities assumed are as follows:		
<b>Net liabilities assumed</b>		
Cash and cash equivalents	37,554	-
Trade and other receivables	23,521	-
Inventory	1,561,153	-
Development asset	2,258,926	-
Total assets	3,881,154	-
Trade and other payables	1,632,485	-
Other payables	4,892,722	-
Provisions	278,404	-
Total liabilities	6,803,611	-
<b>Net liabilities assumed</b>	<b>2,922,457</b>	-
Total value of investment	10,200	-
Net liabilities assumed	2,922,457	-
<b>Capitalised exploration asset</b>	<b>2,932,657</b>	-

On acquisition the Development asset was transferred to exploration and evaluation assets, as this was the intended purpose for these assets. This gave rise to a total addition on acquisition of \$5,191,583.

## 26. Related party disclosures

The Company paid consulting fees to Grange Consulting & Investments, a related party/entity of director Peter G Burns, of \$300,000 (2022: \$300,000). Grange Consulting & Investments is a consulting entity whereby Peter G Burns provides services to Bullseye in his capacity as Executive Director for Bullseye Mining Limited, Bullseye Resources Limited, Broken Hill Metals Pty Ltd and Goldwinner Corporation Pty Ltd.

The Company paid consulting fees, independent legal instruction and director fees to Fay Holdings Pty Ltd, a related party/entity of Non-Executive Director Anthony Short of \$189,000 (2022: \$206,500).

The Company paid company secretarial fees to Balion Pty Ltd, a related party/entity of Non-Executive Director Mark Clements, of \$60,000 (2022: \$3,666).

Details relating to key management personnel including remuneration paid are included in note 2.

# BULLSEYE MINING LIMITED



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 26. Related party disclosures (continued)

Emerald is the controlling shareholder of the Company with a 76.5% ownership at the date of this report. Emerald loaned a total of \$6,500,000 to Bullseye during the financial year. The unsecured loan facilities have an interest rate of 12% per annum, capitalised. \$4,750,000 was repaid during the year. Subsequent to year end a further \$5,000,000 has been drawn down. Refer to the Financing Activities section in the Directors' Report for further details.

A secured loan facility of \$2,500,000 was advanced to Blue Cap Bullseye Joint Venture Unit Trust (borrower) by the Company (lender) in the previous financial year, at an interest rate of 15% per annum. A further \$105,000 was advanced in August 2022. In October 2022, the Company acquired the remaining 30% interest in the joint venture and associated entities, and therefore assumed these liabilities as part of this transaction. Refer to note 25 for details on the acquisition.

There were no transactions with other related parties during the current financial year.

### 27. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and result of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Class of shares	Entity holding	
			2023 %	2022 %
Bullseye Resources Pty Ltd <sup>(i)</sup>	Australia	Ordinary	100	100
Broken Hill Metals Pty Ltd	Australia	Ordinary	100	100
EGF Nickel Pty Ltd	Australia	Ordinary	100	100
Goldwinner Corporation Pty Ltd	Australia	Ordinary	100	100
Blue Cap Bullseye Joint Venture Pty Ltd	Australia	Ordinary	100	70
Dingo Range Pty Ltd	Australia	Ordinary	100	70
Blue Cap Bullseye Joint Venture Unit Trust	Australia	Unit	100	70

(i) Previously Bullseye Resources Limited (prior to 30 September 2022)

### 28. Interests in Joint Ventures

Interest in joint ventures are accounted for using the equity method.

Following Bullseye's acquisition of the remaining 30% interest in the Blue Cap Bullseye Joint Venture on 19 September 2022 (refer to note 25), the Group no longer holds any interests in joint ventures.

Information relating to joint ventures in the comparative period are set out below:

Name of entity	Country of incorporation	Class of shares	Entity holding	
			2023 %	2022 %
Blue Cap Bullseye Joint Venture Pty Ltd	Australia	Ordinary	100 <sup>(i)</sup>	70 <sup>(ii)</sup>
Dingo Range Pty Ltd	Australia	Ordinary	100 <sup>(i)</sup>	70 <sup>(ii)</sup>
Blue Cap Bullseye Joint Venture Unit Trust	Australia	Unit	100 <sup>(i)</sup>	70 <sup>(ii)</sup>

(i) Wholly owned subsidiary from 19 September 2022. No longer a joint venture.

(ii) Bullseye owned 70% of the shares of the company and 70% units of the unit trust and Blue Cap owned 30% of the shares of the company and 30% units of the unit trust. The Blue Cap Bullseye Joint Venture Pty Ltd and Blue Cap Bullseye Joint Venture Unit Trust had been determined to be a stapled arrangement.

# BULLSEYE MINING LIMITED



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated 2023 \$	Consolidated 2022 \$
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### 28. Interests in Joint Ventures (continued)

#### Blue Cap Bullseye Joint Venture Unit Trust

The joint venture was formed on 21 October 2020 and ended on 4 October 2022.

#### Summarised statement of financial position

Total assets	-	5,335,737
Total liabilities	-	6,187,823
<b>Net (liabilities)</b>	-	<b>(852,086)</b>

#### Summarised statement of profit or loss and comprehensive income

Total comprehensive (loss) for the year	-	(126,513)
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#### Share of loss of joint venture accounted for using the equity method

Share of loss – joint ventures (70%)	-	(88,559)
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#### Dingo Range Pty Ltd

The joint venture was formed on 9 March 2021 and ended on 4 October 2022

#### Summarised statement of financial position

Total assets	-	1,106,179
Total liabilities	-	3,863,742
<b>Net (liabilities)</b>	-	<b>(2,757,563)</b>

#### Summarised statement of profit or loss and comprehensive income

Total comprehensive (loss) for the year	-	(2,635,836)
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#### Share of loss of joint venture accounted for using the equity method

Share of loss – joint ventures (70%)	-	(1,845,084)
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## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 29. Financial instruments

##### Financial Risk Management

The Group's financial instruments consists primarily of deposits with banks and accounts receivable and payable.

The Group does not have any derivative instruments at 30 June 2022 or 30 June 2023.

##### Fair Value Estimation

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- Transaction costs are included in the determination of net fair value.

The Group did not have access to any undrawn borrowing facilities at either 30 June 2022 or 2023.

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values due to the short-term nature of these assets and liabilities.

##### Cash flow and fair value interest rate

The Group's main interest rate risk arises from cash and short-term borrowings.

##### Sensitivity

The Group's main interest rate risk arises from cash and cash equivalents with variable interest rates. At 30 June 2023, the Group's exposure to interest rate risk is not considered material.

##### Interest Rate Risk

The following table sets out the carrying amounts, by maturity, of the financial instruments exposed to interest rate risk:



# BULLSEYE MINING LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 29. Financial instruments (continued)

Year ended 30 June 2023	Within 1 year	1 to 5 years	Over 5 years	Total	Weighted average effective interest rate
Consolidated	\$	\$	\$	\$	%

#### Financial assets

##### ***Floating interest rate***

Cash and cash equivalents	600,563	-	-	600,563	0.00%
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##### ***Non-Interest bearing***

Trade and other receivables	741,271	-	-	741,271	
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<b>Total financial assets</b>	<b>1,341,834</b>	<b>-</b>	<b>-</b>	<b>1,341,834</b>	
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#### Financial liabilities

##### ***Interest bearing***

Borrowings	1,757,793	-	-	1,757,793	12.00%
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##### ***Non-Interest bearing***

Trade and other payables	3,423,612	-	-	3,423,612	
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<b>Total financial liabilities</b>	<b>5,181,405</b>	<b>-</b>	<b>-</b>	<b>5,181,405</b>	
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Year ended 30 June 2022	Within 1 year	1 to 5 years	Over 5 years	Total	Weighted average effective interest rate
Consolidated	\$	\$	\$	\$	%

#### Financial assets

##### ***Floating interest rate***

Cash and cash equivalents	5,417,723	-	-	5,417,723	0.10%
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##### ***Fixed interest rate***

Joint venture loan	2,500,000	-	-	2,500,000	15.0%
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##### ***Non-Interest bearing***

Trade and other receivables	458,897	-	-	458,897	
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<b>Total financial assets</b>	<b>8,376,620</b>	<b>-</b>	<b>-</b>	<b>8,376,620</b>	
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#### Financial liabilities

##### ***Interest bearing***

Borrowings	51,113	-	-	51,113	7.26%
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##### ***Non-Interest bearing***

Trade and other payables	1,616,972	-	-	1,616,972	
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<b>Total financial liabilities</b>	<b>1,668,085</b>	<b>-</b>	<b>-</b>	<b>1,668,085</b>	
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# BULLSEYE MINING LIMITED



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 29. Financial instruments (continued)

#### Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. Surplus funds are generally only invested in instruments that are term deposits with banks.

#### Credit Risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating of 'A' are accepted. Otherwise, if there is no independent rating, the board assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on the internal or external rating in accordance with limits set by the Board.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to financial assets is the carrying amount, net of any provisions, as disclosed in the statement of financial position and notes to the financial statements.

There are no significant concentrations of credit risk within the Group at the reporting date. The following table represents the Group's exposure to credit risk.

	Consolidated 2023 \$	Consolidated 2022 \$
Cash and cash equivalents	600,563	5,417,723
Trade receivables	741,271	458,897
Other receivables	-	2,500,000
	<b>1,341,834</b>	<b>8,376,620</b>

#### Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to strive to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors its working capital position against expenditure requirements to undertake its planned exploration and evaluation program and maintain its ongoing corporate operations. Where required, the Group will sell assets, issue new securities, raise debt or modify its exploration and evaluation program to ensure that the Group's working capital requirements are met.

The Company debt to equity ratio is 20.82%.

# BULLSEYE MINING LIMITED



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 30. Commitments and Contingencies

#### (a) Exploration Commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to meet minimum expenditure requirements of the relevant regulatory bodies. Minimum expenditure requirements including permit rentals are detailed in the table below. These commitments are subject to renewal of the permits, renegotiation upon expiry of the exploration permit or when application for a mining permit is made. These commitments are not provided for in the financial statements.

Exploration commitments contracted for at reporting date but not recognised as liabilities are as follows:

	Consolidated 2023 \$	Consolidated 2022 \$
Within one year	3,078,214	2,286,885
After one year but no more than five years	4,888,188	5,039,732
More than five years	4,289,736	5,964,001
	<b>12,256,138</b>	<b>13,290,618</b>

#### (b) Contingent Liabilities

##### Matter CIV 1987 of 2020 – District Court of Western Australia

In May 2020, Mr Sam Cheng brought an action in the District Court of Western Australia, CIV 1987 of 2020, against Bullseye, alleging that Bullseye has breached a contract between Bullseye and Mr Cheng entered into around 9 October 2013, by failing or refusing to pay monthly consulting fees to Mr Cheng in the amount of \$580,000 during the period from June 2018 until May 2020.

Bullseye has lodged a defence and counterclaim against Mr Sam Cheng and other parties, seeking unliquidated damages for:

- conspiring to cause harm and injury to Bullseye (against all defendants by counterclaim); and
- breach of contract and fiduciary duties owed to Bullseye (against Mr Cheng only).

The matter is in the interlocutory stages of the Court process and trial dates for this action have not yet been set.

##### Dispute with Inca Minerals Limited

Bullseye and Inca Minerals Limited are in dispute in relation to nickel rights on two of Bullseye's non-core tenements within Bullseye's North Laverton Gold Project. The parties attended a mediation session, facilitated by his Honour Rene Le Miere KC on 6 December 2022. A resolution to the dispute was not reached and the mediation was adjourned until a further date, yet to be set. This matter is not deemed material to Bullseye.

##### Applications For Forfeiture and Objections to Exemption

From 27 June 2019 through to 12 March 2020, applications for forfeiture (Plaints) were lodged against many of the Company's North Laverton Gold Project and Southern Cross tenements. A total of 18 Plaints were lodged against the Company's mining and exploration tenements by Golden Soak Enterprises Pty Ltd, however each of these were subsequently withdrawn in August 2023.



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 30. Commitments and Contingencies (continued)

A total of 55 Complaints were lodged by West Australian Prospectors Pty Ltd (WAP) and Mr Zygmund Wolski (Wolski), collectively, against mining and exploration tenements held by Bullseye and its subsidiaries. Of those 55 Complaints, the Complaints relating to the North Laverton Gold Project have been lodged by Wolski and those relating to the Southern Cross Gold Project have been lodged by either Wolski or WAP.

In addition to the above, 14 objections to exemption from expenditure applications have been lodged by WAP or Wolski against 17 mining and exploration tenements held by Bullseye and its subsidiaries. The objections to exemption from expenditure applications were heard in the Perth Warden's Court, before Warden Cleary, on 28 and 29 March 2023, with the decision of Warden Cleary now pending.

In December 2022 and January 2023, objections to exemption from expenditure applications and applications for forfeiture were lodged by Turner River Holdings Pty Ltd (Turner River) against two tenements held by Bullseye's wholly owned subsidiary EGF Nickel Pty Ltd. Bullseye will pursue the grant of a certificate of exemption as a defence to the proceedings brought by Turner River.

#### **Royalty**

A Net Smelter Royalty (NSR) of 1.5% is payable by Bullseye Mining Limited to Resolute (Treasury), relating to the Hopes Hill Gold Mine (M77/551). The NSR is only payable if the Hopes Hill Gold Mine is put back into production.

There are no other contingent liabilities.

#### 31. Events subsequent to year end

##### **Short-Term Working Capital Loan**

Bullseye has drawn down a further \$5,000,000 from the Emerald loan facility since the end of the financial year.

##### **Settled Legal Matters**

On 26 July 2023, Bullseye, Xinhe and Au Xingao and various other parties signed Settlement Deeds to settle the following matters:

- a) Hongkong Xinhe International Investment Company Limited v Bullseye Mining Limited and Ors COR 83 of 2020 in the Supreme Court of Western Australia;
- b) Hongkong Xinhe International Investment Company Limited v Bullseye Mining Limited and Ors COR 139 of 2021 in the Supreme Court of Western Australia;
- c) Hongkong Xinhe International Investment Company Limited and Anor v Bullseye Mining Limited and Ors COR 159 of 2022 in the Supreme Court of Western Australia;
- d) Hongkong Xinhe International Investment Company Limited and Anor v Bullseye Mining Limited and Ors COR 22 of 2023 in the Supreme Court of Western Australia;
- e) Cheng v Bullseye Mining Limited CIV1987 of 2020 (District Court of Western Australia), the settlement of which is limited to the counterclaim made by Bullseye against Xinhe and Mr Huang.



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 31. Events subsequent to year end (continued)

As consideration for the Settlement, Bullseye issued a total of 22,800,000 Bullseye shares to Au Xingao on 17 August 2023 and all parties agreed to bear their own legal costs of the various matters referred to above.

##### **Takeover bid**

On 27 July 2023, Bullseye entered into a Bid Implementation Agreement with Emerald pursuant to which, Bullseye's Independent Board Committee recommended that Bullseye shareholders accept the off-market takeover offer ('Offer'), in the absence of a superior proposal. Under the Offer, Bullseye shareholders will receive 1 new Emerald share for every 4 Bullseye shares held.

On 18 August 2023, Emerald released a Bidder's Statement. On 21 August 2023, Bullseye shareholder, Mr Desmond Mullan made an application for interim orders to the Australian Government Takeovers Panel (Takeovers Panel).

On 6 September 2023, the Company released a Target's Statement, in which the IBC unanimously recommended that shareholders accept the offer from Emerald in the absence of a superior proposal. The Target's Statement included an Independent Expert's Report by BDO Corporate Finance (WA) Pty Ltd, who concluded that the Emerald Offer of 1 Emerald Share for every 4 Bullseye Shares held is both fair and reasonable and is above the Independent Expert's estimated fair market value.

On 6 October 2023, the Takeovers Panel made a Declaration of Unacceptable Circumstances. The Takeovers Panel made orders that (among other things) Bullseye:

- (a) not process acceptances from Xinhe and Au Xingao until 5 business days after the date of the Orders (being 13 October 2023);
- (b) offer withdrawal rights to any Bullseye shareholders (other than Xinhe and Au Xingao) who have accepted the Offer as at 5:00pm (AWST) on the date of Bullseye's Supplementary Target's Statement for a period that is 10 business days after the date of Bullseye's Supplementary Target's Statement (being the withdrawal rights period). Bullseye is required to issue a Supplementary Target's Statement which includes an independent expert's report on the Share Settlement and whether Xinhe and Au Xingao have been provided with a benefit that has not otherwise been provided to other Bullseye shareholders;
- (c) dispatch a notice which explains to Bullseye shareholders the effect of the Panel's declaration and orders and includes details of how to and when they can exercise the right of withdrawal offered. This notice will explain that a Bullseye shareholder who accepts into the Offer and disposes of any Emerald shares issued to them as consideration is deemed to have forfeited their withdrawal right; and
- (d) extend the closing date of the Offer to 5:00pm (AWST) on the date that is 10 business days after the date of Bullseye's Supplementary Target's Statement.



## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 31. Events subsequent to year end (continued)

On 13 October 2023, Emerald issued 24,278,125 shares in consideration for 97,112,500 Bullseye shares and increased its percentage to 76.50%. The Takeover Bid is due to close on 27 October 2023 (subject to further extensions to be made by Emerald to ensure the Offer remains open until 5:00pm (AWST) on the date that is 10 business days after the date of Bullseye's Supplementary Target's Statement).

At the date of this report, the preparation for the Company's Supplementary Target's Statement is underway.

#### Change of Auditor

On 22 August 2023, the Company advised it had received approval from the Australian Securities and Investments Commission to change its auditor to HLB Mann Judd (HLB). Accordingly, the Company accepted the resignation of BDO Audit (WA) Pty Ltd and a resolution will be placed at the Company's Annual General Meeting to ratify the appointment of HLB.

There are no further material events subsequent to balance date.

#### 32. Share-based payments

There were no shares or options issued as share-based payments during the year ended 30 June 2023. However, \$200,000 of share-based payments were expensed during the year, which relate to consulting fees settled through the issue of shares in the prior financial year.

#### Shares

The following shares were issued as share-based payments during the year ended 30 June 2022. All share issues are to unrelated third parties unless otherwise stated.

No. of Shares	Price of fully paid ordinary shares issued	Value (\$)	Purpose
1,913,043	\$0.23	\$440,000	In lieu of consulting and advisory services provided
9,700,000	\$0.20	\$1,940,000	In lieu of consulting and advisory services provided
630,000	\$0.20	\$126,000	In consideration for Ball Mill finder's fee
1,535,112	\$0.20	\$307,023	In lieu of interest owed on funds advanced
861,391	\$0.20	\$172,278	In lieu of capital raising services provided
3,272,880	\$0.20	\$654,576	On conversion of funds previously advanced
38,722	\$0.27	\$10,455	In lieu of capital raising services provided
1,784,713	\$0.24	\$429,300	In lieu of capital raising services provided
15,599,396	\$0.26	\$4,055,843	On conversion of loan facilities
6,345,533	\$0.22	\$1,396,017	On conversion of loan facility
26,558,684	\$0.23	\$6,108,497	Redemption of funds provided by convertible note holders
20,709,397	\$0.25	\$5,177,349	Redemption of funds provided by convertible note holders





## BULLSEYE MINING LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 32. Share-based payments (continued)

##### Options

Grant date	Expiry date	Exercise price	Balance 1/7/21	Granted	Exercised	Expired/ forfeited/ other	Balance 30/6/22
7/5/2021	7/5/2022	\$0.23	2,000,000	-	(2,000,000)	-	-
28/6/2021	28/6/2022	\$0.23	2,000,000	-	(2,000,000)	-	-
7/7/2021	7/7/2022	\$0.23	-	2,000,000	(2,000,000)	-	-
Weighted average exercise price			\$0.23	\$0.23	\$0.23	\$0.00	\$0.00

The fair value of options at grant date is calculated using a Black Scholes model. The inputs used to value the options granted in the previous financial year are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Interest rate
7/7/2021	7/7/2022	\$0.23	\$0.23	90%	0%	10%

No. of options	Details	Value (\$)	Purpose
2,000,000*	Fully paid ordinary shares at \$0.23 each	\$695,134	Loan funds to Blue Cap Bullseye Joint Venture provided by an unrelated party

There were no unlisted Performance rights issued as share-based payments during the years ended 30 June 2022 and 30 June 2023.

#### 33. Auditors Remuneration

Amounts received or due and receivable at 30 June by the auditors for:

	Consolidated 2023 \$	Consolidated 2022 \$
Audit Services – BDO	60,069	77,220
Audit Services – HLB Mann Judd	25,000	-
Other services (on-charge of legal fees)	-	61,195
<b>Total</b>	<b>85,069</b>	<b>138,415</b>

#### 34. Company Details – Bullseye Mining Limited

*Registered Office*  
Ground Floor  
1110 Hay Street  
West Perth WA 6005

*Principal Office*  
Ground Floor  
1110 Hay Street  
West Perth WA 6005

**BULLSEYE MINING LIMITED**  
**DIRECTORS' DECLARATION**



The directors of the company declare that:

1. The financial statements and notes, as set out on pages 19 to 54, are in accordance with the Corporations Act 2001:
  - (a) comply with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the consolidated entity.
2. The consolidated entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

**Peter G Burns**  
**Executive Director**

Dated: 27 October 2023

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Bullseye Mining Limited

**Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Bullseye Mining Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Information Other than the Financial Report and Auditor's Report Thereon***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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### *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**27 October 2023**



**L Di Giallonardo**  
**Partner**





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